



PREAMBLE

Our Code of Conduct stands for the now and for the future. It is the guideline for the entire company and reflects who we are and how we are perceived as a company.

Management, executives and all employees are committed to openness and mutual respect. Values such as reliability, honesty, integrity, credibility and respect are a matter of course for us.

Krebs & Riedel Schleifscheibenfabrik GmbH & Co. KG sees it as its duty to act in an economically, socially and environmentally conscious manner. In all markets in which we operate, we strive to conduct our business competently on an ethical and moral basis.

We expect all employees to act in accordance with the highest professional standards at all times and to adhere to the Code of Conduct. Violations will be subject to operational and legal consequences. If an employee becomes aware that these standards are being violated, he or she is strongly encouraged to report it. In order for this person to effectively protect himself or herself from possible retaliation by a supervisor or colleague, it is always possible to address the employee representatives. In the same way, however, management can also be approached. Compliance with our standards is a fundamental interest of our company!

This Code of Conduct summarizes rules that we must follow in order to maintain the excellent reputation of our family-owned company. Not all eventualities can be covered in the Code of Conduct. In the absence of guidance on a situation not listed here, reasonable judgment is expected to be applied.

Compliance with law and order

For Krebs & Riedel Schleifscheibenfabrik GmbH & Co. KG fair competition is very important. Compliance with applicable laws and the acceptance of cartel prohibitions or restrictions on competition is an important part of this. Corruption, extortion and bribes are not a means for us to obtain an order.

Example

At a trade show, your sales manager is asked by a competitor to share information about pricing. Do you respond?



You do not go into it!

If you exchange information with the competition, this may be considered a violation of the Competition Act.

Do not comply with the request of the competition employee and record the process with a short written note.

Sanctions compliance

In order to enforce compliance with international human rights standards and the non-proliferation of nuclear weapons, the containment of armed conflicts and the fight against terrorism, sanctions are imposed on individuals, organizations and countries that, for example, prohibit or regulate the supply of products. Through established export control procedures and cooperation with Customs and Bafa, Krebs & Riedel actively ensures compliance with these regulations and sanctions.

Example Verification of suspicious circumstances of an order for grinding tools (=> probable end customer: Iranian automotive industry, which is sanctioned)	▶▶ If a violation is found during an inspection, no order will be accepted.
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Respect for trademarks and copyrights

Just as we expect that no one will counterfeit our trademarks and brand names and affix them to products not manufactured by us, all Krebs & Riedel employees will ensure, for example, that only original spare parts and licensed software are procured and used. Likewise, when protecting intellectual property rights, care must be taken to ensure that photos and information copied from the Internet are generally subject to copyright and may only be used to the extent that we are authorized to do so.

Example Using software without a license on a company computer	▶▶ This is a violation of the law. The use must be stopped immediately.
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Human and employee rights / Ethical recruitment / equal opportunities

We support compliance with internationally recognized human rights. We strictly reject forced labor, human trafficking, serfdom, oppression and child labor in any form and do not tolerate them at our suppliers. Young people may not be employed, even if the legal requirements of the respective country would allow this. Any kind of discrimination is generally prohibited. This applies regardless of nationality, ethnicity, age, gender, sexual orientation, marital status, pregnancy, handicap, religion, skin color or trade union membership. Harassment in any form, infliction of psychological and physical harm, abuse and intimidation are prohibited. Whether diversity, equality and inclusion - all employees are treated equally and with dignity and respect.

We maintain equal opportunities when looking for new employees and during their employment with the company. Future employees are neither cheated nor deceived about the type of work. Recruitment fees are never demanded, and personal identification documents are never withdrawn or withheld. Our written employment contracts are written in clear, understandable language and are transparent. The employment contract can be terminated at any time in accordance with the applicable legal provisions.

Employees are free to join a union, bargain collectively and hold meetings. At all times, employees should be able to communicate with management without fear or concern.

Krebs & Riedel Schleifscheibenfabrik GmbH & Co. KG works closely with the employee representatives, trade unions. Here, an open and constructive dialogue is the basis of mutual trust. The cooperative interaction is characterized by mutual respect.

