

# Code of Conduct for Suppliers

## 1 Introduction

Walther-Werke 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. We also strive to continuously optimize our business activities and our products in terms of sustainability and ask our suppliers to contribute to this in the sense of a holistic approach.

For future cooperation, the contracting parties agree to the validity of the following regulations for a joint Code of Conduct. This agreement shall form the basis for all future deliveries. The contracting parties commit 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 comes into force upon signing. A breach of this Code of Conduct may ultimately be cause and reason 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 Due Diligence Act (LkSG) as well as international conventions such as the United Nations Universal Declaration of Human Rights, the Guidelines on the Rights of the Child and Business Conduct, the United Nations Guiding Principles on Business and Human Rights and the International Labor Standards of the International Labor Organization.

## 2 Requirements for Suppliers

### 2.1 Social Responsibility

#### Exclusion of Forced Labor

No forced labor, slave labor or comparable work may be used. All work must be voluntary and without threat of punishment. Employees must be able to terminate their work or employment relationship at any time. Furthermore, there must be no unacceptable treatment of workers, such as psychological hardship, sexual and personal harassment and humiliation. The hiring or use of security personnel must be prohibited if persons are treated in an inhumane or degrading manner or are injured during their deployment or if freedom of association is impaired.

#### Ban on Child Labor

Child labor may not be used at any stage of production. Suppliers are requested to adhere to the recommendation from the ILO conventions on the minimum age for the employment of children. Accordingly, the age should not be less than the age at which compulsory education ends according to the law of the place of employment and in any case not less than 15 years. If children are found at work, the supplier must document the measures to be taken to remedy the situation and enable the children to attend school. The rights of young workers under the age of 18 must be protected. They must not be used for work that is harmful to the health, safety or morals of children. Special protective regulations must be observed.

#### Fair Remuneration

The remuneration for regular working hours and overtime must correspond to the national statutory minimum wage or the minimum standards customary in the industry, whichever is higher. The remuneration for overtime must in any case exceed the remuneration for regular hours. If the

remuneration is not sufficient to cover the costs of normal living expenses and to build up a minimum level of reserves, the supplier is obliged to increase the remuneration accordingly. Employees shall be granted all legally prescribed benefits. Deductions from wages as a punitive measure are not permitted. The supplier must ensure that employees receive clear, detailed and regular written information on the composition of their remuneration.

### **Fair Working Hours**

Working hours must comply with applicable laws or industry standards. Overtime is only permitted if it is voluntary and does not exceed 12 hours per week, while employees must be granted at least one day off after six consecutive working days. The weekly working time may not regularly exceed 48 hours

### **Freedom of Association**

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

### **Prohibition of Discrimination**

Discrimination/unequal treatment of employees in any form is not permitted unless it is justified by the requirements of employment. This applies, for example, to discrimination based on gender, race, caste, ethnic or social origin, skin color, disability, health status, political conviction, origin, ideology, religion, age, pregnancy or sexual orientation. The personal dignity, privacy and personal rights of each individual are respected.

### **Health Protection, Safety in the Workplace**

The supplier is responsible for a safe and healthy working environment. The necessary precautionary measures against accidents and damage to health that may arise in connection with the work shall be taken by setting up and applying appropriate occupational safety systems. Appropriate measures must be taken to prevent excessive physical or mental fatigue. In addition, employees are regularly informed and trained on applicable health and safety standards and measures. Employees are provided with access to sufficient quantities of drinking water and access to clean sanitary facilities.

### **Preserving the Natural Foundations of Life**

The supplier may not, in violation of legitimate rights, withdraw land, forests or waters whose use secures the livelihood of people. The supplier must refrain from harmful soil changes, water and air pollution, noise emissions and excessive water consumption if this harms the health of people, significantly impairs the natural basis for food production or prevents people from having access to safe drinking water or sanitary facilities.

### **Complaints Mechanisms**

The supplier must pass on information received from Walther-Werke regarding accessibility, responsibility and the implementation of a complaints procedure to its employees in an appropriate manner. The complaints procedure must be accessible to employees while maintaining confidentiality of identity and effective protection against discrimination. If no notice is given, the

supplier itself is responsible for setting up an effective complaints mechanism at company level for individuals and communities that may be affected by negative impacts.

### **Dealing with Conflict Minerals**

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) Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas and expects its suppliers to do the same. Smelters and refineries without appropriate, audited due diligence processes should be avoided.

