

## Supplier Code of Conduct for Würth MODYF GmbH & Co.KG

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## 1. Preamble

### Corporate Social Responsibility

Würth MODYF GmbH & Co.KG<sup>1</sup> considers social responsibility in its entirety and applies it not only to its own business activities, but also to the supply chain. Würth MODYF continuously works on improving the policies and practices to contribute to sustainable development. In doing so, Würth MODYF takes into account effects of its business activities on society, in particular compliance with human rights and the environment. The due diligence includes procedures for determining, avoiding, reducing and, if necessary, making amends for adverse effects on human rights and environmental.

Würth MODYF respects and accepts the various legal, social, cultural and social backgrounds of the countries into which its value chain extends and recognizes their structures, customs and traditions. To the extent that these conflict with the principles set forth herein, Würth MODYF will enter into dialog with the business partners to work towards understanding and acceptance. Values play a central role in dealing with each other.

### Reference

This Supplier Code of Conduct<sup>2</sup> addresses the principles and minimum requirements for the protection of human and labor rights on the basis of the United Nations Universal Declaration of Human Rights, the ILO Core Labor Standards, the UN Guiding Principles on Business and Human Rights and the OECD Guidelines for Multinational Enterprises and the OECD Due Diligence Guidance for Responsible Supply Chains in the Garment and Footwear Sector. Furthermore, this Code of Conduct is linked to the policy statement of the [Code of Compliance of the Würth Group](#) as well as the requirements of the [General Purchasing Conditions of Würth MODYF](#). In general, this code of conduct is consistent with the code of BSCI<sup>3</sup> since Würth MODYF is member of amfori.

The Code of Conduct will be updated at least every two years.

### Recipients

Würth MODYF communicates the contents of the social code and code of conduct to employees, contractual partners, business partners and other interest groups. In particular, this Code of Conduct is aimed at all business partners in the supply chain of our products, including subcontractors and sub-suppliers. The standards apply equally to permanent, temporary and contract workers, as well as to piece workers, salaried, part-time, night-time, itinerant and youth workers, irrespective of gender.

Business partners must educate employees in the supply chain about the content of the Code of Conduct and the applicable national and international laws.

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<sup>1</sup> Hereinafter referred to as: Würth MODYF

<sup>2</sup> Hereinafter referred to as: Code of Conduct

<sup>3</sup> Business Social Compliance Initiative (amfori)

### Implementation and monitoring

By signing this document, Würth MODYF and its business partners undertake to comply with the standards and guidelines. The minimum standards required by this Code of Conduct are a binding and permanent contractual component of the cooperation with Würth MODYF.

The principles set out in this Code of Conduct form an important part of supplier selection. Close exchange with the Würth MODYF technology team in Dongguan, China, ensures the monitoring process. Würth MODYF reserves the right to conduct announced and unannounced audits in connection with the Code of Conduct itself or through a third party authorized by Würth MODYF.

Würth MODYF is working on this with the awareness that it is a long-term process that requires the cooperation of all parties involved in order to succeed. In the event of suspected violations, Würth MODYF and the business partners are equally involved in the investigation of the facts. Any violation of the Code of Conduct or applicable national law must be remedied. If a business partner breaches these principles and does not implement an improvement plan, Würth MODYF reserves the right to reassess continuation of the business relationship.

### Upstream supply chain

Upon request, business partners must name the production sites along the upstream supply chain.

Business partners are not permitted to assign production steps that take place at contractually bound producers, in whole or in part, using subcontractors or sub-suppliers, without first informing Würth MODYF in writing. Such subcontracting shall only be accepted after thorough review by Würth MODYF. In principle, the use of subcontractors must not be used to undermine the rights of employees.

The direct contractual partners of Würth MODYF must communicate the contents of this Code of Conduct to all their producers, subcontractors and homeworkers who work on Würth MODYF products and work towards compliance with the specified standards.

### Communication and complaints

All employees of Würth MODYF as well as all stakeholders in the supply chain are authorized and encouraged to inform independent third parties about violations of the guidelines in the Code of Conduct or applicable law. Affected persons can submit a complaint at any time, even anonymously, by using the [Speak-Up Portal](#) of the Würth Group.

## **2. Applicable law and compliance**

For Würth MODYF, compliance with the applicable law is a matter of course. Würth MODYF complies with the law and regulations of the respective countries in which it operates. This also applies to the entire supply chain. Würth MODYF ensures compliance with the principles of this Code of Conduct in its own actions, especially in countries with weak state structures, and also encourages business partners to do so.

In the event of differences between national regulations and the content of the Code of Conduct, the provisions with the higher level of protection shall always apply to affected persons. If the domestic context makes it impossible to fully meet the responsibility to respect human rights, ways should be found

to respect the principles of internationally recognized human rights and the content of this Code of Conduct.

