



At FFT Produktionssysteme GmbH & Co. KG (meaning FFT and all its affiliates), we consider sustainability to be an essential component of our business processes. We purchase raw materials, commodities and services from suppliers worldwide so as to secure the sustainable success of our customers by providing innovative solutions for products and services.

This requires responsible management that strives for a long-term, value-added business model. For this reason, our suppliers are an integrated part of our sustainability strategy.

In all our procurement activities, we carefully take into consideration a set of economic, process-driven and technical criteria as well as essential social and ecological factors such as human rights, labor conditions, anti-corruption concerns and environmental protection.

Irrespective of different products, services, markets, regions or processes, the principal factors for supplier assessment and evaluation at FFT are always cost, quality, reliability, innovation and sustainability.

At FFT, we expect that our suppliers comply with applicable national statute, with the principles of the United Nations Global Compact, the Guidelines for Multinational Enterprises of the Organization for Economic Cooperation and Development (OECD), the conventions of the International Labor Organization (ILO), the Charter for Sustainable Development of the International Chamber of Commerce (ICC) and this Sustainability Guideline.

Furthermore, we expect our suppliers to introduce suitable processes within their organizations that support compliance with applicable statute and that drive continuous improvements with regard to the principles and requirements laid out in this Sustainability Guideline.

Moreover, we expect from our suppliers to ensure compliance with these principles and requirements by all their affiliates.

For the purposes of this Sustainability Guideline, an “affiliated company” shall mean an enterprise in which one of the parties holds a direct or indirect participating interest of more than 50% of the voting registered capital.

A. Social responsibility

Conduct towards employees

At FFT, we expect that our suppliers respect and comply with the fundamental rights granted to all employees under applicable national statute. Furthermore, we expect our suppliers to fully recognize the labor standards issued by the International Labor Organization (ILO), taking into due account the applicable laws and regulations in different countries and at different sites.

Child labor

At FFT, we expect our suppliers to prohibit and refrain from any kind of child labor within their organization.

Discrimination

At FFT, we expect that our suppliers promote equal opportunities and equal treatment. Furthermore, we expect our suppliers to prohibit any form of discrimination in recruiting, promoting or selecting employees for basic or advanced training programs.

Within the organization of our suppliers, no employee may be discriminated against based on his or her gender, age, color, race, nationality, sexual orientation, disabilities or religious conviction.

Forced labor

At FFT, we expect our suppliers to prohibit any kind of forced labor in their organization.

Freedom of association

At FFT, we expect our suppliers to respect the right of their employees, to the full extent of applicable national statute, to form a workers council, collective bargaining unit or other employee representations, and to enter into collective bargaining.

Remuneration and working time

At FFT, we expect our suppliers to fully comply with applicable national statute on working time. Furthermore, we expect that the employees of our suppliers receive a remuneration which is in line with applicable national statute.

Occupational health and safety

At FFT, we expect our suppliers to fully comply with applicable national statute governing health and safety at work. Furthermore, our suppliers are expected to establish and maintain an appropriate occupational health and safety management system. This includes containing actual as well as potential health and safety risks at work. Moreover, our suppliers are expected to train their employees for the purpose of preventing accidents and occupational diseases as best as possible.

B. Environmental responsibility

Environmental protection

At FFT, we expect our suppliers to comply with all applicable national laws, regulations and standards to protect the environment. Our suppliers are expected to establish and maintain a suitable environmental management system (e.g., in accordance with ISO 14001, or national equivalent) to minimize environmental impact and hazards, and to improve environmental protection in their everyday operations.

Energy consumption/efficiency, resource and climate protection

We expect that our suppliers monitor and document their own energy consumption and find economical solutions to improve energy efficiency and minimize energy consumption.

Natural resources such as water, air, energy sources or raw materials are used sparingly in order to preserve them.

Negative impacts on the environment and climate caused by our suppliers themselves or within their supply chains are to be minimized or prevented at the point of origin. We expect our suppliers to consider the principles of the circular economy such as material reduction and substitution, as well as return, shared use, maintenance, reuse, remarketing, remanufacturing, remanufacturing and recycling. Our suppliers shall be committed to the development and use of environmentally and climate-friendly products, processes and technologies and ensure continuous environmental improvements through clear targets and improvement strategies. This includes, for example, reducing raw material and energy consumption, emissions, effluents, noise emissions, waste and dependence on natural resources and hazardous substances.

Industrial wastewater treatment and discharge

FFT suppliers monitor wastewater from operations, manufacturing processes, and sanitary facilities prior to discharge or disposal.

In addition, measures are continuously identified and tracked to reduce wastewater.

Waste and emissions

FFT suppliers ensure safety and compliance in the handling, storage, transportation, disposal, recycling, and reuse of waste, exhaust, and wastewater.

Activities that may have a negative impact on human health or the environment are appropriately managed, measured and controlled. The release of hazardous substances is minimized. Particular care should be taken with active ingredients.

Chemical management and product safety

FFT suppliers comply with the statutory regulations on product safety and labeling and properly communicate the requirements for handling their products.

Chemicals or other materials that pose a hazard if released into the environment shall be identified and handled in a manner that ensures safe handling, transportation, storage, use or reuse, and disposal. If required, applicable documentation with all necessary safety-relevant information on all hazardous substances is made available. These include product information, safety data sheets, notification and approval confirmations, uses and exposure scenarios. Our suppliers proactively and transparently share information on the health, safety and environmental aspects of their products with all parties involved.

