



Code of Conduct

for Suppliers and Business Partners

of the VDE Group

Table of Contents

1. Scope and Compliance with Laws	3
2. Vision and Mission	3
3. Compliance and Ethical Cooperation	3
3.1 Fair competition and ban on cartels	3
3.2 Anti-corruption	3
3.3 Prevention of money laundering	4
3.4 Foreign trade law and export control	4
3.5 Data protection and duty of confidentiality	4
3.6 Protection of intellectual property	4
4. Corporate Responsibility with Regard to Human Rights and Social Standards	4
4.1 Respect for human rights	4
4.2 Prohibition of forced labour and slavery	4
4.3 Prohibition of child labour	4
4.4 Occupational health and safety	5
4.5 Appropriate wages	5
4.6 Freedom of association	5
4.7 Equal opportunities and ban on discrimination	5
4.8 Prohibition of unlawful eviction	5
4.9 Prohibition of negative environmental impact on human livelihood	5
4.10 Prohibition of hiring or using private or public security forces for unlawful purposes	5
5. Corporate Responsibility with Regard to the Environment	5
5.1 Ban on mercury	5
5.2 Prohibited chemicals	6
5.3 Handling of hazardous substances and their disposal	6
5.4 Conflict minerals	6
6. Principles of Cooperation	6
6.1 Compliance with legal requirements	6
6.2 Control rights and audits	6
6.3 Information obligations and transparency	6
6.4 General duties of cooperation	7
6.5 Assistance with remedial action	7
6.6 Suspension and termination of the business relationship and consequences of a violation	7
6.7 Obligation to implement and pass on in the supply chain	7
6.8 Training	7
6.9 Indirect suppliers	7
6.10 Compliance management system and complaints	7
6.11 Acknowledgement and consent	Fehler! Textmarke nicht definiert.

1. Scope and Compliance with Laws

This Code of Conduct shall apply to all future contractual services provided by the supplier or business partner¹ to a company of VDE Verband der Elektrotechnik Elektronik Informationstechnik e. V. (hereinafter referred to as 'VDE e.V.') and its affiliated companies within the meaning of sections 15 et seq. of the German Stock Corporation Act (together with VDE e.V. hereinafter referred to as 'VDE').

VDE sets high standards for the integrity of its actions and expects the same from its suppliers and business partners. Suppliers shall regularly inform themselves about the applicable legal regulations and comply with them as far as they are affected by them. In addition to antitrust and competition law, this particularly includes the regulations on the prevention of bribery, illegal money transfers and corruption as well as the relevant labour, data protection, human rights protection and environmental regulations.

2. Vision and Mission

Safety, quality, sustainability, social responsibility, and the promotion of science and education are the goals that VDE pursues and implements both in Germany and across the globe.

As the leading platform for electrical engineering, electronics and information technology, VDE brings science, industry and politics together. Through the exchange of knowledge, education, standardisation and testing at the highest level, powerful and safe applications are created that secure people's standard of living and quality of life. At the same time, future technologies and innovations are promoted.

VDE always strives to deliver the highest quality and to meet the requirements of the market and the general public to the highest possible degree, taking into account its statutory task of accident and consumer protection.

In doing so, VDE aims to meet the needs of the current generation without compromising the capabilities of future generations.

The ongoing improvement of quality, environmental and occupational safety performance, the avoidance of environmental pollution and compliance with applicable legal obligations and other requirements is a matter of course for VDE. In particular, this also includes fundamental principles such as respecting human rights and protecting jobs and the environment.

Occupational safety, health protection and preventive health care form integral components of our corporate policy and are subject to a continuous improvement process.

The decisive criteria for selecting suppliers, service providers and other third parties are their performance and quality awareness and compliance with the principles and requirements set out in this Code of Conduct, in particular compliance with VDE's expectations in the areas of human rights and the environment.

3. Compliance and Ethical Cooperation

3.1 Fair competition and ban on cartels

The relevant provisions for fair competition as well as the provisions of antitrust and competition law must be observed and complied with.

VDE expects its suppliers to comply with the applicable rules of fair competition and to refrain from any action that is aimed at an inadmissible restriction of competition and/or violates legal regulations. As a matter of principle, agreements between competitors that are made with the aim of or result in preventing competition are prohibited. Agreements are understood to include both formal agreements and resolutions as well as implicit concerted practices. This especially includes agreements between competitors that are likely to influence prices or conditions, as well as agreements between customers and suppliers that are intended to restrict customers' freedom to determine their prices and other conditions autonomously when reselling.

