

Supplier Code of Conduct

1. Preamble

FRÄNKISCHE Industrial Pipes GmbH & Co. KG and its direct and indirect holdings (hereinafter collectively referred to as “FIP”) embrace their social responsibility. We attach great importance to integrity, fairness, sustainability, the responsible use of natural resources, compliance with generally recognized ethical principles, as well as laws and regulations of FIP but also of our suppliers. We, therefore, rely on a solid partnership with suppliers who share these values.

This Supplier Code of Conduct (“CoC”) commits all FIP suppliers, their management, and their employees, and represents an essential foundation for the business relationship between FIP and its suppliers. However, it is not a third-party beneficiary contract.

The ethical principles set out in this CoC are based on the principles of the UN Global Compact, the ILO (International Labour Organization) conventions, the United Nations Universal Declaration of Human Rights, the UN Convention on the Rights of the Child, the UN Convention on the Elimination of All Forms of Discrimination against Women and the OECD Guidelines for Multinational Enterprises.

This present CoC defines minimum standards. If applicable laws or regulations provide for stricter provisions, these shall take precedence.

The supplier shall inform its employees about the content of this CoC and create awareness for compliance with these regulations. The supplier shall pass on the requirements in its own supply chain in order to fulfil its obligations to FIP.

2. Basic behavioral requirements, term, and scope

The supplier undertakes to always comply with the laws, regulations and relevant ordinances of the countries in which it operates and to observe export controls and economic sanctions. In addition, the supplier shall pay attention to fairness and integrity, its social and financial responsibility, also with regard to conflict minerals, occupational safety, as well as environmental and data protection in accordance with the following provisions and actively promote these values.

The supplier undertakes to comply with the requirements and obligations under this CoC at all times and to contribute on its own initiative to ensuring that, in particular, compliance with the human rights set out in Paragraph 5 and the environmental protection rights set out in Paragraph 6 by FIP is not impaired by the business activities, actions and omissions of the supplier and its subcontractors.

The obligations arising from this CoC exist for an indefinite period of time. The obligations are material contractual obligations under the (future) contracts between FIP and the supplier.

FIP reserves the right to amend the CoC if necessary, in particular, to adapt its provisions at least to the current standard of legal regulations that FIP must comply with. FIP will inform the supplier of any amendments to this CoC and set a reasonable deadline by which the amendments to the CoC shall come into force and bind the supplier.

3. Fairness and integrity

3.1. Zero tolerance for corruption

Business decisions, in particular considering the procurement of goods, must be exclusively guided by company interests. The supplier must, therefore, always ensure a strict separation between the interests of the company and the private interests of employees and decision-makers and avoid conflicts of interest from the outset. Apparent or actual conflicts must be disclosed transparently and resolved in accordance with the law.

The supplier undertakes neither to participate directly or indirectly in any form of corruption or bribery nor to tolerate such behavior in its business environment. In particular, the supplier will ensure that its employees, decision-makers, representatives and agents comply with the relevant corruption law at all times.

In particular, the applicable regulations concerning bribery of public officials must be observed. It is generally prohibited to offer, promise or grant personal advantages to public officials in order to influence official actions or gain an unfair advantage. The same applies to bribery in the private sector. Giving small, socially acceptable gifts must be carefully scrutinized for legal admissibility in each individual case.

3.2. Measures against money laundering

The supplier will neither participate in nor tolerate money laundering. Any suspicion of money laundering or financing of terrorism must be investigated, resolved, and, if necessary, reported immediately.

3.3. Fair competition and antitrust law

The supplier is committed to fair competition. It must comply with the applicable national and international laws for the protection and promotion of free and fair competition. In particular, the supplier must refrain from any involvement in price fixing, market or customer allocation, marketing agreements, or bid rigging. In cases of doubt, clarification must be sought under antitrust law.

3.4. Whistleblowing

The supplier will make sure that employees who truthfully report suspected misconduct or contraventions (so-called "whistleblowers") do not face any negative consequences with regard to their employment relationship.

4. Confidentiality

The supplier shall oblige its employees and consultants to maintain FIP's trade and business secrets. Confidential information and confidential documents may not be passed on to third parties or otherwise made accessible to third parties unless consent has been given or the information is publicly accessible. If a non-disclosure agreement exists between FIP and the supplier, this shall take precedence.

