

THiMM Responsible Sourcing Guideline

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What does responsible sourcing mean for THiMM?

“We source responsibly” – the commitment by THiMM’s Purchasing department is no more and no less.

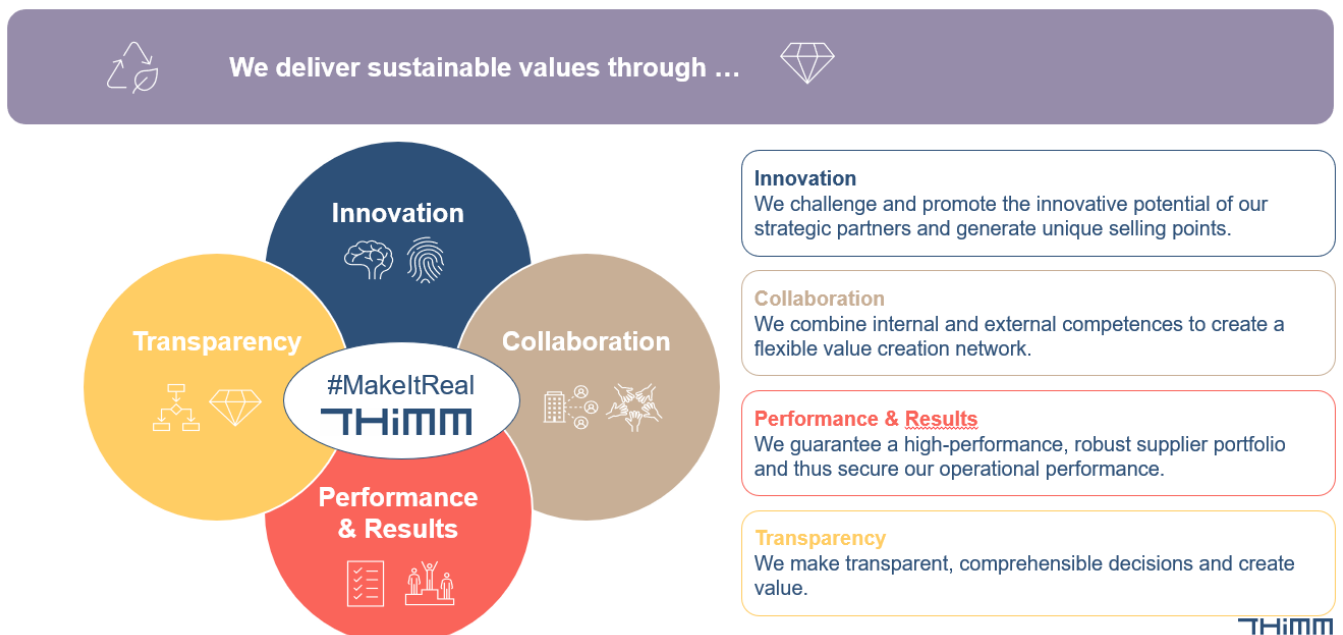
We are aware of the economic, ecological and social impacts of our actions and align our decisions with these dimensions transparently and in a balanced manner.

Our responsibility does not end at the factory gate – we see ourselves, regardless of the company boundaries, as an integrator, innovator and designer of value chains, for which we assume responsibility together with our supply partners. We are convinced that this enables us to identify the numerous opportunities and trends, as well as possible risks, in good time, and to use them to develop new ideas and solutions.

We create the future together – economically, ecologically and socially.

Do you have a similar view? Welcome to THiMM!

Our objectives in Purchasing



The basis for collaboration with our suppliers

THIMM Group, consisting of THIMM Group GmbH + Co. KG and its affiliated companies (affiliated companies can be viewed at www.thimm.de/gesellschaften) is a sustainably operating enterprise that places dialogue and collaboration with people at the heart of its philosophy and actions. For us, communication with our suppliers and business partners is essential, because only together can we promote responsible business and respect for human rights in our supply chains and lay the foundation for transparent decision-making through long-term collaboration based on mutual trust.

When it comes to transparency, this Responsible Sourcing Guideline is an important first step and reveals what criteria are considered in selection and collaboration. In addition to quality and price, we also look at safety, health, the environment, social standards and fair business practices. To this end, we have used the United Nations Sustainable Development Goals (SDGs) as a framework for action. There is a clear focus on strategic partnerships to achieve the goals (Goal 17), because only together and through a goal-oriented dialogue can we shape sustainable innovations and responsible supply chains.

