



Code of Conduct for Suppliers

Contents

1	Introduction.....	2
2	Scope of the agreement.....	2
3	Human rights and labour.....	3
3.1	Safeguarding and supporting human rights.....	3
3.2	No forced or compulsory labour.....	3
3.3	No child labour.....	3
3.4	Freedom of association and collective bargaining.....	3
3.5	No discrimination.....	4
3.6	Decent pay and working hours.....	4
3.7	Decent treatment and disciplinary measures.....	4
3.8	Conditions of employment.....	4
4	Health and safety in the workplace.....	5
4.1	Occupational health and safety.....	5
4.2	Emergency stand-by.....	5
4.3	Preventing work-related accidents and occupational illnesses.....	5
4.4	Physically strenuous work.....	5
4.5	Hygiene in the workplace.....	6
5	Environment.....	6
5.1	General requirements.....	6
5.2	Hazardous substances and chemicals.....	6
5.3	Waste water and solid waste.....	6
5.4	Air emissions.....	6
5.5	Minimisation of waste and maximisation of recycling.....	6
6	Ethics.....	7
6.1	Business integrity.....	7
6.2	Intellectual property and trade secrets.....	7
6.3	Whistleblower protection.....	7
6.4	Fair business practices, advertising and competition.....	7
6.5	Minerals from conflict zones.....	7
7	Compliance by third parties.....	8
8	Violations and consequences thereof.....	8
9	Monitoring.....	8



Code of Conduct for Suppliers

1 Introduction

MUEGGE Group – Code of Conduct for Suppliers

At MUEGGE Group, we aim to exceed our customers' expectations by providing an outstanding customer service and innovative products. At the same time, we strive to do business in accordance with applicable laws and ethical business practices, while upholding human rights and complying with health, labour and environmental regulations. In each of these areas, our values are aligned with the Ten Principles of the UN Global Compact ("UNGC"), the UN Guiding Principles on Business and Human Rights ("UNGP") and the International Labour Organisation's ("ILO") Declaration on Fundamental Principles and Rights at Work.

Any person involved in activities associated with MUEGGE Group is required to adopt and implement the aforementioned principles of sound business ethics and compliance pursuant to national laws.

Against this background, this Code of Conduct for Suppliers sets out what all MUEGGE Group suppliers are required to observe in terms of management practices and ethics, health, safety and environmental protection, and in particular with regard to workers' and human rights.

We require all suppliers to confirm this agreement and to commit to these standards and comply with them going forward.

It is our position that if suppliers choose not to confirm this agreement, it suggests that they are not in full compliance with its terms and therefore cannot be considered now or in the future for any business-related dealings with MUEGGE Group.

2 Scope of the agreement

By confirming this agreement, the supplier agrees to the following:

1. The standards set out in this agreement are applied consistently throughout its organisation irrespective of the nature of the employment relationship (i.e. full-time, part-time, fixed-term, etc.);
2. The supplier undertakes to raise awareness of the principles set out in this document among its own suppliers;
3. The supplier does not intentionally circumvent this document by outsourcing or subcontracting; and
4. The supplier will report any suspicions of violations of this agreement by its own employees or by employees of MUEGGE Group to MUEGGE Group's Compliance team without delay.

To report suspicious incidents, suppliers or their employees can write to the following e-mail contact address: compliance@muegge.de



MUEGGE GROUP

Code of Conduct for Suppliers



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If the person reporting suspicions wishes to remain anonymous, they can report actual or suspected misconduct involving MUEGGE Group via the whistle-blower system. The whistle-blower system can be found at:

www.muegge.de/whistleblower

3 Human rights and labour

3.1 Safeguarding and supporting human rights

MUEGGE Group is aware of its corporate social responsibility to protect fundamental human rights and aims to ensure that all people involved in its supply chain are treated fairly and equitably.

For this reason, all suppliers are required to observe and support human rights and confirm that they are not complicit in any human rights abuses.

3.2 No forced or compulsory labour

MUEGGE Group does not tolerate any form of forced labour among its suppliers. Any person working for our suppliers is required to have chosen to do so of their own free will. All forms of slave, forced, bonded or prison labour are prohibited. Employees' personal freedom of movement must not be restricted.

3.3 No child labour

Child labour, as defined by the International Labour Organisation ("ILO") and outlined in the UN Convention on the Rights of the Child ("CRC") and in respective national laws, is prohibited and will not be tolerated. All suppliers must comply with the provisions of ILO Conventions No. 138 and No. 182.

