



# Kandelium Group Supplier Code of Conduct

<b>Supplier Code of Conduct</b> English		<b>Validity for:</b> All candelium companies
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## Management Preface

*Sustainability, innovativeness and growth* are at the heart of Kandelium's goals.

These can only be achieved based on effective compliance- and risk management.

We take requirements of governance-, risk- and compliance management seriously, as this clearly generates multiple benefits for all parts involved and for all stakeholders. To this end, we aim to work together with our suppliers. This Kandelium "Supplier Code of Conduct" is derived from our Kandelium "Code of Conduct", which applies to all Group activities.

The Supplier Code sets out minimum requirements and expectations in terms of legal, economic, ethical and moral aspects of supplier conduct when doing business with Kandelium Group subsidiaries (hereinafter collectively "Kandelium").

We expect our suppliers to comply with all applicable laws and to adhere to internationally recognized human rights, environmental, social and corporate governance laws and standards ("ESG standards"), as set out in particular in international conventions.

These standards apply to all of Kandelium's suppliers and subcontractors and to all other providers of goods and services, regardless of the company's location (collectively, "Suppliers"). We also expect our suppliers to require and implement these standards with their own suppliers and subcontractors.

Kandelium reserves the right to terminate business relationships with suppliers violating these policies and standards.

This Supplier Code of Conduct will be periodically reviewed and updated to ensure it meets any changed requirements in terms of laws, standards and expectations of our stakeholders.

Bad Hönningen, July 15, 2023

Daniel Meyer  
CEO, CCO

Martin Schilcher  
CFO

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CTO



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## 1 ETHICAL AND MORAL BEHAVIOR

We expect all suppliers to maintain the highest standards of lawfulness, honesty and integrity in all business dealings and practices.

This is achieved based on this Kandelium Supplier Code of Conduct and on the overarching Kandelium Group Code of Conduct. Both guidelines are published on the Kandelium website.

## 2 LEGAL COMPLIANCE

Kandelium suppliers and contractors must

- ✓ fully comply with all relevant national, state and/or local laws, guidelines and regulations, both domestic and foreign.
- ✓ behave in a law-abiding and fair manner in competition and respect all applicable competition and antitrust laws.
- ✓ fulfill all public law obligations with regard to each relevant legal matter and agreement in a timely and complete manner.

In particular, each supplier or contractor expressly assures to be fully compliant with all relevant legal requirements regarding minimum wage, income tax, social security, residence permits and work permits with regard to all employees.

Violation of any of the above points may result in immediate termination of the contractual relationship.

## 3 BUSINESS CONTINUITY AND PRODUCT SAFETY

Our suppliers are encouraged to implement effective business and production continuity plans that support Kandelium's business. They must therefore

- ✓ use safety programs to control and maintain their work processes, in accordance with applicable safety standards, adapted to the operating sites and process risks.
- ✓ appropriately communicate, disclose, and control process- and product-inherent risks to ensure that affected or potentially affected third parties are protected.
- ✓ analyze and communicate major incidents in a timely and effective manner.
- ✓ for hazardous equipment and processes, regularly perform specific risk assessments and take measures to prevent incidents such as chemical spills, fires, or explosions.
- ✓ comply with product safety regulations, properly label their products, and communicate product handling requirements.
- ✓ provide parties involved, as required, with the applicable documentation containing all necessary safety-related information on all hazardous substances. This includes product information, safety data sheets, notification and approval confirmations, uses and exposure scenarios.



- ✓ proactively and transparently share information with all parties involved about the health, safety and environmental aspects of their products.
- ✓ analyze product-related issues and their potential consequences at each stage of the manufacturing process.

## 4 QUALITY REQUIREMENTS

Kandelium suppliers must

- ✓ meet generally accepted quality standards or contracted quality requirements to provide goods and services that consistently meet the needs of Kandelium and its customers.
- ✓ promptly address all critical issues that could negatively affect the quality of goods and services.
- ✓ inform about changes in the manufacturing or delivery process if they may have an impact on the specifications of goods delivered or services rendered.
- ✓ ensure adequate safeguards within their supply chains.
- ✓ ensure the integrity of deliveries to Kandelium - from the point of origin to the point of destination.
- ✓ support the investigation and prosecution of activities involving contaminated or counterfeit products.

