

# MERAXIS

## Supplier Code of Conduct

### I. Preamble

As a value-oriented family business, the REHAU group and therefore also MERAXIS is aware of its corporate responsibility towards people, population groups and the environment. We support the global agenda for sustainable development. Our corporate behavior and performance in the area of sustainable development are supported in this by our Supplier Code of Conduct.

Responsible sourcing is an important tool for promoting sustainable values and practices throughout the value chain. We intend to build strong, proactive and long-term working relationships and partnerships with our suppliers, and promote responsible behavior along our supply chain to derive long-term value from them. Sustainability is a key principle of supplier management at MERAXIS. We view our suppliers as a critical factor in our success.

### II. Definition and scope

Suppliers are companies or persons who manufacture goods, trade in goods or provide services; in particular, these are also the suppliers of all materials and services as well as all contractors, consultants, outsourcing service providers, dealers and other business partners.

This Supplier Code of Conduct applies to all current and future business relationships of the supplier with MERAXIS companies.

We expect our suppliers to apply similar requirements to their own supply chain.

### III. The Supplier Code of Conduct

Our Supplier Code of Conduct sets minimum standards and expectations for environmental, social and ethical performance for all our suppliers.

MERAXIS pursues a "zero tolerance" strategy in connection with unethical business behavior such as violations of human rights, corrupt business conduct, cartel agreements and the like. MERAXIS attaches great importance to integrity in business transactions and ecologically responsible behavior. MERAXIS expects suppliers and service providers (hereinafter collectively referred to as "supplier") to conduct their business using comparable standards and benchmarks as set out in this Supplier Code of Conduct. In doing so, they are guided, among other things, by the principles contained in the following international regulations in the respective current version or any successor regulations:

- The so-called "Ten Principles" on which the United Nations Global Compact is based.
- The OECD Guidelines for Multinational Enterprises of 25 May 2011.
- The April 2016 OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas (OECD Conflict Minerals Guidance), 3rd edition 2019.
- The United Nations Universal Declaration of Human Rights of 10 December 1948.

- The UN Guiding Principles on Business and Human Rights (Resolution 17/4 of 16 June 2011).
- The ILO Declaration on Fundamental Principles and Rights at Work of 18.6.1998.
- ILO Conventions No. 138 and 182 and the ILO-IOE Child Labour Guidance Tool for Business of 15 December 2015.
- The UN Convention Against Corruption of 31.10.2003.
- The Rio Declaration on Environment and Development of the United Nations of 14 June 1992.
- The Paris Agreement on Climate Change of the UN Climate Change Conference in Paris (COP 21) of December 2015, which entered into force on 4 November 2016.

## **IV. Requirements for the Supplier**

### **IV.1 Compliance**

The supplier shall comply with the applicable laws in its business activities worldwide. It shall ensure compliance with appropriate measures in relation to the risks of its business activity and its size.

### **IV.2 Social Responsibility**

#### **▪ Exclusion of forced labor**

As a MERAXIS supplier, you undertake in your business activities in all countries:

- to refrain from work which is the consequence of the exercise of any form of coercion (prohibition of forced, slave or compulsory labor); all work must be voluntary and without threat of punishment;
- respect the right of employees to terminate their employment within a reasonable period of time;
- refrain from unacceptable treatment of workers such as through psychological pressure, sexual and personal harassment or humiliation;
- refrain from hiring or using security forces if, in the course of their use, persons are treated or injured in an inhuman or degrading manner or if freedom of association is violated.

#### **▪ Prohibition of child labor**

As a MERAXIS supplier you may

- not use child labor at any stage of production, i.e. refrain from employing children below the local legal minimum employment age; if no minimum age is set by law, no children under the age of 15 are employed;

- in general, employ persons under the age of 18 only in compliance with the local legal requirements applicable to such persons and in particular with Article 3 of the International Labor Organization Convention No. 182 of 17 June 1999 concerning the Prohibition and Immediate Action for the Elimination of the Worst Forms of Child Labor; the rights of young workers shall be protected; such persons shall not be employed in work harmful to the health, safety or morals of children. Special protective regulations shall be observed.

If you encounter children at work, you must document the measures to be taken to remedy the situation and enable the children to attend school.

#### ▪ **Fair pay**

As a MERAXIS supplier, you ensure fair remuneration within the framework of the applicable laws and principles mentioned in the preamble.

These include, among others:

- Remuneration and compensation that comply with the applicable laws or the minimum standards customary in the industry for regular working hours and overtime, whichever is higher; remuneration for overtime must in any case exceed remuneration for regular working hours.
- Insofar as the remuneration is not sufficient to cover the costs of ordinary living and to build up a minimum level of reserves, you are obliged to increase the remuneration accordingly;
- Workers shall be granted all benefits prescribed by law; wage deductions as punitive measures are not permitted;
- Clear, detailed and regular written information to workers on the composition of their pay.

#### ▪ **Fair working time**

As a MERAXIS supplier, you ensure fair working hours within the framework of the applicable laws and principles mentioned in the preamble.