3.2 Anti-corruption

VDE does not tolerate any immoral business practices and prohibits any form of corruption, including subsidy fraud, bribery and the dishonest taking of advantages. VDE also expects this from its suppliers or business partners. Corruption means the exploitation of a position to obtain unjustified advantages. As a rule, this advantage is granted as part of an exchange relationship (active and passive corruption). The term advantage includes everything that improves the position of the recipient or a third party and to which the recipient is not entitled. This means that advantages are not only monetary benefits, but all tangible or intangible benefits.

¹ For reasons of readability, all terms are to be understood as gender-neutral.

When purchasing supplies, materials, services or other benefits from third parties, VDE expects the supplier to ensure that the procurement process is focused on quality, performance and cost. The special requirements for corporate due diligence to prevent human rights violations in supply chains, as outlined in Section 6, must be observed in this regard.

Soliciting, accepting promises and benefits and advantages of any kind for the personal benefit of the supplier or a third party, in particular of customers, sub-suppliers and service providers or of interested standardisation or other expert groups, is prohibited. This prohibition also applies if the corrupt behaviour is customary in the respective home country of the supplier or business partner or is not considered unethical or corrupt by the supplier or business partner.

3.3 Prevention of money laundering

Money laundering means that assets from criminal transactions are brought into circulation through further business activities. The supplier shall comply with the legal requirements for the prevention of money laundering and shall not engage in money laundering activities.

3.4 Foreign trade law and export control

The supplier shall ensure that his/her business activities comply with the applicable laws, directives and regulations regarding the import, export or domestic trade of goods, technologies or services, the handling of certain products and capital and payment transactions. The same shall apply with regard to other national regulations of foreign trade law and legislation on sanctions and embargoes. By taking appropriate measures, the supplier shall ensure that transactions with third parties do not violate applicable economic embargoes or regulations on trade, import and export control or on combating the financing of terrorism.

3.5 Data protection and duty of confidentiality

Regarding the protection of private information, the supplier shall undertake to meet the reasonable expectations of his/her client, suppliers, customers, consumers and employees. The supplier shall comply with data protection and information security laws and government regulations when collecting, storing, processing, transmitting and disclosing personal information.

Trade and business secrets as well as confidential information are a significant asset of VDE, as well as its customers and clients. For this reason, company and business secrets must be kept strictly confidential. Suppliers and business partners shall in particular also be obliged to maintain secrecy with regard to such information that is expressly disclosed as confidential or whose need for secrecy is apparent. When dealing with complaints the confidentiality of the whistleblower's identity and the impartiality of the supplier and his/her personnel dealing with the complaint shall be ensured by VDE.

The duty of confidentiality shall continue to apply even after the termination of the business relationship.

3.6 Protection of intellectual property

Intellectual property rights shall be respected; transfers of technology and expertise shall be carried out in such a way that intellectual property rights and customer information are protected.

4. Corporate Responsibility with Regard to Human Rights and Social Standards

4.1 Respect for human rights

The supplier shall be committed to respecting human rights in accordance with the Universal Declaration of Human Rights from the United Nations, and shall respect and support the principles of the United Nations Global Compact. These require companies to recognize, support and put into practice a set of core values within their sphere of influence.

4.2 Prohibition of forced labour and slavery

VDE does not tolerate forced labour. Any form of forced labour, such as that obtained by posting a bond or withholding identification documents from workers at the beginning of the employment relationship, is therefore prohibited. Any form of modern slave labour, prison labour or any other similar labour that violates basic human rights is also prohibited. All work must be voluntary and without threat of punishment. Employees must be able to terminate their employment relationship at any time. The use of corporal punishment and psychological or physical coercion is prohibited. Verbal abuse, sexual and personal harassment and humiliation shall not be tolerated.

4.3 Prohibition of child labour

Child labour must not be used in the cooperation with the VDE. Any form of exploitation of children is prohibited in this respect. Suppliers are required to comply with the International Labour Organization's recommendations on the minimum age for the employment of children, according to which employees should be no younger than the age at

which compulsory education ends in accordance with the law of the place of employment, and in any case no younger than 15. The rights of young workers shall be protected. Anyone under the age of 18 shall not be employed in work harmful to their health, safety or morals. Special protective regulations for children and young people must be observed.

