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EIBACH

SUPPLIER CODE OF CONDUCT

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Preamble

As a company operating on a global scale Heinrich Eibach GmbH has committed itself to comply with applicable legislation, to observe social standards and to act in a sustainable manner.

These principles are adhered to by the Eibach Family as shareholders, board of directors of the family foundation, Managing Directors of Eibach Industries GmbH and of Heinrich Eibach GmbH.

They are part of our corporate culture which is based on the values of trust, transparency, reliability and fairness in our dealings with customers, suppliers, business partners, employees and the general public.

It is our joint responsibility to ensure that our products and services are created in a value chain which is in conformity with international standards. Accordingly, our expectations relating to working conditions, health, safety and many other issues have been summarized in this Supplier Code of Conduct.

We expect 100 % compliance with this Code of Conduct by all business enterprises in our supply chain from whom we purchase products and / or services. In addition, we are confident that you will ensure that this Supplier Code of Conduct is also observed by your own suppliers. In the event that local regulations or laws provide for more stringent rules, they shall take precedence over this Code of Conduct.

We regard this commitment to our common values and the actions derived from the same not only as prerequisite to our international success, but also as the basis for our working relationship with you as our Supplier. Please bear in mind that observance of these or of at least equivalent provisions is considered to be one of the vital requirements for a sound business relationship. With this Supplier Code of Conduct, we are convinced that we count as a trustworthy partner for our customers and suppliers as well.

We look forward to the further intensification of our business relationship.

Best regards,

Wilfried Eibach

Swantje Eibach

Jürgen Schulte

Markus Simon

Birgit Kuklinski

1. Our Understanding of Sustainability in Supplier Management

At Heinrich Eibach GmbH (hereinafter „Eibach“), we – including all of our affiliates – understand that sustainability is an integral part of our business.

The foundation of our strategy is a responsible one and focused on long-term value management. To achieve this, we integrate our suppliers directly into our sustainability strategy. In our procurement activities, we check procedural, economic and technical criteria, but also environmental and social issues such as human rights, working conditions and corruption prevention.

When choosing suppliers by selection and evaluation, besides taking into account the type of product or service, market, region and process, the key factors we use are: cost, quality, reliability, innovation and sustainability.

At Eibach, we expect our suppliers to comply with applicable national legislation, the principles of the United Nations Global Compact and this Eibach Supplier Code of Conduct in all of their activities. Furthermore, we expect our suppliers to establish appropriate processes that support compliance with applicable laws and promote continuous improvement in terms of the principles and requirements of the Eibach Supplier Code of Conduct. Moreover, we expect our suppliers to ensure that their affiliates also recognize and comply with these same principles and requirements.

■ **Dealing with Employees**

We expect our suppliers to respect the fundamental rights of workers and all applicable national legislation. Furthermore, Eibach expects its suppliers to recognize the core labor standards of the International Labour Organization (ILO), taking into account the laws and legal regulations in different countries.

■ **Child Labour**

Suppliers should not use child labour. The minimum age for employment of staff, as required by the relevant national laws and international agreements, has to be observed.

■ **Discrimination**

We expect our suppliers to promote equal opportunities and equal treatment of all employees. Our employers will take action to prevent discrimination in the hiring, promotion, education and training of employees. No employee shall be discriminated against because of his or her race, age, colour, culture or ethnic origin, sexual orientation, disability, religion or belief.

■ **Forced Labour**

We expect our suppliers to strictly prohibit any form of forced labour in their operations.

■ **Freedom of Association**

We expect our suppliers to ensure, in accordance with national legislation, the rights of workers to form employee representation and collective bargaining.

■ **Remuneration and Working Hours**

We expect our suppliers to comply with all applicable national labor legislation regarding working hours.

■ **Health and Safety**

We expect our suppliers to comply with all applicable national legislation on health and safety in the workplace. Furthermore, we expect our suppliers to establish adequate safety management and use policies. Such policies must cover both the mitigation of actual and potential occupational safety risks and the training of personnel to prevent as many accidents and occupational diseases as possible.

■ **Environmental Protection**

We expect our suppliers to comply with all applicable national environmental laws, regulations and standards. Furthermore, it is expected that our suppliers establish and operate an appropriate environmental management system (e.g. referred to DIN EN 14001) in order to minimize environmental impacts and threats, and to improve environmental protection in their daily business operations.

■ **Hazardous Materials and Product Safety**

Any of our suppliers that handle dangerous materials, substances or chemicals must identify and ensure the safe handling, movement, storage, recycling, reuse and disposal of such items. Our suppliers must strictly follow all applicable laws and regulations pertaining to hazardous materials, substances and chemicals. All of our suppliers are obligated to comply with substance restrictions and product safety requirements that are set by applicable laws and regulations. Furthermore, our suppliers must ensure that employees in key positions are informed on product safety practices and have been instructed as to the proper handling of all dangerous materials, substances or chemicals.

