

Supplier Code of Conduct

1. Introduction

Strama-MPS Maschinenbau GmbH & Co. KG (hereinafter: "**Strama-MPS**") is an internationally operative company. Strama-MPS stands for quality, continuity and reliability in mechanical engineering and plant construction: YESTERDAY, TODAY and TOMORROW. More than seven decades ago, in 1946 in Straubing, the company's founder Dipl.-Ing. Alfred Michaelis laid the cornerstone for the present-day Strama-MPS.

The one-man motor repair company quickly developed into a contract manufacturer that was soon supplying preassembled units to large traditional companies such as BMW, Bosch and ZF Passau.

With the establishment of its own team for design, engineering and project management, Strama-MPS opened up the way to becoming a solution provider for special mechanical engineering and plant construction.

Today, together with its subsidiary companies, Strama-MPS is the full-range supplier in special mechanical engineering and has earned itself an outstanding position as a technology leader with a broad and sophisticated product portfolio in sectors such as automation technology, e-mobility, body shell plants, machining centres, test benches, medical technology and automation. The company employs around 850 people in Straubing and over 1,700 employees in the company group as a whole. We aim to establish long-term and trusting partnerships with our customers and employees. The best results can be achieved by being fair, open in dealings and focused on a common future. It means a lot to us that 90% of our customers are regular customers and that we are valued as an employer and partner. We are committed to this each and every day.

We strive for continuous optimisation of our business activities and our products in terms of sustainability, and we ask our Suppliers to contribute to this in the sense of a holistic approach.

As an international company with over seventy-five years of tradition, the Strama Group enjoys an excellent reputation among the public, business partners and employees.



Maintaining this reputation is our top priority. We therefore attach great importance to integrity and have a high standard of ethically impeccable action in accordance with the law and regulations.

With this **Supplier Code of Conduct** we are committing ourselves, on behalf of the Strama Group, to this standard and to our responsibility towards our business and social environment as well as towards our globally active employees.

For future cooperation, the contracting parties agree on the applicability of the following provisions for a joint Supplier Code of Conduct, which will serve as the basis for all future deliveries and will come into force upon its signing.

This Supplier Code of Conduct is based on the ten principles of the United Nations Global Compact Initiative, the United Nations Guiding Principles on Business and Human Rights, the International Labour Organisation's Declaration on Fundamental Principles and Rights at Work (ILO Declaration^(*)), the amfori-BSCI Code of Conduct^(*) and the German Supply Chain Due Diligence Act of 16 July 2021 (hereinafter: **"LkSG"**). In the following, Strama MPS formulates standards on the basis of the guiding principles and sources of regulation mentioned above, which on the one hand observe the statutory minimum standards in accordance with Article 2, paragraphs 2 and 3 LkSG and on the other hand supplement them (hereinafter: **"Strama Standards"**).

** For better readability, the generic masculine is used in the text. However, all genders are always meant.

2. Work

Our business partners respect the fundamental rights of employees on the basis of the applicable laws. In addition, the following Strama Standards apply:

2.1 Exclusion of forced labour

The Supplier rejects any form of forced labour or similar work. This includes any work or service that is required of a person under the threat of punishment and for which he has not voluntarily made himself available. Employees are not allowed to work under the threat of punishment and have the right to terminate their employment at any time.

Unreasonable treatment such as psychological hardship, sexual harassment and modern slavery are prohibited.

All employees, including temporary workers and pieceworkers, are to be treated with respect and dignity. No violence, harassment, abuse or coercion, including physical, verbal, sexual or psychological violence, may be used or tolerated.



In addition, the Supplier rejects all forms of slavery, slavery-like practices, serfdom or other forms of domination or oppression in the workplace environment, such as extreme economic or sexual exploitation and humiliation.

2.2 Prohibition of child labour

Child labour must not be employed at any stage of production. Suppliers are required to comply with the ILO conventions^(*) on the minimum age for employing children.

Accordingly, the minimum age for employing children must not be lower than the age at which compulsory schooling ends under the law of the respective locality, but in no case less than 15 years. The rights of young workers who are not of age must be protected. Persons who are not yet of age may not be assigned to carry out work that is harmful to health, safety or morals.

