

Movement by Perfection

Code of conduct for business partners in the supply chain

The Royal League in ventilation, control and drive technology

ZIEHL-ABEGG 



Wir entwickeln und produzieren die
effizientesten Ventilatoren für die Zukunft

ZIEHL-ABEGG

Die Königsklasse

*der Lufttechnik,
Regeltechnik und Antriebstechnik*

Einzigartige
Kunststoffproduktion
für bionische Hightech-
Ventilatoren



Foreword

Dear Supply Chain Business Partners,

This code of conduct („BPCoC“) is aimed at all current and future business partners in the supply chain (direct suppliers such as manufacturers, dealers, intermediaries, and service providers including consultants) that work with ZIEHL-ABEGG or with the company's subsidiaries („ZIEHL-ABEGG Group“). For ZIEHL-ABEGG, compliance with the values of the BPCoC and the agreement of the business partner to these is a prerequisite for the selection of the business partner and its evaluation.

The ZIEHL-ABEGG Group acts in compliance with the relevant regulations, particularly the requirements for safeguarding human rights and environmental law concerns within the meaning of the German Act on Corporate Due Diligence Obligations in Supply Chains (LkSG), including comparable regulations.

The values that are important to the ZIEHL-ABEGG Group are also expressed in the BPCoC.

We expect our business partners to comply with these legal requirements and values at their premises and those of their own business partners (from the perspective of

ZIEHL-ABEGG, indirect suppliers or business partners). We are firmly convinced that the implementation of this code of conduct will add value for all concerned at our business partners. A sense of responsibility and a good reputation to maintain the trustworthiness of the company are of fundamental importance to the success of ZIEHL-ABEGG and to our ability to achieve sustainable values for our customers, our employees and the general public. The BPCoC is a further step on the road to establishing a viable relationship with our business partners. We expect our business partners to comply with the BPCoC standards as well as all applicable laws and regulations. It is the responsibility of the respective business partner to implement and maintain appropriate programs that ensure compliance with the BPCoC.

Executive Board

Head of Purchasing



IEHL-ABEGG deals are
always clean deals



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Compliance with the BPCoC



In the opinion of ZIEHL-ABEGG, the provisions of the respectively valid version of the BPCoC represent an essential basis for the business relationship between ZIEHL-ABEGG and the business partner. Compliance with the provisions contained in the BPCoC is therefore essential for the business relationship between ZIEHL-ABEGG and the business partner. The business partner duly notes and bindingly recognizes this.

ZIEHL-ABEGG considers any violations of the BPCoC to be a serious matter. Any violations may pose significant risks to the company and the ZIEHL-ABEGG brand as well as to the company's employees and products or services. Each of our business partners is accountable for its actions or omissions.

If the business partner has severely violated the BPCoC, ZIEHL-ABEGG reserves the right to terminate the business relationship with the business partner subject to applicable legal regulations. ZIEHL-ABEGG may waive termination at its own discretion and instruct the business partner to immediately draw up and implement a concept for ending or minimizing the violation and for

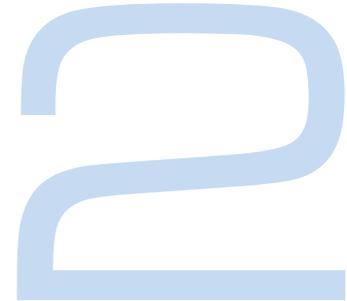
avoiding future violations. Throughout the concept implementation period, ZIEHL-ABEGG is at liberty to temporarily suspend the business relationship.

ZIEHL-ABEGG also reserves the right to check compliance with the provisions of the BPCoC by the business partner in an appropriate manner. Any checks will be arranged during business hours and agreed by mutual consent with the business partner. The business partner must document and demonstrate compliance with the BPCoC to an appropriate extent.

ZIEHL-ABEGG encourages anyone who ascertains violations of the provisions of this BPCoC 1. within their own business area at ZIEHL-ABEGG or 2. at one of the direct or indirect business partners (suppliers and service providers) to report such violations via the relevant reporting option on the ZIEHL-ABEGG homepage.



