

# SUSTAINABILITY GUIDELINE FOR SUPPLIERS



**Paul Köster**

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# PREAMBLE

Sustainability is a long-term strategic success factor not only for Paul Köster GmbH, but also for its suppliers.

The new sustainability guideline for suppliers of Paul Köster GmbH actively demands sustainable management. It is, at the same time, the basis of the economic, ecological and social responsibility of Paul Köster GmbH.

This document summarizes the basic principles and standards of Paul Köster GmbH for its suppliers of production-related and non-production-related goods and services, based on globally recognized guidelines and principles.



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For ease of readability, the masculine form is used when referring to persons. All statements, naturally, apply equally to persons of any gender.



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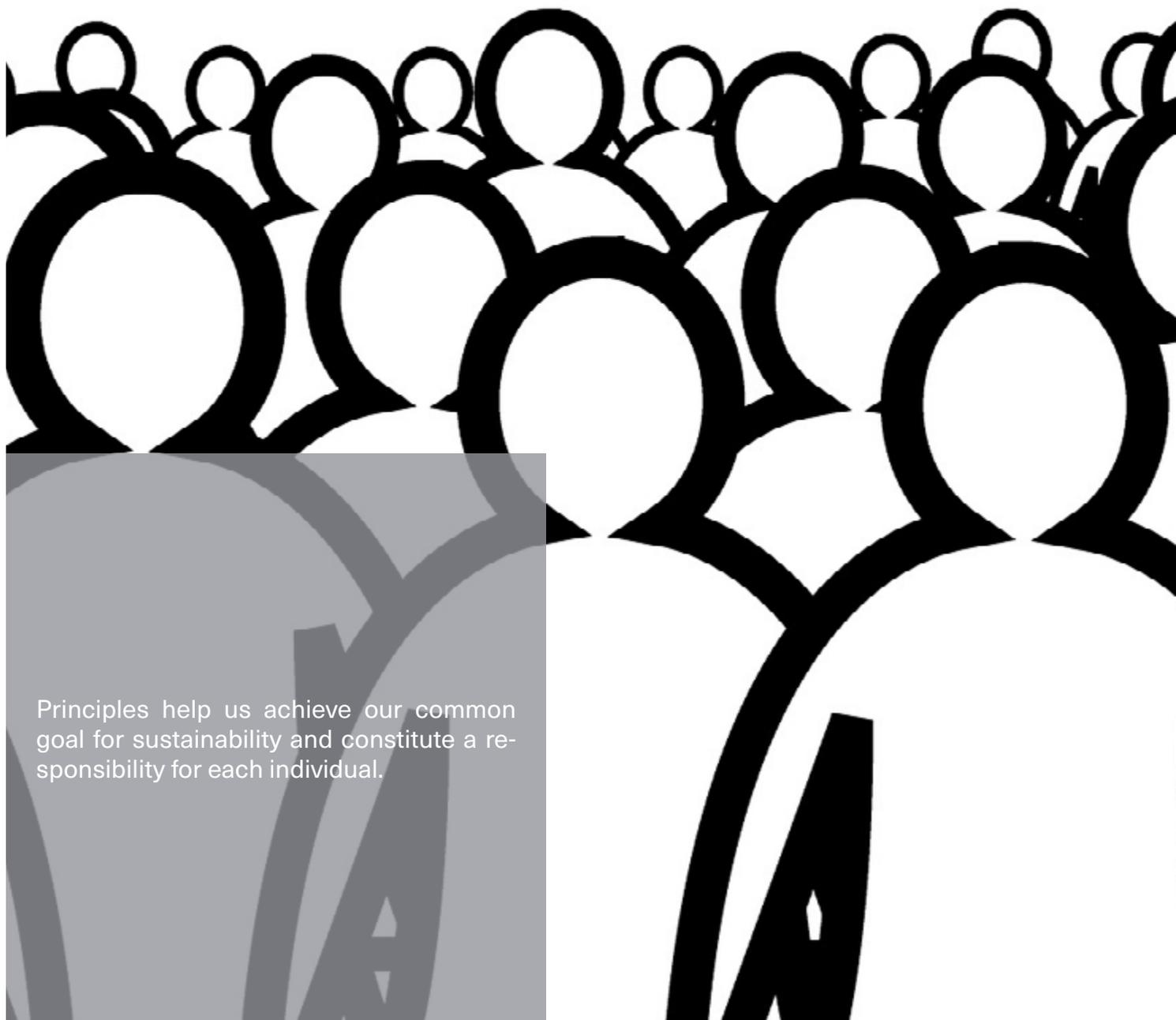
OVERVIEW

# CONTENTS

<b>General principles</b> .....	05
<b>Ecological responsibility</b> .....	07
<b>Business relationships</b> .....	09
<b>Compliance with the Code of Conduct</b> .....	11

A SHARED

RESPONSIBILITY



Principles help us achieve our common goal for sustainability and constitute a responsibility for each individual.



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## **PRINCIPLE OF STRICT LEGALITY**

Paul Köster GmbH adheres to the principle of strict legality for all its actions, measures, contracts and other processes. Accordingly, we expect our suppliers to comply with the respective applicable laws and this Code of Conduct within the scope of their business activities with Paul Köster GmbH and to work towards compliance with this Code of Conduct by third parties used to fulfill contracts with Paul Köster GmbH.

## **TREATMENT OF EMPLOYEES**

Our suppliers comply with basic employee rights based on the applicable national legislation.

