




# Code of Conduct

**for suppliers of the Fein Group**

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SR-358

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## Prologue

FEIN has been active for over 150 years as an internationally operating company with German roots that stands for high-quality power tools and accessories created for the toughest work applications in industry and trade. In 1867, Wilhelm Emil Fein founded the company whose foundation stone was laid with the invention of the electric hand drill - **the world's first power tool**. FEIN currently holds more than 700 active property rights, including around 500 patents and patent applications. FEIN focuses on products that are perfect problem solvers in the processing and machining of metal and are sold worldwide.

As an independent family company, FEIN lives an open corporate culture, places a high value on human interaction and affords ample room for innovative ideas. The largest production site is located at the company headquarters in Schwäbisch Gmünd-Bargau, which works closely with the other sites in Asia and North America, thereby ensuring consistently high manufacturing quality across the board. Around 800 associates worldwide work with a great amount of inventive spirit and a high level of service orientation to continue to set milestones in the development of first-class power tool systems in the future.

For FEIN, Sustainability means the balanced consideration of economic, ecological and social aspects. To support this position, FEIN has established this Code of Conduct, which takes into account essential elements of the ILO conventions and the UN Global Compact principles.

FEIN expects his suppliers and partners to comply with the principles and requirements set out and to pass these on to their sub-suppliers and to work towards their compliance.

## Requirements for suppliers - Social responsibility

In the modern world, the human factor is an increasingly important component in a company's ability to provide high-quality products, on-time delivery of products, and a price/performance ratio that is commensurate with the product. FEIN firmly believes that future competitiveness can only be maintained if a company's associates are satisfied, healthy and willing to give their full commitment. Therefore, FEIN expects its suppliers to ensure compliance with the ILO conventions and generally gives preference to suppliers who behave accordingly.

### Exclusion of forced labor

FEIN strictly rejects any form of forced labor in the supply chain. We will not tolerate forced and compulsory labor or any form of modern slavery and human trafficking. Likewise, the use of force, deception, excessive fees, intimidation, threats of punishment, and the like is not acceptable. Third parties used by suppliers to recruit staff must also comply with these requirements.

### Ban on child labor

FEIN rejects any form of child labor. FEIN expects its suppliers to commit to zero-tolerance of child labor. Persons under 15 years of age or persons of compulsory school age or persons who have not yet reached the minimum age for an employment applicable in the respective country, the highest of the ages being decisive, may not be employed. The protection of associates under the age of 18 must also be observed.


No work may be performed that threatens the physical or mental development of the youth.

### Fair pay, fair working conditions & fair work time

FEIN gives preference to suppliers who promote fair working conditions in their sphere of influence in accordance with ILO standards, including working hours, maternity protection, wages and income, employment security, work and family, older workers, social security and migrant workers.

FEIN expects its suppliers to treat their associates decently and to ensure that working conditions, remuneration and working hours comply with national laws and industry standards. Working times, working conditions and remuneration, must be defined by written agreement, the associates must be able to understand this agreement. Working times shall be arranged in such a way as to prevent occupational accidents resulting from physical and/or mental fatigue and to maintain the health of employees. Overtime may not be forced and may not exceed the limit set by law. Salaries must be at least equal to the average national minimum salary for the industry, and overtime must be compensated at a rate that exceeds the prevailing rate by at least 25 percent. The weekly working time, including overtime, may not exceed 60 hours. Overtime may not be worked on a permanent basis. Exceptions are emergencies and exceptional circumstances. It should be noted here that the regular working time does not exceed 48 hours per week and that there is a rest period of at least 24 consecutive hours guaranteed to employees at least every seven days.



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Performance pay shall be paid at specific times in a traceable manner. Unauthorized deductions from wages and deductions from wages as disciplinary action are forbidden. Likewise, it must be ensured that the contribution to the statutory social insurance is paid. Social benefits may be claimed by employees under applicable law (e.g., sick leave). Harassment, abuse and punishment with any form of violence is strictly forbidden.

### **Freedom of association**

FEIN expects its suppliers to respect the fundamental right of each employee to form organizations of his or her choice, to join employee organizations and unions, and to bargain collectively. Likewise, the supplier undertakes to refrain from disregarding freedom of association and from using security forces to interfere with freedom of association. We prefer suppliers that promote constructive and transparent dialogue between employees, their representatives and management to resolve internal conflicts and employee grievances and reach agreements on working conditions.