### 3. Human rights

Würth MODYF and its business partners, as well as their direct and indirect partners, are committed to respecting, complying with and promoting human rights. By aligning the company's actions with these principles together with its business partners, Würth MODYF can contribute to a safe and decent working environment.

#### 3.1. Child labor

Würth MODYF and its business partners are committed to the effective abolition of child labor. They observe the respective legal minimum age for admission to employment or work, which may not be less than 15 years old. Under the corresponding conditions of the ILO, only the recognized exception from a minimum age of 14 years (ILO Convention 138) may apply. If child labor is identified, necessary remedial measures should be taken to focus on the welfare and protection of the child.

In order to prevent child labor, business partners should establish robust age verification mechanisms as part of the recruitment process, which must not be degrading or disrespectful of employees in any way.

Children must be protected from all forms of exploitation. Particular care must be taken when releasing children from work, as they may move to more dangerous working conditions. When removing children from the workplace, business partners should take proactive measures to ensure protection of the children concerned.

#### 3.2. Special Protection for young workers

Persons under the age of 18 may not be involved in work that poses a health, safety or moral hazard, including night work. Business partners of Würth MODYF shall only employ young people under the age of 18 if the nature or the conditions of the work they perform do not endanger the life, health and development of the young people concerned and if they receive appropriate, relevant or vocational training in the corresponding industry. In the case of young employees, business partners should ensure that their working hours do not impair school attendance or the attendance of training or education programs. Overtime is not permitted in this case.

#### 3.3. Forced labor

All forms of forced labor, modern slavery and exploitation are prohibited. This includes any type of work or service that is required of a person under threat of punishment or for which that person has not voluntarily made themselves available. All employees provide their work voluntarily and can leave their job after a reasonable period of notice.

#### 3.4. Discrimination

Everyone must be treated equally, with dignity and respect. No form of physical, psychological, sexual, verbal abuse or intimidation of any other kind is permitted. Breaches of equal treatment on the grounds of origin, religion, gender, age, social/ethnic/national origin, disability or disease, membership of labor organizations such as trade unions, political beliefs, sexual orientation or other personal characteristics are not permitted. No one may be discriminated against, excluded or given preference in this respect.

If employees file a complaint on the basis of the Code of Conduct or national/international law, this must not lead to wage deductions or other disciplinary measures. In the event of unacceptable disciplinary measures by managers, this conduct must have corresponding consequences.

### 3.5. Right to freedom of association and assembly

Employees must be given the opportunity to join or establish workers' associations, including trade unions, without discrimination. The right to collective bargaining must also be respected.

If the right to freedom of association or collective bargaining is restricted in the respective national law, the business partners should facilitate the development of alternative forms of representation and the assembly of employees. This can be done by allowing employees to freely choose a representative.

### 3.6. No precarious conditions

Business partners shall ensure that their employment relationship does not constitute uncertainty and that the work is carried out on the basis of a recognized and documented employment relationship established in accordance with national legislation or international labor standards, whichever offers greater protection.

Prior to entering into an employment relationship, business partners must provide employees with easy-to-understand information about their rights, duties and working conditions, including working hours, remuneration and payment conditions. A written contract must be drawn up for the employees in a language that the employee understands.

### 3.7. Working hours

Working hours must comply with national law or industry standards and must not regularly exceed 48 hours per week. The business partner must grant employees an appropriate break per working day. The right to one day off per week also applies.

Employees must not work more than 12 overtime hours per week. Overtime must be undertaken on a voluntary basis, be paid at a premium rate and must not take place regularly.

### 3.8. Remuneration

Employee wages must be paid on time, regularly and in full in the national currency, referring to standard working hours. Remuneration for all employees must at least comply with state minimum wage legislation or industry standards approved on the basis of collective bargaining, whichever is higher. The level of wages should reflect the qualifications and training of employees and relate to regular working hours. Progressive work must be undertaken towards the payment of a living wage sufficient to provide workers and their families with a decent standard of living.

### 3.9. Occupational health

Business partners must ensure a safe, dignified and non-harmful working environment. The working environment must be safe and hygienic, taking into account the prevailing knowledge of the industry and specific hazards.

The local environment and healthy working and living conditions for employees must be respected. Business partners comply with occupational health and safety regulations as well as international standards if national legislation is weak. In particular vulnerable persons, including but not limited to,

young workers, new parents and pregnant women, as well as people with disabilities, must be fully protected.

### 3.10. Safety at work

Operational risks must be identified and appropriate measures taken (including through compulsory insurance) in order to proactively prevent and reduce accidents, emergencies, fires, etc.

Business partners shall take all appropriate measures within their sphere of influence to ensure the stability and security of the systems and buildings they use, to protect against all foreseeable emergencies.

Business partners shall ensure appropriate occupational health care and facilities. In the event of imminent danger, employees have the right to leave the company premises without asking their superiors for permission.

