



## **FOREWORD**

We, FFT GmbH & Co KGaA and FFT Produktionssysteme GmbH & Co KG together with our affiliated companies (together "FFT") understand sustainability as an essential part of our business processes. We source raw materials, goods, and services from suppliers worldwide to ensure the sustainable success of our customers with innovative product and service solutions.

The basis for this is responsible corporate management geared to long-term value creation.

In our procurement activities, we pay attention not only to process-related, economic, and technical criteria but also to social and ecological aspects such as human rights, working conditions, corruption prevention and environmental protection.

In the area of conflict between product/service, market, region and process, costs, quality, reliability, innovation, and sustainability are essential factors for us in selecting and evaluating suppliers.

FFT expects its suppliers to comply in their activities with applicable national laws, the principles of the United Nations Global Compact, the Guidelines for Multinational Enterprises of the Organization for Economic Cooperation and Development (OECD), the agreements of the International Labour Organization (ILO), the Charter for Sustainable Development of the International Chamber of Commerce (ICC) and this Sustainability Policy.

Further, you are expected to implement appropriate processes that support your company's compliance with applicable laws and promote continuous improvement with respect to the principles and requirements of this Sustainability Policy.

FFT suppliers shall endeavour to ensure that their employees, their affiliated companies, and their own suppliers in the wider supply chain also comply with and acknowledge the principles and requirements described herein.

Only together can we meet the challenges of the future.

## **A. Scope**

This Sustainability Guideline applies to all natural persons or legal entities that sell or provide products, processes, or services to the FFT Group (FFT GmbH & Co KGaA, and Produktionssysteme GmbH & Co KG and all companies in which the aforementioned companies directly or indirectly hold a majority stake) themselves or via third parties, e.g., affiliated companies, distributors, subcontractors, agents (hereinafter "Supplier").

## **B. Principles and Conduct**

### **B.1 Integrity**

Integrity means that FFT's business practices are always consistent with the company's values and principles of conduct. FFT requires its suppliers to comply with applicable laws and with the values and principles of conduct set out in this document.

FFT will maintain long-term business relationships only with third parties whose business practices are consistent with the values and principles of conduct set forth in this Code of Conduct, thereby protecting the company and its employees from criminal or other liability

### **B.2 Transparency, trust, and collaboration**

FFT is a fair and reliable business partner. That is why FFT, and its employees act transparently towards you as a supplier. Transparency creates trust, and trust is the basis for successful cooperation in the supply network. This is what we expect from you.

Responsible cooperation requires actions and decisions that are transparent and comprehensible. Only then will they meet with the necessary acceptance. For us, transparency also means addressing issues openly and being honest with each other.

### **B.3 Dealing with risks in the supply chain**

FFT prudently takes calculated business risks to implement the company's strategy and realise the associated opportunities. Business success usually requires that risks are identified, assessed, and managed at an early stage.

Due to the complex supply network that you as a supplier and your sub-suppliers are part of, the analysis and evaluation of supply chains plays an essential role. This is particularly important to meet the legal requirements of the Supply Chain Act.

Therefore, we expect your active cooperation and support in identifying or classifying risk exposures and in agreeing on mitigation measures for identified risks.

This applies in particular to the acceptance and implementation of the methods used, e.g., self-reporting or on-site inspections, if necessary, by commissioned third parties.

FFT reserves the right to verify the implementation of these measures.

#### **B.4 Compliance with Applicable Laws**

FFT respects and complies with all applicable local, national, and international laws and regulations. Compliance with these laws and regulations is the basis for long-term business success. Violations can cause significant damage and have serious consequences for the company as well as for employees, business partners and other stakeholders.

FFT will not tolerate violations and requires its suppliers to comply with applicable laws, regulations, and rules.

#### **B.5 Diligence in dealing with business assets**

If FFT property, e.g., equipment, operating resources or information technology, software, data, or intellectual property, is provided to you as a supplier, you are obliged to handle it carefully and responsibly and to protect it from unauthorized access.