Therefore, suppliers are not permitted to employ the following:

- a. **Children under the age of 15 (or 14 if permitted by national law under ILO Convention 138 Articles 2, 7 and 10);**
- b. **Children under the minimum age of employment permitted by the law of the respective country or under the age at which compulsory education ends in that country, whichever is higher; or**
- c. **Persons under the age of 18 to carry out work which, by its nature or the circumstances in which it is carried out, is likely to be harmful to their health, safety or morals.**

3.4 Freedom of association and collective bargaining

Any person employed or engaged by our suppliers has the right to form or join a "labour organisation" (or trade union) of their choice to bargain collectively and represent their interests. Where national laws restrict this right, all workers should be given the right to form representative bodies to promote their collective interests and engage in direct dialogue with their employers.



Code of Conduct for Suppliers

3.5 No discrimination

Suppliers are required to foster equal opportunities, fairness and diversity. All persons employed or engaged by our suppliers must be treated equally. We do not tolerate discrimination on the grounds of gender, religious beliefs, age, race, social background, caste, nationality, ethnicity, country of origin, membership of a labour organisation, disability, sexual or political orientation or any other personal attributes.

3.6 Decent pay and working hours

MUEGGE Group requires its suppliers to ensure that wages are paid in the legal tender, at regular intervals and directly to the employees concerned.

Every person employed or engaged by our suppliers must be fully and clearly informed of what makes up their pay. Deductions from wages are permitted only under the provisions of and to the extent provided for by applicable law, regulations or collective agreement. Suppliers should inform workers affected by such deductions when each payment is made.

Wages, working hours and other working conditions that suppliers offer should generally be comparable to working conditions that apply locally to work that is comparable in terms of the industry or market in question and to the qualifications of the workers in the area in which it is carried out, i.e. as contained in:

- a. Collective agreements covering a significant percentage of workers;
- b. Arbitration awards or
- c. Applicable laws or regulations.

3.7 Decent treatment and disciplinary measures

Suppliers may not subject their workers to inhumane behaviour such as sexual harassment, sexual abuse, corporal punishment, psychological or physical coercion or verbal assault, nor the threat thereof.

3.8 Conditions of employment

MUEGGE Group requires its suppliers to record the terms and conditions of employment agreed with their employees (e.g. salary, holidays, working hours) in an official document such as an employment contract or recruitment letter. This document must be written in the respective employee's native language.

In addition, suppliers are not permitted to confiscate their employees' passports and other important documents. Should an employee be required to pay a recruitment fee, this fee may not exceed the employee's monthly salary.



4 Health and safety in the workplace

4.1 Occupational health and safety

MUEGGE Group requires its suppliers to make employee safety a priority at all times. The workplace may not pose a hazard to employees' health and safety; employees should always work in a safe working environment. MUEGGE Group therefore requires its suppliers to ensure that:

- a. work stations, machinery, equipment and processes under their control are safe and devoid of health hazards;
- b. chemical, physical and biological substances and agents under their control are devoid of health hazards; and
- c. adequate protective clothing and equipment is provided where necessary to prevent, as far as possible, the risk of accidents or damage to health.

Health and safety procedures are to be adopted to prevent accidents and injuries at work or arising from the use of company facilities. These safety measures and procedures must be communicated to workers and workers must have enough opportunities to be fully trained in applying them effectively.

4.2 Emergency stand-by

MUEGGE Group requires its suppliers to identify and assess potential emergency situations and incidents. The potential impact of such events must be minimised by implementing contingency plans and emergency response procedures.

This includes, among others:

- a. Reporting emergencies;
- b. Alerting staff and evacuation measures;
- c. Training and emergency drills for staff;
- d. Adequate fire detection and extinguishing systems; and
- e. Adequate escape routes and evacuation plans.

4.3 Preventing work-related accidents and occupational illnesses

MUEGGE Group requires its suppliers to implement procedures and systems to prevent, manage, track and report work-related accidents and occupational illnesses. These systems help to encourage workers to report accidents, classify and record accidents and illnesses, provide necessary medical care and investigate incidents. This information can be used to take remedial action to eliminate the causes.

4.4 Physically strenuous work

MUEGGE Group requires its suppliers to identify, assess and monitor the risk to their workers from physically strenuous activities. This includes manually transporting materials, heavy or repetitive lifting, standing for long periods and highly repetitive or intensive assembly work.



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Code of Conduct for Suppliers



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4.5 Hygiene in the workplace

MUEGGE Group requires its suppliers to identify, evaluate and monitor their workers' exposure to chemical, biological or physical agents. If overexposure cannot be adequately monitored by means of technical or administrative controls, the health of workers must be protected by adequate personal protective equipment.

5 Environment

5.1 General requirements

MUEGGE Group requires its suppliers to adopt an effective environmental policy, to have obtained all necessary environmental permits and to keep them up to date, and to comply with existing local laws and regulations on the protection of the environment.

