

Supplier Code of Conduct

Preamble

Sustainability is an integral part of the strategy of Oerlikon Group (Oerlikon). For us, it is more than a concept. It is a living principle. Through our actions and measures, our own operations and processes contribute to a healthier planet. Our solutions and comprehensive services, together with our advanced materials, improve and maximize the performance, function, design and sustainability of our customers' products and manufacturing processes in key industries. Furthermore, we take care in terms of social sustainability. We do not only offer good working conditions for our employees all over the world, but also differentiate ourselves through responsible and reliable relations with our other partners, such as suppliers.

Our Supplier Code of Conduct (Supplier Code) is based on Oerlikon's concept of sustainability, which is also reflected in some very important regulations and principles of Oerlikon:

- Sustainability is an integral part of our Oerlikon strategy;
- Oerlikon's Sustainability Report clearly defines our position with respect to several sustainability matters;
- Oerlikon's Human Rights Policy clearly recommends upholding internationally recognized principles in the areas of human rights and labor conditions, as reflected in supply chain commitments;
- The Oerlikon Code of Conduct describes the essential rules and requirements that are based upon a set of profound values: Ethics, Transparency, Empowerment, Professionalism and Teamwork.

All these activities show Oerlikon's commitment to and responsibility for the implementation of ethical, social and sustainable standards and developments into the day-to-day business of our group companies.

This Supplier Code shall ensure that our relationship with suppliers reflects and supports the same high ethical and sustainable standards. It also aims at defining a similar understanding how to implement these principles of Oerlikon in the supplier's day-to-day business. The mentioned principles in this Supplier Code are an integral part of our supplier selection and evaluation process. We expect our suppliers to support this standard in their own business operations and to adequately address this standard along their supply chain. We further expect our suppliers to engage in an ongoing dialogue to foster the fulfillment of these

standards in the supplier's own business operations and along the supply chain.

1. Human Rights and Social Standards

In order to assume social responsibility, suppliers must act ethically. This includes the following aspects:

1.1 Human Rights

Suppliers must treat their employees with dignity, fairness and respect and are committed to a safe work environment that is free from and provides for protection against human trafficking and slavery, including forced labor. The supplier is committed to supporting the protection and preservation of fundamental human rights, as affirmed by the Universal Declaration of Human Rights.

1.2 Mutual Respect in the Workplace

The equal treatment of all employees must be a fundamental principle of the supplier's corporate policy. No one shall be discriminated on grounds of race, color, national, ethnic or social origin, religion or belief, sex, age, physical disability, mental disability, medical condition, ancestry, alienage or citizenship status, marital status, political opinion, creed, genetic information, height or weight, sexual orientation, gender, gender identity, gender expression, transgender status or any other characteristic protected by law.

Suppliers must secure not to tolerate any behaviors or actions that are violent, intimidating, hostile, degrading, humiliating or offensive and amount to discrimination, harassment, or violence.

1.3 Discrimination, Diversity and Inclusion

Suppliers must not discriminate in hiring and employment practices. It is also expected that a diverse and inclusive work environment will be fostered in which employees are treated with dignity, respect, and fairness. Suppliers shall comply with all applicable nondiscrimination laws. Employees and applicants must be provided equal employment opportunities without discrimination. Decisions regarding hiring, pay, benefits, training opportunities, job assignments, promotion, discipline, retirement, and termination shall be based only on the ability to perform the job.

The obligation also includes - where applicable - the effective protection of migrant workers from all forms of discrimination and the provision of appropriate support services taking their special status into account.

1.4 Fair Labour Conditions

Applicable employment and labor laws wherever the supplier operates must be respected.

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Suppliers are expected to operate in consideration of legally mandated working hours, resting hours, maximum consecutive days of work and annual leave.

Supplier shall pay minimum wages as provided for by the applicable law or, if no statutory minimum wage exist, must pay wages that enable employees to meet at least their basic needs, and opportunities to improve their skills and capabilities. In addition to payment for regular hours of work, workers must be paid for overtime at such a premium rate as is legally required or, in those countries where such laws do not exist, at least equal to their regular hourly payment rate. Compensation must be paid regularly, on time and in full, and must be in accordance with applicable national laws on compensation.

Suppliers shall further advocate for equal pay for work of equal value.

1.5 Child Labour

Suppliers must ensure that child labour is not used in the performance of work. The term "child" refers to any person under the minimum legal age for employment where the work is performed, in any event not younger than 15 years, and/or the minimum working age defined by the International Labour Organization (ILO), whichever is higher.

All employees under the age of 18 must be protected from performing work that is likely to be hazardous or that may be harmful to their health, physical, mental, social, spiritual, or moral development (see also ILO Convention No 138 and No 182).

