

# Code of conduct for suppliers of MAFELL AG

As at: April 2023



## 1 Introduction/Preamble

MAFELL AG commits to an ecologically, socially and environmentally conscious corporate management. We expect the same conduct from all our suppliers. We also expect from our employees that the principles of ecological, social and ethical behaviour are observed and integrated into corporate culture. Further, we are striving to continuously optimise our corporate action and our products and services in terms of sustainability and require our suppliers to contribute to this in terms of a holistic approach.

On acceptance of a purchase order by MAFELL AG, this code of conduct shall be considered agreed and shall form the basis for ordered and future deliveries and services. The contracting partners undertake to meet the principles and requirements of the code of conduct and to endeavour to commit their subcontractors to compliance with the standards and regulations set out in this document. A breach of this code of conduct can, as a last resort, give MAFELL AG good reason to terminate the business relations including all associated supply agreements.

The code of conduct is based on national laws and regulations such as the German Supply Chain Due Diligence Act (LkSG) as well as international agreements such as the United Nations Universal Declaration of Human Rights, the Guidelines on Children's Rights and Corporate Action, the United Nations Guiding Principles on „Business and Human Rights“, the international labour standards of the International Labour Organisation as well as the Global Compact of the United Nations.

## 2 Requirements on suppliers

### 2.1 Social responsibility

#### Ban on forced labour:

No forced labour, bonded labour or work comparable to this must be used. Every kind of labour shall be done voluntarily and without threat of punishment. Employees shall be able to terminate the work or the employment relationship at any time. In addition, no unacceptable treatment of employees, for instance mental hardship, sexual and personal harassment and humiliation, must take place. The commissioning or making use of security forces shall be refrained from if during their deployment persons are treated in an inhumane or humiliating way or are injured or if the freedom of association is impaired.

#### Ban on child labour:

Child labour must not be used during any phase of production. Suppliers are requested to comply with the recommendation from the ILO Conventions regarding the minimum age for child labour. According to this, the age should not be less than the age at which, according to the law of the place of employment, general compulsory schooling ends and in any event should not be less than 15 years of age. If children are found to be working, the supplier shall document the action that needs to be taken to find a remedy. The rights of young employees shall be respected. Employees under the age of 18 must not be deployed for work that is harmful to the health, safety or morality of children. Special protective regulations shall be observed.

#### Fair pay:

The remuneration for regular working hours and overtime shall correspond to the national legal minimum wage or the minimum standards customary within the industry, depending on which amount is higher. The employees shall be granted all statutory stipulated benefits. Deductions from wages as punitive measures are not permissible. The supplier shall ensure that employees receive clear, detailed and regular written information about the composition of their remuneration.

#### Fair working hours:

Working hours shall correspond to current laws or industry standards. Overtime shall only be permissible if it does not exceed 12 hours per week, with at least one free day being granted to employees after every six successive working days.

#### Freedom of association:

The right of employees to establish organisations of their choice, to join them, to enter into collective bargaining and to be on strike shall be respected. In cases where the freedom of association and the right to enter into collective bargaining are restricted by law, alternative options of an independent and free association of employees for the purpose of collective bargaining shall be granted. Employees must not be discriminated against due to them establishing, joining or becoming a member of such an organisation. Employee representatives shall be granted free access to the workplaces of their colleagues to ensure that they can exercise their rights in a legal and peaceful manner.

#### Ban on discrimination:

The unequal treatment of employees in any form is inadmissible, provided that it is not warranted by the requirements of the employment. This applies for instance to discrimination due to sex, national, ethnic or social origin, skin colour, health status, political conviction, ideology, religion, age, pregnancy or sexual orientation. The personal dignity, privacy and personal rights of each individual shall be respected.

#### Safety and occupational health in the workplace:

The supplier is responsible for a safe and healthy work environment. With the development and application of adequate work safety systems, necessary precautions against accidents and health damage that may arise in connection with the occupation are taken. Excessive physical or mental fatigue shall be prevented by suitable measures. Furthermore, employees are regularly informed and trained on current safety and occupational health standards and safety precautions. Employees are afforded access to drinking water in sufficient quantity as well as access to clean sanitary facilities.

#### Preservation of the natural resources:

The supplier must not deprive the resident population, in violation of legitimate rights, of the use of land, forests or bodies of water the use of which secures their livelihood. The supplier shall refrain from harmful soil changes, water and air pollution, noise emissions as well as excessive water consumption if this damages the health of persons, considerably impairs the natural foundations for the production of food or prevents persons from access to pure drinking water or sanitary facilities.

#### Complaint mechanisms:

The supplier shall set up at site level an effective complaint mechanism for individuals and communities who may be affected by adverse effects. The complaint procedure shall be accessible to employees while maintaining confidentiality of identity and providing effective protection against discrimination

#### Dealing with conflict minerals:

For the conflict minerals tin, tungsten, tantalum and gold and for further raw materials such as cobalt, the company shall establish processes in accordance with the guiding principles of the Organisation for Economic Cooperation and Development (OECD) to ensure compliance with the due diligence for the promotion of responsible delivery chains for minerals from conflict and high-risk areas and expects this also from its supplier. Smelteries and refineries without adequate, audited due diligence processes shall be avoided.

