



SUPPLIER CODE OF CONDUCT

SH Werk GmbH



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FOREWORD

Dear Business Partners,

SH Werk GmbH (SH) attaches the highest importance to the protection of human rights, environmental responsibility and sustainability. These fundamental principles not only shape the way we conduct our business but also form the basis of our relationships with all of our business partners.

As an internationally operating company, and in light of the requirements of the German Supply Chain Due Diligence Act (Lieferkettensorgfaltspflichtengesetz – LkSG), we require our suppliers to commit to these principles.

This commitment forms part of our business relationship with suppliers and is governed by the following Supplier Code of Conduct.

The Supplier Code of Conduct, in its current version, shall constitute an integral part of the contractual relationship with the supplier for the entire duration of the business relationship. It shall also apply to all future follow-up and subsequent orders unless expressly agreed otherwise, even if no further reference is made to its applicability.

This agreement may be terminated by either party in text form by giving three months' notice, effective at the end of any calendar half-year. However, for contracts concluded prior to the effective date of termination, the Supplier Code of Conduct shall remain applicable until the end of the respective contract term, including the statutory limitation period for claims relating to defects (warranty period).



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SUPPLIER CODE OF CONDUCT

Dear business partners,

As an internationally active company, SH is committed not only to upholding the highest safety and quality standards whilst ensuring environmental sustainability in the manufacture of its products, but also to conducting all its business activities – and thus its relationships with our business partners and all sections of society – in a manner that is legally compliant, correct and fair from both a legal and ethical perspective.

For this reason, in addition to this Supplier Code of Conduct, we have also adopted our own Code of Conduct and implemented further measures to ensure consistent compliance.

As our business activities rely heavily on supplies and services from suppliers of production materials, service providers and other parties – all hereinafter referred to as ‘suppliers’ – we are judged not only by our own conduct, but also by the extent to which we and our suppliers ensure that legal and ethical standards are consistently upheld throughout our entire supply chain, that is, by our suppliers.

We have drawn up this Supplier Code of Conduct on the basis of the values set out in our Code of Conduct. It contains provisions on respect for fundamental human rights, environmental protection and compliance with the law – matters which should, in any case, be a matter of course. We at SH do not make any demands of our suppliers that we are not prepared to meet ourselves.

We expect all our suppliers to ensure that a shared fundamental understanding of respect for human rights, compliance with the law and protection of the environment forms an integral part of the contractual relationship and is consistently put into practice. We therefore wish to work with our suppliers to regularly review compliance with this legal, sustainability and ethical framework and to implement any necessary improvements. However, in the unlikely event of a serious breach or a lack of cooperation, termination of the business relationship may also have to be considered.

The following requirements represent the minimum standards for our collaboration. We encourage our suppliers to introduce, where appropriate and taking into account their specific needs, more comprehensive codes of conduct setting higher standards for ethical and sustainable behaviour for themselves and their employees.

Where our suppliers provide services to SH which are carried out with the assistance of upstream suppliers, subcontractors or other third parties, it is the suppliers’ responsibility to agree upon the following principles and obligations on their own behalf, including in their dealings with these upstream suppliers, subcontractors or third parties, or to ensure compliance in some other way. Only by consistently incorporating these principles and obligations throughout the entire supply chain can it be ensured that fundamental human rights, fair working conditions, health and safety at work and environmental protection are upheld consistently throughout the entire supply chain.



1. LEGALITY AND INTEGRITY

At SH, we expect our Suppliers to uphold the highest standards of legal compliance and business integrity. This includes, in particular, complying with all applicable laws, regulations, standards and contractual obligations, while refraining from any violations, circumvention of legal requirements or deceptive practices.

a) Compliance with Applicable Laws as a Minimum Standard

We expect our Suppliers to comply with all applicable laws, regulations and other relevant legal requirements in the countries in which they operate. Where products or services are intended for export, they must also comply with the legal requirements applicable in the destination country.

b) Anti-Corruption (Public and Private Sector)

We expect our Suppliers to neither engage in nor tolerate any form of corruption. Suppliers are expected to implement effective measures to prevent corruption and to investigate and appropriately address any confirmed cases. This expectation also applies to any conduct or arrangements intended to conceal corrupt practices or to circumvent anti-corruption laws and regulations.

We expect our Suppliers to manage the respective interests of SH, their own organisation and the employees involved responsibly and to ensure that these interests are appropriately separated.

We further expect our Suppliers and their employees to act with integrity, making business decisions solely on objective and legitimate business considerations, without being influenced by gifts, benefits or other advantages offered by business partners or third parties.

SH expects its Suppliers to exercise the utmost restraint when offering or granting any form of benefit—including financial or non-financial personal advantages—to business partners or public officials. Under no circumstances may such benefits be offered, promised or granted in exchange for an official or business decision or with the expectation of receiving preferential treatment.