#### **B.6 Accurate accounting and financial reporting**

FFT requires its suppliers to always comply with the principles of proper accounting and financial reporting, as applicable.

FFT's suppliers shall maintain accurate records and shall not alter entries to conceal or falsify transactions affected thereby.

All records created or received as evidence of a business transaction, regardless of format, must fully and accurately reflect the transaction being documented. Records shall be retained in accordance with applicable regulations.

### **C. Social responsibility**

#### **C.1 Respect for human rights**

Respect for human rights is an integral part of FFT's corporate responsibility. As a supplier to FFT, you should also be committed to the United Nations International Human Rights Code, the ten principles of the UN Global Compact and the internationally recognized standards of the International Labour Organization (ILO).

As a supplier, FFT requires you to respect the dignity and personal rights of individuals and all stakeholders with whom you are associated through activities, business relationships or products. FFT requires you to actively prevent and remediate human rights

abuses as part of a due diligence process.

#### **C.2 Rejection of forced and child labor**

FFT strictly rejects any form of child labour, forced or compulsory labour, modern slavery, involuntary or exploitative prison labour, human trafficking, or other forms of exploitation in its own business activities. FFT also requires the same from its suppliers and their supply chain.

FFT strictly prohibits all suppliers from using forced labour or engaging in any form of human trafficking.

#### **C.3 Land use, Deforestation and Water Rights and Forced Evictions / Rights of Ethnic Minorities and Indigenous Peoples**

The supplier undertakes to protect land, forests and waters, the use of which ensures the livelihood of local people (ethnic minorities and indigenous peoples) and recognizes the right of local people to use land, forests and waters for their livelihood. The supplier does not participate in projects that result in deforestation or damage to natural forests and rejects any form of expropriation and forced eviction and expects its suppliers to do the same.

#### **C.4 Private or public security**

To the extent Supplier operates in locations or situations that require the use of security personnel to complete a Company project, Supplier will ensure that the security personnel comply with the social responsibility requirements set forth in this Policy.

### **D. Dealing with employees, colleagues**

#### **D.1 Fair working conditions and employee development**

It is prohibited to use misleading or fraudulent practices in the recruitment and employment of workers. It is not permitted to misrepresent terms and conditions of employment, including wages and fringe benefits, place of work, living conditions, hazards of work, housing, and related costs (if provided or arranged by the employer or agent).

Employment contract documents must be in writing and include a detailed description in a form or language understandable to the prospective employee and must be received in a timely manner at least five days prior to activities related to the commencement of work.

Employee identification documents must not be withheld, altered, or destroyed.

Any housing provided must at least meet local standards.

Suppliers should also develop employees according to their individual skills and professional and personal interests. Ideally, the company's interests are aligned with the individual's needs.

## **D.2 Diversity and the principle of equality and inclusion**

FFT requires its suppliers to provide a respectful and non-judgmental work environment free from discrimination, intimidation, and harassment. All employees shall be treated equally regardless of age, gender, gender identity, ethnic origin, nationality, religion or belief, disability, or sexual orientation. The inclusion of people with physical or mental disabilities is encouraged.

## **D.3 Dialogue with employees and their representatives**

FFT requires its suppliers to respect the right of their employees to freedom of association and assembly and the right to collective bargaining.

All employees should have the opportunity to voice their concerns at any time.

## **D.4 Remuneration and working hours**

FFT requires its suppliers (including, without limitation, temporary employment agencies) to adhere to the legally guaranteed minimum wages in their respective labour markets and to the applicable labour regulations/laws, particularly with respect to working hours.

## **D.5 Occupational health and safety**

FFT expects its suppliers to comply with applicable national health and safety laws. In addition, suppliers are expected to establish and maintain an appropriate occupational safety management system. This includes, on the one hand, the reduction of actual and potential occupational safety risks and, on the other hand, the training of employees to prevent accidents and occupational diseases as far as possible.

