

# FUCHS Supplier Sustainability Standard

FUCHS acts in a socially and environmentally conscious manner, thus fulfilling its special responsibility as a leading independent lubricant company. Sustainability in all dimensions is a corporate principle for FUCHS.

Based on compliance with local, national and international laws and in accordance with the basic principles of the UN Global Compact agreement and UN Guiding Principles on Business and Human Rights, FUCHS requires its suppliers and service providers to monitor and ensure compliance with these requirements throughout their supply chain. In addition, FUCHS expects all suppliers to continuously improve and share best practices in terms of environmentally friendly innovations and management. The FUCHS Supplier Sustainability Standard applies to all companies supplying to any FUCHS company worldwide. Essential parts of the FUCHS Supplier Sustainability Standard are the observance of labor standards, business ethics and compliance, environmental protection and safety.

## 1 Working standards

### 1.1 Observance of human rights

Suppliers are urged to respect and to promote the observance of internationally recognized human rights. In all business activities within their own sphere of influence, suppliers must ensure that they themselves, their business partners and their suppliers do not commit or participate in human rights violations.

### 1.2 Free choice of employment

According to the International Labor Organization (ILO) definition of forced and compulsory labor, any kind of forced or compulsory labor is strictly prohibited. This includes any work or service that is required of a person under threat of punishment and for which he or she has not willingly made himself or herself available, for example through debt bondage or human trafficking. Employees must be free to terminate the employment relationship by giving a reasonable notice.

### 1.3 Prohibition of child labor

Children must not be inhibited in their development and their safety and health must not be impaired. There is a prohibition on employing children under the age at which compulsory education ends according to the law of the place of employment, whereby the age of employment may not be less than 15 years. Child labor must not be used at any stage of production or processing. Suppliers are obliged to follow the ILO conventions recommendation of minimum age for admission to employment.

### 1.4 Prohibition of the worst forms of child labor

The worst form of child labor is prohibited for children under the age of 18. This includes all forms of slavery or slavery-like practices such as the sale or trafficking of children, debt bondage and servitude, and forced or compulsory labor, including the forced or compulsory recruitment of children for use in armed conflicts. It is also prohibited to use, offer, or provide children for prostitution, for the

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production of pornography or for pornographic performances, as well as for illicit activities, in particular for the extraction and trafficking of drugs. In addition, work which, by its nature or because of the circumstances in which it is performed, is likely to be harmful to health, safety or morals of children is not permitted. Suppliers must adhere to the ILO Worst Forms of Child Labour Convention.

## 1.5 Equal opportunities/non-discrimination

Suppliers are obliged to maintain equal opportunities in employment and to refrain from any discrimination. Employees may not be discriminated against, for example, on the basis of origin, nationality, skin color, religion, ideology, political and trade union activity, gender, sexual orientation, age, disability, illness, status of health, payment of unequal salary for equal work or pregnancy.

## 1.6 Equity in wages, working hours and social benefits

Remuneration and social benefits must comply with the principles regarding minimum wage, applicable overtime regulations and statutory social benefits. In this regard, the appropriate wage is at least the minimum wage established by the applicable law and is otherwise determined by the law of the place of employment. Working hours and non-working hours must comply with the applicable laws.

## 1.7 Occupational health and safety

As an employer, the supplier guarantees safety and health protection at work, at least within the scope of the respective applicable national occupational health and safety regulations and ensures continuous development to improve the working environment. In particular, safety standards must be maintained in the provision and maintenance of the workplace and the work equipment. Furthermore, suitable protective measures must be in place to prevent exposure to chemical, physical or biological substances. Measures must also be established to prevent excessive physical and mental fatigue, especially due to unsuitable work organization in terms of working hours and rest breaks or insufficient training and instruction of employees.

## 1.8 Freedom of Association

Employees must be granted the right to associate freely. Employees must be given the opportunity to freely form or join trade unions. Furthermore, the formation, joining and membership of a trade union must not be used as a reason for unjustified discrimination or retaliation. In addition, unions must be allowed to operate freely and in accordance with the law of the place of employment. This includes the right to engage in strikes as well as the right to collective bargaining.

## 1.9 Destruction of the natural basis of life through environmental pollution

The supplier must ensure that no harmful soil alteration, water pollution, air pollution, harmful noise emissions, or excessive water consumption interferes with natural resources for the preservation and production of food, denies, obstructs, or destroys access to drinking water and sanitary facilities, or harms human health.