In addition, the Supplier shall comply with the prohibition of the worst forms of child labour for children under the age of 18, which in accordance with Article 3 of Convention No. 182 of the International Labour Organisation (Federal Law Gazette 2001 II pages 1290, 1291) includes in particular the following forms of child labour: (i) all forms of slavery or all slavery-like practices such as the sale of children and child trafficking, (ii) using, procuring or offering a child for prostitution, (iii) using, procuring or offering a child for illicit activities, such as drug trafficking, and (iv) work which, by its nature or by reason of the circumstances under which it is performed, is likely to be harmful to the health, safety or morality of children.

2.3 Non-discrimination, ethics and diversity

The unequal treatment of employees in any form is inadmissible unless it is justified in all respects by the requirements of the workplace.

This applies, for example, to discrimination on the basis of the following: gender/gender identity; marital or marital status; caste; national, ethnic or social origin and affiliation; skin colour; physical, sensory or mental disability; state of health; political conviction; ancestry and origin; beliefs/religion and ideology; diversity; age; pregnancy; sexual orientation; similar features protected by law.

Suppliers are required to take reasonable precautions related to disability, religion or pregnancy to ensure that no discrimination affects pay or employment levels. Suppliers must pursue an equal employment opportunity policy that promotes gender equality in employment practice.

As part of our ethical principles and social responsibility, the Supplier shall commit itself to the rights of women and minorities, as well as to diversity, equality and inclusion, in order to provide equal opportunities and full participation for everyone.

The Supplier undertakes to respect the personal dignity, privacy and personal rights of each individual. The Supplier also undertakes to detect potential conflicts of interest and to act



accordingly in accordance with the integrity and ethical standards referred to in this Supplier Code of Conduct.

2.4 <u>Freedom of association and the right to collective bargaining</u>

Workers must be granted the right to freely form trade unions and found organisations of their choice, to join them and to operate them freely and in accordance with the laws applicable at the place of employment, in particular to bargain collectively and to strike.

Workers may not be discriminated against or subjected to retaliation on the basis of the founding of or membership in such a trade union or organisation. In addition, workers' representatives must be given free access to the workplaces of their colleagues to ensure that they can exercise their rights in a lawful and peaceful manner. Employees may not be punished for the non-violent exercising of these rights, nor may they be subjected to reprisals, harassment or intimidation.

2.5 <u>Employment of security guards</u>

It is the responsibility of the Supplier to ensure that the employment of security guards does not result in an impairment of the freedom of association and coalition.

The Supplier is prohibited from employing or appointing private or public security guards to protect the business project if, due to a lack of instruction or control on the part of the company in the deployment of the security guards, (i) the prohibition of torture and cruel, inhuman or degrading treatment is disregarded, or (ii) life or limb is injured.

2.6 Fair remuneration

Remuneration for regular working hours and overtime must be reasonable, shall be at least the minimum wage set by the applicable law and is otherwise determined by the laws applicable at the place of employment or the minimum standards of the industry, whichever is higher for the remuneration. In any case, the remuneration for overtime must be higher than the remuneration for regular working hours. Wages (including minimum wages and allowances, overtime pay, benefits and paid leave) must be paid on time to all employees, including temporary workers and pieceworkers. If the remuneration is not sufficient to cover the costs of ordinary living expenses and to build up a minimum of reserves, the Supplier is obliged to increase the remuneration accordingly. Suppliers are obliged to pay equal wages for work of "equal or comparable value" without discrimination.

The Supplier is solely responsible for fulfilling the obligations under income tax and social security laws with regard to its employees.

The Supplier shall indemnify Strama MPS internally against all claims of the affected employees and third parties, in particular, but not exclusively, the collection agency, competent authorities



or corporations, which result from culpable violations of the minimum wage law by the Supplier or its sub-suppliers.

The Supplier is obliged to assist Strama MPS in defending itself against any civil law actions brought by employees covered by this regulation for the payment of the minimum wage and to provide Strama MPS with comprehensive and timely information about the underlying facts.

2.7 Fair working hours

Working hours and leave must at least comply with the national and local laws, standards or agreements applicable at the place of employment.

