

Code of Conduct for Suppliers



Dear Suppliers,

We always want to maintain a reliable partnership with our suppliers. The three key success factors are transparency, trust and cooperation. Transparency creates trust, and trust is the basis for good cooperation.

As a family-owned company, we have earned an excellent reputation among our customers, suppliers and the public for decades of committed, sustainable work, innovative solutions, first-class quality and flexible service. This is a valuable asset that we want to secure and expand.

No business is so important that we are allowed to violate applicable rules and laws in the process. Irresponsible actions, even to the detriment of the environment and living creatures, can lead to considerable damage. For this reason, we must comply with the rules and laws and see this as an integral part of our corporate culture.

We also expect our suppliers to act lawfully and sustainably. This Supplier Code of Conduct describes our expectations for sustainable business management and business relationships. It is to be understood as a binding code of conduct for our supply chain. The aim is to protect society and the environment along our entire supply chain.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'C. Wallstabe'.

Christian Wallstabe
Managing Shareholder

A handwritten signature in black ink, appearing to read 'Kai Peters'.

Kai Peters
Managing Director

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1 Basic behavioural requirements

1.1 Transparency, trust and cooperation

Responsible cooperation requires actions and decisions that are transparent and comprehensible, only then will they meet with the necessary acceptance. For cooperation, transparency also means dealing openly and honestly with problems and mistakes. Wallstabe & Schneider considers this to be fundamentally important factors for a business relationship and therefore also expects such behaviour from its suppliers.

1.2 Compliance with applicable laws

Compliance with applicable local, national and international laws and regulations is a prerequisite for a trusting business relationship. Wallstabe & Schneider does not tolerate such violations and expects its suppliers to comply with applicable laws and regulations. In the event of serious violations, Wallstabe & Schneider reserves the right to draw consequences from such behaviour.

1.3 Respect for human rights

Respect for human rights is an integral part of the corporate responsibility of every company. Wallstabe & Schneider also expects its suppliers to respect the dignity and personal rights of the people with whom they come into business contact. All suppliers are expected to take measures to ensure the protection of human rights.

1.4 Avoiding conflicts of interest

A conflict of interest exists when the actions or private interests collide in any way with the interests of the company or could even appear to do so.

Wallstabe & Schneider expects loyalty and integrity from all its employees. This means that all employees are required, within the scope of their employment, to act solely in the interests of Wallstabe & Schneider. All suppliers are expected to respect this in their daily business, not to put employees in distress and to disclose possible conflicts.

1.5 Transfer to own supply chain

The principles described in this Code of Conduct represent a minimum standard for Wallstabe & Schneider. Suppliers are also expected to insist on compliance with applicable law within their own supply chain and to establish appropriate measures for verification.

1.6 Standards for Sustainable Operations Through Integrated Management Systems

Sustainable and responsible operations are an integral part of Wallstabe & Schneider's corporate governance. Requirements in the areas of the environment, social responsibility, occupational safety, energy efficiency, quality, and information security are managed through an integrated management system. Suppliers are also expected to rely on such integrated management systems to ensure a systematic approach of ESG aspects being integrated into all business processes and continuously improved.

2 Conduct towards business partners and third parties

2.1 Integrity and prohibition of counterfeit parts

Wallstabe & Schneider expects integrity in its business dealings. It is expected that all suppliers also comply with the relevant legal provisions. Wallstabe & Schneider shall maintain business relationships only with third parties who engage in ethically sound business practices and do not expose the company to criminal or other liability or damage the company's reputation.

Wallstabe & Schneider does not engage in, enable or tolerate any activities related to money laundering. The production of counterfeit parts (plagiarism) and the trade in them are strictly rejected and fundamentally prohibited.

2.2 Fair competition

In almost all countries there are laws and regulations that prohibit relationships or agreements between competitors, suppliers, distributors or dealers that could have a distorting effect on competition. Wallstabe & Schneider stands for fair and undistorted competition. This is also expected from our own suppliers. They are required to comply with all antitrust regulations in the markets in which they operate.

