

# Code of Purchasing Conduct, Ethics & Sustainable Sourcing

## About Us

Hager Group is a leading provider of solutions services for electrical installations in residential, commercial and industrial buildings.

Our range of solutions and services extends from energy distribution to cable management and from security systems to building automation.

As an independent family-owned and family run company based in Blieskastel, Germany, we are one of the industries innovation leaders.

12.100 employees generate sales of 2.6 Billion Euros. Our components and solutions are produced at 22 locations around the globe and customers in more than 100 countries all over the world trust in them. We own our success to their trust.

## Principles of the Code of Purchasing Conduct, Ethics and Sustainable Sourcing: Scope of application

As Hager SE together with the companies affiliated with this company under company law (hereinafter referred to as "**HAGER**"), we are committed to being a company that lives ethical, social and ecological responsibility within the company and in its dealings with its business partners. The behavioral requirements set out in this Code of Purchasing Conduct, Ethics and Sustainable Sourcing (hereinafter called Code of Purchasing Conduct) describe the fundamental principles that must be complied by vendors, suppliers, subcontractors, and other parties contracting with HAGER (hereinafter referred to as "**business partners**"). HAGER's Code of Purchasing Conduct, Ethics and Sustainable Sourcing forms the basis of our business relations and is therefore a binding part of the contracts with our vendors, subcontractors and other contractual partners. We expect our business partners not only to follow the principles of this Code of Purchasing Conduct, but also to communicate them to their vendors, subcontractors and business partners, and to take reasonable measures to ensure that those stakeholders adhere to these principles.

To ensure that these principles of this Supplier Code of Purchasing Conduct are put into practice, we expect our business partners to make the Code of Purchasing Conduct available to all concerned employees, business partners, or other stakeholders through appropriate channels. In addition, we expect our business partners to make aware their employees of the HAGER complaint mechanism for individuals and groups that may be affected by negative impacts.

Compliance with all applicable laws and regulations of the countries in which we operate is essential for us. We expect the same from our business partners. Should a business partner be subject to requirements arising from a contractual relationship with HAGER that contain more specific regulations than this Code of Purchasing Conduct, the contractual regulations shall take precedence. If national or local legislation deviates from the requirements of HAGER's Code of Purchasing Conduct, HAGER assumes that the stricter regulations for the protection of people and nature are always followed.

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## Human Rights

HAGER undertakes to comply with the employment and working conditions recommended by the International Labor Organization (ILO), and the stipulations of the Supply Chain Due Diligence Act.

HAGER expects its Business Partners to comply with the labor laws applicable to them and to ensure that their employees also comply with the employment and working conditions recommended by the International Labor Organization

### Child Labour

HAGER does not tolerate child labour in its supply chain. Child labour is assumed if employment takes place under the age at which compulsory schooling ends, according to the law of the place of employment, provided the age of employment is not less than 15 years, in accordance with Articles 2 (4) and Articles 4 to 8 of Convention No. 138 of the ILO, or, under 18 years of age, in accordance with Article 3 of Convention No. 182 of the ILO.

Business Partners should avoid any sort of child labor in their business operations consistent with the ILO's core labour standards and the United Nations Global Compact principles. If a national regulation concerning child labor provides for stricter standards, the Business Partners must observe these as a matter of priority.

### Forced Labor and Modern Slavery

Business Partners of HAGER shall ensure within their operations and supply chain that all work is voluntary. Business partners of HAGER shall not traffic persons or use any form of slave, forced, bonded, indentured, or prison labor. Involuntary labor includes the transportation, harboring, recruitment, transfer, receipt, or employment of persons by means of threat, force, coercion, abduction, fraud, or payments to any person having control over another person for the purpose of their exploitation.

We expect our business partners to comply with the Convention No. 29 of the ILO concerning Forced Labour of 17 June 1999, and implement measures to ensure that no such practices take place within their own organization or supply chain. On request, HAGER's business partners shall demonstrate what steps have been taken to eradicate slavery from their organization and/ or supply chain.

## **Discrimination and Harassment**

Business partners of HAGER must ensure equal opportunities and equal treatment. Our business partners shall provide an environment that does not allow discrimination and maintain a respectful and dignified relationship with their employees, free from harassment, bullying, or intimidation.

