

Index	Date
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Wera Code of Conduct for business partners

Wera Werkzeuge GmbH together with its affiliated companies (hereinafter referred to as "**Wera**"), as a quality- and value-conscious, medium-sized company, attaches great importance to responsible long-term value creation and compliance with all national and international legal regulations. In its procurement activities, Wera not only pays attention to process-related, economic and technical criteria, but also to social and ecological aspects such as human rights, working conditions and environmental protection. When sourcing raw materials, goods and services nationally and internationally, Wera therefore expects its business partners to adopt a sustainable approach in all business processes, to protect the environment, to treat employees fairly and to observe health and safety at work.

Furthermore, Wera pays attention to the prevention of corruption and expects its business partners to behave correctly in the business environment. In addition to compliance with the provisions of antitrust law and competition law, this includes in particular compliance with the regulations on responsible corporate governance and the prevention of bribery, illegal money transfers ("money laundering") and corruption. Wera therefore not only obligates its own employees to comply with all applicable regulations as well as with the ethical principles set forth in this "Wera Code of Conduct for Business Partners", but also requires all business partners and their affiliated companies (for the purpose of this declaration, "affiliated companies" are companies that are directly or indirectly owned by the other company to the extent of at least 50% of the voting share capital) to comply with important standards in the following areas:

Basic requirement

Wera requires its business partners to conduct their activities in compliance with applicable national laws, the principles of the United Nations Global Compact and this "Wera Code of Conduct for Business Partners". Wera requires that all business partners implement appropriate processes that support compliance with applicable laws within their company and promote continuous improvement with respect to the principles and requirements of the "Wera Code of Conduct for Business Partners". In addition, Wera requires its business partners to ensure that their affiliates also recognize and comply with all of the principles and requirements described herein.

In addition, Wera expects that corporate decisions on the part of business partners are not exclusively geared to short-term corporate success but focus on long-term orientation. All resources (raw materials, employees, energy etc.) shall be used as sparingly as possible, so that negative effects are reduced by the company's actions.

Wera requires that its business partners act in accordance with the German Act on Corporate Due Diligence Obligations in Supply Chains ("LkSG"). Wera's business partners support any measures taken by Wera, which according to § 3 LkSG include, among others the establishment of a risk management system (§ 4 (1) LkSG), the definition of internal responsibilities (§ 4 (3) LkSG), the performance of regular risk analyses (§ 5 LkSG), the anchoring of preventive measures in the company's own business (§ 6 (1) and (3) LkSG) and vis-à-vis direct suppliers (§ 6 (4) LkSG).

References:

- Global Compact of the United Nations
<https://www.globalcompact.de/en/about-us/united-nations-global-compact>
- International Organization for Standardization (ISO)
www.iso.org
- Act on Corporate Due Diligence Obligations in Supply Chains
https://www.csr-in-deutschland.de/SharedDocs/Downloads/EN/act-corporate-due-diligence-obligations-supply-chains.pdf?__blob=publicationFile

Environmental protection

Wera requires that its business partners comply with applicable national environmental laws, regulations and standards. Wera also expects its business partners to establish and apply an environmental management system (e. g. ISO 14001) appropriate to the size of the business partner's company in order to minimize environmental impacts and hazards and to improve environmental protection in daily business operations.

Product safety

Wera requires that its business partners comply with the applicable product safety regulations.

Employees, health and safety at work

Wera requires its business partners to comply with the basic **employee rights** of the respective applicable national legislation in force. In addition, Wera's business partners must recognize and apply the core labor standards of the International Labor Organization (ILO), taking into account the laws and legal forms applicable in the various countries and locations.

Wera requires that its business partners ensure the necessary competence of employees in the selection of personnel as well as to prevent fraudulent intentions of individuals through appropriate hiring procedures.

Wera requires that its business partners prohibit and refrain from any kind of **child labor** in their companies. To the extent that national laws or regulations permit children between the ages of 13 and 15 to perform light labor, this must be permitted under any circumstances if the minor is thereby prevented from fulfilling his or her compulsory education or training, or if the employment is detrimental to his or her health or development.

Wera's business partners undertake not to **discriminate** in any way in the hiring of employees or in the promotion or the granting of training and further education measures. Equal opportunities and equal treatment are to be promoted. No employee may be discriminated against on the grounds of gender, age, skin color, culture, ethnic origin, sexual orientation, disability, religious affiliation, practice of religion or ideology.

Wera's business partners must not allow **forced labor** in their company.

