

Supplier Code of Conduct

Issued: 05.12.2019

The CeramTec Group aims to achieve profitable, global growth while conserving energy and protecting natural resources. Our objective is to strengthen and advance CeramTec's international leadership position in the area of advanced technical ceramics. We conduct business according to a set of clearly defined management principles, which we review on an annual basis.

We believe a company can succeed in today's highly competitive market only if it commits to rock-solid values and ethical conduct. At CeramTec, we have a long-term perspective that values and protects the reputation of our company as an ethical and responsible business. We want our employees, contractors, customers, and communities to share in the benefits of upholding our reputation.

This Suppliers Code defines rules and principles and applies worldwide to all Suppliers of CeramTec and their employees. The Suppliers Code is a total chain initiative and the Suppliers is responsible to ensure that their own suppliers, sub-contractors and partners also meet the same or comparable standards.

The principles set out in the Suppliers Code are based on the content of the following conventions and standards:

- Code of Conduct of the CeramTec Group
- Principles of the United Nations Global Compact (UN)
- Conventions of the International Labour Organization (ILO)

1. CeramTec expects its Suppliers to respect internationally recognized human rights and treat their employees with dignity and respect. These include in particular the following aspects:

1.1 Child labour and underage workers and modern slavery

The use of child labour by the Suppliers is prohibited and has to be consistent with the ILO's (International Labour Organization) standards and the United Nations Global Compact principles. Underage employees may only be used for non-hazardous work that does not affect their physical, mental or emotional development. The Suppliers is not associated with human trafficking or any type of forced labour. This includes work on a forced contract, slavery and other forms of work that are done against a worker's will or choice

1.2 Free choice of workplace

Neither compulsory, forced labour, slavery, servitude nor involuntary prison work to be performed in the companies of the Suppliers.

1.3 Non-discrimination

Discrimination in the workplace based on ancestry, sex, religion, creed, national origin, disability, age, sexual orientation, physical or mental disability, marital status, political orientation or other legally protected characteristics is not tolerable by Suppliers.

1.4 Fair treatment

Suppliers treat their employees honestly, fairly and with respect, and ensure that they treat each other correctly. Any kind of gross and inhuman treatment, in particular sexual harassment, sexual abuse, corporal punishment, psychological or physical coercion, bullying or abuse of employees must be prevented.

1.5 Wages and other benefits and working hours

Suppliers pay their employees in accordance with the applicable laws and regulations, including the payment of minimum wages, overtime and statutory social benefits. The basis of this payment must be communicated to the employees in good time. In addition, Suppliers must comply with the applicable working hours rules.

1.6 Freedom of Association

Suppliers recognize the employees' right to freedom of association in accordance with applicable laws and regulations.

2. CeramTec expects its Suppliers to strive to ensure the health and safety of their employees, as well as other people affected by their activities, and the protection of the environment. These include in particular the following aspects:

2.1 Legal regulations

Suppliers comply with applicable safety, health and environmental regulations and generally accepted safety, health and environmental standards

2.2 Employee protection

Suppliers offer their employees a safe and healthy working environment. This shall always correspond at least to the national standards of the respective country.

2.3 Product Safety

The products manufactured by the Suppliers do not endanger humans or the environment and meet the legal requirements and recognized standards for product safety and meet contractual specifications.

2.4 Environment & Energy

Suppliers shall ensure that its operations comply with local laws and regulations and international standards for environmental protection or go beyond that. In regard to the procurement of energy services, products and facilities that have or may have an impact on the significant use of energy, the assessment of procurement is partly based on energy-related performance.

3. CeramTec expects its Suppliers to act ethically and with integrity. These include in particular the following aspects:

3.1 Integrity

Suppliers refrain from any form of bribery, corruption, extortion, and embezzlement.

3.2 Fair competition

Suppliers adhere to business practices that are compatible with applicable competition law. When competing with its competitors, Suppliers behave fairly.

3.3 Intellectual property

Suppliers respect intellectual property, in particular patents, design, business secrets, designs and trademarks of both CeramTec and third parties.

3.4 Privacy

Suppliers ensure the protection of sensitive information and ensure their proper use.

3.5 Export control

Suppliers comply with international agreements and national laws governing international trade and financial transactions, including the laws on import and export controls

3.6 Money Laundering

Suppliers ensure that they do not participate in money laundering activities and comply with the relevant legal obligations.