

**– VAC Supplier Code of Conduct –
Ethical Business Behavior and Protection of Human Rights and Environment in the
Supply Chain**

1. Preamble

VACUUMSCHMELZE GmbH & Co. KG (VAC) pledges to observe human rights and to implement environmental standards in its business operations and throughout its supply chain. Respect for human rights and the protection of the environment provide the basis for working with and for VAC. Respect for human rights and the environment at VAC and in its supply chain not only serves to comply with legal requirements and global initiatives, but also creates the conditions for sustainable business and a future worth living.

VAC respects the United Nations Guiding Principles on Business and Human Rights, the principles of the United Nations Global Compact, the International Bill of Human Rights, the International Labor Standards of the International Labor Organization (ILO), the United Nations Convention on the Rights of the Child (CRC) and the OECD Guidelines for Multinational Enterprises. VAC's main office is located in Germany, therefore VAC is subject to the German Act on Corporate Due Diligence Obligations in Supply Chains (*Lieferkettensorgfaltspflichtengesetz, LkSG*).

In addition to responsibility for the environment and human rights, integrity and ethical business behavior are indispensable.

The following Supplier Code of Conduct (Supplier CoC) therefore defines VAC's principles and requirements for its suppliers of products and services.

2. Requirements for Suppliers

2.1 Integrity and Ethical Business Behavior Compliance with applicable Laws, Standards of Integrity, Fairness and Honesty

It is VAC's policy to conduct its business with the highest standards of integrity. VAC expects the same from its suppliers. This includes acting in accordance with all applicable laws and all principles defined in this Supplier CoC as well as always dealing fairly and honestly. Any act of unethical business conduct, dishonesty, or disregard of the Supplier CoC is prohibited.

The following laws and regulations represent particularly important subject areas that must be complied with. VAC expects its suppliers to comply with all applicable laws and regulations. As a general rule, in the event of a conflict between the applicable laws in a specific country and the rules outlined in this Supplier CoC, the more restrictive rule will prevail.

2.1.1 Import/Export Control and Sanctions Law

VAC expects its suppliers to ensure, through appropriate procedures and an adequate internal compliance program, that their business transactions and activities comply with applicable import regulations, export control and sanctions laws. Sales to countries, persons, organizations or entities subject to applicable embargoes and financial sanctions are prohibited.

2.1.2 Antitrust and Competition Laws

Antitrust and competition laws regulate VAC's relationships with its vendors, customers and competitors. These laws are complex; in general, they prohibit agreements, arrangements and activities, which may prevent or impede competition or restrict free trade. VAC's suppliers shall

promote free and competitive markets. Entering into any agreement or arrangement, or engaging in any activity, with vendors, customers and/or competitors, which may prevent or impede competition in an unfair manner is prohibited.

2.1.3 Tax Legislation and Customs

All applicable tax regulations and customs laws must be complied with.

2.1.4 Anti-corruption, Anti-bribery

VAC does not tolerate any kind of corruption and bribery. Therefore, VAC requires full compliance with all applicable anti-corruption and anti-bribery laws by its suppliers. Irrespective of the local laws or traditions, offering, promising or authorizing payment of any money or anything of value such as gifts, invitations or other privileges to any person in order to gain either an improper business advantage or any service or omission by any government, public body, authority or public officials is prohibited.

2.1.5 Conflicts of Interest

Employees of VAC are expected to make business decisions and take actions based upon the best interests of VAC, not based upon personal relationships or benefits. Therefore, suppliers shall inform VAC without delay about any potential conflict of interest that has or might arise in connection with their work for and with VAC.

2.1.6 Prevention of Money Laundering and the Funding of Terrorism

VAC expects its suppliers to comply with the highest standards to combat money laundering and the funding of terrorism.

2.1.7 Confidential Information and Intellectual Property

VAC suppliers must ensure that confidential information and data are safely stored and not disclosed or made accessible to unauthorized persons. Confidential information and data may only be used for the agreed business purposes and in line with agreements between supplier and VAC.

