

Supplier Code of Conduct for companies of the Würth MODYF Group

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- hereinafter referred to as "DE-MODYF" -

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- hereinafter „PT-MODYF“ -

6. Würth Modyf Norway

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- DE-MODYF, IT-MODYF, ES-MODYF, FR-MODYF, PT-MODYF, NO-MODYF and
CH-MODYF hereinafter jointly referred to as "companies of the Würth MODYF Group" or
"Würth MODYF" -

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1. Preamble

Corporate Social Responsibility

Würth MODYF Group, which consists of Würth MODYF national companies, considers social responsibility in its entirety and applies it not only to its own business activities, but also to the supply chain. Würth MODYF continuously works on improving the policies and practices to contribute to sustainable development. In doing so, Würth MODYF takes into account effects of its business activities on society, in particular compliance with human rights and the environment. The due diligence includes procedures for determining, avoiding, reducing and, if necessary, making amends for adverse effects on human rights and the environment. To achieve responsible business conduct we wish to work in close partnership with our suppliers and business partners. Würth MODYF considers collaboration to be a prerequisite for responsible business conduct, and key to the achievement of the UN Sustainable Development Goals.

Würth MODYF respects and accepts the various legal, social, cultural and social backgrounds of the countries into which its value chain extends and recognizes their structures, customs and traditions. To the extent that these conflict with the principles set forth herein, Würth MODYF will enter into dialog with the business partners to work towards understanding and acceptance. Values play a central role in dealing with each other.

Reference

This Supplier Code of Conduct¹ addresses the principles and minimum requirements for the protection of human and labor rights on the basis of the United Nations Universal Declaration of Human Rights, the ILO Core Labor Standards, the UN Guiding Principles on Business and Human Rights and the OECD Guidelines for Multinational Enterprises and the OECD Due Diligence Guidance for Responsible Supply Chains in the Garment and Footwear Sector. Furthermore, this Code of Conduct is linked to the policy statement of the [Code of Compliance of the Würth Group](#) as well as the requirements of the [General Purchasing Conditions of Würth MODYF](#). In general, this code of conduct is consistent with the code of BSCI² and ETN³

Recipients

Würth MODYF communicates the contents of the social code and code of conduct to employees, contractual partners, business partners and other interest groups. In particular, this Code of Conduct is aimed at all business partners in the supply chain of our products, including subcontractors and sub-suppliers. The standards apply equally to permanent, temporary and contract workers, as well as to piece workers, salaried, part-time, night-time, itinerant and youth workers, irrespective of gender.

Business partners must educate employees in the supply chain about the content of the Code of Conduct and the applicable national and international laws.

¹ Hereinafter referred to as: Code of Conduct

² Business Social Compliance Initiative (amfori)

³ Ethical Trade Norway (Etisk handel Norge)

Implementation and monitoring

By signing this document, Würth MODYF and its business partners undertake to comply with the standards and guidelines. The minimum standards required by this Code of Conduct are a binding and permanent contractual component of the cooperation with Würth MODYF.

The principles set out in this Code of Conduct form an important part of supplier selection. Close exchange with the Würth MODYF technology team in Dongguan, China, ensures the monitoring process. Würth MODYF reserves the right to conduct announced and unannounced audits in connection with the Code of Conduct itself or through a third party authorized by Würth MODYF.

Würth MODYF is working on this with the awareness that it is a long-term process that requires the cooperation of all parties involved in order to succeed. In the event of suspected violations, Würth MODYF and the business partners are equally involved in the investigation of the facts. Any violation of the Code of Conduct or applicable national law must be remedied. If a business partner breaches these principles and does not implement an improvement plan, Würth MODYF reserves the right to reassess continuation of the business relationship.

Upstream supply chain

Upon request, business partners must name the production sites along the upstream supply chain.

Business partners are not permitted to assign production steps that take place at contractually bound producers, in whole or in part, using subcontractors or sub-suppliers, without approval from Würth MODYF in writing. Such subcontracting shall only be accepted after thorough review by Würth MODYF. In principle, the use of subcontractors must not be used to undermine the rights of employees.

The direct contractual partners of Würth MODYF must communicate the contents of this Code of Conduct to all their producers, subcontractors and homeworkers who work on Würth MODYF products and work towards compliance with the specified standards.