Basis and laws



The basis for sustainable economic success is compliance with international laws and standards such as the Universal Declaration of Human Rights or the fundamental conventions of the International Labour Organization („ILO conventions“) as well as the respective national legal regulations, particularly the aforementioned LkSG. ZIEHL-ABEGG demands that its business partners comply unreservedly with the respectively applicable laws to ensure that all transactions relating to ZIEHL-ABEGG are carried out based on the highest of ethical standards.

We expect our business partners to acknowledge our values and our commitment to conducting business in an ethically irreproachable, legal, and socially responsible manner. It is the responsibility of the business partners to introduce and maintain appropriate programs in order to ensure compliance with the BPCoC and to guarantee that all employees concerned are familiarized with the content of the code of conduct and understand its principles by means of corresponding information or training.



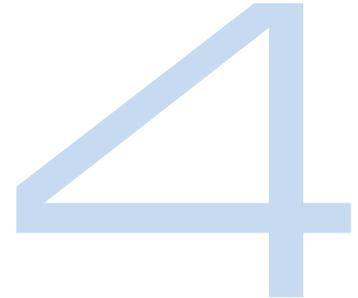
Fair competition compliance with antitrust laws



ZIEHL-ABEGG requires its business partners to support free, fair, and ethical competition that is undertaken within the scope of the law. Our business partners do not take part in price fixing, market sharing, or similar anticompetitive practices. Other illegal actions relevant to antitrust law, such as coordinated measures, informal discussions, or so-called informal „gentleman’s agreements” must be forgone.



