

# Supplier Code of Conduct

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Dear supply partner,

At Welding, we are committed to conducting our business in an ethical and responsible manner, and we expect the same from our Business Partners. In line with our corporate values, we believe that upholding the highest standards of integrity, honesty, and respect is essential to building a sustainable and successful business.

Our duty is to act responsibly not only for our own employees and customers but also for our communities, for the environment and for future generations.

We look forward to collaborating and aim to work closely with our suppliers to improve the overall sustainability level of our supply chain and identify any areas of risk. To include you in our journey to take on the responsibilities that we accepted as our mission, we outlined our principles and expectations for our supply partners in this Supplier Code of Conduct. We strongly encourage our business partners to impose the guidelines of this Code on their suppliers and business partners as well.

This Supplier Code of Conduct applies to all providers of goods and / or services to Welding, and all sales intermediaries. For the purpose of this Code, the terms "supplier" and "business partners" are used equivalently for providers of goods and / or services and sales intermediaries. These guidelines set forth the minimum standards that we expect our business partners to agree on. Neither Welding nor its suppliers are prevented from establishing more specific and stringent requirements either contractually or independently through their respective internal governance documents.

Together, we can maintain the trust of our customers and ultimately the people whom we serve.

Sincerely,



Thomas Bahnsen  
-Managing Director-



Lars Hallmayer  
-Managing Director-



Boy Ehlers  
-Managing Director-

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## 1. Ethics

### Adherence to Applicable Laws and Regulations

Welding requires its suppliers to fully comply with applicable laws and regulations of all legislation levels - international, national, or federal / regional.

Compliance with laws and regulations is a key element for all our actions here at Welding. We expect our business partners to conduct their business with the same awareness and commitment in all their practices. This is the only way to establish a trusting and sustainable partnership.

There might be stricter rules applicable in certain countries, industries, or market segments than the ones stated in this Supplier Code of Conduct. Without exception, our suppliers are requested to comply with these stricter regulations applicable in their countries.

By applying appropriate precautions, the compliance with economic embargos and regulations on controlling trade, import and export of goods, technologies, and services - including certain controlled goods and capital transactions / payments - needs to be ensured. This also applies unconditionally to regulations on the combat of funding terrorism.

Additionally, our suppliers are expected to investigate on every piece of evidence or hint of non-compliance with applicable laws or regulations. In case of a violation of applicable laws or regulations, the non-compliance needs to be stopped immediately, and adequate actions need to be taken.

### Business Integrity

Business partners shall not practice or tolerate any form of corruption, fraud, extortion, embezzlement, or money laundering. Business partners shall not offer or accept bribes or other unlawful incentives.

There is no tolerance of any form of bribery and corruption regardless of local practices or customs. Welding requires all individuals and corporate bodies with whom it does business to apply a zero-tolerance policy regardless of where they are located geographically. Allowances are permitted only in the form of invitations or in the context of advertisement, charity or sponsoring and need to be compliant with the applicable laws and regulations. Our business partners are expected to implement measures for the prevention and detection of corruption and bribery, for the investigation on evidence or hints of non-compliances, and for appropriate consequences if necessary.

Any form of fraud, extortion, embezzlement, money laundering or other unlawful, asset damaging practices are prohibited not depending on whether the assets of Welding or a third party are damaged.



### Conflicts of Interest

A conflict of interest exists when personal, social, financial, or civic interest could conflict, or appear to conflict with the company's interests or compromise one's objectivity or independence regarding the performance of their role.

Our suppliers are requested to avoid any activity or situation that might lead to a conflict of a private interest of any employee with the business interest of Welding. Business partners with associates or members of their immediate family working for Welding shall disclose these potential conflicts of interest before engaging in any business relationship.

### Fair Competition

Welding is committed to a free and open competition in the marketplace in a legal and ethical manner. We require our business partners to comply with applicable antitrust legislation and competition law.

Our supplies are demanded to commit their business practices to a fair competition as the fundamental principle of a free economic system. There shall be no unethical arrangements with competitors, suppliers, distributors or trading companies, and customers by any means - this includes but is not limited to bid rigging, price fixing, customer / territory splitting, and illicit exchange of sensitive Information.