These include, among others:

- Compliance with legal maximum working hours or industry standards.
- Overtime is only permitted if it is performed on a voluntary basis and does not exceed 12 hours per week, while employees must be given at least one day off after six consecutive working days;

- the weekly working time must not regularly exceed 48 hours;
- Granting of Fridays and holidays at least within the framework of the statutory regulations.

▪ **Freedom of association**

As a MERAXIS supplier, you respect freedom of association and, in particular, within the framework of the applicable laws and principles mentioned in the preamble, ensure a working climate that enables employees to raise their concerns about the employment relationship individually or collectively within the framework of the applicable legislation on collective representation and trade union membership and without fear of discrimination, in whatever form.

▪ **Prohibition of discrimination**

As a MERAXIS supplier, you refrain from any form of discriminatory behavior with regard to race, ethnic origin, gender and sexual orientation, religion, faith, ideology, disability, age, trade union membership, etc.

You respect the personal dignity, privacy and personal rights of each individual.

▪ **Health protection, safety at work**

As a MERAXIS supplier, you take responsibility for

- appropriate organizational and other measures as part of the management of safety and health risks at the workplace, in any case at least compliant with the legal requirements applicable to the workplaces in each case;
- taking the necessary precautionary measures against accidents and damage to health that may arise in connection with the activity by setting up and applying appropriate occupational safety systems.
- preventing excessive physical or mental fatigue through appropriate measures.
- ensuring that workers are aware of the risks in the workplace and have been adequately informed and trained to prevent them;
- workers having access to sufficient drinking water and clean sanitation.

▪ **Preservation of the natural foundations of life**

As a MERAXIS supplier, you may not, in violation of legitimate rights, withdraw land, forests or waters whose use secures the livelihood of persons. You must refrain from soil changes, water and air pollution, noise emissions and excessive water consumption if they damage

the health of persons, significantly impair the natural basis for the production of food or prevent the access of persons to safe drinking water and sanitary facilities.

### **IV.3 Ecological Responsibility**

As a MERAXIS supplier, you ideally commit to the introduction or maintenance of a certified environmental management system according to ISO 14001 or a comparable system. At the very least, however, optimum environmental protection must be guaranteed in all phases of the manufacturing and supply process. This includes:

- **Treatment and discharge of industrial wastewater**

Wastewater from operations, manufacturing processes and sanitary facilities should be categorized, monitored, inspected and appropriately treated prior to discharge or disposal. In addition, measures should be introduced to reduce the generation of wastewater.

- **Dealing with air emissions**

General emissions from operations (air and noise emissions) as well as greenhouse gas emissions shall be identified, routinely monitored, verified and appropriately treated prior to their release. The supplier shall also be responsible for monitoring its waste gas purification systems and shall be required to find economic solutions to minimize any emissions. In particular, the supplier shall take ongoing measures to measure and reduce its CO<sub>2</sub> emissions.

- **Handling hazardous substances, pollutants and waste**

Material-specific compliance requirements have the purpose of ensuring safe handling of MERAXIS products and their ingredients. As a supplier, you are obliged to obtain the respective current directives, laws and standards yourself and to ensure their full compliance without any gaps. The central element is Regulation (EC) No 1907/2006 of the European Parliament and of the Council of 18 December 2006 (REACH). It is the supplier's duty of care not to use prohibited substances or to observe and point out corresponding restrictions. Products and raw materials of unknown origin and/or composition, or raw materials for which no sufficient material data are available, must generally not be used.

In particular, observe the prohibitions and obligations in connection with mercury and persistent organic pollutants in accordance with the Minamata Convention of 10 October 2013 and the Stockholm Convention of 23 May 2001 on Persistent Organic Pollutants as amended by Regulation (EU) 2019/1021 of the European Parliament and of the Council of 20 June 2019 in its most recent versions.

As a MERAXIS supplier, you must follow a systematic approach to identify, handle, reduce and responsibly dispose of or recycle solid waste. The prohibitions on the export of hazardous waste in the Basel Convention of 22 March 1989, as amended, must be observed. Chemicals or other materials that pose a hazard if released into the environment

shall be identified and handled in a manner that ensures safety during their handling, transport, storage, use, recycling or reuse and disposal.

- **Reduction of the consumption of raw materials and natural resources**

The use and consumption of resources during production and the generation of waste of any kind, including water and energy, shall be reduced or avoided. This shall be done either directly at the point of generation or through procedures and measures or processes within the company, through the use of alternative materials, through savings, through recycling or with the help of the reuse of materials.

- **Dealing with energy consumption/efficiency**

Energy consumption shall be monitored and documented. Economic solutions must be found to improve energy efficiency and minimize energy consumption.