No toleration of bribery or corruption

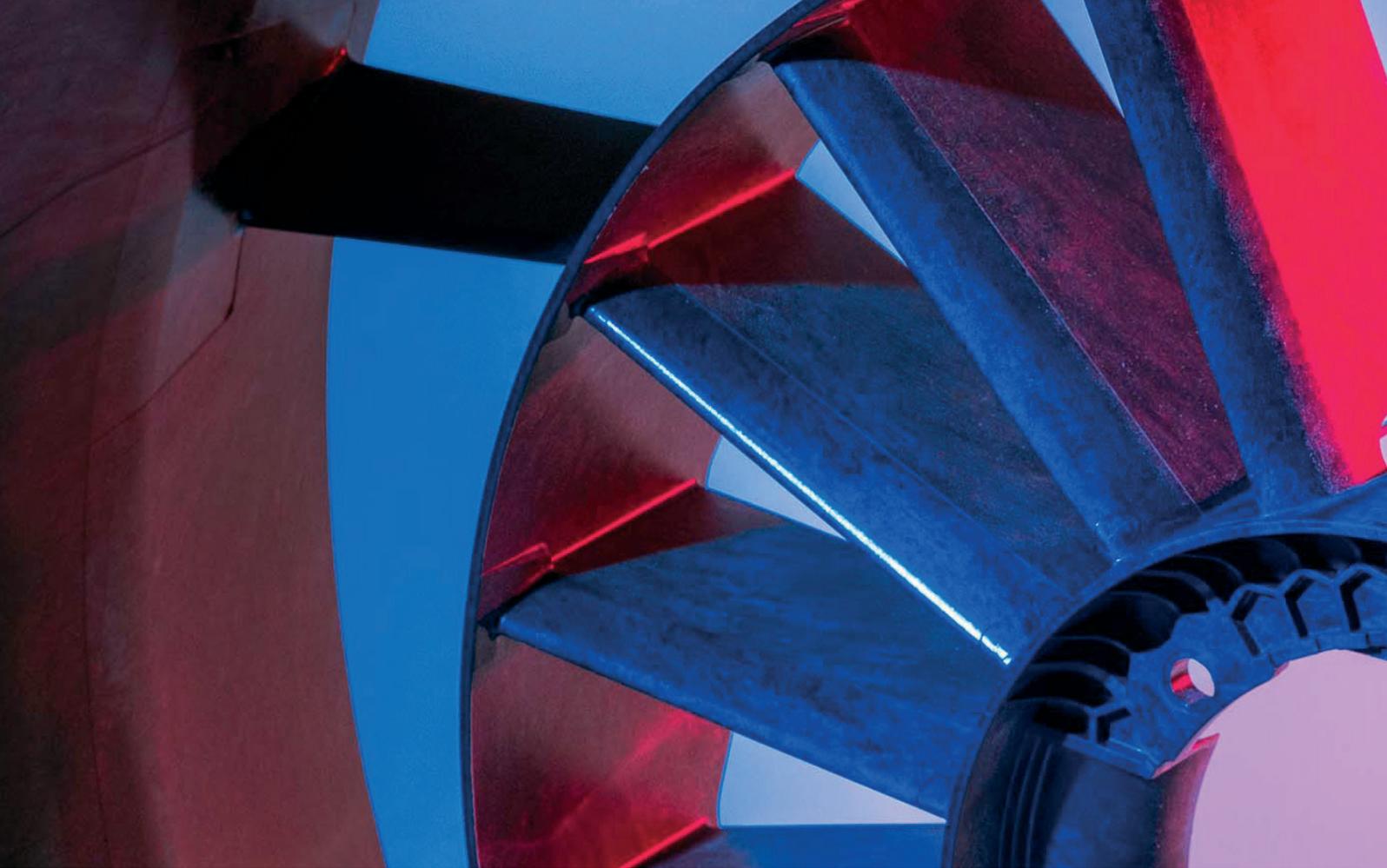


With regard to bribery and corruption, ZIEHL-ABEGG pursues a zero-tolerance policy. Corruption is prohibited virtually worldwide through national laws and international conventions.

ZIEHL-ABEGG expects its business partners not to promise or grant any benefits to ZIEHL-ABEGG employees with the intention of obtaining a business or other advantage for themselves. In addition, the business partner may not, under any circumstances, demand, offer, or grant bribes, kickbacks, or other improper payments, the employment of related persons, incentives, gifts, hospitality, favors, or other gratuities for the exploitation of business opportunities with ZIEHL-ABEGG.

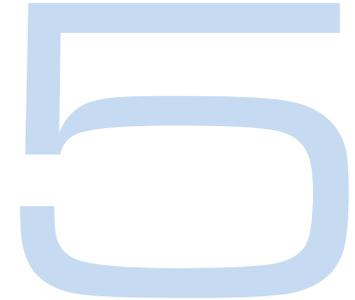
ZIEHL-ABEGG expects its business partners not to tolerate any unlawful payments in their dealings with public officials and authorities.







Conflicts between private and business interests must be avoided



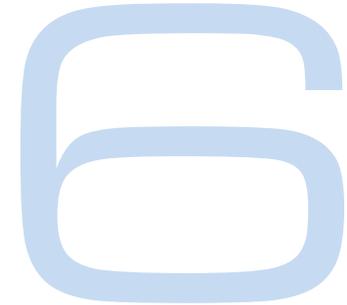
The business partner must act with integrity and transparency with regard to its business activities.

All direct or indirect close relationships between the business partner and employees of ZIEHL-ABEGG that affect the business relationships or comparable circumstances must be disclosed to ZIEHL-ABEGG.

Any conflicts of interest must be disclosed before the start of negotiations or at the latest upon obtaining knowledge of such a conflict.



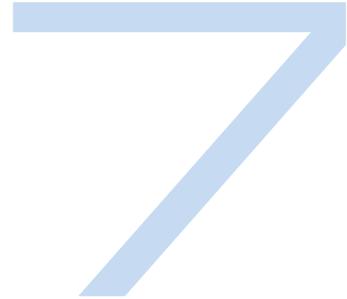
Import and export control



Compliance with import and export regulations as well as the corresponding legislation is of fundamental importance in order to ensure that all parties involved retain their import and export licenses and remain able to participate in the global market. We therefore expect our business partners to carry out all applicable import and export controls and comply with the relevant regulations.



