



## SUPPLIER CODE OF CONDUCT

### 1. Introduction

This document is intended to support the implementation of ASCORIUM GmbH's and its affiliated undertakings' (hereinafter "ASCORIUM") vision regarding the social, ethical and environmental responsibility of Suppliers. It establishes the requirements for ensuring that working conditions in the supply chain are safe, that workers are treated with respect and dignity and that business operations are environmentally responsible and conducted ethically.

### 2. Social responsibility

Social responsibility towards employees and other potentially affected parties is extremely important to Ascorium. Suppliers shall ensure that they do not commit and are not involved in any human rights violations. Ascorium rejects any threatening and defaming of people who advocate for the protection of human rights at the supplier and address human rights violations (human rights defenders), and it also expects its suppliers to guarantee their protection where necessary. Therefore, Ascorium expects suppliers to observe the principles and rights set forth in the guidelines of the UN Initiative 'Global Compact' and the 'ILO Declaration on Fundamental Principles and Rights at Work and its Follow-up' and to align their due diligence process with the requirements of the 'Guiding Principles on Business and Human Rights' by the United Nations. This also includes the prohibition of an act or omission in breach of duty which would impair a protected legal position in a particularly serious manner and the unlawfulness of which is evident.

The supplier therefore shall comply, as a minimum, with the following requirements:

- establishment of a competent body for social sustainability
- establishment of a competent body to monitor sustainability risk management
- establishment of a policy on working conditions and human rights that contains, as a minimum, the following topics: prohibition of child labour; young workers; wages and benefits; working hours; prohibition of modern slavery; freedom of association and collective bargaining; non-discrimination and harassment; women's rights; diversity, equity, and inclusion; land, forest, and water rights and forced eviction
- training for employees on this policy

#### **Prohibition of Child labour (GC 5)**

Suppliers shall not engage in or use child labour or employ anyone below the legal age of employment. This means that no person may be employed who is younger than the age for completing compulsory education or younger than 15 or any higher age as imposed by local law. The minimum age for hazardous work is 18 years.

#### **Prohibition of Forced and compulsory labour (GC 4)**

Suppliers shall not engage in or support the use of any form of forced or involuntary labour. Employees shall not be required to work involuntarily, under threat of penalty or other, nor under the obligation to deposit (money or original documents such as passports or education certificates) prior to commencing employment with the company.

#### **The right to Health and Safety at the workplace (SA 8000)**

Suppliers shall provide a safe and healthy working environment and take adequate steps to prevent accidents and illnesses resulting from workplace conditions by minimizing the causes of hazards inherent to the working environment. Personnel must receive regular safety and health training. Facilities for employees should be such that an individual's dignity and hygiene are safeguarded. The supplier shall comply with all national and international standards and laws on occupational safety (in particular safety at work, health protection, working hours) that apply to its location of business. Upon Ascorium's request, the supplier shall

- introduce and operate an effective, certified occupational safety management system according to ISO 45001 (or similar) and provide evidence of this by way of a corresponding certificate, and



- provide evidence of a health and safety policy.

The supplier shall organize working hours (overtime and maximum working hours, rest periods, work schedules, maternity / parental leave, sick leave, leave for family reasons, paid overtime) in such a way that occupational accidents due to physical and mental fatigue are avoided and the health of employees is maintained (ILO 1, ILO 14). This principle also encompasses temporary agency work, the secondment of employees, and outsourced work.

The supplier shall observe the prohibition on harassment, abuse, and punishment with any form of violence at work. In particular, the supplier shall comply with the ban on hiring or using private or public security forces to protect a business project if, due to a lack of instruction or control on the part of the company, the prohibition of torture and cruel, inhuman, or degrading treatment is disregarded during the deployment of security forces, or if life and limb are injured in any other way.