5. Human rights

5.1. General provisions

The supplier shall respect the recognized human rights in accordance with the provisions of the United Nations in all aspects of its business. They shall avoid causing or contributing to violations of human rights through their value creation, which also includes suppliers and contractual partners. Business partners must neither tolerate nor be involved in unlawful evictions or unlawful deprivation of land, forests or water.

5.2. Fair labor conditions

The supplier shall create appropriate and positive labor conditions for its employees. The supplier shall ensure that employees are protected from physical punishment, physical, sexual, psychological or verbal harassment or abuse at their workplace. The supplier shall actively ensure that no such offences are committed within the workforce.

5.3. No discrimination

No employee may be discriminated against directly or indirectly in connection with their employment relationship, in particular with regard to recruitment, remuneration, access to training and further training, promotion, dismissal or retirement, due to their race, social status (caste), origin (minorities, indigenous origin), religion, age, disability, gender, marital status, sexual orientation, trade union membership or free democratic political convictions. In addition, the supplier must actively ensure that discriminatory behavior among employees in the supplier's company is prohibited.

5.4. Health and safety of employees

The supplier shall ensure a safe working environment and observe the applicable legal standards with regard to health and safety in the workplace. The supplier shall take preventive measures to prevent accidents at work, taking into account the hazardous nature of the specific workplace. This includes, in particular

- compliance with safety standards in the provision and maintenance of the worksite, the workplace and the work equipment,
- taking suitable protective measures to avoid the effects of chemical, physical or biological substances,
- the implementation of measures to prevent excessive physical and mental fatigue, in particular through appropriate work organization with regard to working hours and rest breaks, and
- adequate training and instruction of employees.

When commissioning or using private or public security forces, suppliers must make sure that they are adequately instructed and monitored, that they comply with applicable legal regulations and that their actions and omissions respect in particular the prohibition of torture and cruel, inhuman or degrading treatment, that life and limb are not harmed and that freedom of association and union are not impaired.

5.5. Freedom of association and wage negotiations

The supplier respects the freedom of association in the company environment and the right of employees to collective bargaining.

The supplier respects the right of its employees to join a trade union or to form a trade union themselves. The right to conduct collective bargaining and other wage negotiations is also recognized. Members of employee organizations or trade unions are neither to be favored nor disadvantaged. The supplier shall avoid any discrimination against employee representatives and enable them to fulfil their function.

5.6. Child labor

The supplier respects the United Nations regulations on human rights and children's rights. In particular, in accordance with Convention 138 of the International Labour Organization ("ILO"), the supplier shall not employ workers under the age of 15 or, in countries covered by the relevant ILO exemption, under the age of 14. Furthermore, in accordance with ILO Convention 182, young workers under the age of 18 must not be employed in hazardous work that is prohibited by law for this age group or that jeopardizes their health, safety, or morals. In order to prevent child labor, effective mechanisms for determining age should be integrated into the recruitment process. Where national regulations on child labor prescribe stricter standards, these shall take precedence.

5.7. Forced labor

The supplier guarantees that any form of forced labor, in particular within the scope of ILO Convention 29, or involuntary work within the scope of its activities will be avoided. It shall neither use nor participate in forced labor nor tolerate it in its business environment. All workers shall be free to leave their employer with appropriate notice.

5.8. Slavery

The supplier shall make sure that no forms of slavery, practices similar to slavery, servitude or other forms of domination or oppression, such as extreme economic or sexual exploitation and humiliation, take place in the workplace environment.

5.9. Working hours and wages

The supplier shall make sure that the relevant laws on working hours are complied with and that the permitted working hours are not exceeded in its operations. Working hours and overtime shall be limited to a level that ensures humane, safe, and productive working conditions.

Furthermore, the supplier undertakes to comply with the applicable wage and remuneration regulations, e.g., the Minimum Wage Act or comparable laws, worldwide.

5.10. Harmful effects on the environment

The supplier shall ensure that its business activities do not cause any harmful soil changes, water pollution, air pollution, harmful noise emissions or excessive water consumption, which

- significantly impair the natural basis for the preservation and production of food,
- deny a person access to safe drinking water,
- impede or destroy a person's access to sanitary facilities, or
- harm a person's health.