This Responsible Sourcing Guideline for THIMM Group is based on internationally recognised standards such as

- the principles of the UN Global Compact,
- the provisions of the United Nations,
- the conventions of the International Labour Organisation (ILO),
- the OECD Guidelines for Multinational Enterprises, and
- the United Nations' 17 global Sustainable Development Goals (UN SDGs).

The same high standards apply to all business partners worldwide and we expect their business conduct to comply with our sustainability requirements. Therefore, the principles for responsible sourcing listed here are part of our [Terms and Conditions of Purchase](#) and must be complied with.

1 RESPONSIBLE BUSINESS (*UN Global Compact Principle 10*)

As described above, responsible business forms the basis of our activities in THIMM Group and is therefore an integral part of our sourcing philosophy. In this process, it is essential for us to comply with applicable national and international laws. In addition to purchasing criteria such as availability, price and quality, it is therefore just as important to ensure that human rights are respected in the sourcing process and that the protection, safety and interests of all people and the environment are protected. For us, respectful and fair cooperation as well as open and honest communication are the foundation of a collaborative partnership. We expect our business partners to follow these values as well and to adhere to the points listed in this guideline, to apply them in their organisations and to implement appropriate systems for monitoring compliance.

▪ **Legislative compliance**

For us, compliance with all applicable laws, regulations and other provisions of the countries in which we operate is a matter of course and part of our corporate responsibility. We also treat all our business partners fairly and with respect. We expect the same from our suppliers. All deliveries and services provided by our business partners must fully comply with the agreed and legal requirements.

- **Bribery & corruption** (including avoiding conflicts of interest)

THIMM declares that it is against corruption and bribery and demands that its business partners observe statutory provisions to combat corruption. Business partners ensure that they do not promise or grant any inadmissible benefits to THIMM employees or to any persons close to them.

Any indications of corrupt conduct must be reported to the independent ombudsperson. In a regulated procedure the ombudsperson interfaces directly with the management board of THIMM Group and preserves the anonymity of the notifying party with the company if required. See also section ["Implementation in the supply chain – Complaints procedure"](#).
- **Anti-monopoly law and competition**

THIMM observes all applicable domestic, EU and relevant foreign anti-monopoly laws as well as any legislation relating to unfair competition and also expects this from its business partners. Price or terms and conditions agreements with competitors are therefore also forbidden as are other agreements which have the effect of restricting competition, and in particular specific agreements with competitors with the purpose of market or customer allocation.

Any indications of anti-competitive conduct must be reported to the ombudsperson. In a regulated procedure, the ombudsperson interfaces directly with the management board of THIMM Group and preserves the anonymity of the notifying party with the company if required. See also section ["Implementation in the supply chain – Complaints procedure"](#).
- **Money laundering**

All business and commercial transactions are conducted transparently and accurately recorded in the books and records of suppliers. We expect our business partners not to participate in disguising the true origin of money or assets associated with criminal activity and to take appropriate measures to prevent their activities from being used as a vehicle for money laundering.
- **Compliance with trade and customs regulations**

THIMM complies with current and applicable trade regulations. This includes sanctions, export and import controls, customs law and anti-boycott regulations. We expect the same from our business partners.
- **Data privacy**

The protection of personal and sensitive data is of particular concern to us. It is therefore our duty to handle with care the personal data of our customers, business partners and employees that have been entrusted to us. THIMM therefore also expects business partners to handle all data entrusted to them with the same level of care. In addition, the statutory retention periods shall be complied with by our suppliers and business partners.

2 HUMAN RIGHTS (*UN Global Compact Principles 1–6*)

THIMM Group is an internationally active company with employees of different nationalities, genders and ages. For us, respectful cooperation is the basis for open, unbiased dialogue and a culture of appreciation, and thus a guarantee for our economic success.

THIMM is therefore committed to respecting human rights and also expects its suppliers and business partners to commit to respecting them and to take appropriate measures to ensure compliance with the points listed below.

- **Freedom of employees** (*ILO conventions 29, 105*)

Employees have the right to freely choose employment. Before starting employment, they sign a written employment contract or something equivalent. Employees receive their own copy of the employment contract and understand its terms before signing. Significant changes to the working conditions are agreed in writing with employees.

We expect our business partners to ensure that forced labour is excluded along their own supply chain and that employees are not subjected to cruel, inhumane or degrading treatment.

- **Freedom of association** (*ILO conventions 87, 98, 135, 154, ILO recommendation 143*)

Employees are free to exercise their right to establish or join work-related organisations and to engage in collective bargaining. These rights must be exercisable without fear of discrimination, violence or harassment, whether physical or psychological.