## **2.2 Ecological Responsibility**

### **Treatment and Discharge of Industrial Wastewater**

Wastewater from operational procedures, production processes and sanitary facilities must be typified, monitored, checked and, if necessary, treated before discharge or disposal. In addition, measures should be introduced to reduce the generation of wastewater.

### **Dealing with Air Emissions**

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

### **Handling Waste and Hazardous Materials**

The supplier shall follow a systematic approach to identify, handle, reduce and responsibly dispose or recycle solid waste. The prohibitions on the export of hazardous waste in the Basel Convention of March 22, 1989, as amended, shall be observed. Chemicals or other materials that pose a risk if released into the environment shall be identified and managed in a manner that ensures their safe handling, transportation, storage, use, recycling or reuse and disposal. Mercury shall be used in accordance with the prohibitions of the Minamata Convention of October 10, 2013 and persistent organic pollutants in accordance with the Stockholm Convention of May 23, 2001, as amended.

### **Reduce Consumption of Raw Materials and Natural Resources**

The use and consumption of resources during production and the generation of all types of waste, including water and energy, must be reduced or avoided. This is done either directly at the point of origin or through procedures and measures, e.g. by changing production and maintenance processes or procedures within the company, by using alternative materials, by reductions, by recycling or by reusing materials.

### **Dealing with Energy Consumption/Efficiency**

Energy consumption must be monitored and documented. Economic solutions shall be detected to improve energy efficiency and minimize energy consumption.

## **2.3 Ethical Business Conduct**

### **Fair Competition**

The standards of fair business, fair advertising and fair competition must be observed. In addition, the applicable antitrust laws must be applied, which in particular prohibit agreements and other activities that influence prices or conditions when dealing with competitors. These regulations also

prohibit agreements between customers and suppliers that are intended to restrict customers' freedom to determine their own prices and other resale conditions.

#### **Confidentiality/Data Protection**

The supplier commits himself to meet the reasonable expectations of its client, suppliers, customers, consumers and employees with regard to the protection of private information. The supplier shall comply with data protection and information security laws and regulatory requirements when collecting, storing, processing, transferring and disclosing personal information.

#### **Intellectual Property**

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

#### **Integrity/Bribery, Accepting Benefits**

The highest standards of integrity must be applied to all business activities. The supplier must have a zero tolerance policy against all forms of bribery, corruption, extortion and embezzlement.

Procedures for monitoring and enforcing standards shall be implemented to ensure compliance with anti-corruption laws.

### **3 Implementation of the Requirements**

We expect our suppliers to identify risks within their supply chains and to take appropriate measures. In the event of suspected violations and to safeguard supply chains with increased risks, the supplier will inform the company promptly and, if necessary, regularly about the violations and risks identified and the measures taken.

The company checks compliance with the standards and regulations listed in this document using a self-assessment questionnaire and risk-based audits at the supplier's production sites. The supplier agrees that the client may carry out such audits once a year or for a specific reason to verify compliance with the Code at the supplier's premises during regular business hours after reasonable advance notice by persons authorized by the client. The supplier may object to individual audit measures if these would violate mandatory data protection regulations.

If a breach of the provisions of this Code of Conduct is identified, the client/authorized person shall notify the supplier in writing without delay within one month and set the supplier a reasonable period to bring its conduct into line with these provisions. If a remedy is not possible in the foreseeable future, the supplier must notify the company immediately and, together with the company, draw up a concept with a timetable for ending or minimizing the violation. If such a breach has culpably occurred, the grace period expires without result or the implementation of the measures contained in the concept does not remedy the situation after expiry of the schedule and continuation of the contract until ordinary termination is unreasonable for the client, the client may terminate the contract/business relationship and terminate all contracts after fruitless expiry of the set period if it has threatened to do so when setting the grace period. A statutory right to extraordinary termination without setting a grace period, in particular in the case of breaches that are deemed to be very serious, shall remain unaffected, as shall the right to compensation.

### **4 Awareness and Consent of the Supplier**

By signing this document, the supplier commits to act responsibly and to comply with the principles/requirements listed. The supplier commits to communicate the content of this code to employees, agents and subcontractors in a way that is understandable to them and to take all necessary precautions to implement the requirements.

WALTHER-WERKE Ferdinand Walther GmbH

Title

\_\_\_\_\_  
Place, date                      Signature

Title

Eisenberg, \_\_\_\_\_  
Place, date                      Signature