2. Business Code of Conduct

■ **Prohibition of Corruption and Bribery**

We expect our suppliers to adopt a “zero tolerance” policy towards corruption and to adhere to the conventions on corruption of the United Nations (UN), the Organisation for Economic Co-operation and Development (OECD) and all other relevant anticorruption laws. In particular, our suppliers must ensure that its employees, subcontractors and agents do not offer, promise or give any advantage to Eibach employees or related third parties with the aim of obtaining any type of business advantage.

■ **Invitations and Gifts**

We expect our suppliers do not abuse invitations and gifts in order to influence business partners. Invitations and gifts to Eibach employees or their related parties should only be granted if the occasion and scope are appropriate, i. e. if they can be viewed as an expression of local, generally accepted business practice. Accordingly, suppliers may not ask Eibach employees for undue advantages.

■ **Avoid Conflicts of Interest**

We expect that our suppliers' decisions in connection with their business with Eibach are made solely on the basis of objective criteria. Conflicts of interest, or the appearance of conflicts of interest, due to personal connections, economic or other activities, even by relatives or related persons and organizations, are to be avoided.

■ **Free Competition**

We expect our suppliers to compete fairly and to comply with all applicable antitrust laws. Suppliers must not participate in anticompetitive agreements with competitors or abuse a possibly existing dominant position.

■ **Money Laundering**

We expect our suppliers to comply with all relevant statutory obligations to prevent money laundering and not to be engaged in money laundering activities and terrorist financing.

3. Supplier Relationships

We expect our suppliers to communicate all of the principles and requirements described herein to their subcontractors and suppliers and to take compliance with this Code of Conduct under consideration when choosing such subcontractors and suppliers. Our suppliers are expected to encourage their subcontractors and suppliers to consistently maintain the standards described regarding human rights, working conditions, corruption prevention and environmental protection in the performance of their contractual obligations.

■ **Complaint Mechanism**

All of Eibach's suppliers shall have systems in place to enable, in accordance with all applicable national legislation, anonymous complaints and reports to the appropriate management personnel. Certain appointed employees will continuously monitor such complaint mechanisms, keep records of the issues raised and take appropriate action on a confidential basis.

■ **Records**

We expect our suppliers to maintain transparent and current books and records to demonstrate the use of appropriate materials and services and compliance with state and industry-wide regulations.

■ **Origin**

Our suppliers must be able to disclose all possible places of origin (country of origin) in connection with their products and services. We reserve the right to require any supplier, at any given time, to provide us with a complete representation of the supply chain (supply chain mapping) all the way to the country of origin, in order to facilitate the assessment of compliance with respect to the upstream supply chain.

The supplier undertakes to take appropriate measures to avoid as far as possible the use of natural resources whose systematic exploitation and trade, in direct or indirect connection with a conflict, lead to the most serious violations of human rights or international law (conflict minerals).

■ **Intellectual Property**

We expect our suppliers to undertake appropriate measures to protect the confidential, proprietary information of its business partners and to use such information only for the agreed upon purpose(s). In the case of subcontractors, the consent of Eibach must be obtained prior to the exchange of confidential information.

4. Compliance with the Eibach Supplier Code of Conduct

Any violation of the principles and requirements of the Eibach Supplier Code of Conduct is considered as a breach of contract conditions by the supplier. If noncompliance with the Eibach Supplier Code of Conduct is suspected (e. g. negative media reports), Eibach reserves the right to request information about any relevant facts. Furthermore, Eibach reserves the right to terminate without notice any supplier relationship if Eibach notifies a supplier of such supplier's failure to comply with the Eibach Supplier Code of Conduct, and after a reasonable period of time, such supplier fails to demonstrate progress towards bringing its conduct into compliance.

5. Credentials

Global Compact of the United Nations
www.unglobalcompact.org

Universal Declaration of Human Rights
<http://www.un.org/en/documents/udhr/>

Universal Declaration of Human Rights
<http://www.ilo.org/global/standards/lang--en/index.htm>

OHSAS 18001 Healthy & Safety Standard
www.ohsas-18001-occupational-HEALTH-and-safety.com

International Organization for Standardization (ISO)
<https://www.iso.org/>



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Heinrich Eibach GmbH Supplier Code of Conduct Supplier's Declaration

1. The supplier has received the "Eibach Supplier Code of Conduct".
2. The Supplier hereby agrees, in addition to the obligations under supply contracts with Eibach, to comply with and to be bound by all the rules and principles as laid out in the Eibach Supplier Code of Conduct.
3. For this declaration, the substantive laws of the Federal Republic of Germany will apply.

Name of Supplier / Stamp

City, Date

Name (printed)

Signature

City, Date

Name (printed)

Signature

Imprint

Publisher: Eibach Industries GmbH

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Swantje Eibach

Managing Directors Eibach Industries GmbH:

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Swantje Eibach

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