



# Supplier Code of conduct

of HSB-Vertriebs GmbH

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# 1. INTRODUCTION / PREAMBLE

HSB-Vertriebs GmbH is committed to ecologically and socially responsible corporate management. We expect the same behavior from all our suppliers. We also expect our employees to observe the principles of ecological, social and ethical behavior and to integrate them into the corporate culture. Furthermore, we strive to continuously optimize our corporate actions and our products in terms of sustainability and ask our suppliers to contribute to this in terms of a holistic approach.

For future cooperation, the contractual partners agree on the validity of the following regulations for a common code of conduct. This agreement shall apply as the basis for all future deliveries. The contractual partners undertake to comply with the principles and requirements of the Code of Conduct and to endeavor to contractually oblige their subcontractors to comply with the standards and regulations set out in this document. This agreement shall become effective upon signature. A offence of this Code of Conduct may ultimately be grounds and cause for the company to terminate the business relationship including all associated supply contracts.

The Code of Conduct is based on national laws and regulations such as the Supply Chain Sourcing Obligations Act (Lieferkettensorgfaltspflichtengesetz, LkSG), as well as international conventions such as the United Nations Universal Declaration of Human Rights, the Guidelines on Children's Rights and Business Conduct, the United Nations Guiding Principles on Business and Human Rights, the International Labor Organization's International Labor Standards, the United Nations Global Compact, and national and international laws and regulations on corruption prevention.

## 2. REQUIREMENTS FOR THE SUPPLIERS OF HSB-VERTRIEBS GMBH

### 2.1. Social responsibility

#### 2.1.1. Exclusion from forced labor

No forced labor, slave labor, servitude or such comparable work shall be used. Human trafficking, contractual or debt bondage of any kind is also not tolerated. All work related to the supply chain must be voluntary and without threat of punishment. Employees must be able to leave work or employment at any time. In addition, there must be no unacceptable treatment of workers, such as psychological hardship, sexual harassment and humiliation. Security guards must not be contracted or used if, in the course of their employment, persons are treated or injured in an inhumane or degrading manner or if freedom of association is impaired. All work must therefore be carried out in accordance with the ILO Convention, for example.

#### 2.1.2. Fair payment

The remuneration for regular working hours and overtime must correspond to the national legal minimum wage or the minimum standards customary in the industry, whichever is higher. Care must also be taken to ensure that equal pay is applied for equal work. In any case, the remuneration for overtime must exceed the remuneration for regular hours. Insofar as the remuneration is not sufficient to cover the costs of ordinary living and to build up a minimum level of reserves, the Supplier shall be obliged to increase the remuneration accordingly. Employees shall be provided with all benefits prescribed by law. Deduction of payment as a punitive measure shall not be permitted. It shall be ensured that employees receive clear, detailed and regular written information on the composition of their remuneration.

#### 2.1.3. Fair working time

The locally applicable legal regulations as well as the regulations on working hours specified by the ILO standards must be complied with at least at every step of the supply chain. Working hours must therefore comply with the applicable laws or industry standards. Overtime is only permitted if it is performed on a voluntary basis and does not exceed 12 hours per week, while employees must be granted at least one day off after six consecutive working days. Weekly working hours may not regularly exceed 48 hours.

#### 2.1.4. Prohibition of child labor

Child labor may not be used in any phase of production or the supply chain. Suppliers are required to comply with the recommendation from the ILO conventions on the minimum age for the employment of children. Should a local law stipulate a higher legal minimum age for workers or a longer compulsory schooling period, this higher age shall apply. Accordingly, the age should not be lower than the age at which compulsory schooling ends according to the law of the place of employment and in any case not lower than 15 years of age.

If children are encountered at work, the supplier shall document the measures to be taken to remedy the situation and allow the children to attend school. Young workers under the age of 18 shall not be assigned to work that is harmful to the health, safety or morals of children. Special protective regulations shall be observed.

#### 2.1.5. Freedom of association

The right of employees to form and join organizations of their choice, to bargain collectively and to strike shall be respected. In cases where freedom of association and the right to collective bargaining are restricted by law, alternative means of independent and free association of workers for the purpose of collective bargaining shall be provided. Employees shall not be discriminated against on the basis of forming, joining or being a member of such an organization. Employee representatives shall be granted free access to the workplaces of their colleagues to ensure that they can exercise their rights in a lawful and peaceful manner.

#### 2.1.6. Prohibition of discrimination / Equality requirement

The unequal treatment of employees in any form is inadmissible unless it is justified by the requirements of the employment. This applies, for example, to discrimination based on gender, national, ethnic or social origin, skin color, disability, health status, political conviction, ideology, religion, age, pregnancy or sexual orientation. The personal dignity, privacy and personal rights of each individual shall be respected. Abuse, unlawful practices, harsh or inhumane treatment shall be prevented or eliminated at any point in the supply chain.

