



SUPPLIER CODE OF CONDUCT

Our rules of conduct for lawful and responsible behaviour



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Contents

Preamble	3
Requirements for the suppliers	4
1. Lawful Business Conduct	4
2. Social Responsibility and Protection of Human Rights	6
3. Environmental Responsibility	8
4. Responsible procurement of raw materials from conflict-affected and high-risk areas	10
Supply Chain Requirements	10
1. Risk management	10
2. Creation and application of management systems	10
3. Further development and training	11
4. Duty to cooperate	11
5. Notification mechanism and legal consequences in case of violations	11

PREAMBLE

GRAMMER Group (hereinafter "GRAMMER") is committed to socially responsible and ecological corporate governance. In doing so, GRAMMER acts in accordance with all relevant laws and regulations as well as Group-wide corporate guidelines.

We strive to continuously optimize our business activities and our products in terms of sustainability and ask our suppliers and business partners (hereinafter collectively referred to as "suppliers") to contribute accordingly. We expect them to identify with the principles and requirements of this Code of Conduct and to take all necessary measures to fulfill them.

The following requirements specify GRAMMER's expectations regarding the attitude and behavior of suppliers in their business activities and form the basis for a successful and responsible business relationship.

We require that all our suppliers integrate and support the requirements and objectives of this Code of Conduct throughout their supply chain.

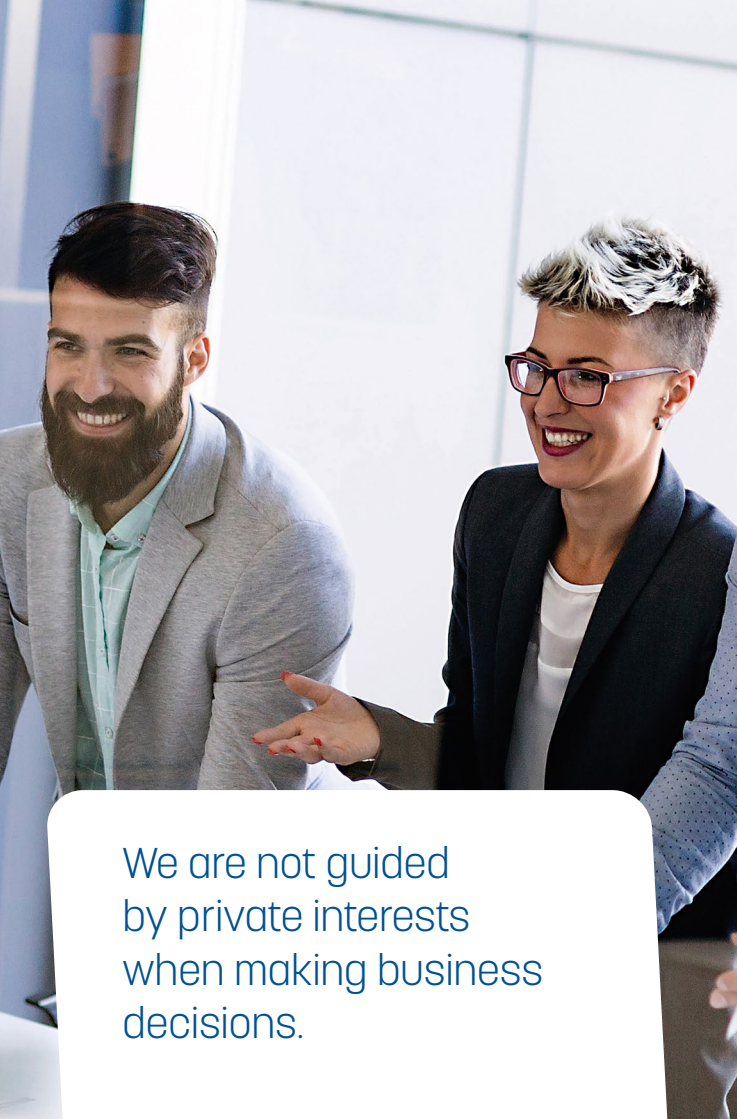
Executive Board of GRAMMER AG



Jens Öhlenschläger



Jurate Keblyte



We are not guided by private interests when making business decisions.

REQUIREMENTS FOR THE SUPPLIERS

1. Lawful Business Conduct

The supplier shall conduct its business in compliance with all applicable laws and regulations.