There is a grievance procedure that is known to employees and allows them to raise complaints or concerns without disciplinary action. Complaints are recorded and processed while preserving the anonymity of employees.

- **Protection of children and young people** (*ILO conventions 79, 138, 182, ILO recommendation 146*)

Any kind of exploitation of children and young people is not tolerated by THIMM. This means that children do not work below the legal minimum age and can start training at the earliest at the age of 15. Children, whether as young workers or trainees, do not carry out any dangerous, unsafe or harmful work or night work. Our business partners ensure that child labour is excluded along their own supply chain.

- **Safeguarding livelihoods** (*ILO conventions 26, 131*)

THIMM Group expects that living wages are paid to all employees. Applicable laws on the minimum wage must be observed. In addition, overtime worked will be remunerated in accordance with applicable laws and/or agreements. Wages and overtime payments as well as applicable social security benefits are paid regularly and directly to the employees and they are informed regularly in a transparent and comprehensible manner about the composition of remuneration, e.g. in the form of payslips.

- **Working hours and rest periods** (*ILO Conventions 1, 14*)

Working hours are not excessively long, i.e. overtime is voluntary and employees who refuse to work overtime are not penalised. Under certain circumstances, which are clearly defined in the applicable legislation, overtime may be mandatory for a short period of time, if this has been agreed with the employees' representative body.

In any case, the statutory regulations on working hours, rest periods and holidays must be complied with and communicated in a comprehensible and transparent manner.

- **Diversity, equality of opportunity and equal treatment** (*ILO Conventions 100, 111, 143, 159*)

Employees are free from discrimination, violence or harassment, whether physical or psychological. Reasons for discrimination include age, gender identity, sexual orientation, mental or physical disability, ethnicity, nationality, religion, world view, marital status or any other dimension of an individual's identity that is unrelated to their ability to perform the job.

Performance and qualifications serve as the basis for assessment in recruitment, salary classification, promotion, distribution of tasks and professional development. Equal pay must be paid for work of equal value.

- **Interests of the local population**

When sourcing raw materials and services, THIMM Group is committed to achieving a balance between social, economic and ecological needs. This includes respect for and protection of the traditional and civil rights of indigenous peoples and local communities. Our business partners and their suppliers may therefore not participate in illegal evictions or illegal taking of land, forests or waters.

3 OCCUPATIONAL HEALTH AND SAFETY

Protecting the health and safety of employees is an integral part of responsible corporate governance and, from THIMM Group's point of view, makes a major contribution to the company's success.

- **Occupational safety and hygiene** (*ILO conventions 155 & 187*)

As part of an occupational health and safety management system, THIMM Group is committed to health protection and promotion and ensures a safe, healthy and hygienic working environment for its employees. We expect our business partners to also ensure a safe, healthy and hygienic working environment and to take the requisite measures to avoid accidents and damage to health which may occur in connection with any activities. Hereby it must be ensured that occupational safety standards are complied with and protective measures are taken to avoid negative effects from chemical, physical or biological substances. This is done by means of appropriate training and regular instruction of the employees in conjunction with the corresponding documentation. In addition, business partners must ensure that employees have suitable personal protective equipment and also use it.

THIMM also does not tolerate the consumption of alcohol, drugs and other intoxicants during working hours or working under the influence of alcohol and intoxicants.

Business partners shall implement appropriate and transparent measures and operate systems (for instance, based on DIN ISO 45001 or comparable systems) in order to identify and avoid a potential risk to the health and safety of their employees.

Furthermore, wherever relevant, additional regulations from the individual THIMM companies and sites regarding occupational protection, hygiene and product safety for example as well as other relevant provisions are to be complied with.

4 RESPONSIBLE HANDLING OF RESOURCES AND ENVIRONMENTAL PROTECTION (*UN Global Compact Principles 7-9*)

THIMM Group is committed to the responsible use of raw materials and the protection of the environment. The conservation of natural resources and biodiversity and the fight against climate change are particularly important to us. However, we can only achieve these goals together with our suppliers and business partners. We expect our business partners to also commit to these goals and to work with us on solutions to achieve them.

- **Preservation of natural resources**

THIMM formulates its processes in an environmentally-aware manner and commits to complying with applicable legislation and minimum regulations relating to climate and environmental protection. THIMM expects its business partners to comply with statutory provisions and with environmentally-aware business operations to protect nature, and specifically:

- to use resources (energy, water, raw materials, fuels and additives) efficiently,
- to use circular products and/or environmentally friendly materials wherever possible,
- to avoid emissions and waste or to reduce or recycle them,
- to design logistics processes in an environmentally-friendly manner.