2.8 Occupational health and safety

The Supplier is responsible for providing a safe and healthy working environment at its premises and at all business locations, based at least on the duties set out by the laws applicable at the place of employment. The Supplier undertakes to take the necessary precautions to prevent accidents and damage to health that may occur in connection with the activity by means of appropriate occupational health and safety systems, in compliance with the occupational health and safety obligations set out by the laws applicable at the place of employment. The Supplier shall take appropriate measures to prevent excessive physical or mental fatigue (ILO 1, ILO14(*)).

All employees in the company must be regularly trained on the applicable health and safety standards. Furthermore, employees must have access to sufficient drinking water and clean sanitary facilities.

2.9 Preservation of livelihoods

The Supplier is prohibited from causing harmful soil changes, water pollution, air pollution, harmful noise emissions or excessive water consumption that (i) significantly impair the natural basis for the preservation and production of food, (ii) deny a person access to safe drinking water, (iii) impede or destroy a person's access to sanitary facilities, or (iv) harm a person's health.

2.10 Protection of livelihoods

Suppliers must respect the legal land rights of individuals, indigenous peoples and local communities, including public, private, municipal, collective, indigenous and customary rights to natural resources such as fisheries, forests and water. The protection of land, forest and water rights and the avoidance of forced evictions must be ensured by the Supplier in order to treat the communities with justice and respect. Any involvement in unlawful evictions, deprivation of land, forests and water, or the illegal use of land or natural resources in the supply chain is prohibited. The use of land and natural resources requires the prior consent (FPIC^(*)) of all local communities



concerned, based on comprehensive information. On demand, Suppliers must prove that they have a legal right to use the land.

2.11 Prohibition of the impairment of protected legal positions

The Supplier is prohibited from doing anything beyond that set out in Sections 2.1 to 2.10 or omitting anything in breach of duty that is directly likely to impair a protected legal position in a particularly serious manner and the illegality of which is obvious upon a reasonable assessment of all the circumstances under consideration.

3. Environment

Our business partners shall respect the fundamental environmentally related obligations on the basis of the applicable laws. In addition, the following Strama Standards apply.

3.1 <u>Compliance with applicable environmental standards</u>

Our Suppliers shall respect the right to a clean, healthy and sustainable environment. The Supplier undertakes to comply with applicable environmental laws and regulations. The Supplier shall minimise negative impacts on the environment (including the reduction of energy consumption, air emissions, greenhouse gas emissions, waste, water consumption, environmental pollution and hazardous substances). The Supplier undertakes to promote environmental sustainability, e.g. by conducting environmental due diligence and making progress in the integration of environmentally sound practices into its operations and supply chains.

The Supplier is obliged to attach great importance to the protection of biodiversity and sustainable land use and to take measures to prevent deforestation and to promote sustainable land use practices. In addition, the Supplier shall work towards good soil quality in order to promote environmentally sound business practices in the long term.

3.2 <u>Energy consumption and greenhouse gas emissions</u>

Suppliers are obliged to continuously improve energy efficiency and to reduce energy consumption and greenhouse gas emissions. Furthermore, Suppliers are obliged to make a positive contribution to reducing environmental impacts by integrating renewable energies into operational processes. We support transparency and sustainability in relation to environmental impacts. Suppliers are therefore required to record and disclose their environmental impacts in accordance with the agreed standards and requirements of the respective country.



3.3 Environmental permits and records

Suppliers are obliged to obtain all necessary environmental permits and approvals and to carry out registrations and to keep them up to date at all times. Suppliers must comply with the applicable operating and reporting regulations.

3.4 Effective management and disposal of hazardous substances

Suppliers must comply with all applicable laws and regulations regarding the prohibition or restriction of certain substances. In particular, the Supplier is prohibited from manufacturing products containing mercury in accordance with Art. 4 paragraph 2 and Annex A Part I of the Minamata Convention of 10 October 2013 (Federal Law Gazette 2017 II pages 610, 611), from using mercury and mercury compounds in manufacturing processes within the meaning of Art. 5 paragraph 2 and Annex B Part I of the Minamata Convention from the phase-out date specified in the convention for the respective products and processes, and from treating mercury waste contrary to Art. 11 paragraph 3 of the Minamata Convention.

