

Supplier Code of Conduct

The Code of Conduct for all service providers, suppliers, and partners

As of: January 01, 2024

Introduction

ORAFOL is committed to a social and ecologically responsible corporate policy.

We respect human rights as a key element of our corporate governance, and we stand for integrity and a sense of responsibility. The key basis for this is provided by a shared understanding of ethical and sustainable action.

The social and environmental standards and processes described in this code of contact are based on the United Nations (UN) International Declaration of Human Rights, on the UN Guiding Principles on Business and Human Rights, the UN Global Compact, the OECD Guidelines for Multinational Enterprises, and the Declaration on Fundamental Principles and Rights at Work from the International Labour Organization (ILO).

This code of conduct defines the requirements and values that we and all our service providers and suppliers commit to:

1. Laws and other binding obligations

In all business decisions and actions that are relevant to the business activities of our suppliers, the applicable laws and/or other regulations are observed.

Our suppliers commit to the continuous improvement of the management system, with the aim of improving environmental aspects, energy performance, quality, and occupational health and safety with the involvement of all employees.

To implement this aim, the supplier will provide the necessary resources and maintain open communications with internal and external parties.

2. Social responsibility

ORAFOL expects its suppliers to actively support, promote, and protect the internationally recognized human rights and to ensure that these rights are not violated in their area of influence. The basis for this is provided in particular by the UN Guiding Principles on Business and Human Rights.

2.1 Child labor and employment of adolescents

ORAFOL accepts no child labor or exploitation of children in any form.

The rights and dignity of children must be respected and protected. Child labor as well as any exploitation of children or adolescents must be prevented by the supplier.

The supplier must ensure that no children are working in their operating locations and supply chains.

In the same way, the international Convention Concerning Minimum Age for Admission to Employment must be observed.

In particular, adolescents must not be exposed to hazardous, unsafe, or unhealthy situations.

2.2 Slavery and forced labor

All employees must be treated with dignity and respect.

ORAFOL accepts no type of forced labor, debt bondage, compulsory labor, or prison labor.

The supplier must exclude the possibility of such labor in their business field and supply chains.

Any form of labor must be provided willingly and without the threat of punishment. This means that any form of labor must be avoided that is based on physical, psychological, sexual or verbal force and/or abuse, or economic exploitation.

Physical punishment and threats thereof, unacceptable disciplinary measures, psychological or physical compulsion, verbal abuse, sexual, or other harassment and violations against an employee must be ruled out.

2.3 Ban on discrimination

Any discrimination against employees is prohibited. Equal opportunities and equal treatment for employees must be promoted. In particular, any distinction, exclusion or preferential treatment is prohibited, for example on the basis of skin color, gender, age, religious affiliation, political opinion, physical or mental disability, ethnic, national or social background, nationality, sexual orientation, or other personal characteristics.

In terms of all comparable requirements and duties, the principle of equal pay for equal work must be observed without consideration of gender.

2.4 Health and safety

The supplier must ensure a safe and healthy working environment in order to prevent accidents, injuries, occupational illness, or any health damage that could result in the context of the activity.

The supplier's employees must receive regular information and instruction on the applicable occupational health and safety standards and on safety measures.

Special obligatory health tests, such as genetic mapping, HIV tests and pregnancy tests, are permitted only with the voluntary participation of employees, and only if the work represents serious health risks for the specific case. The results of such voluntary tests must not provide the basis for disciplinary measures.

All operating locations must be planned and set up in line with fire prevention regulations and checked regularly to maintain fire safety, e.g., there must be marked emergency exits and functioning escape routes that allow the premises to be evacuated completely in a short time.

Workspaces must have good lighting, adequate ventilation and be kept at a bearable temperature.

Employees must be protected from excessive exposure to chemical, biological, or physical hazards. In this context, the protection of pregnant women requires particular attention.

Safety information on hazardous substances must be available at any time. Employees must receive instruction in this regard and must be protected from hazards.

All employees must have access to clean drinking water and hygienic toilets at no charge. If the supplier does business in developing countries, ORAFOL encourages them to offer employees free or subsidized meals.

If the supplier provides accommodation to their employees, each employee must have the right to their own bed. Separate sleeping areas, toilets, and showers must be provided for men and women. Employees must have the right to leave their accommodation and their workplace without hindrance in their leisure time. All requirements for the operating location should also be met for the accommodation.

2.5 Freedom of association and right to collective action

The supplier respects employees' fundamental right to freedom of association and collective bargaining and grants the associated rights.

Membership in trade unions or workers' representation is not a reason for unjustified unequal treatment.

2.6 Working hours, contract, leave and pay

All the supplier's employees have a right to a written work contract in line with the law.