<p>Example You learn through your foreign representative that one of your raw material suppliers from Asia uses children in production. What do you do?</p>	<p>▶▶ Inform your purchasing department. They can now investigate the matter.</p>
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<p>Example You are setting up a branch in the Arab world and are looking for a branch manager. Since they know that some companies there consider a businesswoman inferior and do not like her, only applications from men are sifted through.</p>	<p>▶▶ Applications from women must also be considered, otherwise this is a violation of applicable law. No selection may be made on the basis of gender. The choice must fall on the best and most suitable application.</p>
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Internally accompanying documents: Works council information in the K&R Info program, e. g. collective bargaining agreements, year-end payment, retirement provision, pay scale tables

Occupational health and safety

The quality of our products is a high company goal, but so is the safety and health of our employees. Technical, economic and social considerations are taken into account in all our operations. The weekly working time, including overtime, should not exceed 60 hours. Emergencies or exceptional circumstances are an exception. A day off from work shall be granted at least every 7 days. Work performed shall be properly compensated and all employees shall be provided with an understandable pay or salary statement in a timely manner. Krebs & Riedel is bound by the ASKN collective wage agreement and thus complies with the Minimum Wage Act (MiLoG).

Every employee must comply with the regulations of occupational health and safety. We support this through regular instruction.

<p>Example A trainee works in your production area for 2 weeks. He is not wearing safety shoes as required in the manufacturing area. Do you provide him with safety shoes or do you refrain from doing so since he is only working there for a short time? The expense of providing the shoes seems too great and too expensive to you. No matter who or how long - appropriate protective clothing, safety</p>	<p>▶▶ No matter who or how long - appropriate protective clothing, safety shoes are always to be provided in the areas where they are needed and to be worn by the worker.</p>
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Internally accompanying documents: Collective agreement Occupational safety in the K&R Info Program
Emergency plan and emergency call sheet in the K&R Info program
Certificate Quality Management System ISO 9001:2015

Conflict of interest

Conflicts of interest should be avoided at the outset. If a conflict has already arisen, it must be resolved carefully and in compliance with the law. Conflicts of interest lead to doubts about the quality of the business decisions made and the trustworthiness of the person making such decisions.

<p>Example You want to introduce a new data processing system in the company and have already hired an IT specialist.</p>	<p>▶▶ If you hire your relative's company, it will give the appearance that you passed on the job with bias. Talk to your supervisors or</p>
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<p>However, due to health reasons, this specialist is not available. You know an IT company owned by one of your relatives that could carry out the order immediately. May I commission my relative?</p>	<p>management so they can find a replacement. This will allow an unbiased decision to be made as to whether or not to hire your relative. This will avoid a conflict of interest.</p>
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Gifts or donations

Our employees do not solicit or accept from customers or from suppliers any personal benefits that may influence or affect their own conduct with respect to their work for the company.

Gifts from third parties may only be accepted if they are part of common practice and can be recognized as a courtesy or favor. These are promotional gifts bearing the supplier’s logo, such as calendars or pens.

In the case of gifts that exceed the customary amount, the management must be informed. If this is not possible, these gifts must be refused.

Gifts given by our employees must be within the usual reasonable limits for a business relationship. The recipient of the gift must not be able to associate any obligation with it that would influence his or her business decisions.

The company Krebs & Riedel Schleifscheibenfabrik GmbH & Co. KG only donates to individuals or organizations whose goal corresponds to our corporate philosophy and does not damage our reputation. Donations are always made transparently.

<p>Example Your purchasing manager receives an invitation to a wellness weekend from a major supplier. The supplier wants to bind you to continue ordering only from him. Do you take part in the wellness weekend?</p>	<p>▶▶ Decline in a friendly manner. This is bribery and is against the law and the Code of Conduct.</p>
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<p>Example A representative visits your purchasing manager. When handing over the <i>brochures</i>, the representative also gives him a plastic ballpoint pen with the company's advertising imprint. Does the purchasing manager have to refuse the pen?</p>	<p>▶▶ No. The value of the pen is minor and with the logo of the other company.</p>
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Compliance with accounting standards

Compliance with the rules and principles of proper accounting and tax and customs regulations is a matter of course, as is the maintenance of maximum transparency vis-à-vis external addressees such as banks, authorities and trade credit insurers or credit information agencies.

At the same time, Krebs & Riedel employees will ensure that they do not support unethical or illegal behavior by third parties.

