

AMANN

GROUP

Intelligent threads

SUPPLIER
CODE OF
CONDUCT



Introduction

Since 1854 AMANN has been one of the global leaders in the field of high-quality sewing and embroidery threads. From universal sewing threads to special high-tech threads, AMANN offers a wide range of threads for all sewing applications. More than 2,600 motivated employees work for our success in more than 100 countries worldwide. AMANN produces at its own production sites in Europe and Asia exclusively. This is the basis for our high degree of flexibility and customer proximity.

Integrity – in terms of respecting law, honesty, reliability and fairness – is an essential requirement for the success of a company and since all times basis of business connections of the AMANN Group.

The focus of the AMANN Group activities is directed towards our business partners (customers, sales partners and suppliers) who expect us to act with courtesy and respect as well as to be treated in a fair and honest manner. Therefore, the AMANN Group aims to foster a culture with business partners, which shall be characterized by mutual dependability and sustainability as well as transparent and comprehensible decision-making and communication.

The rollout of this Supplier Code of Conduct is part of the Compliance initiatives of the AMANN Group. This Code of Conduct is regularly reviewed within the framework of our quality management to ensure that it is up to date and adapted as necessary.

For reporting violations of the AMANN Supplier Code of Conduct or any question or suggestion, feel free to contact:

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Compliance Office
Hauptstrasse 1
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Phone: +49 (0) 7143 – 277426
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AMANN Supplier Code of Conduct

1.1 Scope

The AMANN Supplier Code of Conduct fixes fundamental ethical behaviour principles, which are to influence the business cooperation between the AMANN Group and its suppliers in daily work. The AMANN Group expects its suppliers to accept the principles set out in the AMANN Supplier Code of Conduct as the basis for any cooperation and to observe the following basic principles in their organization. Furthermore, suppliers are expected to actively promote and verifiably monitor the implementation of the following basic rules in their supply chains:

- Compliance with applicable laws and other regulations
- Anti-Corruption / granting and acceptance of undue advantages
- Fair competition
- Restrictions under foreign trade laws
- Data privacy and protection of business information
- Avoidance of conflicts of interest
- Conservation of natural livelihoods
- Responsible sourcing of raw materials
- Fair working conditions
- Anti-discrimination and respectful work environment
- Work safety and health protection
- Respect for employees' rights
- Eradication of child and forced labour
- Grievance mechanisms and whistleblower protection

1.2 Application of the Supplier Code of Conduct

The term 'supplier' for the purposes of this Code of Conduct includes all third parties acting for, on behalf of or together with the AMANN Group. This covers in particular product suppliers, service providers, consultants, agents, subcontractors, sales representatives and freelance collaborators.

1.3 Audit

Compliance with the AMANN Supplier Code of Conduct is a mandatory requirement for the cooperation and is therefore subject to auditing. In order to achieve this, AMANN GROUP expects its suppliers to adopt an open attitude to monitoring activities and to give all cooperation to its own and any third party auditors employed.

1.4 Violations of the AMANN Supplier Code of Conduct

The AMANN Supplier Code of Conduct is an integral part of all contractual agreements with suppliers of the AMANN Group. In cases of suspected violations of this Code, the supplier supports any investigation conducted by the AMANN Group. In the event of revealed Code violations, the AMANN Group reserves the right to respond appropriately taking into consideration the severity level of the violation. In the event of serious violations of the AMANN Supplier Code of Conduct, the AMANN Group reserves the right to terminate the contractual agreement without notice.

2.1 Compliance with applicable laws and other regulations

Suppliers shall comply with all applicable national and international laws and regulations, including the International Labor Organization (ILO) and the United Nations' Universal Declaration of Human Rights, the UN Global Compact Guiding Principles, industry standards, and all other relevant statutory requirements whichever imposes the highest standards of conduct.

2.2 Anti-corruption / granting and acceptance of undue advantages

Suppliers must impress through prices, performance, quality and suitability of its products and its services offered. No personal benefits shall be demanded, accepted, offered or granted for preferential treatment in preparing, placing or handling of orders.

As a rule, gifts of any kind shall not be handed out or accepted. Exceptions apply only in the case of occasional or promotional gifts that are consistent with customary practice and hospitality in a country, in as far as these are compatible with the respective legal provisions and an influence on the business decision is ruled out from the outset.

Accepting or granting cash gifts is never appropriate. Moreover, the provision or acceptance of products or other items on loan may be considered as adopting the character of a prohibited gift or as accepting advantages or granting advantages.

2.3 Fair competition

Rules to safeguard fair competition are indispensable elements of free market economy. Suppliers are committed to refrain from entering into restrictive agreements with competitors, suppliers, distributors, retailers and customers as well as from restrictive market practices. This includes, but is not limited to, agreements on prices, territories, customer groups or production quantities among competitors, boycotts, as well as the unlawful exchange of sensitive information with competitors.

2.4 Restrictions under foreign trade laws

Various national and international laws or embargoes restrict or prohibit the import, export or domestic trade of goods, technologies or services, as well as capital and payment transactions. The restrictions and prohibitions may stem from the nature of the goods, the country of origin or destination or the person of the business partner. Suppliers are obliged to observe such restrictive regulations and to take the necessary organisational precautions to ensure compliance with these regulations at all times.

