

# Iskraemeco Group Supplier Code of Conduct

## 1. Scope and Applicability

This Supplier Code of Conduct (the “Code”) applies to all suppliers, subcontractors, manufacturers and business partners (collectively, “Suppliers”) providing goods, materials, components, or services to Iskraemeco holding Switzerland AG and its subsidiaries (the ‘Iskraemeco Group’) under the Global Supply Agreement (the “Agreement”). The Code forms an integral part of the Agreement, and adherence to it is a contractual obligation. Iskraemeco Group conducts rigorous due diligence and continuously monitors its suppliers to ensure alignment with this Code. Non-compliance with the principles outlined in this Code may lead to the termination of the business relationship and removal of the supplier from Iskraemeco Group’s approved supplier base.

## 2. Compliance

Suppliers must comply with all applicable local, national, and international laws and regulations, including but not limited to those pertaining to labor rights, health and safety, environmental protection, climate change, anti-corruption, and business ethics. This includes strict adherence to the following (non-exhaustive list):

- European Union Laws, Regulations, and Directives: Suppliers must comply with all applicable EU legislation, such as the General Data Protection Regulation (GDPR), and the EU Corporate Sustainability Reporting Directive (CSRD).
- Suppliers are required to align with the content of standards such as ISO 9001 for quality management (preferably with certification), ISO 14001 for environmental management, ISO 45001 for occupational health and safety management, and ISO 27001 for information security management, among others. If suppliers do not have the relevant certifications, they are expected to follow the principles and requirements outlined in these standards.

## 3. Human Rights and Labor Practices

Iskraemeco Group expects Suppliers to respect and promote human rights in line with international frameworks such as the Universal Declaration of Human Rights and the International Labour Organization (ILO) conventions and the United Nations Global Compact (UNGC). Iskraemeco Group does business in accordance with standards set by ILO and shall only cooperate with business partners operating in compliance with them. Additionally, Iskraemeco Group expects all companies from its supply chain to support and commit to following the same principles.

- Prohibition of Forced Labor: Suppliers must not engage in or tolerate any form of forced, bonded, or involuntary labor. Workers must have the freedom to leave employment with reasonable notice.
- Prohibition of Child Labor: Suppliers must not employ individuals below the legal minimum working age. Iskraemeco Group applies zero tolerance as to child labour and any form of forced and compulsory labour.

- Iskraemeco Group expects suppliers to follow all relevant local legislation on fair working conditions and encourages them to ensure that working conditions are safe, dignified, and free from harassment or discrimination. This includes providing wages that meet legal and industry minimums, ensuring reasonable working hours, and respecting workers' rights to rest periods.
- Freedom of Association and Collective Bargaining: Suppliers must recognize and respect workers' rights to join or form trade unions of their choice and engage in collective bargaining.
- Iskraemeco Group holds a zero-tolerance policy on any form of modern-slavery, including but not limited to: exploitation of workers by threat, extortion, force, coercion or fraud, debt bondage, domestic servitude, slavery, forced marriage, organ trafficking, or any other kind of non-voluntary work.

If Suppliers fail to comply with the principles and obligations set forth, Iskraemeco Group reserves the right to take appropriate corrective actions, including but not limited to suspension or termination of the business relationship, and may disqualify the Supplier from future business engagements, in accordance with the terms of the Global Supply Agreement.

#### **4. Health and Safety**

In line with the Code's and Agreement's requirements, Suppliers must integrate health and safety considerations into all aspects of their operations.

- Occupational Health and Safety Management Systems (OHSMS): Suppliers should have an OHSMS aligned with ISO 45001 or equivalent standards. This system should include policies, procedures, and controls to identify, manage, and mitigate health and safety risks. If suppliers do not have the relevant certifications, they are expected to follow the principles and requirements outlined in these standards.
- Suppliers must have comprehensive emergency response plans in place for incidents such as industrial accidents, fires, and environmental spills. Regular drills and training should be conducted to ensure readiness.
- Suppliers must provide adequate safety training, protective equipment, and emergency preparedness measures. The working environment must comply with all legal requirements for safety, hygiene, and health.
- Suppliers must establish clear procedures for reporting workplace accidents and injuries, such as annual reports. Corrective and preventive actions must be implemented promptly to prevent recurrence.
- Iskraemeco Group encourages suppliers to ensure their workers have access to clean and sanitary facilities. This includes providing reasonable access to clean toilets and clean drinking water. If the supplier offers canteen or food services, these facilities must maintain high standards of hygiene in food preparation, storage, and dining areas. For suppliers that

provide residential accommodations to workers, these facilities must be clean, safe, and well-maintained. Accommodation should include secure and adequate personal space, safe emergency exits, proper ventilation and heating, access to hot water for bathing, and reasonable transportation options to and from work if not easily accessible on foot. All living conditions must respect the dignity and rights of the workers and meet applicable local legal and industry standards.

