

## **Supplier Code of Conduct**

CECONOMY AG

Version 1.0

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## I. Foreword by CEO

At CECONOMY AG social responsibility, environmental protection, and ethical conduct are the guiding principles of all our daily business activities.

This Supplier Code of Conduct illustrates our commitment to sustainability, that we consider a fundamental precondition for long-lasting business success. It outlines our standards to ensure that workers are treated with dignity and respect, that working conditions are safe and that environmentally responsible business operations are followed.

By collaborating with our business partners, we want to set a good example to improve social and environmental responsibility in the electronics industry and jointly reach positive impact across the entire value chain.

**Dr. Karsten Wildberger**

CEO

CECONOMY AG

## II. Introduction

We require our business partners to adhere to the standards of this Supplier Code of Conduct and to comply with all applicable national laws and regulations. If other contractual documents include higher or more detailed requirements than this Supplier Code of Conduct, we expect our business partners to comply with those standards.

This Supplier Code of Conduct applies to all direct business partners and any other suppliers, subsidiaries, affiliates, and subcontractors producing and/or supplying goods or services for CECONOMY or working in relation to the production of goods and/or rendering services for CECONOMY. The principles set forth in this Supplier Code of Conduct are to be regarded as minimum requirements. Instead, business partners are encouraged to exceed the standards in order to advance social and environmental responsibility.

This Supplier Code of Conduct has been established following internationally accepted principles, in particular the Responsible Business Alliance (RBA), based on the UN Guiding Principles on Business and Human Rights, as well as the United Nations Declaration of Human Rights and the International Labour Organization (ILO) Declaration on Fundamental Principles and Rights at Work.

This Supplier Code of Conduct defines the basic principles for business conduct in five sections:

A. LABOR

B. HEALTH and SAFETY

C. ENVIRONMENT

D. ETHICS

E. MANAGEMENT SYSTEM

## A. LABOR

Business partners are committed to uphold the human rights of workers, and to treat them with dignity and respect as understood by the international community. This applies to all workers including temporary, migrant, student, contract, direct employees, and any other type of worker. The recognized standards, as set out in the References, were used in preparing the Code and may be a useful source of additional information.

The labour standards are:

### 1. Freely Chosen Employment

Forced, bonded (including debt bondage) or indentured labor, involuntary or exploitative prison labor, slavery or trafficking of persons is not permitted. This includes transporting, harboring, recruiting, transferring or receiving persons by means of threat, force, coercion, abduction or fraud for labor or services. There shall be no unreasonable restrictions on workers' freedom of movement in the facility in addition to unreasonable restrictions on entering or exiting company-provided facilities including, if applicable, workers dormitories or living quarters. As part of the hiring process, workers must be provided with a written employment agreement in their native language that contains a description of terms and conditions of employment. Foreign migrant workers must receive the employment agreement prior to the worker departing from his or her country of origin and there shall be no substitutions or change(s) allowed in the employment agreement upon arrival in the receiving country unless these changes are made to meet local law and provide equal or better terms. All work must be voluntary, and workers shall be free to leave work at any time or terminate their employment without penalty if reasonable notice is given as per worker's contract. Employers, agents, and sub-agents may not hold or otherwise destroy, conceal, or confiscate identity or immigration documents, such as government-issued identification, passports or work permits. Employers can only hold documentation if such holdings are required by law. In this case, at no time should workers be denied access to their documents. Workers shall not be required to pay employers' agents or sub-agents recruitment fees or other related fees for their employment. If any such fees are found to have been paid by workers, such fees shall be repaid to the worker.

### 2. Young workers

Child labor is not to be used in any stage of manufacturing or rendering services. The term "child" refers to any person under the age of 15, or under the age for completing compulsory education, or under the minimum age for employment in the country, whichever is greatest. Business partner shall implement an appropriate mechanism to verify the age of workers. The use of legitimate workplace learning programs, which comply with all laws and regulations, is supported. Workers under the age of 18 (Young Workers) shall not perform work that is likely to jeopardize their health or safety, including night shifts and overtime. Business partners shall ensure proper management of student workers through proper maintenance of student records, rigorous due diligence of educational partners, and protection of students' rights in accordance with applicable law and regulations. Business partners shall provide appropriate support and training to all student workers. In the absence of local law, the wage rate for student workers, interns and apprentices shall be at least the same wage rate as other entry-level workers performing equal or similar tasks. If child labor is identified, assistance/remediation is provided.

### 3. Working Hours

Studies of business practices clearly link worker strain to reduced productivity, increased turnover and increased injury and illness. Working hours are not to exceed the maximum set by local law. Further, a

workweek should not be more than 60 hours per week, including overtime, except in emergency or unusual situations. All overtime must be voluntary. Workers shall be allowed at least one day off every seven days.

