



# PFAFF

## INTERNATIONAL

## SUPPLIER CODE OF CONDUCT

**Teamwork  
comes first.**

At Pfaff International GmbH, we know that there are limits to what we can do in person.

Therefore

We rely on the support of our suppliers, vendors, consultants and agents to achieve our goals. We see you as part of the Pfaff International team and expect you to that you are guided by our values .

### ELEMENTS OF THE SUPPLIER CODE OF CONDUCT

#### OVERVIEW

Suppliers are expected to comply with all applicable laws, rules and regulations, as well as the standards set forth herein. This Supplier Code of Conduct highlights certain legal, ethical, and business requirements that are of particular importance to Pfaff International GmbH. However, it does not cover all laws and standards to which a supplier's activities or its relationship with Pfaff International may be subject.

#### ETHICS AND COMPLIANCE

Suppliers are expected to conduct their business in accordance with the highest ethical standards and always act with integrity.

**Legal compliance.** Suppliers shall comply with all applicable laws and regulations of the countries in which they do business.

**Anti-bribery/anti-corruption.** Suppliers shall not engage in any activity related to bribery, corruption, extortion or embezzlement in any form. Suppliers comply with all applicable anti-corruption laws and regulations. Suppliers may not offer or accept bribes, kickbacks or other illegal inducements in the course of their relationship with business partners or public officials.

**Fair Business Practices.** Suppliers must maintain fair business standards in sales and advertising. Suppliers must comply with the laws of fair competition and antitrust law.

**Disclosure of Information.** Suppliers shall accurately document and disclose information regarding their business activities, financial condition and performance in accordance with applicable laws and regulations. Suppliers shall maintain their financial books and records in accordance with applicable legal, regulatory and financial regulations and generally accepted accounting principles.

EVERY STEP OF THE WAY

**Confidential Information.** Suppliers shall comply with applicable laws and contractual terms regarding the storage, transfer, protection, disclosure and use of confidential information. Such information may include, but is not limited to: personal data and our confidential information (e.g., non-public financial plans, business plans, standard operating procedures, new or improved products, services or processes, pricing and marketing strategies, customer lists), intellectual property rights (e.g., patents, trademarks, copyrights, trade secrets), and innovative ideas.

**Supply chain.** Suppliers shall ensure responsible sourcing and, to the extent reasonably practicable and accurate, act in accordance with the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas (<http://www.oecd.org/corporate/mne/mining.htm>). They must also provide information requested by Pfaff International to enable Pfaff International to properly document the origin and chain of custody of the conflict minerals.

**Government.** Suppliers shall disclose any sanctions, exclusions or other events that would preclude Supplier from participating in government-sponsored programs or contracts.

**Food and Medication Testing.** If suppliers' activities include the inspection of food or medicines, suppliers must comply with all applicable laws governing food, medicines, and cosmetics, including but not limited to the United States Food, Drug and Cosmetics Act and the guidelines of the International Conference on Harmonization.

**Animal welfare.** If suppliers' activities involve the use of animals, suppliers must implement a policy on animal welfare and humane treatment of animals, similar to that of Pfaff International, which provides for the respectful treatment of animals and strict compliance with all animal welfare laws.

**Gifts and hospitality.** Suppliers will not provide or offer any gifts or hospitality to our officers, directors and employees that could be considered to be undue influence on our business decisions or to obtain an unfair advantage.

**Notification.** Suppliers provide their workers with reporting channels through which they can raise concerns or illegal actions without fear of reprisals or retaliation. Suppliers will investigate the reports and take corrective action.


## **FAIR TREATMENT AND HUMAN RIGHTS**

Suppliers are expected to treat their workers with dignity and respect and adhere to the following principles :

**No discrimination.** Suppliers foster a diverse workforce and provide a non-discriminatory and harassment-free work environment. Suppliers treat their employees with respect and respect, regardless of gender, ethnicity, skin colour, origin, ancestry, nationality, citizenship, religion, creed, Age, marital status, sexual orientation, gender identity or expression, military or veteran status, mental or physical disability, genetic information, pregnancy, childbirth or related medical conditions, or other characteristics protected by equal treatment laws.

**wages, benefits, and working hours.** As a matter of principle, suppliers must comply with all applicable wage and working time laws and pay their employees at least the statutory minimum wage as well as any statutory benefits on time. The working hours of employees may not exceed the maximum number of hours set by law .

**Freely chosen employment.** In accordance with 48 CFR §52.222-50 (Combating Trafficking in Persons) and the UK Modern Slavery Act, suppliers must provide a working environment that is free of



trafficking in human beings, trafficking in human beings for sexual exploitation, forced labour, forced labour, involuntary labour and/or illicit child labour.