- **Responsible sourcing of raw materials, conflict minerals**

The supplier undertakes to do everything in its power not to allow the use of so-called conflict minerals and to use only raw materials whose extraction, production, transport, trade, processing and export do not contribute directly or indirectly to human rights violations, health and safety problems, environmental pollution or compliance violations. This applies in particular to raw materials such as columbite-tantalite (coltan, niobium, tantalum), cassiterite (tin), gold, wolframite (tungsten) from the DR Congo and its neighbouring states as well as from conflict and high-risk areas. The basis for this is Section 1502 of the US "Dodd-Frank Act" of 2010, Regulation (EU) 2017/821 of 17 May 2017 and comparable national and international legal obligations in the respective current versions.

They also undertake to refrain from any purchase of materials from illegal sources. Upon request, the supplier shall provide information on its supply chain, including information on the origin of materials, such as the RMI's Responsible Minerals Assurance Process (RMAP).

#### **IV.4 Business Ethics**

- **Corruption**

You comply with applicable national and international anti-corruption regulations, laws and standards.

As a MERAXIS supplier, you consistently reject any form of bribery, unlawful acceptance or granting of advantages in your business activities. You ensure that neither you nor your employees, organs, business partners or third parties on your behalf or with your knowledge or acquiescence directly or indirectly grant advantages of any kind to officials or employees of the state or state-owned companies and organizations in order to obtain

a business advantage or to influence the decision of the recipients of the advantage in their respective function.

As a MERAXIS supplier, you agree to work against all forms of corruption, including extortion, bribery and embezzlement.

You ensure through appropriate measures in your company that your employees and business partners know and comply with the rules applicable to corruption.

Your employees shall refrain from communicating with MERAXIS employees:

- about gifts that go beyond customary occasional gifts of small value;
- about invitations and hospitality that go beyond what is customary in business;
- about invitations that include travel or accommodation expenses;
- about recurring invitations to events that are exclusively or predominantly for pleasure purposes;
- about invitations that include partners of the invited person.

- **Free competition**

As a supplier of MERAXIS, in the interest of free competition, you refrain completely from any anti-competitive behavior such as price agreements, splitting of market segments, price fixing, etc.

As a MERAXIS supplier, you pursue zero tolerance with regard to competitive agreements and train your employees accordingly.

- **Anti-Money Laundering**

The Supplier shall respect the applicable laws and regulations in the field of anti-money laundering.

- **Further**

You disclose potential conflicts of interest in connection with MERAXIS' business activities without being asked to do so.

As a supplier of MERAXIS, you strive to protect the trade secrets of MERAXIS and its business partners.

Equally, you respect the property rights of others.

As a supplier of MERAXIS, you comply with the applicable data protection regulations.

## **V. Implementation of the Requirements**

### **V.1 Responsibility of the supplier**

The supplier shall carry out a regular risk analysis of its business activities with the aim of identifying and recording risks and defining and implementing suitable and appropriate preventive measures with clearly defined responsibilities. This refers both to its own business area and to the activity of its direct suppliers. The supplier shall document the risk assessment process. In the event of suspected violations as well as to safeguard supply chains with increased risks, the supplier shall inform MERAXIS promptly and, if necessary, regularly about the identified violations and risks as well as the measures taken.

### **V.2 Monitoring and auditing**

MERAXIS has established a Supplier Relationship Management System to ensure that there is a consistent process for selecting, evaluating, monitoring and managing MERAXIS's suppliers. This system uses a risk-based approach to assess suppliers against the requirements of this Code of Conduct.

We use a risk-based approach to evaluate new suppliers before MERAXIS enters into a business relationship with them. In addition, a selected number of existing suppliers are periodically audited and assessed. In doing so, MERAXIS uses external sources of information and corresponding service providers, among others.

MERAXIS reserves the right to verify compliance with the requirements specified in this Supplier Code of Conduct with the aid of a self-assessment questionnaire and risk-based audits at the supplier's production sites. The supplier agrees that MERAXIS may carry out such audits itself or through authorized persons at the supplier's sites during normal business hours after giving reasonable advance notice. In doing so, MERAXIS shall observe mandatory legal data protection requirements and the protection of secrets.

### **V.3 Sanctions**

Should cases of non-compliance be identified, MERAXIS has the right to demand appropriate measures in individual cases. Failure to implement the remedial measures may result in suspension or termination of the supplier contract / business relationship.

## **VI. Whistleblowing System**

MERAXIS operates a whistleblower system (whistleblower hotline) that meets the highest standards of data protection and security and is open to employees and third parties such as employees of suppliers to report any unethical conduct or illegal actions.



MERAXIS will not tolerate any form of retaliation against a person who raises a concern in good faith. If you report your concerns and seek advice in good faith, you will always be supported by MERAXIS.

The corresponding link for access to the whistleblower system can be found on the MERAXIS website.

The supplier is requested to pass on information on this complaints procedure to its employees in an appropriate manner.

**VII. Declaration of consent**

This Supplier Code of Conduct comes into force upon its acceptance by the supplier and is valid as long as the business relationship between MERAXIS and the supplier exists. It replaces any previously concluded Sustainability Agreement or an earlier version of the Supplier Code of Conduct.

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[Company, signature supplier]