## 5 SUPPLY CHAIN TRANSPARENCY

We expect our suppliers to

- ✓ provide and ensure full transparency over their supply chains,
- ✓ its own suppliers and subcontractors also comply with this Code of Conduct.



## 6 FAIRNESS, HEALTH, SAFETY AT WORK

Kandelium does not tolerate the use of child labor, forced labor, unsafe and hazardous working conditions and environments, or any conduct that fails to respect human dignity and respect for the individual and all other human rights. Suppliers must

- ✓ provide safe and healthy work environments.
- ✓ implement policies that prohibit the use of illegal weapons, workplace harassment, and the illegal use or possession of alcohol, drugs, and other substances covered by narcotics laws in the workplace.
- ✓ comply with the applicable legal regulations and the regulations on working hours specified by the ILO standards.
- ✓ pay fair compensation on a regular, timely and full basis in accordance with applicable laws and equal pay for work of equal value.
- ✓ offer their employees appropriate training and development opportunities.
- ✓ adequately protect their employees from chemical, biological and physical hazards.
- ✓ provide adequate controls, safe work procedures, appropriate maintenance and the necessary technical protective measures to reduce health and safety risks in the workplace and to prevent accidents and occupational diseases.
- ✓ provide their employees with appropriate protective clothing and safety information on identified workplace hazards or hazardous substances - including components in intermediate products - for training and protection.

## 7 JOB EQUALITY

We expect our suppliers to

- ✓ implement practices in hiring and employment that prevent discrimination on the basis of age, culture and language, disability, ethnicity, gender identity, marital or familial status, national origin, race or color, creed, sex, sexual orientation, or any other characteristic protected by law.
- ✓ make equal treatment of all employees a key principle of corporate policy.
- ✓ create an inclusive and supportive work environment by considering diversity in their employee selection process.



## 8 SUSTAINABILITY AND SOCIAL RESPONSIBILITY

Kandelium expects its suppliers to

- ✓ adhere to business practices that preserve and protect the environment, contribute to the social well-being of the communities in which they do business and operate, and demonstrate accountability and transparency in sustainability performance.
- ✓ use energies, production materials and other resources required in production and service provision as efficiently and sustainably as possible.
- ✓ continuously reduce the generation of climate and environmental pollution from emissions, waste, effluents and noise.
- ✓ ensure safety and compliance in the handling, storage, transportation, disposal, recycling and reuse of waste, waste gas and wastewater.
- ✓ appropriately manage, measure, and control activities that may have a negative impact on human health or the environment.
- ✓ minimize the release of hazardous substances and exercise particular caution with active ingredients.
- ✓ support the use of universally accepted sustainability standards and certifications developed by various societal stakeholders to preserve renewable natural resources.
- ✓ minimize or eliminate negative impacts on the environment and climate caused by suppliers themselves or within their supply chain.
- ✓ commit to the development and use of environmentally and climate-friendly products, processes and technologies.
- ✓ ensure that they do not supply products containing conflict minerals that directly or indirectly finance or benefit armed groups and cause human rights abuses, as described in Annex II of the OECD Due Diligence Guidelines for Promoting Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Countries (OECD DDG).

## 9 INTERNATIONAL TRADE CONTROLS

Suppliers must comply with export control regulations applicable to their business and provide accurate and truthful information about them to customs and other authorities, as required.