All employees receive a pay slip that meets local laws. Wages and salaries must be paid regularly, at the agreed time and in full. It is not permitted to subtract unfair or illegal deductions from wages or to refuse services as a disciplinary measure. According to the law, workers must be paid for their regular working hours as well as any overtime and special services.

The regular working hours must not exceed the legal limit. At the time of hiring, every employee will be informed whether obligatory overtime is a condition for being hired. Overtime shall not be demanded on a regular basis. Overtime must not exceed legal limits.

Employees must have the right to legal leave without negative consequences, and they have the right to at least one full free day per week. In the context of local legislation, employees must be granted sick pay, maternity leave, and parental leave without negative consequences.

2.7 Protection from eviction and land dispossession

The supplier will refrain from all kinds of illegal evictions and the illegal dispossession of land, forests, or bodies of water that provide a person's livelihood.

3. Laws for environmental protection and other binding obligations

All ORAFOL suppliers must comply with all applicable national and international environmental laws, regulations and standards in all aspects, and must obtain the legally required permits, licenses, and registrations applicable to the supplier's business.

ORAFOL expects its suppliers to support and continuously promote the use of modern and efficient technologies and processes to reduce greenhouse gas emissions in their own business area. The supplier will independently keep up to date on precautionary measures to minimize or avoid risks and negative environmental impacts and on applicable environmental protection laws.

As part of the sustainability reporting, the supplier must specify and pursue measurable medium- and long-term climate and environmental goals. The supplier must specify an applicable strategy in order to achieve these goals.

3.1 Environmental management

The supplier must introduce and maintain a suitable environmental management system or equivalent system and continuously improve the environmental performance of the company.

3.2 Climate protection & greenhouse gas emissions (GHG)

The supplier must improve continuously in regard to energy efficiency and greenhouse gas emissions.

ORAFOL expects its suppliers to formulate a medium- and long-term strategy with clearly defined objectives designed to increase energy efficiency and reduce greenhouse gas emissions.

In order to quantify improvements, the supplier commits to specifying and pursuing measurable climate and environmental goals. In terms of greenhouse gas emissions, these goals must be based on the 1.5-degree target of the Paris UN Climate Agreement, and the supplier must be able to verify them in quantitative fashion at product level.

The supplier will create an annual energy and greenhouse gas balance (scope 1–3) and present it to ORAFOL at product level (scope 3) without being requested to do so.

3.3 Energy

In the interest of achieving the aforementioned targets for reducing and balancing energy and greenhouse gas emissions, the supplier must support energy-efficient products and services that have an immediate impact on the energy performance in order to minimize energy consumption and maximize efficiency in all areas.

In addition, the supplier must support activities that are designed to continuously improve the energy-related performance. The supplier will advocate innovative solutions and promote tried-and-tested procedures in order to optimize energy consumption and minimize the environmental impact.

3.4 Protection of natural resources

Our supplier protects natural resources. In particular, they refrain from harmful changes to the soil, water and air pollution, noise emissions and excessive water use, and reduce the withdrawal of water

to a minimum.

Wastewater quality standards must be defined and monitored in line with the applicable legal and official regulations.

3.5 Quality

The constant improvement of product quality is an obvious imperative and is closely linked to a customer-focused product range development. The aim is to create an application-oriented product with an appropriate relationship between functionality, cost, service life, and use of raw materials and energy. In order to ensure this, the supplier works according to the highest international standards and should be certified in line with ISO 9001.

3.6 Ban on substances of concern

The supplier complies with legal bans on substances, restrictions and declaration rules as well as applicable standards regarding the ban on raw materials and hazardous substances of concern. The REACH Directive and the RoHS 10 Directive are strictly applied.

In particular, the ban on products containing mercury, the use of mercury and mercury compounds in manufacturing processes (Minamata Convention), and the production and use of specific chemicals in line with the Stockholm Convention on Persistent Organic Pollutants (POP Convention) are consistently complied with.

3.7 Handling conflict minerals & critical raw materials

The supplier commits to observing the relevant applicable laws and regulations on conflict minerals (Dodd-Frank-Act (DFA), EU Conflict Minerals Regulation) and critical raw materials (European Critical Raw Materials Act) and to paying particular attention to the origin, certification, and avoidance of critical raw materials (EU Regulation on deforestation-free supply chains).

3.8 Environmentally sound handling of waste

The supplier must consistently comply with the ban on handling, collecting, storing, and disposing of waste in a manner that is not environmentally sound in line with the regulations that apply according to the applicable legislation as specified in article 6, paragraph 1, letter d, number i, ii of the POP Convention, and must document this compliance.

Equally, the supplier must comply with the ban on the export of hazardous waste in line with the Basel Convention and must document this compliance.

