WÜRTH

SUPPLIER CODE OF CONDUCT

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INTRODUCTION

Complying with current legislation is a matter of course for the Würth Group (hereinafter referred to as "Würth"). We take pride in our company values that govern our dealings with each other and our business partners. Mutual trust, reliability, honesty and straightforwardness, shown both inside our companies and to the public, are the fundamental principles deeply ingrained in the Würth Group's corporate culture. Furthermore, the way we run our business shall be in harmony with humanity and the environment, thereby contributing greatly to our long-term corporate success.

We consider these values to be a cornerstone of our supplier relationships. Würth's Supplier Code of Conduct specifies binding minimum requirements that all our suppliers have to implement and comply with.

In the main, Würth's Supplier Code of Conduct is based on the Universal Declaration of Human Rights and the principles laid down in internationally accepted standards of responsible company governance. These include the UN Global Compact, the fundamental principles at work of the International Labour Organization (ILO) and the Rio Declaration on Environment and Development.

It goes without saying that any kind of entrepreneurial action must comply with the respective country's national legal requirements. Should any laws or legal requirements of a particular country, business field, or market differ from the requirements laid down in Würth's Supplier Code of Conduct, the stricter requirements shall apply.

Universal Declaration of Human Rights
hrlibrary.umn.edu/instree/b1udhr.htm

10 Principles of the UN Global Compact
www.unglobalcompact.org/what-is-gc/mission/principles

ILO Declaration of Fundamental Principles at Work
https://www.ilo.org/wcmsp5/groups/public/—ed_norm/—declaration/documents/publication/wcms_467653.pdf

The Rio Declaration on Environment and Development
www.eolss.net/Sample-Chapters/C16/E1-48-43.pdf

I. HUMAN RIGHTS AND SAFETY AT WORK

1.1 RESPECTING HUMAN DIGNITY

The supplier respects all general personal and human rights. Violence, intimidation, mobbing, sexual harassment, or abuse are prohibited.

BAN ON DISCRIMINATION

Human dignity shall be inviolable. It must be respected and protected. Discrimination – i.e. any degradation or unequal treatment based on a person's sex, gender identity, social or ethnic background, nationality, language, skin color, religion, sexual identity, physical or intellectual disabilities, political orientation–is not tolerated.

CONDEMNATION OF FORCED LABOR, MODERN SLAVERY, AND HUMAN TRAFFICKING

Any kind of forced labor, modern slavery, and human trafficking is prohibited. All employees contribute their labor or services to a company on a voluntary basis. Any threat of punishment, such as isolation, restriction of movement, exploitation, physical harm, intimidation, excessive overtime hours, withholding of identification documents and other sensitive documents, or the withholding of wages or salaries is prohibited.

1.2 BAN ON CHILD LABOR

Würth does not tolerate any child labor nor any form of exploitation of children and adolescents. The term "child" refers to any person under the age of 14. The minimum employment age must not be lower than the school leaving age applicable in the country in which the supplier operates. Proof of age of all employees must be available.

1.3 PROTECTING EMPLOYEES IN NEED OF PROTECTION

Employees in need of protection include expectant mothers, people with a physical or intellectual disability, and children and adolescents under the age of 18. These employees must be specially protected from overwork and any kind of injury to body or health. Regulations governing limited working hours and possible types of occupation must be defined for these groups of employees.

1.4 RIGHT OF FREEDOM OF ASSOCIATION AND ASSEMBLY

In conformity with national law, employees must be granted the right to freedom of association and assembly.

1.5 APPROPRIATE WORKING CONDITIONS

The supplier shall ensure a safe, humane and non-harmful work environment. This includes providing a sufficient number of clean sanitary facilities and having the company and offices cleaned regularly to guarantee a hygienic workplace.

COMPANY APARTMENTS

If travel times from the company's location to the nearest private accommodation are unreasonably long, it would be desirable if the supplier established staff accommodation, which the employees may use on a voluntary basis. Such accommodation must be humane, safe, and clean.

1.6 SAFETY

The supplier must be aware of all operational risks and take all measures required to prevent and reduce accidents, emergencies, fires, etc.

SAFETY BRIEFING

Employees must receive the required health and safety briefings before starting to operate machinery or equipment, or taking up hazardous work as well as general briefings on emergency situations and fire safety. Such briefings must be repeated as required by local law or whenever workplaces change. Briefings must be documented.

