

# Code of conduct for suppliers



## **Code of conduct for suppliers**

PRO DESIGN Electronic GmbH (hereinafter referred to as "PRO DESIGN") is committed to ecologically and socially responsible corporate governance. We expect the same behavior from all our suppliers. We continuously strive to optimize our business activities, our products and services in terms of sustainability and ask our suppliers to contribute to this in the sense of a holistic approach.

The following regulations are binding for the cooperation between PRO DESIGN and its suppliers and form the basis for all future deliveries. We expect our suppliers to comply with the principles and requirements of the Code of Conduct and to promote and demand the standards and regulations set out herein from their subcontractors as well.

A breach of this Code of Conduct may ultimately be reason and cause for PRO DESIGN to terminate the business relationship, including all associated supply contracts.



## **Social responsibility**

### **Exclusion of forced labor**

No forced labor, slave labor or comparable work may be used. All work must be voluntary and without threat of punishment. Employees must be able to terminate their work or employment relationship at any time. Furthermore, there must be no unacceptable treatment of workers, such as psychological hardship, sexual harassment and humiliation. The commissioning or use of security staff must be prohibited if people are treated or injured in an inhumane or degrading manner or if freedom of association is impaired.

### **Prohibition of child labor**

Child labor may not be used at any stage of production. Suppliers are requested to comply with the recommendation from the ILO conventions on the minimum age for the employment of children. Accordingly, the age should not be less than the age at which compulsory education ends according to the law of the place of employment and in any case not less than 15 years. If children are found at work, the supplier must document the measures to be taken to remedy the situation and enable the children to attend school. Young workers under the age of 18 must not be used for work that is harmful to the health, safety or morals of children. Special protective regulations must be observed.

### **Fair remuneration**

The remuneration for regular working hours and overtime must correspond to the national statutory minimum wage or the minimum standards customary in the industry, whichever is higher. The remuneration for overtime must in any case exceed the remuneration for regular hours. If the remuneration is not sufficient to cover the costs of normal living expenses and to build up a minimum level of reserves, the supplier is obliged to increase the remuneration accordingly. Employees shall be granted all legally prescribed benefits. Deductions from wages as a punitive measure are not permitted. The Supplier shall ensure that employees receive clear, detailed and regular written information on the composition of their remuneration.

### **Fair working hours**

Working hours must comply with applicable laws or industry standards. Overtime is only permitted if it is voluntary and does not exceed 12 hours per week, while employees must be granted at least one day off after six consecutive days. The weekly working time may not regularly exceed 48 hours.

### **Freedom of association**

The right of employees to form organizations of their choice, to join them, to conduct collective bargaining and to strike must be respected. In cases where freedom of association and the right to collective bargaining are restricted by law, alternative possibilities for independent and free association of employees for the purpose of collective bargaining must be granted. Employees must not be discriminated against on the basis of founding, joining or being a member of such an organization. Employee representatives must be granted free access to the workplaces of their colleagues to ensure that they can exercise their rights in a lawful and peaceful manner.

### **Prohibition of discrimination**

The unequal treatment of employees in any form is not permitted unless it is justified by the requirements of employment. This applies, for example, to discrimination on the basis of gender, national, ethnic or social origin, skin color, disability, health status, political conviction, ideology, religion, age, pregnancy or sexual orientation. The personal dignity, privacy and personal rights of each individual are respected.

### **Health and safety in the workplace**

The supplier is responsible for a safe and healthy working environment. The necessary precautionary measures against accidents and damage to health that may arise in connection with the work shall be taken by setting up and applying appropriate occupational safety systems. Suitable measures must be taken to prevent excessive physical or mental fatigue. In addition, employees are regularly informed and trained on applicable health and safety standards and measures. Employees are provided with access to drinking water in sufficient quantities and access to clean sanitary facilities.

### **Preserving the natural foundations of life**

The supplier may not, in violation of legitimate rights, withdraw land, forests or waters whose use secures the livelihood of people. The supplier must refrain from harmful soil changes, water and air pollution, noise emissions and excessive water consumption if this harms the health of people, significantly impairs the natural basis for food production or prevents people from having access to safe drinking water or sanitary facilities.

### **Complaints mechanisms**

In order to ensure the protection of employees, business partners, third parties and PRO DESIGN, it is of crucial importance to recognize misconduct at an early stage, to deal with it and to put an end to it immediately. This requires the attention of all parties involved as well as the willingness to point out possible serious breaches of rules if there are concrete indications.

The supplier must set up a complaints procedure suitable for his company. This makes it possible to raise concerns regarding business ethics, human rights or the environment, both from its own employees and from other potentially affected parties, as well as unlawful practices or violations of this Code of Conduct, while maintaining the confidentiality of identity and effective protection against discrimination. The supplier shall not take any action that hinders, obstructs or impedes access to the complaints procedure. Furthermore, the supplier is expected to inform its employees about the PRO DESIGN whistleblower system, which can be reached by e-mail at [hinweisgeber@prodesign-europe-com](mailto:hinweisgeber@prodesign-europe-com).