3.9 Environmental emergency plan

The supplier has an environmental emergency plan in order to prevent accidental introduction or release or other environmental emergencies, and in order to report such cases to the local authorities.

3.10 Protection of animals

Animal testing must not be performed unless the alternatives are not scientifically valid or officially recognized. If animal testing is performed in spite of this, such testing must take place in the legally specified context, and the animals must be treated humanely, and their pain and stress must be minimized. Animal testing should only be performed once the supplier has considered replacing the animals, reducing the number of animals used, and refining procedures for minimizing stress.

4. Laws and ethical business behavior

We expect our suppliers to transact all their business in fair competition and in line with the applicable laws, just as ORAFOL does. In particular, suppliers must comply with the UN Convention Against Corruption 55/61 from 4 December 2000, and with the OECD Guidelines for Multinational Enterprises.

4.1 Bribery and corruption

In all its business relationships and transactions, ORAFOL rejects all forms of corruption, bribery, and granting of benefits that could influence decisions actively or passively.

The supplier must ensure compliance with the relevant applicable anti-corruption legislation at all times.

4.2 Cartels and market dominance

In accordance with the applicable cartel regulations, the supplier must not reach agreements or coordinate behavior with other companies that can or are intended to prevent, restrict, or skew the competition.

The supplier must not abuse a dominant position in the market.

4.3 Money laundering

The supplier complies with the applicable legal regulations for the prevention of money laundering, and observes the duty to report, immediately and without restrictions.

4.4 Customs and export control regulations

International customs and export control regulations, and especially the rules and regulations on dual-use and sanctions, must be observed and applied.

4.5 Data protection and data security

The protection and safety of all business information and personal data must be taken very seriously in all business transactions, and must be ensured by the supplier in line with the applicable data protection and information security legislation as well as the right to informational self-determination.

5. Supply chains

5.1 Supply chain

The supplier promises to comply with the principles of this Code of Conduct in line with national and international legislation along the entire supply chain.

The supplier will, to the best of their ability, obligate the suppliers and service providers they rely on to fulfill their contractual obligations to agree to this Code of Conduct, and will encourage them to pass the principles on to their own suppliers and service providers.

5.2 Management systems

The supplier is expected to use this Code of Conduct in order to continuously improve their work. We encourage our suppliers to develop their own supply chain and business risk management system and to implement this Code of Conduct in this new or existing management system.

The supplier is requested to inform, sensitize, and instruct all employees on our Code of Conduct and the related expectations. Clearly communicated roles and responsibilities, implemented guidelines and routines, and functioning control systems provide the basis for the successful implementation of this Code of Conduct.

5.3 Monitoring

ORAFOL has the right to check the supplier's compliance with the duties resulting from this Code of Conduct in an appropriate manner. The supplier will actively assist ORAFOL in this monitoring, and will, in particular, respond quickly and adequately to requests from ORAFOL and permit ORAFOL employees or third parties commissioned by ORAFOL to perform any necessary inspections on site.

5.4 Remedies

The supplier must immediately stop any violations of the principles specified here, in particular violations of obligations relating to human rights or environmental protection, either in their own business area or in their supply chain. If this is not possible in the foreseeable future, the supplier must immediately draw up and implement a concept for ending or minimizing the violations. The concept must contain a concrete schedule and must be submitted to ORAFOL.

In addition, the supplier must immediately resolve any suspected potential violations and inform ORAFOL of the measures taken to resolve the situation and of the results of those measures.

5.5 Consequences of violations

ORAFOL expects its suppliers to respect the Code of Conduct and to actively do everything necessary to fulfill the resulting expectations within their own organizations and in their supply chains.

Any violation of this Code of Conduct represents a breach of contract by the supplier towards ORAFOL and a serious detriment to the business relationship and can harm the future collaboration with ORAFOL.

The supplier must initiate corrective measures within an appropriate period in order to rectify any violations and prevent violations in the future and must inform ORAFOL of the actions taken. If the supplier does not fulfill these obligations, or if a violation is so serious that continuing the business relationship becomes unacceptable for ORAFOL, ORAFOL reserves the right to terminate the affected contractual relationship without notice or to withdraw from the affected contract, without any other rights being affected.

6. Reports of violations

Every supplier, employee, resident, or affected person has the ability to report violations of this Code of Conduct to ORAFOL.

Reports may be submitted as follows:

- directly via email to the ORAFOL Compliance Manager (compliance@orafol.de)
- using the ORAFOL online whistleblower system, which also allows anonymous reports, on the company website (www.orafol.com).

As a supplier to ORAFOL, we hereby agree to this Code of Conduct and confirm that we work in line with this Code of Conduct.

Date: _____

Company: _____

Signed by: _____

Title: _____

Signature: _____