

## **Introduction**

As a globally operating company, EDAG declares its compliance with applicable law, to observing social, ecological and ethical standards, and to acting sustainably. This is part of our corporate culture, which is built up on shared values such as trust, transparency, reliability and fairness in dealing with customers, suppliers, business partners, employees and the public.

It is our responsibility to ensure that our services are provided within a value chain that is consistent with international standards and principles governing corporate activity. For these reasons, we have outlined our expectations of our suppliers and business partners with regard to sustainability, working conditions, health and safety, the environment and business ethics in this EDAG Supplier Code of Conduct.

We expect all companies in our supply chain from which we procure products or services to comply in their activities with the applicable national laws as well as the principles of the United Nations Global Compact and the sustainability requirements of the EDAG Group contained in this EDAG Supplier Code of Conduct.

EDAG aims to establish close and trusting business relationship with its suppliers. Apart from market-dominating factors such as performance, region, quality, costs, innovation and reliability, compliance with the requirements set out in this Code of Conduct also plays a decisive role for us. Compliance with this EDAG Supplier Code of Conduct is therefore regarded as an essential basis and indispensable prerequisite for a lasting and successful business relationship with EDAG.

## **Scope of Application**

This Supplier Code of Conduct applies to all natural persons or legal entities that sell or provide goods or services to the EDAG Group and its companies, either themselves or through third parties, e.g., affiliated companies, distributors, subcontractors, agents (hereinafter referred to as "Suppliers"). EDAG's Suppliers must act in accordance with the ethical and legal principles laid down in this Supplier Code of Conduct. The supplier shall also pass on these requirements in his supply chain.

# **A – Social Responsibility**

## **Dealing with employees**

We expect our suppliers to comply with the basic employment rights set out in the national legislation in force. In addition, we expect the recognition of the core labor standards of the International Labour Organization (ILO), taking into account the laws

and legal standards applicable in the various countries and locations.

## **Child Labour**

We expect our suppliers to prohibit and refrain from any form of child labour in their companies.

Our suppliers must ensure that government regulations regarding the minimum age for the employment of workers are observed. If no government regulations exist in the country of operation, the International Labour Organization (ILO) Convention applies. According to this, no children under the age of 15 may work directly or indirectly, unless exceptions apply. Suppliers must ensure that young workers under the age of 18 do not work overtime or night work and are protected against working conditions that are detrimental to their health, safety, morale or development.

## **Discrimination**

We expect our suppliers to promote equality of opportunity and treatment and to prohibit discrimination in the recruitment of employees and in the promotion or provision of training and development, always acting in accordance with internationally recognized ethical principles.

No employee shall be discriminated against on the basis of gender, age, color, culture, ethnic or social origin, sexual identity, physical or mental disability, religious affiliation or belief, nationality, marital status, pregnancy, trade union membership or political affiliation, provided that such affiliation is based on tolerance of those with different beliefs.

Equal treatment of women and men is a matter of principle at EDAG, so this must also apply to our suppliers.

We expect our suppliers to promote diversity within their sphere of influence, to identify vulnerable groups among employees to avoid unequal treatment and discrimination of any kind in hiring and employment. This includes respecting the rights of minorities and indigenous peoples.

Our suppliers must comply with the prohibition on hiring or using private or public security forces if the use of these security forces violates the prohibition of torture and cruel, inhuman, or degrading treatment, or otherwise causes injury to life and limb.

## **Forced Labour**

We expect our suppliers to prohibit any form of forced labour in their companies. Furthermore, suppliers reject any knowing use of forced and compulsory labour as well as any form of modern slavery and human trafficking. Employment

relationships with workers are always based on voluntariness and may be terminated at the free will and subject to a reasonable period of notice.

### **Freedom of Association**

We expect our suppliers to respect the rights of employees to form employee representative bodies and to bargain collectively in accordance with national legislation.

Likewise, our suppliers must respect the right of employees to join trade unions in their operations. Formation, joining and membership in a trade union or employee representative body must not be used as grounds for discrimination or unjustified retaliation. Trade unions and employee representative bodies must be allowed to operate freely and in accordance with the law of the place of employment. This includes the right to strike and the right to collective bargaining.