#### 2.1.7. Occupational health and safety

The supplier is responsible for a safe and healthy working environment and shall adequately protect employees from hazards. By setting up and applying appropriate occupational safety systems, necessary precautionary measures shall be taken against accidents and damage to health that may arise in connection with the activity. Excessive physical or mental fatigue shall be prevented by appropriate measures. In addition, employees shall be provided with suitable protective clothing for each relevant activity. Regular training and information for employees on applicable health and safety standards and measures shall be provided. Employees shall be provided with access to drinking water in sufficient quantity and access to clean sanitary facilities.

#### 2.1.8. Dealing with conflict materials

For the conflict minerals tin, tungsten, tantalum and gold, as well as for other raw materials such as cobalt, the company establishes processes in accordance with the Organization for Economic Cooperation and Development (OECD) Guiding Principles on Due Diligence to Promote Responsible Supply Chains for Minerals from Conflict and High-Risk Areas and expects the same from its supplier. Smelters and refiners without adequate, audited due diligence processes are to be avoided. The supplier also undertakes to comply with the regulations on banned and declarable substances, e.g. ELV, RoHS and REACH, and to provide evidence thereof.

#### 2.1.9. Complaint Management

The supplier must pass on information received from HSB-Vertriebs GmbH regarding accessibility, responsibility and the implementation of a complaint's procedure to his employees in a suitable manner. The complaints procedure must be accessible to employees while maintaining confidentiality of identity and effective protection against discrimination. To the extent that no notice is given, the supplier itself is responsible at the operation level for establishing an effective complaints management for individuals and communities who may be affected by adverse impact.

## 2.2. Ecological responsibility

### 2.2.1. Preservation of the natural foundations of life

Land, forests or waters, the use of which secures the livelihood of persons, shall not be taken in violation of legitimate rights. Harmful soil changes, water and air pollution, noise emissions, and excessive water consumption shall be refrained from if this harms the health of persons, significantly affects the natural basis for the production of food, or impairs the access of persons to safe drinking water.

### 2.2.2. Treatment and discharge of industrial wastewater

Wastewater from operations, manufacturing processes, and sanitary facilities should be typed, monitored, inspected, and treated as necessary prior to discharge or disposal. In addition, an action plan should be introduced to reduce the generation of wastewater.

### 2.2.3. Dealing with air emissions

General emissions from operations (air and noise emissions) and greenhouse gas emissions shall be graduated, routinely monitored, verified, and treated as necessary prior to their release. The supplier is also responsible for monitoring its emission control systems and is required to find economic solutions to minimize any emissions.

### 2.2.4. Handling waste and hazardous substances

The supplier shall follow a systematic approach to identify, handle, reduce and responsibly dispose of or recycle solid waste. The prohibitions on the export of hazardous wastes in the Basel Convention of March 22, 1989, as amended, shall be observed. Chemicals or other materials that pose a hazard when released into the environment shall be identified and handled in a manner that ensures safety during their handling, transport, storage, use, recycling or reuse, and disposal.

### 2.2.5. Reduce consumption of raw materials and natural resources

The use and consumption of resources during production and the generation of waste of any kind, including water and energy, shall be reduced or avoided. This is done either directly at the point of origin or through procedures and measures, for example by changing production and maintenance processes or procedures in the company, by using alternative materials, by savings, by recycling or with the help of the reuse of materials.

### 2.2.6. Energy handling

Energy consumption is to be monitored and documented. Economic solutions are to be found to improve energy efficiency and minimize energy consumption.

## 2.3. Ethical business conduct

### 2.3.1. Fair competition

The standards of fair business, fair advertising and fair competition must be observed. In almost all countries, there are laws and regulations prohibiting agreements, arrangements and concerted practices between competitors, suppliers, customers and distributors which have as their object or effect the impairment of competition. The same applies to the abuse of market power through unilateral conduct. In addition, the applicable antitrust laws must be applied, which, in dealing with competitors, prohibit in particular agreements and other activities that influence prices or conditions. Furthermore, these regulations prohibit agreements between customers and suppliers aimed at restricting customers' freedom to determine their prices and other conditions autonomously when reselling. Ensuring throughout the supply chain not to engage in anti-competitive and/or anti-trust behavior.

### 2.3.2. Intellectual property

Intellectual property rights must be respected; technology and know-how transfers must be carried out in such a way that intellectual property rights and customer information are protected.

### 2.3.3. Integrity / Bribery, Taking advantage, Corruption

The highest standards of integrity must be applied in all business activities. A zero-tolerance policy shall be followed in prohibiting all forms of bribery, extortion and embezzlement. Procedures for monitoring and enforcing standards shall be in place to ensure compliance with anti-corruption laws.

