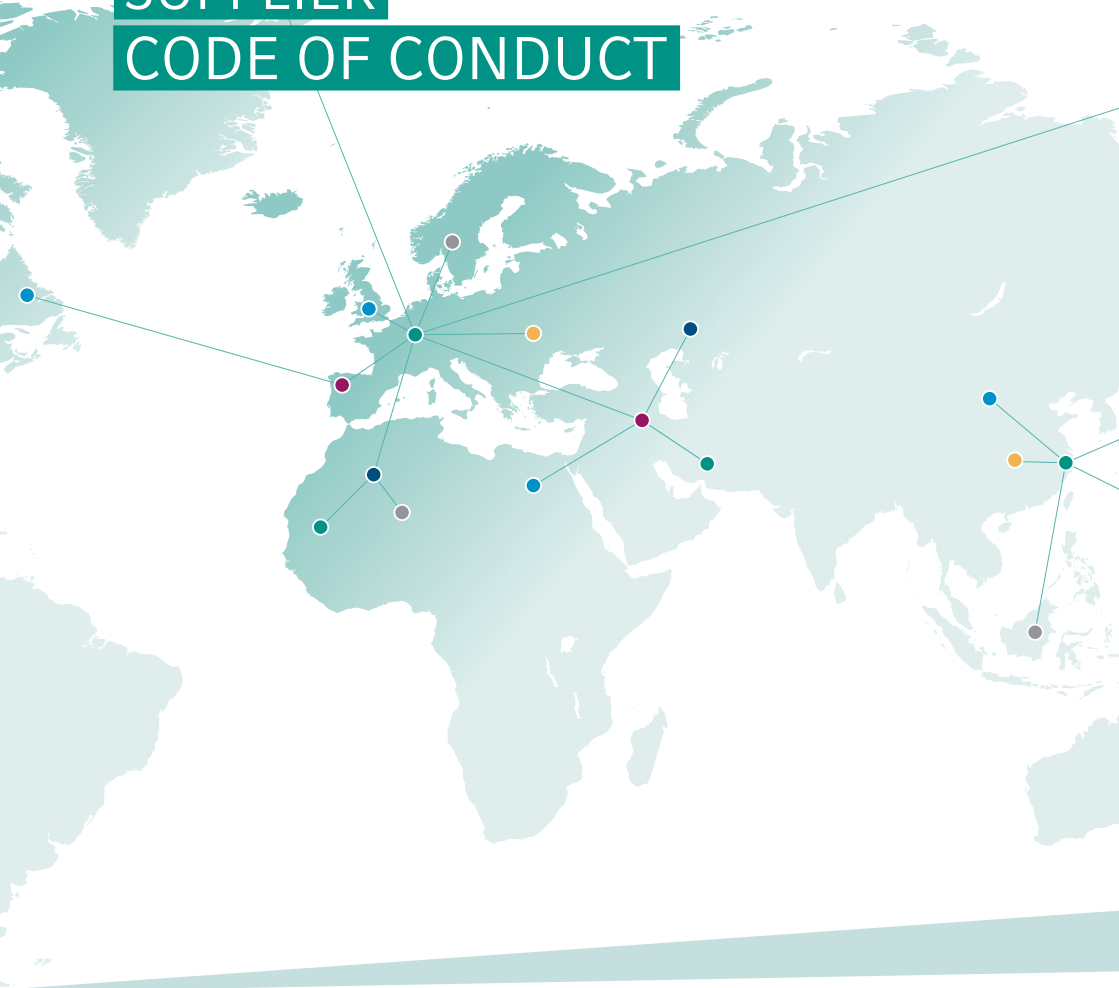


# VAILLANT GROUP

SUPPLIER

CODE OF CONDUCT





# TAKING CARE OF A BETTER CLIMATE.

Inside each home and  
the world around it.

## Dear business partner,

The Vaillant Group is an international family business with more than 145 years of history in heating technology business with a wide range of sustainable products in this segment. The Vaillant Group sees itself as having a special responsibility – towards the environment, its employees and society. Sustainability is the foundation of our business activities.

Therefore, observing and strengthening human rights, environmental standards and business ethics within our company and compliance across the global supply chain and value chain is a fundamental part of our corporate ethos. We are aiming to achieve transparency in respect of potential risks and act wherever the defined principles have been breached.

When conducting its business operations, the Vaillant Group adheres to the principles and values set out in its Code of Conduct. The Code of Conduct expresses the corporate values and the standards which the Vaillant Group sets herself regarding, inter alia, health and safety, environment, labor, human rights and compliance.

In addition, as a long-standing participant in the UN Global Compact, the Vaillant Group expressly recognizes the Ten Principles of the Global Compact initiative. Our Human Rights Policy Statements underlines our ambition to respect and contribute to internationally recognized human rights, environmental protection and business ethics. Such principles and standards also apply to our suppliers, and we have specifically laid them down in this Supplier Code of Conduct.