### Confidentiality and Intellectual Property

We expect our suppliers to protect our confidential information with the same dedication that we apply to protecting the information that is given to us. Confidential information is non-public information that is supposed to be shared with only a very specific group of people. It cannot be shared with third parties or the public. All internal processing or external sharing is prohibited without Welding's prior consent. Our business partners are expected to ensure a meticulous protection of any given confidential information.

Additionally, our business partners are requested to comply with existing laws and regulations on the protection of personal data whenever these data are collected, stored, processed, or transferred. Welding applies the highest level of diligence and confidentiality when dealing with personal data and expects nothing less of its partners.

Intellectual property is a term used for all products of intellectual / mental work independent of its commercial value - this includes but is not limited to literary or journalistic works, music, audiovisual works, graphic works, and software as well as their components. These intellectual properties are protected by laws. It is illegal to use, to duplicate, to distribute or to display these works without permission of the copyright owner. The protection of intellectual property is highly valued by Welding. Therefore, our business partners shall ensure only appropriate use of employees' and business partners' intellectual property and protection of their rights. Business partner shall not use Welding's name or trademarks in publicity or advertising without Welding's prior consent.

## Animal Welfare

Welding wants to ensure that corporate activities of our suppliers consider animal welfare as an objective that is equal to other business-related factors. We expect relevant suppliers that process products of animal origin to implement standards and best-practice methods to comply with animal welfare along the entire supply chain.

If applicable to the business partner's industry, animal testing shall be minimized, and alternatives shall be used whenever possible, scientifically valid, and acceptable to regulators.

Animal testing or other animal use such as for production shall be conducted using accepted and state-of-the-art methods, minimizing pain and only after considering all options to replace, refine and / or reduce testing. In any case, the supplier shall follow the national and international rules regarding animal protection and animal testing, e.g. the German Animal Protection Law (TierSchG) or the EU Directive 2010/63.

## 2. Labor & Human Rights

### No Toleration of Child Labor

Welding does not tolerate child labor in our supply chain. Employment practices must comply with the International Labour Organization (ILO) conventions 138 and 182, and national law relating to minimum age, child labor and employment of underage workers. Suppliers shall not employ a child under the age at which compulsory schooling ends according to the law of the place of the employment, provided that the age of employment is at least 15 years. Persons under the age of 18 years are minors and therefore in need of protection. They shall not perform work which, due to its nature or the circumstances in which it is performed would endanger their safety, health, or morals, e.g. overtime or night shifts.

### Freely Chosen Employment

We do not tolerate slavery, servitude and forced or compulsory labor and human trafficking in our supply chain – bonded, indentured, or involuntary prison labor is not accepted as well. Our business partners are expected to act in accordance with ILO convention 29, and the International Covenant on Civil and Political Rights.

Every employee should be working of their own free will without being under threat of punishment. They shall not be required to surrender their passports or other legal documents or pay a deposit as a condition for employment. Nor shall any supplier demand from their employees the payment of any fees associated with their work, such as recruitment or transportation fees. Employees shall have the right to terminate the employment relationship in line with the generally accepted period of notice at the place of employment.

### Freedom of Association

Suppliers shall be committed to an open and constructive dialogue with their employees and workers' representatives. In accordance with local laws, suppliers must respect the rights of their employees to associate freely, join labor unions, seek representation, join work councils, and engage in collective bargaining. Suppliers will not disadvantage employees who act as workers' representatives.

### Working Hours, Wages and Labor Conditions

We expect working hours for our business partners' employees to not exceed the maximum set by the applicable national law. Overtime hours of workers must be voluntary and must not be requested on a regular basis. There must be guidelines and processes to record working hours which shall be fully compensated.

Fair wages are an intrinsic element of fair labor conditions. Welding expects its business partners to pay fair, at least minimum wages, and benefits according to the practices and applicable laws at the place of employment. Wages and benefits shall be paid regularly, on time and in full and should provide an adequate standard of living for employees and their



families. Equal compensation for work of equal value shall be provided and payments shall be recorded.