**Prohibition of child labor.** Suppliers adhere to the legal age to enter into employment and follow all relevant standards set by the International Labor Organization. Suppliers must not allow children to carry out dangerous work or work involving unnecessary physical risks .

**Freedom of association.** In accordance with local legislation, suppliers respect their employees' right to freedom of association and collective bargaining, including the right to join trade unions and workers' associations, as well as to participate in collective bargaining.

## HEALTH AND SAFETY

Suppliers must ensure a safe and healthy working environment and, where appropriate, safe and healthy company accommodation.

**Worker protection.** Suppliers protect their workers from chemical, biological and physical hazards in the workplace. Suppliers will ensure adequate controls, safe operations and the necessary safeguards to reduce occupational health and safety risks, including, where possible, the installation of ventilation systems and the provision of appropriate personal protective equipment and appropriate training. The appropriate personal protective equipment and training are provided to workers free of charge. Safety information about hazardous substances must be made available to employees for training and protection purposes and must be written in a language they understand.

**Security procedures and systems.** Under the provisions of applicable state laws, suppliers must establish procedures and systems for limiting, tracking, and reporting workplace accidents and occupational diseases. These procedures and systems encourage worker reporting, provide the necessary medical treatment, and ensure that corrective action is taken to address the underlying causes. The necessary medical treatment for work-related accidents and occupational diseases is free of charge for the employee. Employees will not be disciplined or discriminated against in any way for raising safety concerns .

**Emergency prevention, emergency preparedness and hazard prevention.** Suppliers should identify and assess probable and potential workplace emergencies and minimize their impact by providing contingency plans and related reporting procedures. These procedures include training and emergency drills for workers, appropriate first aid equipment, appropriate fire detection and extinguishing equipment, and appropriate escape routes.

## ENVIRONMENTAL PROTECTION

Suppliers must act in an environmentally responsible manner and commit to reducing the impact of their activities on the environment.

**Sustainability.** Suppliers need to adopt sustainable business practices and conserve natural resources. In addition, they have to optimize their water, raw material and energy consumption. Suppliers should adopt appropriate methods and technologies in their production processes and facilities in order to meet their needs, where appropriate, Reduce or eliminate solid and hazardous waste, wastewater and air emissions. Suppliers must recycle or reuse such materials. Suppliers are advised to develop sustainable products and processes and thus contribute to the reduction of energy consumption and greenhouse gas emissions.

**Waste management.** Where applicable, suppliers must put in place systems to ensure safety in the handling, transport, storage, disposal, recycling, reuse and management of waste, air emissions and wastewater.

**Risk management.** Suppliers must put in place systems that prevent or minimize accidental spillage and release of pollutants into the environment.

**Environmental permits and reporting.** Suppliers are required to submit and keep up to date all necessary permits, licenses and registrations and are expected to comply with related reporting and operational obligations.

## SYSTEMS

Suppliers are expected to implement management systems that support compliance with applicable laws and the principles set out in this Supplier Code of Conduct. This includes the following aspects:

**Commitment and continuous improvement.** Suppliers commit to adhering to the principles set out in this Code by submitting a social and environmental commitment or policy and by allocating appropriate funds within their companies. Suppliers are expected to continuously improve their sustainability performance through appropriate measures, such as setting performance targets and implementing implementation plans.

**Risk mitigation.** Suppliers shall implement methods for identifying and managing risks in all areas addressed in this Code and any applicable legal provisions. The supplier implements a business continuity plan to ensure the continuation of business activities in the event of a crisis with minimal disruption.

**Audits, assessments and corrective and preventive measures.** Suppliers regularly conduct self-assessments to verify compliance with applicable laws and the principles set out in this Code. Suppliers have a process in place for the timely correction of deficiencies identified through internal or external audits, assessments or inspections. Suppliers establish preventive measures and a process for assessing the effectiveness of corrective actions taken. Suppliers allow Charles River to review its operations and related books and records to assess their ability to meet Charles River's business requirements.

**Documentation.** Suppliers shall prepare appropriate documentation to demonstrate that they comply with the applicable legal provisions and the principles set out in this Code.

**Supply chain.** Suppliers shall communicate the principles set out in this Code in their supply chain and regularly assess compliance with applicable laws and these principles in the supply chain.

**Training and communication.** Suppliers shall implement training programs to provide workers with a comprehensive understanding of the principles set out in this Code. Suppliers are required to publicly communicate clear and accurate information about their practices and performance in relation to their corporate responsibility .

Suppliers are expected to take corrective action to promptly remedy any violations of this Code. Employees or contractors of the Supplier may report suspected violations of this Code by contacting our Compliance and Ethics Helpline at \_\_\_\_\_. Anonymous reports can be made via the \_\_\_\_\_. We reserve the right to terminate our business relationship with suppliers who are unwilling or unable to comply with this Code.