## **HUMAN RIGHTS**

Our suppliers observe internationally recognized human rights and ensure that they uphold them.

## **CHILD LABOR**

Our suppliers only employ persons who have reached the minimum age required to perform work in accordance with the applicable national legislation. Our suppliers will be alert to and respect the rights of children.

## **FORCED LABOR**

Our suppliers reject any form of forced labor and respect the principle of freely chosen employment.

## **FREEDOM OF ASSOCIATION**

Our suppliers respect the freedom of association and the right to form interest groups. They grant their employees the right, based on national legislation, to protect their interests.

## **EQUALITY OF OPPORTUNITY**

Our suppliers do not tolerate discrimination against employees based on skin color, ethnic origin, gender, age, nationality, social origin, disability, sexual orientation, religious affiliation, or worldview.

## **FAIR WORKING CONDITIONS**

Our suppliers pay remuneration and benefits that meet at the very least the national and local legal standards, regulations or agreements. The respective applicable regulations on working hours and vacation are observed.

## **OCCUPATIONAL HEALTH AND SAFETY**

As a minimum, our suppliers comply with the relevant national standards for a safe and hygienic working environment and, within this framework, take appropriate measures to ensure health and



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safety in the workplace to guarantee employment conditions that are conducive to health.

## **RESPONSIBLE PROCUREMENT OF RAW MATERIALS**

Our suppliers are required to exercise due diligence in the procurement and extraction of raw materials, including conflict minerals, and to verify their origin. The procurement and use of raw materials obtained illegally or through ethically reprehensible or unreasonable measures must be avoided. This also includes raw materials from conflict regions.

## **ECOLOGICAL RESPONSIBILITY**

### **TREATMENT AND DISCHARGE OF INDUSTRIAL WASTEWATER**

Wastewater from operations, manufacturing processes, and sanitary facilities shall be categorized, monitored, inspected, and treated as needed before being discharged or disposed of. In addition, measures to reduce the generation of wastewater are to be introduced.

### **DEALING WITH AIR EMISSION**

General emissions from operations (air and noise emissions) and greenhouse gas emissions shall be categorized, routinely monitored, verified, and treated as needed before being released. The supplier is also responsible for monitoring its emission control systems and is required to find economical solutions to minimize any emissions.

## **HANDLING WASTE AND HAZARDOUS SUBSTANCES**

The supplier shall take a systematic approach to identify, handle, reduce, and responsibly dispose of or recycle solid waste. Chemicals or other materials that pose a hazard on being released into the environment shall be identified and handled in a way that ensures safety during their handling, transport, storage, use, recycling or reuse, and disposal.

## **REDUCING RAW MATERIALS AND NATURAL RESOURCES CONSUMPTION**

The use and consumption of resources during production and the generation of waste of any kind, including water and energy, shall be reduced or avoided. This is to be done either directly at the point of origin or through procedures and measures – for example, by changing production and maintenance processes or company procedures, by using alternative materials, through savings, through external recycling, or by reusing materials.

## **DEALING WITH ENERGY CONSUMPTION/EFFICIENCY**

Energy consumption shall be monitored and documented. Economic solutions must be found to improve energy efficiency and minimize energy consumption.



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## **BUSINESS RELATIONSHIPS**

### **AVOIDING CONFLICTS OF INTEREST**

Our suppliers make their decisions based on appraisals of facts and are not unduly guided in those decisions by personal interests.

### **FAIR COMPETITION**

Our suppliers behave fairly in competition and comply with the applicable legal regulations that protect the freedom of competition. Our suppliers do not enter into any agreements or concerted practices with other companies that have the purpose or effect of preventing, restricting or distorting competition, as set out in the applicable antitrust laws, and do not illegally exploit any dominant market position.

### **INTEGRITY/BRIBERY, TAKING ADVANTAGE**

The highest standards of integrity must be maintained in all business activities. The supplier shall pursue a zero tolerance policy in prohibiting all forms of bribery, corruption, extortion and embezzlement. Procedures for monitoring and enforcing standards shall be followed to ensure compliance with anti-corruption laws.

## **CONFIDENTIALITY/DATA PROTECTION**

The supplier shall meet the reasonable expectations of its client, suppliers, customers, consumers and employees concerning the protection of private information. When collecting, storing, processing, transmitting and disclosing personal information, the supplier shall comply with data protection and information security laws and with the official regulations.

## **MONEY LAUNDERING**

Our suppliers comply with the relevant legal provisions on preventing money laundering.

## **INTELLECTUAL PROPERTY**

Intellectual property rights shall be respected; technology and expertise shall be transferred in a manner that protects intellectual property rights and customer information.



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## COMPLIANCE WITH THE CODE OF CONDUCT

Our suppliers communicate this Code of Conduct to third parties they use to fulfill the contractual relationship with Paul Köster GmbH. They take the Code of Conduct into account when selecting them and make every effort to oblige them to comply with it and to check on this compliance regularly.

Any violation of this Code of Conduct constitutes an impairment of the business relationship between Paul Köster and the supplier. Without prejudice to further rights, Paul Köster reserves the right in this case to demand clarification of the facts and initiation of countermeasures from its supplier. If the supplier demonstrably fails to introduce suitable improvements within a reasonable time or if the infringement is so grave that continuing the business relationship becomes unreasonable for Paul Köster, Paul Köster reserves the right, without prejudice to further rights, to terminate the contractual relationship concerned without notice or to withdraw from the contract concerned.





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