



SUPPLIER CODE

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Content

Partners for the future3

Corporate strategy4

Health and safety4

Environment.....5

Working conditions.....5

Compliance.....6

Voluntary commitment and monitoring.....7

References.....8

Partners for the future

Dear Business Partners,

In its Compliance Guidelines, the CFH Group* has undertaken to support and apply the basic principles of human rights, fair working conditions, environmental protection and combating corruption.

The CFH Group would also like to convince its business partners of these principles and share its values with them. Within this Supplier Code, the term “Business Partner” shall mean business partners on the purchasing side such as suppliers, service providers, licensors and licensees.

The CFH Group expects that their Business Partners comply with the pertinent statutory and organisational standards as well as EU Directives, OECD Guidelines, United Nations Guiding Principles on Business and Human Rights, ILO Conventions and the UN Global Compact’s Principles.

The Business Partners of the CFH Group undertake to monitor and actively promote compliance with the afore mentioned standards and the basic principles stated in this Supplier Code in all their locations and regarding all their activities and the activities of their agents.

This is the foundation for a cooperation with joint innovative power, joy in changes and consistent commitment.

Dr.-Ing. Reinhold Both
CEO & Partner

Corinna Both
Junior Partner

* All German CFH subsidiaries (CFH, CFT, WAT and DFT)

Corporate strategy

One of the criteria in the selection process of Business Partners for the CFH Group is compliance with the standards and directives in or according to this Supplier Code.

Business Partners of the CFH Group must not pay or accept any bribes or other illegal incentives with regard to their relations with companies or authorities. Bribing, extortion and embezzlement are prohibited.

Our Business Partners conduct their business activities pursuant to the principles of fair competition and in compliance with any applicable provisions.

Business Partners of the CFH Group must guarantee confidential treatment of information which is disclosed in the course of the cooperation and which constitutes a trade secret pursuant to Sec. 2 of the GeschGehG (German Trade Secrets Act) and its proper use (insofar as there are no statutory or official obligations to disclose) and ensure protection of the company's, the employees' and the customers' privacy rights as well as general compliance with the pertinent data protection regulations within the cooperation.

Our Business Partners take appropriate measures to protect their business partners' internal information agreed to be "confidential" and maintain due confidentiality (insofar as there are no statutory or official obligations to disclose) and to use the information for no other purposes than those agreed within the respective contract relationship.

Health and safety

Our Business Partners must ensure the occupational safety and health protection of their employees at the workplace taking into account applicable laws and regulations. The Business Partner must objectively and correctly assess all hazards and any resulting health risks employees are exposed to and take the required protective measures. Furthermore, employees are continuously instructed in general safety regulations.

Environment

The Business Partners are obliged to observe and comply with the pertinent international standards and statutory requirements for environmental and climate protection in full and to take measures to minimise environmental impact and to continuously improve environmental and climate protection.

This includes preventing emissions and waste as well as implementing processes and systems which ensure safe handling, movement, storage, recycling, reuse or management of waste. Generating and disposing of waste and emissions as well as discharges into water which may compromise human health or the environment are minimised, properly managed, monitored and/or treated before release into the environment using state-of-the-art technology.

The Business Partners must obtain the necessary environmental permits, licences and restrictions and comply with the respective operational and reporting requirements.

The Business Partners have implemented procedures and systems to use all relevant resources such as power, water and materials in a sustainable manner at any time.

Working conditions

The Business Partner must recognise and support the *United Nations Universal Declaration of Human Rights* and must ensure that business partners are not involved in human rights violations.

The Business Partners must not tolerate child labour, forced labour or any other involuntary labour pursuant to the Conventions of the International Labour Organization (ILO). Every employee is to be treated with respect and dignity. No employee is to be harassed or abused physically, psychologically, sexually or verbally or discriminated against due to his or her ethnic origin, gender, religion or ideology, age, disability, sexual identity or family relations.