OCCUPATIONAL SAFETY

Following a risk assessment, the areas in which to wear personal protective equipment must be specified and communicated. The supplier shall provide their staff with sufficient quantities of fully functional personal protective equipment free of charge.

Devices and safety equipment must be serviced and checked for proper functioning at regular intervals. Machinery emergency stops must function properly and be readily accessible at all times.

SUBSTITUTION AND ALTERNATIVES ASSESSMENT

The utilization of hazardous substances must be kept to a minimum. Hazardous substances must be subjected to a substitution and alternatives assessment. If equally suitable for the respective application, substances that have a lower environmental and health impact must be used.

A material safety data sheet must be presented for every chemical used. Material safety data sheets contain information on the correct handling, storage, transport, and disposal of the substance in question, as well as critical and important substance data and information on possible risks and suitable first aid measures.

EMERGENCY PLANNING AND FIRE SAFETY

The supplier shall have disaster and fire protection plans in place. Disaster and fire drills must be held regularly and documented.

The company must be equipped with fire and evacuation alarms. Depending on the type and risk evaluation of each work task, the size of the building and the number of stories, as well as the number of staff working at the location, the company must provide a sufficient number of fire extinguishers that are accessible to all employees at all times. A sufficient number of employees must be trained to use the fire safety equipment.

EMERGENCY EXITS AND ESCAPE ROUTES

Emergency exits, escape routes, and assembly points are clearly marked and must not be obstructed in any way at any time. The number of emergency exits and escape routes depends on the number of staff, the size of the room and the layout of workplaces and must guarantee the safe and quick evacuation of all employees.

FIRST AID EQUIPMENT

A sufficient quantity of suitable and fully functional first aid equipment must be accessible to all employees in all stories of all buildings during all shifts. The kind and quantity of equipment depends on the specific type of risk and the company's size. A sufficient number of qualified first aiders must be available during every shift to ensure the capacity to act in the event of an accident.

1.7 WORKING HOURS

The statutory maximum working hours must not be exceeded. The weekly working time including overtime may not exceed 60 hours. All employees are entitled to one day off per seven-day calendar week. The number of leave days paid must amount to at least the applicable statutory leave entitlement in each country. The supplier must grant their staff appropriate breaks, at least one 30-minute break per 6 working hours and an overall 45-minute break from 9 working hours unless stricter regulations are required by local law.

1.8 REMUNERATION

All employees must be paid adequate remuneration, but no less than the statutory minimum wage required by local law. If no statutory minimum wage is in place in a particular country, wages must be sufficient for the employees and their families to make a living (i.e. be able to pay for accommodation, food, education, and technology). Wages have to be paid regularly and in legal tender. Using wage deductions as a disciplinary measure is prohibited. The supplier must comply with any regulations on national insurance contributions.

II. ENVIRONMENT

All applicable national laws, regulations and standards limiting and preventing environmental impact must be adhered to.

If the supplier's operations entail the risk of soil contamination, water or air pollution, the supplier must implement adequate prevention and reduction measures.

2.1 EMISSIONS

Emissions can be defined as substances discharged by the supplier's facilities, including air pollutants, noise, vibration, light, heat, radiation, and other forms of environmental impact, that due to their nature, extent and duration, may cause damage or severe disturbance and be of great disadvantage to people, animals, plants, soil, water, atmosphere, and any cultural or other assets.

The supplier shall classify and analyze any emissions, including, but not limited to, emissions from volatile organic chemicals, aerosols, corrosives, particulates, ozone-depleting chemicals and combustion by-products generated from operations, and adequately treat them to render such emissions harmless.

The noise produced must not exceed the specified maximum permissible noise level.

2.2 USE OF WATER

The acceptable quality and availability of water in water bodies and as groundwater is one of the basic preconditions, on which human, animal, and plant life depends. Therefore, the supplier must not compromise water quality and availability. Water must be used carefully and economically in all processes. Industrial facilities were best equipped with recirculation systems to ensure multiple use.

WASTEWATER

Wastewater is used water from any combination of domestic, industrial, commercial, agricultural, or other activities that have changed the quality of the water.