This includes providing appropriate personal protective equipment (PPE) as needed, as well as establishing emergency plans and conducting appropriate emergency drills.

# **E. Ethical Business Conduct**

## **E.1 Fair competition**

FFT stands for fair, free, and undistorted competition. Almost all countries have laws and regulations that prohibit agreements, arrangements and concerted practices between competitors, suppliers, customers, and distributors that have the purpose or effect of restricting competition. The same applies to the abuse of market power through unilateral conduct.

FFT requires its suppliers not to engage in any conduct that violates any competition or antitrust laws and to ensure that this expectation is maintained throughout the entire supply chain.

## **E.2 Prohibition of corruption and bribery**

FFT expects its suppliers not to tolerate corruption and to ensure that their operations comply with the United Nations (UN) and Organization for Economic Cooperation and Development (OECD) conventions against corruption and relevant anti-corruption laws.

Any conduct by suppliers that could give the appearance of improperly influencing business decisions is prohibited.

In particular, you will ensure that your employees, subcontractors, or agents do not offer, promise, or give benefits to FFT employees or related third parties for the purpose of obtaining a contract or other preferential treatment in business dealings.

## **E.3 Invitations, gifts, and other benefits**

FFT expects its suppliers not to misuse invitations and gifts to exert influence. Invitations and gifts to FFT employees are only permitted if the occasion and scope are transparent and appropriate, i.e., they are of low value and are to be regarded as an expression of generally accepted local business practice. Similarly, suppliers may not demand inappropriate benefits from FFT employees.

## **E.4 Prevention of money laundering and terrorist financing**

FFT requires its suppliers to comply with legal obligations to combat money laundering and terrorist financing and not to engage in or facilitate activities related to money laundering and terrorist financing.

## **E.5 Avoiding Conflicts of Interest**

FFT expects its suppliers to make decisions regarding their business with FFT based solely on objective criteria.

Conflicting interests with private interests or other economic or other activities, including those of relatives or other related persons or organizations, are avoided from the beginning.

## **E.6 Export control and sanctions law**

National and international laws and regulations govern import, export, trade, brokering and financing transactions, the provision of services and the transfer of goods (commodities, software, and technology).

FFT requires its suppliers to have appropriate processes in place to ensure that transactions and

activities with third parties and with the FFT Group do not violate export control and sanctions laws and that any required evidence and information is provided promptly.

### **E.7 Intellectual property / plagiarism**

FFT suppliers protect and acknowledge the intellectual property of the FFT Group and third parties.

Examples include patents, trademarks, copyrights, designs, trade secrets, samples, models, and know-how. FFT suppliers shall ensure that the products supplied to the FFT Group do not infringe the intellectual property of third parties.

FFT suppliers shall develop and maintain effective procedures and processes to minimize the risk of introducing counterfeit parts and materials into their products.

Recipients of counterfeit products will be notified upon evidence and counterfeits will be removed from the delivered products.

### **E.8 Taxes and duties**

FFT requires all of its suppliers to comply with all applicable tax laws and customs regulations.

## **F. Handling of information / data**

### **F.1 Protection of company-relevant information**

FFT requires its suppliers to provide adequate information protection to protect information from misuse, loss, destruction, unauthorized use, and manipulation. The level of information protection must be proven by submitting appropriate certificates (e.g., ISO/IEC 27001 "Information Technology - IT Security Procedures - Information Security Management Systems - Requirements") or a test according to the VDA model "TISAX" (Trusted Information Security Assessment Exchange).

### **F.2 Protection of personal data**

FFT requires its suppliers to protect and respect personal rights. Appropriate measures shall be taken to ensure compliance with the applicable requirements and laws, in particular regarding the handling of personal data. If the supplier necessarily processes personal data of FFT within the scope of the cooperation, the supplier shall be prepared to enter a contract for data processing and shall not process personal data until such contract has been validly concluded.

