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GROUP



SUPPLIER
CODE OF CONDUCT
RECA Group

Issue 2020

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INTRODUCTION

For the RECA Group (hereinafter "RECA Group"), compliance with the applicable law is a matter of course. Values in dealings with one another and with our business partners play a central role. Mutual trust, predictability, honesty and straightforwardness both internally and externally are basic principles that are well-established within the RECA Group. Economic activities in harmony with people and the environment are also principles that we pursue and which make a significant contribution to our long-term company success.

We see these values as an essential foundation for our supplier relationship. The RECA Group Supplier Code of Conduct defines binding minimum requirements that must be observed and implemented by our suppliers.

The RECA Group Supplier Code of Conduct is based on the Universal Declaration of Human Rights and the principles of internationally recognised standards for responsible business conduct. These include the UN Global Compact, the core labour standards of the International Labour Organization (ILO) and the Rio Declaration on Environment and Development.

The basis for all business activities is, of course, compliance with the respective national legal requirements. If the regulations of the individual countries, business areas or markets differ from the requirements of the RECA Group Supplier Code of Conduct, then the stricter regulations apply.

Universal Declaration of Human Rights

www.ohchr.org/EN/UDHR/Documents/UDHR_Translations/ger.pdf

The ten principles of the UN Global Compact

www.globalcompact.de/de/ueber-uns/Dokumente-Ueber-uns/DIE-ZEHN-PRINZIPIEN-1.pdf

ILO core labour standards

www.ilo.org/berlin/arbeits-und-standards/kernarbeitsnormen/lang--de/index.htm

Rio Declaration on Environment and Development

www.un.org/Depts/german/conf/agenda21/rio.pdf

I. HUMAN RIGHTS AND OCCUPATIONAL SAFETY

1.1 Respect for human dignity

The supplier respects the general rights of privacy and human rights. Violence, intimidation, bullying, sexual harassment and other forms of abuse are prohibited.

Ban on discrimination

Human dignity is inviolable. It must be respected and protected. Discrimination - that is, any discrimination, degradation or unequal treatment based on gender, gender identity, social or ethnic origin, nationality, language, skin colour, religion, sexual identity, physical or mental impairment, political conviction - is not tolerated in any form.

Rejection of forced labour, modern slavery and human trafficking

All forms of forced labour, modern slavery and exploitation are prohibited. All employees provide their work or service voluntarily. Any kind of threat of punishment - such as isolation, restriction of freedom of movement, exploitation, physical violence, intimidation, excessive overtime, withholding of ID documents and other sensitive documents, or withholding of wages - is prohibited.

1.2 Prohibition of child labour

Child labour and any exploitation of children and young people is not tolerated by the RECA Group. A child is generally defined as any person under the age of 14. The minimum age for employment must not be less than the age at which compulsory education ends in the country in which the supplier operates. Proof of age of the employees must be available.

1.3 Protection of vulnerable employees

Vulnerable employees are expectant mothers, people with physical and mental disabilities, and young people under the age of 18. These employees in particular must be protected against overworking and damage to health. For this group, rules should be put in place to limit working time and the type of employment.

1.4 Right to freedom of association and assembly

In accordance with national legal regulations, employees are to be granted the right to freedom of association and assembly.

1.5 Adequate working conditions

The supplier must ensure a safe, humane and non-harmful working environment. This includes ensuring that employees have sufficient clean sanitation facilities and that the production areas and offices are regularly cleaned to ensure hygiene at the workplace.

Corporate accommodation

If the travel times from the company location to the nearest private accommodation are disproportionately long, it is desirable that the supplier provides accommodation for the employees, which the employee can use voluntarily. Accommodation must be decent, clean and safe.

1.6 Safety

The supplier must be aware of the possible operational risks and take measures to prevent and reduce accidents, emergencies, fires etc.

Safety briefing

Employees must be provided with the necessary safety briefing before starting work on machinery, equipment and potentially hazardous tasks, as well as for emergency situations and fire protection. These briefings are to be repeated in accordance with legal requirements or in the event of changes to the workplace. Documents must be kept about the briefings.