The supplier must ensure that wastewater from business operations, manufacturing processes and sanitary facilities is subjected to adequate treatment before being discharged to the groundwater. The concentration of hazardous substances in the water, such as of salts, heavy metals and their compounds, oxidizable substances, nitrogen, phosphorus, organic halogen compounds, and other chemicals, must be so low as not to have any negative impact on human health or the ecosystem.

If the facility does not have a suitable infrastructure for wastewater treatment, the supplier must commission qualified companies with wastewater transport and treatment.

2.3 WASTE

Waste shall include any substance which is discarded by the owner, or which the owner wishes to or must discard.

Hazardous waste is waste that poses a substantial or potential threat to public health and/or the environment and that has one or more of the following characteristics: flammable, oxidizing, explosive, irritant, corrosive, infectious, toxic upon contact or production of toxic gases, reprotoxic, carcinogenic, or ecotoxic.

GENERAL HANDLING

The handling, storage, transport, and disposal of waste material must be performed by suitably qualified staff and must not have any negative impact on the air, soil and water quality nor on the health of the employees. Explosions, spontaneous ignition and any other sudden dangerous events must be prevented.
The supplier must implement measures to avoid and reduce waste.

HANDLING OF HAZARDOUS MATERIAL

Hazardous waste must be marked unambiguously and disposed of properly.
Hazardous waste may only be handled using proper personal protective equipment. Hazardous waste must be kept separate from non-hazardous waste.

DISPOSAL AND RECYCLING

Recycling of waste must be preferred over waste disposal (on landfills for instance). The supplier separates waste material in preparation for the best possible recycling method.

Material recycling must be given preference over energetic recycling. Material recycling uses waste as a raw material substitute to produce a new product, whereas energetic recycling burns waste material at an incineration plant to produce energy.

2.4 CHEMICALS AND OTHER HAZARDOUS SUBSTANCES

Hazardous material includes any substances, mixtures, and products that are flammable, explosive and that cause severe harm to human health or the environment. Chemicals, but also uranium, asbestos, or welding fumes are counted as hazardous material.

GENERAL HANDLING

The handling, storage, transport, and disposal of hazardous material must be performed by suitably qualified staff and must not have any negative impact on public health, animals and plants, nor on the air, soil and water quality, on the atmosphere or on cultural or other assets. Explosions, spontaneous ignition and any other sudden dangerous events must be prevented.

The supplier must document the number and type of chemicals and other hazardous substances available and/or used at the plant.

STORAGE

Hazardous material must be stored separately from each other and in closed containers.

The floor of the storage area must be so designed as not to absorb or react with hazardous substances. The supplier shall use collection trays sufficiently sized to collect liquids. All storage tanks for hazardous liquids must be checked regularly to prevent leakage.

When handling substances or when engaging in processes producing toxic gases, the employees must use the required personal protective equipment provided by the supplier.

DISPOSAL

Hazardous substances must be disposed of properly. Hazardous substances that may react with each other must be disposed of separately.

LABELING

Containers for chemicals and hazardous substances must be marked with safety-relevant information on the risk they pose. Substances must be marked according to the United Nations' Globally Harmonized System of Classification and Labelling of Chemicals (GHS).

2.5 NATURAL RESOURCES AND RAW MATERIALS

Natural resources are resources that exist without any involvement of humankind, including raw materials, environmental media, energy sources, and physical space.

The supplier must use natural resources economically and considerately, keeping the consumption of resources as low as possible. This is to be achieved either directly at the point of creation or by processes and measures, such as an improved production and maintenance process or other operating processes, the use of alternative resources, the efficient use of resources, recycling and the reuse of resources.

RESPONSIBLE SOURCING OF RAW MATERIALS

The supplier implements measures to guarantee and improve the transparency and traceability of the raw materials used in a product along the supply chain. This aims to ensure that the raw materials used are sourced responsibly.

Special emphasis shall be placed on ore, concentrates, and metals that contain tantalum, tin, tungsten, cassiterite, coltan, and gold and that are sourced from conflict-affected and high-risk areas. These areas include, but are not limited to, mining regions that have been the scene of armed conflict, that are in a fragile post-conflict state or whose government and national security must be considered weak or non-existent, and which are characterized by a systematic violation of international law and human rights.