Intellectual property rights must be respected. Technology and know-how transfer must be carried out in such a way that the intellectual property rights of VAC and third parties are protected.

2.1.8 Data Privacy and Protection

VAC expects its suppliers to comply with the applicable laws on data privacy and information security when collecting, recording, processing or transmitting personal data.

2.1.9 Proper Accounting and Financial Reporting

The suppliers of VAC must observe applicable legal standards and requirements for proper accounting and financial reporting.

2.2 Social Responsibility for Employees and Human Rights

Respect for human rights is one of VAC's core values. VAC expects its suppliers to acknowledge Human Rights laid down in the Universal Declaration of Human Rights, the International Covenant on Civil and Political Rights, the International Covenant for Economic, Social and Cultural Rights, the UN Global Compact, the UN Guiding Principles on Business and Human Rights and the internationally recognized standards of the International Labor Organization (ILO). Our suppliers are expected to respect the dignity and personal rights of all individuals.

To this end, VAC undertakes to effectively respect, ensure and protect human rights in their business operations by adhering to the highest human rights standards and expects its suppliers to cooperate accordingly. This includes but is not limited to the following obligations:

2.2.1 Prohibition of Child Labor

All employees must be of the legal age under applicable law but in any case older than 15 years. Employees must be older than 18 years, if their work includes risks of accidents, dealing with hazardous substances, burdensome activities, night shifts or other activities contrary to health, safety and moral standards. Children below the age of 18 must not be employed, if or to the extent the employment conflicts with their obligatory education or training. Children of any age must not be subject to slavery, child trafficking, servitude, forced labor, used in armed conflicts, made subject to sexual exploitation including pornography, or drug trafficking. Any such practices that the supplier becomes aware of must be ended, where necessary in cooperation with VAC, without delay.

2.2.2 Prohibition of Forced Labor and Slavery

Any form of forced or compulsory labor is strictly prohibited and will not be tolerated. This includes the prohibition of slavery and servitude, slave-like practices, child prostitution, forced overtime work, repayment of debt through work, withholding identification papers in exchange for work and using incarcerated persons obliged to perform hard labor. No employee shall be economically or sexually exploited or humiliated.

2.2.3 Prohibition of Torture and other Cruel, Inhuman or Degrading Treatment or Punishment

All business operations must be free of torture and other cruel, inhuman or degrading treatment or punishment. Suppliers must establish procedures that prevent any risk of torture, and other cruel, inhuman or degrading treatment or punishment.

2.2.4 Occupational Safety and Health

VAC expects its suppliers to ensure a safe and healthy workplace. Occupational safety and health standards are respected in accordance with the national laws and regulations that apply in the country of the workplace. Employees receive proper safety training. They have a right to protective measures to shield them from harm emanating from chemical, physical or biological substances.

2.2.5 Non-Discrimination

Any form of discrimination on the basis of nationality, ethnicity, social background, health status, disability, sexual orientation, age, sex, political opinion, religion and creed is prohibited, except where justified by requirements of the nature of the employment. All employees have the right to equal pay for equal work.

2.2.6 Working Hours and Breaks

Employees benefit from effective organizational measures that prevent excessive physical or mental fatigue by guaranteeing an adequate number and duration of breaks and working hours that respect sufficient leisure time.

2.2.7 Pay and Benefits

All employees are paid at least the minimum wage in accordance with national laws and regulations at the place of employment. In case there exists no minimum wage or the minimum wage is insufficient, pay and benefits for employees must be sufficient to cover basic living expenses.

2.2.8 Freedom of Association and Trade Unions

Employees may form or join trade unions. Employees that are members of a trade union shall not be discriminated because of their union membership. Subject to national laws and regulations in the country of workplace, trade unions may operate freely and enjoy the right to collective bargaining and strike.

