

## CoC / Supplier Compliance Agreement

concluded between

.....  
  
Wolfgang Loch GmbH & Co. KG  
Industriestraße 10 + 13  
55743 Idar-Oberstein, Germany

- hereinafter referred to as Wolfgang Loch GmbH & Co. KG -

and

.....  
  
- hereinafter referred to as Supplier -

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## **1 Preamble**

Within the scope of its business operations, Wolfgang Loch GmbH & Co. KG declares its commitment to social responsibility and its responsibility towards its own company and employees, customers, suppliers and other business partners, as well as towards the environment. Wolfgang Loch GmbH & Co. KG requires its suppliers to uphold this philosophy of acting in an ethically and morally correct manner, including with regard to the behaviour of their business partners in the supply chain.

## **2 Scope of application**

This document is designed as a guideline for all suppliers of Wolfgang Loch GmbH & Co. KG and is based on national laws and regulations as well as international agreements. In the pursuit of their business operations, Wolfgang Loch GmbH & Co. KG expects its suppliers to apply the contents of this guideline both internally and externally to ensure consistent moral and ethical standards and compliance with statutory and regulatory requirements in the supply chain.

## **3 Responsibility of the suppliers**

### **3.1 Cultural and social responsibility**

Wolfgang Loch GmbH & Co. KG expects its suppliers to apply an open, cooperative and target-oriented leadership style. This includes a corporate culture in which the promotion of personal initiative and the creation of opportunities for the employee's personal development is valued equally highly as qualifications and the promotion of quality awareness.

### **3.2 Forced labour**

Adherence to legal requirements and the strict observance of the prohibition on obtaining advantages from any form of forced or compulsory labour or human trafficking are equally paramount as the voluntary commitment to the principles of free competition, sustainability and cooperation.

### **3.3 Prohibition of child labour**

The supplier strictly condemns any form of child labour and practices which are contrary to child development; this also applies to the employment of children under the age of 15 or persons who have not yet reached the minimum age for employment in the respective country.

### **3.4 Remuneration and working hours**

The supplier ensures compliance with the statutory standards, provisions or agreements with regard to remuneration, social benefits as well as working hours and compensation of overtime.

### **3.5 Freedom of association**

The supplier respects the right to freedom of association and the right to form stakeholder groups. Employees are granted the right to represent their interests under the applicable national legislation. The right of employees to establish organisations of their choice, to join them and to conduct negotiations regarding collective agreements is respected.

### **3.6 Harassment, non-discrimination and women's rights**

The supplier encourages a working environment shaped by respect and tolerance. Harassment, bullying and intimidation are prohibited. Discriminatory behaviour towards employees or job applicants based on ethnic origin, nationality, gender, pregnancy or parenthood, marital status, age, disability, religion or beliefs, sexual orientation or any other grounds under the non-discrimination principle will not be tolerated.

### **3.7 Ethical recruitment**

The supplier ensures that job applicants are assessed without discrimination with regard to their appearance, gender, ethnicity or age. The focus is on trust, integrity, transparency and performance.

### **3.8 Diversity, equality and inclusion**

The supplier shall promote diversity, equality and inclusion at the workplace in order to offer all employees and applicants a diverse team.

### **3.9 Rights to land, forest and water, forced evictions and rights of indigenous peoples**

When acquiring, developing or utilising land, forest areas and/or water, the supplier shall not take part in any unlawful eviction or deprivation of such. The rights of indigenous peoples are in particular need of protection, and the possibility of their being displaced or negatively influenced must be excluded. The fulfilment of national and international legal and official requirements is considered paramount.

### **3.10 Animal welfare**

The supplier undertakes to treat animals in an ethical and humane manner and to comply with applicable national and international animal welfare legislation.

### **3.11 Use of private or public security services**

In the event that the supplier uses security services, they will ensure that applicable laws are observed and not violated.

### **3.12 Occupational health and safety**

Preventive and consistent occupational health and safety as well as a healthy and safe working environment promote the safety and health of employees. Wolfgang Loch GmbH & Co. KG expects the supplier to comply with the applicable legislation on health and safety at the workplace.

### **3.13 Dealing with conflict materials**

The supplier refrains from using so-called conflict minerals, i.e. tin, tantalum, tungsten and gold (including their derivatives) originating in the Democratic Republic of Congo or its neighbouring countries. If both criteria apply, suppliers must fulfil the **reporting obligations**. The reporting obligations involve preparing an audited report ('Conflict Minerals Report') for the US Securities Exchange Commission (SEC) with comprehensive information on the origin and use of the conflict minerals.

## **4 Ecological responsibility**

To meet its special environmental responsibility, Wolfgang Loch GmbH & Co. KG expects the supplier to maintain or introduce an environmental management system as defined by the current version of the international environmental standard DIN EN ISO 14001.

### **4.1 Energy consumption, efficiency and greenhouse gas emissions**

The supplier shall monitor, track and document their consumption of natural resources, such as water, raw materials or energy sources, to identify possible means for promoting improvements and minimising consumption, which can be monitored and influenced by the supplier. Measures are to be defined and implemented to reduce CO<sub>2</sub> intensity to the required minimum level. The introduction of an energy management system is strictly voluntary. For improved energy efficiency, however, Wolfgang Loch GmbH & Co. KG recommends that the supplier seek certification according to DIN EN ISO 50001.

### **4.2 Renewable energies and decarbonisation**

Measures are being taken to increase the share of renewable energies with the long-term goal of decarbonisation and climate-neutral production/supply.

