



Supplier Code of Conduct
Hawle Armaturen GmbH



Summary

Preface	6
1. Governance standards / Business ethics	10
1.1 Compliance with legal requirements	
1.2 Prohibition of corruption	
1.3 Fair competition	
1.4 Prevention of money laundering and terrorist financing	
1.5 Intellectual property	
1.6 Product safety	
1.7 Confidentiality and data protection	
2. Social standards / Respect for human rights	14
2.1 Prohibition of forced labor, slavery and human trafficking	
2.2 Prohibition of child labor	
2.3 Prohibition of any discrimination and harassment	
2.4 Prohibition of disciplinary sanctions	
2.5 Occupational safety and health	
2.6 Living wages	
2.7 Working hours	
2.8 Freedom of association and right to collective bargaining	
3. Compliance with environmental standards	18
3.1 Environmental legislation	
3.2 Avoiding and mitigating environmental impacts	
3.3 Responsible procurement of raw materials	
3.4 Avoidance of hazardous substances	
3.5 Environmentally compatible products	
3.6 Handling of conflict minerals	
4. Management systems	19
5. Implementation	22
5.1 Monitoring and obligation to furnish evidence	
5.2 Reporting of misconduct	
5.3 Non-compliance	
6. Acknowledgment and commitment of the supplier	23





Preface

With this Code of Conduct, Hawle communicates its expectations of suppliers. As an external obligation, the Code of Conduct forms the interface between the company's sustainability values and objectives and the conduct required of suppliers.

Hawle is committed to ecologically and socially responsible corporate governance and expects the same from its suppliers. We are committed to continuously improving our operations and products from a sustainability perspective, and we encourage our suppliers to contribute to a holistic approach.

Hawle procures raw materials, goods and services from suppliers around the world in order to ensure the long-term success of the company and that of its customers with innovative products and services.

The Supplier's Code of Conduct applies worldwide to all Hawle suppliers and their employees. Hawle expects its suppliers to implement the principles set out in this Code within the company. It is the responsibility of the suppliers to verify compliance with the principles listed below in their own supply chain.

The Supplier Code of Conduct is based on all relevant national and international legal regulations, which includes the Supply Chain Sourcing Obligations Act (LkSG), as well as on international conventions and recognized environmental, social and governance standards (ESG standards) such as the following:

- United Nations Universal Declaration of Human Rights
- Human Rights Covenants of the United Nations
- Principles of the United Nations (UN) Global Compact
- United Nations Convention on the Rights of the Child
- United Nations Guiding Principles on Business and Human Rights
- United Nations Convention on the Elimination of All Forms of Discrimination Against Women
- Guidelines for Multinational Enterprises of the Organization for Economic Co-operation and Development (OECD)
- International Labor Organization (ILO) Declaration on Fundamental Principles and Rights at Work
- Business Charter for Sustainable Development of the International Chamber of Commerce (ICC)
- SA8000 (standard for socially responsible corporate governance)
- Dodd Frank Act for conflict materials

In this regard, Hawle's Supplier Code of Conduct outlines what Hawle expects of its suppliers, their employees, and the supply chain. The supplier is expected to identify with the requirements of this Code of Conduct and to take all necessary measures to meet these requirements. Hawle expects its suppliers to adequately address human rights and environmental issues along the supply chain.

Freilassing, on the 1st of June 2023



Thomas Bohl



Gerald Carbon



1. Governance standards

Business ethics



1.1 Compliance with legal requirements

Hawle's suppliers undertake to comply with applicable legislation, to respect human rights and, in particular, to uphold human dignity.

1.2 Prohibition of corruption

Hawle does not tolerate any form of corruption by its suppliers, such as bribery or the giving or accepting of unlawful advantages, whether directly or through intermediaries, to private individuals or public officials. In particular, it is prohibited to offer (active bribery, granting of an advantage) or accept (passive bribery, accepting of an advantage) an advantage with the aim of obtaining an unlawful advantage.

The supplier shall undertake to apply the highest standards of integrity in all its business activities. The supplier shall not engage in or tolerate any form of corruption, bribery, extortion or embezzlement. Hawle does not tolerate corrupt practices and actively takes action against them. The supplier is also expected to actively participate in the prevention of corruption and fraud and to implement appropriate measures to prevent it.

1.3 Fair competition

Hawle expects its suppliers to comply with international and national laws in order to maintain fair and free competition. This includes rules on unfair competition and antitrust. Agreements with competitors on prices, terms of sale, quantity restrictions, division of territories or bids in public tenders, etc. are strictly prohibited.

1.4 Prevention of money laundering and terrorist financing

The supplier is expected to refrain from any form of money laundering or terrorist financing. It shall ensure that financial transactions do not serve the purpose of money laundering or terrorist financing and that it fulfills its obligations to prevent money laundering and terrorist financing within the scope of the applicable legal provisions.