#### **Freedom of Association and the Right to Collective Bargaining (GC 3)**

Suppliers shall respect the right of their workers to form associations and to join trade unions of their choice for the purpose of collective bargaining. No discrimination should be directed against the representatives of the personnel and they shall have access to their members in the workplace. Unions shall 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. The supplier shall exclude the use of security forces to interfere with freedom of association. Ascorium encourages suppliers to promote constructive and transparent dialog between employees, their representatives, and management when handling internal conflicts and grievances relating to working conditions.

#### **Non-Discrimination (GC 6)**

Suppliers shall not discriminate against workers on the basis of race, religion, gender, age, nationality, disability, personal relationship, union membership, sexual orientation, marital status and/or political opinion or in any other way. Suppliers shall ensure that all employees are treated strictly according to their abilities and qualifications in any decision related to hiring, salary, promotion or termination of employment.

#### **Working Hours and Remuneration (SA 8000)**

Suppliers shall comply with applicable laws and industry standards related to working hours. Personnel shall be entitled to at least one day off in every seven-day period. Suppliers shall ensure that wages paid shall always meet at least the legal or industry minimum standards and shall be sufficient to meet basic needs of the personnel.

#### **Right of local communities**

Ascorium respects applicable local, national, international, and traditional rights concerning land, water, and resources. In particular, the rights of indigenous peoples and local communities shall be respected, promoted and protected throughout the supply chain in accordance with the 'UN Declaration on the Rights of Indigenous Peoples'. The supplier undertakes not to participate in land theft. The supplier shall also observe the ban on the unlawful eviction from land, forests, and waters when acquiring, building on, or otherwise using land, forests, and waters that serve as a person's livelihood. Indeed, the supplier shall obtain Free Prior and Informed Consent (FPIC), e.g. as defined by the UN-REDD Programme, from existing land users and shall ensure adequate compensation where land use has been granted to the supplier.



### **3. Ethical responsibility**

#### **Support of and respect for the protection of human rights (GC 1) (GC 2)**

Suppliers must support and respect the protection of human rights. They shall not be complicit in human rights abuses and they shall comply with the principal international ethical guidelines.

#### **Anti-corruption and Anti-competitive behaviour (GC 10)**

Suppliers shall oppose and reject all forms of corruption, including extortion and bribery. Suppliers shall conduct all of their business dealings in line with all applicable competition laws and regulations. Suppliers shall confirm their commitment to fair competition and agree not to enter into discussions or agreements with competitors concerning pricing, market sharing or other similar activities.

### **4. Environmental responsibility**

#### **Environmental responsibility (GC 8)**

Suppliers must commit to developing an environmental policy which ideally utilizes an environment management system which ensures (i) proper monitoring of broad and necessary indicators and (ii) continuous improvement of their environmental performance. In any case, Suppliers shall comply with applicable laws, regulations and contract requirements.

#### **Operational and Product environmental performance (GC 7) (GC 9)**

Suppliers must ensure that they conduct their business in such a manner that their resource consumption (in particular materials, energy and water) and environmental impact (in particular with respect to waste, wastewater, air pollution and noise) is continuously minimised. When developing products and services, suppliers shall minimise the negative environmental effects that the products and services may have when being manufactured, distributed and used, including their disposal. Suppliers are encouraged to develop and promote environmentally friendly technologies in design, products and processes. Accordingly, upon the request of Ascorium, the supplier shall introduce and operate an environmental management system preferably according to ISO 14001 or the Eco-Management and Audit Scheme (EMAS), and shall verify that it has done so by presenting a corresponding certificate. The supplier shall appoint a competent body for environmental sustainability and create a policy on environment and train its employees accordingly.

#### **Decarbonization**

Ascorium is committed to the Paris Agreement (COP 21) and has set a CO<sub>2</sub> reduction target throughout its entire product life cycle.