The same applies to the area of corruption. No conduct of any kind may be tolerated that could give the impression of improperly influencing business decisions.

### 2.3.4. Appropriate appearance in public

HSB-Vertriebs GmbH requires its suppliers to refrain from making HSB-related statements or comments in public or via social media and from using HSB logos for their own purposes without clearance from the relevant responsible office.

### 2.3.5. Prevention against money laundering and terrorist financing

The legal obligations to combat money laundering and terrorist financing must be complied with at all times. Activities related to money laundering and terrorist financing must not be engaged in or facilitated at any time.

### 2.3.6. Export control and sanctions law

National and international laws and regulations govern import, export, trade, brokerage or financing transactions, the provision of services and the transfer of goods (goods, software and technology). Compliance with these must be ensured by suitable processes so that transactions and activities with third parties as well as with HSB-Vertriebs GmbH do not violate export control and sanctions law. If necessary, required proofs and information are to be provided without delay.

## 2.4. Handling information

### 2.4.1. Protection of company-relevant data

The protection of company-relevant information and data against misuse, loss, destruction and manipulation must be ensured at all times.

### 2.4.2. Protection of personal data

Personal rights must be protected and respected at all times. Appropriate measures must be taken to ensure compliance with the applicable and valid requirements and laws, in particular with regard to the handling of personal data.

### 2.4.3. IT Security

Data processed in IT systems must be protected in the best possible way, but at least in accordance with the law.

### 2.4.4. Insider information

Insider information, i.e. specific information that could significantly influence the price of listed securities if it became publicly known, must be treated as strictly confidential. Suppliers who have such insider information may not use it for trading in securities or other financial instruments. They shall also not pass on insider information to third parties or use it to recommend the purchase or sale of securities or other financial instruments.

## 3. NOTIFICATIONS, NOTES AND CONTACT PERSONS

### 3.1. Reports of misconduct of any kind

HSB-Vertriebs GmbH has set up an appropriate internal complaints procedure in order to be able to uncover possible infringements of the law, breaches of regulations and misconduct of any kind along the entire supply chain. For this purpose, HSB-Vertriebs GmbH has a compliance contact as an independent point of contact for its own employees, but also for customers, suppliers and other external persons or third parties regarding any compliance-relevant incidents or allegations. The same applies if weaknesses or other circumstances are noticed that could lead to legal violations.

If desired, these reports and tips can also be communicated anonymously. HSB-Vertriebs GmbH assures whistleblowers that it will not take any steps to identify the whistleblower in the event of an anonymous report. An exception to this is the misuse of the HSB Compliance Contact.

Both HSB-Vertriebs GmbH employees and external stakeholders (third parties) are always encouraged to speak out freely and without fear of reprisal. Reprisals against reporting persons who in good faith express concerns about possible misconduct within the company are prohibited. This also applies to external actors (third parties) who contact HSB-Vertriebs GmbH in this respect.

### 3.2. Whistleblower system

Information on violations of the HSB Supplier Code, in particular illegal business practices or potential violations of human rights-related or environmental obligations, can also be provided at any time via the whistleblowing system of HSB-Vertriebs GmbH. The system is available in English and German and enables anonymous, confidential and secure communication with the investigation team of the Compliance Department at HSB-Vertriebs GmbH.

The whistleblower system can be accessed in the following way:

#### Postal Service

You can contact the Compliance department at HSB-Vertriebs GmbH directly:

HSB-Vertriebs GmbH  
-Compliance-  
Kirschenwasen 20  
74670 Forchtenberg-Sindringen  
Germany

#### email

E-Mail: [compliance@hsb-schrauben.de](mailto:compliance@hsb-schrauben.de)

Internet: [www.hsb-schrauben.de](http://www.hsb-schrauben.de)

### 3.3. Consequences of a message

HSB-Vertriebs GmbH consistently follows up on every indication of misconduct, taking into account the principle of proportionality. Each individual tip is reviewed. According to the result, a comprehensible decision is made as to which consequences are suitable, necessary and appropriate. The persons entrusted with the implementation of the complaints procedure at HSB-Vertriebs GmbH offer a guarantee of impartial and independent action. They are subject to appropriate confidentiality and are not bound by instructions in this respect.

## 4. DECLARATION OF CONSENT TO THE HSB SUPPLIER CODE OF CONDUCT

As a supplier of HSB-Vertriebs GmbH, we act according to the ethical and legal principles laid down in this Supplier Code. We also pass on these requirements to our supply chain.

We hereby acknowledge the HSB Supplier Code of Conduct or confirm that we comply with the above principles and requirements of the HSB Supplier Code of Conduct by applying our own equivalent corporate code / code of conduct in our company.

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Date, Signature / Supplier stamp