### **Prohibition of discrimination**

Any discrimination based on gender, age, color, religion, belief, social origin, health status, disability, ethnic and national origin, citizenship, membership in employee organizations (including unions), political opinion, sexual orientation, or any other characteristic protected by law, such as membership in a national minority, pregnancy, or veteran status, will be prohibited.

### **Health and safety in the workplace**

FEIN expects our suppliers to offer safe and hygienic working conditions that at least comply with the national laws and standards of the respective country. The work environment shall be designed to avoid excessive physical or mental fatigue. Substances hazardous to health and toxic substances must be clearly labeled in a manner that is visible and understandable to every employee. Exposure of the employee to chemical, biological or physical substances must be avoided. The use of required personal protective equipment and protective devices on machines must be ensured. Likewise, suitable measures for the protection of the buildings must be implemented, escape and rescue routes as well as emergency equipment must be marked and accessible at all times. Through continuous training and instruction, this system must be communicated to every employee. The supplier identifies measures that lead to a continuous reduction of work-related health hazards

and an improvement of health protection at the workplace.

### **No expropriation**

We expect our suppliers to refrain from engaging in the unlawful appropriation of land, deforestation and draining of waters that are the basis of people's subsistence.

## ***Ecological responsibility***


Every company has a core environmental responsibility, both in the immediate environment and in the context of global operations throughout the supply chain to the consumer. In the future, long-term success can only be guaranteed if consumer concerns are reflected in the behavior of the respective company. Therefore, at all levels of a company, the impact of any plans and deeds in relation to the environment must be taken into account.

### **Prevention of harm to natural foundations**

Supplier must avoid harmful alteration, consumption, waste, contamination, pollution, or noise nuisance that significantly affects the natural basis for the preservation and production of food, denies a person access to safe drinking water, impedes or destroys access to sanitary facilities, or harms a person's health. Compliance with all applicable international conventions, in particular the Minimata Convention (use of mercury), the Stockholm Convention (persistent organic pollutants) and the Basel Convention (transboundary movements of hazardous wastes and their disposal) shall be ensured. The storage, use and disposal of environmentally hazardous or toxic substances must be carried out in such a way that any leakage or danger to the environment or persons is excluded. In principle, compliance with pollutant standards such as e.g. REACH & RoHS, POP, TSCA must be observed with regard to FEIN target markets.

### **Sustainable use of resources / reduction of greenhouse gas emissions**

We expect our suppliers to use resources (e.g. energy, water, raw materials, input materials) responsibly in order to identify and prevent wastage. Measures must be taken to create transparency about the emissions of its own business activities, including its own supply chain.

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## **Ethical Business Conduct**

The way we deal with each other is a decisive factor for a long-term business relationship. Therefore, it is very important to FEIN that all business partners / stakeholders act according to the basic principles of ethical business conduct. In this context, we would like to highlight the OECD Guidelines, the BSCI Code of Conduct and the principles of the UN Global Compact in particular.

### **Fundamental requirements**

FEIN expects its suppliers to comply with all legal requirements, especially in the areas of anti-corruption and anti-fraud, anti-money laundering, competition and antitrust law, tax law, data protection and privacy, and

export control. Likewise, FEIN suppliers must commit to a fair competition.

FEIN expects its suppliers to ensure compliance with all binding requirements in a traceable manner. Corruption in any form, including extortion and bribery, will not be tolerated. The supplier undertakes to define and implement measures to ban corruption, regulations for the prevention of corruption as well as guidelines for receiving and giving (tangible and intangible) gifts in the company. No anti-competitive agreements may be made with third parties, nor may a dominant market position be abused.

FEIN suppliers must maintain confidentiality to protect sensitive and privileged information. The selection of business partners is based on objective criteria taking into account the points defined in this document.

With these principles, FEIN is pleased to have created a joint forward-looking foundation for a successful partnership in the future.

Particularly with regard to the future issues of our society, we have a collective obligation and responsibility to make our contribution. FEIN would like to take this opportunity to thank you for your commitment to face these challenges together with us.



Dr. Christoph Weiß, CEO



Stefan Böhm, C-QM