Occupational safety

Based on a risk assessment, it is necessary to define and communicate in which area personal protective equipment (PPE) must be worn. The supplier must provide PPE to the employees free of charge, in sufficient quantities and in a functional condition.

The equipment and the safety devices must be regularly maintained and checked to ensure that they function correctly. The emergency shutdown of machines must be functional and accessible at all times.

Substitution test

The use of hazardous materials must be kept to a minimum. Hazardous materials must be subjected to a substitution test, meaning that if a material which poses a lower risk to human health and the environment is equally suitable for the machining process, then this material must be used.

A safety data sheet must exist for each chemical used. Safety data sheets contain information on handling, storage, transport, waste disposal, critical and important material data, possible hazards and first aid measures.

Emergency planning and fire protection

The supplier must maintain disaster control and fire protection plans at its facility. Appropriate drills must be carried out and documented on a regular basis.

Fire alarms and an evacuation alarm must be present at the facility. Sufficient fire extinguishers must be accessible to everyone and at all times, depending on the nature and risk of the work, the size of the buildings and number of floors, as well as the number of people in the facility. There must be sufficient personnel trained in the use of fire protection equipment.

Emergency exits and escape routes

The emergency exits, escape routes and assembly points must be clearly displayed and must not be blocked at any time. The number of emergency exits and escape routes must be in line with the number of people, room size and workplace distribution and ensure safe and rapid evacuation of all employees.

First aid equipment

First aid equipment must be adequately available in a sufficient quantity for all employees, during all shifts, in all buildings and on every floor, in an openly accessible and ready-to-use manner. The nature and extent corresponds to the type of potential risk and the size of the business. There must be sufficient trained first aiders on each shift who are capable of acting in the event of an accident.

1.7 Working time

The statutory maximum number of hours must not be exceeded. The weekly working time, including overtime, must not exceed 60 hours. Employees are entitled to at least one day off in a seven-day week. Holiday days must at least correspond to the national statutory holiday entitlement. The supplier must provide employees with an appropriate break, as a minimum a 30-minute break after 6 hours and a 45-minute break after 9 hours in total, unless more stringent national working time laws are in place.

1.8 Remuneration

Employees must receive appropriate remuneration that is at least equivalent to the national statutory minimum wage. In the absence of legal regulations, wages must be at least sufficient to secure the livelihoods (housing, food, education, technology) of workers and their families. Wages must be handed out regularly and in legal tender. It is prohibited to use wage deductions as a disciplinary measure. National social security regulations must be complied with.

II. ENVIRONMENT

The applicable national laws, regulations and standards for limiting and preventing environmental impact must be observed.

If there is a risk of pollution in water, land and air in connection with the supplier's business activities, appropriate measures for reduction and prevention must be implemented at all costs.

2.1 Emissions

Emissions are air pollution, noise, vibration, light, heat, radiation and similar environmental influences that originate from the supplier's plant and, according to type, extent and duration, are likely to cause risks, significant disadvantages or inconvenience to humans, animals, plants, land, water, the atmosphere and cultural or other material assets.

The supplier must classify, check and treat emissions, in particular volatile organic chemicals, aerosols, corrosives, particles, ozone-depleting chemicals or combustion by-products from operations, in order to make such emissions harmless.

The noise produced must not exceed the legal requirements.

2.2 Use of water

The proper quality and availability of water in bodies of water and in groundwater is the basis of life for humans, animals and plants and must not be affected by the supplier. Water must therefore be used sparingly for all processes. In industrial plants, there should be circulatory systems in place that allow for multiple use.

Waste water

Waste water is water that has changed its characteristics due to domestic, commercial, agricultural or other uses.

The supplier must ensure that the waste water from its operations, manufacturing processes and sanitary facilities is treated as required before it is discharged into the groundwater. The concentration of hazardous materials in the water, such as salts, heavy metals and their compounds, oxidable materials, nitrogen, phosphorus and organic halogen compounds, and other chemicals, must be at levels low enough to ensure that waste water does not have any negative effects on humans and the ecosystem.