1.5 Intellectual property

Suppliers shall protect Hawle's intellectual property, such as patents, trademarks, copyrights, designs, trade secrets, samples, models and know-how, and shall respect the intellectual property of third parties. In particular, suppliers shall ensure that the products supplied to Hawle do not infringe upon the intellectual property rights of third parties and that no plagiarism occurs.

1.6 Product safety

Hawle's products, as well as the products purchased from its suppliers, do not endanger people or the environment and comply with the agreed or legally required product safety standards. Suppliers are required to clearly communicate information on safe use.

1.7 Confidentiality and data protection

The supplier shall undertake to ensure that the personal data of employees, customers and business partners is processed only in accordance with applicable legal requirements. It is also required to handle and protect all information in an appropriate manner. Protected information and data must be properly collected, processed, secured and deleted. Technical information systems are expected to be adequately protected against cyber threats and to meet state-of-the-art standards.



2. Social standards

Respect for human rights



2.1 Prohibition of forced labor, slavery and human trafficking

No forced, bonded, slave, or similar labor shall be used. All work must be voluntary, and employees may terminate their employment at any time. There must also be no unacceptable treatment of employees, such as sexual and personal harassment or physical abuse. For Hawle, no form of modern-day forced labor, slavery or human trafficking is acceptable.

2.2 Prohibition of child labor

Hawle has no tolerance for child labor, either in its own operations or those of its suppliers. Suppliers must comply with the minimum age requirements for employment set forth in applicable government regulations.

The legal minimum age provisions of ILO Convention 138 shall apply. In particular, young employees under the age of 18 must be protected from working conditions that are harmful to their health, safety and development.

2.3 Prohibition of any discrimination and harassment

Hawle does not tolerate any form of discrimination and expects its suppliers to prohibit any form of discrimination in their organization.

Suppliers shall prohibit all forms of harassment and discrimination in accordance with ILO Conventions 110, 111 and Convention 159 and the UN Global Compact. Discrimination and harassment of employees in any form is prohibited. This includes sexual harassment, sexual abuse, corporal punishment, psychological or physical coercion, or verbal abuse of any kind. Every individual or group must be treated equally, regardless of their personal characteristics, including sex, color, ethnic or social origin, genetic features, language, religion or belief, political or other opinion, membership in a national minority, means, birth, disability, age, pregnancy or sexual orientation. Every employee must be treated with respect and dignity. The supplier shall create a work environment that meets these requirements.

2.4 Prohibition of disciplinary sanctions

Hawle requires its suppliers to refrain from any form of physical or psychological punishment of employees. This is especially true when employees, in good faith, report business practices that violate national, international or internal regulations. Preservation of identity and protection from retaliation is required by Hawle.

2.5 Occupational safety and health

Hawle's primary goal is an accident-free workplace. All suppliers are required to comply with workplace safety regulations and national accident prevention laws at their locations. Each supplier shall implement and communicate to its employees occupational health and safety policies and procedures to prevent accidents and occupational illnesses.

The supplier shall undertake to provide a safe and healthy working environment according to ILO Conventions 155 and 164. All necessary health and safety measures must be taken in accordance with applicable laws and regulations. The supplier shall ensure that workplaces, machinery, equipment and processes are under its full control, and are safe for the health of its employees. There must be an active commitment to a safe and healthy work environment and an open and proactive health and safety culture must be promoted. All hazards and resulting health risks must be properly assessed and necessary protective measures implemented. Employees must also receive periodic training on general safety rules.

2.6 Living wages

Hawle requires its suppliers to be aware of their social responsibility towards their employees and to ensure that their remuneration and working hours are fair and reasonable. The supplier shall provide its employees the social benefits to which they are entitled by law or contract. Wage deductions as a punitive measure are not permitted. National minimum wage regulations in accordance with ILO Conventions 26 and 131 must be observed.

2.7 Working hours

Working hours must comply with applicable laws or industry standards. Overtime shall be worked within the applicable legal framework. Local laws regarding maximum working hours and vacation days must be accepted and followed.

2.8 Freedom of association and right to collective bargaining

The supplier shall undertake to respect the rights of employees to freedom of association, to join trade unions, to consult with workers' representatives, or to join works councils, in accordance with locally applicable laws, in accordance with ILO Conventions 87, 98, 135 and 154 and the UN Global Compact. Workers are expected to be able to assemble and associate peacefully in political, trade union and civil society activities. This includes the right to form unions and to bargain collectively to protect their interests. Employees must also be able to communicate this to management openly without fear of reprisal or harassment.



3. Compliance with environmental standards
4. Managementsystems





3.1 Environmental legislation

Hawle expects its suppliers to comply with applicable national environmental laws.

3.2 Avoiding and mitigating environmental impacts

It is expected that negative impact on the climate and the environment will be minimized and that natural resources will be used in a responsible manner.

