

1. OBJECTIVE

This guideline regulates responsible collaboration with suppliers regarding Petrofer Chemie H.R. Fischer GmbH + Co. KG and Petrofer GmbH, along with daughter companies and joint ventures (hereinafter referred to as PETROFER) in terms of environmental sustainability and social aspects.

2. SCOPE/COPIES TO

This guideline applies to all PETROFER's staff involved in procurement and suppliers who have a business relationship with PETROFER. The guideline has been approved for in-house and external use.

3. AMENDMENTS TO THE PREVIOUS VERSION

Amendments regarding data and identity protection and prevention from retaliatory measures

4. PROCEDURE (DETAILS OF THE GUIDELINE)

Sustainability in the supply chain

PETROFER views ethical conduct and sustainability as core components of its business processes in terms of taking legal, financial, and social responsibility. As a company in the oil and chemical industry, we procure raw materials, products, and services globally so that our products ensure successful sustainability within our own company and our customers. This approach is underpinned by responsible business management that is driven by achieving value long term. This is the reason why we include suppliers in our sustainability strategy. During procurement and manufacturing processes, as well as financial and technical criteria, we pay equal attention to social and ecological aspects such as: human rights, working conditions, preventing corruption, and protecting the environment. PETROFER expects suppliers to implement the principles specified in this guideline in their own companies. Additionally, it is the supplier's responsibility to comply with the principles listed below in their own supply chains. The principles listed in the sustainability guideline are based on the following conventions and standards:

- The principles of the United Nations Global Compact (UN)
- International Labour Organisation (ILO) agreements
- The International Chamber of Commerce's Business Charter for Sustainable Development (ICC)
- SA8000 (standard for socially acceptable practices in the workplace)
- Dodd-Frank Act regarding the conflict minerals provision

Business ethics

- Compliance with legislation:
We expect PETROFER's suppliers to comply with legislation, to respect human rights and human dignity.
- Ban on corruption:
PETROFER will not tolerate any form of corruption from its suppliers, such as bribery, granting or accepting illegal gratuities, whether directly or through intermediaries to private individuals or government officials. We also prohibit encouraging (by active bribery, granting preferential treatment) and accepting (passive bribery, agreeing to preferential treatment) gratuities to gain an unlawful advantage.
- Conflicts of interest:
Our suppliers make business decisions based on factual considerations and are not unduly guided by personal interests.



- **Fair competition:**
PETROFER expects its suppliers to comply with international and national laws to ensure fair competition. These include regulations on unfair competition and antitrust laws. Agreements with competitors on prices, sales conditions, restrictions on quantities, dividing up sales territories or on quotes in public tenders etc. are strictly prohibited.
- **Intellectual property:**
Suppliers must protect PETROFER's intellectual property, such as patents, trademarks, copyrights, designs, trade secrets, samples, models, and expertise, and respect the intellectual property of third parties. Suppliers must ensure that products sold to PETROFER do not infringe the intellectual property rights of third parties.
- **Data protection:**
Protecting data, privacy and maintaining information security have top priority. The supplier must adhere to applicable data protection legislation and regulations.
- **Money laundering:**
Our suppliers comply with the relevant legal provisions for the prevention of money laundering.
- **Product safety:**
PETROFER products and services, as well as the products purchased from its suppliers, do not harm people or the environment when used as intended and must meet the agreed or legally required standards regarding product safety. The suppliers must clearly explain how to use products safely and provide the requisite documents.

Respecting human rights

- **Prohibition of forced labour and child labour:**
PETROFER does not tolerate forced and child labour, either in its own company or by its suppliers. The suppliers must comply with state regulations on the minimum age at which employment is allowed. If there are not legal regulations in the supplier's country, the ILO's labour standards will apply.
- **Prohibition of any type of discrimination:**
PETROFER does not tolerate any form of discrimination and expects its suppliers to prohibit any kind of discrimination based on gender, marital status, race, colour, origin, religion, sexual orientation, disability, political opinion or other personal characteristics in their organisations.
- **Protection of identity and from retaliatory measures:**
Petrofer expects its suppliers to protect any employees who lodge a complaint from threats, harassment, or any other negative consequences within the company. Whistle blowers do not need to be concerned about dismissal.