In addition, the Supplier is prohibited from producing and using chemicals in accordance with Art. 3 paragraph 1 (a) and Annex A of the Stockholm Convention of 23 May 2001 (Federal Law Gazette 2002 II pages 803, 804, hereinafter referred to as the "**POPs Convention**") as well as not handling, collecting, storing and disposing of waste in an environmentally friendly manner in compliance with the regulations in the applicable legal system according to the provisions of Art. 6 paragraph 1 (d) (i) and (ii) of the POPs Convention.

The safe handling, transport, storage and disposal of hazardous substances must be managed effectively. All employees must be adequately trained in the safe handling and disposal of hazardous substances at least once a year and the Supplier undertakes to ensure the responsible management of chemicals.

3.5 <u>Resource conservation</u>

Suppliers undertake to minimise the use of fossil fuels.

3.6 Water management

It is necessary for all wastewater to be regularly monitored, controlled and treated in accordance with applicable laws before it is discharged into the sewer or disposed of.

3.7 Waste management

Suppliers are obliged to manage the solid waste generated in their operations and to dispose of or recycle it responsibly in accordance with the applicable laws.

It is forbidden for the Supplier to export hazardous waste within the meaning of Art. 1 paragraph



1 and other waste within the meaning of Art. 1 paragraph 2 of the Basel Convention of 22 March 1989 (Federal Law Gazette 1994 II pages 2703, 2704) (hereinafter referred to as the **'Basel Convention'**) (i) to a contracting party to the convention that has prohibited the import of such hazardous waste and other waste (Art. 4 paragraph 1 (b) of the Basel Convention); (ii) to an importing state within the meaning of Art. 2 paragraph 11 of the Basel Convention that has not given its written consent to the particular import, if that importing state has not prohibited the importation of such hazardous waste (Art. 4 paragraph 1 (c) of the Basel Convention), (iii) to a non-contracting party to the Basel Convention (Art. 4 paragraph 5 of the Basel Convention), or (iv) to an importing state if such hazardous waste or other waste is not treated in an environmentally sound manner in that state or elsewhere (Art. 4 paragraph 8 sentence 1 of the Basel Convention).

In addition, the Supplier is prohibited from exporting hazardous waste from countries listed in Annex VII to the Basel Convention to countries that are not listed in Annex VII (Art. 4A of the Basel Convention, Art. 36 of Regulation (EC) No. 1013/2006). The Supplier is also prohibited from importing hazardous waste and other waste from a non-contracting party to the Basel Convention (Art. 4 paragraph 5 of the Basel Convention).

3.8 Air emissions

Suppliers are obliged to regularly monitor and control the emission into the atmosphere of volatile organic chemicals, aerosols, corrosive substances, suspended solids, ozone-depleting substances and combustion by-products from operations and to treat them in accordance with regulations prior to discharging them. The Supplier undertakes to promote healthy air quality and to minimise environmental impacts.

4. Company

Our Suppliers shall comply with the company-specific requirements on the basis of the applicable laws.

4.1 Integrity and social responsibility

The Supplier undertakes to promote integrity and transparency. Dealing with business partners must be fair and ethical. The Supplier takes financial responsibility by ensuring ethical and sustainable financial practices, paying suppliers fairly and on time, and ensuring transparent reporting as well as effective risk management throughout the supply chain. The Supplier undertakes to comply strictly with all legal and regulatory requirements.



4.2 Bribery and anti-corruption

Strama-MPS pursues a clear zero-tolerance policy towards bribery and corruption. Any form of bribery, whether in dealings with government officials or the private sector, is strictly prohibited. Employees and Suppliers may not offer, promise, grant, authorise, make or accept gifts of value for the purpose of gaining an unfair advantage.

Suppliers are obliged to comply with applicable laws and compliance guidelines. This includes not only bribery, money laundering and unfair competition practices, but also all legal requirements relevant to our business activities.

4.3 Money laundering

Suppliers are obliged to comply with all applicable anti-money laundering laws.

4.4 <u>Competition</u>

Strama-MPS considers fair competition and compliance with antitrust laws to be fundamental principles. Any form of unfair practices that could affect competition is strictly prohibited.

4.5 <u>Transparency</u>

Suppliers are obliged to keep complete and accurate records of working conditions, subcontractors and employment agents.

4.6 Privacy and data protection

Suppliers must comply with applicable data protection and information security laws. Ensuring data privacy and data security is a top priority in order to protect the confidentiality and integrity of information and to preserve the privacy of all parties involved.