6. Environmental rights

6.1. General obligations, environmental, waste and energy management

Suppliers undertake to consider environmental protection appropriately in their business activities, to use resources sparingly and to reduce waste wherever possible. Waste must be disposed of properly and, where possible, recycled. The supplier shall implement a system to measure the effectiveness of measures to reduce the use of resources. The supplier shall seek to obtain and maintain certification in accordance with ISO 14001 (environmental management).

Where possible, the supplier shall take appropriate measures for the efficient use of energy, the use of renewable energies and the reduction of greenhouse gases. Furthermore, measures to maintain and improve soil, water, and air quality, including biodiversity, deforestation, and noise protection, shall be adopted as much as possible.

6.2. Mercury

The supplier shall ensure that it does not manufacture any products containing mercury within the meaning of the Minamata Convention on Mercury of 10 October 2013 ("Minamata Convention"), does not use mercury or mercury compounds in its manufacturing processes and treats mercury waste in accordance with the Minamata Convention.

6.3. Persistent organic pollutants

The supplier shall ensure that it does not manufacture, use, place on the market, apply, collect, process, formulate, consume, store, keep available, treat, fill or transfer, mix or manufacture a product from or otherwise use any persistent organic pollutants within the meaning of the Stockholm Convention of 23 May 2001 on Persistent Organic Pollutants and EU Regulation (EU) 2019/1021.

6.4. REACH and conflict minerals

The supplier is obliged to fulfil its reporting obligations regarding substances of concern in accordance with Regulation (EC) No. 1907/2006 (REACH Regulation) in its products on its own initiative.

The supplier does not use conflict minerals (tin, tungsten, tantalum or gold) in the products delivered to FIP. The supplier undertakes to check its products with regard to the substance restriction lists and to inform FIP immediately of any prohibited or declarable substances.

6.5. Waste

The supplier undertakes to comply with all provisions, in particular prohibitions, on the export and import and handling of hazardous waste of the Basel Convention on the Control of Transboundary Movements of Hazardous Wastes and their Disposal of 22 March 1989 (Basel Convention) and EC Regulation (EC) No. 1013/2006 on shipments of waste.

7. Data protection

The supplier undertakes to protect the data and personal data of customers, employees, subcontractors, vicarious agents, and other persons in accordance with the applicable statutory regulations. In any handling of personal data from FIP's environment, the supplier shall also comply with FIP's instructions in this respect and shall support FIP to the best of its ability in the fulfilment of claims by data subjects. Costs, including fines, which FIP may incur directly or indirectly due to a breach of data protection rights by the supplier, shall be reimbursed by the supplier to FIP on first demand, or FIP shall be indemnified against such costs.

8. Privacy, intellectual property rights and confidentiality

The supplier shall respect the privacy and confidential information of all its employees and business partners. The supplier agrees to protect FIP's intellectual property rights and confidential information from misuse, forgery, mishandling, theft, unauthorized disclosure, and fraud in accordance with FIP's contractual provisions and applicable law.

9. Conflicts of interest

The supplier makes sure that its employees make business decisions based solely on proper considerations. We expect our suppliers to ensure that employees or third parties who are subject to a conflict of interest are not involved in such business decisions.

10. Compliance in the supply chain

The supplier shall make reasonable efforts to ensure that its suppliers also comply with the rules set out in this Code of Conduct. To this end, the supplier is requested to impose contractual obligations on its own suppliers that at least meet the standards of this CoC.

11. Cooperation with FIP, obligations of the supplier

11.1. General provisions

The supplier undertakes to comply with the obligations under this CoC and to ensure that its business activities, actions and omissions do not give rise to any risk of violation of human rights within the meaning of Paragraph 5 and of environmental protection rights within the meaning of Paragraph 6 ("Legal Positions").

11.2. Procurement and provision of information

If the supplier has reason to believe, suspects or becomes aware of a violation or the risk of a violation of a legal position by itself or its suppliers, it will inform FIP immediately.

The supplier shall create appropriate facilities which enable it to become aware of a risk or an infringement of a legal position.

Upon request, the supplier will immediately provide FIP with all information necessary for FIP to assess

- possible risks of violations of legal positions by the supplier and its subcontractors;
- the consequences of possible violations of legal positions by the supplier and its subcontractors;
- the realization of obligations to cooperate by the supplier in accordance with Paragraph 11.3.