2.2.9 Access to Food, Water, Sanitation

VAC expects its suppliers to refrain from any practices or conduct – e.g. through pollution or excessive use of soil, water, air – that would impair people’s health or their ability to grow food and access to drinking water or sanitation.

2.2.10 Land Rights

Property rights are duly respected. VAC will not participate in any unlawful eviction or deprivation of land, forests or waters or other use of land that secures the livelihood of a person and expects its suppliers to act accordingly.

2.2.11 Private or Government Security

Any private or government security provider employed by the supplier must be duly trained and supervised. It is prohibited to employ private or governmental security service personnel for the protection of business operations, if there is reason to believe that those security personnel might violate the prohibition of torture or other cruel, inhuman or degrading treatment or punishment, the right to life and health or the freedom of association.

2.2.12 Non-Retaliation

VAC does not tolerate any reprisal or retaliation against any person who reports a known or suspected misconduct in good faith. VAC takes effective measures to ensure that potential whistle-blowers have access to the complaints procedure established by VAC. VAC’s suppliers must not hinder anyone from reporting potential or actual violations of laws, human rights, environmental standards, or non-compliance with the principles in this Supplier CoC.

2.3 Sustainability, Environmental and Careful Choice of Materials

The responsible treatment of the environment, a sustainable management of natural resources and a careful choice of raw materials and other materials are fundamental principles of VAC’s business conduct and the same is expected from all suppliers of VAC. Consequently, VAC and its suppliers will observe and comply with all applicable laws in this respect and will always consider sustainability aspects in their activities. This includes in any case the following minimum standards:

2.3.1 Waste Management

Waste shall be handled, collected, transported, stored and disposed of in an environmentally sound manner. Waste management must be undertaken in accordance with relevant global and regional regimes governing the management of hazardous wastes.

2.3.2 Conflict Minerals

All products used or manufactured are free from prohibited conflict minerals. Suppliers shall comply with legal requirements regarding conflict minerals under Sec.1502 of the Dodd-Frank Act, Regulation (EU) 2017/821, OECD Due Diligence Guidance for Minerals, or other applicable legal provisions – in each case including any amendments of the aforementioned provisions.

Conflict minerals include tin, tantalum and tungsten, their ores, and gold from conflict affected and high-risk areas as defined in the aforementioned regulations.

2.3.3 Prohibited and Declarable Substances

Suppliers of VAC are obliged to comply with legal provisions including any amendments on prohibited and declarable substances, and to provide the relevant verification.

In particular, all deliveries must comply with Regulations (EC) No 1907/2006 (REACH), Regulation (EU) No 2019/1021 (POP), Directive 2011/65/EU and Delegated Directive (EU) 2015/863 (RoHS), Directive 2012/19/EU (WEEE), "GADSL-List" (Global Automotive Declaration Substance List), IEC 62474 (Standard of the International Electrotechnical Commission for the declaration of hazardous substances in electrical and electronic products) and US EPA Toxic Substances Control Act (TSCA) Section 6(h).

2.3.4 Hazardous Materials

Mercury or mercury-added products may only be produced or used within the strict limits defined by national and international law. Persistent organic pollutants are neither used nor intentionally or unintentionally produced.

3. Obligations undertaken by VAC and Suppliers

3.1 Assurances and Preventive Measures

VAC assures, and continue to ensure through appropriate and proportionate measures, that neither VAC nor any of its suppliers violate the above-mentioned principles of integrity and ethical business conduct and human rights and environmental standards.

VAC acts with due diligence to avoid the violation of the above-mentioned human rights or environmental standards and to minimize any already existing risks. At minimum, VAC implements the following due diligence measures:

- Adoption and implementation of a human rights strategy of the enterprise;
- Consideration of human rights and environmental risks in procurement processes, especially when selecting or entering into contracts with new suppliers;
- Implementation of risk-based compliance reviews to verify the execution of the human rights strategy;
- Contractual assurances by their suppliers, that they respect and adhere to the above-mentioned human rights and environmental standards and address them within their own supply chains.