### 2.2 Ecological responsibility

#### Treatment and discharge of industrial sewage:

Sewage from operating procedures, manufacturing processes and sanitary facilities shall be typified, monitored, screened and where necessary treated before discharge or disposal. In addition, measures should be introduced to reduce the generation of waste water. Dealing with air emissions: General emissions from the operating procedures (air and noise emissions) and greenhouse gas emissions shall be typified, routinely monitored, screened and where necessary treated. In addition, it is the supplier's task to monitor its waste gas purification systems and the supplier is urged to find economic solutions to minimise any type of emission.

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The supplier pursues a systematic approach to determine, handle and reduce solid waste and to responsibly dispose of it or recycle it. The bans on the export of dangerous wastes according to the Basel Convention of 22 March 1989 in its current version shall be observed. Chemicals or other materials constituting a danger on their release into the environment shall be determined and dealt with in such a manner that the safety is guaranteed while handling, transporting, storing, using, recycling, re-using or disposing of these substances. Mercury shall be used in line with the prohibitions of the Minamata Convention of 10 October 2013 and persistent organic harmful substances in line with the Stockholm Convention of 23 May 2001 in its current version.

## Reducing the consumption of raw materials and natural resources:

The use and consumption of resources during production and the generation of any type of waste, including water and energy, shall be reduced or avoided. This shall either be done directly at the point of origin or by means of procedures and measures, e.g. by changing the production and maintenance processes or procedures within the company, or through the use of alternative materials, through savings, recycling or the re-use of materials.

## Dealing with energy consumption/efficiency:

The energy consumption shall be monitored and documented. Economic solutions to improve the energy efficiency and to minimise the energy consumption shall be found.

## **2.3 Ethical business conduct and compliance**

### Fair competition:

The standards for fair business activities, fair advertising and fair competition shall be complied with. Furthermore, current antitrust laws shall be applied, which prohibit in particular agreements and other activities influencing prices or conditions in dealings with competitors. These regulations furthermore prohibit agreements between customers and suppliers that intend to restrict the customer's freedom to autonomously determine their prices and other conditions when reselling goods.

### Confidentiality/data privacy:

In terms of the protection of personal information, the supplier undertakes to satisfy the appropriate expectations of its client, sub-suppliers, customers, consumers and employees. The supplier shall observe the data privacy and information security laws and regulatory requirements regarding the collection, storage, processing, transmission and propagation of personal information. Intellectual property and rights in intellectual property shall be respected; the transfer of technology and know-how shall take place in such a manner that the intellectual property rights and customer information are protected.

### Integrity/bribery and avoidance of conflicts of interest:

All business activities shall be based on the most stringent of integrity standards. The supplier shall pursue a zero-tolerance policy regarding the ban of any type of bribery, corruption, extortion and misappropriation. Procedures regarding the monitoring and enforcement of the standards shall be applied to ensure compliance with the anti-corruption legislation.

## **3 Implementation of the requirements**

In connection with supply chains, we expect our suppliers to identify risks within these chains and to take adequate action. In the event of suspected violations and to safeguard supply chains that are subject to increased risks, the supplier shall inform the company promptly and,

where necessary, on a regular basis about any violations and risks identified and action taken. The company verifies compliance with the standards and regulations listed in this document by means of a self-assessment questionnaire and risk-based audits at the suppliers' production sites. The supplier agrees to MAFELL AG conducting such audits once a year or because of concrete circumstances to verify compliance with the code of conduct at the supplier's business premises during the usual business hours and after reasonable advance notice by persons authorised by MAFELL AG. The supplier can disagree with individual audit measures if these would lead to the violation of compulsory data protection regulations. If a violation of the regulations of this code of conduct is determined, the company shall inform the supplier immediately in writing and set a reasonable period of grace during which the supplier can bring his conduct in line with these regulations. If no remedy is possible in the foreseeable future, the supplier shall promptly notify MAFELL AG thereof and, together with MAFELL AG, shall draw up a concept with time schedule to terminate or minimise the violation. If the grace period expires without result or the implementation of the measures included in the concept has not provided any relief after expiry of the time schedule and no less severe means are available, MAFELL AG can terminate the business relationship and terminate all contracts. A statutory right to extraordinary termination without setting a grace period, in particular in the case of violations that are deemed to be very serious, as well as the right to compensation shall remain unaffected.

## **4 Acknowledgement and agreement of the supplier**

By accepting the order, the supplier undertakes to act responsibly and to adhere to the principles/requirements specified. The supplier undertakes to communicate to its employees, representatives and subcontractors the content of this code of conduct in a way that is understandable to them and to take any necessary provisions for the implementation of the requirements.