2.3 Combating corruption

Wallstabe & Schneider expects its suppliers to strictly prevent any form of corruption or granting of advantages. This applies to direct benefits in the form of money or goodwill as well as indirect benefits in the form of gifts or invitations or in connection with advertising measures such as sponsoring or donations.

2.4 Trade Controls

National and international laws regulate the import, export or domestic trade of goods, technology, services and the handling of certain products. Wallstabe & Schneider expects its suppliers to implement measures to avoid violating economic embargoes or trade regulations, import and export control requirements, or requirements to prevent the financing of terrorism.

2.5 Supply Chain Auditing and Sustainability

Wallstabe & Schneider is committed to ensuring a sustainable and responsible supply chain. Suppliers and business partners are expected to comply with all applicable legal requirements as well as recognized standards in the areas of environmental protection, social responsibility, and corporate governance (ESG). Wallstabe & Schneider reviews compliance with these requirements on a risk-based basis through appropriate assessment and auditing processes.

2.6 Conflict Minerals

Suppliers are expected to comply with applicable legal requirements regarding “conflict minerals”, including tin, tantalum, tungsten, their ores, and gold originating from conflict-affected regions, and requires its suppliers to comply with these regulations. Suppliers are expected to make their best efforts to avoid the use of raw materials that directly or indirectly finance armed groups responsible for human rights violations in products supplied to Wallstabe & Schneider.

3 Handling of information

3.1 Protection of confidential information

Suppliers are expected to protect and treat as confidential all company information entrusted to them by Wallstabe & Schneider. This applies to all information received by the supplier, be it personal data of employees, design data, production plans or other documents.

3.2 Observance of data protection regulations

The protection of personal data of employees and business partners is very important to Wallstabe & Schneider. This is also expected of all suppliers, in particular that personal data is handled with great care and sensitivity and that measures are taken within the company to protect this data. Personal data must be handled in accordance with the applicable data protection regulations.

3.3 Protection of Intellectual Property

The protection of its own intellectual property and that of its suppliers is very important to Wallstabe & Schneider. Suppliers are therefore expected to protect documents marked as confidential from access by unauthorised third parties and under no circumstances to pass them on without the consent of Wallstabe & Schneider.

3.4 Cyber security and data protection

The protection of information, data, and IT systems is of the highest priority for Wallstabe & Schneider. Suppliers and business partners are therefore expected to implement and maintain appropriate technical and organizational measures to protect confidential information and to ensure a high level of information security.

Suppliers must ensure that all information and data received from or relating to Wallstabe & Schneider are adequately protected against unauthorized access, loss, or misuse. Wallstabe & Schneider operates an information security management system in accordance with the requirements of TISAX® and is committed to the continuous improvement of its cybersecurity measures. By adhering to appropriate information security standards, suppliers contribute to minimizing cyber risks throughout the entire value chain and safeguarding the integrity of business processes.

4 Dealing with employees, human rights and working conditions

Compliance with human rights and fair working conditions are an integral part of the supplier's corporate culture. The supplier is committed to respecting human rights, both in its own business activities and in its global supply and value chains, and therefore acts in accordance with the principles of the following international standards:

- United Nations (UN) Universal Declaration of Human Rights,
- Ten Principles of the UN Global Compact,
- Core Labour Standards of the International Labour Organization (ILO),
- UN Guiding Principles on Business and Human Rights.

4.1 Prohibition of child labour and young workers

Child labour is not tolerated. The statutory age restrictions according to the Youth Employment Protection Act apply, on the basis of which children under 15 years of age and young people who are obliged to attend school full-time are not employed. This does not apply to school placements or other company placements during the period of compulsory full-time schooling that support the child's development. When employing adolescents and young workers, we also pay special attention to compliance with the legal regulations on working hours, rest breaks and dangerous work. This includes prohibiting any activities that are considered dangerous and could endanger the physical or mental health and development of the young employee.