If there is no infrastructure for water treatment at the site, qualified/suitable companies must be commissioned for transport and treatment.

2.3 Waste

Waste is any material or object that its owner disposes of, wants to dispose of or has to dispose of.

Hazardous waste (special waste) is waste which poses a risk to health and/or the environment and which has one or more of the following characteristics: Flammable, oxidising, explosive, irritant, corrosive, infectious, toxic on contact or release of toxic gases, toxic for reproduction, carcinogenic or ecotoxic.

General handling

The handling, storage, transport and disposal of waste must not have any harmful effects on air, land, water or the health of employees and must be carried out by qualified persons. Explosions, ignitions and other sudden dangerous events must be prevented.

The supplier must take measures to prevent and reduce waste.

Handling hazardous waste

Hazardous waste must be clearly marked and properly disposed of. The handling must be carried out with adequate protective equipment. Hazardous waste must be kept separate from non-hazardous waste.

Waste disposal and recycling

Recycling of waste is preferred over disposal, e.g. by landfill. The supplier sorts the waste in order to prepare it for the best possible form of recycling.

Recycling of materials is preferred to energetic recovery. In the case of recycling of materials, waste is used as a recyclable material or as a substitute for raw materials to produce a new product, while in the case of energetic recovery, waste is incinerated in an incineration plant and used for energy.

2.4 Chemicals and other hazardous materials

Hazardous materials are materials, mixtures and products with dangerous properties that cause acute damage to human health, are flammable, explosive or dangerous to the environment. Hazardous materials include chemicals, but also uranium, asbestos or welding fumes, for example.

General handling

The handling, storage, transport and waste disposal of hazardous materials must not have any harmful effects on humans, animals, plants, land, water, the atmosphere or cultural and other material assets and must be carried out by qualified persons. Explosions, ignitions and other sudden and dangerous events must be prevented.

The supplier must provide documentation on the quantity and type of chemicals and hazardous materials present and/or used in the company.

Storage

Hazardous materials must be stored separately and in an enclosed environment.

The floor in the storage areas must be designed so that it does not absorb or react with the hazardous materials. The supplier must use sufficiently large collection trays for liquid materials. All hazardous liquid storage tanks must be monitored regularly to prevent leakage.

When handling materials or processes where gases are toxic, employees must use the necessary protective equipment provided by the supplier.

Disposal

The disposal of hazardous materials must be carried out properly. Care must be taken to ensure that hazardous materials that react with each other are not disposed of together.

Identification

Chemical and hazardous material containers must be marked with safety-relevant information that describes the hazard. Labelling is carried out in accordance with the United Nations Globally Harmonised System of Classification and Labelling of Chemicals (GHS).

2.5 Natural resources and raw materials

Natural resources are raw materials, environmental media, energy sources and physical space available in nature without human intervention.

The supplier must use natural resources sparingly and keep their use and consumption as low as possible.

This can be done either directly at the point of origin or through procedures and measures such as changing production and maintenance processes or company operations, using alternative materials, saving, recycling and re-using materials.

Responsible sourcing of raw materials

The supplier shall develop measures to ensure and improve the transparency and traceability of the raw materials processed in the product within the supply chain. In particular, the aim is to ensure that the raw materials used come from responsible sources.

Particular attention should be paid to ores, concentrates and metals containing tantalum, tin, tungsten, cassiterite, coltan and gold and which come from conflict regions and high-risk areas. These are, in particular, mining areas which are the location of armed conflicts, which are in a fragile post-conflict situation or whose governance and security are weak or absent, and in which international and human rights are systematically violated.

Obtaining raw materials must not result in human rights violations or the financing of armed groups. In order to ensure this, the supplier must apply due diligence regarding the origin and chain of custody of these minerals, as set out in the OECD due diligence guidance to promote responsible supply chains for minerals from conflict-affected and high-risk areas, and will disclose such diligence to the RECA Group upon request.

