

Code of Conduct for Suppliers



Our understanding of sustainability in supplier management

Elma Schmidbauer GmbH and its affiliated companies (jointly called "Elma") consider sustainability to be an essential component of their business processes.

As a family company, Elma procures raw materials, goods and services from suppliers across the globe in order to support our customers' lasting success with innovative product and service solutions. The foundation for our business activities is responsible corporate management geared toward long-term added value. In our procurement activities, we consider process-related, economic and technical criteria as well as social and ecological aspects such as human rights, working conditions, corruption prevention and environmental protection.

Elma expects its suppliers to comply with applicable national law, the principles of the United Nations Global Compact and this Elma Supplier Code of Conduct in all of their activities. Furthermore, Elma expects its suppliers to ensure that their affiliated companies also observe and recognise all principles and requirements.

The term "affiliated companies" as used in this declaration describes companies with at least fifty per cent (50 per cent) of their voting capital directly or indirectly owned by the other company.

Human and employee rights

Elma expects its suppliers to respect basic employee rights under applicable national law, and to recognise the core work standards of the International Labour Organization (ILO) and the International Human Rights Charter of the United Nations, taking into account the laws and legal forms applicable in the various countries and locations. The rights of third parties must be respected and possible interference must be kept as low as possible within the confines of international standards.

1 Child labour

In keeping with the International Labour Organization (ILO), we reject any form of child labour.

2 Discrimination

Elma suppliers support equal opportunities and equal treatment and prevent discrimination in the hiring of employees as well as in promotions or provision of training and education measures. Furthermore, no employee may be disadvantaged based on considerations of gender, age, skin colour, ethnic or social background, sexual identity, disability, religion, world view or political opinion.

3 Forced labour

Elma expects its suppliers not to tolerate any form of forced labour or human trafficking in their companies or take part in such practices.

4 Working hours and remuneration

Also, Elma suppliers observe applicable national laws regarding working hours. It is expected that employees of suppliers receive remuneration in accordance with applicable national law.

5 Conflict minerals

With regard to conflict minerals, suppliers must observe all applicable legal regulations. In case a product contains one or several of the so-called conflict minerals (tin, tantalum, tungsten, gold or the respective ores), Elma expects its suppliers to be able to demonstrate transparency along the entire supply chain upon request.

Health protection and work safety

Elma suppliers must observe applicable national laws on health protection and work safety. Suppliers must establish and apply an appropriate work safety management system (e.g. according to ISO 45001). This includes both the minimisation of real and potential work safety hazards as well as training of employees to prevent accidents and occupational illness as much as possible.

Environmental protection

Elma suppliers must observe applicable national environmental laws, regulations and standards. This is intended to minimise environmental impact and damage and improve environmental protection during daily operations.

Conduct in the business environment

1 Prohibition of corruption and bribery

Elma does not tolerate corruption under any circumstances. Elma suppliers must therefore ensure that the anti-corruption conventions of the United Nations (UN) and the Organization for Economic Cooperation and Development (OECD) and relevant anti-corruption laws are observed. In particular, suppliers must ensure that their employees, sub-contractors or representatives do not acquire, offer, promise or grant any advantages to Elma employees or third parties close to Elma employees with the intention of gaining preference in business transactions.

2 Invitations and gifts

Elma therefore also expects that its suppliers do not misuse invitations and gifts to exert undue influence. Invitations and gifts to Elma employees or persons close to Elma employees are granted only when the occasion and scope are appropriate, i.e. they are of low value and can be considered an expression of generally accepted local business practice. Likewise, suppliers are not to demand inappropriate advantages from Elma employees.

3 Avoidance of conflicts of interest

Elma suppliers take business decisions based solely on objective criteria. Conflicts of interest with private considerations or any other economic or other activities, also including those of family members or other close persons or organisations, must be avoided.

4 Free competition

Elma suppliers compete fairly and comply with applicable antitrust law. They do not engage in agreements with competitors which violate antitrust law, nor do they abuse any possible position of market superiority.

5 Money laundering

Elma suppliers observe the relevant legal obligations for the prevention of money laundering and do not take part in money laundering activities.

Observance of the Elma Supplier Code of Conduct

- 6 The obligation of Elma suppliers to observe the principles listed in this Code of Conduct results directly from applicable law, company regulations, company directives and guidelines. Deliberate violation of this Code of Conduct leads to consequences in accordance with applicable regulations.

This Supplier Code of Conduct was put into effect on 1 August 2017 by the management of Elma Schmidbauer GmbH.

Supplier declaration

We have received the "Elma Supplier Code of Conduct", version of August 2017, and hereby undertake to observe the principles and requirements of this Code of Conduct in addition to our obligations resulting from delivery contracts with Elma.

Place, Date

Company stamp

Name (please print), position

Signature

We ask that you please have the document signed by a properly authorised representative of your company and return the original to the following address at your earliest convenience:

Elma Schmidbauer GmbH
Gottlieb-Daimler-Straße 17
78224 Singen (Germany)

References

- Global Compact der Vereinten Nationen www.unglobalcompact.org
- Internationale Menschenrechtscharta der Vereinten Nationen www.un.org/en/rights
- Internationale Arbeitsstandards (ILO) www.ilo.org/global/standards/lang--len/index.htm
- ISO 45001 – Arbeits- und Gesundheitsschutz-Management
- International Organization for Standardization (ISO) www.iso.org

Elma Schmidbauer GmbH
As of 08|2017