This bans discrimination against employees or applicants for employment because of race, national or ethnic origin, gender, pregnancy, marital or parental status, age, disability, religion or belief, sexual orientation or any other characteristic specified under applicable anti-discrimination law. The vendors and other business partners shall promote an inclusive work environment that values the diversity of its employees.

## **Employment Practices**

### **Social Dialogue**

We expect from our business partners to respect the rights of workers to associate freely and communicate openly with management regarding working conditions without fear of harassment, intimidation, penalty, interference or reprisal.

This includes the acceptance of any rights of workers to exercise lawful rights of free association, including joining or not joining any association of their choice within the appropriate national legal framework.

### **Health and Safety**

Our business partners are expected to establish an appropriate health and safety management system (e.g. ISO 45001, or equivalent) to protect the health, safety and welfare of employees, contractors, visitors and others who may be affected by their activities. They shall strive for the elimination of fatalities, work-related injuries and health impairment and shall limit the exposure to safety hazards.

Suppliers should take the right steps to provide a hygienic working environment and must ensure that employee's performance and safety is not impaired by alcohol, controlled substances, legal and illegal drugs.

Workers shall not be disciplined for raising safety concerns and shall have the right to refuse unsafe working conditions without fear of reprisal until management adequately addresses their concerns.

## **Working time and Wages**

Business partners are expected to operate in consideration of ILO standards regulating working, resting hours, maximum consecutive days of work and annual leave. Any overtime work shall be voluntary within the limits of the applicable labour laws, or the standards of the ILO.

All business partners of HAGER shall pay its employees an appropriate remuneration which at least corresponds to the minimum wages stipulated by law or collective agreement in the respective region. Legally unjustified deductions from wages are not permitted. In addition, professional skills of employees at all levels shall be promoted through appropriate training and further education measures.

## **Environment**

### **Environmental Management**

HAGER is committed to reduce the carbon footprint of its operations, as well as lowering its consumption of natural resources. There is an increased focus on environmental issues globally, where climate change is the most emerging one. The industry is a key player to be able to solve these issues. Hence, HAGER is committed to provide solutions that can be realized with a minimum impact to our environment.

HAGER expects from its business partners to set the same high standards. Our business partners shall work with environmental issues from a strategic perspective and in a systematic manner. We expect that our business partners identify their own environmental risks and implement actions to mitigate these. Consequently, our business partners must have an environmental management system that comply with the following minimum requirements:

- Have an environmental improvement program, with objectives and action plans.
- Be aware of and comply with applicable environmental legislation and permits and comply with applicable reporting requirements under such legislation and permits.
- Ensure that employees have adequate and documented environmental competence and training.
- Have appropriate incident reporting and investigation procedures in place, including a process for corrective action.

- Comply with the provision of the manufacture of mercury-added products, the prohibition to use mercury and mercury-added compounds in manufacturing processes, and the prohibition of the treatment of mercury waste contrary the Minamata Convention of Mercury of 10 October 2013.
- Comply with Stockholm Convention of 23 May 2001 on Persistent Organic Pollutions concerning the prohibition of the production of chemicals, or the handling collection, storage and disposal of waste.
- Comply with the prohibition of import and export of hazardous waste according to Basel Convention on the Control of Transboundary Movements of Hazardous Wastes and Disposals of 22 March 1989, and within the meaning of Regulation (EC) No 1013/2006 of the European Parliament and of the Council of 14 June 2006 on shipments of Waste

Environmental certification in accordance with ISO 14001 or equivalent is viewed favorably.

### **Climate Change**

Business partners of HAGER shall to reduce their carbon footprint to contribute achieving the targets agreed within the framework of the Paris Climate Conference, notably the 1.5 degree scenario, which was presented by the Intergovernmental Panel on Climate Change (IPCC) in November 2018. It is required to find economic solutions to improve energy efficiency and to minimize energy consumption and greenhouse gas emissions.

For the verification and further development of these topics and key performance indicators, it is recommended that business partners of HAGER participate with appropriate initiatives and obtain suitable ratings (e.g., CDP/ Carbon Disclosure Project), and publish their greenhouse gas emissions on scope 1 and scope 2, and for the main categories of emissions of scope 3, in accordance with ISO16069.

