

Code of Conduct for Suppliers

An essential function of the Code of Conduct is to make aware of corporate guidelines and to raise awareness of legal risks in everyday working life.

This supplier Code of Conduct (hereinafter, Code) defines expectations and guiding principles of conducting business with RHODIUS Abrasives GmbH and its subsidiaries and affiliated companies (hereinafter, RHODIUS Abrasives). The content of this Code reflects our values of sustainability, integrity, inclusiveness and respect of our company. As a binding guideline for legally compliant and ethically responsible conduct, this Code also defines the standard for responsible cooperation within and outside the company.

This Code is based on the Conventions of the International Labour Organization (ILO), the Universal Declaration of Human Rights, UN Guiding, Principles for Business and Human Rights, OECD Guidelines, UN Global Compact and internationally accepted occupational health and safety standards.

At a minimum, suppliers and their business partners are expected to meet the following standards:

1. Legal Compliance

Compliance with all applicable laws and regulations is of immense importance to RHODIUS Abrasives. Violations of laws and regulations can have serious consequences for both the company and its employees, such as criminal convictions, disciplinary measures, fines and damage to reputation

Suppliers must operate in full compliance with all applicable local and national laws, rules and regulations relevant to their business activities including but not restricted to employment, environment and health and safety. They shall also inform themselves on their own responsibility about the legal provisions applicable in their field of activity.

2. Workplace Conditions & Employment Standards

2.1 No Child Labour

Suppliers must not use any form of child labour. Child labour is prohibited according to the provisions of ILO and/or national legislation. No person may be employed in general labour at an age younger than 15 or younger than the age applicable for completing compulsory education in the country of manufacture where such age is higher than 15. The suppliers must establish robust age verification mechanisms as part of the recruitment process, which may not be in any way degrading or disrespectful to the employees.

All legal requirements for employees under 18 shall be followed and no person under the age of 18 shall be engaged in hazardous work or conditions, or any work at night. This includes any work which, by its nature or the circumstances in which it is carried out, is likely to be harmful to the health, safety or morals of children. Special care is also to be taken on the occasion of the dismissal of children.

Employers shall set the necessary mechanisms to prevent, identify and mitigate harm to young workers; with special attention to the access young workers shall have to effective

grievance mechanisms and to Occupational Health and Safety trainings schemes and programmes.

2.2 No forced Labour

Employers must not engage in Human Trafficking or use any forced or involuntary labour, whether in the form of prison labour, indentured labour, bonded labour, slavery or otherwise. No employee can be compelled to work through force, the threat of force, or intimidation of any form. Practices such as withholding personal property, passports, wages, certificate of education, employment or other documents for improper reasons are also unacceptable.

Suppliers shall allow their workers the right to leave work and freely terminate their employment provided that workers give reasonable notice to the employer.

2.3 No Harassment or Abuse

Every employee shall be treated with respect and dignity. No employee shall be subject to any corporal punishment, threats of violence or any other physical, sexual, psychological or verbal harassment or abuse.

2.4 No Discrimination

RHODIUS Abrasives promotes equal opportunities. Employees shall be hired, paid and promoted on the basis of their ability to do their job, rather than on the basis of personal characteristics or beliefs. No person shall be subject to any discrimination in employment, included in hiring, salary, benefits, advancement, discipline, termination or retirement, on the basis of gender, marital status, race, skin colour, sexual orientation, nationality, age, appearance, disability, religion, political opinion, social or ethnic origin, trade union membership or formation and affiliation and other legally protected characteristics.

2.5 Freedom of Association

Suppliers must recognise and respect the freedom of employees to exercise their right to join (or not to join) organisations and associations of their own choosing. Where the right to freedom of association and collective bargaining is restricted under law, employers must allow their employees to raise any job-related grievances without penalty.

2.6 Health and Safety

Suppliers shall provide a safe and healthy workplace in compliance with all applicable laws and regulations. Health and safety practices which prevent accidents, injuries or illnesses arising out of, linked with, or occurring in the course of work should be promoted.

The workplace shall have safety and health policies and procedures that are clearly communicated to all employees. Also vulnerable individuals such as - but not limited to - young workers and persons with disabilities, shall receive special protection.