Working conditions

- **Health and safety in the workplace:**
Achieving an accident free workplace is PETROFER's top priority. It expects its suppliers to comply with the health and safety regulations that apply at their sites. Each supplier must introduce guidelines and health and safety processes and explain these to its employees so that accidents and occupational illnesses can be prevented.
- **Living wages:**
PETROFER expects its suppliers to be aware of their social responsibility towards their employees, and that wages and working hours are fair and appropriate. Suppliers must give their employees the social security and other benefits to which they are entitled by law or contract.
- **Working hours:**
PETROFER expects its suppliers to provide a work-life balance for their employees and that the applicable national legislation is complied with. Employees are entitled to annual leave.



- **Freedom of association:**
PETROFER expects its suppliers to take an open and constructive approach to the way they communicate with their employees and employee representatives. Employees have the right to collective bargaining and to join unions. Should unions not be allowed for political reasons in a particular country, the supplier must allow independent associations in another form. Suppliers may not discriminate against employees who act as employee representatives.

Compliance with environmental standards

- **Environmental legislation:**
PETROFER expects its suppliers to comply with environmental legislation in their countries.
- **Preventing and minimising harm to the environment:**
PETROFER expects its suppliers to constantly evaluate the resources required to supply products, in particular materials, energy and natural resources and so minimise the impact on the environment. This also applies to logistics and shipping. Continuing reducing hazardous greenhouse gases is a core aspect in this respect. Suppliers must reduce the emissions in the production process, monitor harmful emissions and treat them as far as possible before they are emitted into the environment. There must be no negative impact on the quality of the air due to their processes. Waste must be avoided or recycled as far as possible. PETROFER's suppliers must use or develop procedures to increase the environmentally acceptable use of water. A significant impairment in the quality of the water after it has been used must be avoided.
- **Responsible procurement of raw materials:**
PETROFER's suppliers must use processes that ensure raw materials are procured responsibly. Procuring and using raw materials which have been obtained unlawfully or by ethically objectionable or unreasonable measures, must be avoided. Using a raw material, for example a conflict mineral, which is affected by embargos or other import restrictions, must be ruled out. Therefore, suppliers must identify this raw material in supply chain products or manufacturing process and disclose the sources of the material they use.
- **Preventing hazardous substances:**
PETROFER's suppliers must maintain a hazardous substances management system which ensures the safe use and shipping, as well as safe storage, treatment, re-use, and disposal of these substances. Our suppliers must practise responsible chemicals management, which is based on the minimum risk principle.
- **Environmentally friendly products:**
When developing products and services, PETROFER's suppliers must ensure that the use of materials and processes is economical in terms of the energy and natural resources concerned. If possible, the products should be suitable for re-use, recycling, or risk-free disposal. After liaising with PETROFER, suppliers must substitute any materials or bought-in parts, which do not comply with hazardous raw material regulations. If required, suppliers must issue an EU declaration of conformity on compliance with the hazardous raw material guideline. Any change on the way hazardous goods are designated must be reported to Petrofer immediately.

Obligation on the part of subcontractors and logistics partners

PETROFER's suppliers must make suitable contracts with their subcontractors to ensure that the regulations in this guideline are kept to.

Management Systems

PETROFER has ISO 9001, 14001 and 50001 certification and expects its suppliers to maintain management systems to ensure compliance with the principles in this sustainability guideline. PETROFER prefers suppliers who implement an ISO 9001 quality management system, an ISO 14001 environmental management system, an ISO 50001 energy management system (for European manufacturers) or similar procedures.



Implementation

On request, the supplier must provide all information required for an initial self-assessment correctly and comprehensively. Furthermore, the supplier must provide other information that confirms compliance with the sustainability guideline. PETROFER has the right to monitor implementation of this code and inspect it through supplier audits. The supplier must inform PETROFER automatically about any incidents that run contrary to the sustainability guideline.

Infringement

Any infringement of the principles and requirements stated in the PETROFER sustainability guideline constitute a major breach of contract on the part of the supplier. PETROFER reserves the right, should the sustainability guideline not be complied with, to demand that remedial action is taken within an appropriate period as stated by PETROFER. If the time limit is not complied with, or in the case of a severe infringement of principles and requirements stated in the sustainability guideline, PETROFER has, if necessary, the right to terminate collaboration with the supplier without giving any period of notice.

5. APPLICABLE DOCUMENTS

DI-EK-19	Created by: EK/ANL	Approved: IM/UST	Rev. status: 31.08.2020
DI-FE-1-9	Created by FE/CMÜ	Approved: IM/UST	Version of: 15.09.2020
Code of conduct	Created by: HR/CWE	Approved: Management board	Rev. status: 26.02.2021