### **No Toleration of Discrimination & Harassment**

Welding pursues a zero-tolerance policy for discrimination and harassment in the work in the workplace. We expect the same from our suppliers. Suppliers must be committed to equal and fair employment opportunities and prohibit discrimination and harassment. Suppliers must comply with employment practices that respect human rights and must not discriminate based on race, skin tone, nationality, ethnicity, age, disabilities, physical characteristics, pregnancy, gender, gender identity, gender expression, sexual orientation, religion, political affiliation, union membership, marital status, or any other reasons prohibited by law in the jurisdictions they operate in. Suppliers shall not tolerate any forms of discrimination, including verbal, physical or sexual harassment or intimidation or unfair treatment.

Business Partners shall observe the prohibition on harassment of any kind, physical abuse, mental or physical assault, and verbal abuse and shall provide a fair and formal mechanism for personnel to raise any grievances regarding human rights violations to be raised, addressed, and resolved without fear of retaliation.

### **Diversity, Equity & Inclusion**

Suppliers are expected to provide a working environment that recognizes and supports diversity, equity, and inclusion. This means advocating for an inclusive culture and nurturing an environment where all individuals can be their individual and unique selves. Suppliers are expected to foster such a culture through respective strategies, training, and incentives, and enable employees to report concerns or potentially unlawful practices at the workplace. Welding encourages suppliers to have an active supplier diversity program in place.

### **Protection of Livelihoods**

Welding respects applicable local, national, international, and traditional rights concerning land, water, and resources. Suppliers are expected not to participate in land theft.

Suppliers must not cause any harmful soil change, water pollution, air pollution, harmful noise emission or excessive water consumption that could have negative impact on communities. This includes the damage of natural bases for the preservation and production of food or the denial of access to safe and clean drinking water. In the acquisition, development, or other use of any of the aforementioned resources, suppliers shall regularly conduct social and environmental impact assessments and provide mitigation and / or remediation in case of infringements.

### 3. Health & Safety

#### Occupational Health and Safety

Implementing adequate health and safety measures is one of the key demands Welding makes for its business partners. We expect our suppliers to provide a safe and healthy working environment and, if applicable, safe and healthy company living quarters. Additionally, require our suppliers to operate in an environmentally responsible and efficient manner.

Suppliers shall protect their employees from any chemical, biological and physical hazards and physically demanding tasks in the workplace as well as from risks associated with any infrastructures used by their employees. Suppliers shall provide appropriate controls, safe work procedures, preventative maintenance, and necessary technical protective measures to mitigate health and safety risks in the workplace. When hazards cannot be adequately controlled by these means, suppliers will provide employees with appropriate personal protective equipment. Providing safety information relating to hazardous materials including compounds in intermediate materials is an inevitable necessity for proper education, training and protection of employees and needs to be conducted in accordance with the UN Globally Harmonized System guideline. Adequate safety and health measures also includes potable drinking water, adequate lighting, temperature and ventilation, and sanitation.

#### Process Safety

Our business partners are required to have safety programs in place for managing and maintaining all their production processes in accordance with the applicable safety standards. Suppliers shall address product-related issues and their potential impact during all stages of the production process. For hazardous installations the supplier will conduct specific risk analyses and implement measures that prevent the occurrence of incidents.

#### Emergency Preparedness, Risk Information and Training

We expect that safety information on identified workplace risks are available for all employees and contractors. They shall be trained continuously and adequately to ensure protection at any time. Suppliers shall identify and assess risks and emergency situations in the workplace, public neighborhood, and company-provided living quarters. Their potential impact shall be minimized by implementing appropriate fire protection, effective emergency plans, regular trainings, and response procedures.



## 4. Environmental Protection & Sustainability

### Promoting Environmental Sustainability and Protecting the Environment

Welding is committed to reduce negative impacts of our operations on the environment as far as possible and to continuously improving our environmental sustainability endeavors. Therefore, we urge our business partners to adopt the same commitment and insistence on protecting the environment and reduce negative impacts of their business practices.