Yours sincerely,

Martin Jungbluth

Group Director Purchasing  
Vaillant GmbH

Dr Jens Wichterhann

Group Director Communications,  
Sustainability & Government Relations

## SUPPLIER CODE OF CONDUCT

The Vaillant Group expects that all suppliers as well as their affiliated companies acknowledge and follow this Supplier Code of Conduct. Suppliers must operate in full compliance with the laws and regulations of the countries in which they operate. They shall further appropriately consider the specifications in the conventions of the International Labour Organisation (ILO), in the International Covenant on Economic, Social and Cultural Rights and in the International Covenant on Civil and Political Rights to the extent applicable. If, however, there are differing standards between this Code of Conduct and local law, suppliers shall apply the respective higher standards.

Moreover, Vaillant Group suppliers shall take reasonable measures to ensure that the requirements of this Supplier Code of Conduct are met within their own supply chain.



## Human and labor rights

Suppliers should seek to identify potential and actual adverse human rights impacts related to their activities and business relationships. They should take appropriate steps to ensure that their operations do not contribute to human rights abuses and to remedy any adverse impacts directly caused or contributed to. For their own employees and contract workers, we expect suppliers (at a minimum) to comply with the applicable local labour law and the following requirements:

- **Legal employment:** Suppliers ensure that work is performed on the basis of a recognized and documented employment relationship in compliance with national legislation, custom or practice and international labor standards, whichever provides greater protection.
- **Prohibition of forced labor:** Suppliers prohibit any kind of forced, bonded (including debt bondage) or indentured labor, slavery or human trafficking in their organization and any contribution to it. Suppliers shall ensure that workers do not pay fees or make any payment connected to obtaining employment throughout the hiring process and the employment period (ILO conventions No. 29 and 105).
- **Prohibition of torture and degrading treatment:** Suppliers prohibit and refrain from any unacceptable treatment of employees, such as mental cruelty, corporal punishment, abuse, or sexual harassment.
- **Prohibition of child labor:** Suppliers prohibit and refrain from any kind of child labor (ILO conventions No. 138 and 182).
- **Protection of young workers:** Suppliers ensure that young workers below the age of 18 shall neither perform hazardous work, nor work overtime or at night and are protected against conditions of work which are harmful for their health, safety, morals or development. Young workers must be above a country's legal age for employment, or the age established for completing compulsory education.
- **Non-discrimination:** Suppliers promote equal opportunities and equal treatment. Furthermore, we expect our suppliers to prevent any recruiting and workplace discrimination effectively (ILO conventions No. 100 and 111).



- **Freedom of association and right to collective bargaining:** Suppliers respect the right of their employees, to the full extent of applicable laws, rules, and regulations, to form a workers council, collective bargaining unit or other employee representations, and to enter into collective bargaining (ILO conventions No. 87 and 98). In countries where this right is restricted by local laws, employees should have the opportunity to form alternative means of association.
- **Limitation of overtime:** Suppliers shall ensure that the typical working time does not exceed 48 hours per week and the working time including overtime does not exceed 60 hours per week, unless local law allows longer working times and ensures an appropriate health protection for employees (ILO conventions No. 1, 14 and 30). Workers shall have at least one day off every seven days. Exceptions are only allowed in emergencies or unusual situations. All overtime must be voluntary and compensated appropriately.
- **Appropriate wage:** Suppliers ensure that the employees receive wages that are in line with the applicable national minimum wage and that are sufficient to afford a decent standard of living for the employees and their families.
- **Rights of local communities:** Suppliers respect the rights of local communities, especially rights to land and natural resources and the rights of indigenous people. Suppliers are prohibited from engaging private or public security forces for the purpose of unlawfully enforcing their interests against third parties. Suppliers shall seek to engage with local communities whenever there is a substantial risk of conflicts.

## Health and safety

Suppliers shall provide a safe and secure workplace and where applicable safe and healthy residential facilities for all employees which meet or exceeds industry standards. In this respect, suppliers shall set up and further develop a management system in accordance with ISO 45001 within the realms of its possibilities.

- Suppliers shall comply with the respective statutory provisions governing health and safety at work (ILO conventions No. 155 and 187).

- Suppliers shall take appropriate action to prevent and manage potential workplace accidents and illnesses.
- Suppliers are expected to have adequate emergency preparedness procedures in place in order to identify and assess potential emergency situations, which include at a minimum appropriate fire detection and suppression equipment, adequate exit facilities and building safety.
- Suppliers shall provide workers with reasonably accessible and clean toilet facilities and potable water.
- Suppliers and their agents must understand and comply with applicable Vaillant Group safety procedures and policies while on site at a Vaillant Group facility.

## Environmental considerations

Suppliers shall operate in an environmentally responsible and efficient manner to minimize the adverse impact on the environment.

Suppliers shall comply with the respective statutory provisions governing environmental protection and product compliance. In addition, and where appropriate, suppliers shall set up and further develop a management system in accordance with DIN ISO 14001 within the realms of its possibilities.

