Winkelmann Group

Code of Conduct for Suppliers to the Winkelmann Group

This Code of Conduct for Suppliers to the Winkelmann Group defines the requirements in respect of sustainable conduct of business to be met by all Suppliers of capital goods and materials and all service-providers.

Sustainability in the sense of economic, ecological and social responsibility is a major principle that is anchored in the Winkelmann Group’s guiding principles. It also includes long-term partnerships in a spirit of trust and conduct in conformity with the statutes. The Winkelmann Group expects its Suppliers to put into practice the principles laid down in the Group’s statement of guiding principles.

This Code of Conduct defines the demands corresponding to these guiding principles that are placed by the Winkelmann Group on its Suppliers of capital goods and materials and all service-providers. The principles laid down in the Code of Conduct are guided by the content of the following conventions and standards:

- The principles of the United Nations’ (UN) Global Compact
- “Guidelines for Multinational Enterprises” laid down by the Organization for Economic Cooperation and Development (OECD)
- Conventions of the International Labour Organization (ILO)
- The International Chamber of Commerce’s (ICC’s) Business Charter for Sustainable Development
- SA8000 (Social Accountability Standard)
- The Code of Conduct for the Winkelmann Group of Companies

The Winkelmann Group is convinced of the fact that its Suppliers can obtain advantages by taking the principles of sustainable development into account. When choosing their suppliers, an increasing number of companies prefer firms that profess their compliance with the principles laid down in this Code of Conduct. This enhances their attractiveness as employers while strengthening the image of companies acting in a socially and ecologically responsible fashion.

An infringement of mandatory statutory regulations can lead to incalculable financial losses and impair the reputation of the company itself and that of its customers. At the same time, this may also result in claims for damages being lodged against personally liable shareholders, or against the management, the senior managers responsible and other employees directly involved.

The Winkelmann Group expects its Suppliers to comply with the following guiding principles:

1. Business ethics
   1.1 Compliance with statutes
   The Supplier shall observe both national and transnational statutes and regulations and also the pertinent international conventions. Both customer requirements that go beyond the above and the Winkelmann Group’s Code of Conduct are of a similarly binding nature and will also be passed on to Suppliers to the Winkelmann Group whenever this is required. (www.winkelmann-group.de)

1.2 Product safety
   Products and services provided by the Supplier shall jeopardize neither people nor the environment and shall comply with the agreed standards and those laid down by statute with regard to product safety. The Supplier shall communicate appropriate information regarding safe use of the products. Suppliers making deliveries to the Winkelmann Automotive division are required to name a product safety officer.

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1.3 Ban on corruption and bribery
Suppliers are to refrain from any kind of corruption. The following activities in particular are prohibited: bribery, payment of kickbacks and blackmail for the purpose of influencing representatives of business partners, political bodies, the administration, the judicial authorities or the public.

1.4 Fair competition / compliance with competition law
Every one of the Supplier's business activities shall be governed by the rules of fair competition. The Supplier shall observe the pertinent anti-trust laws and laws against unfair competition.

Compliance with the rules on competition by all market participants ensures equality of opportunity on the market and is, hence, indispensable. The exchange of information that can be pursued between competitors is also regulated. We expect our competitors, customers and Suppliers to comply with these rules on competition.

Consequently, the following actions, in particular, are forbidden:
- Conducting talks with competitors involving collusion with regard to prices or capacities.
- Colluding with competitors with regard to renouncing competition, with regard to the submission of sham offers in tendering procedures, or with regard to the allocation of customers, territories or production programmes.
- This also applies to informal talks, informal understandings, or modes of conduct designed to create one of the aforementioned restrictions on competition or such activities that have this effect.

1.5 Protection of intellectual property
The Supplier shall respect the protection of third-party intellectual property. None of its/its employees may obtain or utilize third-party secrets without authorization.

1.6 Offering and granting advantages
Offers of gifts, favours, entertainment or other benefits to employees of the Winkelmann Group with the aim of obtaining orders or inequitable advantages are impermissible. Entertainment or hospitality events that serve a business purpose or are held in the context of visits from customers or suppliers are explicitly exempted from this rule. Gifts such as data media or other giveaways with a maximum value of €10 will be tolerated in exceptional cases.