#### **4. Wages and Benefits**

Compensation paid to workers shall comply with all applicable wage laws, including those relating to minimum wages, overtime hours and legally mandated benefits. In compliance with local laws, workers shall be compensated for overtime at pay rates greater than regular hourly rates. Deductions from wages as a disciplinary measure shall not be permitted. For each pay period, workers shall be provided with a timely and understandable wage statement that includes sufficient information to verify accurate compensation for work performed. All use of temporary, dispatch and outsourced labor will be within the limits of the local law.

#### **5. Humane Treatment**

There is to be no harsh and inhumane treatment including violence, gender-based violence, sexual harassment, sexual abuse, corporal punishment, mental or physical coercion, bullying, public shaming, or verbal abuse of workers; nor is there to be the threat of any such treatment. Disciplinary policies and procedures in support of these requirements shall be clearly defined and communicated to workers.

#### **6. Non-Discrimination/Non-Harassment**

Business partners should be committed to a workplace free of harassment and unlawful discrimination. Companies shall not engage in discrimination or harassment based on race, color, age, gender, sexual orientation, gender identity and expression, ethnicity or national origin, disability, pregnancy, religion, political affiliation, union membership, covered veteran status, protected genetic information or marital status in hiring and employment practices such as wages, promotions, rewards, and access to training. Workers shall be provided with reasonable accommodation for religious practices. In addition, workers or potential workers should not be subjected to medical tests, including pregnancy or virginity tests, or physical exams that could be used in a discriminatory way. This was drafted in consideration of ILO Discrimination (Employment and Occupation) Convention (No.111).

#### **7. Freedom of Association**

In conformance with local law, business partners shall respect the right of all workers to form and join trade unions of their own choosing, to bargain collectively and to engage in peaceful assembly as well as respect the right of workers to refrain from such activities. Workers and/or their representatives shall be able to openly communicate and share ideas and concerns with management regarding working conditions and management practices without fear of discrimination, reprisal, intimidation or harassment.

### **B. HEALTH and SAFETY**

Business partner recognize that in addition to minimizing the incidence of work-related injury and illness, a safe and healthy work environment enhances the quality of products and services, consistency of production and worker retention and morale. Business partners also recognize that ongoing worker input and education is essential to identifying and solving health and safety issues in the workplace.

Recognized management systems such as ISO 45001 and ILO Guidelines on Occupational Safety and Health were used as reference in preparing the Code and may be useful sources of additional information.

The health and safety standards are:

## **1. Occupational Safety**

Worker potential for exposure to health and safety hazards (chemical, electrical and other energy sources, fire, vehicles, and fall hazards etc.) are to be identified and assessed, mitigated using the Hierarchy of Controls, which includes eliminating the hazard, substituting processes or materials, controlling through proper design, implementing engineering and administrative controls, preventative maintenance and safe work procedures (including lockout/tagout), and providing ongoing occupational health and safety training. Where hazards cannot be adequately controlled by these means, workers are to be provided with appropriate, well-maintained, personal protective equipment and educational materials about risks to them associated with these hazards. Reasonable steps must also be taken to remove pregnant women and nursing mothers from working conditions with high hazards, remove or reduce any workplace health and safety risks to pregnant women and nursing mothers, including those associated with their work assignments, and provide reasonable accommodations for nursing mothers.

## **2. Emergency Preparedness**

Potential emergency situations and events are to be identified and assessed, and their impact minimized by implementing emergency plans and response procedures including emergency reporting, employee notification and evacuation procedures, worker training and drills. Emergency drills must be executed at least annually or as required by local law, whichever is more stringent. Emergency plans should also include appropriate fire detection and suppression equipment, clear and unobstructed egress, adequate exit facilities, contact information for emergency responders and recovery plans. Such plans and procedures shall focus on minimizing harm to life, the environment and property.

## **3. Occupational Injury and Illness**

Procedures and systems are to be in place to prevent, manage, track and report occupational injury and illness including provisions to encourage worker reporting, classify and record injury and illness cases, provide necessary medical treatment, investigate cases and implement corrective actions to eliminate their causes, and facilitate return of workers to work.

## **4. Industrial Hygiene**

Worker exposure to chemical, biological and physical agents is to be identified, evaluated, and controlled according to the Hierarchy of Controls. If elimination or reduction of the hazards is not feasible, potential hazards are to be controlled through proper design, engineering or administrative controls. When hazards cannot be adequately controlled by such means, workers are to be provided with and use appropriate, well-maintained, personal protective equipment free of charge. Protective programs shall be ongoing and include educational materials about the risks associated with these hazards.