<p>Example A supplier asks for a balance confirmation for a delivery to us, although his service had not yet been performed on the reporting date of his annual financial statements. However, as this only took place a few days later, he asks for confirmation with reference to the long-standing and trusting cooperation.</p>	<p>▶▶ The request must be rejected. Aiding and abetting accounting fraud is no trivial offense!</p>
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Data protection

We treat the personal data of our customers, business partners and employees with the utmost care. No data may be collected or processed without legal authorization or the consent of the person concerned. All employees are obliged to contribute to security in order to protect against internal and external data theft. This naturally also applies to the misuse of passwords and unauthorized downloading of files.

<p>Example A long-time supplier calls your HR department and wants to know the home address of your purchasing manager. Do I pass on the information?</p>	<p>▶▶ No. The data may not be passed on by you. The purchasing manager has not consented to this</p>
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<p>Example You want to make a large database available to an external service provider. Your IT employee notices this and tells you that the transfer could violate data protection. Do I pass on the data anyway so that the service provider can continue his work?</p>	<p>▶▶ Even if it leads to delays at the service provider, the data may not be passed on for the time being. First of all, it must be checked whether the transfer violates data protection. Furthermore, it must be ensured that the data is handled securely and correctly when it is transferred to the service provider.</p>
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Internally accompanying documents: In-house communication Corporate communication guidelines Social media, K&R Info Program "Security-Viruses, Trojans, Passwords"

Land, forest, water rights, forced eviction - use of private or public security forces

We do not participate in the unlawful seizure of land, forests and waters for acquisition, development or other use. Land, forests and waters that secure a person's livelihood must not be taken away through forced eviction. The needs of local populations in particular must be taken into account. The preservation of natural resources is particularly important to us.

When deploying private or public security forces, the protection of those affected from torture, injury and extensive violence must be ensured. We expect the security forces to respect international human rights.

<p>Example A company has built a well on its premises without permission in order to be able to use the groundwater</p>	<p>▶▶ This is a violation. Water extraction - whether for drinking water supply or commercial/industrial use - is only possible after permission has been granted by the water authority.</p>
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Environmental protection

A very important concern for us is the protection of the environment and the climate. Natural resources should be treated carefully and responsibly by our employees. This includes waste avoidance, reduction of water and electricity consumption and a responsible approach for handling of chemicals. The working environment is also an important aspect. Measures are created by our managers for the employees to maintain a healthy and hazard-free working environment. All necessary environmental permits, approvals or registrations are to be applied for or carried out. Air emissions from operations are routinely monitored. The continuous goal is to reduce greenhouse gas emissions and energy consumption. The use of renewable energies is highly valued.

<p>Example An employee notices that lighting is using outdated bulbs.</p>	<p>▶▶ The outdated illuminants are replaced by new illuminants, which have a very low energy consumption.</p>
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<p>Example Some employees live in the employer's neighborhood and could ride a bicycle to work instead of a car.</p>	<p>▶▶ Krebs & Riedel offers leasing of company bicycles. One advantage of this is active protection of the environment by avoiding CO2 emissions and healthier employees.</p>
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Internally accompanying documents: EMAS-regulation III

Responsible procurement of raw materials

Krebs & Riedel is committed to environmentally friendly procurement of raw materials, packaging, equipment and services. The use of e.g. conflict minerals, which are affected by embargoes or other import restrictions, is excluded.

<p>Example You learn that one of your suppliers is trading in a raw material, the proceeds of which are used to finance and support armed conflicts.</p>	<p>▶▶ This is an offense. No more orders will be placed with the supplier.</p>
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Avoidance of hazardous substances

Substances whose release poses hazards to humans and the environment are to be avoided. The use, transport, storage and disposal of hazardous substances are ensured. Hazardous substance substitution testing is an integral part of Krebs & Riedel. We aim always to find substitutes for hazardous and harmful substances.

<p>Example A cleaning employee finds old batteries in the container for normal waste. The cleaning employee takes them out and throws them into a special disposal container for used batteries.</p>	<p>▶▶ An employee did not comply with the regulations. The correct action of the cleaning employee eliminated a hazardous situation and complied with the disposal regulations.</p>
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We hope that the Code of Conduct and the examples listed will help you to deal confidently with situations in which there is doubt about the correct behavior. The basic rule is: if you are unsure, take your supervisor into your confidence and clarify the situation. Transparency protects us all and helps us maintain our own good reputation and that of our company.