Benefits may only be offered or provided in exceptional cases where they are reasonable, appropriate, customary in legitimate business practice and of nominal value. All applicable criminal, anti-corruption and tax laws must be observed at all times.

c) Competition Law

We expect our Suppliers to compete fairly and to refrain from any form of unfair competition. In particular, Suppliers are expected to comply with all applicable national and international competition and antitrust laws, as well as other legislation governing fair competition. Suppliers must not engage in unlawful anti-competitive agreements or concerted practices, abuse a dominant market position, or unlawfully exchange competitively sensitive information.



d) Export Controls

We expect our Suppliers to comply with all applicable national and international export control, customs and foreign trade laws and regulations governing the import and export of goods, services and technology. Suppliers must not participate in, facilitate or attempt to circumvent any export control restrictions or engage in deceptive practices relating to international trade.

We further expect our Suppliers to maintain accurate, transparent and traceable records of all import and export transactions. Suppliers must not make or authorise facilitation payments to public officials under any circumstances.

e) Anti-Money Laundering

We expect our Suppliers to comply with all applicable national and international anti-money laundering laws and regulations in connection with all business relationships, financial transactions and commercial activities.

f) Confidentiality and Data Protection

We expect our Suppliers to respect the confidential business information, trade secrets and intellectual property rights of SH and of third parties. All exchanged documents, data, quotations, commercial information and pricing information must be treated as confidential.

Suppliers are also expected to protect confidential business information and personal data that are not publicly available with appropriate care and security measures, in accordance with applicable national and international laws governing the protection of trade secrets and personal data. Compliance with all applicable data protection legislation is mandatory.

2. HUMAN RIGHTS AND WORKING CONDITIONS

SH expects its Suppliers to respect internationally recognised human rights and fundamental labour rights throughout their business operations. In particular, SH recognises the core standards of the International Labour Organization (ILO), as well as the principles set out in the International Covenant on Civil and Political Rights (ICCPR) and the International Covenant on Economic, Social and Cultural Rights (ICESCR), as the global minimum standard. We expect our Suppliers to comply with these internationally recognised principles.

a) Freedom of Association

We expect our Suppliers to respect their employees' rights to freedom of expression, freedom of association and collective bargaining in accordance with the laws applicable at their place of business and employment. Employees must not suffer discrimination, retaliation or any other disadvantage because they establish or join trade unions or employee representative bodies, participate in such organisations, or advocate for their rights or for improvements to their working conditions.



b) Working Hours

We expect our Suppliers to comply with all applicable laws and regulations governing working hours in the countries where they operate and where their employees are engaged. This includes, in particular, compliance with statutory limits on daily and weekly working hours, as well as applicable collective bargaining agreements. Suppliers must also ensure that employees are provided with adequate rest periods and sufficient days off to support their health and well-being.

c) Wages

We expect our Suppliers to provide employees with fair and adequate remuneration and to comply with all applicable laws, regulations and collective bargaining agreements relating to wages, salaries, minimum wage requirements and employee compensation.

d) No Child Labour

We expect our suppliers to comply with the United Nations' regulations on human rights and children's rights. SH does not tolerate child labour. Under no circumstances may children of school age or children under the age of 15 be employed. Any stricter national regulations concerning child labour and the minimum age for employment must be given priority.

e) No slavery or forced labour

We expect our suppliers not to practise, exploit or tolerate any form of slavery, slavery-like conditions or forced labour. Forced labour is defined as any work or service not performed voluntarily, which is demanded of a person under threat of punishment, such as that performed by prisoners and detainees. This also includes any retraining, training or education of specific individuals or population groups, which essentially consists of work performed involuntarily and under threat of sanctions, carried out under conditions resembling those of a prison sentence or a stay in a secure medical or educational institution or a camp.

f) No Discrimination

We expect our suppliers to treat all people, and in particular their employees, with respect, without prejudice and, above all, without discrimination. Any form of discrimination or unfair treatment, in particular on the grounds of national or ethnic origin, social background, health status, disability, sexual orientation, age, gender, political opinion, religion or belief, must be avoided. Statutory provisions on protection against discrimination must be observed.



g) Natural resources and protection against encroachment

We expect our suppliers to respect and preserve the natural resources on which people depend. Harmful soil, water or air pollution, as well as noise emissions or water consumption that prevent, for example, the provision of food, access to clean drinking water or the proper use of sanitation facilities, must be avoided. No one must be unlawfully deprived of access to land, forests or water bodies that are necessary for the preservation of their livelihoods. Any inappropriate use of one's own security forces or the commissioning of external security forces to unlawfully and forcibly enforce one's own interests must be avoided.

h) Responsible sourcing of materials

We expect our suppliers to implement processes in accordance with the OECD Guidelines on due diligence for responsible supply chains of minerals from conflict-affected and high-risk areas, with regard to the conflict minerals tin, tungsten, tantalum and gold, as well as, where necessary, other raw materials such as cobalt.