5.2 Hazardous substances and chemicals

MUEGGE Group requires its suppliers to identify and monitor chemicals and other substances that pose a risk to the environment and to ensure their safe handling, transport, storage, reprocessing/reuse and disposal.

5.3 Waste water and solid waste

Should suppliers discharge or dispose of solid waste or waste water from operations, industrial processes and sanitary facilities directly into their surroundings without prior treatment by a third party, MUEGGE Group requires its suppliers to classify, monitor, inspect and treat waste water and solid waste prior to discharge/disposal.

5.4 Air emissions

Emissions into the air are to be monitored, checked and subjected to appropriate treatment prior to being released.

5.5 Minimisation of waste and maximisation of recycling

All forms of waste, including water and energy, are to be reduced or prevented, either directly at the point of generation or by means of processes and measures such as the use of alternative materials, conservation, recycling and modifying production and maintenance processes or operations within the company.



MUEGGE GROUP

Code of Conduct for Suppliers



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6 Ethics

6.1 Business integrity

MUEGGE Group requires its suppliers to comply with all applicable anti-corruption laws and in particular to prohibit all forms of bribery, corruption, extortion and embezzlement and to adopt a zero tolerance policy with regard to such practices. Bribes (or any other means of obtaining an unfair advantage) must not be offered or accepted.

6.2 Intellectual property and trade secrets

MUEGGE Group expects its suppliers to respect and protect intellectual property rights and trade secrets. If necessary, the transfer of technology and expertise should be undertaken in a way that protects intellectual property rights and trade secrets.

6.3 Whistle-blower protection

MUEGGE Group expects its suppliers to have hotlines/contacts for whistle-blowers in place so that their staff can report inappropriate behaviour. The supplier must provide ways to report violations that enable the whistle-blower to remain anonymous. The supplier must not penalise or otherwise disadvantage whistle-blowers acting in good faith.

6.4 Fair business practices, advertising and competition

MUEGGE Group requires its suppliers to comply with the standards of fair business practices, advertising and competition. There must be appropriate means in place to protect client information and confidential business information.

6.5 Minerals from conflict zones

MUEGGE Group supports putting an end to violence and human rights abuses in relation to the mining of certain minerals in what is described as a "conflict zone" in eastern Democratic Republic of Congo (DRC) and neighbouring countries. These "conflict materials" currently include the metals tantalum, tin, tungsten and gold, which are the extracts of the minerals cassiterite, columbite-tantalite and wolframite, respectively. If requested to do so by MUEGGE Group, suppliers providing parts containing one or more "conflict materials" and originating from the "conflict zone" must agree to cooperate in due diligence being performed in accordance with the requirements of the Dodd-Frank Act under US federal law.

Code of Conduct for Suppliers

7 Compliance by third parties

Every supplier is obliged to:

- a. extend the aforementioned compliance obligations in an appropriate manner to its employees, subcontractors and the employees of any such subcontractors with whom the supplier works in connection with the provision of goods or services to MUEGGE Group ("third parties"); and
- b. regularly monitor these third parties' compliance with these obligations in a transparent manner.

In the event of a justified suspicion of a violation of the aforementioned requirements by a third party in connection with the business relationship between the supplier and MUEGGE Group, the supplier is obliged to:

- a. notify MUEGGE Group of this suspicion without delay;
- b. provide reasonable assistance to MUEGGE Group in the investigation of the relevant matter - in particular, among other things, by performing audits and/or providing all requested documents; and
- c. cooperate with MUEGGE Group regarding possible consequences in the event of a suspected violation by a third party, in particular with regard to the termination of the contract between the supplier and the respective third party.

8 Violations and consequences thereof

To the extent that MUEGGE Group provides the supplier with facts that could lead to a reasonable and verifiable suspicion of a breach of a term of this agreement, in its defence, the supplier is obliged to provide MUEGGE Group with facts and explanations that would enable the conclusion to be drawn that no violation has occurred ("duty of disclosure"). If the supplier fails to comply with its duty of disclosure in a reasonable manner within a reasonable period of time, MUEGGE Group is entitled to:

- a. terminate existing contracts in writing with immediate effect, provided that a termination of the contract is neither unreasonable nor compelling legal reasons prevent the supplier from fulfilling its duty of disclosure in the individual case;
- b. notwithstanding proof of loss, to claim an indemnity for costs incurred in investigations relating to the suspected violation of this agreement in the amount of the costs determined for such investigations; and
- c. claim compensation for damages.

9 Monitoring

MUEGGE Group reserves the right to monitor compliance with this Code of Conduct for Suppliers. To this end, MUEGGE Group is entitled to request information or confirmation/evidence with regard to compliance with the aforementioned provisions by regularly sending the supplier corresponding questionnaires in which the supplier is asked to provide information on its activities.