Sourcing of raw materials must not contribute to human rights abuses or the financing of armed groups. In order to meet this requirement, the supplier will exercise due diligence as to the origin and tracing of the minerals sourced in accordance with the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas and present these due diligence measures at Würth's request.

Should the above list of critical product ingredients be extended in the future, the supplier shall implement proper due diligence measures for the added substances as well.

In order to keep ecosystems and biodiversity intact, resources must not be exploited from nature reserves.

OECD DUE DILIGENCE GUIDANCE FOR RESPONSIBLE SUPPLY CHAINS

www.oecd/daf/inv/mne/
OECD-Due-Diligence-Guidance-Minerals-Edition-3.pdf

II. ETHICAL BEHAVIOUR

3.1 FIGHTING CORRUPTION

Würth does not tolerate any form of corruption or bribery. The supplier must ensure that no personal dependencies or obligations to customers, suppliers or business partners occur based on bribe money or any other form of illegal payment.

The supplier will neither accept nor offer any presents, invitations, or other gratuities, which can reasonably be expected to have an impact on business decisions.

Irrespective of legal consequences, the supplier will call any employees violating the above principles to account.

3.2 FAIR COMPETITION

The supplier stands in support of fair, performance-based competition and does not take part in any arrangements with other market participants that are restrictive of competition, including, but not limited to, cartels or other practices that are restrictive of competition or otherwise unfair.

3.3 BAN ON MONEY LAUNDERING AND FINANCING FROM ILLEGAL SOURCES

The supplier must obtain their financial resources from legitimate sources. The supplier must not directly or indirectly support terrorism or organized crime, including bribery, human trafficking, drug trafficking, arms trading, etc.

3.4 COMPLIANCE WITH EXPORT CONTROL AND TARIFF LAWS

When engaging in international commerce, the supplier shall comply with all export bans, sanctions and embargoes.

3.5 DATA PROTECTION AND DATA SECURITY

The supplier must protect the personal data of all customers, suppliers, other business partners, and employees, complying with national and international data protection regulations. Personal data must be protected from access or improper use by unauthorized third parties. Personal data must not be used to the detriment of any of the above interest groups.

The supplier must treat in the strictest confidence any corporate data, business and operating secrets and any other confidential information and only use such information for the supplier's business dealings with Würth. Confidential data must be protected from unauthorized access and disclosure to colleagues not involved or any other third party as well as from deletion and unauthorized modification.

III. COMMUNICATION AND CONSEQUENCES

The supplier shall communicate Würth's Supplier Code of Conduct and measures for its implementation to all relevant stakeholders, including, but not limited to, all employees and upstream suppliers, and take suitable measures to comply with its regulations.

4.1 COMPLAINTS PROCEDURE

The supplier must inform its employees about and grant them access to internal and/ or external tools for lodging complaints. The means for reporting white-collar crime, acts of discrimination or harassment etc. must be open to any potential victim and allow anonymous reporting. Technical or language barriers must be eliminated.

All employees of the supplier are welcome to use the Würth Group's anonymous reporting hotline "Speak Up" to report any breaches:

www.bkms-system.net/wuerth

4.2 DOCUMENTS AND COMPLIANCE CHECKS

All documents and papers shall be duly prepared, properly stored and protected against unauthorized access, modification and destruction. Any papers, documentation, approvals, reports, etc. must be correct, trustworthy and transparent. These documents must be provided to Würth upon request. The supplier shall inform Würth about any issues that do not conform to Würth's Supplier Code of Conduct without being requested to do so.

Würth reserves the right to perform unannounced audits to verify compliance with the Supplier Code of Conduct. To that end, auditors shall be granted entry and access to all relevant areas and the required documents.

4.3 CONSEQUENCES

Würth's Supplier Code of Conduct is an integral part of any contract concluded between Würth and the supplier and must be adhered to. When suspecting any breaches of the Würth Supplier Code of Conduct, the supplier must assist Würth in the clarification of the matter.

In case of a breach, Würth will take action depending on the severity of the breach. Preferably, the supplier must remedy any shortcomings immediately. However, Würth does reserve the right to claim damages and terminate the contract with the supplier for cause without prior notice.

"Our responsibility" means that all of us, be it corporations, individuals or employees, must act responsibly, ensuring sustainability, environmental protection and a livable future.

We are grateful to all suppliers for standing up for responsible and ethical action in business together with us.

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