

## CODE OF CONDUCT PURCHASING

VERSION 01/2021

### CODE OF CONDUCT (COMPLIANCE)

#### WHAT IS THE WEIG CODE OF CONDUCT?

It is a set of rules for all employees and all companies of the WEIG Group that should help them behave in accordance with applicable laws and generally accepted ethical standards.

#### WHY DO WE NEED A CODE OF CONDUCT?

- It assures the companies that the rules are known and complied with and prevents violations of the law.
- As an internationally active group of companies, our business partners, customers, suppliers, and service providers expect us to have defined such a set of rules in writing.
- It gives employees certainty regarding how they must or may behave. A point of contact bound by confidentiality is available to all employees.

#### WHAT DOES THE CODE OF CONDUCT COVER?

- The rules cover all areas in which employees work and have contact. Assistance is available, including for matters such as
- Dealing with business partners
  - Suppliers (e.g. accepting gifts)
  - Customers (e.g. granting advantages)
  - Competitors (e.g. antitrust conduct)
  - Associations (e.g. antitrust conduct)
- Dealing with public interest groups
  - Authorities (e.g. public contracts)
  - Associations (e.g. granting of donations)
- Dealing with colleagues and employees
  - Leadership (e.g. clear remits)
  - Discrimination (e.g. observance of personal rights)
  - Safety at work (e.g. wearing protective clothing)

- Handling Information
  - Confidentiality (e.g. production or development processes)
  - Financial data (e.g. truthful records)
  - Data protection (e.g. storage of personal data)
- Dealing with conflicts of interest
  - Secondary employment (e.g. approval requirements)
  - Private interests (e.g. private commissioning of business partners)
- Handling company property
  - Use (e.g. exclusively for business purposes)

#### WHEN IS THE CODE OF CONDUCT APPLICABLE?

As the rules refer to existing and effective laws, there is no specific validity date.

#### WHO IS YOUR POINT OF CONTACT?

Mr. Michael Buchner was appointed as the officer. Unless expressly exempted from this, he is obliged to maintain absolute confidentiality and will be happy to answer any questions you may have.

#### CONTACT DETAILS:

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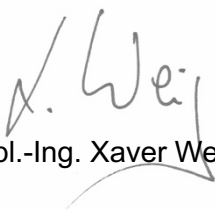
## 1. Preamble

The WEIG Group is fully aware of its responsibility towards its customers, suppliers, service providers and employees and the organizations in which it operates. This is why we have established strict ethical rules for ourselves to guide us in our operations.

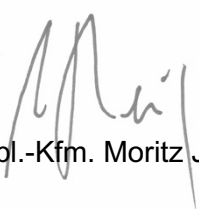
We expect our suppliers, i.e. all companies that have or wish to enter into a business relationship with a WEIG Group company, to base their actions on the same requirements and ethical principles.

This is why we have drawn up this **Purchasing Code of Conduct** to set standards for business relations with the companies of the WEIG Group.

Mayen, May 20, 2021.



Dipl.-Ing. Xaver Weig



Dipl.-Kfm. Moritz J. Weig

## **A. BASIC PRINCIPLES**

Separation of powers and the dual control principle form the basis for the WEIG Group's procurement processes. These are open, transparent and take into account the aspects of quality, the environment and social issues, safety, legal compliance and other requirements. We act in good faith in our procurement activities and affirm the trust of our partners.

The principles enshrined in this WEIG Group **Purchasing Code of Conduct** apply to all procurement transactions within the WEIG Group.

The implementation, monitoring and reporting of violations of the **Purchasing Code of Conduct** must be carried out in accordance with the general Code of Conduct of the WEIG Group.

## **B. SUPPLIER REQUIREMENTS**

### **1. SUCCEEDING TOGETHER**

The WEIG Group regards suppliers as innovative partners who are prepared to contribute to mutual market success with a high degree of added value, commitment, flexibility, creditworthiness and reliability.

The aim is a long-term, cooperative relationship shaped by transparency and openness. The WEIG Group always strives for the best possible conditions in terms of performance, price, quality and ability to deliver.

### **2. AVOIDING ECONOMIC DEPENDENCIES**

The WEIG Group strives to have the best possible portfolio of suppliers in the same product segment in order to avoid a one-sided focus on individual companies.