Communication and complaints

All employees of Würth MODYF as well as all stakeholders in the supply chain are authorized and encouraged to inform independent third parties about violations of the guidelines in the Code of Conduct or applicable law. Affected persons can submit a complaint at any time, even anonymously, by using the [Speak-Up Portal](#) of the Würth Group.

2. Applicable law and compliance

For Würth MODYF, compliance with the applicable law is a matter of course. Würth MODYF complies with the law and regulations of the respective countries in which it operates. This also applies to the entire supply chain. Würth MODYF ensures compliance with the principles of this Code of Conduct in its own actions, especially in countries with weak state structures, and also encourages business partners to do so.

In the event of differences between national regulations and the content of the Code of Conduct, the provisions with the higher level of protection shall always apply to affected persons. If the domestic context makes it impossible to fully meet the responsibility to respect human rights, ways should be found to respect the principles of internationally recognized human rights and the content of this Code of Conduct.

Compliance with applicable laws on export controls and customs

When engaging in international commerce, the supplier shall comply with all export bans, sanctions, and embargoes.

3. Human rights

Würth MODYF and its business partners, as well as their direct and indirect partners, are committed to respecting, complying with, and promoting human rights. Violence, intimidation, bullying, sexual harassment, and other assaults are prohibited. Furthermore, the business partner shall ensure that such assaults do not occur when security forces are deployed. By aligning the company's actions with these principles together with its business partners, Würth MODYF can contribute to a safe and decent working environment.

3.1. Prohibition of Child labor

Würth MODYF and its business partners are committed to a non-tolerance on any child labour or any form of exploitation of children and adolescents.

The minimum age for workers shall not be less than 15 and comply with the national minimum age for employment, or: the age of completion of compulsory education, whichever of these is higher. Under the corresponding conditions of the ILO, only the recognized exception from a minimum age of 14 years (ILO Convention 138) may apply.

In order to prevent child labor, business partners should establish robust age verification mechanisms as part of the recruitment process, which must not be degrading or disrespectful of employees in any way. They shall have a proof of age documentation for all workers, such as a certified copy of an official document indicating the worker's date of birth.

There shall be no recruitment of child labor defined as any work performed by a child younger than the age(s) specified above.

Policies and procedures for remediation of child labor shall be established, documented, and communicated to personnel and other interested parties. If child labor is identified, necessary remedial measures should be taken to focus on the welfare and protection of the child. Adequate support shall be provided to enable such children to attend and complete compulsory education.

3.2. Special Protection for young workers

Persons under the age of 18 may not be involved in work that poses a health, safety or moral hazard, including night work. Business partners of Würth MODYF shall only employ young people under the age of 18 if the nature or the conditions of the work they perform do not endanger the life, health and development of the young people concerned and if they receive appropriate, relevant or vocational training in the corresponding industry. In the case of young employees, business partners should ensure that their working hours do not impair school attendance or the attendance of training or education programs. Overtime is not permitted in this case.

3.3. Forced labor

All forms of forced labor, modern slavery, human trafficking, and exploitation are prohibited. This includes any type of work or service that is required of a person under threat of punishment or for which that person has not voluntarily made themselves available. All employees provide their work voluntarily and shall not be required to pay deposits or leave identity papers with their employer. Employees can leave their job after a reasonable period of notice without reprisal.

3.4. Discrimination

There shall be no discrimination at the workplace in hiring, compensation, access to training, promotion, termination, or retirement based on ethnic background, caste, religion, age, disability, gender, marital status, sexual orientation, union membership or political affiliation. Everyone must be treated equally, with dignity and respect. All employees shall have equal rights and social benefits unless legal restrictions apply.

Measures shall be established to protect workers from sexually intrusive, threatening, insulting or exploitative behavior, and from discrimination or termination of employment on unjustifiable grounds, e.g. marriage, pregnancy, parenthood, or HIV status.

If employees file a complaint on the basis of the Code of Conduct or national/international law, this must not lead to wage deductions or other disciplinary measures. This form of grievance should be possible to report without fear of reprisals. In the event of unacceptable disciplinary measures by managers, this conduct must have corresponding consequences.

