

CODE OF CONDUCT FOR BUSINESS PARTNERS



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As a 4th generation family business, we are free to think and act in a sustainable and ethical manner. And we do so - with full conviction that acting in a socially, ecologically and societally responsible manner does not impede the economic success of our company, but rather promotes and secures it on a long-term basis.

We believe that sustainable economic success can only be secured if we involve our business partners, whose activities play a key role in our supply chain, in the development of ethical standards and in building social, economic and environmental responsibility.

In the spirit of a holistic approach, we would like to agree the following set of rules for a mutual Code of Conduct with our business partners. The Code of Conduct is based, among others, on international conventions such as the Universal Declaration of Human Rights, the UN Global Compact, the UN Guiding Principles on Business and Human Rights, the ILO Core Labor Standards, as well as national laws and regulations such as the German Act on Corporate Due Diligence Obligations in Supply Chains or the U.S. Uyghur Forced Labour Prevention Act.



Jana Schönfeld

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Managing Directors Hettich Holding GmbH & Co. oHG

II. OUR EXPECTATIONS TOWARDS THE BUSINESS PARTNERS

2.1 Legal compliance

Our business partners undertake to comply with all legal, official or statutory regulations applicable to them in the countries where they operate.

If individual requirements of this Code of Conduct conflict with the legal requirements of the respective country, the applicable legal, regulatory or statutory requirements of the respective country shall prevail.



Rooms where meals are prepared or consumed must be in a sanitary condition.

Our business partners must ensure appropriate medical treatment after an accident at work and must support medical rehabilitation with the aim of returning to work.

Our business partners undertake to ensure that their factory premises and, if applicable, accommodation provided to employees are furnished and maintained in accordance with the local safety standards. This applies in particular to fire alarm systems, fire-fighting equipment, evacuation routes and emergency plans.

In order to act safely and correctly in the event of an emergency situation, our business partners undertake to draw up emergency plans in which potential emergency situations are identified, assessed and measures to be taken are defined in order to minimize the impact of the incident. All employees must be instructed regularly, at least every 12 months, in documented manner regarding safety aspects such as evacuation, emergency alarm trigger locations and their activation, etc.

2.2 Social responsibility

Safe and healthy working conditions

Our business partners take responsibility for safe and sound working conditions of their employees. They undertake to arrange workplaces and work equipment in a way that prevents accidents and injuries and to ensure adequate levels of noise, light and air quality. Applicable statutory limits must be complied with at any time. Employees shall be provided with the personal protective equipment required for their work. Excessive physical or mental strain must be prevented by taking appropriate measures. By establishing and maintaining adequate Occupational Health and Safety Systems, appropriate preventive measures shall be taken against occupational accidents and health damages that may arise from their work.

Our business partners undertake to regularly inform and instruct their employees about applicable health and safety standards and practices. All employees must be provided with access to sufficient potable water as well as to sanitary hygienic facilities.



II. OUR EXPECTATIONS TOWARDS THE BUSINESS PARTNERS

Unforced and lawful employment

We will not cooperate with business partners who use forced or bonded labour or any employment of a similar nature. All work performed by their employees must be voluntary and without threat of punishment or exploitation of dependency relationships.

Our business partners undertake not to engage in illegal employment practices such as moonlighting, bogus self-employment or illegal employee lending. They ensure that any applicable legal requirements regarding taxes, social contributions, residence and work permits are met for all their employees.

Zero tolerance against child labor

Our business partners undertake not to allow child labor as defined by the relevant national and international standards. A child is defined as a person who is subject to compulsory education under the law of the place of employment or who has not yet reached the age of 15. The minimum age may exceptionally be reduced to 14 years if the requirements of Articles 5, 6 and 7 of Convention 138 of the International Labor Organization are met.



Protection of minors

Our business partners undertake to ensure that the health and physical or moral protection interests of minors are maintained when employing persons under the age of 18. The minors must be given appropriate job-related instruction or vocational training in the relevant industry sector.

Special protective regulations according to the law of the place of employment must be observed.

No use of physical and psychic harassment at work

There must be no unacceptable treatment of employees by our business partners, such as psychological hardship, sexual and personal harassment and humiliation. Employees' personal documents and belongings shall not be withheld. Our business partners shall ensure that state and private security forces are trained and their activities are monitored in order to ensure that no persons are injured, inhumanly or humiliatingly treated or that freedom of association is impaired during their time on duty.



No discrimination at work

Our business partners undertake not to treat employees in a discriminatory manner in any form, unless it is justified by the requirements of employment. This applies, among others, to discrimination based on gender, national, ethnic or social origin, skin color, disability, health status, political opinion, religion, age, pregnancy or sexual orientation. Our business partners ensure within their sphere of influence that the personal dignity, privacy and personal rights of each person are respected.