## 5. Environmental Responsibility

Iskraemeco Group is committed to environmental sustainability, and Suppliers play a crucial role in this commitment. Suppliers are expected to minimize their environmental impact and adopt sustainable practices that align with the requirements outlined in the Code, the Agreement and its appendices.

Suppliers are obliged to follow the environmental principles, defined in the Environmental and Energy Policy of Iskraemeco Group. The policy is subject to update, due to constant changes in the demands and standards of environmental principles. Additionally, suppliers are expected to have all current relevant environmental permits, documentation and registrations, for their business operations.

- Environmental Management Systems (EMS): Suppliers must implement an EMS that aligns with ISO 14001 or equivalent standards. If suppliers do not have the relevant certifications, they are expected to follow the principles and requirements outlined in these standards. The EMS should cover natural resource efficiency, pollution control, waste management and circularity.
- Pollution and Emissions Control: Suppliers must monitor and manage emissions, effluents, and hazardous materials to reduce their climate and environmental footprint. Suppliers should adopt cleaner best available technologies (BAT) and practices to minimize air, water, and soil pollution.
- Suppliers must adhere to safe transportation and handling practices for all materials and products delivered to Iskraemeco Group. This includes complying with relevant regulations on the transportation of hazardous materials and ensuring that all shipments are securely packaged and labeled.

## 6. Sustainable Procurement

Iskraemeco Group is committed to sustainable procurement and requires all suppliers to uphold the same standards. Suppliers should adhere to all relevant legislation on conflict minerals, REACH regulation, the RoHS directive, and Article 1502 of the Dodd-Frank Act, which restricts the use of conflict minerals sourced from regions associated with human rights abuses.

- Suppliers are required to comply with the RoHS (Restriction of Hazardous Substances) Directive, including RoHS 2 (2011/65/EU) and RoHS 3 (2015/863), which restrict the use of

hazardous substances in electrical and electronic equipment. This includes ensuring that materials used in products supplied to Iskraemeco Group do not contain restricted substances such as lead, mercury, cadmium, hexavalent chromium, PBB, PBDE, and specific phthalates (DEHP, BBP, DBP, and DIBP). Even though some Iskraemeco Group products may fall outside the strict scope of the RoHS Directive, we expect our Suppliers to adopt the same environmentally responsible approach in their production processes.

- REACH Compliance
- Suppliers must ensure that their products do not contain conflict minerals sourced from regions linked to human rights abuses. Suppliers are expected to conduct due diligence in line with the OECD Due Diligence Guidance or EU Conflict Minerals Regulation (EU 2017/821).

## 7. Information Security

For the delivered products and services, the supplier must adhere to industry-standard information security and IT management practices. At a minimum, the supplier must:

- Implement security measures to prevent and mitigate known risks (e.g., malware, 0-day vulnerabilities, denial of service attacks).
- Establish physical and logical controls to restrict unauthorized access to confidential data (e.g., managing access rights).
- Ensure service availability and business continuity in emergency situations.
- Notify Iskraemeco Group promptly regarding any security incidents or critical events.
- Ensure personnel involved in the service are informed about relevant security policies of Iskraemeco Group and the supplier.

Upon Iskraemeco Group's written request, the supplier must complete an information security questionnaire to confirm compliance with this agreement and relevant laws and standards. All information provided shall be treated as confidential.

More details regarding information security obligations can be found in the Global Supply Agreement.

## 8. Ethical Business Practices

Iskraemeco Group expects Suppliers to adhere to the highest standards of ethical conduct in all business operations.

- Any act of giving or receiving bribes, kickbacks, or illicit payments is strictly prohibited and may result in immediate termination of the business relationship.

- Suppliers must engage in fair competition and refrain from anti-competitive practices such as price-fixing, market allocation, and bid-rigging. Suppliers must collect and use competitor information only through lawful means.
- Suppliers must avoid situations where personal interests conflict with business interests. Any potential conflict must be disclosed to Iskraemeco Group immediately. More on this can be found in our Code of Business Ethics.
- Iskraemeco Group strictly prohibits any form of money laundering. Suppliers must ensure that their business operations are not used, either directly or indirectly, to launder money, finance illegal activities, or otherwise engage in activities that could facilitate financial crime.
- Suppliers are expected to conduct operations in a manner that safeguards the health and well-being of the local communities surrounding their facilities and business locations. This includes minimizing adverse environmental impacts and responsibly managing the use of natural resources such as water, energy, and raw materials. Where resource conservation is challenging, suppliers should explore alternative practices such as process optimization, materials substitution, facility upgrades, recycling, and re-use initiatives. Suppliers must also ensure that their activities do not negatively affect local biodiversity and ecosystems or the quality of life in nearby communities.