The dependency of a supplier on the WEIG Group is also avoided as far as possible.

### **3. FORMAL REQUIREMENTS**

The General Terms and Conditions of Business of the WEIG Group (in particular the General Terms and Conditions of Purchase and the General Terms and Conditions of Sale and Delivery) and the corresponding contractual templates form the basis for procurement transactions with the WEIG Group.

### **4. EXPECTATIONS OF SUPPLIERS**

In accordance with its corporate values and its environmental and social policy, the WEIG Group expects its suppliers and sub-suppliers to fulfil their responsibilities towards society and the environment.

The focus here is on the entire supply and value chain, from the manufacturer to the supplier to the user and the disposal company. Accordingly, the WEIG Group expects its suppliers to behave as follows specifically:

#### **4.1 Laws and ethical principles**

Suppliers shall comply with all laws applicable to their companies. They support the principles of the United Nations Global Compact, the UN Universal Declaration of Human Rights and the International Labor Organization's Declaration on Fundamental Principles and Rights at Work in accordance with national laws and practices.

In particular, the following are taken into account:

- prohibition of child and forced labour,
- prohibition of any discrimination based on race, sex, age, disability, sexual orientation, or religion,
- the right to freedom of association, to organize in trade unions and to bargain collectively,
- setting the maximum working time at 48 hours per week, with one day off; offering different forms of working time to employees (e.g. part-time, teleworking, home working),
- guarantee of living wages,
- demanding and introducing decent working conditions, systematic improvement of working conditions.

## **4.2 Quality management**

Suppliers shall ensure that the contractual products are manufactured in accordance with a management system in line with the ISO 9001 standard. They are responsible for ensuring that the entire

value chain is subject to a suitable quality management system (QM system). This also includes each supplier ensuring that the contractual products are identified so that, in the event of quality defects, it is possible to identify which products, deliveries or production periods are affected overall.

## **4.3 Environmental Management**

The WEIG Group expects its suppliers to comply with all applicable environmental laws, regulations, and standards and to operate an efficient system to identify and eliminate potential environmental hazards.

Suppliers shall observe and, in particular, carry out the following measures:

- regular monitoring of compliance with environmental legislation,
- documentation of workflows and procedures that include environmental aspects (e.g. processes, checklists, work instructions),
- demonstrable preparation and implementation of an environmental programme,
- training of employees in environmentally relevant activities,
- regular monitoring of continuous improvement in the area of the environment by means of internal or external audits,
- consideration of commercial and environmental aspects by supplier management,
- appointment of a person in the company who is responsible for all environmental matters.

#### **4.4 Product ecology**

All products should be checked for environmental relevance during the development phase. For existing products and manufacturing processes, the environmental risks are assessed and, if necessary, measures are taken.

#### **4.5 Occupational protection**

Our suppliers are expected to strive for a high level of occupational health and safety.

The supplier shall comply with the applicable occupational health and safety regulations and shall ensure a safe and healthy working environment in order to maintain the health of its employees and prevent accidents, injuries, and work-related illnesses.

#### **4.6 Business continuity planning**

The supplier shall be prepared for operational disruptions of any kind (e.g. natural disasters, terrorism, computer viruses, illnesses).

In particular, it shall have contingency plans in place to protect both its employees and the environment as far as possible from the effects of any operational disruptions that may occur in the vicinity of its operations.

#### **4.7 Dialogue with business partners**

Suppliers shall communicate the principles described herein to their subcontractors and other business partners involved in the delivery of products and services described in the main contract. Suppliers shall encourage these parties to apply the same standards in their actions.

#### **4.8 No Bribery**

Suppliers shall comply with international anti-corruption standards as set out in the United Nations Global Compact and local anti-corruption and bribery laws.

In particular, they shall not offer any services, gifts, or benefits to employees of the WEIG Group that shall influence the personal conduct of our employees with regard to work for us. This does not apply to commonly used and occasional gifts of demonstrably low value. Invitations and hospitality must be within the bounds of customary business hospitality. In all other respects, the provisions of the WEIG Group's General **Code of Conduct** must be observed.