II. OUR EXPECTATIONS TOWARDS THE BUSINESS PARTNERS

Fair remuneration

Our business partners undertake to remunerate their employees for regular working hours and overtime at a rate at least equivalent to the national statutory minimum wage or the collectively bargained minimum standards, whichever is higher. Employees shall be provided with all benefits required by law. Wage deductions as a form of penalization are not allowed. Our business partners shall ensure that their employees receive comprehensible, detailed and regular written information on the composition of their remuneration.

Fair working hours

Our business partners undertake to ensure compliance with the maximum working hours for employees stipulated by applicable laws or collectively agreed standards. Overtime is only permitted if it is performed on a voluntary basis. Employees shall be granted at least one day off after six consecutive working days, unless there are contingencies or exceptional situations.

Our business partners undertake to keep transparent and credible working hours records for all employees.

Decent accommodation

In case our business partners provide their employees with accommodation, they undertake to ensure that the accommodation is clean, safe and adequately ventilated and heated. A minimum of privacy and adequate hygienic sanitary and personal hygiene facilities must be provided. Any collectively agreed or statutory provisions for employee accommodations applicable to the place of their employment shall be observed.

Employees must be allowed to enter and leave their accommodation at any time.

Free autonomy of employees

The employees of our business partners must be able to terminate their employment contract at any time in accordance with the applicable legal provisions.

Employees must be allowed to leave the company premises during non-working hours and breaks. The employee's claim to time off from work for personal reasons within the scope of the applicable legislation shall not be rejected.

Respect for the freedom of association

Our business partners undertake to respect the right of their employees to form and join organizations and to engage in collective bargaining and strike action. In cases where freedom of association and the right to collective bargaining are restricted by law, alternative opportunities for independent and free association of workers for the purpose of collective bargaining shall be provided.

Employees shall not be discriminated on account of their formation, membership or activity in such an organization. Employee representatives shall be granted free access to the workplaces of their colleagues in order to exercise their rights in a lawful and peaceful manner.



II. OUR EXPECTATIONS TOWARDS THE BUSINESS PARTNERS

Alerts of human rights or environmental violations

Hettich offers a protected, barrier-free and anonymous way for employees all along the supply chain to report human rights or environmental violations.

Contact points and information on the whistleblower system are publicly available at whistleblowing.hettich.com. Our contractual partners are encouraged to inform their employees about our whistleblower system.

Alternatively, our business partners have the option of establishing their own effective grievance mechanism for individuals and communities who may be affected by human rights or environmental violations.

In this case, our business partners undertake to inform their employees in an appropriate manner about the accessibility, responsibilities and workflow of the grievance procedure. The grievance procedure must allow access in a manner that maintains the whistleblower's identity confidentially and ensures protection against reprisals.



2.3 Ecological responsibility



Responsible stewardship of natural resources

Our business partners undertake not to unlawfully seize land, forests or waters which are used to secure the livelihood of people. Harmful soil degradation, water and air pollution, noise emissions and excessive water consumption shall be omitted if such action would damage the human health, interfere adversely with the natural resources for food production, or prevent or impede access to safe drinking water or sanitary facilities.

Responsible wastewater management

Our business partners undertake to classify, monitor, examine and, if necessary, treat wastewater from operations, manufacturing processes and sanitary facilities prior to discharge or disposal in accordance with applicable national and international legal requirements. We expect our business partners to establish measures to continuously reduce the generation of wastewater.

II. OUR EXPECTATIONS TOWARDS THE BUSINESS PARTNERS

Responsible management of noise and air emissions

Our business partners are committed to classifying, routinely monitoring, screening and, if necessary, treating air pollutant, greenhouse gas and noise emissions from operations prior to their release, in accordance with applicable national and international legal requirements.

We expect our business partners to implement measures to continuously reduce air pollutant, greenhouse gas and noise emissions.

Responsible handling of waste and hazardous substances

Our business partners are committed to a systematic approach for waste classification and handling, reduction and responsible disposal or recycling in accordance with applicable national and international legal requirements. The prohibitions on the export of hazardous wastes in the Basel Convention of 22 March 1989, as amended, shall be observed. Substances hazardous to the environment shall be identified and handled in such a way that no release into the environment occurs during their handling. The restrictions on the use of mercury and persistent organic pollutants must be observed in accordance with the Minamata Convention of 10 October 2013 and the Stockholm Convention of 23 May as amended.

Sustainable use of natural resources and energy

Our business partners undertake to use natural resources such as raw materials, water, soil and clean air in a sustainable manner and to monitor and keep records of their energy consumption.

We expect our business partners to continuously improve the resource and energy efficiency of their processes for manufacturing their products or providing their services.



2.4 Ethical business conduct

Fair business practices

Our business partners are committed to ethical behaviour in their business interactions with customers, suppliers, competitors and authorities. Business documents shall not be compromised. Fair business standards with regard to advertisement, sales and competition must be maintained. Applicable competition law must be observed.



Zero tolerance against bribery, corruption, extortion and embezzlement

Our business partners undertake not to engage in or tolerate any form of bribery, corruption, extortion and embezzlement within the terms of the OECD Guidelines in all business activities and to state this commitment to their employees.