As part of the nomination process, the supplier undertakes to implement measures to reduce its direct and indirect CO<sub>2</sub>e emissions (including in its upstream value chain). This includes, for example, the use of green electricity and the use of secondary materials or biomaterials. The precise requirements will be defined within the inquiry and the nomination process, and will be anchored in the contract, while compliance is reviewed annually. Compliance with the requirements concerning CO<sub>2</sub> emissions reduction is a decisive criterion for Ascorium in the process of selecting our suppliers.

Ascorium expect their suppliers to ensure transparency with regard to their own emissions as well as those of the upstream supply chains (e.g. by using life cycle assessments (LCA)), and to set reduction targets, including targets that apply to their supply chain.



### **Resource Conservation and Circular Economy**

In the fight against climate change, Ascorium is turning to new, innovative, and resource-saving materials and methods. Ascorium therefore expects its suppliers to refrain waste and ensure responsible handling of resources such as water, energy, resources, and materials. Ascorium also expects suppliers to qualify their own n-tier supply chains with regard to the provision of secured secondary raw material sources, and to evaluate that secondary raw materials are used to the greatest extent possible. This also includes establishing closed loops for returning recyclable materials into the supplier's own supply chain.

Ascorium give preference to suppliers who help us to drive forward the use of recyclable materials and are committed to initiatives for growing the circular economy themselves.

### **Protection of Biodiversity**

Ascorium is committed to halting deforestation and the conversion of natural ecosystems in supply chains. We expect our suppliers to protect natural ecosystems and not to contribute to the changing, deforestation, or damage of natural woodland and other natural ecosystems. Where applicable, the guidelines of the High Conservation Value Resource Network (HCV) and the High Carbon Stock Approach (HCSA) are to be applied.

Ascorium gives preference to suppliers that are committed to the principles of certified, sustainable agriculture and forestry in their land and forest use.

Scientific research on the ecological consequences of deep-sea mining is not yet sufficiently comprehensive to enable an evaluation of the environmental risks at the present time. As long as it cannot be ensured that the protection of the marine ecosystem is guaranteed, we exclude the use of deep-sea raw materials for our products (in accordance with the precautionary principle) and expect our suppliers and their supply chains to do the same.

### **Handling Hazardous Materials and Waste**

Ascorium is aware of the risks to those involved in the use of hazardous materials, chemicals, and substances, and fulfils its responsibility to prevent, minimize, or end these risks. We therefore expect suppliers to adopt new processes that not only secure the supply of parts and components, but also address the environment as well as health and safety concerns. For this reason, suppliers shall label these materials in accordance with the applicable regulations and shall guarantee that they are handled, transported, and stored safely. They shall also ensure that such materials are reused, recycled, or disposed of properly.

### **5. Conflict Minerals**

Ascorium expects from their suppliers, where relevant, to define a policy which promotes a sustainable conflict minerals management. When suppliers are supplying products which contain 'conflict minerals' to Ascorium, they need to communicate on the sources of such minerals, by using the most recent version of the CMRT (Conflict Minerals Reporting Template).

### **6 Implementation of Corporate Due Diligence**

For Ascorium, the commitment of its suppliers to meet their social and environmental responsibilities is an indispensable prerequisite for any business relationship. Accordingly, the supplier shall align its business and procurement activities with these principles and address them appropriately along its supply chain. The supplier shall publish a (group) sustainability report according to existing regulations. We expect that the supplier has established or is implementing a due diligence process with appropriate measures to ensure that its suppliers and subcontractors, in turn, also comply with the standards and rules set out in this document. To promote the implementation of this Supplier Code of Conduct, Ascorium expects the supplier to take the following action :



Risk management : Ascorium expect the supplier to implement an appropriate and effective management system for corporate due diligence toward people and the environment in its organization as well as with its direct suppliers. This includes but is not limited to contractual agreements, a supplier policy for sustainable procurement, and audits.