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## 1.10 Illegal violation of land rights

The supplier is prohibited from unlawful eviction and unlawful taking of land, forest and water in the acquisition, development or other use of land, forest and water, the use of which ensures the livelihood of a person.

## 1.11 Prohibition of the use of private or public security forces

The use or hiring of private or public security forces for the protection of the company's project is not permitted, if the prohibition of torture and cruel, inhuman or degrading treatment is disregarded, if life and limb are injured, or if freedom of association and freedom of labor are impaired.

## 2 Business ethics and compliance

### 2.1 Compliance with laws/Anti-corruption

FUCHS expects the highest level of integrity in all business activities and relationships. Suppliers are required to refrain from any form of fraud or embezzlement, insolvency offences, corruption or extortion, granting of advantages, bribery or corruptibility. The supplier is obligated to comply with all laws and regulations applicable to him and the business relationship with FUCHS.

### 2.2 Fair competition and avoidance of conflicts of interest

Laws that protect and promote competition, in particular anti-trust laws, must be respected. Companies must respect fair competition and comply with the prohibition of collusion with competitors and other measures that hinder the free market. When dealing with business partners, decisions must be made exclusively on an objective basis.

### 2.3 Protection of business confidential

Suppliers are obliged to treat as business secrets all technical and commercial details not in the public domain which become known to them through the business relationship.

## 3 Environmental protection and safety

### 3.1 Environmental responsibility

A main value for FUCHS is a sustainable and responsible management in harmony with our environment. Suppliers to FUCHS are expected to act according to the precautionary principle to preserve air quality, reduce energy and water consumption and reduce the generation of waste and to ensure the responsible use of chemicals. In addition, initiatives are to be taken to promote environmental responsibility and to encourage the development and dissemination of environmentally friendly technologies.

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## 3.2 Environmentally friendly production

FUCHS requires its suppliers to ensure optimum environmental protection in all phases of production. This includes a proactive approach to avoid or minimize the consequences of accidents that could have a negative impact on the environment. Particular emphasis is placed on the application and further development of energy and water-saving technologies. The goal of suppliers must be to produce in an emission-neutral manner.

## 3.3 Environmentally friendly products

All products manufactured along the supply chain must meet the environmental standards of their market segment. This includes the entire product life cycle and all materials used. Chemicals and other substances that may pose a risk when released into the environment must be identified and handled appropriately.

## 3.4 Product safety and -quality

All products and services supplied to FUCHS by its business partners must meet the contractually agreed criteria for quality and safety at the time of delivery and must be able to be used safely in accordance with their intended purpose as specified by FUCHS.

## 3.5 Minamata Convention on Mercury

When a supplier activity involve mercury, mercury compounds, mercury-related products or mercury waste, the supplier is required to act in accordance with the Minamata Convention in accordance with Article 4(1), Article 5(2), Article 11(3) of the Convention.

## 3.6 POPs Stockholm Convention

When the supplier operation include chemicals, chemical waste and stockpiles, suppliers are required to comply with the Stockholm Convention on Persistent Organic Pollutants in accordance with Article 3(1) (a), Article 6(1) (d) (i) and (ii).

## 3.7 Basel Convention on Hazardous Waste

When a supplier activity involve the shipment of hazardous and other wastes as defined in the Basel Convention on the Control of Transboundary Movements of Hazardous Wastes and their Disposal, the supplier is required to comply with Articles 4(2), 5 and 8 of the Convention.

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## 4 Responsible Sourcing

FUCHS complies with the legal requirements in the supply chain.

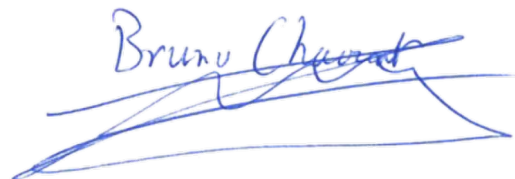
FUCHS' suppliers support activities that ensure responsible procurement of raw materials. The procurement and use of raw materials that have been obtained illegally or through ethically reprehensible or unreasonable measures must be avoided.

The use of raw materials such as conflict minerals that are affected by embargoes or other import restrictions must be excluded. Suppliers are, therefore, obliged to exclude these raw materials in manufactured products in the supply chain and to disclose the origin to sources of supply of the raw materials they use.

We expect our suppliers to have the same understanding of the protection of human rights and the environment and therefore the same level of care for their supply chain and proof that they only source or process conflict-free raw materials. FUCHS requires its suppliers to ensure that the used minerals are sourced only from traceable and certified sources



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