

Code of conduct for suppliers

1. Introduction

We, Gretsch Unitas Group, pledge our commitment to responsible and sustainable company management.

We expect our employees to observe the fundamental principles of ecological, social and ethical behaviour. Likewise, we expect our suppliers also to comply with these fundamental principles.

We have set ourselves the goal of continuously optimising our entrepreneurial activity sustainably. We ask you as our supplier to play your part in achieving this goal. By signing this Code of Conduct, you confirm as our supplier that you will comply with internationally recognised standards and support us in our sustainable and responsible approach to company management.

As supplier, you are also required to obligate your subcontractors contractually to comply with the standards and regulations detailed in this document.

The signed Code of Conduct will become part of our supplier agreement. If this Code of Conduct is breached, it may constitute grounds for Gretsch Unitas to terminate business relations, including all supplier contracts.

2. Requirements for suppliers

The basis for the contents and rules of this Code of Conduct are national laws and regulations as well as international agreements such as

- United Nations Universal Declaration of Human Rights
- Guidelines on children's rights and entrepreneurial activity (UN Guiding Principles on Business and Human Rights)
- UN Guiding Principles on Business and Human Rights
- International work standards of the international labour organisation (ILO)

We expect our suppliers to adhere to all relevant laws and regulations and the requirements of this Code of Conduct.

2.1 Social responsibility

2.1.1 Exclusion of forced labour

- Compulsory labour, slave labour or similar work should not be used.
- All work must be performed based on freewill and workers must be able to end the employment relationship at any time.
- There must be no unacceptable treatment of workers, such as psychological cruelty, or sexual and personal harassment.

We are basing these requirements on the ILO conventions 29 and 105.

2.1.2. Prohibition of child labour

- Child labour must not be used in any phase of business activity.
- We ask our suppliers to adhere to the recommendation of the ILO conventions in relation to the minimum employment age of children. These state that children should not be younger than the general compulsory school attendance age, and in any event not below 15 years of age.

We are basing these requirements on the ILO conventions 79, 138, 142 and 182.

2.1.3. Fair remuneration

- Workers must be paid in line with the applicable laws on remuneration. This includes laws on the minimum wage or overtime. If the legal minimum wage does not cover basic living costs of workers, it is the duty of our suppliers to pay an amount which covers their basic needs.
- Penalising workers by making unjustified pay deductions is not permitted.
- The payment basis shall be continuously made known to workers by providing them with a payslip.

We are basing these requirements on the ILO conventions 26 and 131.

2.1.4. Fair working hours

- The working hours must correspond to the applicable laws or industry standards.
- Overtime is only permitted if it is based on freewill and is no more than 12 hours a week.
- In any event, the worker must be granted at least one day off after working six days consecutively.
- The weekly limit of 48 working hours must not be regularly exceeded.

We are basing these requirements on the ILO conventions 1 and 14.

2.1.5. Freedom of association

- The supplier shall respect the right of workers to freedom of association in keeping with the applicable byelaws, to join trade unions, call on the workers representative or to join the works council.
- Workers must be able to communicate openly with company management without fear of reprisals or harassment.

We are basing these requirements on the ILO conventions 87, 98, 135, 154.

2.1.6. Ban on discrimination

- Any form of discrimination against employees is not permitted. Examples of this are disadvantages due to gender, race, caste, skin colour, disability, political conviction, ethnic origin, religion, age, pregnancy or sexual orientation.
- The personal dignity, private life and personal rights of each individual shall be respected.

We are basing these requirements on the ILO conventions 110, 111 and 159.

2.1.7. Land rights

- The supplier shall observe applicable land rights and will refrain from unlawful forced evictions. Suppliers shall desist from the unlawful confiscation of land, forests and bodies of water the use of which secures the basis of existence of the people who live there, especially when acquiring or building on the land.

2.1.8. Health protection; safety at the workplace

- The supplier is responsible for providing a safe healthy working environment.
- Establishing suitable work safety systems and putting these into practice ensures that the necessary preventative measures are in place for averting accidents and damage to health that could occur when performing the activities. Furthermore, workers shall be regularly briefed and receive training in relation to applicable health protection and safety standards and measures.
- It shall be ensured that workers have access to sufficient quantities of potable water and clean sanitary facilities.

We are basing these requirements on the ILO conventions 155 and 164.

2.1.9. Complaint mechanisms

- The supplier is responsible at operational level for setting up an effective complaint mechanism for individuals and communities who could be impacted by negative effects.