4.4 Occupational health and safety

The laws, regulations and standards on occupational health and safety applicable at the place of employment shall be complied with. The supplier shall be obliged to enable a safe and healthy working environment for his/her employees. Clear rules and procedures shall be established and followed to ensure health and safety in the workplace, especially with regard to the provision and use of personal protective equipment, clean toilets and access to drinking water. Excessive physical or mental fatigue shall be prevented with the appropriate measures. Employees shall also be regularly informed and trained on applicable health and safety standards and measures.

4.5 Appropriate wages

Pay for regular hours of work and overtime shall be the legal minimum wage in effect at the place of employment or the industry minimum standards, whichever is greater. Employees shall be provided all benefits required by law. Wage deductions as punitive measures are not permitted.

4.6 Freedom of association

VDE advocates that the right of workers to form and join organizations of their choice, to bargain collectively and to strike shall be respected. In cases where freedom of association and the right to collective bargaining are restricted by law, alternative means of independent and free association of workers for the purpose of collective bargaining shall be provided. Employee representatives shall be protected from discrimination. Employees shall not be discriminated against on the basis of forming, joining or being a member of such an organization.

Employee representatives must be granted free access to the workplaces of their members to ensure that they can exercise their rights in a lawful and peaceful manner.

4.7 Equal opportunities and ban on discrimination

VDE advocates equal opportunities and is against discrimination. The unequal treatment and harassment of the supplier's employees in any form is not permitted unless it is justified by the requirements of employment. This applies, for example, to discrimination based on gender, race, nationality, ethnic or social origin, skin colour, disability, health status, political conviction, membership in employee organizations including trade unions, ideology, religion, age, pregnancy or sexual identity or other personal characteristics.

The personal dignity, privacy and personal rights of each individual shall be respected by the supplier.

4.8 Prohibition of unlawful eviction

The supplier shall respect the prohibition of unlawful eviction and the prohibition of unlawful deprivation of land, forests and waters in the acquisition, construction or other use of land, forests and waters, the use of which provides a person's livelihood.

4.9 Prohibition of negative environmental impact on human livelihood

The supplier shall respect the prohibition of causing harmful soil changes, water pollution, air pollution, harmful noise emission or excessive water consumption, insofar as these actions significantly affect the natural basis for the preservation and production of food, deny a person access to safe drinking water or impede or destroy access to sanitary facilities or damage the health of a person.

4.10 Prohibition of hiring or using private or public security forces for unlawful purposes

The supplier shall respect the prohibition of hiring private or public security forces for the protection of the business project if, due to lack of instruction or checks, the prohibition of torture is disregarded in the use of the security company, life or limb is injured, or the freedom of association is impaired.

5. Corporate Responsibility with Reard to the Environment

5.1 Ban on mercury

Mercury is a chemical element that causes significant harm to human and animal health because it can accumulate in the body due to poor degradation. To control the release of mercury and mercury compounds, the Minamata Convention on Mercury was adopted among 123 countries (as of 2020). In accordance with the Minamata Convention on Mercury, suppliers shall ensure that they do not manufacture mercury-added products as defined in Article 4 (1) and Annex A

Part I, do not use mercury and mercury compounds in manufacturing processes as defined in Article 5 (2) and Annex B Part I, and treat mercury waste in accordance with Article 11 (3).

5.2 Prohibited chemicals

Persistent organic pollutants ('POPs') are chemicals that are harmful to human health and the environment because they have toxic properties. The substances classified as POPs were defined in the Stockholm Convention on Persistent Organic Pollutants, dated 21 May 2001, last amended by Regulation (EU) 2019/1021 of the European Parliament and the Council of 20 June 2019 on Persistent Organic Pollutants, and by Commission Delegated Regulation (EU) 2021/277. The supplier shall ensure that it neither produces nor uses chemicals pursuant to Article 3 (1) letter a and Annex A of the Stockholm Convention on Persistent Organic Pollutants.