4.7 <u>Trade</u>

Suppliers are obliged to comply with all applicable import, re-import, sanction, anti-boycott, export and re-export control laws. It is forbidden to supply Strama-MPS with goods or services whose receipt is not in accordance with international regulations and embargoes, or is restricted or prohibited and may result in economic sanctions.

4.8 <u>Products</u>

The Supplier is obliged to strictly adhere to product compliance and product safety standards in order to ensure that all products manufactured or distributed comply with legal requirements and quality standards.



4.9 <u>Counterfeits</u>

The Supplier is obliged to strictly refuse the production or distribution of counterfeits, as counterfeits not only violate intellectual property, but also undermine the trust of customers. We obligate our Suppliers to maintain originality and integrity in all our products and services, and to take action against counterfeits in order to protect the rights of copyright holders and ensure fair competition.

4.10 Intellectual property

Respect for and protection of intellectual property are fundamental principles of our business ethics. The company is committed to respecting the rights of third parties and ensuring that intellectual property, including patents, trademarks and copyrights, is properly protected. Any use of other parties' intellectual property take places only with appropriate authorisation or within the limits of applicable laws.

4.11 Documentation and traceability

Comprehensive documentation and traceability of all products manufactured or distributed is essential in order to be able to react quickly and effectively in the event of recalls or quality problems. We obligate our Suppliers to keep clear records of origin, production processes and distribution channels in order to ensure full traceability and strengthen product safety.

5. Implementation of the requirements

The LkSG requires Strama-MPS to implement regulations to comply with certain minimum standards not only in its own business area, but also in the contracts with its direct business partners in the supply chain (suppliers and service providers) (Art. 6 paragraph 4 LkSG). Strama-MPS meets these requirements with this Supplier Code of Conduct, which is an integral part of every contractual relationship with the business partner. Strama-MPS's business partners are obliged to comply with Strama's standards in their operations.

The business partner must also contractually oblige its direct sub-suppliers in the supply chain to comply with the Strama Standards and to pass them on along the supply chain. If it is not possible or enforceable for the business partner to obtain corresponding contractual assurances from its sub-suppliers, the business partner must make every effort to ensure compliance with the Strama Standards at the sub-supplier and in the supply chain by means of appropriate measures.

Strama-MPS offers its business partners training and further education on the enforcement of the Strama Standards.

The Supplier shall allow Strama-MPS and, at the request of Strama-MPS, third parties specialising in this area to determine by means of checks (e.g. document verification, certificate submission,



audits) whether the Supplier is complying with the Strama Standards. Audits are only carried out after prior notice and coordination. The business partner must make appointments for an audit possible at short notice. The business partner grants Strama-MPS or the third party access to all business premises, test centres, warehouses and adjacent areas as well as access to audit-relevant documents.

Business partners and other suppliers in the supply chain can report violations of the Strama Standards within the supply chain anonymously via the Strama-MPS whistleblower procedure on our website under <u>Strama-MPS - Compliance</u>. Business partners must inform their employees and sub-suppliers in the supply chain about this whistleblower body. The business partner shall also set up an internal reporting system for violations of the Strama Standards laid down in this Supplier Code of Conduct; employees who provide information and reports must not be disciplined or disadvantaged for this reason.

To the extent that a violation of the Strama Standards by the business partner is imminent or has occurred, the business partner must immediately take appropriate remedial measures that are suitable for the prevention, termination or reduction of the extent of the violation. If a quick and immediate termination of the violation of the minimum standards of the LkSG cannot be achieved by the business partner, the business partner must immediately create and implement a concept for terminating the violation as quickly as possible or for minimising the effects of the violation. The business partner's concept must contain a concrete timetable detailing the implementation steps that will be taken to minimise or terminate the violation of the minimum standards and when they will be taken. The business partner must coordinate its concept and schedule with Strama-MPS.

The business partner must immediately inform Strama-MPS of any violations of the Strama Standards that have occurred or are imminent, as well as any plan to terminate or minimise the violation of the Strama Standards. Strama-MPS is entitled to suspend the business relationship with the business partner as long as the violation of the Strama standards has not been terminated. If a business partner does not take remedial measures or the remedial measures are not successful, Strama-MPS is entitled to withdraw from the contract with the business partner after the unsuccessful expiry of a reasonable period of time set by Strama-MPS or – in the case of a continuing obligation or a contract for work and services – to terminate this contract extraordinarily without notice.

