



Code of Conduct

for Suppliers of PFERD Group

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TRUST BLUE



Code of Conduct for Suppliers of PFERD Group

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1. Foreword

PFERD is leading in the development, production and support, as well as in the distribution, of tool solutions for work on surfaces and material cutting. In keeping with a tradition that dates back more than 200 years, PFERD operates as an independent, internationally oriented, family-owned company geared towards the long term. PFERD tools offer the user maximum benefit and optimum cost-effectiveness. Its unlimited commitment to premium quality, its reliability as a supplier and its responsible use of resources all make PFERD a dependable and reliable trading partner that operates with sustainability in mind. All those involved in PFERD play their part in securing PFERD's position as an internationally valued premium brand. Thanks to their personal dedication, people around the whole world place their trust in us and choose PFERD.

The following Code of Conduct of August Rüggeberg GmbH & Co. KG sets out the requirements that PFERD has of its suppliers and partners and the principles that they must observe. PFERD expects its suppliers and partners to comply with all the principles and requirements described in this document, to relay these to their subcontractors and service providers, and to work with the latter to ensure that they also comply with these.

2. Corporate responsibility, ethics, and working conditions

■ Human rights

The supplier undertakes to respect human rights in accordance with the Universal Declaration of Human Rights, as adopted by the United Nations General Assembly.

■ Child labour

PFERD rejects all forms of child labour along the entire value chain. The supplier undertakes to prevent and reject any form of child labour in its company and on the part of its subcontractors and service providers. The definition of child labour is geared to the core labour standards of the ILO (International Labour Organization, Convention No. 138 and Convention No. 182). The minimum age of an employee, as stipulated in accordance with the Conventions, must not be below the age at which compulsory schooling ends, and must not under any circumstances be lower than 15 years. The minimum age for admission to employment or work, which by its nature or the circumstances in which it is carried out is likely to jeopardise the health, safety or morals of young persons, must not be lower than 18 years.

■ Forced labour

The supplier undertakes to prevent and reject any form of forced labour in accordance with the core labour standards of the ILO (International Labour Organization, Convention No. 29 and Convention No. 105), including forced prison labour, conscription of manpower, and human trafficking. All work must be voluntary, and employees must always be able to terminate their work or their employment, in compliance with a reasonable notice period vis-à-vis their employer.

■ Equal opportunities and discrimination

In accordance with the core labour standards of the ILO (International Labour Organization, Convention No. 111), the supplier undertakes never to discriminate against anyone on the basis of ethnic, national or social origin, sex, skin colour, age, disability, ideology, sexual orientation, or political opinion, provided that this is based on democratic principles and a tolerance of people with different opinions. The supplier is expected to treat its employees fairly, with no sexual harassment, sexual abuse, corporal punishment or torture, mental or physical coercion or verbal abuse, or the threat of any such treatment.



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■ Freedom of association

The supplier undertakes to recognise the fundamental right of all employees to be able to form unions and employee representative bodies and join such organisations. Where this right is restricted through applicable local laws, alternative, legally-compliant options for employee representation should be supported by the supplier.

■ Wages and working hours

The supplier undertakes to pay remuneration and social security benefits that are equal to or greater than the minimum amounts applicable and to be guaranteed by law. If there are no legal or collective agreement provisions, the industry-specific, collectively agreed remuneration and benefits that are customary for that location and guarantee the employees and their families an appropriate standard of living should be used as guidance. The supplier additionally undertakes to comply with the applicable statutory regulations regarding working hours and annual leave.

■ Occupational health and safety

The supplier undertakes, as a minimum, to comply with the relevant national standards for a safe and hygienic working environment, and to take reasonable measures within this framework to guarantee the health and safety of its employees. Furthermore, the supplier shall observe all national and international requirements and specifications under product safety legislation.

■ Conflict minerals

In accordance with Regulation (EU) 2017/821 and the Dodd-Frank Act (Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010), the supplier undertakes not to supply or procure any products containing substances, whose base minerals or derivatives come from a conflict region where they contribute directly or indirectly to the financing or support of armed groups.



3. Environmental and climate protection

■ Legal requirements

The supplier undertakes to respect environmental protection with regard to the applicable laws and international standards. All necessary permits, licences, and registrations must be in place. The supplier must also fulfil its operational and reporting requirements.

■ Energy and resource efficiency

The supplier undertakes to use natural resources sparingly. Negative effects on the environment and climate should be eliminated or minimised through practices such as the modification of production processes, recycling, conservation, and material exchange.





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4. Business relations

■ **Avoidance of conflicts of interest**

The supplier undertakes to take decisions solely on the basis of factual, business-related considerations and not under the influence of personal interests.

■ **Corruption**

PFERD does not tolerate corruption in any part of the value chain. The supplier undertakes to ensure that its employees, subcontractors, and representatives do not award or offer any bribes, facilitation payments, improper donations, or other payments or benefits to customers, officials, or other third parties, or accept any of these from said parties.

■ **Gifts, hospitality, and invitations**

The supplier undertakes not to offer PFERD employees or third parties any benefits, whether directly or indirectly, in the form of gifts, hospitality, and invitations for the purposes of improper influence. ■

5. Market conduct

■ **Fair competition**

The supplier undertakes to respect the rules of fair competition and to conduct all business activities in compliance with the applicable anti-trust laws and regulations.

■ **Money laundering**

The supplier undertakes to maintain business relations only with business partners, of whose integrity it is convinced. The supplier shall ensure that the applicable statutory provisions against money laundering are not violated. ■

6. Data protection

■ **Data protection**

The supplier undertakes to observe all applicable legislation aimed at protecting the personal data of employees, customers, suppliers, and other business partners.

■ **Protection of know-how, patents, and trade and business secrets**

The supplier undertakes to respect the know-how, patents, and trade and business secrets of PFERD and third parties. Information of this type must not be disclosed to third parties without the prior, express, written consent of PFERD or in any other improper manner. ■



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7. Legal consequences

In the event that a supplier or partner fails to comply with the principles and requirements described in this document, August Rüggeberg GmbH & Co. KG reserves the right to end its business relationship with this supplier or partner by means of extraordinary termination. If the supplier or partner promptly initiates countermeasures to rectify the shortcomings, the waiving of such consequences in favour of alternative measures shall be at the discretion of PFERD.

In drawing up this Code of Conduct for Suppliers, PFERD is aiming to develop and guarantee a low-risk procurement strategy, and associated long-term, partnership-based supplier relationships.

By signing this document, the supplier undertakes to acknowledge and comply with all principles and regulations contained in this Code of Conduct in addition to the obligations arising from its supply contracts.

Location, date

Name in block capitals

Function

Signature

Company stamp