3.5. Harsh or Inhumane Treatment

Physical abuse or punishment, or threats of physical abuse, sexual or other harassment and verbal abuse, as well as other forms of intimidation, is prohibited.

3.6. Freedom of Association and the Right to Collective Bargaining

Workers, without distinction, shall have the right to join or form trade unions of their own choosing and to bargain collectively. The employer shall not interfere with, obstruct, the formation of unions or collective bargaining. Workers' representatives shall not be discriminated and shall have access to carry out their representative functions in the workplace.

Where the right to freedom of association and/or collective bargaining is restricted under law, the employer shall facilitate, and not hinder, the development of alternative forms of independent and free workers representation and negotiations.

3.7. Privacy protection

The personal data and privacy of employees must be respected. Business partners must safeguard the secure handling of data to ensure confidentiality and compliance with applicable laws and regulations.

3.8. No precarious conditions

Business partners shall ensure that their employment relationship does not constitute uncertainty and that the work is carried out on the basis of a recognized and documented employment relationship established in accordance with national legislation or international labor standards, whichever offers greater protection. Obligations to employees under international conventions, national law and regulations concerning regular employment shall not be avoided through the use of short term contracting (such as contract labor, casual labor or day labor), sub-contractors or other labor relationships. Prior to entering into an employment relationship, business partners must provide employees with easy-to-understand information about their rights, duties and working conditions, including working hours, remuneration and payment conditions. A written contract must be drawn up for the employees in a language that the employee understands.

3.9. Working hours

Working hours must comply with national law and benchmark industry standards, and not more than prevailing international standards. Weekly working hours should not on a regular base exceed 48 hours. The business partner must grant employees an appropriate break per working day. The right to one day off for every seven-day calendar week also applies.

Employees must not work more than 12 overtime hours per week, and the total working week including overtime shall not exceed 60 hours. Exceptions to this may be accepted when regulated by a collective bargaining agreement that is negotiated with an organization representing the majority of the employees. Overtime must be undertaken on a voluntary basis, be paid at a premium rate and must not take place regularly. As a minimum, overtime shall be compensated in accordance with relevant national legislation.

3.10. Remuneration

Wages and benefits paid for a standard working week must, as minimum for all employees, meet national legal standards or industry benchmark standards approved on the basis of collective bargaining, whichever is higher. The level of wages should reflect the qualifications and training of employees and relate to regular working hours. Wages should always be enough to meet basic needs, including some discretionary income.

Employee wages must be paid on time, regularly and in full in the national currency. All workers shall be provided with a written and comprehensible contract outlining their wage conditions and method of payments before entering employment. Deductions from wages as a disciplinary measure shall not be permitted.

3.11. Health and Safety

Business partners must ensure a safe, dignified, and non-harmful working environment. The working environment must be safe and hygienic, taking into account the prevailing knowledge of the industry and specific hazards.

The local environment and healthy working and living conditions for employees must be respected. Business partners comply with occupational health and safety regulations as well as international standards if national legislation is weak. In particular vulnerable persons, including but not limited to, young workers, new parents and pregnant women, as well as people with disabilities, must be fully protected.

Operational risks must be identified, and adequate steps shall be taken (including through compulsory insurance) to proactively prevent accidents and injury to health arising out of, associated with, or occurring in, the course of work, by minimizing, so far as is reasonably practicable, the causes of hazards inherent in the working environment. Business partners shall always provide all employees with effective personal protective equipment (PPE) free of charge. Devices and safety equipment must be serviced and checked for proper functioning at regular intervals. Machinery emergency stops must function properly and be readily accessible at all times. Chemicals and other substances shall be carefully managed and used according to the respective Safety Data Sheet (SDS).

Business partners shall ensure appropriate occupational health care and facilities. There shall be sufficient first aid equipment, clearly marked and available for all workers. An adequate number of first aid trained persons shall be present during working hours. There shall be routines for handling serious injuries requiring outside medical attention. In the event of imminent danger, employees have the right to leave the company premises without asking their superiors for permission.

Business partners shall guarantee access to clean sanitation facilities, potable water, safe and clean dining and rest areas as well as clean and safe cooking and storage areas for food.

Accommodation provided if travel times from the company's location to the nearest private accommodation are unreasonably long, shall be clean, safe, and adequately ventilated, and shall have access to clean toilet facilities and potable water.