2.1.10. Handling of conflict minerals

- The supplier shall establish processes that reflect the guiding principles of the Organisation for Economic Cooperation and Development (OECD) for conflict minerals such as tin, tungsten, tantalum, and other raw materials such as cobalt, in order to comply with its duty of care to promote responsible supply chains for minerals sourced in conflict and high-risk zones, if applicable.
- Melting down and refining when suitable audited due diligence processes are not in place shall be avoided.

2.2. Ecological responsibility

We expect our suppliers to maintain or set up an environmental management system. The environmental management system should ideally correspond to ISO 14001 or EMAS and ISO 50001.

Independently of an environmental management system, we also ask our suppliers to comply with the following environmental aspects.

2.2.1. Treatment and removal of industrial waste water

- Waste water from operating processes, manufacturing processes and sanitary facilities must be typified, monitored, checked and if required, treated prior to discharge or disposal.
- Furthermore, measures should be introduced to reduce the volume of wastewater produced.

2.2.2. Handling of airborne emissions

- General emissions from the operating processes (air and noise emissions) as well as greenhouse gas emissions must be typified, routinely monitored, checked and treated if required prior to release.
- Furthermore, the supplier must monitor its exhaust gas cleaning systems and is also required to find cost-effective solutions for keeping emissions to a minimum.

2.2.3. Handling of waste and hazardous substances

- The supplier shall adopt a systematic approach to identifying, handling, reducing and responsibly disposing of or recycling solid waste.
- Chemicals or other materials which constitute a danger if released into the environment must be identified and handled so they can be transported, stored, used, recycled, reused and disposed of safely.

2.2.4. Reduce consumption of raw materials and naturally-occurring resources

- The use and consumption of resources during production and generation of waste of any kind, including water and energy, shall be reduced or avoided. This shall take place either directly at the source, or by introducing procedures and measures, e.g. modifying the production and maintenance processes or company-internal procedures.

2.2.5. Handling of energy consumption and efficiency

- Energy consumption must be monitored and documented.
- Cost-effective solutions must be found in order to improve energy efficiency and reduce energy consumption.

2.3. Ethical business practise

2.3.1 Fair competition

- The standards of fair business activity, fair advertising and fair competition shall be adhered to.
- Furthermore, the applicable legislation prohibiting restrictive practises in relation to competitors, especially agreements and other activities that influence prices or conditions, must be enforced.
- Furthermore, these regulations prohibit agreements between customers and suppliers which are intended to restrict the freedom of customers to determine their prices and other conditions independently when reselling

2.3.2. Confidentiality/data protection

- The supplier undertakes to meet the reasonable expectations of its business partners and employees in relation to the protection of personal or confidential information. GU company-internal information must be handled confidentially. Company secrets must be observed and only disclosed to the extent required to support the business relationship.
- The supplier shall observe the applicable laws on data protection and information security and the applicable official regulations when recording, saving, processing, transmitting and disclosing personal information.

2.3.3. Intellectual property

- Intellectual property rights shall be respected; technology and know-how must be transferred in such a way that the intellectual property rights and customer information is protected.

2.3.4. Integrity/bribery, accepting an advantage

- All business activities must be based on the highest integrity standards.
- When imposing the ban, the supplier shall pursue a zero-tolerance policy in relation to all forms of bribery, corruption, extortion and embezzlement.
- Procedures for monitoring and implementing the standards must be followed to ensure compliance with anti-corruption laws.
- Conflicts of interest must be prevented and/or revealed and suitable remedial measures defined. Even if they are only apparent, this shall be avoided.

2.3.5. Export inspection and customs

- The applicable export and customs regulations shall be complied with. Sanctions regulations, including bans and restrictions must be observed.

2.3.6. Prevention of money laundering

- The applicable statutory regulations on preventing money laundering activities and any unusual transactions must be checked or reported to the relevant bodies.

3. Implementation of the requirements

We expect our suppliers to identify risks in delivery chains and take appropriate measures. If there is reason to suspect infringements and to safeguard supply chains with higher risks, we ask for the supply chains to be disclosed.

GU can verify compliance with the standards and regulations listed in this document using a self-assessment questionnaire and following coordination with sustainability audits at the production sites of the suppliers.

Where suppliers fail to satisfy these requirements, we reserve the right to take appropriate measures which could ultimately lead to the suspension or termination of the supply relationship.

4. Acknowledgement and consent of the supplier

By signing this document, the supplier undertakes to act responsibly and adhere to the fundamental principles/requirements stated in the document.

The supplier confirms that it effectively communicates the content of this Code of Conduct to its employees, representatives, subcontractors and suppliers and provides assurance that the necessary precautions are correctly implemented.