## **5. Physically Demanding Work**

Worker exposure to the hazards of physically demanding tasks, including manual material handling and heavy or repetitive lifting, prolonged standing and highly repetitive or forceful assembly tasks is to be identified, evaluated and controlled.

## **6. Machine Safeguarding**

Production and other machinery shall be evaluated for safety hazards. Physical guards, interlocks and barriers are to be provided and properly maintained where machinery presents an injury hazard to workers.

## **7. Sanitation, Food, and Housing**

Workers are to be provided with ready access to clean toilet facilities, potable water and sanitary food preparation, storage, and eating facilities. Worker dormitories provided by the business partner or a labor agent are to be maintained to be clean and safe, and provided with appropriate emergency egress, hot water for bathing and showering, adequate lighting and heat and ventilation, and reasonable personal space along with reasonable entry and exit privileges.

## **8. Health and Safety Communication**

Business partners shall provide workers with appropriate workplace health and safety information and training in the language of the worker or in a language the worker can understand for all identified workplace hazards that workers are exposed to, including but not limited to mechanical, electrical, chemical, fire and physical hazards. Health and safety related information shall be clearly posted in the facility or placed in a location identifiable and accessible by workers. Training is provided to all workers prior to the beginning of work and regularly thereafter. Workers shall be encouraged to raise any health and safety concerns without retaliation.

## **C. ENVIRONMENT**

Business partners recognize that environmental responsibility is integral to producing world-class products or rendering services. Business partners shall identify the environmental impacts and minimize adverse effects on the community, environment and natural resources within their manufacturing operations, while safeguarding the health and safety of the public. Recognized management systems such as ISO 14001 and the Eco Management and Audit System (EMAS) were used as references in preparing the Code and may be a useful source of additional information.

The environmental standards are:

### **1. Environmental Permits and Reporting**

All required environmental permits (e.g. discharge monitoring), approvals and registrations are to be obtained, maintained and kept current and their operational and reporting requirements are to be followed.

### **2. Pollution Prevention and Resource Reduction**

Emissions and discharges of pollutants and generation of waste are to be minimized or eliminated at the source or by practices such as adding pollution control equipment; modifying production, maintenance, and facility processes; or by other means. The use of natural resources including water and fossil fuels, minerals and virgin forest products, is to be conserved by practices such as modifying production, maintenance and facility processes, materials substitution, re-use, conservation, recycling, or other means.

### **3. Hazardous Substances**

Chemicals, waste and other materials posing a hazard to humans or the environment are to be identified, labelled, and managed to ensure their safe handling, movement, storage, use, recycling or reuse, and disposal.

### **4. Solid Waste**

Business partners shall implement a systematic approach to identify, manage, reduce, and responsibly dispose of or recycle solid waste (non-hazardous).

### **5. Air Emissions**

Air emissions of volatile organic chemicals, aerosols, corrosives, particulates, ozone depleting substances and combustion by-products generated from operations are to be characterized, routinely monitored, controlled and treated as required prior to discharge. Ozone depleting substances are to be effectively managed in accordance with the Montreal Protocol and applicable regulations. Business partners shall conduct routine monitoring of the performance of its air emission control systems.

### **6. Material Restrictions**

Business partners are to adhere to all applicable laws, regulations and customer requirements regarding prohibition or restriction of specific substances in products and manufacturing, including labelling for recycling and disposal.

### **7. Water Management**

Business partners shall implement a water management program that documents, characterizes, and monitors water sources, use and discharge; seeks opportunities to conserve water; and controls channels of contamination. All wastewater is to be characterized, monitored, controlled and treated as required prior to discharge or disposal. Business partners shall conduct routine monitoring of the performance of its wastewater treatment and containment systems to ensure optimal performance and regulatory compliance.

### **8. Energy Consumption and Greenhouse Gas Emissions**

Business partners are to establish a corporate-wide greenhouse gas reduction goal. Energy consumption and all relevant Scope 1 and 2 greenhouse gas emissions are to be tracked, documented, and publicly reported against the greenhouse gas reduction goals. Business partners are to look for methods to improve energy efficiency and to minimize their energy consumption and greenhouse gas emissions.

Business partners pledge to set climate targets according to the Science Based Target Initiative by the end of calendar year 2027.

## **D. ETHICS**

To meet social responsibilities and to achieve success in the marketplace, business partners and their agents are to uphold the highest standards of ethics including:

## **1. Business Integrity**

The highest standards of integrity are to be upheld in all business interactions. Business partners shall have a zero tolerance policy to prohibit any and all forms of bribery, corruption, extortion and embezzlement.