### **Appropriate Compensation**

We expect our suppliers to pay their employees remuneration that is in line with the applicable national laws (statutory minimum wage). In the absence of statutory or collectively agreed regulations, they are based on industry-specific, locally customary compensation and benefits that ensure an adequate standard of living for employees and their families. In addition, it must be ensured that employees can claim social benefits in accordance with applicable law (e.g. continued payment of wages in the event of illness). Suppliers are also required to make contributions to existing statutory social insurance schemes in full and on time.

### **Working Hours**

We expect our suppliers to comply with the applicable national legislation on working hours. If no legal requirements or minimum standards exist, the international standard of the ILO shall apply.

### **Health protection and occupational safety**

Protecting and promoting the health of the people who work for it is a top priority for the EDAG Group. EDAG therefore expects our suppliers to comply with the applicable national and international laws on occupational health and safety. Furthermore, it is expected that our suppliers establish and apply an appropriate occupational safety management system. This includes, on the one hand, the containment of actual and potential occupational safety risks and, on the other hand, the training of employees to prevent accidents and occupational illnesses as best as possible.

## **B – Ecological Responsibility**

### **Environment protection**

We expect our suppliers to comply with the national environmental laws, regulations and standards currently in force. Suppliers are also expected to set up and utilize an appropriate environmental management system (e.g. in accordance with ISO 14001) to minimize environmental pollution and hazards and to improve environmental protection in day-to-day business operations.

This includes the reduction of greenhouse gas emissions, energy-efficient operations, the use of renewable energy, the improvement of air and water quality, and the reduction of water consumption and compliance with applicable water laws. In addition, our suppliers are expected to use resources sustainably, use chemicals responsibly and reduce waste, take appropriate measures to reduce noise emissions, and take care to preserve and protect soil quality. Our suppliers ensure compliance with these ecological requirements through transparent reporting of their energy consumption and greenhouse gas emissions.

### **Recycling**

We expect our suppliers to pursue the goal of economical and sparing use of resources in all processes, i.e., from development to recycling. We also expect our suppliers to proactively seek methods to improve their carbon footprint and always reduce the consumption of resources.

In development, raw material extraction, manufacturing, the use phase of products through to recycling, and in all other business activities, the economical use of energy, water and raw materials, the use of renewable resources and the minimization of environmental and health damage must be considered.

### **Biodiversity**

EDAG is committed to stop deforestation and conversion of natural ecosystems in supply chains. We expect our suppliers to protect natural ecosystems and not contribute to alteration, deforestation including forced clearing, and degradation of natural forests and other natural ecosystems. The guidelines of the High Conservation Value Resource Network (HCV) and the High Carbon Stock Approach (HCSA) shall be applied, where applicable.

### **Decarbonization**

We expect our suppliers to make a clear commitment to the Paris Climate Agreement (COP 21).

Our suppliers make a binding commitment as part of the contract award to take measures to reduce their direct and indirect CO<sub>2</sub> emissions (including its upstream value chain). These include, for example, the use of green electricity and the use of secondary or biomaterials. Compliance with these requirements and evidence of measures to reduce CO<sub>2</sub> emissions can be a decision criterion when nominating EDAG suppliers. We expect suppliers to create transparency upon request about their own emissions as well as those of upstream supply chains and to set reduction targets including their supply chain.

### **Animal Welfare**

We expect our suppliers who process animal products to consider animal welfare and therefore implement standards and best practices for animal welfare compliance along the entire supply chain. Furthermore, EDAG expects suppliers to preferentially use alternative non-animal methods, unless animal testing is mandatory by law. In any case, suppliers must comply with nationally and internationally applicable regulations on animal welfare and animal testing, such as the German Animal Welfare Act or Directive 2010/63 of the European Union (so-called Laboratory Animal Directive).

## **C – Responsible Business Relations**

### **Fighting Corruption**

We expect our suppliers not to tolerate corruption and to ensure that their companies comply with the United Nations (UN) and Organization for Economic Cooperation and Development (OECD) conventions on combating corruption and the relevant anti-corruption laws.

Suppliers must ensure that their employees, subcontractors or representatives do not offer, promise or grant any advantages to EDAG employees or persons close to them - with the aim of obtaining a contract or any other preferential treatment in business dealings.

EDAG expects that its suppliers will not misuse invitations and gifts to influence. Invitations and gifts to EDAG employees or persons close to them will only be granted if the occasion and scope are appropriate, i.e., they are of low value and can be regarded as an expression of local generally accepted business practice. Similarly, suppliers do not demand unreasonable benefits from EDAG employees.

