

# Sustainability standard for suppliers

## FOREWORD

As one of the largest inland shipping companies in Europe, HGK Shipping GmbH is committed to ecological and social responsibility. In doing so, we take all facets of sustainability into account. We act sustainably not only to protect the environment, but also in the interests of our employees, our business partners and, not least, in the public interest. With our logistics services, we support our customers in transporting goods in an environmentally friendly, efficient and resource-saving way.

In this context, acting economically does not stand in opposition to adhering to these principles.

## PURPOSE

This Sustainability Standard supports our commitment to comply with national and international standards. These include, but are not limited to, labour and social standards, the ten principles of the UN Global Compact, the Universal Declaration of Human Rights, the International Covenant on Civil and Political Rights, the International Covenant on Economic, Social and Cultural Rights, the International Labour Organization (ILO<sup>2</sup>) Core Labour Standards, the ILO Declaration of Principles concerning Multinational Enterprises and Social Policy (MNE Declaration), the OECD Guidelines<sup>3</sup> for Multinational Enterprises and the Responsible Care® Global Charter<sup>4</sup>.

## SCOPE

This sustainability standard defines our expectations of our suppliers and service providers as well as of the employees, suppliers and subcontractors engaged by suppliers and service providers. The supplier shall ensure compliance with this Code by the third parties engaged by it in an appropriate manner.

## COMPLIANCE

HGK Shipping expects its suppliers and service providers to comply with all nationally and internationally applicable laws and regulations on their own responsibility and consistently, as well as with the requirements of the Sustainability Standards. HGK Shipping reserves the right to verify compliance with the Code through audits after giving reasonable advance notice.

## ACKNOWLEDGEMENT

The contracting parties agree that the following provisions shall apply to future cooperation. This agreement shall apply as the basis for all future deliveries and services. The contractual partners undertake to comply with the principles and requirements of these sustainability standards and to endeavour to contractually oblige their subcontractors to comply with the standards and regulations set out in this document. By entering into a supplier or service contract with a company of the HGK Shipping Group, the supplier acknowledges these Sustainability Standards. A breach of this sustainability standard may be grounds and cause for the company to terminate the business relationship including all associated contracts.

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<sup>1</sup> HGK Shipping GmbH comprises all associated majority-owned companies, hereinafter referred to as HGK Shipping.

<sup>2</sup> [www.ilo.org](http://www.ilo.org)

<sup>3</sup> [www.oecd.org](http://www.oecd.org)

<sup>4</sup> [www.cefic.org](http://www.cefic.org)

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## 1. SOCIAL RESPONSIBILITY

**We expect our suppliers to comply with the core labour standards of the International Labour Organisation (ILO). The following points in particular must be taken into account:**

### **PROHIBITION ON CHILD LABOUR**

No child labour shall be used at any stage of service delivery/production. Suppliers and service providers are requested to adhere to the recommendation from the ILO conventions on the minimum age for the employment of children. According to this, the age should not be less than the age at which compulsory education ends and in any case not less than 15 years. If children are found at work, the supplier shall document the measures to be taken to remedy the situation and enable the children to attend school. The rights of young workers shall be protected and special protection rules shall be observed.

### **FORCED LABOUR EXCLUSION**

No forced labour, slave labour or work comparable to forced labour may be used. All work must be voluntary and workers must be able to leave work or employment at any time. Furthermore, there must be no unacceptable treatment of workers, such as psychological hardship, sexual and personal harassment.

### **PROHIBITION OF DISCRIMINATION**

Discrimination against employees in any form is inadmissible. This applies, for example, to discrimination based on gender, race, caste, skin colour, disability, political conviction, origin, religion, age, pregnancy or sexual orientation. The personal dignity, privacy and personal rights of each individual are respected.

### **FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING**

The right of workers to form and join organisations of their choice and to bargain collectively shall be respected. In cases where freedom of association and the right to collective bargaining are restricted by law, alternative means of independent and free association of workers for the purpose of collective bargaining shall be provided. Workers' representatives shall be protected from discrimination. They shall be granted free access to the workplaces of their colleagues to ensure that they can exercise their rights in a lawful and peaceful manner.

### **FAIR TREATMENT**

Suppliers are expected to treat their employees fairly. Any form of sexual harassment, physical assault, coercion and bullying is prohibited.

### **FAIR WORKING HOURS, WAGES AND SALARIES**

We expect our suppliers and service providers to ensure that their employees receive appropriate remuneration, taking into account the provisions of the Minimum Wage Act (MiLoG), which enables full-time employees to secure an adequate living through their own income. Suppliers and service providers are expected to pay their employees on time. Working hours must comply with applicable laws or industry standards. Overtime is only permitted if it is provided on a voluntary basis and does not exceed 12 hours per week, while workers must be given at least one day off after six consecutive working days. The weekly working time shall not regularly exceed 48 hours and the respective applicable statutory working time regulations shall be complied with.

## **DEALING WITH CONFLICT MINERALS**

For the conflict minerals tin, tungsten, tantalum and gold, as well as for other raw materials such as cobalt, the company establishes processes in accordance with the Organisation for Economic Co-operation and Development (OECD) Guiding Principles on Due Diligence to Promote Responsible Supply Chains for Minerals from Conflict and High-Risk Areas and expects the same from its supplier. Smelters and refineries without adequate, audited due diligence processes should be avoided.