### **Dealing with conflict materials**

For the conflict materials tin, tungsten, tantalum and gold, as well as for other raw materials such as cobalt, the company has established processes for fulfilling due diligence to promote responsible supply chains for minerals from conflict-affected and high-risk areas and expects its suppliers to do the same. Smelters and refineries without appropriate, audited due diligence processes should be avoided.



## **Environmental and climate protection, sustainability**

### **Treatment and discharge of industrial wastewater**

Wastewater from operational procedures, manufacturing processes and sanitary facilities must be typified, monitored, checked and, if necessary, 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) and greenhouse gas emissions shall be typified, routinely monitored, verified and treated as necessary prior to release. The supplier is also responsible for monitoring its emission control systems and is required to find cost-effective solutions to minimize any emissions.

### **Handling waste and hazardous substances**

The supplier shall 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 March 22, 1989, as amended, shall be observed. Chemicals or other materials that pose a risk when released into the environment shall be identified and handled in a manner that ensures safety during handling, transportation, storage, use, recycling or reuse and disposal. Mercury shall be used in accordance with the prohibitions of the Minamata Convention of October 10, 2013 and persistent organic pollutants in accordance with the Stockholm Convention of May 23, 2001, as amended.

### **Reduce consumption of raw materials and natural resources**

The use and consumption of resources during production and the generation of all types of waste, including water and energy, must be reduced or avoided. This is done either directly at the point of origin or through procedures and measures, e.g. by changing production and maintenance processes or procedures within the company, by using alternative materials, by making savings, by recycling or by reusing materials.

### **Dealing with energy consumption/efficiency**

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



## **Ethical business conduct**

### **Fair competition**

The standards of fair business, fair advertising and fair competition must be observed. In addition, the applicable antitrust laws must be applied, which in particular prohibit agreements and other activities that influence prices or conditions when dealing with competitors. These regulations also prohibit agreements between customers and suppliers that are intended to restrict customers' freedom to determine their own prices and other resale conditions.

### **Intellectual property**

Intellectual property rights must be respected; technology and know-how transfer must take place in such a way that intellectual property rights and customer information are protected.

### **Integrity, corruption, bribery, taking advantage**

The highest standards of integrity must be applied to all business activities. The Supplier shall have a zero tolerance policy against all forms of bribery, corruption, extortion and embezzlement. Procedures for monitoring and enforcing standards shall be applied to ensure compliance with anti-corruption legislation.



## **Compliance with export control and customs regulations**

Suppliers undertake to ensure that their business practices comply with all applicable laws, directives and regulations governing the import of parts, components, technical data and services. They will ensure that they obtain all necessary permits and licenses for import.

In addition, suppliers will ensure that their business practices comply with all applicable export control laws, policies and regulations. This includes compliance with US and EU legislation and other national regulations and legislation on sanctions and embargoes. Suppliers will, if necessary, provide proper export control classification and obtain export licenses or other approvals as appropriate. If necessary, they will provide appropriate certificates.



## **Data protection, information security and disclosure of information**

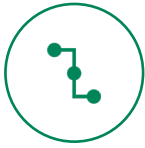
### **Data protection**

The Supplier shall comply with applicable data protection laws, including the security of personal data, as well as the relevant regulation, e.g. GDPR, in particular with regard to personal data of customers, consumers, employees and shareholders. The Supplier must comply with all of the above requirements when personal data is collected, stored, hosted, processed, transmitted, used or deleted.

### **Disclosure of information**

The supplier must protect confidential information and may only use it in an appropriate manner. The Supplier shall comply with the following contractual requirements for data protection and information security and shall not disclose any information that is not known to the general public.





## Implementation in the supply chain

With regard to supply chains, we expect our suppliers to identify risks within these and to take appropriate measures. In the event of suspected violations and to safeguard supply chains with increased risks, the supplier shall inform PRO DESIGN promptly and, if necessary, regularly about the identified violations and risks as well as the measures taken.

PRO DE-SIGN shall verify compliance with the standards and regulations listed in this document by means of risk-based audits at the supplier's production sites. The supplier agrees that PRO DESIGN may carry out such audits once a year or for a specific reason to verify compliance with the Code at the supplier's premises during normal business hours after reasonable advance notice by persons authorized by the supplier. The Supplier may object to individual audit measures if these would violate mandatory data protection regulations.

If a breach of the provisions of this Code of Conduct is identified, the Company shall notify the Supplier immediately in writing and set a reasonable grace period for the Supplier to bring its conduct into compliance with these provisions. If a remedy is not possible within a foreseeable period of time, the supplier must notify the company immediately and, together with the company, draw up a concept with a timetable for ending or minimizing the violation. If the grace period expires without result or the implementation of the measures contained in the plan does not bring about a remedy after the expiry of the timetable and no milder means are available, the company may break off the business relationship and terminate all contracts. A statutory right to extraordinary termination without setting a grace period, in particular in the case of breaches that are deemed to be very serious, remains unaffected, as does the right to compensation for damages.