Workers shall receive regular and documented health and safety training before starting to operate machinery or equipment, or taking up hazardous work, and such training shall be repeated for new or reassigned workers.

3.12. Marginalized Populations

Production and the use of natural resources shall not contribute to the destruction and/or degradation of the resources and income base for marginalized populations, such as in claiming large land areas, use of water or other natural resources on which these populations are dependent.

4. Building and fire safety

Business partners shall take all appropriate measures within their sphere of influence to ensure the stability and security of the systems and buildings they use, to protect against all foreseeable emergencies.

Factories shall be able to document that production buildings and all its installations meet the standards based on their functions and how they are utilized. That includes the physical display of relevant and valid permits in its facilities. There shall be a management system in place to ensure that operational loads do not at any time exceed the factory floor loading limits.

There shall be a fire alarm system in place. Fire drills and testing of emergency systems shall be conducted on a regular basis and documented, and according to the country's legal regulations.

Firefighting equipment shall be maintained in sufficient number and in proper working order, and according to the country's legal regulations. The equipment shall be easily visible and accessible to all workers.

Buildings must have an escape route system for all occupants to safely evacuate the premises in case of emergency. That shall include (but does not have to be limited to) a sufficient number of clearly marked, unlocked

and unblocked exits, and safe and unobstructed exit pathways leading out of the premises. Evacuation plans shall be in place and shall be posted at the entrance to each exit stair.

Electrical systems, equipment, panels, outlets and wiring must be installed by a certified electrician, and must be properly placed, grounded and documented. All electrical features must be maintained in good working order and must be inspected on a regular basis, according to the country's legal regulations.

5. Environmental protection

Environmental protection is part of the corporate policy of Würth MODYF. All business partners shall strive for environmentally and socially responsible production, at least to the extent that the specific sector and local conditions permit. Negative impact on the environment shall be reduced throughout the value chain and preventative measures shall be taken. Statutory regulations, environmental standards, internationally established standards and industry standards must be complied with.

In line with the precautionary principle, measures shall be taken to continuously minimize greenhouse gas emissions and local pollution, the use of harmful chemicals, pesticides, and to ensure sustainable resource extraction and management of water, oceans and rivers, forest and land, and the conservation of biodiversity. National and international environmental legislation and regulations shall be respected, and relevant discharge permits obtained.

Business partners shall assess significant environmental impacts of their activities and define effective policies and procedures that reflect their environmental responsibility. They shall ensure the implementation of appropriate measures to prevent or minimize adverse effects on the community, natural resources and the environment as a whole.

Business partners must provide transparently environmental data to Würth MODYF on request, including audit reports from external parties if available.

5.1. Emissions

Emissions can be defined as substances discharged by the supplier and its facilities. This includes greenhouse gases, pollutants, chemicals, and particles that are released into the air, water, or soil and can have negative impacts on the environment and human health. Emissions also include the release of energy into the environment, such as heat, noise, light and vibration.

All applicable laws and regulations relating to emissions shall be complied with and, if required, the necessary permits and test reports must be obtained.

The continuous and long-term improvement of environmental impact through appropriate technologies and production processes that enable the efficient use of natural resources and energy as well as the minimization of emissions must be encouraged.

5.2. Chemical management

To ensure compliance with existing international guidelines (REACH), every supplier and production facility involved in the manufacture of Würth MODYF products must read, understand, and sign the annually updated Restricted Substances List (RSL). Supplier must take care to comply with relevant legislation: Chemicals that are not allowed to be used are listed by Würth MODYF in a Restricted Substances List (RSL). The selection of chemicals used must take into account environmental as well as occupational health and safety aspects. The aim is to replace chemicals that are particularly harmful to the environment as far as possible. Proper and appropriate disposal of waste and possible reuse of substances should be aimed for.

5.3. Water

Water must be used carefully and economically for all processes. Excessive water consumption must be avoided. Industrial facilities shall be equipped with recirculation systems to ensure multiple use. Environmental standards for wastewater treatment shall be complied with at least to the extent possible due to local conditions. Wastewater shall be properly treated on site by the supplier or discharged to an authorised external wastewater treatment facility.