### **F.3 IT Security**

Data processed in IT systems must be protected as much as possible, but at least according to the law.

### **F.4 Insider Information**

Insider information, i.e., specific information that could significantly affect the price of listed securities if it became public knowledge, must be treated as strictly confidential. Suppliers in possession of such inside information may not use it to trade in securities or other

financial instruments. Nor may they disclose inside information to third parties or use it to recommend the purchase or sale of securities or other financial instruments.

## **G. Sustainability, Environment, Health, and Safety**

### **G.1 Environment, Biodiversity and Sustainability**

FFT expects its suppliers to comply with applicable national environmental laws, regulations, and standards. In addition, suppliers are expected to establish and implement an appropriate environmental management system (e.g., ISO 14001) to minimize environmental impacts and hazards and to continuously improve environmental protection in their daily business operations.

FFT requires its suppliers to actively promote sustainable business strategies. Particular attention must be paid to promoting biodiversity and to refraining from actions that may have a negative impact on biodiversity.

Early prevention, e.g., using renewable energy, and minimization of pollution or waste must be the focus of action. Corresponding, qualified certifications are expected as proof.

A special focus is placed on the handling of conflict minerals and critical minerals and materials in general, where the entire supply chain is the key to greater responsibility and care, and therefore additional requirements are placed on transparency and cooperation.

The supplier agrees to comply with and provide evidence of compliance with regulations on banned and declarable substances, e.g., ELV, RoHS and REACH.

### **G.2 Energy Consumption/Efficiency, Resource Conservation and Climate Protection, Soil Quality**

FFT expects its suppliers to monitor and document their own energy consumption and to find economical solutions to improve energy efficiency and minimize energy consumption.

Natural resources such as water, air, energy sources or raw materials shall be used sparingly in order to conserve them.

Negative environmental and climate impacts caused by our suppliers or within their supply chains shall be minimized or prevented at the point of origin. Consideration shall be given to circular economy principles such as material reduction and substitution, as well as return, shared use, maintenance, reuse, remarketing, remanufacturing, refurbishment, and recycling. Our suppliers shall commit to the development and use of environmentally and climate-friendly products, processes and technologies and ensure continuous environmental improvement through clear targets and improvement strategies.

This includes reducing raw material and energy consumption, emissions, wastewater, noise, waste, dependence on natural resources and hazardous substances.

Minimize negative impacts on soil quality, deforestation, climate change and water scarcity.

To demonstrate and further develop these issues and indicators, it is recommended that suppliers join relevant initiatives or have appropriate ratings (e.g., Ecovadis, CDP - Carbon Disclosure Project).

### G.3 Treatment and discharge of industrial wastewater

FFT suppliers monitor wastewater from operations, manufacturing processes and sanitary facilities prior to discharge or disposal.

In addition, wastewater reduction measures are continuously identified and tracked.

### G.4 Waste and Emissions

FFT suppliers ensure safety and regulatory compliance in the handling, storage, transportation, disposal, recycling and reuse of waste, waste gas and wastewater.

Activities that may have a negative impact on human health or the environment are appropriately managed, measured and controlled. The release of hazardous substances is minimized. Special care is taken with active substances.

### G.5 Chemicals Management

Chemicals or other materials that pose a hazard if released into the environment must be identified and managed to ensure safe handling, transportation, storage, use or reuse, and disposal. Where required, appropriate documentation containing all necessary safety-related information on all hazardous materials must be provided. This includes product information, safety data sheets, notification, and authorisation confirmations, uses and exposure scenarios. Our suppliers will proactively and transparently share information on the health, safety, and environmental aspects of their products with all stakeholders.

### G.6 Product safety and conformity

FFT suppliers comply with legal requirements for product safety and labelling and properly communicate the requirements for handling their products.

The primary objective of product safety is the prevention of risks to human health and safety.

