

Code of Conduct For Suppliers and Sub-suppliers



Foreword

We agree to mutual respect and trust as well as fair behavior toward one another. The mainspring of our activity is the pursuit of continuous improvement. Whereby we do not hesitate to accept responsibility. We remain open for new ideas and do not refuse to consider justified requests. Every supplier is obligated to observe the corporate principles of Kremer GmbH, which are included in the code of conduct for suppliers, and to also obligate any sub-suppliers to such observance. In the event of violation, Kremer GmbH reserves the right to discontinue cooperation. This can be accomplished when the supplier is not willing or capable of remedying grievances after being requested to do so. Here Kremer's policies are based on the objectives of ILO (International Labor Organization), whose principles aim at improving the working and living conditions of all humans.

Work Environment

Kremer insists on safe and healthy working conditions for all persons employed by the companies with which it collaborates.

Therefore:

Employees must not be exposed to hazardous situations. Rooms in which employees are present must be adapted to the safety regulations. The operating facilities must have a fire alarm system.

Safety and fire prevention regulations must satisfy the legal situation and be kept up to date.

Machines and equipment must be satisfactorily secured. Regular inspection and maintenance is essential.

Observance of cleanliness and hygiene regulations is mandatory.

Prohibition of Child Labor

Child labor is defined as full time employment of children younger than 15 years of age or before reaching the age for which compulsory education exists in each case.

Kremer's concern is to offer children the possibilities for development necessary to give them perspectives later as adults in order to earn their own living. Every human is entitled to education. Therefore employment, which limits basic education is not acceptable.

Full time employment is permissible only for short periods when such measures serve for educational purposes. (International Labor Organization C138, Art. 6).

If the local situation makes employment of minors necessary, this is permissible only when regulated in close coordination with the parents as well as recognized national and international authorities, whose purpose is to protect children. However such work is only permissible for part-time employment while ensuring education in a school.

Hazardous work and work during the night must be excluded completely.

Social Standards, Working Times and Wages

Every employee must have at least one work-free day per week.

The working time per week should not exceed 60 hours including overtime. This applies even when work is in high demand. Overtime must be remunerated according to the legal regulations.

Reduction of wages is not permissible as a disciplinary measure.

Employees have the right to freedom of assembly and to negotiate wage rates.

Labor organizations may be formed and labor unions are permissible.

If certain labor unions are not permissible in a certain area and only government approved organizations are permissible, the supplier is obligated to offer employees a forum for discussing labor-related issues with the management staff.

Environmental Protection

The supplier is responsible for reducing wastes and emissions into the air, water and soil, as well as for safe and ecological handling of chemicals, ecological handling, storage and disposal of hazardous substances and contributing to recycling and reuse of materials.

Corruption

Corrupt business limits free trade and is disadvantageous for effective and responsible economic commerce. Kremer repudiates all types of corruption and bribery and expects its suppliers to do the same.