5.3 Handling of hazardous substances and their disposal

The Supplier shall ensure that it complies with (i) the prohibition of non-environmentally sound handling, collection, storage and disposal of wastes is complied with in accordance with the regulations in effect in the applicable jurisdiction in accordance with the requirements of Article 6 (1) letter d) items i) and ii) of the Stockholm Convention on Persistent Organic Pollutants, (ii) the prohibition of export of hazardous wastes as defined in Article 1 (1) and other wastes as defined in Article 1 (2) of the Basel Convention on the Control of Transboundary Movements of Hazardous Wastes and Their Disposal of 22 March 1989, (iii) the prohibition on exports of hazardous wastes from countries listed in Annex VII to the Basel Convention to countries not listed in Annex VII, and (iv) the prohibition on hazardous wastes or other wastes being exported to a non-Party or to be imported from a non-Party (Article 4 (5) of the Basel Convention).

5.4 Conflict minerals

If raw materials and minerals such as tin, tantalum, tungsten and gold (known as conflict minerals) are part of deliveries or products, these must be obtained from responsible sources or it must be ensured that they were obtained from responsible sources. There is no responsible source if the raw material originates from an area in which violent conflicts and human rights violations are taking place. Such regions particularly include the Democratic Republic of Congo and its border areas with neighbouring states such as Sudan, the Central African Republic, Uganda, the Republic of Congo, Angola, Tanzania, Rwanda, Burundi, Zambia and Angola.

6. Principles of Cooperation

6.1 Compliance with legal requirements

As an essential basic principle for economically responsible conduct, the supplier shall always conduct business in compliance with nationally and internationally relevant statutory regulations and laws, the legal requirements of the European Union and the globally recognised social and ecological standards as laid down in the United Nations Guiding Principles on Business and Human Rights (UNGP), the OECD Guidelines for Multinational Enterprises and the core labour standards of the International Labour Organization (ILO), and shall keep himself/herself informed about the current legal situation and, if necessary, implement changes in the law and new laws without delay. The regulation that is relevant to the supplier and imposes the most stringent requirements must always be applied.

6.2 Control rights and audits

The supplier shall agree that compliance with expectations resulting from this Code of Conduct may be appropriately monitored at any time either by VDE itself or by an independent auditor commissioned by VDE on a regular basis or on an ad hoc basis. An on-site inspection shall be announced to the supplier in due time and shall only be carried out during regular business hours in compliance with the respective applicable national law and in the presence of representatives of the suppliers and of VDE. The costs for this - insofar as they are reasonable - shall be borne by the VDE.

6.3 Information obligations and transparency

The supplier shall inform VDE in written form of any violations of the rules of this Code of Conduct, in particular violations, substantiated suspicions of risk or difficulties in addressing the expectations and principles of VDE in the supply chain immediately after becoming aware of them. This may also be done openly or anonymously via the complaint and whistleblowing channels established by VDE (Section 6.10). Any complaints or notifications made shall protect the legitimate interests of the supplier as well as the observance of the rights of his/her employees, in particular data protection and the protection of business secrets.

Upon justified request by VDE, the supplier shall provide VDE with all information necessary for VDE to fulfil its legal obligations as well as its contractual obligations towards its business partners. In this respect, VDE expects its suppliers to oblige their business partners to disclose information on a risk-based basis. VDE will give due consideration to legitimate business interests of the supplier and its contractual partners in the supply chain as well as data protection considerations and will not disclose the information to unauthorised third parties. Sensitive information will be protected by confidentiality agreements.

6.4 General duties of cooperation

In accordance with its legal obligation under the German Supply Chain Risk Management Act, VDE shall conduct risk analyses with regard to its suppliers on an annual and ad hoc basis. The supplier agrees to provide VDE with appropriate risk-based support in this regard.

If this results in additional human rights or environmental expectations for the supplier, e.g. due to a risk situation identified for the first time or an increase in risk, in order to achieve the protective purpose of the German Supply Chain Due Diligence Act, VDE shall notify the supplier accordingly. The supplier shall attempt to meet the additional expectations within a reasonable period of time upon receiving the notification and shall prove their implementation to VDE.