1.6 Freedom of Association

Suppliers are expected to respect the rights of employees to associate freely, including forming or joining or not joining any association of their choosing within the appropriate national legal framework. Suppliers shall further respect the employees' right to communicate openly with management regarding working conditions without fear of harassment, intimidation, penalty, interference or reprisal. Suppliers are further expected to respect the trade unions right to operate freely and in accordance with the local laws. This also includes the right to strike and the right to collective bargaining.

Suppliers must develop and fully implement mechanisms for resolving industrial disputes, including employee grievances, and ensure effective communication with employees and their representatives.

1.7 Protection from extensive use of violence, torture and infringement of the freedom of association

Suppliers are expected to ensure compliance with the prohibition of hiring or using private or public security guards for the protection of the suppliers' enterprise if, due to the suppliers' lack of instruction or control, the use of security guards (i) violates the prohibition against torture and cruel, inhuman or degrading treatment, (ii) violates life or limb or (iii) impairs the freedom of association.

2. Health, Safety and Environmental Protection

Suppliers must take reasonable precautions for the health and safety of their employees, customers, visitors, contractors, and other persons who may be affected by their activities. In addition, they should act in an ecologically responsible and resource-saving manner. This includes the following aspects:

2.1 Health and safety at work

A safe and hygienic working environment, including the working place and working equipment, must be provided, and occupational health and safety practices which prevent accidents and injury must be promoted. This includes protection from fire, accidents and toxic, chemical, or biological substances. Lighting, heating, and ventilation systems must be adequate. This further includes an appropriate work organization with respect to working and resting hours, for avoiding excessive physical and mental fatigue, as well as adequate training and instructions of employees.

Employees must always have access to sanitary facilities which should be adequate and clean. Suppliers must have health and safety policies which are clearly communicated to employees. Where residential facilities are provided to employees, the same standards apply. Suppliers should take reasonable steps to provide a hygienic working environment and must ensure that employee's performance and safety is not impaired by alcohol, controlled substances, legal and illegal drugs.

2.2 Environmental

Oerlikon expects its suppliers to comply with existing legislation and regulations regarding the protection of the environment and to have an effective environmental policy. This includes (i) integrating principles of sustainability into business decisions; (ii) responsible use of natural resources; (iii) adoption of cleaner production and pollution prevention measures; and (iv) designing and developing products, materials and technologies in a sustainable manner. Suppliers should further wherever possible support a precautionary approach to environmental matters, undertake initiatives to promote greater environmental

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responsibility and encourage the diffusion of environmentally friendly technologies implementing sound life-cycle practices.

Suppliers are particularly expected to ensure compliance with:

- The prohibition of the manufacturing of mercury-added products, use of mercury and mercury compounds in manufacturing processes, and illegal treatment of mercury waste according to the Minamata Convention.
- The prohibition of the production and use of chemicals ("persistent organic pollutants") according to the Stockholm Convention;
- The Prohibition of non-environmentally sound handling, collection, storage and disposal of waste according to the Stockholm Convention;
- the prohibition of exports of hazardous waste according to Basel Convention and the Regulation (EC) No 1013/2006 of the European Parliament and of the Council dated 14 June 2006 on shipments of waste, prohibition of export of hazardous waste from countries listed in Annex VII to the Basel Convention to countries not listed in Annex VII; prohibition of the import of hazardous wastes and other wastes from a non-Party to the Basel Convention.

Suppliers are further expected to respect and protect the function of the environment as a natural basis for life and its fundamental importance as a supply base for workers in the respective regions. This includes avoiding causing harmful soil changes, water pollution, noise emission or excessive water consumption, which impairs the possibility of cultivation or access to food, drinking water and sanitary facilities or damages the health of a person. This also includes unlawful eviction and the unlawful taking of land, forests and waters whose use provides a person 's livelihood. *2.3 Process Security*

Suppliers must use facilities and process risks adapted safety programs to control and maintain their work processes in accordance with applicable safety standards.

2.4 Product Safety

Suppliers must comply with environmental rules, regulations, and standards applicable to their operations, e.g., in connection with conflict minerals, products with hazardous substances. Suppliers shall further use best efforts to improve the protection of human health and the environment from risks resulting from chemical substances and observe

environmentally conscious practices in all locations where they operate.

Suppliers are expected to communicate to Oerlikon up to date information in regard to environmental, health and safety (EHS) matters of their products to enable safe usage of the products in the whole life cycle. Suppliers are further expected to cooperate with Oerlikon to enable downstream requirements in relation to suppliers' products and/or services to be fulfilled.

In addition, suppliers shall regularly monitor the legal developments regarding the use of chemicals and substances in order to ensure continuity of supply.