In compliance with the legal and regulatory requirements applicable at the time of placing on the market, in particular the legal provisions on product safety within the scope of development, manufacture, instruction and

observation in circulation, the conformity of all processes, products and services is strived for. In doing so, the supplier shall consider the respective current state of knowledge and technology as well as the justified safety expectations of the end users throughout the entire life cycle.

## H. Reporting, information and contact persons

### H.1 Dealing with misconduct

Inappropriate behaviour is actively brought up at FFT. Employees and external stakeholders are always encouraged to speak up freely and without fear of retaliation. Reprisals against employees who, in good faith, raise concerns about misconduct within the company are prohibited. This also applies to external stakeholders who contact FFT.

### H.2 Whistleblower Protection

FFT suppliers shall encourage and provide channels of communication for employees to make complaints or report possible wrongdoing without fear of reprisal, intimidation, or harassment.

Any communication will be treated confidentially and, where appropriate, corrective action will be taken.

### H.3 Whistleblowing System

Information on violations of the FFT Sustainability Policy, the Code of Conduct for Employees of the FFT Group or other legal regulations with operational relevance, in particular illegal business practices, potential human rights violations, or environmentally harmful facts, can be submitted at any time via the FFT Whistle-blower System.

For this purpose, the following points of reference have been established at FFT:

- a) An **external whistleblowing office** has been set up at the law firm Cornea & Franz in Fulda. Whistleblowers can contact this ombudsman office at the e-mail address **ombudsstelle-fft@cornea-franz.de** or at the telephone number **+49 (0) 6619016440**. The contact person there for whistleblowers is attorney Dr. Stephan Wübbelsmann (deputy: attorney Christian Semmler). At the request of the whistleblower, the external whistleblowing office will anonymize the incoming whistleblowing report.
- b) An **internal whistleblowing office** has been set up in the Legal & Compliance department. Whistleblowers can contact this complaints office at the e-mail address **whistleblower@fft.de** or at the telephone numbers below:

**+49 (0) 6612926292** - Head of the Legal & Compliance Department

**+49 (0) 66129262921** - Deputy.



- c) Regarding the requirements of the Supply Chain Act, FFT has also appointed a Supply Chain Security Officer:

**+49 (0) 66129265650**

FFT consistently follows up on every indication of misconduct, considering the principle of proportionality. Each individual report is reviewed. According to the result, a comprehensible decision is made as to which consequences are suitable, necessary, and appropriate.

### I. Compliance, violations, audit law

FFT expects its suppliers to comply with all the principles and requirements described herein and, where appropriate, to pass them on to their subcontractors and suppliers.

FFT may, in consultation with the supplier, verify the supplier's compliance with the principles and requirements set forth in this Sustainability Policy through on-site audits conducted by a third party appointed by FFT.

Any violation of the principles and requirements set forth in this Sustainability Policy will be considered a material impairment of the contractual relationship on the part of the supplier.

In case of suspicion of non-compliance with the described principles and requirements (e.g., negative media reports), FFT reserves the right to request information about the relevant facts.

In addition, FFT reserves the right to terminate individual or all contractual relationships with suppliers who demonstrably do not comply with the Sustainability

Guideline or who do not strive for and implement improvement measures within a reasonable period.

### J. References

The principles set forth in this Sustainability Policy are guided by the content of the following conventions and standards:

- Principles of the United Nations (UN) Global Compact
- Guidelines for Multinational Enterprises of the Organisation for Economic Co-operation and Development (OECD)
- Agreements of the International Labor Organization (ILO)
- Charter for Sustainable Development of the International Chamber of Commerce (ICC)

### Supplier Declaration:

The Supplier has received and fully acknowledges the FFT Sustainability Policy.

The Supplier hereby undertakes to comply with and acknowledge all principles and regulations of the FFT Sustainability Policy.

This declaration is subject to the substantive law of the Federal Republic of Germany.

\_\_\_\_\_  
Supplier name

Stamp:

Place, date \_\_\_\_\_

Name (in block letters) \_\_\_\_\_

Signature \_\_\_\_\_