

CODE OF
CONDUCT

-ENGLISH-





1 INTRODUCTION

The applicable laws are the foundations of our business relationships. They are not negotiable.

LINHARDT continues to stand in a long tradition of management oriented towards morality and values. Whereas in the early years it was, in particular, people in executive positions who embodied the values of the company internally and outwardly with a high degree of personal integrity, in the mid-90s the company formulated its corporate philosophy – a lived philosophy, a stock taking and evaluation of relationships with customers, employees and suppliers.

With the general intensification of the discussion about sustainability since the turn of the millennium, LINHARDT has seen its own company policy of solidity and stability in economic, social and environmental matters confirmed.

In 2010, after extensive analysis of our public image and self image, work began on the drawing up of values oriented guidelines for internal and external relationships. After wide ranging discussion, LINHARDT formulated the already existing, but rethought, standards of relations to employees, customers, suppliers and the regional environment. With these guidelines, we gave ourselves a codified constitution that is binding for every employee.

This Code of Conduct follows these initiatives – in a similar way to that in which bodies of laws are based on a constitution. It will not provide patent remedies for all conceivable situations in business life. Rather, it sets out non-negotiable minimum standards, which we adhere to in the management of the company just as we demand them from our employees and suppliers. The unshakeable basis of these minimum standards is adherence to all applicable laws.

Viechtach, 23.10.2019

Johannes Schick
Management



2 HUMAN RIGHTS

We undertake to respect human rights and we obligate our suppliers to do the same – and this means human rights as we understand them. This includes in particular:

Forbidding of Violence

Physical or psychological violence must never be applied – not even, or especially not, in disciplinary measures. These must be in line with both applicable laws and internationally recognised human rights. Psychological violence also includes sexual harassment, coercion and mobbing.

Forbidding of Discrimination

Nobody may be discriminated against because of their sex, skin colour or religion. This also applies to national, ethnic or social origin, to physical or mental disabilities, to sexual orientation, to political opinions – insofar as they are in line with our constitution – and to membership of employee organisations.

Forbidding of Child Labour

Nobody may exploit children or young people. They may only be employed when they are no longer subject to the respective obligation to attend school. Work that is dangerous or harmful to health must not be carried out by children or young people.

Forbidding of Forced Labour

Only employees who make themselves available voluntarily may be employed. Every form of forced labour (including bonded labour, serfdom and slavery) is forbidden.



3 WORK CONDITIONS

By signing under this Code of Conduct, our suppliers guarantee that they adhere to all applicable laws and relevant regulations regarding work conditions, employees' rights, work safety and protection of the environment. We expect our suppliers to also obligate third parties in the supply chain, especially their direct suppliers, to adhere to this.

We demand adherence to minimum requirements in the areas of working hours, remuneration, work safety and freedom of association – regardless of whether national standards are absent or less stringent. They are:

Working Hours

- National labour-law regulations must be adhered to.

Remuneration

- The agreed wages and salaries must not fall short of the legal minimum wage. If there is no legal minimum wage, the wage that is normal in the respective industry is to be set as the standard. Wages and salaries are to be in line with collective labour agreements – where these exist.
- The remuneration paid must be enough to cover the basic needs of the employee.
- Wages and salaries are to be paid out regularly and in a form that is practical for the employee (cash, cheque or transfer). In addition, regular payslips



are to be handed out to the employees.

- Wage deductions resulting from disciplinary measures are forbidden.

Work Safety

- Applicable safety norms and regulations stemming from state guidelines or contractual conditions must be adhered to. In addition to this, our partner company is to ensure a safe, clean and healthy working environment. We expect everything to be done to avoid accidents, harm to health and illnesses.
- The employees must be regularly informed and also instructed regarding applicable health protection and safety regulations. Documentation is to be kept of this.
- Injured or sick employees are to be treated with respect. The medical treatment of work related injuries and illnesses is to be guaranteed.
- Risks for public health, which are possibly caused by manufacturing or use of their products and services, must be identified and reported to us without delay by the supplier. Appropriate measures are to be taken to rule out these risks.

Freedom of Association

- The employees have the right to freedom of expression.
- The employees have the right to form associations for the promotion and protection of their interests, to join such associations or organisations or to leave them and to be active for them, insofar as this does not impair the carrying out of their employment.
- The employer grants to employees the right to collective negotiations.



4 BRIBERY AND CORRUPTION

We condemn absolutely every form of bribery and corruption. We expect our partner companies to deal with third parties in a correct and transparent way, such that no obligations or influences arise.

- Bribery gifts, bribe money or other wrongful payments must neither be offered nor accepted in order to receive or keep orders or to secure any other kind of advantage. An inappropriate benefit can be anything that is of value to the recipient – including employment contracts or advisory contracts in favour of related persons.
- An anti-bribery and anti-corruption policy is being worked out.
- In the case of nations where gifts are in keeping with custom and politeness, it is to be ensured that no obligating dependences arise from this and that the applicable local laws are adhered to.



5 SUSTAINABILITY

LINHARDT regards sustainability as a long-term securing and further development of high standards in environmental, economic and social fields. This not only applies to our products and services but to all areas of the company. We also expect such a self-understanding from our suppliers.

Environmental Protection

- Legal obligations regarding the protection of the environment, especially emissions guideline limit values, are to be adhered to.
- Our partner companies are continually working on the reduction of environmental pollution. In particular, the handling of toxic and dangerous substances and their disposal must be subject to the applicable procedures, rules and laws. This also applies to the entirety of the waste management.
- Like ourselves, our suppliers also endeavour to reduce the use of natural resources – especially of raw materials, energy and water.

Social and Economic Stability

Commercial enterprises bear not only responsibility for their relationships among each other but also for their employees, their families and the regions in which they are sited. Fulfilling this responsibility requires a long-term, successful development of the company. LINHARDT has been following this principle for many years and also expects this from its suppliers.



6 FAIRNESS

Our good reputation is one of our company's most important assets. It is based on integrity, honesty and fair business behaviour. We expect our business partners to also pursue these values.

Secrecy

Our suppliers are obligated to handle information about LINHARDT that becomes known to them over the course of time responsibly and truthfully. Data such as e.g. product details, pricing, costs, customer details, employee information and other information about methods and organisation are to be kept strictly secret and must only be used or communicated, if at all, with written agreement. The same applies to information regarding the shared business relationship.

Protection of Opportunities

- Our suppliers undertake to protect our business opportunities. This particularly applies where there are conflicts of interest. A conflict of interest occurs when the interests of a supplier could compete with those of LINHARDT. In this case, the supplier informs LINHARDT directly and without delay.
- We set our business policy and prices independently and never make arrangements with competitors or other partners, neither directly nor indirectly. In the interests of fairness and transparency we also expect this from our suppliers.

Sharing Expertise

For us, "sharing expertise" means the exchanging of knowledge in the interests of a shared positive development and is an important part of a good partnership between customer and supplier. In this sense, our suppliers assist us with their know-how and with individual and innovative solutions to problems, to help us to achieve our strategic aims.



7 INFRINGEMENTS OF THE CODE OF CONDUCT

LINHARDT will expand the system for the checking of the above-named points. We reserve the right to audit adherence to the Code of Conduct ourselves or to have it audited by third parties. In the case of deviations or disregard, we will obligate the supplier to introduce remedial measures and/or end the business relationship.