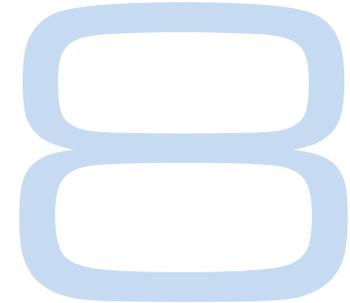
Money laundering



Our business partners are obliged to meet all statutory requirements aimed at preventing money laundering. Engaging in any type of money laundering activity is strictly prohibited.



Respect and protection of human rights



At the ZIEHL-ABEGG Group, we attach particular value to safeguarding human rights and fair working conditions, and we also expect this from our business partners. We are therefore committed to respecting all internationally recognized human rights:

- The ten principles of the UN Global Compact
- The Universal Declaration of Human Rights
- The four fundamental principles and rights in the work of the International Labour Organization (ILO)
- The OECD (Organisation for Economic Co-operation and Development) Guidelines for Multinational Enterprises
- The UN Guiding Principles on Business and Human Rights
- The United Nations Sustainable Development Goals

In this context, the human rights that are particularly worthy of protection are set out below.



Child and forced labor and slavery are not tolerated



ZIEHL-ABEGG does not tolerate child labor, forced labor, slavery, servitude, or human trafficking in the supply chain. The minimum age for our business partners' employees must correspond to the minimum age of the ILO Convention (No. 138, No. 182).

The ban on child labor and the protection of young workers may not be circumvented by fictitious training relationships. The employment of young people that is not intended to expand the knowledge and skills of the employees is regarded as a fictitious training relationship. If circumstances arise that can be classified as child labor, the business partner must immediately implement remedial measures and document them accordingly.

All employment relationships of our business partners must be entered into on a voluntary basis, at least comply with the conditions of employment of the ILO Convention (No. 29), and meet the national statutory regulations, particularly those on occupational health and safety and practices.



Freedom of association, right to collective bargaining, and strike law are guaranteed

In harmony with the applicable legislation, particularly the ILO Conventions (No. 87, No. 98), the business partner must respect the right of its employees to organize themselves, join associations, or conduct collective bargaining as well as the right to strike. The exercise of the above-described rights may not be used as a reason for unjustified unequal treatment or retaliatory measures (ILO Convention No. 135).



Protection against discrimination, safeguarding equal opportunities and diversity



We expect our business partners to uphold the equal treatment of all employees.

No one may be treated unfairly, favored, controlled, or excluded on the basis of race, color, nationality, ancestry, ethnic origin, creed, philosophy of life, political opinion, membership in an employee association (including trade unions), gender, age, social background or social origin, sexual orientation, health status, disability, appearance, or other personal characteristics. Unequal treatment in this case also particularly includes the payment of unequal remuneration for equivalent work.



Right to health and safety in the workplace

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In their business operations, we expect our business partners to offer their employees a safe, healthy working environment and, in this respect, to implement health protection and work safety measures that correspond at least to the implementation of the national health and safety regulations.

In this context, we expect our business partners to ensure a working environment in which their employees work unencumbered by the influences of illegal substances or narcotic drugs or unencumbered by the misuse of prescription or over-the-counter drugs or alcohol.



Working hours and remuneration

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We expect our business partners to ensure appropriate remuneration for their employees which at least corresponds to the statutory minimum wage regulations at the place of employment. In the absence of statutory regulations, the remuneration is oriented to the industry-specific remuneration and benefits that are customary in the location. The working hours must at least comply with the applicable laws, including the industry standards of the respective national economic sectors.

The business partner is additionally expected to comply with all applicable regulations relating to working hours, wages, salaries, and severance payments.

