



Supplier Code of Conduct of OTTO FUCHS Hungary Kft.

...working correctly

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## 1. PREAMBLE

OTTO FUCHS Hungary Kft. and its employees acknowledge their social responsibility. All laws are observed and all actions are ethically correct in every respect. In particular, all those involved in procurement processes take responsibility for their own company, its customers and suppliers, the environment and society. We expect the same from our suppliers. This Code of Conduct emphasises the principles of fair, sustained, responsible and ethical practices at OTTO FUCHS. The supplier Code of Conduct serves as the basis for all business relations of OTTO FUCHS with its suppliers and is intrinsic to all orders subject to the General Terms of Purchase of OTTO FUCHS.

## 2. GENERAL PRINCIPLES

The supplier is obliged to fulfil its social responsibility in all business activities that involve OTTO FUCHS and must observe all prevailing laws as well as other decisive regulations in the countries in which products are delivered or services provided for the OTTO FUCHS Group.

## 3. COMMERCIAL ASPECTS

### 3.1 Corruption

The interests of the companies and the private interests of employees on both sides must be kept strictly separate in dealings with our business partners. Actions and (purchasing) decisions shall be free of third-party considerations and personal interests.

Consequently, employees should not enter into any financial or other relationship with a supplier that influences the duty of the employee (to act in the interest of OTTO FUCHS). The supplier is responsible for disclosing a private relationship. No personal benefits, gifts, payments, invitations or services with a monetary value shall be offered or promised in business transactions with the intention of influencing a business relationship in an improper manner. This does not apply to gifts and invitations that are within the bounds of normal corporate hospitality and courtesy. Cash and monetary benefits, such as vouchers, shall not to be accepted. The regulations described above likewise apply to gifts or tokens sent to the private address of an employee.

### 3.2 Antitrust law / conduct with competitors

Laws that protect and promote fair competition, in particular the prevailing antitrust laws and other legislation that regulates competition, shall be observed.

## 4. SUPPLY CHAIN

### 4.1 Use of raw materials from conflict zones

In accordance with the “Dodd-Frank-Act” passed in the USA to prevent raw materials from conflict zones from entering the supply chain, the materials concerned, such as tantalum, tungsten, tin and gold, may not be procured from the Democratic Republic of Congo or its neighbouring states. The supplier is obliged to observe these regulations and to extend them to its supply chain.

### 4.2 Extension of the Code of Conduct to supplier delivery chain

The supplier is also obliged to comply with the content of this Code of Conduct with regard to its suppliers.

## 5. SOCIAL ASPECTS

### 5.1 Human rights

Compliance with internationally recognised human rights shall be respected and supported.

### 5.2 Forced labour

Forced labour of any type is unacceptable.

### 5.3 Child labour

The regulations of the United Nations on human rights and the rights of children shall be observed, in particular the treaty on the minimum employment age, as well as the ban on and the immediate introduction of measures to remove the worst forms of child labour (ILO Conventions 138 and 182). Where a national regulation governing child labour lays down stricter rules, these shall take precedence.

#### 5.4 Subsistence wages

The supplier shall pay its employees fairly and reasonably and shall guarantee the minimum wages prescribed by law, as agreed collectively or that are normal within the industry. Every employee should be able to cover the basic needs of their immediate family and have a disposable income beyond this. The supplier shall grant its employees the social security benefits to which they are entitled by law. The supplier shall make remuneration transparent. It shall be paid regularly and in legal currency. Illegal and unjustified deductions from wages and deductions as disciplinary actions shall not be permitted (ILO Conventions 26 and 131).

#### 5.5 Working hours

The supplier complies with the national laws on working hours and vacation times. If there are no national laws on working and vacation times, the supplier adheres to the labor standards of the ILO

#### 5.6 Discrimination

All forms of discrimination shall be countered within the framework of the prevailing rights and laws. This refers in particular to discrimination against employees on the grounds of gender, race, disability, ethnic or cultural origin, religion or ideology, age or sexual inclination. Equal opportunities must prevail in recruiting, employing and remunerating staff. Fair treatment, respect, tolerance and diversity shall be promoted.