2.5 Data privacy and protection of business information

Suppliers shall exercise due care and maintain strict confidentiality, while also observing applicable laws and regulations, when collecting, storing, processing or transferring personal data relating to employees, customers or other third parties. The supplier shall also ensure that AMANN's intellectual property rights are respected and that provided business information and data are not forwarded or disclosed to unauthorized persons, but only used for the purpose agreed with the AMANN Group.

2.6 Avoidance of conflicts of interest

Suppliers who are affected by a potential or an actual conflict of interest in their activities in relation to the AMANN Group or its business units are obliged to disclose and resolve it promptly.

2.7 Conservation of natural livelihoods

Suppliers must fulfil their obligation to comply with applicable environmental and climate legislation as well as acting in an ecologically responsible manner.

Suppliers are expected:

- to move ambitiously towards maximum sustainable and efficient production
- to conserve natural resources as well as reduce or completely avoid impacts on people and nature
- to successively increase the share of renewable energies in their energy balance sheet
- to promote the use of recycled or recyclable materials in their products and in the use of packaging
- to set up suitable performance measurement systems which document and process resource consumption, the use of recyclable materials and waste, and operational emissions.

2.8 Responsible sourcing of raw materials

Suppliers are obliged to comply with regulations on conflict materials. Furthermore, suppliers are expected to demand traceability vis-à-vis their upstream suppliers and thereby create transparency with regard to the origin of procured raw materials.

2.9 Fair working conditions

Suppliers are obliged to comply with the legal or - if applicable - collectively agreed provisions on remuneration, working hours, rest periods, leave and public holidays. In countries of employment without a fixed minimum wage as a lower limit, suppliers are expected to ensure that the minimum remuneration level granted to full-time employees is sufficient to secure their livelihood.

Overtime may only be worked on a voluntary basis and must be remunerated additionally or compensated in the form of time off in lieu.

Non-statutory compensation deductions of any kind, in particular as a disciplinary measure, may not be applied.

2.10 Anti-discrimination and respectful work environment

Suppliers shall strictly adhere to all applicable laws and regulations prohibiting discrimination in hiring and employment on the grounds of race, age, nationality, color of skin, religious belief, gender, sexual identity, physical characteristics, appearance, health condition, political views or other basis prohibited by law.

Suppliers shall maintain a respectful and dignified relationship with their employees, free from harassment, bullying or intimidation.

2.11 Work safety and health protection

Suppliers must comply with all health and safety regulations, being aware of risks and take due care in all safety-relevant activities. This applies to all risks that may arise at the suppliers' workplaces or during the use of their products, with a particular focus on in-house protection against fire and against hazardous substances as well as on building and machinery safety.

Suppliers are committed:

- to schedule periodic training for employees on all occupational health and safety topics
- to regularly conduct emergency exercises
- to provide suitable personal protective equipment free of charge.

Moreover, suppliers are expected to implement and promote a healthy workplace environment where employees are provided with hygienic conditions, particularly in social and sanitary areas.

2.12 Respect for employees' rights

Suppliers are committed to observing the respective national labor legislation and to support the Declaration of Fundamental Principles of the International Labor Organization (ILO), which includes the right to freedom of association and the right to negotiate collectively. If the right to freedom of association or the right to collective bargaining is not provided for or restricted in the country of employment, suppliers should seek alternatives that allow workers to discuss working conditions freely and openly with management.

2.13 Eradication of child and forced labour

Suppliers do not tolerate any child or forced labour in their organizations or in their supply chain. The minimum age of the work force employed, including also contract workers or temporary workers, must never be lower than the statutory age for end of compulsory education. The use of bonded labour, other forms of modern slavery or involuntary prisoners work is strictly forbidden.

2.14 Grievance mechanisms and whistleblower protection

Suppliers shall, if not already implemented, commit to establishing grievance mechanisms within their organization that enable potential whistleblowers to report violations of legal requirements or the rules set out in this Code. The processes to be set up for this purpose must ensure efficient processing of reports, prompt initiation of corrective measures and effective protection of whistleblowers.

Acknowledgement

The AMANN SUPPLIER CODE OF CONDUCT is binding for all Suppliers doing business with the AMANN Group or one of its business entities.

All staff members of the suppliers have to comply with its rules at any time.

By completing this template, the SUPPLIER confirms the receipt of a copy of the AMANN SUPPLIER CODE OF CONDUCT.

This Acknowledgement must be completed by a duly authorized representative of the company and being forwarded within 14 days to the AMANN Global Procurement Department for filing.

THIS IS TO ACKNOWLEDGE THAT I HAVE RECEIVED A COPY OF THE AMANN SUPPLIER CODE OF CONDUCT (VERSION 2.0, DATED 07.03.2023): I HAVE READ THE AFOREMENTIONED DOCUMENT CAREFULLY, HAVE UNDERSTOOD ITS CONTENT AND CONFIRM THAT THE COMPANY REPRESENTED BY MYSELF WILL FULLY COMPLY WITH THE CONDUCT RULES MENTIONED.

COMPANY	
Family name	
First name	
Function	
Place / Date	
Signature	

COMPANY NAME	
Family name	
First name	
Function	
Place / Date	
Signature	