1.1 Prohibition of corruption, bribery and extortion

The supplier is obligated not to commit or refrain from any acts that could lead to persons employed by the business partner or third parties being prosecuted for corruption, bribery, extortion or embezzlement or similar criminal offenses. Furthermore, we require our suppliers to actively engage in the prevention of corruption and fraud.

1.2 Fair competition and antitrust law

The supplier guarantees compliance with fair and free competition conditions as well as the applicable competition and antitrust regulations. The supplier undertakes not to enter into any unlawful agreements or arrangements with competitors, suppliers, customers or third parties and not to exploit any possible dominant market position. Within the scope of his business, the supplier shall be responsible for ensuring that no competitively sensitive information is exchanged and that no conduct takes place that could inadmissibly restrict or limit competition.

1.3 Avoidance of conflict of interests

When interacting with its business partners, the supplier shall make decisions based solely on factual information and shall not improperly consider any personal interests. Upon request, he is obliged to disclose possible or existing conflict of interests that could affect the business relationship with GRAMMER and to respond appropriately.

1.4 Prohibition of money laundering, compliance with import and export control regulations

The Supplier is responsible for disclosing all relevant financial information, including required taxes, fees and licence fees, related to its business activities in accordance with applicable national and international regulations.

The supplier is obliged to comply with the legal obligations for the prevention of money laundering and financing of terrorism within the scope of the respective applicable legal provisions and to neither directly nor indirectly promote these.

The supplier shall comply with all applicable laws regarding the import and export of goods, services and information. He shall ensure that he complies with all national and supranational economic sanctions and trade embargos applicable to his business and the business relationship with GRAMMER.

1.5 Data protection, data and information security

The supplier shall comply with all data protection and data security laws and regulations and ensure responsible and transparent handling of data. In order to ensure the security of information and the protection of personal data of employees, suppliers, customers and business partners against unauthorized access by third parties, the supplier shall take appropriate measures in accordance with the current state of the art.

1.6 Protection of intellectual property

The Supplier shall comply with all applicable laws for the protection of intellectual property along the entire supply chain. This applies in particular to intangible property of GRAMMER, which must be protected against loss, theft or misuse.

1.7 Product integrity

GRAMMER attaches great importance to the quality of its products and compliance with all product safety requirements as well as technical regulations forms the basis for the cooperation with the suppliers. The supplier has to comply with all legal and technical regulations applicable to the delivery item. Care must be taken to ensure that no counterfeit parts or materials from unauthorized sources are used along the supply chain.

2. Social Responsibility and Protection of Human Rights

The supplier must ensure that there are no potentially negative impacts on human rights in its value chain. If there are such impacts, the supplier must establish human rights due diligence processes in its company within a reasonable period of time and take systematic and appropriate measures to respect human rights on the basis of these processes.

2.1 Prohibition of child labor and protection of young workers

The supplier must ensure that no child labor is tolerated within his company or along his supply chain. The supplier must at least comply with ILO Convention 138 on the minimum age for employment, which must be at least 15 years in accordance with the national law of the supplier's location, as well as ILO Convention 182 on the prohibition of the worst forms of child labor and must verify the age information of employees and applicants. Persons under the age of 18 may not be impaired in their development and education. They must not be engaged in work which, by its nature or circumstances, endangers their safety, health or morals.

2.2 Prohibition of forced labor, modern slavery, human trafficking and unethical recruiting

The supplier undertakes to conduct its business activities in accordance with ILO Conventions 29 on forced labor and 105 on

the abolition of forced labor. In particular, it must be ensured that all employees, including external workers, are free to perform their work and to terminate their employment with reasonable notice. Any form of forced labor, including compulsory labor, debt bondage, human trafficking and any other form of modern slavery, is prohibited. Employees shall not be financially burdened by withholding wages or expenses or charging fees in the hiring process. Supplier shall not restrict the movement of its employees by withholding identification documents or taking other actions against their will. The supplier shall have clear guidelines and processes for hiring, promotion and termination procedures, and shall clearly set out the terms and conditions in writing.

2.3 Freedom of association and the right to collective bargaining

The supplier shall recognize the right of all employees to form and join trade unions and employee representative bodies (ILO Convention 87). Any form of discrimination, retaliation or harassment due to trade union activities is prohibited. The supplier shall respect the right to collective bargaining and the right of trade unions. This right includes the right to strike and the right to collective bargaining (ILO Convention 98).

