



# *Supplier Code of Conduct*



**Version 1.0**

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**KNORR-BREMSE**



Knorr-Bremse AG and all subsidiaries under its control (hereafter jointly „Knorr-Bremse“) are committed to integrity and the principles of the UN Global Compact in all aspects of their business conduct with customers, suppliers, employees, competitors and other stakeholders. This Code contains mandatory requirements for all cooperative activities with Knorr-Bremse. Knorr-Bremse reserves the right to amend this Code of Conduct and expects appropriate amendments to be implemented by its business partners.

## ADDRESSEES

“Suppliers” addressed by this Code include natural persons and legal entities – and their affiliated companies – which render supplies or services to Knorr-Bremse, for example suppliers, consultants, brokers, commercial agents, distributors, contractors, and other suppliers and intermediaries for goods and services.

## COMPLIANCE WITH THE CODE

Every Supplier is obliged to comply with the standards of this Code. The Code forms a fundamental part of any business relationship between Knorr-Bremse and the Supplier. Violations of the Code may result in termination of the business relationship or the assertion of other claims. The Supplier shall endeavor to ensure that its contractual partners also comply with the provisions of the Code.

### **1. Compliance with laws, rules and regulations**

Suppliers undertake to comply with all applicable laws, rules and regulations of the countries in which they conduct their business. Suppliers should maintain appropriate control systems within their business operations that prevent infringements of the law and enable their investigation.

### **2. Respect for and protection of human rights**

Suppliers are obliged to protect human rights and to treat every employee with fairness, dignity and respect. The rights of personality, dignity and privacy of the employees are to be respected. Every Supplier must take appropriate measures to avoid the use of raw materials in its products that directly or indirectly finance armed groups that violate human rights.

### **3. Compliance with labor rights**

Suppliers must respect the freedom of association, the right to collective bargaining and the principles of equal opportunities. In their recruitment and employment policies they must undertake not to discriminate against employees or subject them to reprisals on account of their gender, age, ethnic origin, nationality, color, disability, sexual orientation, religion, political convictions or similar reasons. All forms of physical or psychological violence against employees and sexual harassment must not be tolerated.

Suppliers must ensure that they do not make use of or profit from any type of child or forced labor. All national legislation and international agreements that specify a minimum age for employees must be complied with. The remuneration and working hours of the Suppliers’ employees must be fair and balanced and within the respective legal framework.

The safety and health of employees in their workplaces must be ensured. A work environment must be provided that promotes accident prevention and minimizes health risks for employees. Suppliers must comply with the health and safety regulations of the country concerned and require employees to do so as well. Inasmuch as permitted by national law, Suppliers' employees must be allowed to form associations and stakeholder groups in order to represent their collective interests.

#### **4. Fair competition and anti-trust enforcement**

Suppliers are expected to adhere to the principle of fairness in competition and comply with applicable antitrust regulations. Suppliers must not enter into any unlawful agreements with Knorr-Bremse or competitors, and must not unduly distort or affect competition. Unfair price or bid rigging, market-sharing agreements or the abuse of a dominant position are not permitted.

#### **5. Combating corruption**

With regard to corruption and bribery, Knorr-Bremse pursues a zero-tolerance policy. Corruption is prohibited virtually worldwide by national laws and international conventions. The following shall apply irrespective of whether or not the relevant laws have been infringed.

Knorr-Bremse expects its Suppliers to ensure that no benefits are promised or granted to employees of Knorr-Bremse with the intention of obtaining a business advantage. In particular for consultants and intermediaries, the service provided and financial consideration received in return must always be balanced.

Conversely, the Supplier shall not, under any circumstances, demand offer or grant bribes, kickbacks or other illegal payments, employment to related parties, incentives, gifts, entertainment, favors or other benefits of value for the realization of business opportunities with Knorr-Bremse. Knorr-Bremse expects Suppliers not to tolerate any kind of unlawful contributions in dealing with officials and authorities. In the case of tendering, the laws and regulations on fair competition must be complied with.

#### **6. Money laundering**

Suppliers are obliged to comply with all statutory requirements aimed at preventing money laundering and must not participate in any form of money laundering activity.

#### **7. Preventing conflicts of interest**

Suppliers have to act transparently and with integrity in relation to their business activities. Any direct or indirect close relationship between Suppliers and Knorr-Bremse's employees that has an impact on business relations, or comparable cases, must be disclosed to Knorr-Bremse. The conflict of interest shall be disclosed before the start of negotiations or as soon as the conflict comes to light.

#### **8. Donations and sponsoring**

Donations and sponsoring are solely made on a voluntary basis and in accordance with applicable law. They are not to be used to obtain unlawful business advantages.

## 9. Data protection

Suppliers must respect and comply with the applicable data protection regulations. Confidential business data relating to Knorr-Bremse must be kept securely and may not be used or disclosed to third parties without prior consent.

## 10. Import and export regulations

Suppliers are obliged to comply with all applicable import and export control regulations, sanctions, embargoes, laws, edicts, government decrees and directives relating to the shipment, import, export, transit, conveyance, transport or dispatch of goods and the transfer of technologies.

## 11. Environmental protection and product safety

Suppliers are obliged to comply with all applicable laws and international environmental standards and to keep environmental impacts to a minimum. Suppliers should implement appropriate management systems in order to avoid environmental risks and improve existing environmental standards.

Only safe, state-of-the-art products and services may be manufactured and delivered to Knorr-Bremse. In particular, these products are not allowed to contain any program routines or technical devices designed to evade legal or regulatory requirements.

Suppliers should encourage the development and diffusion of environmentally friendly technologies.

## 12. Confidential data and intellectual property

Suppliers must ensure that confidential information and secrets obtained in the course of business activities with Knorr-Bremse are treated in strict confidentiality and not used inadmissibly or disclosed to third parties.

Suppliers are obliged to adequately protect all intellectual property rights of Knorr-Bremse and not to use them for illicit purposes. Intellectual property of Knorr-Bremse may only be used in the course of business activities in collaboration with Knorr-Bremse.

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