5.4. Renewable Energy

In particular, the aim should be to reduce CO₂ and greenhouse gas emissions by increasing the proportion of renewable energy generated through solar, water, wind, or biomass. Renewable energy can be obtained from own production or via public supply networks. This applies to both the consumption of electrical energy and the supply of thermal energy at all locations.

5.5. Waste Management

Suitable and appropriate measures must be taken to avoid waste, reuse resources and recycle. This includes the safe and environmentally friendly disposal of residual waste as well as production-specific waste. Continuous optimization of the use of resources and materials as well as waste processing through appropriate environmental management must be encouraged.

5.6. Packaging

Würth MODYF has defined minimum criteria that must be met by suppliers. The environmental impact of packaging should be minimized by avoiding excessive packaging and using the required packaging materials efficiently.

6. Responsible Sourcing of Raw Materials

The supplier must use resources economically and considerately, keeping the consumption of resources as low as possible. In order to keep ecosystems and biodiversity intact, resources must not be exploited from nature reserves.

The supplier should also not source any raw materials that are produced on or originate from land that has been illegally deforested.

The supplier must not source conflict minerals from conflict-affected and high-risk areas.

The supplier implements measures to guarantee and improve the transparency and traceability of the raw materials used in a product along the supply chain. This aims to ensure that the raw materials used are sourced responsibly.

7. Animal welfare

Animal welfare shall be respected. Measures should be taken to minimize any negative impact on the welfare of livestock and working animals. National and international animal welfare legislation and regulations shall be respected. Business partners do not use leather from exotic animals or materials derived from species that are endangered or critically endangered according to the International Union for Conservation of Nature and Natural Resources (IUCN) Red List.

8. Ethics

Würth MODYF follows legal, legally sound and recognized business practices in compliance with fair competition, industrial property rights of third parties as well as antitrust and competition law regulations (as described in the [Code of Compliance of the Würth Group](#)). Würth MODYF rejects all forms of corruption and bribery and promotes principles of responsible corporate management such as transparency, accountability, responsibility, openness and integrity. Würth MODYF expects the same from its business partners.

Accordingly, business partners shall not engage in corruption, extortion, embezzlement, or any form of bribery. Promising, offering, granting or accepting inadmissible monetary or other incentive to any customers, agent, contractor, supplier or employee of any such party or government officials is not permitted. Business partners must not participate in the falsification of information.

In addition, business partners should treat personal data with reasonable care. The data protection and information security laws as well as regulatory requirements must be observed when collecting, using and otherwise processing personal data.

9. Management systems

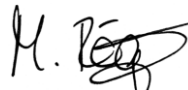
The standards defined here must be applied by the management of all our business partners. In order to be able to properly fulfill the defined requirements, business partners must ensure the necessary management functions are established. The tasks must be delegated to managers with the necessary knowledge and competence. Continuous monitoring of implementation is required. All relevant processes must be appropriately, transparently, traceably and truthfully documented.

Obligation to comply with the Code of Conduct

As a business partner of Würth MODYF, I acknowledge and agree to the Supplier Code of Conduct of Würth MODYF and will follow the requirements set out therein. The contents of the Code of Conduct shall be communicated to all employees and all other relevant business partners for Würth MODYF products. I understand that Würth MODYF reserves the right to impose consequences on the partnership if the requirements of this policy are violated. This agreement shall be deemed valid throughout the partnership.

Würth MODYF GmbH & Co. KG

Claudio Corrias/
Managing Director



Melanie Röger/
Managing Director

Place and date

Company name

Signature and stamp

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ILO Core Labor Standards/ ILO Declaration of Fundamental Principles at Work

https://www.ilo.org/wcmsp5/groups/public/-ed_norm/-declaration/documents/normativeinstrument/wcms_716594.pdf

UN Guiding Principles on Business and Human Rights

https://www.ohchr.org/documents/publications/guidingprinciplesbusinesshr_en.pdf

OECD Guidelines for Multinational Enterprises

<https://www.oecd.org/corporate/mne/48004323.pdf>

OECD Due Diligence Guidance for Responsible Supply Chains in the Garment and Footwear Sector

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Amfori BSCI Code of Conduct

<https://www.amfori.org/en/solutions/social/about-bsci/resources/amfori-bsci-code-of-conduct>

Ethical Trade Norway

<http://etiskhandel.no/english>