



## **Sustainable Procurement Guideline at FRIATEC AG**

In accordance with the United Nations Global Compact Network, FRIATEC AG is attempting to achieve an outstanding level of Corporate Social Responsibility (CSR) in all its business activities. It is our goal that all activities which contribute to our company's success consider the needs of the present generation and anticipates those of the future.

FRIATEC AG acknowledges the principles of the United Nations Global Compact Network and we also expect this from our business partners and our suppliers and their sub-contractors. Our principles and values govern the way we do business. Our business relationships are based on mutual trust and on this Guideline. The Guideline for a sustainable procurement at FRIATEC AG is an integral part of the international regulations which are specified in the UN Global Compact.

This Guideline specifies the minimum of Corporate Social Responsibility performance standards we expect from our business partners, our suppliers and their sub-contractors. We may visit production sites to check compliance with this Guideline. If necessary, we will support these third parties to achieve compliance with the Guideline and improve their Corporate Social Responsibility.

This Guideline will also be an integral part of our tender specifications and will be considered whenever giving business to suppliers. FRIATEC AG will consider national or cultural differences and other relevant factors, but will not compromise on the fundamental requirements described in this Guideline.

As far as it falls into the realm of our influence, we will implement this Guideline throughout our supply chain. Furthermore, we encourage our suppliers encourage to persuade their sub-contractors to ensure that they meet the principles of the UN Global Compact.



## Corporate Social Responsibility standards to be met

All business partners and suppliers to FRIATEC AG are advised to adhere to this Guideline and the applicable laws in the countries in which they operate.

FRIATEC AG has identified three main criteria which are decisive for a high level of Corporate Social Responsibility within the supply chain:

1. Acceptance of Human Rights and guarantee of appropriate working conditions of employees
2. Minimization of environmental impact
3. Deployment of high ethical and moral business standards

### 1. Employees

**Acceptance of human rights.** We expect our business partners, our suppliers and their sub-contractors to support and recognize the United Nations Universal Declaration of Human Rights and to ensure that they are not involved in human rights abuses.

**Guarantee of a safe and healthy working environment.** Our business partners, our suppliers and their sub-contractors must provide a safe and healthy workplace to their employees in compliance with the applicable laws and regulations. As a minimum, employees must have access to potable water and sanitary facilities, adequate fire safety, lighting, ventilation and where appropriate personal protective equipment. The personal protective equipment must be supplied free of charge and workers must receive training in the use of this equipment and general safety standards.

**No child or forced labour.** Our business partners, suppliers and their sub-contractors will not tolerate child labour, involuntary labour, bonded or forced labour in line with ILO Conventions C138 and C182.

**No discrimination or harassment.** Every employee will be treated with respect and dignity. No employee will be subject to any physical, sexual, psychological or verbal abuse or harassment pertaining to any aspects of their gender, race, religion, age or lifestyle, background or origin.

**Transparency of working hours and compensation.** Working hours should be compliant with the applicable laws. Workers should have contracts stipulating their working hours and wages. All wages should be paid without delay and in accordance with the applicable laws.



**Freedom of association and collective bargaining.** Our suppliers are to respect the rights of employees to freely associate, organize and bargain collectively in accordance with applicable laws, regulations and ILO conventions.



## 2. Environment

FRIATEC AG holds the DIN ISO 14001 environmental certificate. It is important for us that our suppliers recognize the environmental impact of their business and ensure that they act in a responsible manner and continually work to reduce their impact on the environment.

**Protection of the environment.** Suppliers are expected to have developed and implemented a significant environmental policy and operate in compliance with all applicable laws and regulations addressing environmental protection.

**Management of hazardous materials.** Chemicals and other materials identified as hazardous when released to the environment are to be managed to ensure their safe handling, movement, storage, reuse or disposal.

**Reduction of the use of resources, waste and emissions.** Continuous improvements in resource efficiency are integrated in management and operations. Waste of all types and emissions to air, water and soil shall be minimized, characterized and monitored.

## 3. Ethical and moral business standards

**High ethical standards.** We expect our suppliers to uphold high standards of business ethics, to respect local laws and not engage in corruption, bribery, fraud, or extortion.

**Transparent business relations.** Our business partners, suppliers and their sub-contractors will not offer or accept gifts, payments or other advantages which might be capable to influence a person to act contrary to prescribed duties.

Effective as of 01 January 2010