

Social Responsibility of Sustainable Business Enterprises

The Corporate Social Responsibility (CSR) requirements for suppliers set out in detail the expectations of the CarboTech Group regarding the attitude and practices of suppliers as they go about their business activities. The requirements are seen as the foundation for any successful business relationship between the CarboTech Group and its suppliers.

These Corporate Social Responsibility requirements are based on national and international guidelines and conventions and set out the minimum requirements for our suppliers based on the values of the CarboTech Group.

Cost-conscious thinking and practices, continuous progress, supply of impeccable-quality products and sustainable business activity are our goals for successful, competitive business. We expect not only our employees, but also our suppliers and business associates throughout the entire value chain to comply with legislation, regulations and ethical principles, and to think and act in a correspondingly responsible manner. Each participant in this value chain is also at liberty to specify and implement further regulations for itself. We are aware of our responsibility for the economic, ecological and social impact of our actions and expect the same from our suppliers, especially with regard to human rights, occupational health and safety, environmental protection and anti-corruption.

Purpose

The following Corporate Social Responsibility requirements apply to all business relationships between the CarboTech Group and its suppliers (including subcontractors) to the extent that they apply to the respective business activity.

Materials from conflict regions

Trade in certain commodities, such as tin, tungsten, tantalum and gold from high-risk countries, such as the Democratic Republic of Congo, may potentially contribute to the funding of armed groups and thereby to extreme acts of violence and human rights violations. The aim is to ensure that only those raw materials are used in products and components whose extraction, transportation, trade, processing and exportation does not contribute directly or indirectly to the funding of conflicts or human rights violations.

Conflicts of interest, bribery and corruption

The CarboTech Group does not tolerate corrupt practices. All decisions are made exclusively on the basis of objective criteria and are not influenced by financial or personal interests or relationships. Accordingly, the supplier undertakes not to tolerate or engage in any form of active corruption, i.e. offering and granting advantages or bribery, or passive corruption, i.e. demanding and accepting advantages.

Protecting confidential information

Suppliers shall use and protect any information in an appropriate manner. In addition, data must be handled according to its classification and must be treated confidentially in accordance with applicable (confidentiality) agreements. Suppliers must ensure that data worthy of protection is collected, processed, safeguarded and deleted (erased) in a proper manner. All processing of personal data pertaining to employees, customers and business

associates (e.g. collection, retention, use, provision) must be carried out in accordance with the relevant applicable country-specific legal requirements for data protection.

Money laundering

Suppliers shall ensure compliance with relevant applicable legal provisions in the fight against money laundering.

Import and export controls

Suppliers shall comply strictly with all relevant applicable laws governing the import and export of goods, services and information, also paying attention to sanctions lists.

Market conduct

Suppliers shall respect fair and free competition and undertake to comply with applicable competition and antitrust laws and requirements. They shall not enter into any anti-competitive agreements or arrangements with competitors, suppliers, customers or other third parties and not abuse any dominant market position that may exist. Suppliers shall ensure there is no exchange of competitively sensitive CSR information or any other conduct capable of restricting or limiting competition in a permissible way.

Social responsibility

Respect for internationally recognised human rights shall be the foundation underpinning all business relationships. Our suppliers shall undertake to respect the rights of their employees and others affected along the value chain, and to treat them in accordance with the guidelines of the international community.

No forced labour or human trafficking

The supplier shall oppose any knowing use of forced or compulsory labour, including bonded labour, involuntary prisoner labour, or human trafficking. All work must be voluntary, and employees must be able to leave work or employment at any time at their own will and within a reasonable period of time.

Prohibition of child labour and protection of young workers

Child labour is prohibited. Child labour shall not be used at any stage of production or the provision of services. Suppliers are required to comply with the recommendation from the ILO conventions on the minimum age for the employment or deployment of children. Accordingly, the age shall be no less than the higher of (a) 15 years and (b) the age at which compulsory schooling ends. The rights of young workers must be protected, and special protection rules observed.

Fair working hours

Suppliers shall warrant that working hours comply at very least with relevant applicable national statutory requirements and industry standards. Their working hours and break arrangements shall take account of both business and personal concerns.

Fair pay

Remuneration for regular working hours and overtime must correspond to the national statutory minimum wage or the minimum standard customary in the industry.

