

## **HOPPECKE Group purchasing policy**

The aim of the purchasing activity and the role of the purchasing department of the HOPPECKE Group is to support our organization in becoming a supplier of energy and system solutions with a consistent quality brand at attractive prices by selecting, supporting the qualification and development of the best sub-suppliers. To this end, the purchasing department – in close cooperation with all stakeholders in the value-added chain – assumes the responsibility for the strategic purchasing of all relevant goods and services worldwide, in accordance with our corporate business principles and based on ethical standards of business conduct, environmental protection and social responsibility (hereinafter "business ethics").

In keeping with our principles of ethical business conduct, we require all of our suppliers to:

- respect human rights and to commit to uphold them;
- reject forced or child labor in any form;
- provide their employees with workplaces free from threats to health or life, discrimination of any kind, violence and harassment;
- recognize workers' right to collective bargaining and recognize the International Labor Organization (ILO) core labor standards;
- comply with applicable environmental standards and use energy-efficient production processes and reduce greenhouse gas emissions;
- use resources prudently and take action to reduce the amount of waste generated;
- comply with data protection regulations;
- comply with competition law requirements, reject all forms of corruption, and
- comply with and abide by all other legal requirements that apply to them and that apply in their country.

In order to fulfill the requirements set out in the HOPPECKE Group's principles of business ethics, the national subsidiaries of the HOPPECKE Group which carry out purchasing activities have corresponding purchasing guidelines and instructions. These specify the principles, procedures and processes to be observed in dealings with colleagues, customers, suppliers, other businesses and authorities. The purpose of this is to ensure legally compliant and audit-proof processes and contracting and to consistently take into account the business ethics guidelines defined above. Procurement guidelines or instructions provide the basis for preparing additional detailed instructions, checklists and procedures.

Special care should be taken in sourcing from regions or sources where special efforts or procedures are required to ensure that transactions are conducted in accordance with business ethics principles. For this reason, the suppliers of conflict minerals for all our plants worldwide are exclusively selected by the purchasing department of the HOPPECKE Group headquarters. From the perspective of today, the conflict resources are: tin, tantalum, tungsten and gold from the Democratic Republic of Congo or neighboring countries (Angola, Burundi, Central African Republic, Congo, Rwanda, South Sudan, Tanzania, Uganda and Zambia). The extraction of these raw materials in the countries mentioned above is often associated with violations of basic human rights, while profits from the sale of these raw materials are used to finance armed conflicts. It is therefore essential that the suppliers of these raw materials are able to provide appropriate certificates of origin for the above raw materials to be acquired by HOPPECKE. Only those who are able to provide appropriate certificates of origin for raw

materials may be approved as our suppliers. It is recommended to use the standardized CFSI (Conflict-Free Sourcing Initiative) reporting template.

HOPPECKE reserves the right to assess its suppliers' compliance with HOPPECKE's business ethics by means of an audit. Such audits may be conducted by HOPPECKE, HOPPECKE's client, or by a third party designated by HOPPECKE or the client.

Any breach of the HOPPECKE Group's rules of business ethics may constitute grounds for HOPPECKE to terminate contracts with raw material suppliers. If breaches of the HOPPECKE Group's business ethics rules of minor importance are identified, the supplier shall be given the opportunity to implement remedial measures within a reasonable period of time to prevent further breaches. If further breaches of the HOPPECKE Group's business ethics rules are discovered despite the agreed time for remedy, or if severe breaches of these rules are discovered, HOPPECKE reserves the right to terminate contracts with the supplier immediately and to claim damages.