3. OCCUPATIONAL HEALTH AND SAFETY

SH expects its Suppliers to provide working conditions that enable people to perform their work safely and without suffering lasting harm to their health or physical well-being.

a) Safe and Healthy Working Conditions

We expect our Suppliers to provide a safe, healthy and hygienic working environment for all employees. Suppliers must identify, assess and minimise risks to the health and safety of their workforce and implement appropriate occupational health and safety management systems and preventive measures.

Compliance with all applicable occupational health and safety laws and regulations is mandatory.

b) Accident prevention

We expect our Suppliers to organise their workplaces, manufacturing processes, products and the provision of services in such a way that occupational accidents are prevented wherever reasonably practicable and that, should accidents occur, their consequences are minimised as far as possible.



4. SUSTAINABILITY (ENVIRONMENTAL AND CLIMATE PROTECTION / ENERGY / NATURAL RESOURCES)

SH expects its Suppliers to minimise the environmental impact of their activities and to actively contribute to the protection of the environment and the preservation of natural resources. In particular, SH recognises compliance with the requirements of the Minamata Convention on Mercury, the Stockholm Convention on Persistent Organic Pollutants (POPs) and the Basel Convention on the Control of Transboundary Movements of Hazardous Wastes and Their Disposal as internationally recognised minimum standards. We expect our Suppliers to comply with these international agreements and their applicable legal requirements.

a) Environmental Compliance

We expect our Suppliers to act responsibly in protecting the environment and conserving finite natural resources. Suppliers should implement responsible chemicals management practices, support animal welfare and biodiversity conservation, prevent deforestation wherever possible, and comply fully with all applicable environmental protection and animal welfare laws and regulations.

We also encourage our Suppliers to support SH beyond their legal obligations by proposing additional environmental initiatives, environmentally preferable products, more sustainable manufacturing processes, and environmentally responsible services wherever feasible.

b) Sustainability

We expect our Suppliers to use natural resources responsibly so that the needs of future generations are not compromised by current patterns of consumption.

Suppliers are expected to consistently apply the principles of sustainability and the circular economy in their business operations. The use of non-renewable resources should be continuously reduced wherever possible in favour of renewable, recycled or recyclable materials, and waste generation should be prevented or minimised.

c) Energy

We expect our Suppliers to continuously improve their energy efficiency and to maximise the use of low-carbon and carbon-neutral energy sources wherever practicable.

d) Climate Protection

We expect our Suppliers to align the development and manufacture of products, as well as the provision of services for SH, with internationally recognised climate protection objectives.

Through ongoing dialogue and continuous improvement, SH and its Suppliers will work together to identify opportunities to reduce greenhouse gas emissions, avoid harmful environmental impacts and progress towards climate neutrality.



5. VERIFICATION / COMPLIANCE / MONITORING / AUDITS

SH regularly conducts both internal and external audits to ensure, strengthen and continuously improve the sustainability and integrity of its supply chain. We expect our Suppliers to cooperate with these activities in an appropriate and transparent manner. We also encourage our Suppliers to obtain certification of their management systems where appropriate and to provide evidence of such certification to SH.

We expect our Suppliers to implement appropriate measures to ensure that their employees, upstream suppliers and subcontractors are informed of, committed to and, where necessary, trained on the requirements set out in this Supplier Code of Conduct. Suppliers should also ensure that the principles of this Supplier Code of Conduct are communicated appropriately throughout their own supply chains.

Any breach of the principles contained in this Supplier Code of Conduct will be regarded by SH as a material breach of the contractual relationship. Where there are reasonable indications that these principles have not been complied with—for example, through credible media reports or other reliable information—SH reserves the right, without prejudice to any other legal or contractual rights, to request appropriate information and clarification regarding the matter.

SH further reserves the right to conduct risk-based assessments, sample inspections and audits at Suppliers' facilities in order to verify compliance with this Supplier Code of Conduct.

Important: In the event of serious or repeated violations, SH reserves the right to terminate the business relationship. Before taking such action, SH will normally grant the Supplier an appropriate opportunity and reasonable period of time to remedy any identified non-compliance, unless the nature of the breach makes immediate termination necessary.

6. CONTACT INFORMATION

The primary contacts for our Suppliers and their employees remain their established business contacts within SH.

In addition, Suppliers, employees of Suppliers, downstream business partners, their employees and any other affected parties may contact SH's Compliance Department—also on a confidential basis—to report suspected violations of applicable laws or other circumstances that may harm individuals, the environment or SH, result in unjustified disadvantage to affected persons, or unlawfully impair natural resources in connection with the business activities of SH or any of its Suppliers.