

# KWS ► Code of Business Ethics for Suppliers 1

In the course of our long tradition, values such as confidence, mutual respect, integrity and sustainability have become main features of KWS and have shaped our company, its reputation and identity. KWS observes internationally the business ethics principles as laid down in the *KWS Code of Business Ethics*. KWS bears social responsibility towards employees, customers and the public. Consequently, we also expect that our suppliers, service providers, their employees and subcontractors (altogether “Suppliers”) commit themselves to the business ethics principles specified in this *Code of Business Ethics for Suppliers*.

## 1. Social Responsibility

### 1.1 Human Rights

Suppliers respect and comply internationally with the laws for the protection of Human Rights and concede Human Rights as fundamental and universal requirements. In particular, Suppliers do not tolerate and do not employ persons under circumstances of forced labor, or exploit child labor. Suppliers observe the provisions concerning the Minimum Age for children’s work set out in the respective current version of the *ILO Convention 138*. <http://www.ilo.org/ipecc/facts/ILOconventionsonchildlabour/lang--en/index.htm>

### 1.2 Equal Opportunities and Non-Discrimination

Suppliers do not discriminate against any person for reasons, such as ethnic or national identity, race, gender, religion, political views, age, disability, sexual orientation.

### 1.3 Safety in the Workplace

Suppliers comply with the relevant applicable legal requirements for health and safety in the workplace and correspond to responsible-minded, good technical standards irrespective of a possible lower level of the legal minimum requirements in the respective country. They support further developments and improvements in safe working conditions. Staff members working with dangerous machinery or hazardous substances receive special training and supervision. Machines are to be maintained regularly to exclude any avoidable risk.

### 1.4 Salary

Suppliers ensure adequate payment for their employees. The salary and benefits rendered correspond to responsible-minded, good business practices irrespective of a possible lower level of the legal minimum requirements in the respective country.

### 1.5 Employee Representatives

Suppliers respect the employees' human right to form and to join labor unions. Suppliers neither give preference to nor discriminate against members of employee organizations or labor unions.

### 1.6 Product Safety

Suppliers observe all applicable product safety provisions and standards, especially standards concerning the safety, labeling and packaging of products and the use of dangerous substances and materials. The experiences of Supplier’s customers are to be ascertained and taken into account in order to support safe handling and optimal use of the products.

### 1.7 Environmental Protection

Suppliers act responsibly with regard to the environment, abide by all legal requirements concerning the environment and sustainability and correspond to responsible, good business practices irrespective of a possible lower level of the legal minimum requirements in the respective country.

Suppliers use natural resources sparingly and minimize negative environmental effects. They establish and apply appropriate environmental management.

## 2. Ethical Conduct in Business Relationships

### 2.1 Anti-Corruption

Suppliers do not tolerate corruption. They ensure that their employees, subcontractors and representatives do not grant, offer or accept bribes, unauthorized donations or any improper payments or advantages to or from employees of KWS, customers, business partners, officials or other third parties. This also applies to any offer of facilitation payments (e.g. payments to speed up routine administrative procedures) and any inappropriate benefit such as gifts or invitations for manipulation purposes.

## 2.2 Avoiding Conflicts of Interest

Suppliers do not tolerate that any business decision might be influenced by bribery or abuse of personal relationships.

## 2.3 Dealing with Authorities

Suppliers comply strictly with the law in their dealings with governments, authorities and public bodies, refrain from any corruption and observe the rules of free and fair competition.

## 2.4 Consultants and Service Providers

Suppliers take special care that payments to consultants and service providers are only made for services rendered, and that payments reflect appropriate proportion to the service rendered.

## 3. Fair Market Conduct

### 3.1 Free Competition

Suppliers comply with applicable competition laws. They do not engage in anti-competitive behavior neither with competitors – especially fixing prices, terms and conditions - nor with suppliers or customers, and do not abuse any dominant market position.

### 3.2 Export Control

Suppliers comply with all relevant laws and provisions, *inter alia* with the international boycott provisions regarding the import and export of goods, services, information and money transfers.

### 3.3 Money Laundering

Suppliers maintain business relationships only with business partners if they are convinced (i) about their integrity and (ii) that the business partners comply with all relevant legal provisions concerning money laundering.

### 3.4 Financial Information

Suppliers publish – if relevant - financial data and report on their business operations truthfully and in accordance with the relevant legislation and international reporting standards.

## 4. Data Protection, Business Secrets and Company Property

### 4.1 Data Protection

Suppliers use personal data of their employees, customers, suppliers and other affected people only

- for performing a **contract** to which the data subject is party (e.g. customer relationship / employment / supplier contracts), or
- based on a **legal obligation** (e.g. tax-matters, social security, etc.), or
- based on **consent**;

Suppliers also protect personal data by technical and organizational measures from network-attacks and ensure a careful organization and safety of IT-processes.

### 4.2 Protection of Know-how, Patents, Industrial and Commercial Secrets

Suppliers protect KWS' know-how and its industrial and commercial secrets. Suppliers do not pass on such information to any third party or the public, without the prior written consent of KWS. Suppliers do not violate any Intellectual Property Rights of KWS such as trademarks and patents.

### 4.3 Handling Company Property

Suppliers protect KWS' tangible and intangible assets and use them exclusively for purposes of fulfilling the contractual obligations. Suppliers ensure that their employees as well as any third party (such as subcontractors or service providers) neither damage intentionally or negligently nor embezzle nor misappropriate nor use such assets in a manner contrary to KWS' interests.

## 5. Consequences of violating the KWS Code of Conduct for Suppliers

KWS will perform audits to monitor adherence to this Code.

**In case of violation of this Code, supplier has to take corrective actions. In case of serious violation of the Code or failure to take corrective actions, KWS is entitled to terminate the contract and / or claim damages, at KWS' sole discretion.**

## **ILO Convention No. 138 on the minimum age for admission to employment and work (version 1973)**

One of the most effective methods of ensuring that children do not start working too young is to set the age at which children can legally be employed or otherwise work. The main principles of the ILO's Convention concerning the minimum age of admission to employment and work are in the table below.

	<b>The minimum age at which children can start work.</b>	<b>Possible exceptions for developing countries</b>
<b>Hazardous work</b> Any work which is likely to jeopardize children's physical, mental or moral health, safety or morals should not be done by anyone under the age of 18.	<b>18</b> <b>(16 under strict conditions)</b>	<b>18</b> <b>(16 under strict conditions)</b>
<b>Basic Minimum Age</b> The minimum age for work should not be below the age for finishing compulsory schooling, which is generally 15.	<b>15</b>	<b>14</b>
<b>Light work</b> Children between the ages of 13 and 15 years old may do light work, as long as it does not threaten their health and safety, or hinder their education or vocational orientation and training.	<b>13-15</b>	<b>12-14</b>