## 5. COMPLIANCE AND REVIEW OF THE PRINCIPLES

The WEIG Group shall ensure compliance with the provisions of this **Purchasing Code of Conduct** in its relations with suppliers. Suppliers are encouraged to introduce their own binding guidelines or principles of ethical conduct.

The WEIG Group reserves the right to check compliance with and implementation of the requirements set out for suppliers in this **Purchasing Code of Conduct**.

The WEIG Group does not have any business relations with suppliers that violate the principles underlying this **Purchasing Code of Conduct**.

**Any violation of the obligations set out in section B. 4 of this Purchasing Code of Conduct shall be considered a material breach of contract on the part of the supplier.**

## C. RESPONSIBLE CONDUCT IN PURCHASING

### 1. CODE OF CONDUCT FOR PROCUREMENT

In addition to this **Purchasing Code of Conduct**, the WEIG Group's General **Code of Conduct** and all other WEIG Group policies (hereinafter referred to as '**Policies**') apply to all employees of the WEIG Group in purchasing. These policies must be observed.

Employees of the WEIG Group are obliged to familiarize themselves with the relevant provisions for process management of the WEIG Group and to observe these provisions when purchasing.

Prerequisites for successful cooperation are the confidential handling of data and information and the avoidance of conflicts of interest between the interests of the WEIG Group and private interests.

Employees of the WEIG Group shall ensure that the principles of this **Purchasing Code of Conduct** form the basis for cooperation with suppliers.

## **2. PURCHASING GUIDELINES**

### **2.1 Personal conduct**

The following guidelines apply to the personal conduct of employees:

- We behave professionally and are guided by common sense.
- We treat each other with respect and deal with each other fairly at all times.
- We act in good faith and thus justify the trust placed in us.
- We always act in a way that allows us to defend our decisions with a clear conscience.
- We behave in an environmentally conscious, safety conscious and socially responsible manner.
- We reject dubious business practices and disclose them internally.
- We respect individual and cultural differences, in particular, we do not discriminate against anyone on the basis of race, religion, disability, sexual orientation, age or gender.

### **2.2 Negotiations and contracts**

In the context of negotiations and the conclusion, execution and termination of contractual relationships, the following guidelines apply to employees:

- ensuring a working environment free from discrimination and harassment,
- creating and implementing fair competition in the procurement process,
- creating a transparent exchange of information with our suppliers through clear and truthful statements,
- ensuring the confidentiality of information at all times,
- safeguarding the interests of the WEIG Group,
- protecting the company's expertise and intellectual property,
- compliance with antitrust laws (no price fixing, division of customers or markets, etc.),

- ensuring that existing customer relationships, directly or indirectly, do not give rise to any claim to preferential procurement,
- respecting the interests of our business partners,
- expecting our business partners to follow 'best practice' principles in their actions,
- expecting our business partners to comply with applicable laws and assume their social and environmental responsibility,
- actively tapping into the innovative strength of our suppliers.

### 3. TACKLING CORRUPTION AND BRIBERY

The WEIG Group and the relevant contractual parties shall take all reasonable measures to prevent corruption.

The WEIG Group rejects all types of unfair business practices, in particular corruption and bribery.

- Generally speaking, anyone who promises or grants an undue advantage to an employee, agent, etc. for a breach of duty is acting actively unfairly.
- Generally speaking, anyone who, as an employee, agent etc., lets themselves be promised or accepts an undue advantage for a breach of duty is acting passively unfairly.

No employee of the WEIG Group may accept, grant, demand or be promised an undue personal advantage in connection with a procurement transaction.

Gifts are only permitted if they are contractually approved by the business partner's management or if they are insignificant and socially customary.

In all other respects, the provisions of the General **Code of Conduct** of the WEIG Group shall apply.

#### **4. NON-COMPLIANCE**

In the event of a violation – irrespective of the sanctions provided for by law – every employee must expect disciplinary consequences due to the breach of the obligations set out in their employment contract, up to and including termination of the employment relationship in individual cases.

#### **D. YOUR POINT OF CONTACT**

The Compliance Officer of the WEIG Group and your point of contact for all questions relating to this **Purchasing Code of Conduct** at the time of going to print is:

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Please check for updates to this position.

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