If the above list of critical product materials is extended in the future, the supplier is obliged to apply due diligence for the additional materials.

In order to protect ecosystems and biodiversity, no raw materials may be extracted from nature conservation areas.

OECD due diligence guidance
to promote responsible supply chains for minerals from conflict-
affected and high-risk areas.

read.oecd.org/10.1787/3d21faa0-de?format=pdf

III. ETHICS

3.1 Anti-corruption

No form of corruption or bribery is tolerated. The supplier must ensure that no personal dependencies with customers, suppliers or other business partners arise from bribes or other illegal payments.

The supplier shall not accept or offer any gifts, entertainment or other gratuities that may reasonably be expected to affect business decisions in an unfair manner.

Employees who violate the above regulations will be held liable for disciplinary action by the supplier, irrespective of any criminal consequences.

3.2 Fair competition

The supplier is committed to fair, performance-oriented competition and does not participate in anti-competitive agreements with other market participants. In particular, this means that it does not participate in cartels or other restrictive or unfair practices.

3.3 No money laundering or financing from illegal sources

The supplier must obtain its financial resources solely from legitimate sources. This prohibits direct or indirect support from terrorism or organised crime, such as human trafficking, drug trafficking, bribery, arms trafficking etc.

3.4 Compliance with export control and customs borders

Export bans, sanctions and embargoes in international trade must be complied with by the supplier.

3.5 Data protection and data security

The supplier must protect the personal data of all customers, suppliers, other business partners and employees in compliance with national and international data protection regulations. The personal data must be protected from access and unlawful use by unauthorised persons and may not be used to the detriment of the respective stakeholders.

The supplier undertakes to keep company data, company and trade secrets and other confidential information strictly confidential and to use them exclusively for the purpose of cooperation between the supplier and the RECA Group. They must be protected from unauthorised access and insight by non-participating colleagues or other third parties, as well as from deletion and unauthorised modification

IV. COMMUNICATION AND CONSEQUENCES

The supplier shall communicate the requirements of the RECA Group Supplier Code of Conduct and its implementation to the relevant stakeholders, as a minimum to its employees and previous suppliers, and ensures compliance with the requirements by means of appropriate measures.

4.1 Complaints procedure

The supplier must grant and make known to employees access to internal and/or external complaint procedures. It must be possible to report on economic crime, discrimination, harassment etc. in an anonymous manner for all potentially affected persons. Language and technical barriers must be avoided.

All employees of the supplier are invited to use the RECA Group anonymous reporting system "SpeakUp" for reporting violations:

www.bkms-system.net/wuerth

4.2 Documents and compliance control

All supporting documents and information will be duly produced, protected against unauthorised access, modification and destruction and stored securely. The documents, records, approvals, reports etc. are correct, trustworthy and transparent. They must be submitted to the RECA Group on request. The supplier must inform the RECA Group unsolicited of matters that are incompatible with the requirements of the RECA Group Supplier Code of Conduct.

The RECA Group reserves the right to conduct unannounced audits to verify compliance with the Supplier Code of Conduct. For this purpose, the auditor shall be granted admittance and access to the relevant areas and the required documents.

4.3 Consequences

The RECA Group Supplier Code of Conduct is an integral part of the contract between RECA Group and the supplier and must be fully complied with. If a violation of the RECA Group Supplier Code of Conduct is suspected, the supplier shall assist the RECA Group in clarifying the facts.

In the event of a violation, the RECA Group will react depending on the severity of the violation. A preferred consequence is the immediate remedy of defects by the supplier, but the RECA Group is also entitled to claim compensation and terminate the contract with the supplier without notice.

#unsereVerantwortung

Our responsibility - this means that we are all called upon as a company, as individuals and as employees to act responsibly when it comes to sustainability, environmental protection and the future.

We would like to thank all suppliers who work with us to promote responsible and ethical conduct in commerce.

LEGAL NOTICE

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