Zero discrimination

Discrimination against employees in any form is prohibited. The supplier shall ensure equal opportunities and equal treatment irrespective of ethnicity, skin colour, gender, religion, nationality, sexual orientation, social origin or political attitude, insofar as this is based on democratic principles and tolerance towards those who think differently.

Suppliers shall be committed to a working environment that is free of harassment. They shall promote a social environment that respects the individual. Suppliers shall ensure that workers are not subjected to physical or psychological inhuman treatment, corporal punishment or threats.

Freedom of association

Employees must be able to communicate openly and with respect and mutual trust from the company and with management regarding working conditions without having to fear any form of disadvantage. Under CSR, all employees shall have the right to associate together, to join a trade union and to appoint and be elected as representatives.

Occupational safety, health and fire safety at the workplace

The supplier shall be responsible for a safe and healthy working environment at least within the framework of national regulations. By setting up and applying appropriate occupational safety systems, necessary precautionary measures shall be taken against accidents and damage to health that may arise in connection with the activity. To this end, suppliers shall in particular:

- Instruct employees on the identified hazards and the associated preventive and corrective measures for minimising the hazards
- Provide suitable personal protective equipment (PPE) free of charge
- Monitor and conduct checks on work-related health hazards and the resulting precautions.

Ecological responsibility

The CarboTech Group has a responsibility to improve continuously the environmental compatibility of its products and services, and to reduce the use of natural resources over the entire service life, taking into account economic aspects.

All relevant environmental laws and regulations must be complied with by suppliers in all countries in which they operate. In addition, the CarboTech Group expects all of its suppliers to consider and comply with the following aspects:

- Actively dealing with ecological challenges
 - Suppliers are to deal with environmental challenges prudently and with foresight. Efforts must be made to develop and disseminate environmentally friendly technologies. Suppliers are expected to improve the environmental performance of products and services by setting targets and by monitoring environmental performance indicators.

- Avoiding damage to health and to the environment
 - Impact on the environment and employee health shall be avoided or kept to a minimum in all activities throughout the entire life cycles of products and services.

- Managing natural resources
 - In development, production, the usage phase of products and through to recycling, and in other activities, the supplier shall pay due regard to making economical use of natural resources (e.g. water, energy sources, raw materials), to the use of renewable resources and to minimising damage to health and to the environment.

- Dealing with energy consumption/efficiency and air, noise and greenhouse gas emissions
 - When executing orders, the supplier must find economical solutions to improve energy efficiency and minimise energy consumption. General emissions (air and noise) from operations and greenhouse gas emissions shall be classified, routinely monitored, verified and, where necessary, treated prior to release.

- Managing chemicals responsibly
 - The supplier shall identify those chemicals or other materials that pose a hazard if released into the environment. These must be handled in such a way as to ensure safety in the handling, transportation, storage, use, recycling and reuse of these substances, and in their disposal.

- Waste and recycling
 - In development, production, the usage phase and subsequent recycling of products, and in other activities, due account must be taken of the need to

avoid waste, to reuse and recycle materials, and to dispose of residual waste, chemicals and waste water in safe, environmentally friendly ways.

Implementation and legal consequences of non-compliance

The CarboTech Group considers compliance with the requirements set out in this document to be essential to the respective business relationship. Where a supplier fails to comply with these requirements, the CarboTech Group reserves the right to take appropriate legal action.

Furthermore, we expect suppliers to ensure that this policy is complied with by their subcontractors/suppliers. They are requested and required to communicate the contents of this policy document to all participants in their supply chain, and to actively encourage compliance with it.

Furthermore, the supplier shall warrant that all its business activities within the supply chain comply with and avoid violation of all local and international laws, directives, regulations and standards. If national statutory regulations, international legal regulations, industry standards and this policy document deal with the same subject matter, the stricter regulations shall be applied in each instance.

We expect our suppliers to identify risks within their supply chains and to take appropriate measures to eliminate or at least minimise risks.

Where violations are suspected, and in order to safeguard supply chains subjected to increased risk, the supplier shall inform the CarboTech Group promptly and, if necessary, regularly concerning identified violations and risks, and the measures taken.

The CarboTech Group may verify compliance with the standards and regulations listed in this document by means of a CSR audit at the supplier's production facilities.

The supplier hereby agrees that Customer may conduct such audits to verify compliance with these Corporate Social Responsibility requirements.

Place & date: _____

Name of company/business: _____

Name, signature & stamp: _____