3.2 Information about Risks or Violations

As soon as any violations of the rights and standards above or any risk in respect thereof in supplier's own sphere or in its supply chain become known to the supplier, supplier must inform VAC without undue delay.

3.3 Information of the Supply Chain

Our suppliers are expected to use their best efforts to ensure that their own business partners within the VAC supply chain are aware of and comply with at least the basic requirements of this Supplier CoC.

3.4 Remedies

In case of violations of human rights or environmental standards, VAC and its suppliers pledge to immediately and jointly end the violation. Suppliers must cooperate with VAC in developing and implementing plans to end or minimize violations and take agreed remedial action without

undue delay. In case of a serious violation of human rights or environmental standards and after fruitless efforts to terminate the serious violation and after less severe means to remedy the situation have been exhausted, VAC reserves the right to terminate business relationships with the supplier responsible for the violation or in whose supply chain the serious violation occurs.

3.5 Executive Education and Trainings

VAC and its direct suppliers sensitize their employees in regards to human rights and environment protection by means such as trainings and employee manuals. VAC may provide training materials to the senior management of suppliers and – if necessary – its employees, upon request of the suppliers.

3.6 Complaints Procedure

VAC and its suppliers ensure that all employees and other parties affected by the business conduct of VAC and its suppliers have access to the complaints procedure installed by VAC (more details below). Suppliers must not prevent employees and other affected parties of other suppliers in VAC's supply chain from having access to the complaints procedure set up by VAC.

3.7 Controls and Inspections by VAC; Reporting

VAC reserves the right to conduct audits on its suppliers to evaluate compliance with the principles of this Supplier CoC if VAC identifies concrete risks of violations of human rights-related and environmental standards by the supplier. VAC may commission third parties to carry out the above-mentioned audit. VAC and suppliers are bound to strict confidentiality when carrying out such inspections; any results and findings thereof may only be used for the purpose of compliance with this Supplier CoC. Reasonable precautions to protect business and industrial secrets remain untouched.

VAC must report to German authorities once per year about its compliance with human rights and environmental standards. Suppliers are obliged to provide VAC with all information and documents necessary to comply with reporting obligations.

4. Reporting of (potential) violations of the VAC CoC

Our suppliers are expected to report (potential) violations of this Supplier CoC by its employees, other persons acting on their behalf, and their suppliers. You can use the following reporting channels:

VAC Compliance Team

You can contact VAC's Compliance Team directly. Please find the contact details of the mentioned contact persons on VAC's website (vacuumschmelze.com) under Compliance.

VAC Whistleblowing System

You can also submit your concerns via the VAC whistleblowing system, which allows you to engage in communication with the VAC Compliance Team in a confidential, secure and anonymous way. Please note that separate whistleblowing systems are available for human rights and environmental issues or all other compliance issues on:

- **Human rights and environmental related reports**

To report human rights violations and violations of environmental protection regulations or to submit information on human rights or environmental risks, you can use the following internet-based reporting portal, which can be accessed via the link on our website (vacuumschmelze.com) under Compliance.

Or you can use the following address for complaints in written form:

VACUUMSCHMELZE GmbH & Co. KG, Grüner Weg 37, 63450 Hanau, Germany

- **All other compliance violations (for example in the areas of data protection, fraud, corruption, competition and antitrust law, money laundering, accounting etc.)**
You can use VAC's Whistleblowing-System, which is available in various languages via web or phone. The dial-in and access details for VAC's Whistleblowing System can be found on VAC's website (vacuumschmelze.com) under Compliance.

5. Contact

If you have any Questions regarding the VAC Supplier CoC please contact your representative from VAC's Purchasing Team.

We hereby acknowledge the VAC Supplier Code of Conduct and confirm that we will comply with the above-mentioned principles.

Signature

Title

Company Name

Date