#### 5.7 Health protection

Health and safety at work shall be ensured in the workplace within the framework of national regulations and the continuous improvement of the working environment shall be supported. The supplier must introduce guidelines and procedures to ensure health and safety at work and must disclose these to its employees in order to prevent or reduce accidents and occupational illnesses (ILO Convention 155, recommendations 164 and 190). The supplier complies with all applicable wage and hour laws unexceptionally. Your employees will never be asked by OTTO FUCHS to work more than permitted by law. When working on our premises the supplier will comply with "Work Safety and Environment Protection Guidelines." The document is available at [www.otto-fuchs.com](http://www.otto-fuchs.com).

### 5.8 Fair working conditions

The right to freedom of association of the employees shall be maintained within the framework of the prevailing rights and legislation. The supplier may not punish workers either physically or psychologically in any way. This applies in particular where employees in good faith report company practices that contravene national, international or internal regulations.

## 6. ENVIRONMENTAL PROTECTION

We are obliged to protect the environment for the present generation and for future generations. Products and services from the supplier may not endanger humans or the environment and must fulfil the standards agreed or prescribed by law with regard to product safety. Laws that have been passed to protect the environment must be observed and environmental awareness must be encouraged amongst the employees.

### 6.1 Conservation of resources

The supplier shall reduce its consumption of raw materials to a minimum in all business activities. In particular, the supplier shall take care to use energy and water sparingly. Renewable resources must be preferred if this is possible. Suppliers are requested to strive for the latest technical standards to achieve the most efficient use of resources possible. The supplier shall volunteer alternatives to the technical solutions deployed hitherto by OTTO FUCHS.

## 6.2 Prevention and reduction of ecological damage

The supplier shall reduce all emissions to a minimum in accordance with the state-of-the-art. It shall control emissions of pollutants and process these before releasing them into the environment. The supplier should avoid producing waste insofar as possible or recycle it. The materials used should be recyclable if this is possible. The supplier shall develop procedures to regulate the transport and storage of waste, as well as treat and dispose of waste in a harmless and environmentally friendly way. Substances that – if released – pose a danger to humans and the environment must be avoided if possible. The supplier shall also introduce a system to manage hazardous materials which ensures that they are used, transported, stored, processed, reused and disposed of safely and securely. The leaflet “Work Safety and Protection Guidelines” will be respected and complied with.

## 6.3 Eco-friendly products

When developing products and services, the supplier shall take care that these make sparing use of energy and natural resources. Furthermore, products should be suitable for reuse, recycling or harmless disposal.

## 6.4 Management systems

The supplier shall introduce management systems that guarantee compliance with the principles laid down here and certify these in accordance with recognised standards. OTTO FUCHS prefers suppliers that actively use a quality management system in accordance with ISO 9001, an environmental management system in accordance with ISO 14001, an energy management system in accordance with 50001, as well as OHSAS 18001 for work safety or equivalent systems. A management system for social responsibility orientated to SA8000 stipulations is recommended.

## 7. IMPLEMENTATION

The supplier must submit to OTTO FUCHS upon request all the information necessary for an initial review correctly and comprehensively as part of a self-assessment. The supplier shall also provide other information to demonstrate compliance with the Supplier Code of Conduct. OTTO FUCHS shall monitor the implementation of these guidelines. The supplier must notify us of events that obstruct the principles of the Supplier Code of Conduct. In the event of non-compliance, OTTO FUCHS reserves the right to demand remedial measures and, if necessary, to terminate the collaboration.

We confirm the supplier Code of Conduct and will apply it. As well we will forward it to our employees collaborating with OTTO FUCHS Hungary Kft.

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Place, Date

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Stamp/Signature\*

\*Stamp and legally binding signature of a person authorized to represent



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