2.4 Equality and protection against discrimination

The supplier undertakes to treat all employees with dignity and respect in accordance with ILO Conventions 100 on Equal Remuneration and 111 on Discrimination in Employment and

Occupation. The principle of equal pay for work of equal value must be applied regardless of gender. The supplier shall ensure equal opportunities in the workplace and prohibit any form of discrimination based on, for example, ethnic or social origin, color, gender, nationality, language, religion, physical or mental limitations, gender identity, sexual orientation, state of health, age, marital status, pregnancy/parenthood, trade union membership or political opinion, as long as it is based on democratic principles and tolerance towards dissenters.

The Supplier shall develop a culture characterized by equity, inclusion and diversity and shall be open to cooperation with diverse business partners, especially those led by women and minorities.

2.5 Health and safety in the workplace

The supplier is obliged to ensure the safety of its employees at the workplace and to comply with the applicable occupational health and safety and fire protection laws.

The supplier shall ensure that potential safety risks to its employees from machinery, equipment, substances or other chemical, biological or physical agents are identified and controlled. If the risks cannot be adequately controlled, an incident and accident management system should be established. This should include emergency preparedness measures such as appropriate personal protective equipment or access to first aid materials.

2.6 Fair working conditions (remuneration and working hours)

The supplier must ensure that the remuneration of its employees is appropriate and corresponds at least to the legally established minimum wage, which enables them to secure their livelihood. Wages and benefits must be paid in full for work performed and may not be withheld under the law.

The supplier shall regulate working time conditions in order to avoid physical and mental fatigue and to protect the health of the employees. Overtime and maximum working hours (ILO Convention 1 and 30), rest periods (ILO Convention 14), occupational health and safety and working environment (ILO Convention 155), maternity/parental leave (ILO Convention 183), sick leave and leave for family reasons must be taken into account.

2.7 Protection of local communities and indigenous peoples

The supplier undertakes to respect the rights (including land, forest and water rights) of local communities and indigenous peoples who may be affected by its business activities (ILO Convention 169). In doing so, the supplier must consider the local impacts of its business activities and take appropriate measures to avoid potential adverse impacts on the health, safety and livelihoods of local communities and indigenous peoples. The supplier shall not force or contribute to the eviction of local communities and indigenous peoples.

2.8 Use of security forces

If the supplier engages private or public security forces to protect its operations, it must ensure that they respect internationally recognized human rights.

2.9 Protection of human rights defenders

The supplier must oppose all forms of intimidation, threats, defamation and criminalization of human rights defenders when potential risks to them arise in connection with value-added processes of products or services.

3. Environmental Responsibility

GRAMMER understands ecological responsibility as the protection of limited natural resources. For this reason, responsible, efficient and sustainable resource management is of great importance. It is required that the supplier complies with all national and international environmental standards and laws relevant to its business operations.

GRAMMER expects its suppliers to avoid harmful effects on soil, bodies of water, water or air quality. Furthermore, the supplier shall continuously work to minimize the environmental impacts (for example noise emissions) and to improve environmental protection within its own sphere of influence.

3.1 Climate protection

The supplier shall define an appropriate reduction plan for its greenhouse gas emissions (Scope 1, 2 and 3) along its entire supply chain and shall take decarbonization measures to comply with the targets of the Paris Climate Agreement. The supplier shall report on his greenhouse gas emissions including results, also on product level, and progress upon request by GRAMMER.

3.2 Resource conservation and circular economy, energy efficiency

The supplier shall use natural resources such as water and technical resources such as production raw materials and energy consciously and sparingly. Efficient and technologically innovative solutions shall be used for this purpose.

The supplier shall, if available and taking into account the qualitative and technical requirements, consider the use of secondary, bio-based and renewable materials. Environmental due diligence is required when using new materials, including identifying risks regarding potential undesirable effects on the environment and human rights.

The supplier shall monitor and reduce energy consumption, increase energy efficiency, and promote the use of renewable and alternative energy sources.

3.3 Protection of biodiversity and animal welfare

The supplier shall ensure that its business activities do not contribute to or benefit from the illegal conversion of natural ecosystems, including illegal deforestation that converts natural forests into working land. Supplier shall take reasonable care measures to support the long-term protection of these ecosystems, including the protection of biodiversity and threatened wildlife habitat. The supplier shall support and promote the ethical and appropriate treatment of animals.

3.4 Handling hazardous materials and waste

The supplier is obliged to establish an appropriate management for the identification and labelling of chemicals and other hazardous substances. In doing so, the supplier shall ensure that it complies with the provisions of the international Minamata Convention (mercury), Stockholm Convention (persistent organic pollutants) and Basel Convention (hazardous waste). Furthermore, the supplier shall comply with all applicable laws and regulations regarding hazardous materials, chemicals and substances.