2.7 Fair Remuneration and Benefits

Employees shall be fully, timely and legally compensated for all hours worked, all legally mandated benefits shall be provided. In any case, the compensation of a living wage must be guaranteed in accordance with local living conditions. Partial payment in the form of allowance "in kind" is accepted in line with ILO specifications.

2.8 Regular Employment

Employees shall be employed on the basis of a recognized employment relationship established by national law. The use of temporary, agency apprenticeship programmes and outsourced employees shall be in accordance with local law.

Before entering into employment, employers shall provide employees with understandable information about their rights, responsibilities and employment conditions, including working hours, remuneration and terms of payment.

2.9 Decent Working Hours

Suppliers shall ensure that employees are not required to work more than 48 regular hours per week. However, RHODIUS Abrasives recognizes the exceptions specified by the ILO. Applicable national laws, industry benchmark standards or collective agreements are to be interpreted within the international framework set out by the ILO.

In exceptional cases defined by the ILO, the limit of hours of work prescribed above may be exceeded, in which case overtime is permitted. The use of overtime is meant to be exceptional, voluntary, paid at a premium rate and shall not represent a significantly higher likelihood of occupational hazards. Furthermore, suppliers shall grant their workers with the right to resting breaks in every working day and the right to at least one day off in every seven days, unless exceptions defined by collective agreements apply.

3. Protection of the Environment

It shall be the common goal between RHODIUS Abrasives and its suppliers to mitigate the environmental impact of manufacturing products. This includes:

- Responsible use of natural resources such as energy, water and raw materials
- Implementing renewable energy where possible to reduce CO2 emissions
- Responsible management and reduction in the use and disposal of hazardous chemicals
- Reducing and avoiding pollution and waste including solids, liquid and air emissions
- Repurposing and/or reintroducing waste, where possible, into the production of new/other goods to mitigate landfill waste
- Prohibition of non-environmentally compatible handling, collection, storage and disposal of waste
- Designing and developing products, materials and technologies according to sustainable principles
- Integrating principles of sustainability into business decisions and practices
- Where applicable, all necessary environmental permits, approvals and registrations are obtained, maintained and kept up to date.

4. Subcontractors

Suppliers must not subcontract production of RHODIUS Abrasives products, or components used to manufacture those products, without RHODIUS Abrasives express written consent, and only after the subcontractor has entered into a written commitment with RHODIUS Abrasives to comply with this Code

5. Community

Suppliers shall recognise their economic and social impact of their work and commit to engage directly or through partnerships in projects that improve the social well-being of employees and their families in the local community.

6. Monitoring of Compliance

Suppliers will allow RHODIUS Abrasives and its representatives to monitor compliance with this Code. To this end, Suppliers will maintain on-site all documentation necessary to demonstrate compliance with this Code.

7. Integrity

Any kickback-payments, bribes, corruption, extortion, fraud, money laundering, deception or any other similar unlawful or improper payments, in cash or kind, are strictly prohibited, whether given to obtain or retain business or for any other purpose. The allocation and acceptance of customary courtesy and promotional gifts of low value as well as business meals and invitations to events with a direct business connection are permissible within a framework appropriate to the business situation and the position of the parties involved if they could not give the impression of undue influence or even obligation.

8. Data protection and information security

The Supplier shall ensure that the legitimate expectations regarding the protection of personal data are met. When collecting, storing, processing, transferring and disclosing personal data, the Supplier shall comply with all applicable laws regarding data protection and information security as well as regulatory requirements.

The Supplier shall also ensure that all information relating to RHODIUS Abrasives is adequately protected against unauthorised disclosure, modification or destruction and against unauthorised access and that unauthorised access to information processing systems is adequately prevented. Information processing systems and networks must be secured in accordance with the state of the art against manipulation, malware, network attacks or other malicious activities of third parties.

9. Reporting

Suppliers should promote and establish communication channels for their employees to file complaints or report possible unlawful conduct without fear of repression, intimidation or harassment. Any communication should be treated confidentially. Suppliers should investigate reports and take action as necessary.

Suppliers should report to RHODIUS Abrasives any actual or suspected violations of laws, internal regulations and this Code. If a RHODIUS Abrasives employee or other person associated with the company has engaged in illegal or inappropriate conduct, suppliers must report the matter to RHODIUS Abrasives.

This Code of Conduct for Suppliers is dated 1st January, 2023.