Wera requires that its business partners, in accordance with national legislation, respect employees' rights to **freedom of association**, i. e. the right to form an employee representative body and to engage in collective bargaining.

Wera's business partners undertake to comply with the applicable national legislation on **remuneration** and **working hours**. This obligation includes, in particular, compliance with the agreed collective bargaining agreements and the legally **minimum wages** stipulated by law.

Wera's business partners undertake to comply with the applicable **national health and safety legislation**. Furthermore, it is expected that all business partners apply an occupational safety management system that is appropriate to the size of the supplier's company and within the framework of the respective international legislation (e.g. in accordance with ISO 45001). This includes, on the one hand, the containment of actual and potential occupational risks and on the other hand, the training of employees in order to prevent accidents and occupational diseases in the best possible way.

References:

- the Universal Declaration on Human Rights
<https://www.un.org/en/about-us/universal-declaration-of-human-rights>
- International Labor Standards (ILO)
<https://www.ilo.org/global/standards/lang--en/index.htm>
- ISO 45001 Occupational health and safety management systems

Conduct in the business environment

Wera's business partners undertake not to tolerate any form of **corruption** and **bribery**, and to ensure compliance with the conventions of United Nations (UN) and the Organization for Economic Cooperation and Development (OECD) on combating corruption and the relevant anti-corruption laws. In particular, all business partners must ensure that their employees, subcontractors and representatives do not pass on any benefits to Wera employees or related third parties with the aim of obtaining a contract or other preferential treatment in business dealings, offer, promise or grant any advantage to Wera employees or related third parties.

Wera assumes that its business partners will not misuse **invitations** and **gifts** to influence them. Invitations and gifts to Wera employees or persons closely associated with them will only be granted if the occasion and the extent are appropriate, i. e. they are of low value and can be regarded as an expression of generally accepted local business practice. Similarly, business partners will not demand unreasonable benefits from Wera employees.



Wera requires the **avoidance of conflicts** of interest. Business partners may make decisions – related to their business with Wera – exclusively on the basis of objective criteria. Conflicts of interest with private interests or other economic or other activities, including those of relatives or otherwise closely related persons or organizations, are to be avoided from the beginning.

Wera expects its business partners to promote **free and fair competition** by always behaving correctly in competition and observing the applicable antitrust laws. Business partners neither participate in agreements with competitors that violate antitrust laws, nor do they abuse a possibly existing market dominance. Business partners undertake to comply with the relevant statutory provisions on the prevention of money laundering and not to participate in **money laundering** activities.

Applicability to Business Partners' Own Business Relationships

Business partners of Wera undertake to communicate all the principles and requirements described herein to their subcontractors and suppliers and likewise take these into account when selecting subcontractors and suppliers. Business partners shall encourage their subcontractors and suppliers to comply with the described standards on human rights, working conditions, prevention of corruption and environmental protection as part of the fulfillment of their contractual obligations.

Compliance with the "Wera Code of Conduct for Business Partners".

Compliance with the principles and requirements of this "Wera Code of Conduct for Business Partners" by our business partners is regularly reviewed by the business partners themselves. In addition, after consultation with the business partner, random checks appropriate to the size of the company of the respective business partner may be carried out by Wera or by third parties commissioned by Wera.

If there is reasonable suspicion that the principles and requirements of this "Wera Code of Conduct for Business Partners" are not being observed, Wera is entitled to request information about the relevant facts (e. g. in case of negative media coverage).

Any violation of the requirements set forth in this "Wera Code of Conduct for Business Partners" will be considered a material impairment of the contractual relationship between the business partner and Wera. Wera has the right to terminate without notice an individual or all contractual relations with business partners who demonstrably do not comply with this "Wera Code of Conduct for Business Partners" or who do not strive for and implement improvement measures, although Wera has given them a reasonable period of time to do so. Should business partners become aware of serious human rights or environmental risks in the supply chain that are likely to materialize or have already materialized, they will inform Wera immediately. Complaints or indications of violations of this Code of Conduct or of applicable law can be reported to Wera at any time – also in anonymous form – to the reporting tool mentioned below. All business partners will inform their employees about this complaint mechanism. Disciplinary measures against the reporting person are to be refrained from. The complaint mechanism is controlled via the following link:

[Whistle Report \(whistle-report.com\)](https://whistle-report.com)

With the following signature, we confirm that we have read this document and ensure that it is applied accordingly:

Contractual Partner

(Name of company and signatory in block letters)

Signature / Date

Stamp