

## **Code of Conduct for Suppliers**

COEPTO defines the basic principles for what our Suppliers can expect from COEPTO and which requirements must be met by the Suppliers, contractors, and their subcontractors in this document. As Suppliers, we understand material vendors, indirect goods and service providers, consultants, contract manufacturers, and anyone else who provides a product or service to COEPTO.

The cooperation with our Suppliers is based on mutual trust and respect.

### **A What COEPTO is committed to**

- We will be a reliable partner.
- We treat Suppliers with fairness and consistency.
- We select Suppliers based on the merits of their products, services, and business practices. Decisions are subject to competitive bidding processes, and evaluations are based on defined objective criteria.
- We respect clear and mutually agreed commercial terms.
- We take a clear stand on working conditions.
- We respect different cultures.
- We do not discriminate.
- We respect human rights and treat the workforce fairly according to the below outlined principles in part B3.
- We embrace our responsibility towards the environment.
- We monitor Supplier compliance with this Code of Conduct through audits by COEPTO itself or an independent organization authorized by COEPTO and communicate the results to the Supplier.
- We terminate the business relationship if violations of the law or basic international principles related to labor standards, environmental protection, or ethical business practice and this code of conduct become apparent.

### **B What we expect from our Suppliers**

The provisions in this Code of Conduct provide the minimum standards expected of Suppliers to COEPTO. It is our expectation that Suppliers adhere to all laws, rules and regulations, and strive to exceed both international and industry best practices. The following requirements must be followed without exceptions. They include taking full responsibility for the Suppliers' deliveries and those of the sub-suppliers and freelancers.

The Supplier shall

1. Comply fully with

- a. all national laws and regulations applicable in the country where the Supplier has its headquarters and any production site (including those of its own sub-suppliers or partners).
- b. all national and international laws regarding the restriction and/or prohibition of hazardous substances in the countries where COEPTO sells its product.
- c. any applicable and agreed upon COEPTO policy, such as CLEAR.
- d. any other COEPTO regulations communicated to and agreed upon with the Supplier.

2. Commit itself to countering bribery and corruption, which means no tolerance of bribery, no facilitation payments or no money laundering and to abstain from any business related to terrorist or armed activity. Any form of corruption or bribery, as well as other illegal practices, will not be tolerated in the implementation of business relations.

3. Respect fundamental human rights and treat the workforce fairly and with respect based on the following principles

a. Respect of human rights

Fundamental human rights are respected in the pursuit of the business activities.

b. No forced labour

Forced labour, including bonded or involuntary prison labour, must not occur. This includes withholding payment or benefits, or retaining identity documents or other personal effects of value. Work should be voluntary on the basis of a recognized employment relationship established through national law. All workers shall be provided with a written, understandable and legally binding labour contract.

c. No child labour

Children must not be less than 15 or below the legal national minimum age, if this is above 15. In countries where the ILO developing country exception applies, the legal national minimum age may be 14 years. Suppliers shall not employ young workers, children between the applicable minimum age and 18 years, at night, or in conditions which compromise their health, their safety or their moral integrity, and/or which harm their physical, mental, spiritual, moral or social development.

d. No discrimination

There is no form of discrimination in the workplace in terms of hiring, remuneration, overtime, access to training, promotion, termination, disciplinary measures and retirement based on gender, age, religion, marital status, race, caste, social background, diseases, disability, pregnancy, ethnicity, nationality, membership in worker organizations including unions, political affiliation, sexual orientation, or any other personal characteristics.

e. Humane treatment and no harassment

There is to be no harsh or inhumane treatment, sexual or other harassment and verbal abuse or any other forms of intimidation towards workers.

f. No extensive working hours

The maximum applicable allowable working hours in a week are as defined by the respective national law. If the national law does not regulate overtime hours, weekly working hours shall not on a regular basis exceed 48 regular hours and 12 overtime hours. Overtime is to be voluntary, not demanded on a regular basis, and compensated. A worker is entitled to at least one free day following six consecutive days worked.

g. Decent compensation

All workers will at least be paid a wage based on the higher of either the applicable legal minimum wage plus associated statutory benefits, or the prevailing industry standards. Payment is to be made regularly and in a timely manner and is properly documented.

h. Freedom of association and collective bargaining

Workers are able to associate freely and without interference, and engage in collective bargaining. Where laws prohibit these freedoms, the employer will support parallel means for independent and free association and bargaining.

i. Health and safety

Organizations within the supply chain are to provide safe and healthy working conditions for all workers in accordance with applicable law and other relevant industry and building standards, including, but not limited to, protection against fire, accidents and toxic substances.

j. Grievance process

Any reports or complaints of mistreatment, unfair, inappropriate or suspicious behavior, whether towards a worker or a member of the community are to be investigated and resolved through fair and transparent grievance processes which are accessible by workers and the community.

4. Continuously reduce the environmental impact of operations in the following areas:

a. Minimization of waste and emissions

Waste and emissions to air, land, and water shall be minimized as best as possible.

b. Careful treatment of chemicals and hazardous waste.

All chemicals and hazardous waste shall be treated in an environmentally safe manner. Toxic substances which may be harmful to the environment must be disposed of in compliance with any applicable laws and regulations prohibiting or restricting the use or handling of specific substances.

c. Recycling

All products used shall whenever possible be recycled and reused.

#### d. Energy efficiency

Improving energy efficiency in all production processes shall constantly be aimed at.

5. Effectively assure that all of the Supplier's employees, freelancers, and sub-suppliers follow this Code of Conduct.

6. Inform COEPTO about the location of production facilities that are relevant for the production of goods purchased by COEPTO. COEPTO reserves the right to make unannounced visits and audits to sites where people work directly or indirectly for COEPTO.

7. COEPTO recognizes that reaching the standards established in this Code of Conduct is a dynamic rather than static process and encourages suppliers to continually improve their workplace conditions. COEPTO is entitled to opt for a continuation of the business relationship on probation. This is only possible if there is a strong and proven willingness on the part of the Supplier to remedy such a breach with an agreed plan of action to comply with the COEPTO requirements within an acceptable time frame. Nonetheless, COEPTO reserves the right to immediately terminate the cooperation in case of serious violations of the terms of this Code of Conduct.

### **C Miscellaneous**

1. In case of any discrepancies between the English version and any translation of this Code of Conduct, the English version shall prevail.

2. Although national and cultural differences and other relevant factors will be taken into due consideration, we will not compromise on the fundamental requirements described in this document.