## **2. No Improper Advantage**

Bribes or other means of obtaining undue or improper advantage are not to be promised offered, authorized, given, or accepted. This prohibition covers promising, offering, authorizing, giving or accepting anything of value, either directly or indirectly through a third party, in order to obtain or retain business, direct business to any person, or otherwise gain an improper advantage. Monitoring, record keeping, and enforcement procedures shall be implemented to ensure compliance with anti-corruption laws.

## **3. Disclosure of Information**

All business dealings should be transparently performed and accurately reflected on the business partner's business books and records. Information regarding business partner's labor, health and safety, environmental practices, business activities, structure, financial situation and performance is to be disclosed in accordance with applicable regulations and prevailing industry practices. Falsification of records or misrepresentation of conditions or practices in the supply chain are unacceptable.

## **4. Intellectual Property**

Intellectual property rights are to be respected; transfer of technology and know-how is to be done in a manner that protects intellectual property rights, and customer and supplier information is to be safeguarded.

## **5. Fair Business, Advertising and Competition**

Standards of fair business, advertising and competition are to be upheld.

## **6. Protection of Identity and Non-Retaliation**

Programs that ensure the confidentiality, anonymity, and protection of supplier and employee whistleblower are to be maintained, unless prohibited by law. Business partners should have a communicated process for their personnel to be able to raise any concerns without fear of retaliation.

## **7. Responsible Sourcing of Minerals**

Business partners shall adopt a policy and exercise due diligence on the source and chain of custody of the tantalum, tin, tungsten and gold in the products they manufacture to reasonably assure that they are sourced in a way consistent with the Organisation for Economic Co-operation and Development (OECD) Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas or an equivalent and recognized due diligence framework.

## **8. Privacy**

Business partners are to commit to protecting the reasonable privacy expectations of personal information of everyone they do business with, including suppliers, customers, consumers and employees. Business



partners are to comply with privacy and information security laws and regulatory requirements when personal information is collected, stored, processed, transmitted, and shared.

## **E. MANAGEMENT SYSTEM**

Business partners shall adopt or establish a management system with a scope that is related to the content of this Code. The management system shall be designed to ensure: (a) compliance with applicable laws, regulations and customer requirements related to business partner's operations and products; (b) conformance with this Code; and (c) identification and mitigation of operational risks related to this Code. It should also facilitate continual improvement.

The management system should contain the following elements:

### **1. Company Commitment**

A corporate social and environmental responsibility policy statements affirming business partner's commitment to compliance and continual improvement, endorsed by executive management and posted in the facility in the local language.

### **2. Management Accountability and Responsibility**

The business partner clearly identifies senior executive and company representative(s) responsible for ensuring implementation of the management systems and associated programs. Senior management reviews the status of the management system on a regular basis.

### **3. Legal and Customer Requirements**

A process to identify, monitor and understand applicable laws, regulations, and customer requirements, including the requirements of this Code.

### **4. Risk Assessment and Risk Management**

A process to identify the legal compliance, environmental, health and safety and labour practice and ethics risks associated with business partner's operations. Determination of the relative significance for each risk and implementation of appropriate procedural and physical controls to control the identified risks and ensure regulatory compliance.

### **5. Improvement Objectives**

Written performance objectives, targets and implementation plans to improve the business partner's social, environmental, and health and safety performance, including a periodic assessment of business partner's performance in achieving those objectives.

### **6. Training**

Programs for training managers and workers to implement business partner's policies, procedures and improvement objectives and to meet applicable legal and regulatory requirements.

## **7. Communication**

A process for communicating clear and accurate information about business partner's policies, practices, expectations and performance to workers, suppliers and customers.

## **8. Worker Feedback and Participation and Grievance**

Ongoing processes, including an effective grievance mechanism, to assess workers' understanding of and obtain feedback on or violations against practices and conditions covered by this Code and to foster continuous improvement. Workers must be given a safe environment to provide grievance and feedback without fear of reprisal or retaliation.

## **9. Audits and Assessment**

Periodic self-evaluations to ensure conformity to legal and regulatory requirements, the content of the Code and customer contractual requirements related to social and environmental responsibility.

## **10. Corrective Action Process**

A process for timely correction of deficiencies identified by internal or external assessments, inspections, investigations, and reviews.

## **11. Documentation and Records**

Creation and maintenance of documents and records to ensure regulatory compliance and conformity to company requirements along with appropriate confidentiality to protect privacy.

## **12. Supplier Responsibility**

A process to communicate Code requirements to suppliers and to monitor supplier compliance to the Code.