Business partners shall guarantee access to sanitation facilities, drinking water, safe and clean dining and rest areas as well as clean and safe cooking and storage areas for food. In addition, business partners shall always provide all employees with effective personal protective equipment (PPE) free of charge.

## 4. Environmental protection

Environmental protection is part of the corporate policy of Würth MODYF. All business partners shall strive for environmentally and socially responsible production, at least to the extent that the specific sector and local conditions permit. Environmental impact shall be minimized and preventative measures shall be taken. Statutory regulations, environmental standards, internationally established standards and industry standards must be complied with.

Business partners shall assess significant environmental impacts of their activities and define effective policies and procedures that reflect their environmental responsibility. They shall ensure the implementation of appropriate measures to prevent or minimize adverse effects on the community, natural resources and the environment as a whole.

Business partners must provide environmental data to Würth MODYF on request.

### 4.1. Emissions

The continuous and long-term improvement of environmental impact through appropriate technologies and production processes that enable the efficient use of natural resources and energy as well as the minimization of emissions must be encouraged.

### 4.2. Chemical management

The selection of chemicals used must take into account environmental as well as occupational health and safety aspects. The aim is to replace chemicals that are particularly harmful to the environment as far as possible. Proper and appropriate disposal of waste and possible reuse of substances should be aimed for.

### 4.3. Water

Environmental standards for waste water treatment shall be complied with at least to the extent possible due to local conditions. Water must be used economically for all processes. Excessive water consumption must be avoided.

## 5. Animal welfare

In terms of animal welfare, animal husbandry and use must be carried out in a manner appropriate to the species. Business partners do not use leather from exotic animals or materials derived from species that are endangered or critically endangered according to the International Union for Conservation of Nature and Natural Resources (IUCN) Red List.

## 6. Ethics

Würth MODYF follows legal, legally sound and recognized business practices in compliance with fair competition, industrial property rights of third parties as well as antitrust and competition law regulations (as described in the [Code of Compliance of the Würth Group](#)). Würth MODYF rejects all forms of corruption and bribery, and promotes principles of responsible corporate management such as transparency, accountability, responsibility, openness and integrity. Würth MODYF expects the same from its business partners.

Accordingly, business partners shall not engage in corruption, extortion, embezzlement, or any form of bribery. Promising, offering, granting or accepting an inadmissible monetary or other incentive is not permitted. Business partners must not participate in the falsification of information.

In addition, business partners should treat personal data with reasonable care. The data protection and information security laws as well as regulatory requirements must be observed when collecting, using and otherwise processing personal data.

## 7. Management systems

The standards defined here must be applied by the management of all our business partners. In order to be able to properly fulfill the defined requirements, business partners must ensure the necessary management functions are established. The tasks must be delegated to managers with the necessary knowledge and competence. Continuous monitoring of implementation is required. All relevant processes must be appropriately, transparently, traceably and truthfully documented.

**Obligation to comply with the Code of Conduct**

As a business partner of Würth MODYF, I acknowledge and agree to the Supplier Code of Conduct of Würth MODYF and will follow the requirements set out therein. The contents of the Code of Conduct shall be communicated to all employees and all other relevant business partners for Würth MODYF products. I understand that Würth MODYF reserves the right to impose consequences on the partnership if the requirements of this policy are violated. This agreement shall be deemed valid throughout the partnership.

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Place and date

Company name and stamp

Signature

**Publisher:**

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## References

Universal Declaration of Human Rights

<http://hrlibrary.umn.edu/instree/b1udhr.htm>

ILO Core Labor Standards/ ILO Declaration of Fundamental Principles at Work

[https://www.ilo.org/wcmsp5/groups/public/-ed\\_norm/-declaration/documents/normativeinstrument/wcms\\_716594.pdf](https://www.ilo.org/wcmsp5/groups/public/-ed_norm/-declaration/documents/normativeinstrument/wcms_716594.pdf)

UN Guiding Principles on Business and Human Rights

[https://www.ohchr.org/documents/publications/guidingprinciplesbusinesshr\\_en.pdf](https://www.ohchr.org/documents/publications/guidingprinciplesbusinesshr_en.pdf)

OECD Guidelines for Multinational Enterprises

<https://www.oecd.org/corporate/mne/48004323.pdf>

OECD Due Diligence Guidance for Responsible Supply Chains in the Garment and Footwear Sector

[https://www.oecd-ilibrary.org/governance/oecd-due-diligence-guidance-for-responsible-supply-chains-in-the-garment-and-footwear-sector\\_9789264290587-en](https://www.oecd-ilibrary.org/governance/oecd-due-diligence-guidance-for-responsible-supply-chains-in-the-garment-and-footwear-sector_9789264290587-en)

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<https://www.amfori.org/sites/default/files/amfori-2020-11-03-amfori-BSCI-Reference-UK.pdf>