Moreover, HAGER reserves the right to request from its suppliers the product CO<sub>2</sub> footprint (scope 1–3) for the products, processes, and services that they supply to HAGER (subject to specific inquiry). The recording, calculation, evaluation, and communication of the relevant CO<sub>2</sub> data should also take place in accordance with the valid standards of the Greenhouse Gas Protocol (GHG).

### **Design for Environment**

In order to reach a low carbon footprint, resource efficiency and a competitive economy, companies must fulfil the transition a design for environment, especially considering the so-called circular economy. A circular economy is a system where the value of products, materials and resources is maintained in the economy for as long as possible. HAGER will value business partners that innovate in products and/or services that comply with the requirements of circular economy by:

- reducing the use of (virgin) raw materials and resources,
- using recycled/bio-based materials where possible,
- avoiding use of Rare Earth Elements (REE) as much as possible,
- designing (modular) for re-use and recycling, or
- using materials that can be easily recycled.

Simultaneously, this transition will help business partners to reduce energy, water and natural resource consumption by implementing conservation and substitution measures and to comply with our expectations that our vendors carry out:

- implement a systematic approach to identify, control and reduce wastewater and emissions to air produced by its operations;
- implement a systematic approach to identify, manage, reduce and responsibly dispose of or recycle hazardous and non-hazardous material;
- minimize hazardous substance consumption by implementing reduction / substitution measures and preventing pollution; or
- analyze waste to landfill and setting of targets to reduce the quantity of disposal to landfills.

### **Responsible Sourcing of Raw Materials**

HAGER business partners must exercise responsible due diligence of their business partners when it comes to the sourcing and extraction of so called conflict materials, including, but not limited to tin, tantalum, tungsten, and gold, used in products. The due diligence must be

consistent with relevant parts of the OECD Due Diligence Guidance<sup>1</sup> or equivalent processes.

If a product provided by a business partner to HAGER contains one or more of the so called conflict minerals (tin, tantalum, tungsten or gold), the business partner is obliged to carry out an appropriate review of the supply chain to ensure that the conflict minerals are obtained from mines and smelters outside of conflict regions.

If requested to do so by HAGER, the business partner must forward all relevant information about the relevant smelters or refineries.

### **Avoidance of planned Obsolescence**

If applicable, business partners shall engage themselves in ecodesign practices and do not apply techniques to deliberately reduce the lifespan of a product to increase its replacement rate.

### **Transportation**

All transportation has significant environmental impact. Therefore, HAGER encourage its business partners to reduce this impact by using the most environmentally friendly means of transport, whenever possible.

HAGER's business partners are expected to use fuel-efficient and low-emission vehicles when transporting goods or providing services for HAGER. If possible, land- or sea-based shipping methods shall be used as much as possible instead of airfreight.

HAGER's business partners shall be prepared to provide information about environmental impact aspects of transportation of goods to HAGER, for example mode of transport, emissions of the modes of transport, packaging material, and production locations.

### **Business Ethics**

All business partners of HAGER undertake to make business decisions without regard to personal interests, including those of relatives or other close persons, solely on the basis of factual

and objective criteria and shall avoid any form of conflict of interest.

### **Compliance with Anti-corruption Laws**

HAGER has a zero-tolerance policy towards any form of corruption and financial irregularity. We are committed to fight corruption, including bribery and extortion, negligent financing of criminal activities and/or unethical practices.

We expect our business partners to foster a culture of integrity based on transparency, compliance and ethical business practices. Business partners shall neither tolerate, nor engage in any form of corruption or influence peddling and shall not grant, offer or promise, or ask for - directly or indirectly- anything of value to or from a public official or private sector employee to influence actions or obtain an improper advantage. This includes any form of facilitation payment.

