



CODE OF CONDUCT FOR SUPPLIERS

A. Preamble

As a family-owned company, PACO recognises the responsibility towards the own company, suppliers, customers, the environment as well as the society. No matter whether the activity is performed within or outside of Germany, PACO places the key emphasise on the values of fairness and integrity.

This Code of Conduct for suppliers outlines the following standards for which PACO requires a compliance from its suppliers:

- General business principles and the associated management systems
- Competition
- Commercial integrity and ethics
- Work and social standards
- Environmental Protection

The suppliers must ensure that these requirements are communicated and complied with by the own employees and by all direct and indirect sub-contractors.

B. General Principles

The supplier is obligated to respect the respective applicable laws and other standard regulations of the countries in which he is active during all commercial actions and decisions.

C. Prohibition of corruption and bribery

The supplier must prohibit every form of corruption, disloyalty and embezzlement; he will neither tolerate nor practice any of them.

D. Health protection

Within the extent of the national regulations, the supplier shall guarantee a strict observance of the work safety and health protection at the workplace. Furthermore, the supplier shall support a continuous further development to improve the working environment.

E. Child labor

The supplier shall strictly observe the regulations of the United Nations on human or child rights and is in particular obliged to comply with the agreement on the prohibition and immediate measures to abolish the worst forms of child labor and the minimum age for the authorization to work. If a national regulation in regards to child labor requires stricter standards, the supplier must observe these with priority.

F. Environment protection

The supplier is obliged to observe the environmental protection pursuant to the statutory provisions and international standards, to minimize environmental burdens and to continually improve the environmental protection.

G. Observance of the Basic Rights

1. Human rights

The compliance with the internationally recognized human rights shall be respected and supported by the supplier.

2. Forced labor

Any form of forced labor shall be outlawed by the supplier.

3. Working conditions

The supplier recognizes the right to organize themselves in labour unions and absolutely opposes any form of exploitive working conditions.

4. Equal opportunities

Within the scope of all valid laws and regulations, the supplier shall intervene against any form of discrimination. A different treatment of employees based on their origin, religion, ethnicity, nationality, sex, age, a handicap or due to sexual orientation is absolutely prohibited.

H. Antitrust law

To protect and promote competition, the supplier shall fully comply with the applicable laws regarding fair competition, in particular the applicable antitrust laws and other laws to regulate competition.

I. Data protection

The compliance with the data protection regulations is binding for the supplier. The collection, processing and usage of personal data must be transparent for the affected people; and the rights to information and reporting as well as to objection, blocking and deletion are to be absolutely observed.

J. Export and Import

The supplier is obliged to comply with the following: all applicable import and export control laws, in particular embargos, sanctions and other regulations, laws, federal orders and policies.

K. Conflict Minerals

The supplier is obliged to comply with all applicable laws as well as observing the regulations concerning the usage of specific minerals.

PACO Group