Suppliers shall support efforts to eradicate the use of any conflict minerals, hazardous and chemical substances. In the event that the material 'chain of custody' supplied is "indeterminable" or otherwise unknown, the supplier is expected to either attain the appropriate certifications or phase out that source of mineral / substance.

3. Appropriate Business Practices

Suppliers must act with integrity and behave fairly in competition. Suppliers shall comply with applicable laws through appropriate management and governance structures and promote continuous improvement of the expectations set out in this Supplier Code. This includes the following aspects:

3.1 Business Integrity

We expect suppliers to conduct business in a transparent, honest, and ethical manner. We do not tolerate bribery or corrupt practices. We expect suppliers

- to have in place, communicate and enforce on their employees and contractors' clear policies and procedures relating to bribery and corruption. This includes with respect to the giving and taking of gifts, entertainment, hospitality, or anything else of value to Oerlikon or persons representing Oerlikon in any way.
- to implement policies to prevent, identify and report any dealings with illegal funds or other money laundering activities in any way.
- to follow fair competition practices to earn our business and not indulge in any anti-competitive or unfair trade practices, including collusion, price fixing or restriction of supply, in any form.

3.2 Conflict of Interest

We expect suppliers to work in an ethical and transparent way in their dealings with Oerlikon. To this end, the supplier shall disclose any actual or apparent conflicts of interest

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arising from the personal relationships and/or business interests of any owners, major shareholders, directors, key employees in the supplier's organization with (i) any employees or members of corporate bodies of Oerlikon, or (ii) employees or members of corporate bodies of Oerlikon who have retired or separated from Oerlikon for less than one year. For instance, such disclosure shall include detailed disclosure of such relationships or association with such Oerlikon persons.

3.3 Protecting sensitive, Confidential and Proprietary Information

Suppliers are expected to ensure that all sensitive, confidential, and proprietary information in connection with products, services and contractual agreements as well personal data are appropriately protected. This includes the protection of this information from unauthorized access, destruction, use, modification, and disclosure, through appropriate physical and electronic security procedures. Supplier shall mitigate emerging risk to information systems by implementing appropriate IT cyber security programs. Suppliers must report to Oerlikon any suspected or actual security incident immediately after becoming aware of it.

3.4 Trade Compliance

Suppliers must comply with national and international applicable export control regulations and sanctions and embargo laws. Supplier must cooperate with Oerlikon in determining applicable export control restrictions.

3.5 Responsible Sourcing of Minerals and Metals

We expect our suppliers to responsibly manage the supply chain for all minerals, especially for so-called conflict minerals such as tin, tungsten, tantalum, gold, and cobalt. Suppliers shall comply with applicable laws and regulations and establish processes in accordance with the OECD Due Diligence Guidance to Promote Responsible Supply Chains for Minerals from Conflict and High-Risk Areas.

4. Governance

4.1 Risk management

Suppliers are expected to analyze and manage risks and actual adverse human rights and environmental impacts related to their activities and through their business relationships. They should have appropriate risk management processes in place and take appropriate steps to avoid and reduce risks. Suppliers shall ensure that their operations do not cause or contribute to human rights abuses and environmental rights violations. In case of risks or violations of those rights, suppliers shall remedy any adverse impacts

directly caused, or contributed to, by their activities or through business relationships.

4.2 Information and cooperation obligation

Supplier commits to cooperate with Oerlikon to ensure the supplier's compliance with the Oerlikon standards set out in this Code and rectify violations of those standards. To ensure and demonstrate compliance with this Code, suppliers shall keep record of documentation, and provide to us supporting documentation upon request. Supplier shall inform Oerlikon immediately after becoming aware of any significant incidents, in particular violations and substantial cases of suspicion, with respect to the compliance with this Supplier Code and the addressing of its standards along the supply chain. This can either be done directly via the responsible purchaser or via below mentioned reporting channels.

If the supplier does not comply with this Code, the supplier shall take necessary corrective actions in a timely manner, as may directed by Oerlikon. If the supplier fails to comply with this Code, then Oerlikon may take action against the supplier, including suspending or terminating suppliers' activities as one of Oerlikon suppliers.

4.3 Access to Remedy

In the context of the business relationship, if the supplier or suppliers' employees believe that the terms of this Code are not adhered to, or that Oerlikon is not acting in accordance with its own Oerlikon Code of Conduct, then we encourage the supplier and suppliers' employees to raise suppliers concerns via the Oerlikon SpeakUp reporting channels use this Link: <https://www.speakupfeedback.eu/web/oerlikonexternal/>

Visit [Supplier Requirements | Oerlikon](#) to learn more.

The Supplier shall inform their employees and suppliers of the availability of Oerlikon's reporting channels and request them to pass on the information on Oerlikon's reporting channels along their supply chain.

The supplier assures to refrain from disadvantageous or disciplinary measures against the whistleblower in connection with the processing of such information.