4.2 Forced or Compulsory Labour (Modern Slavery)

The supplier does not tolerate any forced or compulsory labour (modern slavery). Employees shall perform all activities voluntarily and without coercion or threat of punishment.

4.3 Wages and benefits

The supplier offers its employees competitive and performance-related remuneration, which may be supplemented by additional benefits.

The supplier guarantees the legal requirements of maternity protection and assists in guaranteeing parental leave.

Wages, salaries, social benefits and other claims arising from the employment relationship (e.g. paid sick days, sick leave or holidays) shall be paid directly by the supplier in accordance with the statutory regulations after the end of each pay period.

The supplier undertakes to grant the statutory minimum wage. Overtime shall be compensated by time off in lieu or remuneration in accordance with the agreed regulations.

The relevant statutory rules and regulations shall apply to the deployment of temporary or external employees.

4.4 Working hours

The supplier shall comply at least with the legally valid working time regulations.

The organisation of working hours and breaks shall take into account both operational and individual concerns.

In order to support the reconciliation of work and private life (work-life balance), flexible working time models and mobile working shall be granted across all divisions.

4.5 Right to health and safety at work

The safety, health and well-being of employees must be safeguarded. Occupational health and safety guidelines, legal regulations and industry standards form the basis for a safe and healthy working environment in order to maintain the health of employees, protect third parties and prevent accidents, injuries and work-related illnesses.

4.6 Freedom of association and the right to collective bargaining

The supplier respects the freedom of association and the right to form interest groups and grants its employees the right to defend their interests on the basis of national legislation.

4.7 Protection against discrimination and harassment

The supplier provides equal opportunities for all employees and does not tolerate any form of discrimination on the basis of origin, race, colour, nationality, religion, gender, sexual orientation, belief, political or trade union activity, age, disability, illness, pregnancy or any other reasons.

The supplier offers gender equality and self-determination for women. We reject any discrimination against women in all its forms. Any distinction, exclusion or restriction based on sex which has the effect or purpose of impairing or nullifying the exercise by women, irrespective of their marital status, of human rights and fundamental freedoms in the political, economic, social, cultural, civil or any other field, on the basis of equality between men and women.

The Supplier shall not tolerate harassment, especially of a sexual nature, or related intimidation or bullying. Unwanted physical behaviour or verbal statements that offend, are hostile, humiliating or intimidating are to be punished in any case, up to and including immediate dismissal. This also includes physical coercion and any form of corporal punishment.

4.8 Diversity, equality and inclusion

The Supplier should create a diverse and inclusive corporate culture. It is committed to creating inclusive workplaces for its employees, to promoting diversity and to raising awareness among managers about their responsibilities for diversity.

4.9 Ethical recruitment

The Supplier is committed to conducting its recruitment in the most ethical, sustainable, transparent and respectful manner possible.

4.10 Rights of minorities

The supplier shall ensure that persons belonging to minorities have the privileged right to maintain and practise their cultural characteristics - culture, language and religion.

4.11 Land, forest and water rights and eviction

The Supplier shall not engage in any unlawful eviction and the unlawful taking of land, forests and waters in the acquisition, development or other use of land, forests and waters, the use of which secures the livelihood of any person.

4.12 Use of private and public security forces

The Supplier shall not engage or use private or public security forces to protect a business project if, due to lack of training or control, the use of the security forces violates the prohibition of torture and cruel, inhuman or degrading treatment, causes injury to life or limb, or interferes with the freedom of association or coalition.

4.13 Responsibility

Responsibility for the implementation of this policy will be managed by management and the heads of each of the supplier's business units. This is to ensure that each area of the company is aware of its own responsibility for respecting human rights and implementing them on a day-to-day basis.

4.14 Auditing and reporting

This policy on human rights and labour conditions shall be reviewed by the supplier on an ongoing basis and updated as necessary.