Strama-MPS expects the Supplier and its sub-suppliers to work cooperatively to ensure traceability and maximum transparency in high-risk supply chains, including to the source if necessary. At the request of Strama-MPS, the Supplier must provide appropriate documents to verify compliance with the Strama Standards and name contact persons for any queries. This applies in particular to information that helps to identify critical products in connection with customer projects and/or to replace affected products in accordance with technical, entrepreneurial and sustainability requirements.



The Supplier is obliged to implement an appropriate and effective corporate due diligence management system for the Strama Standards in its organisation and with its direct suppliers.

In accordance with Art. 5 paragraph 1 LkSG, Strama-MPS is obliged to analyse the human rights and environmental risks at the business partner once a year and on an ad hoc basis. In addition, Strama-MPS is obliged under Art. 6 paragraphs 4 and 5 LkSG and Art. 7 paragraph 4 LkSG to review the effectiveness of the preventive and remedial measures taken by the business partner once a year and on an ad hoc basis. The business partner is obliged to provide Strama-MPS with all necessary information for this purpose. In addition, Strama-MPS's business partner shall immediately inform Strama-MPS about all human rights-related and environmental risks within the meaning of Art. 2 paragraphs 2 and 3 LkSG that are known to it and relevant to the supply or goods or provision of services to Strama-MPS.

If the business partner violates the minimum standards of the LkSG or the Strama Standards and third parties assert claims against Strama-MPS as a result of this violation or a fine is imposed on Strama-MPS as a result of this violation, the business partner must indemnify Strama-MPS against these third-party claims and the fine.

Insofar as is necessary and reasonable for the business partner, the latter shall support Strama-MPS in meeting the Strama Standards.

6. Acknowledgment and consent of the Supplier

By signing this document, the Supplier undertakes to act responsibly and to comply with the Strama Standards listed. In addition, the Supplier undertakes to communicate the contents of this Code of Conduct to its employees, suppliers, agents and subcontractors in an intelligible form and to take all necessary precautions to ensure the implementation of the requirements.

We hereby confirm the Supplier Code of Conduct and will comply with it:

Place, date

Company name, Corporate Responsibility Manager

Place, date

Strama-MPS Maschinenbau GmbH & Co. KG, Corporate Responsibility Manager



References (*):

German Act on Corporate Due Diligence to Avoid Human Rights Violations in Supply Chains (Supply Chain Due Diligence Act – LkSG)

LkSG - unofficial table of contents (in German) (gesetze-im-internet.de)

Directive (EU) 2024/1760 of the European Parliament and of the Council of 13 June 2024 on corporate sustainability due diligence and amending Directive (EU) 2019/1937 and Regulation (EU) 2023/2859

Directive (EU) 2024/1760 - EN - EUR-Lex (europa.eu)

ILO (International Labour Organization) Declaration on Fundamental Principles and Rights at Work Declaration of the ILO on fundamental principles and rights at work and their follow-up actions (ilo.org)

amfori Business Social Compliance Initiative (amfori BSCI) Code of Conduct amfori-bsci-code-of-conduct-english-december-2021-v2-2-1.pdf Overview: amfori-2021-11-04-BSCI Code of Conduct-Poster-Melissa-08.indd

FPIC (free, prior and informed consent) Guide to the strengthening of indigenous groups <u>FPIC Guide - FPIC Solutions Dialogue (fpicdialogue.org)</u>

Minimata Convention on Mercury <u>Federal Law Gazette BGBI. Online Archive 1949 - 2022 (in German) | Bundesanzeiger Verlag</u> and also amendments/additions under <u>Amendments | Minamata Convention on Mercury</u>

Stockholm Convention on Persistent Organic Pollutants (POPs Convention) <u>Federal Law Gazette BGBI. Online Archive 1949 - 2022 (in German) | Bundesanzeiger Verlag</u>

Basel Convention on the Control of Transboundary Movements of Hazardous Wastes and their Disposal <u>Basel Convention on the control of transboundary movements of hazardous wastes and their disposal</u> and also amendments/additions under <u>Basel Convention > The Convention > Amendments > Overview</u>