- Suppliers must obtain and document all mandatory permits and registrations required by the competent authority for business operations.
- Suppliers shall prevent or – if they cannot be prevented – appropriately reduce any kind of emissions into the air, the soil or the water which have potential damaging effects on humans or the environment. For this purpose, suppliers are expected to continuously improve their environmental performance and the use of environmental-friendly technologies.
- Where necessary, suppliers shall have a risk prevention plan in place in order to manage environmental accidents.

- Suppliers must adhere to the restrictions of the production and usage of chemical and hazardous substances in accordance with RoHS (Directive 2002/95/EC of the European Union), REACH (Regulation No 1907/2006 of the European Union) and the persistent organic pollutants (POPs) regulation (Regulation No 2019/1021 of the European Union) in their production and materials, components and products which are delivered to an entity of the Vaillant Group.
- Suppliers shall seek to improve the efficiency of the use of energy, water and materials. Any waste generated from production or other business operations must be collected, registered, separated and disposed according to the applicable legal requirements. Suppliers must comply with the prohibition of export of hazardous waste which falls under the restrictions of the Basel Convention on the Control of Transboundary Movements of Hazardous Wastes and Their Disposal.

## Responsible Sourcing of conflict minerals and critical materials

We expect our suppliers to implement supply chain due diligence processes to identify conflict minerals and critical materials that are associated with high human rights impacts, including but not limited to tantalum, tin, tungsten, gold, cobalt and mica in delivered products and their source. Suppliers shall not use materials from conflict minerals which directly or indirectly finance or benefit armed groups in conflict-affected and high-risk areas or which are sourced from suppliers that do not meet the requirements of the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas.

Suppliers shall make their due diligence measures available to the Vaillant Group upon request.

## Responsible and ethical business behavior

Suppliers are expected to conduct their business in an ethical manner, including relationships with their employees, customers, suppliers, competitors and other third parties. In particular, suppliers will respect the following principles:

- Suppliers must avoid any conflicts of interest, or the appearance of conflicts of interest, including the disclosure of any material transaction or personal or professional relationships that reasonably could be expected to give rise to such a conflict. In addition, suppliers must not take advantage of any business information discovered through their dealings with the Vaillant Group.
- Suppliers must always compete in a fair manner and comply with applicable antitrust laws and regulations.
- Suppliers must comply with all applicable anti-corruption laws, rules, and regulations and adhere to the respective principle set out in the UN Global Compact.
- Suppliers are expected to comply with all applicable laws and prevailing industry standards concerning the privacy and security of personal and confidential information.
- Suppliers will protect any of the Vaillant Group's intellectual property rights (including, but not limited to, patents, trademarks, copyrights, trade secrets, and/or Vaillant Group confidential information) within the customer/supplier relationship.
- Suppliers will comply with any relevant anti-money laundering law provisions.



## Whistleblower mechanism and protection of whistleblowers

- Suppliers shall have a grievance system in place enabling anonymous reporting of alleged violations. Violations can also be reported via the Vaillant Group BKMS whistleblower system (<https://www.bkms-system.net/vaillant>).
- Suppliers shall have policies or procedures in place to protect their employees who, in good faith, report suspected wrongdoing to alleged violations.

## Documentation and review policy

Suppliers are required to confirm at the outset of working with the Vaillant Group in writing that they have read and understood and comply with this Supplier Code of Conduct. Upon request, suppliers shall allow the Vaillant Group and/or their representative(s) to review and to audit the suppliers' compliance with the principles and requirements of this Supplier Code of Conduct. Suppliers shall therefore, after being given prior notice of the date of such an inspection, grant the Vaillant Group and/or their representative(s) reasonable access to their business premises and shall, within reason, provide assistance during such an audit. Furthermore, the supplier shall grant reasonable access to all related documents, records, data, or other information on social compliance. Suppliers shall correct non-conformities at no additional cost to the Vaillant Group.

Suppliers must inform the Vaillant Group of relevant changes to the company structure, which affect the production sites. Vaillant reserves the right to reconfirm the Supplier Code of Conduct if necessary.

This Supplier Code of Conduct does not supersede the terms of any contractual agreement. In the event of any conflict between the Supplier Code of Conduct and any terms or conditions of any contractual agreement between the Vaillant Group and the suppliers, the more stringent of the requirements shall apply.

The Supplier Code of Conduct shall be regarded as a contract document and as an integral part of any existing or potential agreement entered into between the Vaillant Group and its suppliers.

We reserve the right to take appropriate legal action if a supplier of the Vaillant Group does not comply with these requirements. The ultimate course of action depends, in particular, on whether the supplier can credibly assure and demonstrate that it has taken immediate counter-measures to prevent similar infringements in the future.

## We hereby confirm that we acknowledge and follow this Supplier Code of Conduct.

.....  
Company name/stamp

.....  
Place, Date

.....  
Name (block letters)

.....  
Signature

.....  
Function of signee

# TAKING CARE OF A BETTER CLIMATE

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AND THE WORLD AROUND IT

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