## 10 GOVERNANCE AND COMPLIANCE

All Kandelium suppliers

- ✓ consider corporate integrity as the basis for business relationships.
- ✓ implement the principles set out in this Code of Conduct in their upstream supply chain.
- ✓ shall develop, implement, apply and maintain management systems and controls related to the content of this Code of Conduct. They shall have the necessary documentation to demonstrate compliance with the principles of this Code of Conduct. If the parties agree, Kandelium may inspect this documentation.
- ✓ shall implement tools to regularly identify, assess and manage risks in all areas covered by this Supplier Code of Conduct and with reference to all applicable legal requirements.
- ✓ must be aware of and comply with all applicable international, national and local laws and regulations, contractual agreements and internationally recognized standards. Suppliers must also align their practices with generally accepted industry standards, obtain and keep current all applicable permits, certificates, licenses and approvals, and conduct their operations at all times in accordance with the limitations and requirements of the permits
- ✓ prohibit any kind of bribery, corruption and money laundering.
- ✓ prohibit gifts to private individuals or public officials that are intended to influence business decisions or otherwise encourage them to violate their obligations.
- ✓ respect the privacy and confidential information of all your employees and business partners and protect data and intellectual property from misuse.
- ✓ implement an appropriate compliance management system that supports compliance with applicable laws, rules and standards.
- ✓ establish training activities to provide your managers and employees with an appropriate level of knowledge and understanding of the content of this Supplier Code of Conduct, applicable laws and regulations, and recognized standards.
- ✓ establish communication channels for their employees to file complaints or report possible unlawful conduct without fear of repression, intimidation or harassment. Each communication is to be treated confidentially. Suppliers must investigate and take action, as necessary, based on the reports. They must notify Kandelium of any legal action, administrative investigation or criminal prosecution that could affect their operations for Kandelium or harm their own or Kandelium's reputation.
- ✓ must demonstrate commitment to continuous improvement by setting performance goals, executing implementation plans, and taking necessary actions to correct deficiencies identified during internal or external audits, inspections, and management reviews.





## 11 CONFLICTS OF INTEREST

Kandelium suppliers must

- ✓ inform Kandelium of any situation that could result in a conflict of interest - such as when Kandelium employees enjoy professional, personal and/or significant financial benefits or have ownership interests in a supplier company.
- ✓ avoid any transaction or business relationship that could present, or appear to present, a conflict of interest to third parties.

## 12 CONFIDENTIALITY AND PROTECTION OF DATA

Protection of confidential information and compliance with data protection laws is of paramount importance. Kandelium suppliers must

- ✓ always treat confidential information from Kandelium as confidential. This also applies if no separate confidentiality agreement has been concluded in individual cases.
- ✓ take appropriate measures to ensure the security and confidentiality of business information.
- ✓ appropriately manage and protect information systems that contain Kandelium's confidential information or data against unauthorized access, use, disclosure, alteration or destruction of data.
- ✓ collect personal information only for legitimate business purposes, use it only in a legal, transparent and secure manner, and share it only with authorized parties.
- ✓ protect information in accordance with security regulations, keeping it only as long as necessary and requiring third parties to protect it.
- ✓ use confidential information appropriately and ensure that proprietary data and the intellectual property rights of its own employees and business partners are safeguarded.

## 13 PUBLICITY

Kandelium prohibits the use or disclosure of its names, logos, likenesses, supplier relationships, products, parts, designs or any other non-public information in press releases, brochures, subscription offers, customer lists, websites, such as, but not limited to, product displays at trade shows or supplier facilities, etc. without specific prior written permission.



## 14 INTERNAL AND EXTERNAL GUIDELINES

This Supplier Code of Conduct is defined in context of these guidelines:

### External standards:

- ✓ Declaration of Helsinki <http://www.wma.net/en/20activities/10ethics/10helsinki/>
- ✓ International Labor Standards (ILO) <http://www.ilo.org/public/english/standards/norm/whatare/fundam/index.htm.ilo.org>
- ✓ OECD Guidelines for Multinational Enterprises <http://www.oecd.org>
- ✓ OECD Guiding Principles for Chemical Accident, Prevention, Preparedness and Response
- ✓ <http://www.oecd.org/env/ehs/chemical-accidents/Guiding-principles-chemical-accident.pdf>
- ✓ Responsible Care Global Charter <http://www.responsiblecare.org>
- ✓ Together for Sustainability <http://www.tfs-initiative.com>
- ✓ United Nations Global Compact <http://www.unglobalcompact.org>
- ✓ Universal Declaration on Human Rights <http://www.un.org/Overview/rights.html>.

## 15 CONTACT

For further **information or questions** regarding our Supplier Code of Conduct, please contact the Kandelium Risk Managers, Compliance Managers and senior executives:

Central contact for your questions or information:

[compliance@kandelium.com](mailto:compliance@kandelium.com)