No employee may use his or her position or function in the company for the purpose of demanding, accepting or obtaining personal advantages.

1.7 Responsible raw materials procurement over the entire supply chain
Suppliers to the Winkelmann Group shall support activities that ensure responsible raw materials procurement over the entire supply chain. The procurement and the use of raw materials obtained unlawfully or by ethically reprehensible or unacceptable means are to be avoided. The use of raw materials, such as “3TG conflict minerals” (tantalum, tungsten, tin and gold), affected by embargoes or other import restrictions shall be ruled out. Accordingly, Suppliers are obligated to identify these raw materials in products manufactured in the supply chain and to disclose the origin and sources of supply of the raw materials they use - also in their dealings with the Winkelmann Group. The requirements associated with national and international statutes, in particular those based on the Dodd Frank Act (USA), Section 1502, are to be complied with.
2. Respect for human rights

2.1 Ban on child labour
The Supplier shall not employ employees who are below the age of 15 years. Dangerous tasks may only be carried out by employees who are at least 18 years old. (ILO / International Labour Organization Conventions 79, 138, 142, 182, Recommendation 146)

2.2 Ban on forced labour
All kinds of forced and compulsory labour, including bonded labour, or non-voluntary work by prisoners are prohibited. The Supplier may not force employees to hand over their identity cards, passports or work permits to it/him as a precondition for employment. (ILO Conventions 29, 105)

2.3 Bans on discrimination
Equality of opportunity is to be maintained in matters relating to appointment, employment and remuneration. The Supplier shall not discriminate against anybody on the basis of their gender, age, nationality or ethnic origin, religion, sexual identity, membership of trade unions, or any type of handicap they may have, or on the basis of any political affiliation, provided the latter is based on democratic principles and tolerance towards people whose convictions are different. (ILO Conventions 100, 111, 143, 158, 159)

2.4 Ban on disciplinary penalties
The Supplier shall not punish employees in any manner, either physically or psychically. This shall apply in particular if employees report, in good faith, on company practices that violate national, international or in-house regulations.

3. Socially acceptable working conditions

3.1 Safe and healthy workplaces
Occupational safety and health protection are to be ensured, at least within the scope of the national regulations. The Supplier shall introduce guidelines and procedures relating to occupational safety and health protection, and disclose the same to its/his employees with a view to thus reducing or avoiding accidents and occupational illnesses. (ILO Convention 155, Recommendations 164, 190)

3.2 A living wage
The Supplier shall remunerate its/his employee appropriately, granting them statutory or collectively-agreed pay or minimum wages that are standard in the industry concerned. Every employee ought to be in a position to cover the basic needs of his or her nuclear family and have freely-disposable income going beyond the latter. The Supplier shall grant the employee the social benefits to which he or she is entitled by statute. It/he should make transparent arrangements for remuneration payments; the latter should be made at regular intervals and in legal tender. Illegal and unjustified deductions from pay and deductions in the form of disciplinary measures are not permissible. (ILO Conventions 26, 131)

3.3 No excessively long working hours
The Supplier shall monitor the situation to ensure that its/his employees comply with the maximum working hours laid down by law or by collective wage agreements in the state concerned, or those that are customary in
the industry concerned. Maximum weekly working hours should not exceed 60 hours (including overtime). The employees ought to work overtime only voluntarily; the Supplier shall compensate for overtime in accordance with the statutory provisions. After six successive days, employees are entitled to one free day in each case. Furthermore, employees are entitled to regular annual leave. (ILO Conventions 1, 14)

3.4 Freedom of association and collective bargaining
Employees have the right to conduct collective negotiations and to organize themselves in trade unions. If no trade unions should be allowed in a certain country for political reasons, the Supplier has to make independent associations possible in a different form. The Supplier shall not discriminate either against employee representatives on the basis of their function or against employees organized in labour unions on the basis of their membership of the same. (ILO Conventions 87, 98, 135, 154, Recommendation 143)

4. Maintenance of environmental standards
4.1 Conservation of resources
The Supplier shall minimize the consumption of raw materials for every business operation. In particular, it/he shall pay attention to using energy and water sparingly. The use of renewable resources is to be preferred whenever possible.