5 Environment, safety and health

5.1 Sustainable environmental practices throughout the supply chain

Energy efficiency and use of renewable energies

The protection of our environment is an integral part of the corporate responsibility of every company. Wallstabe & Schneider also considers its suppliers to have a duty to comply with applicable environmental regulations and standards and to adopt practices that minimise environmental impact. The supplier must also pass on the requirements of the Code of Conduct to its TIER 1 suppliers or make its own corresponding specifications.

The supplier works specifically on the following topics:

- Decarbonisation: Continuous reduction of CO₂ greenhouse gas emissions* into the atmosphere
*Explanation: The CO₂ balance (carbon dioxide balance, also greenhouse gas balance, CO₂ footprint) is the measure of the total amount of carbon dioxide emissions that are directly or indirectly caused by activities or life stages of products or people.
- Sustainable improvement of own energy efficiency
- Use of renewable energy to reduce greenhouse gas emissions

Sustainable resource management:

- Protecting water quality by using sustainable filter technology and continuously reducing water consumption
- Reduction of noise emissions
- Sustainable improvement of air quality through the use of sustainable processes in production (e.g. filter systems)
- Waste avoidance and waste reuse through recycling
- Preservation of soil quality through environmentally sound disposal and precautionary measures

5.2 Safe and healthy working environment

The health and safety of workers is one of the most important issues in the day-to-day running of a company. Appropriate health and safety precautions and measures are therefore essential.

Wallstabe & Schneider expects its suppliers to meet or even exceed the relevant legal requirements, regulations or company guidelines regarding occupational safety, fire protection and active health protection.

If a country does not have such regulations or if they are at a very low level, Western European standards must be applied.

Commitment of own subcontractors/suppliers (supply chain management) to health-conscious and socially responsible corporate governance as required by this sustainability guideline.

5.3 Biodiversity and Protection of Natural Habitats

Suppliers and business partners are expected to support the protection of biodiversity and the responsible use of natural resources as part of sustainable business practices. Environmental impacts on ecosystems and natural habitats should be considered in operational activities and decision-making processes.

Suppliers are encouraged to implement measures that contribute to the preservation of biodiversity and the protection of natural habitats within their areas of operation. By promoting environmentally responsible practices, suppliers help support the protection of ecosystems and the conservation of valuable habitats for wildlife and plant species.

5.4 Animal Welfare and Ethical Treatment of Animals

Suppliers and business partners are expected to respect animal welfare and to reject any form of animal cruelty or unnecessary suffering. Although the use of animals or animal-derived materials generally does not play a significant role in the business processes or products of Wallstabe & Schneider, suppliers must comply with all applicable animal welfare laws and recognized ethical standards in the treatment of animals.

Where business activities, products, or services involve animals, suppliers must ensure that these activities are carried out responsibly, in compliance with legal requirements, and with due consideration for animal welfare.

6 Passing on requirements to suppliers

We expect our suppliers to commit their own TIER 1 suppliers to sustainable corporate governance, with the aim of sustainable and environmentally conscious behaviour in accordance with the requirements of this Code of Conduct (Sustainable Supply Chain Management).

7 Reporting, information and contact persons in the event of suspected misconduct

7.1 Reporting misconduct of any kind

We expect from our suppliers that their employees always find an open door and are always encouraged to speak out freely and without fear of reprisals. To clarify issues relating to the Code or to address misconduct, supplier employees should be able to contact a person in their immediate work environment, for example:

- management and executives,
- the site Compliance Officer
- the human resources department
- or the employee representative.

7.2 Legal Remedies and Complaints Mechanism (Whistleblowing - Ombudsman)

An anonymous whistleblowing system must be available to the supplier's employees, business partners and third parties for reporting suspected cases or complaints of suspected violations of the "Code of Conduct for Suppliers". In the case of justified violations, corrective measures must be initiated while maintaining anonymity.

Your contact for suspected violations and the Code of Conduct in general is the Compliance Officer

Cell: +49 160 4767893

Mail: compliance@wallstabe-schneider.de