In contact with domestic and foreign government officials, political organisations, non-governmental organisations and their employees, the following applies: Our business partners may not offer or grant illegal benefits or monetary advantages, either directly or indirectly, in order to influence their decision-making or to obtain unjustified preferential treatment for themselves or third parties. Our business partners must also impose this obligation on their employees.

II. OUR EXPECTATIONS TOWARDS THE BUSINESS PARTNERS

Ensuring confidentiality and data protection

Our business partners undertake to comply with the data protection and information security laws and statutory regulations applicable at the place of business when collecting, retaining, processing, transmitting and disclosing personal information.



Protection of intellectual property

Our business partners undertake to respect third party intellectual property rights. Technology and know-how transfers must be made in a way that protects intellectual property rights and customer information.



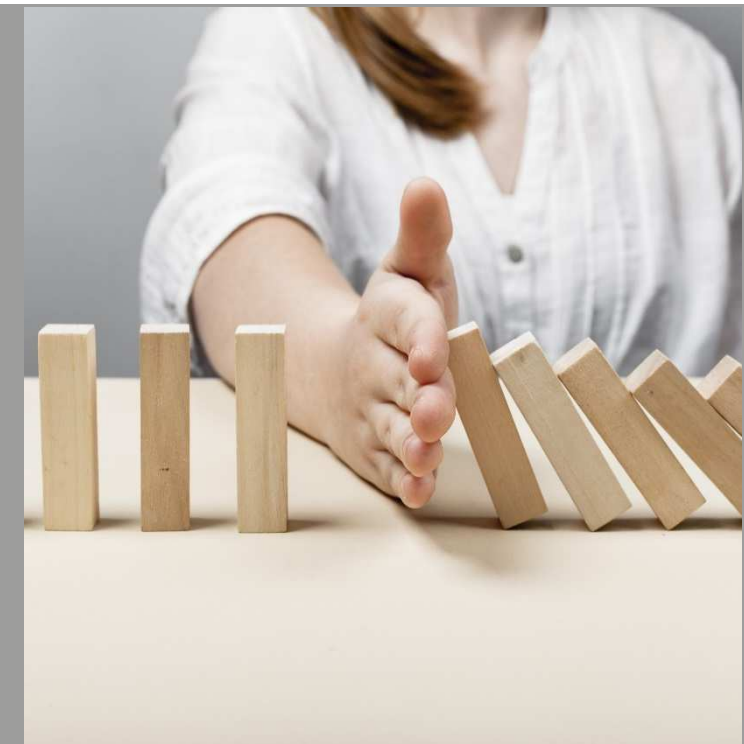
III. MEETING THE REQUIREMENTS

Self-commitment and transfer

Our business partners undertake to comply with the principles and requirements of this Hettich Code of Conduct for Business Partners and to take all necessary precautions for its implementation. They undertake to convey the content of this Code of Conduct, or an equivalent code of conduct of their own, to their employees and subcontractors in a comprehensible manner and to instruct them to comply with the principles and requirements set in this Code of Conduct.

Risk management

Our business partners undertake to systematically identify human rights and environmental risks within their supply chains and to take appropriate measures to prevent or minimise the risk consequences. In the event of suspected human rights or environmental violations and in order to safeguard supply chains with increased risks, our business partners undertake to inform us promptly and, if necessary, regularly about the violations and risks identified and the measures taken.



Auditing

Our business partners undertake to authorise us or third parties commissioned by us to assess their compliance with the obligations arising from our Code of Conduct for Business Partners on site.

Remedial measures and sanctions in the event of violations

We will extraordinarily terminate existing contracts with our business partners in writing without setting a notice period if culpable serious violations of our Code of Conduct are identified.

Serious violations include, in particular, human rights violations, child labour, bribery, serious violations of employee protection and gross violations of environmental protection legislation.

In the event of minor violations of our Code of Conduct, we will notify our business partners in writing and will set an appropriate deadline for remedial action. Our business partners undertake to effectively eliminate the causes of the violation within the deadline set.

If a remedy is not feasible in a foreseeable period of time, our business partners undertake to notify us immediately and to conclude a written agreement with us on an action plan to end or minimise the violation.

If the deadline set expires before the breach has been remedied or the agreed action plan has been effectively implemented, we will terminate existing contracts extraordinarily and with immediate effect.

Declaration of commitment

Our business relationship with our business partners is based on the trust that they will fulfil the principles and expectations set out in this Code of Conduct in a responsible and transparent manner.

We reserve the right at any time to require contractual commitments from our business partners to comply with our Code of Conduct whenever we identify significant human rights or environmental risks arising from the nature of the business partners or of their business activities. The same applies if such a contractual commitment is required due to legal obligations or customer obligations. This contractual commitment comes into force upon signing and becomes part of all existing and future contracts between the business partner and the Hettich Group companies.

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