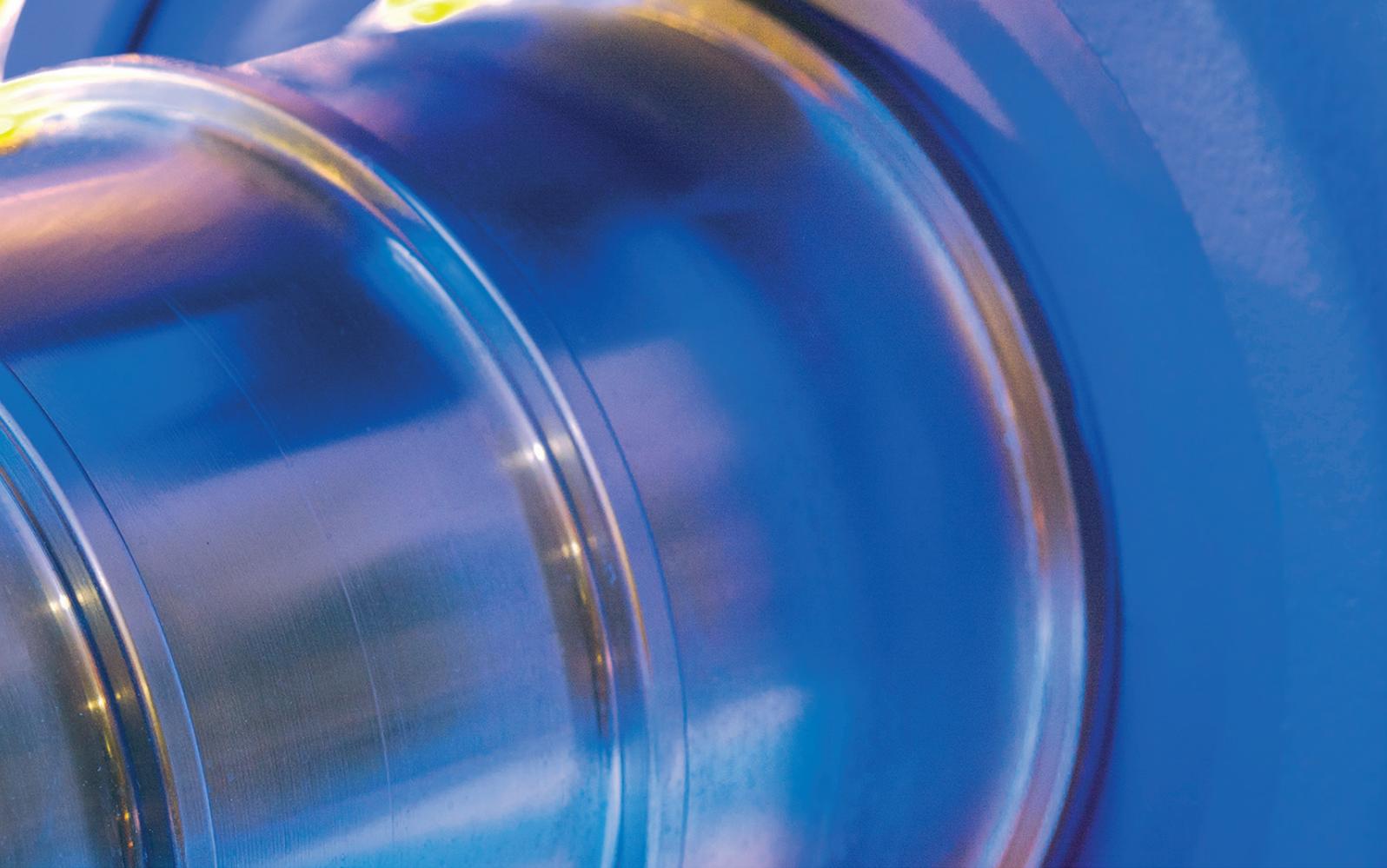


Prohibition of harmful environmental impacts (harmful soil changes, water pollution, air pollution, harmful noise emissions, or excessive water consumption)

We expect our business partners, particularly in the context of production and logistics, to ensure that there are no environmental impacts that are capable of:

- Significantly impairing the natural foundations for maintaining and producing food
- Preventing persons from accessing safe drinking water
- Hindering or preventing persons from accessing sanitary facilities
- Harming persons' health





Prohibition of unlawful eviction and unlawful deprivation of land, forests, bodies of water



We expect our business partners to observe and not violate the rights of others when using land, forests, and bodies of water, especially if they are the basis of persons' lives.



Protection of human rights when using security personnel



When using security personnel to protect the company, we expect our business partners to implement appropriate precautions to ensure that they safeguard human rights when deployed.