4.2 Avoidance and minimization of environmental impacts
The Supplier shall minimize all emissions in accordance with the state of the art. It/he shall keep check on any polluting emissions, processing the latter prior to their release into the environment. The Supplier ought to avoid waste materials as far as possible or recycle them. The materials employed should be re-utilized whenever possible. The Supplier shall develop processes that arrange for the transportation, storage, and safe and environmentally-friendly treatment and disposal of wastes.

4.3 Avoidance of hazardous substances
Substances the release of which constitutes a hazard to people and the environment are to be avoided as far as possible. The Supplier shall have a hazardous materials management system at its disposal - a system that ensures the safe use and transportation, and the safe storage, reprocessing, recycling or waste disposal of such materials.

4.4 Environmentally-compatible products
When developing products and services, the Supplier shall make efforts to ensure that their utilization involves the sparing use of energy and natural resources. Furthermore, the products ought to be suitable for re-utilization, recycling or safe waste disposal.

5. Use of sensitive data
5.1 Correct reporting
All records and reports (e.g.: accounting documents, business reports, audit reports, etc.), whether prepared on an in-house basis or outsourced, have to be correct and truthful. Captured data and other records have to be complete, correct, on time, and meet the system requirements.
5.2 Data protection
Personal data may only be collected, processed or utilized if this is necessary for specific, unambiguous and legitimate purposes. This also applies to data interchange between different organizational units and companies belonging to the Supplier.

A high standard must be guaranteed with regard to data quality and technical safeguards against unauthorized access.

The utilization of data must be transparent to the persons affected; their rights in respect of disclosure and correction and, if applicable, in respect of objections, blocking and deletions are to be respected. The pertinent national statutory regulations are to be observed.

5.3 Secrecy
By means of appropriate in-house arrangements or the appropriate construction of employment contracts it is to be ensured that all items of information that are not made accessible to the public are subject to the maintenance of secrecy and may not be disclosed to any unauthorized third parties either during or after termination of an employee’s employment contract. This does not apply if the prior written consent of an authorized representative of the Supplier’s is presented or the disclosure is based on a statutory obligation, e.g. on the obligation to make a statement as a witness in legal proceedings. If the information to be disclosed is information deriving from the customer relationship with the Winkelmann Group or one of the latter’s subsidiaries, then, in addition, the consent of an authorized representative of the company concerned is to be obtained or, if a statutory disclosure obligation is involved, the latter is to be notified immediately.

6. Management systems
The Supplier shall have at its/his disposal management systems that ensure compliance with the principles detailed here and that are certified in accordance with recognized standards. The Winkelmann Group will prefer suppliers that actively operate a quality management system in accordance with ISO/TS 16949, ISO 9001, an environmental management system in accordance with ISO 14001, and that meet OHSAS (Occupational Health and Safety Management Systems) 18001 as regards industrial safety, or that run systems of an equivalent nature. A management system for social accountability in line with SA8000 specifications is recommended.

7. Implementation
7.1 Monitoring and obligation to furnish proof
At the Winkelmann Group’s request, the Supplier shall provide all the information necessary for an initial assessment, doing this correctly and comprehensively within the scope of a self-appraisal. Furthermore, the Supplier shall provide other information that demonstrates its compliance with the Codex. The Winkelmann Group will verify the implementation of this Codex. The Supplier shall notify the Winkelmann Group of any events that run contrary to the principles laid down in the Codex.

Compliance with the Codex lies within the remit of a Compliance Officer. If there should be no compliance officer in the company, the latter task is to be seen to by the CEO or Managing Director. The Compliance Officer is entitled and obligated to investigate appropriate indications with the necessary diligence. Calling in the Compliance Officer will lead to no disadvantages to the employee. This does not apply to a voluntary disclosure; in this case, however, the fact that a voluntary disclosure has been made will be taken into consideration as appropriate in the employee’s favour.

7.2 Non-fulfilment
In the event of non-compliance with this Codex, the Winkelmann Group reserves the right to request remedial action and, under certain circumstances, to terminate the collaboration extra-contractually without the other party having any entitlement to compensate.