### **Management System for Prevention of Corruption**

Business partners of HAGER must implement an adequate management system for prevention of corruption that is corresponding to their risk profile. This typically includes:

- A written statement or public policy against corruption that addresses bribery of public officials and in private enterprises.
- Implementing measures to prevent corruption and to ensure adequate awareness and adherence to their anti-corruption policy among employees, representatives and business partners.
- Develop and maintain a system of adequate accounting procedures and internal controls that is aimed at preventing concealment of bribery or financing of bribery or misrepresentation of financial statements and designed to maintain transparent, complete and accurate control of books and records. The system must be auditable, and records must be verifiable.
- Have capabilities in place to ensure adequate risk-based due diligence and monitoring of business partners and ensure that business

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<sup>1</sup> OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas

partners comply with ethical business practices.

- Implement mechanisms for reporting of concerns and for investigation of such reports. The mechanisms must safeguard the confidentiality and integrity of the investigation and the vendor or other Business Partners must prevent retaliation against the reporter or any participant in investigations.
- Implement monitoring and enforcement procedures to ensure compliance with all applicable anti-corruption laws and regulations of the countries in which the vendor or other Business Partners operate.

### **Gifts and Entertainment**

HAGER expects from its business partners to refrain from misusing invitation and gifts for the purpose of influencing others. Any invitation or gifts offered to HAGER employees, or related persons must be appropriate or just of minor value and can be interpreted as an expression of generally accepted local business customs. Business partners are in the same way expected to refrain from requesting any undue benefits from HAGER employees.

### **Preventing Conflict of Interests**

HAGER expects its business partners to make decisions concerning their business activities with HAGER exclusively on the basis objective criteria. Conflict of interests with private affairs, commercial or other activities, including those of relatives' and other related persons or organizations, have to be prevented right from the beginning.

### **Avoidance of planned Obsolescence**

If applicable, business partners shall engage themselves in ecodesign practices and do not apply techniques to deliberately reduce the lifespan of a product to increase its replacement rate.

## **Compliance with Applicable Laws and Regulations**

HAGER respects all valid and applicable local, national, and international laws and regulations. Adherence to these laws and regulations is the basis for HAGER's success. Corresponding infringements can cause significant harm and have serious consequences, both for the

company and for employees, vendors, business partners and other stakeholders.

HAGER does not tolerate any violations, and expects its business partners to adhere to the valid, applicable laws, official regulations and rules in equal measure.

### **Export and Import Control**

Business partners are required to comply with all applicable trade rules, export controls, restrictions, sanctions and import-export embargos including laws, regulations and rules relating to illegal boycotts.

### **Competition and Antitrust**

Business Partners have to compete fairly and must comply with all applicable competition and anti-trust laws. They undertake to promote and preserve healthy and effective competition within their business environment and must avoid agreements and practices that have a restrictive effect on competition such as price fixing, market allocation or abuse of a dominant position.

### **General Data Protection Rights**

HAGER expects its business partners to protect and respect personal rights. HAGER expects its business partners to comply with the applicable regulations and laws, particularly the Data Protection Act 1998/General Data Protection Regulation (GDPR) 25 May 2018.

### **Intellectual Property**

HAGER has, over years of business, built up a significant amount of value in its intellectual property (IP) portfolio. This includes (for example) copyright, trademarks, design rights and patents. Any access to HAGER's IP will only be granted on a limited basis and will be subject to a separate agreement, which will protect HAGER's IP and will define how business partners can benefit therefrom.

### **Protection of Information and Data**

The information security requirements applicable to business partners with regards to any data entrusted to their control during and after their engagement with HAGER are based on international standards, such as the Code of Practice for Information Security Management. Business partners should take account of the need to protect the confidentiality, integrity and

availability of information. At all times, the required level of information security and control to be ensured by business partners must be commensurate with the sensitivity, value and criticality of the information being processed throughout the lifecycle of the information.

Business partners shall safeguard and make only appropriate use of confidential information. The Business partners shall comply with any contractual requirements on data protection and information security and shall not disclose any information that is not known to the general public.

## Information Duties

### Product Information

HAGER is committed to deploy an innovative eco-design approach for its solutions thus making it possible to measure and reduce the environmental impact of our products throughout their life cycle. Consequently, HAGER needs to get informed about all health, safety and environmental risks which are caused by business partners and may impact solutions and services provided by HAGER.

Therefore, all business partners shall include environmental, health and safety criteria into the design of products, the purchase of needed materials, components or finished goods to reduce their impact in these areas during their life cycle.