THIMM does not accept any criminal environmental activities or the reckless use of natural resources.

- **Reducing the environmental footprint**

The protection of ecosystems, especially those with valuable biodiversity, is essential for the conservation and improvement of the climate conditions of our planet.

In addition to averting the negative effects of its own actions, THIMM expects its business partners to actively contribute to the continuous reduction of their ecological footprint.

On request, THIMM Group shall be provided with data on environmental performance and product life cycle assessments based on DIN ISO 14040 and DIN ISO 14044. In addition, we expect the provision of Scope 1, 2 and 3 emissions of the products and services supplied to THIMM Group.

- **Environmental management**

In order to achieve the listed points, THIMM Group requires its suppliers to permanently apply a documented environmental management system based on DIN EN ISO 14001 or adequate standards. This includes monitoring and reducing negative impacts with targets for improvements. Procedures must also be in place to avoid risks to the environment.

5 IMPLEMENTATION IN THE SUPPLY CHAIN

Our supplier portfolio is one of our most important strategic resources. That's why we develop and maintain supplier relationships that are ethically legitimate, mutually beneficial and focus on a shared commitment to meeting our customers' needs. Sustainable and ethical business practices are the basis for this. For this reason, we consider the performance, commitment and continuous improvement of our suppliers in these areas in their selection and development.

Furthermore, building an inclusive supply chain is a strategic priority for our company. Suppliers should strive for diversity and inclusion within the organisation, including eliminating gender differences in leadership representation and pay. In addition, suppliers should strive to influence diversity within their own supply chains by identifying, nurturing and using diverse suppliers. We believe that diversity and inclusion will help us build a resilient value chain, identify opportunities, trends and potential risks in good time and develop new ideas together.

We expect our suppliers to pass on the content of these sourcing principles to all relevant departments, employees and their own suppliers and business partners along the entire value chain.

Our business partners must ensure compliance with the requirements described here. We recognise that our suppliers and business partners have their own code of conduct or alternative approaches for implementing the THIMM requirements.

THIMM Group strives to create supply chains with full traceability and transparency in order to assess and monitor the associated risks. We expect our suppliers to work with us on this goal of traceability to achieve the goal of responsible sourcing together.

Our business partners shall ensure that information about business activities, working practices, health and safety management and environmental protection measures is collected precisely in accordance with the Act on Corporate Due Diligence in Supply Chains or other similar regulations of the EU or the country in which the business partners operate. The supplier is responsible at operational level for establishing an effective complaints mechanism for individuals and communities who may be affected by adverse impacts.

Upon request, our business partners shall provide such information in a transparent and unaltered manner and shall grant access to relevant documents, unless data privacy or the legitimate interests of third parties conflict with this. THIMM Group reserves the right to check compliance with the requirements or to have this checked by third parties.

Suppliers undertake to permanently apply a documented quality management system based on DIN EN ISO 9001 or adequate standards (e.g. BRC, IFS) in the currently valid form or a system that meets all the content requirements of the aforementioned standards.

▪ **Complaints procedure & dealing with violations of this guideline**

If our business partners discover deviations from the requirements of these sourcing principles in their own business operations or those of a business partner, they shall inform THIMM Group of this immediately. At the same time, these deviations shall be documented and investigated by our business partners and the causes demonstrably eliminated. THIMM reserves the right to terminate the collaboration with the business partner or to no longer consider the business partner in the selection of future business partners in the event of violations of this guideline.

If required, you can contact our **ombudsperson for THIMM Group Germany** at:

Dr. Dietmar Buschhaus
Götzenbreite 4
37124 Rosdorf, Germany
Tel.: +49 551 900 33 530
Email: buschhaus@ra-kleinjohann.de

On request of the notifying party, the identity of the notifying party shall be treated in confidence as far as complaints or notices are concerned. In a regulated procedure, the ombudsperson interfaces directly with the management board of THIMM Group.

This Responsible Sourcing Guideline forms the basis for a long-term collaboration with our supply partners based on mutual trust. Together, we take responsibility and make our value chains fit for the future. THIMM Group relies on an open, goal-oriented dialogue with suppliers and business partners. We create the future together – economically, ecologically and socially.

Northeim, 01.12.2023



Kornelius Thimm
Managing Director
THIMM Group GmbH + Co. KG



Martin Ribbeheger
Head of Corporate Purchasing
THIMM Group GmbH + Co. KG

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Date and Signature Supplier