6.5 Assistance with remedial action

Should the supplier violate the human rights and environmental expectations as defined in this Code of Conduct or if such a violation by the supplier is imminent, VDE has an obligation to take appropriate and effective remedial action in accordance with the German Supply Chain Due Diligence Act in order to prevent or terminate the violation or to minimize the extent of the violation. If a remedy is not possible in the foreseeable future, VDE must prepare and implement a concept for termination or minimization. If the supplier has caused the breach, the obligation to jointly prepare and implement the concept may be imposed on him within a reasonable period of time. Any costs incurred in this context shall be shared between the parties to a reasonable extent, taking into account the respective effort, the available resources, the ability to influence the directly responsible party and the respective contribution of the parties to the cause.

6.6 Suspension and termination of the business relationship and consequences of a violation

If the supplier fails to comply with the human rights, environmental and other expectations of VDE set forth in this Code of Conduct and violates any such protected legal position of a person affected, VDE shall be entitled to suspend the business relationship with the supplier during efforts to minimize or terminate the risk.

VDE shall be entitled to terminate all agreements existing between the parties and the respective individual orders affected thereby in whole or in part with a notice period of two (2) weeks if (i) the violation of a legal right protected under this Code of Conduct or of an obligation resulting from this Code of Conduct is deemed to be serious, (ii) the remedial period has expired unsuccessfully OR a warning has remained unsuccessful and (iii) no milder means are available. A serious violation shall be deemed to have occurred in particular if, as a result of the violation, there is a threat of significant damage to the protected legal asset of a person affected or if there is a significant number of cases.

A statutory right to extraordinary termination remains unaffected by this, as does the right to compensation for damages. Such a violation may also result in criminal prosecution by investigating authorities.

6.7 Obligation to implement and pass on in the supply chain

The supplier or business partner shall undertake to communicate the requirements of this Code of Conduct to his/her employees in an appropriate and effective manner and to take all necessary precautions for their implementation in his/her group of companies, including all his/her affiliated companies.

Furthermore, the supplier shall ensure through appropriate measures with his/her suppliers and business partners in the supply chain that the requirements regulated in this Code of Conduct or comparable minimum standards – in particular the human rights and environmental expectations – are appropriately and risk-based addressed along the supply chain.

6.8 Training

If the VDE identifies a human rights risk or an environmental-related risk within the meaning of Section 2 of the German Supply Chain Due Diligence Act in connection with the supplier's contractual performance, the supplier may be instructed to carry out training and further education by VDE for his/her employees and his/her direct suppliers. Such training and further education at the supplier's premises may also be carried out by an external service provider. VDE shall bear the reasonable costs of the training.

6.9 Indirect suppliers

Should VDE obtain factual indications making a violation of a human rights and environmental obligation at an indirect supplier of the supplier appear possible, the supplier shall undertake to support VDE in establishing appropriate preventive measures regarding the causing party.

6.10 Compliance management system and complaints

Any supplier or business partner may contact VDE's compliance officers or ombudsman at any time if they are unsure about correct conduct or wish to report potential misconduct on their part.

Risks or violations with regard to human rights and environmental expectations can be reported by the supplier, his/her employees as well as stakeholders, including affected and non-affected third parties through the complaints system of the VDE according to Section 8 German Supply Chain Due Diligence Act. The complaints procedure is available to whistleblowers under the following link <https://www.bkms-system.com/vde>. VDE complies with the statutory provisions for the protection of whistleblowers, in particular the obligation to maintain confidentiality of identity and impartiality.

In addition, the supervisors, the respective managing directors and also the Board of Management of VDE e.V. are available as contact persons.

The supplier agrees to communicate the requirements of this Code of Conduct to his/her employees in an appropriate and effective manner and to take all necessary precautions for the implementation within his/her group of affiliated companies. If the supplier does not operate his/her own grievance procedure, it shall inform his/her employees of the VDE complaint procedure in such a way that it is possible for them to submit relevant information through the complaint procedure as well. If necessary, he/she shall be supported by VDE. Any costs incurred in this connection shall be born by VDE. Neither the supplier nor his/her employees may obstruct, impede or prevent access to the complaints system set up by VDE or obstruct, impede or prevent communication with the responsible employees of VDE.

The compliance officers of VDE are

- the Compliance Committee
- the Internal Compliance Officer
- the External Compliance Officer, who is an external lawyer subject to the lawyer's duty of confidentiality and who performs the function of ombudsman, in which they confidentially receive information on compliance violations upon request.

The respective contact details can be found on the Internet.

* * * * *