## 9. Governance and Review

Iskraemeco Group will monitor Supplier compliance with this Code through periodic reviews (audits), as part of the governance process outlined in the Agreement. Governance meetings will be held at both strategic and operational levels to assess Supplier performance against the expectations set in this Code when required.

## 10. Supplier Assessments, Audits, and Corrective Actions

Iskraemeco Group reserves the right to assess and audit Supplier compliance with this Code as part of its due diligence process and ongoing supplier relationship management.

- CSR (corporate social responsibility) Risk Analysis: Before entering a business relationship, Iskraemeco Group conducts a thorough CSR risk analysis to evaluate potential environmental, social, and ethical risks associated with the Supplier's operations.
- Suppliers may be required to complete self-assessment questionnaires covering labor practices, environmental management, and ethical standards.
- Iskraemeco Group may conduct on-site audits or engage third-party auditors to verify Supplier compliance. Audits may cover factory conditions, environmental management, and ethical business practices.

- If non-compliance is identified, Suppliers must promptly implement corrective actions. Iskraemeco Group reserves the right to suspend or terminate contracts if the Supplier fails to address non-compliance within an agreed timeframe.

## 11. Documentation, Reporting, and Transparency

Transparency and accountability are key principles in Iskraemeco Group's supply chain management. Suppliers are required to maintain and provide data and documentation demonstrating compliance with this Code and the Agreement.

- Suppliers are encouraged to report on their environmental, social, and governance (ESG) performance regularly. This reporting should align with recognized frameworks such as the Global Reporting Initiative (GRI) or the ESG guidelines or other applicable recognized framework.
- Suppliers must provide clear documentation on product origin, including certificates of origin, proof of compliance with EU regulations, and details of their supply chain's transparency.
- Suppliers must provide clear documentation that components are ROHS compliant.
- Suppliers must provide clear documentation regarding REACH compliance.
- Suppliers must provide detailed reports on conflict minerals. Iskraemeco Group demands that suppliers provide a Conflict Minerals Reporting Template (CMRT) from the Responsible Minerals Initiative. This ensures that all minerals used in the supply chain originate from conflict-free sources. In cases where a CMRT is not available, suppliers are required to provide conflict-free statements or policies from their producers.

Suppliers must provide material classification with an ECCN which Iskraemeco Group shall validate to ensure components are not used for military purposes (dual use).

## 12. Product Lifecycle Management System (PLM)

The Product Lifecycle Management (PLM) system facilitates the management and storage of all product and component-related data, requiring manufacturers and suppliers to share data, documents, and updates in real-time. This ensures that materials and components comply with specified requirements.

PLM ensures traceability of all materials and processes, a critical factor in meeting regulatory obligations and maintaining quality standards. It also guarantees that all documentation, including compliance certificates, testing results, and quality audit reports, is appropriately managed and readily accessible.

Target: Iskraemeco Group aims to achieve 100% traceability of its manufacturers by 2050 through its PLM portal. Additionally, Iskraemeco Group may offer training upon request to assist suppliers and manufacturers in onboarding and effective utilization of the PLM system.

### 13. Continuous Improvement and Collaboration

Iskraemeco Group values long-term partnerships and encourages Suppliers to continuously improve their practices. We're committed to supporting Suppliers through collaborative initiatives, training programs, and best practice sharing.

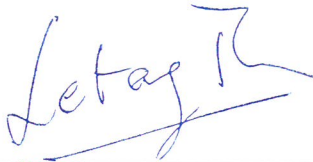
- Suppliers are encouraged to adopt innovative technologies and practices among their workforce that enhance sustainability, such as energy-efficient production methods, eco-friendly packaging, and waste reduction initiatives.
- Iskraemeco Group may provide training and capacity-building resources to help Suppliers improve compliance and performance in line with the expectations outlined in this Code i.e. training and education on ESG compliance.

### 14. Alignment with the Global Supply Agreement

This Code of Conduct is designed to be fully aligned with the Global Supply Agreement. Any inconsistency between this Code and the Agreement shall be resolved in favor of the Agreement. Key obligations related to environmental sustainability, labor rights, health and safety, and business ethics are legally binding under both the Code and the Agreement.

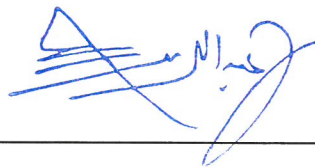
In Kranj, on 17.09.2024

Iskraemeco Holding Switzerland AG,  
Thomas Petuaud-Letang, BOD member



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Iskraemeco Holding Switzerland AG,  
Bahaaeldin Abdallah, BOD member



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