

## **Sustainability Guidelines for Suppliers**

**of**

### **Hugo Kern und Liebers GmbH & Co. KG and Affiliated Companies**

*At KERN-LIEBERS, we are aware of our economic, environmental and social responsibilities, which is why we are very much interested in establishing sustainable relationships with our suppliers.*

*We therefore expect our suppliers to comply with applicable national laws and the KERN-LIEBERS sustainability guidelines in their business activities.*

### **1. Approach to employees**

We expect our suppliers to observe the fundamental rights of employees on the basis of the applicable national legislation. In addition, KERN-LIEBERS expects suppliers to observe the basic principles of the International Labour Organization (ILO), with due regard to the applicable laws and legal forms in the various countries.

#### **1.1 Child labor**

We call on our suppliers to adhere to the recommendation of the ILO conventions regarding the minimum age for the employment of children. Failure to do so will not be tolerated. The minimum age for employment is 15 years, unless the minimum age allowed by law is higher than 15 years.

#### **1.2 Human rights**

Suppliers respect and promote the observance of internationally recognized human rights and ensure that they in no way support the violation of human rights.

#### **1.3 Forced labor and human trafficking**

No forced labor, slave labor or work of a similar nature may be used. Participation in human trafficking and the use of violence is also prohibited.

#### **1.4 Discrimination and equal opportunities**

KERN-LIEBERS expects its suppliers to show no tolerance for any form of discrimination on the basis of gender, skin color, age, culture, ethnic origin, sexual orientation, disability, religious affiliation or ideology.



## *1.5 Occupational health and safety*

Our suppliers comply with the relevant national legislation concerning a safe and hygienic working environment and ensure health and safety in the workplace.

## *1.6 Remuneration and working hours*

With respect to the provision of remuneration and social benefits, suppliers observe the basic principles governing minimum wages, overtime and statutory social benefits. Working hours are determined in accordance with the applicable industry laws and standards or the relevant ILO conventions.

## *1.7 Freedom of association and collective bargaining*

The right of workers to establish and join organizations of their choice and to bargain collectively must be respected by our suppliers in accordance with national law.

## **2. Conduct in the business environment**

### *2.1 Product safety*

Products and services meet the agreed or legal standards in the area of product safety and at no time pose a threat to people or the environment.

### *2.2 Corruption and bribery*

KERN-LIEBERS expects its suppliers to show no tolerance for corruption and to ensure compliance with anti-corruption laws.

### *2.3 Fair competition*

Our suppliers undertake to comply with the laws governing the protection of free competition applicable to them, in particular the prohibition of cartels and the prohibition of abuse of a dominant market position.

### *2.4 Money laundering*

Suppliers observed the legal provisions governing money laundering.



### *2.5 Avoidance of conflicts of interest*

Conflicts of interest of a personal or institutional nature that jeopardize the primary interest will not be tolerated by KERN-LIEBERS. Suppliers of KERN-LIEBERS make their decisions on the basis of objective criteria.

### *2.6 Protection of intellectual property*

Our suppliers respect the protection of intellectual property.

## **3. Environmental protection**

### *3.1 Responsible use of resources*

Our suppliers use natural resources sparingly and efficiently, work to protect the environment and adhere to the legal provisions governing environmental protection and nature conservation. They promote the development and dissemination of environmentally friendly technologies and processes.

### *3.2 Avoidance and reduction of environmental pollution*

Our suppliers monitor polluting emissions and treat them before their release into the environment. To the extent allowed by the best available technology, all forms of emissions should be reduced to a minimum. Waste should be avoided or recycled wherever possible and its storage, transport, safe and environmentally friendly treatment and disposal should be properly organized. Materials used should be reused wherever possible.

### *3.3 Avoidance of hazardous substances*

Wherever possible, the supplier avoids the release of substances that may pose a risk to people and the environment. In addition, safe use and transport and safe storage, reprocessing, reuse and disposal of these materials are organized using a hazardous materials management system.

### *3.4 Environmentally sound products*

In the development of products and services, every effort should be made to conserve energy and natural resources. Products should also be suitable for reuse, recycling or safe disposal.

## **4. Conflict-free origin of minerals**

There may be links between the production of raw materials and armed conflicts or gross violations of human rights which our suppliers must be aware of. If minerals are sourced from regions of conflict or high-risk areas, the guidelines setting out the duty of care for responsible supply chains for minerals from such regions must be followed.



## **5. Management systems**

KERN-LIEBERS will give preference to suppliers who actively operate a quality management system in accordance with IATF 16949, an environmental management system in accordance with ISO 14001, an energy management system in accordance with ISO 50001 or equivalent systems. Suppliers who do not operate management systems are encouraged to introduce them with a view to safeguarding and certifying the principles set out above.

## **6. Complaint management**

Suppliers are responsible for establishing an effective complaint mechanism at the operational level for individuals and communities who may suffer any adverse impact. In addition, suppliers must ensure the protection of personal data during all phases of the process.

## **7. Supplier relationship**

### *7.1 Subcontractors*

Our suppliers communicate the requirements described here to their subcontractors and suppliers, and also make allowance for them in their selection process. In addition, suppliers encourage their subcontractors and suppliers to comply with the aforementioned standards governing human rights, working conditions, prevention of corruption and environmental protection within the framework of their contractual obligations.

### *7.2 Monitoring and burden of proof*

KERN-LIEBERS reserves the right to request information on the above issues in a voluntary self-assessment. In addition, suppliers must inform KERN-LIEBERS of any events that are in conflict with the principles of these guidelines.

In the event of any infringement of these guidelines, suppliers must expect an appropriate response from Kern-Liebers, up to and including immediate termination of the business relationship. The issues addressed in these sustainability guidelines constitute an essential prerequisite for the business relationship between the supplier and Kern-Liebers.