The working hours must comply with the applicable laws. Employees shall receive employment contracts which set forth the working hours and remuneration as well as any pertinent statutory stipulations. Any compensation shall be paid out without delay and in accordance with any applicable laws and contractual agreements.

Our Business Partners respect their employees' right to freedom of association and collective bargaining within any applicable laws and the ILO Conventions.

Compliance

The Business Partner is prohibited from offering CFH Group employees +money in any amount, gifts, loans, discounts or valuables which might induce a person to act against their obligations.

Gifts and entertainment which fall under normal business practices with regard to hospitality, convention and courtesy and do not exceed EUR 30.00 are exempted.

The CFH Group has undertaken to advance its business solely through quality and integrity. Thus, the CFH Group pursues a zero-tolerance policy with regard to bribery/corruptibility, conflicts of interest and any other manifestations of corruption.

We also expect our Business Partners to fully prohibit and, if applicable, sanction corruption, bribery and any other such immoral conduct.

The CFH Group strictly separates business and personal interests. It is prohibited to abuse one's position in the company to one's own advantage or the advantage of one's family or friends. All employees are asked to disclose any suspected or actual conflicts of interest to their supervisor or the Compliance department.

The Business Partner undertakes in turn to ensure that they base such decisions regarding their business activities with CFH Group companies solely on objective criteria.

The CFH Group promotes fair competition and complies with competition and antitrust laws. Hence, the Business Partner also undertakes to compete in a fair manner and act within the pertinent bounds of antitrust laws.

Voluntary commitment and monitoring

The Business Partner has put all necessary and sufficient internal procedures and measuring methods in place in order to ensure compliance with all of the principles listed above.

The CFH Group recognises that fulfilling the standards set forth in this code is a dynamic process and thus encourages the Business Partner to constantly improve its procedures. If necessary, CFH will participate in defining milestones and establishing systems to ensure continuous improvement of practices.

The Business Partner imparts the principles laid down in this Supplier Code on their subcontractors and any other business partners and ensures their compliance where the processing of contractual relationships with the CFH Group is concerned. The Business Partner prompts their business partners to base their actions on the same standards in any other situation, as well.

The Business Partner authorises CFH Group companies to monitor compliance with these principles by means of audits (also regularly) or to have it monitored by a third party agreed on by both parties (whereas the Business Partner must not reject CFH Group suggestions except for cause (such as any objective ineptitude)); in case of the Business Partner's culpable non-compliance with duties under this Supplier Code, the CFH Group company has the right to withdraw without compensation from the part of the contract which has not yet been fulfilled upon a warning with an appropriate deadline extension to no avail or, in case of continuing obligations, to terminate such obligations without notice or compensation.

Any culpable breach of the principles and requirements set forth in the Supplier Code is considered a material impairment of the contractual relationship, i.e. triggering legal consequences, on the part of the Business Partner. CFH has the right to demand information on the respective situation from the Business Partner if CFH suspects non-compliance with the described principles and requirements of the Supplier Code (e.g. negative media reports) on the part of the Business Partner.

Moreover, if it can be proven that the Business Partner does not comply with the Supplier Code culpably and in breach of duty, the CFH Group companies have the right to terminate individual or all contractual relationships with Business Partners with regard to continuing obligations extraordinarily and without notice, or to withdraw without compensation from the part of a contractual relationship which has not yet been fulfilled, upon a warning with an appropriate deadline extension to no avail.

References

Further information is available here:

OECD Guidelines:

https://www.bmwi.de/Redaktion/DE/Publikationen/Aussenwirtschaft/oecd-leitsaetze-fuer-multinationale-unternehmen.pdf?__blob=publicationFile&v=8 (in German)

10 UN Guiding Principles:

<https://www.unglobalcompact.org/what-is-gc/mission/principles>

UN Supplier Code of Conduct:

<https://www.un.org/Depts/ptd/about-us/un-supplier-code-conduct>

ILO (International Labour Organization) Conventions:

<http://www.ilo.org/global/lang--en/index.htm>