C. Ethical business conduct

Prohibition of corruption and bribery

At FFT, we expect our suppliers to have zero-tolerance for corruption and to ensure compliance with all United Nations (UN) and Organization for Economic Co-operation and Development (OECD) conventions against corruption, and with all governing anti-corruption laws.

In particular, our suppliers are expected to ensure that their employees, subcontractors and agents do not offer, promise or grant any advantages to any FFT employees or related parties with the goal of securing an order award or any other form of preferential treatment in their business transactions.

Invitations and gifts

At FFT, we expect that our suppliers refrain from presenting any invitations or gifts to our employees so as to gain any form of influence. Any invitations or gifts extended to FFT employees or related parties, if any, must be reasonable and suitable with a view to scope and design, i.e. they must be of low financial value and reflect ordinary local business custom. We also expect our suppliers to refrain from asking FFT employees or related parties for any inappropriate advantages.

Preventing conflicts of interest

In our suppliers' business dealings with us, we expect our suppliers to take decisions based on objective criteria only.

Any factors that might influence our suppliers' decisions due to private, business or other conflicts of interest must be prevented from the start. The same applies to relatives and other related parties.

Unrestricted competition

At FFT, we expect our suppliers to always compete in a fair manner and to comply with applicable antitrust laws and regulations. Our suppliers are expected not to enter with competitors into agreements that might constitute a breach of antitrust law, nor to take advantage of any dominant market position they might hold.

Financial responsibility

We expect our suppliers to keep proper records and not to change any entries in order to conceal or falsify affected transactions.

All records created or received as evidence of a business transaction, regardless of format, must fully and accurately reflect the incident that is to be documented. Records are to be kept in accordance with the applicable regulations.

Intellectual property

FFT suppliers protect and recognize the intellectual property of the FFT Group and third parties.

Examples include patents, trademarks, copyrights, designs, trade secrets, samples, models and know-how. In particular, our suppliers ensure that the products delivered to the FFT Group do not infringe the intellectual property of third parties.

Data protection

At FFT, we expect our suppliers to protect confidential information and data, manage them appropriately and prevent unauthorized access and use.

Personal information may only be collected and used for legitimate business purposes. Information and data must be protected in accordance with statutory security regulations and stored only as long as necessary and permitted by law.

Disclosure of information

Our suppliers shall disclose information regarding business activities, structure, financial condition and performance only in accordance with relevant regulations and standard industry practices.

Falsification of records and misrepresentation of conditions and procedures in the supply chain are not tolerated.

International trade controls

We expect our suppliers to comply with export control regulations applicable to their business and to provide accurate and truthful information to customs and other authorities as required.

Counterfeit products

FFT suppliers develop and maintain effective procedures and processes to minimize the risk of counterfeit parts and materials being introduced into their products.

Upon appropriate proof, recipients of counterfeit products will be notified and counterfeits will be removed from the delivered products.

Whistleblower protection

Our suppliers shall encourage and ensure communication channels for their employees to file complaints or report possible wrongful conduct without fear of repression, intimidation or harassment.

Each communication shall be treated confidentially and, if necessary, appropriate action shall be taken to improve it.

Money laundering

At FFT, we expect our suppliers to comply with all applicable statute governing the prevention of money laundering, and not to participate in any money laundering activities.

Supplier relations

At FFT, we expect our suppliers to communicate the principles laid out herein to their sub-contractors and sub-suppliers.

Compliance with the FFT Sustainability Guideline

We may review our suppliers' compliance with the principles and requirements laid out in this Sustainability Guideline in coordination with the supplier through on-site audits by a third party contracted by FFT.

Any violation of the principles and requirements set out in this Sustainability Guideline will be regarded as a serious violation of the supplier regarding his contractual obligations towards FFT.

In the event that supplier is suspected of violating any of the principles laid out in this Sustainability Guideline (e.g. based on negative media reports), FFT reserves the right to request from the supplier that all relevant information be disclosed.

Furthermore, FFT reserves the right to stop any business with all suppliers who are in clear, verifiable violation of the Sustainability Guideline and/or who are neither seeking nor implementing measures for improving their sustainability performance. In the event that a supplier evidently fails to fulfill any of the principles and requirements set out in this Sustainability Guideline, or refuses to implement measures for improving his sustainability performance, FFT reserves the right to immediately terminate any or all contracts with the supplier for cause.

References

The principles set out in this Sustainability Guideline are based on the content of the following conventions and standards:

- Principles of the United Nations (UN) Global Compact.
- Guidelines for Multinational Enterprises of the Organization for Economic Cooperation and Development (OECD)
- Conventions of the International Labor Organization (ILO)
- Charter for Sustainable Development of the International Chamber of Commerce (ICC)

Supplier's Declaration:

We, the undersigned, hereby confirm on behalf of our company (the „Supplier“) that

1. we have received the FFT Sustainability Guideline,
2. by signing this document, we undertake to acknowledge and comply with all provisions and principles laid out in this Sustainability Guideline,
3. this Supplier Declaration shall be governed exclusively by the substantive law of the Federal Republic of Germany.

Business Stamp:

Name of Supplier

Place, Date

Name (block letters)

Signature