### **4.3 Protection of biodiversity**

The protection of natural ecosystems is a key component for the preservation of biodiversity and an environment providing a good quality of life. We expect our suppliers to protect these ecosystems and not to contribute to negative impacts or damage to old-growth forests or other ecosystems. This gives rise to measures aiming at maintaining soil quality and preventing deforestation.

### **4.4 Raw materials**

The use and consumption of resources, including water and energy, are designed to meet the minimum levels required for the products and production. In addition, the supplier strives to use resources sustainably and reduce waste.

### **4.5 Waste, reuse and avoidance**

The avoidance of waste is already taken into account in the development of products and processes and will continue to be pursued during production and other activities. Apart from avoiding waste, the aim is to reuse or recycle it. Waste, chemicals and wastewater are disposed of and managed in accordance with applicable laws and regulations.

### **4.6 Air and noise emissions**

Suppliers monitor the noise and air emissions emitted during their activities with the aim of introducing reduction measures.

### **4.7 Dealing with hazardous substances**

We refrain from using chemicals (or other substances) that are hazardous to human health and the environment. If the use of such chemicals and substances is unavoidable for product or production reasons, we comply with the statutory limits. Hazardous substances are identified and clearly labelled and a hazardous substance management system, covering the aspects of transport, storage, reuse and disposal, has been established.

#### **4.8 REACH**

The supplier shall ensure that the current requirements of Regulation (EC) 1907/2006 concerning the Registration, Evaluation, Authorisation and Restriction of Chemicals (REACH), as amended, are fulfilled within the deadlines and that any duty to provide information is met.

#### **4.9 Directive 2002/95/EC**

The supplier undertakes to comply with the RoHS provisions on the restriction of the use of certain hazardous substances in electrical and electronic equipment.

### **5 Ethical responsibility**

#### **5.1 Competition**

The principle of a market economy governs that competition between companies should be fair, free and unrestricted. Customer satisfaction is to be achieved through a market presence that strictly observes the requirements of competition and antitrust law. Suppliers of Wolfgang Loch GmbH & Co. KG shall therefore not participate in measures that are intended to or may potentially cause disadvantage to business partners or that could result in commercial benefit in an improper manner. Any direct or indirect involvement in arrangements with competitors with regard to the submission or non-submission of tenders is categorically ruled out. Likewise, there will be no attempts to obtain such information on competitors or their business activities from third parties if the procurement of such information is not permitted by law. Confidential information is only disclosed if this is permitted by law and on the basis of existing non-disclosure agreements.

#### **5.2 Corruption and bribery**

The supplier condemns any kind of corruption, extortion and bribery. This prohibition applies both to public office holders and within the scope of business dealings. Any employees of the supplier who are affected by a possible conflict of interest involving a discrepancy between company interests and personal interests are obligated to inform their supervisors or the management in order to resolve the matter swiftly. Any kind of fraud is prohibited, regardless of whether it causes damage to the company's own assets or the assets of third parties.

#### **5.3 Invitations and gifts**

Gifts to business partners or third parties as well as invitations or hospitality for these persons must comply with national regulations and be appropriate to the occasion and the scope of the business dealings. If such gratuities could have the effect of influencing or rewarding the recipient, they must be refrained from should any doubts arise. The provisions of tax legislation must be observed. Cash gratuities may neither be granted nor accepted.

#### **5.4 Cross-border transactions**

Export restrictions as well as any obligations to act on behalf of governmental/official bodies are binding and are to be followed by the supplier. The trade and export of regulated products / services shall only be carried out with a valid licence or government authorisation.

### **5.5 Plagiarism**

Apart from the economic and legal damage caused by counterfeit products they can also pose a considerable risk to life and limb due to their poor quality. The supplier therefore undertakes to exercise particular caution and to develop, implement and maintain suitable measures to minimise the risk resulting from the use and circulation of counterfeit products.

### **5.6 Financial responsibility (accurate record-keeping)**

We expect our suppliers to document all significant business transactions in a traceable and timely manner. Financial records must be prepared in accordance with applicable law and generally accepted accounting principles.

### **5.7 Data and information security and intellectual property**

Both Wolfgang Loch GmbH & Co. KG and the supplier shall always respect the intellectual property of third parties, to the same extent as they reasonably protect their own intellectual property from unauthorised use. Wolfgang Loch GmbH & Co. KG assumes that the suppliers and business partners exercise reasonable care when processing operational and personal data and do not forward such data to third parties even after the business relationship has ended. The supplier undertakes to observe and comply with all provisions under the applicable data protection laws to ensure maximum security in the context of the global electronic exchange of information. To achieve improved information security, Wolfgang Loch GmbH & Co. KG recommends that the supplier seek certification in accordance with TISAX (VDA-ISA), DIN EN ISO 27001.

### **5.8 Reporting and protection from retaliation**

The supplier shall ensure that a reporting system is maintained which enables employees to report inappropriate behaviour. It is expected that the supplier maintains processes allowing the anonymous and confidential raising of complaints without retaliation.

### **5.9 Requirements for suppliers**

All suppliers and their sub-suppliers are expected to comply with equivalent labour standards, environmental standards and business ethics, to implement these in the supply chain and to also pass them on to their sub-suppliers.

## **6 Supplier compliance confirmation**

By signing this document, the supplier confirms compliance with the aforementioned moral and ethical standards, as well as compliance with the statutory and regulatory requirements.

\_\_\_\_\_  
Place/Date

\_\_\_\_\_  
Name

\_\_\_\_\_  
Signature and company stamp