We expect our suppliers to use and acquire natural resources in a responsible and thoughtful manner, and to implement adequate measures for climate protection. Suppliers shall be compliant with applicable laws and regulations on environmental protection and apply international conventions on environmental standards such as the Stockholm Convention on Persistent Organic Pollutants or other globally recognized agreements. Suppliers shall implement an adequate environmental management system and strive for continuous improvement of their operational and product-related environmental protection.

Within the defined scope of the environmental management system the protection of biodiversity and ecosystems shall also be considered including air, water, soil, flora, fauna, humans, and their interrelationships. Sourcing of materials which could lead to the loss of biodiversity or degradation of ecosystems shall be avoided.

### Reducing Emissions, Water Consumption and Waste

Suppliers are encouraged to actively monitor and / or measure their emissions and waste generation to minimize potential environmental harm – this includes greenhouse gas (GHG) emission, water consumption and waste disposal. Any emissions, water discharges and waste disposal that may cause harm to health or adversely impact the environment are expected to be appropriately managed before being released into the environment in accordance with local health authority requirements.

Our business partners are required to be transparent towards Welding about their own and their upstream GHG emissions. Additionally, suppliers are encouraged to collaborate with their partners, including Welding, to develop new ways to reduce their emissions and help limit the impact of climate change.

## 5. Implementation

### Governance and Management Systems

Suppliers are expected to implement management systems to facilitate compliance with all applicable laws and to promote continuous improvement with respect to the expectations set forth in this Supplier Code of Conduct. This requirement might be accomplished by an overall compliance management system or various special management systems. However, the following aspects should be covered within these management system(s).

- **Legal and Other Requirements**

Suppliers shall identify and comply with all applicable laws, regulations, contractual agreements, and generally recognized standards.

- **Risk Management**

Suppliers shall implement mechanisms to identify, determine and manage risks in all areas addressed by this Supplier Code of Conduct and with respect to all applicable legal requirements.

- **Documentation**

Suppliers shall develop adequate documentation systems.

- **Training and Competency**

Suppliers shall establish appropriate training measures to allow their managers and employees to gain an appropriate level of knowledge and understanding of the contents of this Supplier Code of Conduct, the applicable laws and regulations and generally recognized standards.

- **Continuous Improvement**

Suppliers shall strive for a continuous improvement of their sustainability and compliance performance.

### Continuous Improvement and Documentation

We expect our suppliers to continuously improve the implementation of the principles of this Supplier Code of Conduct, e.g. by executing implementation plans, setting performance targets, and by taking necessary corrective actions for deficiencies identified by internal or external assessments and / or audits. Suppliers shall maintain documentation necessary to demonstrate compliance with this Supplier Code of Conduct and on the progress of implementation. Welding strongly encourages all our business partners to implement their own Code of Conduct in all their business practices to ensure compliance. Suppliers shall provide full transparency and provide Welding access to relevant documentation upon request – with reasonable advance notice.

### Compliance Monitoring and Accountability

Welding may conduct or engage in monitoring activities to confirm Supplier's compliance with this Supplier Code of Conduct - this includes but is not limited questionnaires, review of available documentation or on-site assessments of facilities. During monitoring activities, Welding will adhere to applicable data protection, confidentiality, antitrust requirements, and labor law.

If there is evidence or suspicion of violation of this code of conduct, Welding reserves the right to review the supplier's documentation on the matter and request corrective actions within a reasonable grace period.

### Grievances / Complaints

We installed a Grievance & Complaints System which is managed externally. With this system indications and violations of this Supplier Code of Conduct can be reported anonymously. Incoming complaints or reports will be handled with the highest amount of sincerity, urgency, and sensitivity. The online platform is accessible through the following link.

<https://sicher-melden.de/WELDING>

Welding encourages its business partners to implement a grievance mechanism or a respective complaints procedure in line with the effectiveness criteria of the United Nations Guiding Principles on Business and Human Rights or other applicable laws. Suppliers shall follow up on concerns and take corrective actions if needed. The grievance mechanism or complaint procedure shall also be made available and actively communicated to external stakeholders. We expect our suppliers to guarantee that individuals filing complaints will not be subjects to reprisals or disciplinary actions of any kind.