Environmental protection

The ZIEHL-ABEGG Group is aware of its responsibility to protect the environment. In addition to human rights due diligence obligations, we therefore also observe those concerning the environment.

Our business partners must therefore comply with all relevant local and national environmental protection laws and regulations as well as all requirements for environmental permits.

In particular, the business partner must forgo the manufacture of products containing mercury pursuant to Art. 4 (1) and Annex A, Part 1 of the Minimata Convention, the use of mercury and mercury compounds in manufacturing processes within the meaning of Art. 5 (2) and Annex B, Part I of the Minimata Convention after the discontinuation date for the respective products and processes, and the treatment of mercury waste which violates Art. 11 (3) of the Minimata Convention.

The business partner must also forgo the production and use of chemicals in accordance with Art. 3 (1) Book a and Annex A of the Stockholm Convention on persistent organic pollutants (POPs Convention) insofar as this applies in accordance with the applicable national law in compliance with the POPs Convention. The business partner must also ensure that any waste is handled in accordance with the legal regulations. The ban on the non-environmentally friendly handling, collection, storage, and disposal of waste applies in accordance with the regulations in force in the applicable legislation under the terms of Article 6 (1) (d) (i) and (ii) of the POPs Convention.

The business partner must also ensure that the substances used in the manufacture of products are conflict-free and do not have any influence on conflict-affected and high-risk areas within the meaning of the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas.



We additionally expect our business partners to generally strive to minimize or prevent the negative effects of their business activities on the environment (e.g. with regard to the use of heating energy and electricity as well as waste management).

We expect our business partners to incorporate environmental issues into their business activities and strive to attain continuous improvements by minimizing the adverse effects of their business activities on the environment.



Products and product safety

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We expect our business partners to exercise all due care in the development, manufacture, and testing of products to ensure protection against product defects, especially those that pose a risk to human life, health, or safety or which threaten the environment.

Only safe products that correspond to the current state of the art may therefore be manufactured for and supplied to ZIEHL-ABEGG.

In particular, these products must not contain any program sequences or technical facilities that have been designed to circumvent legal or regulatory requirements.



Intellectual property rights

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Our business partners confirm that they possess or have all of the rights necessary to transfer any intellectual property rights associated with the products and services provided to ZIEHL-ABEGG. Our business partners additionally acknowledge and respect ZIEHL-ABEGG's intellectual property rights.



Data protection and confidential information



The business partner must adhere to and comply with the relevant data protection regulations.

The business partner must additionally ensure that all knowledge of confidential information and business secrets obtained during business activities with ZIEHL-ABEGG is kept strictly confidential and is not used impermissibly or disclosed to third parties.

ZIEHL-ABEGG's intellectual property and confidential information, including, but not limited to, information relating to its products or business that is not generally accessible, be it in oral, printed, or electronic form, such as business plans, contracts with customers, business secrets, product data, and sales figures, must be handled as strictly confidential by our business partners and may only be used in the context of cooperating with ZIEHL-ABEGG.

A nondisclosure agreement must be signed by the business partner and ZIEHL-ABEGG prior to the disclosure of confidential information.



Compliance with and implementation of the BPCoC



The business partner is responsible for implementing the content of the BPCoC along its supply chain.

We therefore expect the business partner to ensure the values and obligations set out in this BPCoC by means of corresponding contractual specifications vis-à-vis its direct suppliers and to in turn oblige them to pass on this compliance obligation to their direct suppliers along the supply chain of relevance to ZIEHL-ABEGG.

We also expect the business partner to introduce appropriate and effective due diligence obligation and risk management processes in order to minimize risks of human rights violations and risks of environmental impacts, including suitable complaint mechanisms and reporting based on the United Nations principles for business and human rights, the German Act on Corporate Due Diligence

Obligations in Supply Chains, and other corresponding laws and guidelines.

As part of the general due diligence obligations along the supply chain, we expect the business partner to also be familiar with the legal requirements in relation to minerals from conflict-affected areas, to ensure compliance with these laws in harmony with the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas, and to avoid all minerals originating from conflict-affected areas in the context of its business relationship with ZIEHL-ABEGG.



The Royal League