### Hazardous Substances

Business partners of HAGER must inform HAGER about any presence of hazardous chemical substances contained in the products supplied to HAGER that may be released during the entire life cycle of the products. Consequently, that means that HAGER should not be supplied with any products likely to contain substances prohibited in the countries of destination of the product<sup>2</sup>.

### Product Environmental Profile (PEP)

The PEP, registered under the PEP ecopassport® Program is a type III environmental declaration according to the ISO 14025 standard.

It is dedicated to electric, electronic and HVAC-R products.

The PEP provides reliable information about product environmental impact through quantified and multi-criteria environmental data obtained from Life Cycle Assessment calculation.

HAGER expects from its business partners to provide all relevant information which is required to create such Product Environmental Profile Passports.

## Business Dependency and Risks

In order to avoid strong dependency, HAGER wants to avoid representing more than 30% of the sales revenue of its business partner. Consequently, HAGER and its business partner shall avoid in good faith any mutual business dependency. This includes any potential dependency to know how incorporated in solutions provided by HAGER.

## Continuous Improvement

Business partners shall feel encouraged to proactively approach HAGER with innovative ideas which contribute to further social, economic or environmental improvement. HAGER values the open exchange of new ideas and is willing to explore new opportunities jointly with business partners.

## Contact and Complaint Handling

Business partners and their employees can use HAGER's whistleblower system called *Let's talk*. for reporting compliance violations, suspected violations, or breaches of the principles of this Code of Purchasing Conduct. This can be done via internet

<https://www.safecall.co.uk/en/clients/hagergroup/>

or by using one of the following telephone numbers.

[Country Number](#)

[Australia 1800 312928](#)

[Austria 00 800 7233 2255](#)

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<sup>2</sup> This means that vendors and other business partners must comply with Regulation 1907/2006/EC known as "REACH" regulation amended in 2018 by

Regulation 2018/675/UE and Directive 2017/2102/UE amending 2011/65/UE also called RoHS Directive

[Belgium 00 800 72332255](tel:0080072332255)  
[Bosnia +44 191 516 7779](tel:+441915167779)  
[Brazil 0800 892 1750](tel:08008921750)  
[China 4008 833 405](tel:4008833405)  
[Czech Rep 00 800 72332255](tel:0080072332255)  
[France 00 800 72332255](tel:0080072332255)  
[Germany 00 800 72332255](tel:0080072332255)  
[UK 0800 9151571](tel:08009151571)  
[Greece 00 800 44141966](tel:0080044141966)  
[Hungary 00 800 72332255](tel:0080072332255)  
[India 000 800 440 1256](tel:0008004401256)  
[Indonesia 001 803 440884](tel:001803440884)  
[Ireland 1800 812740](tel:1800812740)  
[Italy 00 800 72332255](tel:0080072332255)  
[Luxembourg 00 800 72332255](tel:0080072332255)  
[Malaysia 1800 220 054](tel:1800220054)  
[Norway 00 800 7233 2255](tel:0080072332255)  
[Footer 2/2](#)  
[Poland 00 800 72332255](tel:0080072332255)  
[Portugal 00 800 72332255](tel:0080072332255)  
[Romania 0372 741 942](tel:0372741942)  
[Singapore 800 4481773](tel:8004481773)  
[Slovakia 0800 004 996](tel:0800004996)  
[South Africa 0800 990243](tel:0800990243)  
[Spain 00 800 72332255](tel:0080072332255)  
[Sweden 0850 252 122](tel:0850252122)  
[Switzerland 00 800 72332255](tel:0080072332255)  
[Netherlands 00 800 72332255](tel:0080072332255)  
[Turkey 00800 4488 20729](tel:00800448820729)  
[Ukraine 0800 502436](tel:0800502436)  
[UAE 8000 4413376](tel:80004413376)  
[USA 1 866 901 3295](tel:18669013295)

HAGER's policies and regulations define clear responsibilities and processes for the clarification of hints, guarantee confidentiality and offer the greatest possible protection for all parties involved.

If you have any general questions regarding Hager Group Code of Purchasing Conduct, Ethics & Sustainable Sourcing, please reach out to

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