Hawle expects its suppliers to reduce emissions during the production process, to control polluting emissions, and to treat them to the greatest possible extent before they enter the environment. Waste is to be avoided or recycled to the greatest extent possible. Hawle's suppliers are to develop procedures for the transportation, storage, as well as the safe and environmentally sound treatment and disposal of waste.

The supplier shall reduce or eliminate the use and consumption of natural resources, including water and energy. Wastewater from operations, manufacturing processes and sanitary facilities must be typed, monitored, inspected, and if necessary, treated – before discharge or disposal. In addition, measures are to be implemented to reduce wastewater generation.

3.3 Responsible procurement of raw materials

Hawle's suppliers are to support activities that ensure the responsible sourcing of raw materials. The procurement and use of raw materials obtained illegally or through ethically questionable or inappropriate means shall be avoided.

The use of raw materials affected by embargoes or other import restrictions, such as conflict materials, is to be excluded. Suppliers are therefore obliged to identify any such raw materials in manufactured products in the supply chain and to initiate measures in accordance with the Supply Chain Sourcing Obligations Act (LkSG).

3.4 Avoidance of hazardous substances

Substances which could endanger people or the environment when released are to be avoided. Hawle's suppliers are to maintain a hazardous substance management system that ensures safe use and transportation, as well as safe storage, reprocessing, reuse and disposal.

3.5 Environmentally compatible products

When developing products and services, Hawle's suppliers are to ensure that their use is economical in terms of consumption of energy and natural resources. Products should be suitable for reuse, recycling or safe disposal wherever possible.

The products supplied to Hawle are not to contain any substances of concern covered by the REACH regulation. If necessary, Hawle must be notified in advance of any relevant substances.

Materials or purchased parts that do not comply with the RoHS requirements must be substituted by the supplier after consulting with Hawle. If required, the supplier shall provide Hawle with an EU Declaration of Conformity regarding compliance with the RoHS Directive.

3.6 Handling of conflict minerals

For the conflict minerals tin, tungsten, tantalum and gold, as well as for other raw materials such as cobalt, Hawle implements processes in accordance with the Organisation for Economic Co-operation and Development (OECD) Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas, and expects the same from its suppliers.

Smelters and refiners without adequate, audited due diligence processes are to be avoided.

4.0 Management systems

Hawle expects its suppliers to have management systems in place to ensure that the principles set out in this Suppliers' Code of Conduct are complied with.

Hawle gives preference to suppliers who actively implement an ISO 9001 quality management system, an ISO 140001 environmental management system and an ISO 45001 occupational health and safety management system, or equivalent systems. A management system based on SA8000 specifications for social responsibility and ISO 500001 for energy management is recommended.



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5. Implementation
 6. Acknowledgment and commitment of the supplier

5.1 Monitoring and obligation to furnish evidence

Hawle expects its suppliers to identify risks related to their supply chain and take appropriate corrective action.

The supplier is also expected to comply with the standards and provisions of this document and to effectively communicate and disseminate the content of this Code of Conduct to its own suppliers.

Hawle reserves the right to verify compliance with the standards and regulations set forth in this document through appropriate means, such as questionnaires or assessments. The supplier agrees that Hawle may verify compliance with the principles of this Code of Conduct on a case-by-case basis. In doing so, the legitimate interests of the supplier or its own suppliers as well as the rights of the employees, in particular data protection and the protection of trade secrets, shall be taken into account.

5.2 Reporting of misconduct

If the supplier, its employees or any other affected party discovers or suspects misconduct or non-compliance with the Code of Conduct for business partners in a supplier function in the context of the supplier relationship, such information should be reported through Hawle's whistleblower system. The Hawle Deutschland Group's whistleblower system can be accessed via the website <https://hawle.rimiksx.com/#/account/anonymous-login>. All reports are handled confidentially and anonymously. The supplier must pass on this information to its employees and its own suppliers. If the information is not passed on, the supplier is responsible for establishing a mechanism for complaints.

5.3 Non-compliance

Any violation of the principles and requirements set forth in the Hawle Supplier's Code of Conduct constitutes a material breach of contract by the supplier. Hawle reserves the right to demand corrective measures in the event of non-compliance with the Supplier's Code of Conduct, which shall be implemented within a reasonable period of time set by Hawle. In the event of non-compliance with the deadline, or in the event of a serious breach of the principles and requirements set out in the Supplier's Code of Conduct, Hawle shall have the right to terminate the cooperation without notice if necessary.

6.0 Acknowledgment and commitment of the supplier

By acknowledging this document, the supplier commits to act responsibly and comply with the principles/requirements set out therein. The supplier shall undertake to communicate the contents of this Code to the relevant departments and to take all necessary precautions to implement the requirements.

Hawle Armaturen GmbH's Supplier Code of Conduct is revised regularly. The latest and currently valid version can be found at www.hawle.de