For the provision of information and for the purpose of co-operation with FIP, the supplier shall, in particular, use the software provided by FIP (currently "Check Your Value Chain") by registering there, providing the requested information truthfully and completely and keeping it up to date at all times.

11.3. Duty to co-operate

The supplier shall take suitable measures in coordination with FIP to ensure that the risk of a violation of legal positions in the supplier's business field is minimized ("preventive measures"). In

the event that a violation of a legal position has occurred, the supplier shall, in consultation with FIP, eliminate the consequences and take remedial action to remedy the infringement of the legal position and avoid it in the future ("remedial measures"). The supplier's own obligations under applicable law shall remain unaffected.

11.4. Control, monitoring

The supplier shall grant FIP and its authorized representatives the opportunity to carry out inspections to the extent necessary, in particular in the form of information, interviews and audits of the supplier, the right to inspect all relevant documents of the supplier, and the right to enter and inspect company premises, business premises and commercial buildings of the companies during normal business or operating hours.

In the event of substantiated indications of significant violations, FIP is also authorized to request detailed information and to inspect compliance with the rules on site without prior notice.

12. Legal consequences of breaches of duty

12.1. Breach of information duties

If FIP establishes itself or on the basis of investigations or inspections by third parties (e.g., authorities, NGOs) that the supplier has not properly, in particular not completely and truthfully, complied with the obligations to procure and provide information in accordance with Paragraph 11.2, the supplier shall be obliged to procure the necessary information immediately and at its own expense and to provide it to FIP.

12.2. Breach of duties to co-operate

If FIP establishes itself or on the basis of investigations or inspections by third parties (e.g., authorities, NGOs) that the supplier has not complied with its duties to cooperate, in particular the implementation of preventive and remedial measures, in full and on time, the supplier shall be obliged to implement the measures immediately and at its own expense.

12.3. Assumption of costs in the event of breaches of duty

The supplier shall bear all costs incurred by FIP as a result of the supplier violating a legal position or failing to comply with its obligations under this CoC, in particular the duties specified in Paragraph 11. The supplier shall indemnify FIP against all claims incurred by FIP as a result of such a breach of duty by the supplier.

If FIP establishes in the course of an inspection within the meaning of Paragraph 11.4 that the supplier has violated a legal position or has not fulfilled the obligations arising from this CoC, the supplier shall also bear all costs incurred and arising from this (in particular the costs of the audit and requalification or certification).

12.4. Suspension of the business relationship

In the event of violations of legal positions and breaches within the meaning of Paragraphs 12.1 and 12.2, FIP shall be entitled to temporarily suspend the business relationship with the supplier and shall be released from all contractual obligations towards the supplier until the supplier has fully remedied the breach in accordance with Paragraphs 12.1 and 12.2. During this period, FIP shall be entitled to carry out the deliveries and services of the supplier itself or to procure them from another supplier; the supplier shall bear all costs incurred by FIP as a result.

12.5. Termination of the business relationship

If the supplier does not remedy a violation within the meaning of Paragraphs 12.1 or 12.2 within a period set by FIP, FIP shall be entitled to terminate the business relationship with the supplier, including all existing contracts, within a reasonable period.

In the event of serious violations by the supplier of the provisions and obligations of this CoC, FIP shall be entitled to terminate the business relationship with the supplier, including all existing contracts, without notice. A serious violation shall be deemed to exist in particular in the event of intentional, negligent or – irrespective of fault – repeated violations of legal positions or violations of the provisions and obligations of this CoC by the supplier and if FIP establishes that even the fulfilment of the obligations arising from this CoC by the supplier does not lead to the risk of violations of legal positions being minimized.

13. Declaration and confirmation

By signing this CoC, the supplier undertakes to act responsibly, to comply with the principles and requirements set out in the CoC, to ensure compliance with the provisions of the CoC and to fulfil the obligations arising from this CoC as well as applicable statutory provisions and official orders. The supplier undertakes to communicate the content of this CoC to employees, authorized representatives, suppliers and subcontractors in a manner that is comprehensible to them and to take all necessary precautions for the implementation of the principles, requirements, provisions and obligations contained therein.

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