### **Money Laundering**

We expect our suppliers to comply with all applicable anti-money laundering laws and regulations of the countries in which they operate and not to engage directly or indirectly in money laundering activities.

### **Avoidance of conflicts of interest**

We expect our suppliers to make decisions related to their business activities with EDAG exclusively based on objective criteria. Conflicts of interest with private interests or other economic or other activities, including those of relatives or otherwise related persons or organizations, are to be avoided from the outset.

### **Free Competition**

We expect our suppliers to behave fairly in competition and to observe the applicable antitrust laws and other applicable competition law requirements. Our suppliers do not participate in any agreements or arrangements with competitors, suppliers, customers or other third parties that violate antitrust law, nor do they abuse any dominant market position that may exist. Our suppliers shall ensure that there is neither an exchange of competitively sensitive information nor any other conduct that may inadmissibly restrict or limit competition.

### **Information Security**

Our suppliers shall use and protect any information in an appropriate manner. In addition, data shall be handled according to its classification. Suppliers shall ensure that sensitive data is properly collected, processed, secured and deleted. Our suppliers shall oblige their employees to protect business secrets. Confidential content may not be published, passed on to third parties or made available in any other form without authorization. Any processing of personal data of employees, customers and business partners (e.g., collection, storage, use, provision) must be carried out in accordance with the applicable legal requirements for data protection.

### **Financial Responsibility**

We expect our suppliers to always comply with applicable national laws for proper accounting and financial reporting. This includes that suppliers document their business transactions, assets and liabilities in accordance with legal requirements in the manner specified. Suppliers shall refrain from any form of accounting manipulation.

### **Export control and sanctions**

Our suppliers comply with all applicable customs and foreign trade laws, current economic sanctions, embargoes and other regulations

affecting the transportation of goods, technologies, services and information, as well as combating the financing of terrorism. In addition, suppliers shall take reasonable steps to ensure that transactions with third parties do not violate applicable customs and foreign trade laws.

### **Intellectual Property**

We expect that the services of our suppliers correspond to the respective state of the art and do not infringe the rights of third parties (IPO). To meet this requirement, suppliers shall at all times observe existing intellectual property rights and undertake to take appropriate measures to identify plagiarism and other counterfeit products and materials and to prevent their distribution.

### **Subcontractors**

We expect our suppliers to pass on all the principles and requirements described here to their subcontractors and suppliers to an appropriate extent.

## **D – Verification and Compliance**

### **Compliance with the EDAG Supplier Code of Conduct and legal consequences**

EDAG may, in agreement with the supplier, verify the supplier's compliance with the principles and requirements of this EDAG Supplier Code of Conduct by means of its own audits on site or by a third party commissioned by EDAG.

Any infringement of the principles and requirements stated in the EDAG Supplier Code of Conduct will be regarded as a significant impairment of the contractual relationship on the part of the supplier.

In the event of non-compliance with the principles and requirements of this Code of Conduct, EDAG reserves the right to take appropriate legal action, up to and including termination of the business relationship. This applies if suppliers demonstrably

fail to comply with the EDAG Supplier Code of Conduct or, despite being requested to do so, fail to take the necessary measures to prevent future violations.

## **E – Violations and Reporting Channels**

To protect EDAG, its employees and business partners, it is important that possible violations of applicable law or other breaches of duty are identified at an early stage and remedied as quickly as possible.

We therefore expect our suppliers to report suspected or identified breaches of duty and violations of this Code of Conduct and other laws without delay.

Our electronic whistleblowing system is available to our suppliers and other business partners at the following link for concrete information on potential misconduct by EDAG employees or employees of the supplier:

**<https://edag.integrityline.org/>**

Via this web-based whistleblowing system not only employees of the EDAG Group but also external parties or members of affected groups have the possibility at any time to report violations of law and to contact EDAG confidentially and securely via a secure mailbox. If desired, these reports can also be made anonymously.

In addition, our suppliers can contact the compliance officer at EDAG directly via the following reporting channels:

**[compliance@edag.com](mailto:compliance@edag.com); +49 (0) 611/ 7375202**

---

**Supplier Declaration:**

1. The supplier has received this "EDAG Supplier Code of Conduct"
2. The supplier hereby undertakes to comply with and acknowledge all principles and regulations of the EDAG Supplier Code of Conduct.

Place, Date\_\_\_\_\_

\_\_\_\_\_  
Supplier (Company name)

\_\_\_\_\_  
Signature Supplier