The supplier shall establish appropriate waste management systems and procedures to classify, collect, store, condition and dispose of hazardous waste. The supplier should follow the principle of Reduce, Reuse and Recycle. The supplier must also ensure that no waste is disposed of illegally.

3.5 Handling water

The supplier shall take appropriate and reasonable measures to minimize water consumption. The right to water shall be respected and shall not be impaired.

The supplier must check the environmental compatibility of discharges and soil impairments in order to prevent contamination of surface or ground water. In doing so, the supplier must take suitable organizational and technical measures to ensure that his product procurement and manufacturing processes do not cause any risk to fresh water or seawater.

4. Responsible procurement of raw materials from conflict-affected and high-risk areas

GRAMMER is committed to a responsible supply chain. The goal is that all products and materials are free of so-called conflict minerals (tin, tantalum, tungsten, their ores and gold from conflict-affected and high-risk areas), which contribute to the direct or indirect financing of armed groups, forced labor and other human rights violations. Suppliers shall source any minerals from conflict-affected and high-risk areas – particularly tantalum, tin, tungsten and gold – only from audited, conflict-free smelters and refiners. If goods and materials contain conflict minerals, the supplier is obliged to provide transparency about the entire supply chain including industrial processors upon request by GRAMMER.

As proof, suppliers have to provide a Conflict Minerals Reporting Template (CMRT), an Extended Minerals Reporting Template (EMRT) and if relevant a Cobalt Reporting Template (CRT) upon request of GRAMMER.

SUPPLY CHAIN REQUIREMENTS

We expect our suppliers to identify with the principles and requirements of this Code of Conduct and to take all necessary measures to comply with them. Suppliers shall contractually obligate their subcontractors to comply with the standards and regulations set out in this document. If local legislation imposes specific or stricter requirements, these shall apply; in such cases, this Code of Conduct shall apply in addition.

1. Risk management

The supplier shall reasonably ensure that it performs its due diligence to identify, prevent, mitigate and address risks to the environment, resources and people. The supplier shall consider the impacts of its own operations and supply chain, paying particular attention to those areas where it has the highest risk of causing harm.

2. Creation and application of management systems

The supplier should establish and maintain appropriate and suitable management systems that are adapted to the size, complexity and risk environment of its business activities. Such a management system should be regularly reviewed, monitored, improved and, where possible, certified by third parties.

Suppliers with production sites with more than 100 employees should have certification for these sites in accordance with the international standard for environmental management systems ISO 14001 or the EMAS regulation of the European Union. Suppliers with production sites with more than 1,000 employees should also obtain certification for these sites in accordance with the international standard for energy management systems ISO 50001 and for occupational health and safety management systems ISO 45001 or a comparable standard.

3. Further development and training

GRAMMER recognizes that the implementation of the duties of care described in this Code of Conduct is an ongoing process and prefers suppliers who exceed and continuously improve the requirements set out in this Code of Conduct.

The supplier has to ensure by appropriate training measures that its employees are familiar with the requirements of this Code of Conduct and observe them.

4. Duty to cooperate

GRAMMER recognizes that the implementation of the duties of care described in this Code of Conduct is an ongoing process and prefers suppliers who exceed and continuously improve the requirements set out in this Code of Conduct.

GRAMMER uses standardized systems and processes to verify compliance with the regulations set out in this Code of Conduct. The supplier is obliged to annually deposit his relevant company data in the e-procurement platform truthfully and completely.

Furthermore, the supplier is obliged to answer truthfully and completely self-disclosure questionnaires provided by GRAMMER, which contain requirements relevant to the procurement.

5. Notification mechanism and legal consequences in case of violations

GRAMMER follows up on reported indications of possible misconduct. It is possible to report indications of violations of this Code of Conduct via the whistleblower system of GRAMMER at <https://grammer.integrityline.com>. The supplier should establish a comparable reporting possibility in its own business area and in its supply chain.

A violation of this Code of Conduct entitles GRAMMER to take appropriate measures to prevent or stop the violation or to minimize the extent of the violation. In particular, GRAMMER reserves the right to terminate the business relationship in case of a serious or repeated violation of this Code of Conduct. Such steps may be waived, if applicable, if the supplier credibly assures and can prove that it has immediately taken all reasonable measures to prevent or terminate this violation or to minimize the extent of the violation.

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