## **2. ETHICAL BUSINESS BEHAVIOUR**

**The standards of fair business, fair advertising and fair competition shall be observed. This includes in particular the following principles:**

### **ANTI-CORRUPTION AND UNFAIR COMPETITION**

The highest standards of integrity must be applied in all business activities. The supplier must adopt a zero tolerance policy in prohibiting all forms of bribery, corruption, extortion and embezzlement. Procedures for monitoring and enforcing the standards shall be in place.

Furthermore, the supplier shall not offer any socially inappropriate gifts or other benefits to employees of HGK Shipping.

### **ANTITRUST LAW**

Suppliers and service providers must ensure that they comply with the relevant antitrust regulations.

HGK Shipping also expects suppliers and service providers to expressly distance themselves from illegal practices that lead to the exclusion, distortion or restriction of competition.

In particular, the following actions with competitors are to be refrained from:

- Agreements in connection with prices or price components
- Agreements not to compete or to make sham offers
- Agreements to share markets or customers
- Exchange of secret market information (for example, sales, prices, price calculations, planned investments, strategies or customer data)
- Unfair discrimination against customers or competitors

### **MONEY LAUNDERING AND VIOLATIONS OF IMPORT AND EXPORT BANS**

HGK Shipping does not tolerate money laundering or violations of import or export bans. Accordingly, we expect our suppliers and service providers to strictly comply with anti-money laundering laws and applicable import and export bans.

### **ANTI-TERRORISM FINANCING**

HGK Shipping expects its suppliers to avoid any contact with or support for terrorist organisations; if necessary, the supplier must take appropriate internal measures that effectively prevent the financing of terrorism.

### **TRANSPORT OF DANGEROUS GOODS**

When handling dangerous goods, HGK Shipping expects its suppliers and service providers to implement and comply with the relevant regulations for the securing of dangerous goods. Among other things, in compliance with any relevant security screening laws, suppliers and service providers must deploy reliable personnel who have been trained in accordance with the activity and who have been screened on the basis of the respective applicable anti-terrorism regulations.

### **DATA PROTECTION**

The supplier undertakes to meet the reasonable expectations of its principal, suppliers, customers, consumers and employees with regard to the protection of private information. The supplier shall comply with data protection and information security laws and government regulations in the collection, storage, processing, transfer and disclosure of personal information.

### **INTELLECTUAL PROPERTY**

Intellectual property rights shall be respected; technology and know-how transfers shall be made in a manner that protects intellectual property rights and customer information.

## **3. ENVIRONMENTAL RESPONSIBILITY**

**Our suppliers are expected to protect our natural resources and to use them responsibly. Furthermore, they are expected to create a safe and healthy workplace for their employees.**

### **DEALING WITH AIR EMISSIONS**

General emissions from operations (air and noise emissions) as well as greenhouse gas emissions shall be typified, routinely monitored, verified and treated as necessary prior to their release. The supplier is also responsible for monitoring its exhaust gas cleaning systems and is required to find economic solutions to minimise any emissions.

### **WASTE, HAZARDOUS SUBSTANCES, RECYCLING**

The supplier shall follow a systematic approach to identify, handle, reduce and responsibly dispose of or recycle solid waste. Chemicals or other materials that pose a hazard if released into the environment shall be identified and handled in a manner that ensures safety when handling, transporting, storing, using, recycling or reusing and disposing of them.

### **USE OF RAW MATERIALS AND NATURAL RESOURCES**

The use and consumption of resources during production and the generation of waste of any kind, including water and energy, shall be reduced or avoided. This shall be done either directly at the point of production or through procedures and measures such as changing production and maintenance processes or procedures within the company, using alternative materials, saving, recycling or reusing materials.

### **ENERGY CONSUMPTION/EFFICIENCY**

Energy consumption shall be monitored and documented. Economic solutions shall be found to improve energy efficiency and minimise energy consumption. Preference shall be given to green electricity (from renewable sources) and alternative propulsion systems.

### **DEALING WITH WASTE WATER**

Unavoidable wastewater from operations, cleaning, manufacturing processes and sanitation shall be typed, monitored, inspected and treated as necessary prior to discharge or disposal. In addition, measures should be introduced to reduce the generation of wastewater.

### **BIODIVERSITY**

The supplier is committed to the protection of biodiversity. Negative impacts on biodiversity in the course of service provision are to be reduced while improving the protection and potential of biodiversity.

### **OCCUPATIONAL SAFETY, ACCIDENT PREVENTION AND HEALTH**

We expect our suppliers to comply with legal regulations and company guidelines on occupational safety and accident prevention, to protect the health of their employees and to ensure that accidents and work-related illnesses are prevented in all operational activities. Suppliers are expected to ensure the safety and control of premises, facilities, machinery, equipment and work processes as a top priority.

### **EMERGENCY MANAGEMENT**

We expect our suppliers to implement an emergency concept that includes first aid measures, reporting and evacuation measures, emergency training and exercises, as well as adequate fire protection and fire alarm systems.

## **4. COMPLIANCE BY THE SUPPLIER**

We expect our suppliers and service providers in relation to supply chains, order fulfilment and service provision to identify risks within them as well as to take appropriate measures. In the event of suspected violations as well as to safeguard supply chains with increased risks, the supplier will inform the company promptly and, if necessary, regularly about the identified violations and risks as well as the measures taken.

The supplier undertakes to communicate the content of this Code to employees, agents and subcontractors in a manner that is comprehensible to them and to take all necessary precautions to implement the requirements.