The supplier shall pass on sustainability requirements in accordance with this Supplier Code of Conduct to its suppliers, covering at least the following topics : Prohibition of child labour; young workers; wages and benefits; working hours; prohibition of modern slavery; freedom of association and collective bargaining; non-discrimination and harassment; women's rights; diversity, equity, and inclusion; rights of minorities and indigenous peoples; land, forest, and water rights and forced eviction; health and safety; anti-corruption and anti-money laundering; data protection and data security; financial responsibility; disclosure of information; fair competition and anti-trust; conflicts of interest; counterfeit parts; Product conformity and product safety<sup>6</sup>; intellectual property; export controls and economic sanctions; whistleblowing and protection against retaliation; GHG emissions reporting; energy efficiency; renewable energy; water quality, consumption & management; air quality; responsible chemical management; sustainable resources management; waste reduction; biodiversity, land use and deforestation; soil quality.

## **7. General requirements**

ASCORIUM expects Suppliers to be in accordance with the requirements of the ASCORIUM Supplier Sustainability Requirements. When subcontractors are involved in the production of products or services for ASCORIUM, it is the responsibility of the Supplier to ensure that all subcontractors throughout the entire supply chain comply with these requirements. If requested, the Supplier shall inform ASCORIUM which subcontractors they use.

Suppliers must, in all of their activities, follow the national laws and regulations applicable to their operations and employment practices in the countries in which they operate.

In addition to the requirements listed above, additional HSE and/or sustainability requirements can be imposed within the framework of specific projects and/or as required by specific customers (e.g. as highlighted in their Terms and Conditions for Purchase). When this is the case, this will be clearly highlighted at the start of the project.

## **8. Compliance and follow-up**

Suppliers shall maintain adequate documentation to demonstrate their compliance with the above-mentioned requirements or demonstrate their commitment to comply with these requirements by establishing an action plan with activities.

ASCORIUM will verify compliance with these requirements by means of self-assessment questionnaire and audits.

Compliance or the presence of an action plan to reach compliance to these requirements is mandatory to be an Approved ASCORIUM Supplier.

As a condition of doing business with ASCORIUM, Suppliers and their subcontractors must authorize ASCORIUM and its representatives (including third parties) to perform audits both on-site and off-site.

### **United Nations Global Compact (GC 1—10)**

<https://www.unglobalcompact.org/what-is-gc/mission/principles>

### **SA 8000 (Health and Safety – pages 9 and 10)**

[http://sa-intl.org/\\_data/n\\_0001/resources/live/SA8000%20Standard%202014.pdf](http://sa-intl.org/_data/n_0001/resources/live/SA8000%20Standard%202014.pdf)

**ILO Declaration on Fundamental Principles and Rights at Work** and its Follow-up adopted by the International Labour Conference at its Eighty-sixth Session, Geneva, 18. June 1998 (ILO core labor standards)

[https://www.ilo.org/wcmsp5/groups/public/---europe/---ro-geneva/---ilo-berlin/documents/normativeinstrument/wcms\\_193727.pdf](https://www.ilo.org/wcmsp5/groups/public/---europe/---ro-geneva/---ilo-berlin/documents/normativeinstrument/wcms_193727.pdf)

### **UN Declaration on the Rights of Indigenous Peoples**

[https://www.un.org/development/desa/indigenouspeoples/wp-content/uploads/sites/19/2018/11/UNDRIP\\_E\\_web.pdf](https://www.un.org/development/desa/indigenouspeoples/wp-content/uploads/sites/19/2018/11/UNDRIP_E_web.pdf)



**UN-REDD Programme**

<https://www.un-redd.org/>

**Eco-Management and Audit Scheme (EMAS)**

<https://ec.europa.eu/environment/emas/>

**Paris Agreement (COP 21)**

<https://unfccc.int/process-and-meetings/the-paris-agreement/the-paris-agreement>

**High Carbon Stock Approach (HCSA)**

<https://highcarbonstock.org/>

**High Conservation Value Resource Network (HCV)**

<https://hcvnetwork.org>