

simple system Code of Conduct for Suppliers

simple system is committed to sustainable and responsible business practices - in the interests of the company, its employees and the general public. Compliance with the applicable laws and regulations of the respective countries is the basis of our cooperation. We also respect the cultural, social, political and legal diversity of societies and nations. We also expect our suppliers to behave in accordance with our principles as set out in this Code of Conduct.

In all business activities within their own sphere of influence, suppliers should work towards ensuring that their business partners and suppliers also recognise these principles. This Supplier Code of Conduct is based on the principles of the United Nations Global Compact and the International Labour Organization (ILO) Declaration on Fundamental Principles and Rights at Work. simple system will investigate violations of this Code of Conduct. The aim is to jointly improve the situation in order to fulfil the requirements of the Code of Conduct. simple system reserves the right to take appropriate measures in the event of violations, up to and including termination of the business relationship.

1. social affairs and human rights

simple system expects our suppliers to comply with the principles of the Code of Conduct and not to commit or be involved in human rights violations.

- **Child labour and forced labour**

We expect our suppliers to comply with the minimum age defined by the International Labour Organization (ILO) and to observe the respective state permits for employment. We also expect them to reject any form of forced labour, servitude, modern slavery or human trafficking.

- **Discrimination**

We expect our suppliers to select their employees solely on the basis of their qualifications and skills and to ensure equal opportunities in recruitment and employment. In particular, we expect that there is no discrimination based on skin colour, gender, age, nationality, political or religious conviction, social or ethnic origin, disability or sexual orientation within their sphere of influence. This also includes the protection of women's rights and the promotion of gender equality.

- **Remuneration and working hours**

We expect our suppliers to provide remuneration and benefits at least equivalent to the statutory minimum wage and to comply with the statutory working hours / official working hours regulations of the respective country as well as applicable laws and regulations relating to dismissals.

- **Freedom of association**

The fundamental right of every employee to join employee organisations must be recognised by our suppliers. We also expect that all national and international laws applicable at the respective place of employment, such as the right to strike or the right to collective bargaining, are complied with. Employees must not be intimidated, harassed or subjected to reprisals if they exercise any of these rights.

- **Occupational health and safety**

We expect our suppliers to comply with the national and international occupational health and safety regulations applicable at the place of employment. Our suppliers also constantly endeavour to improve and develop working conditions.

- **Security forces**

We expect our suppliers not to engage private or public security forces to protect the company if their use would violate applicable human rights, freedom or labour laws.

- **Rights of local communities and forced eviction**

Our suppliers respect applicable local, national, international and traditional land, water and resource rights and we expect the rights of indigenous peoples and local communities in particular to be respected, promoted and protected throughout the supply chain. We expect our suppliers to reject any form of unlawful forced eviction and expropriation for the acquisition, development or other use of land, forests and water.

- **Fair treatment**

In addition to the prohibition of discrimination, business partners must provide a working environment that does not tolerate and is free from cruel and inhuman treatment and the threat thereof, including sexual abuse, corporal punishment, verbal abuse and the use of psychological or physical coercion.

- **Disciplinary measures**

Physical punishment and torture, mental and psychological coercion, verbal abuse and the mere threat of such acts may not be used under any circumstances.

- **Other human rights**

Our suppliers respect and support the observance of all other national human rights applicable at the place of employment as well as any internationally applicable human rights.

2. environmental protection

We expect our suppliers to comply with the applicable environmental laws, standards and other regulations. Environmental pollution and hazards must be minimised and environmental protection in daily business operations must be continuously improved.

- **Water quality and consumption**

Wastewater from operational procedures, production processes and sanitary facilities must be standardised, monitored, checked and, if necessary, treated prior to discharge or disposal, taking into account the applicable regulatory requirements. In addition, measures should be introduced to reduce the generation of wastewater.

- **Soil and air quality**

We expect the impact on soil quality to be monitored and controlled in order to prevent soil erosion, nutrient depletion, subsidence and contamination. General emissions from operations (air and noise emissions) and greenhouse gas emissions must be standardised, routinely monitored, checked and, if necessary, treated before they are released, taking into account the applicable regulatory requirements.

- **Decarbonisation**

We expect our suppliers to create transparency with regard to direct and indirect CO₂e emissions, to set reduction targets and to take appropriate measures to reduce greenhouse gas emissions. These include, for example, the use of green electricity and the use of secondary or organic materials.

- **Sustainable resource management and waste reduction**

We expect all waste and recyclable materials to be sorted and, as far as possible, recycled if they cannot be completely avoided. Production waste is utilised as much as possible in our own production.

- **Protection of biodiversity**

We expect the supplier to support biodiversity and therefore not contribute to the alteration, deforestation and degradation of natural forests and other natural ecosystems.

3. handling information

We expect our suppliers to guarantee the protection of sensitive information. In addition, the duty of confidentiality must be observed.

4. fair trade practices

- **Commitment to integrity**

simple system is determined to conduct its business with the highest level of integrity. Ethical and sustainable behaviour is an essential prerequisite for a successful business relationship with our external partners. **simple system's** suppliers and contractors must comply with all applicable legal requirements relating to their actions and business environment as well as **simple system's** obligations to international conventions.

- **Prohibition of corruption and bribery**

We expect our suppliers not to tolerate corruption, extortion or bribery in any form and not to participate in any way, directly or indirectly, nor to offer, grant or promise any benefits to government officials or private sector parties in order to influence official actions or gain an unfair advantage.

- **Fair competition, antitrust law, intellectual property rights and plagiarism**

Our suppliers act in accordance with national and international competition laws and do not participate in price fixing, market or customer allocation, market collusion or bid rigging. We expect them to respect the intellectual property rights of others and to establish effective procedures to detect plagiarism.

- **Conflicts of interest**

We expect our suppliers to avoid all conflicts of interest that could adversely affect business relationships, to disclose them to **simple system** and to prevent them from arising in the first place.

- **Money laundering, terrorist financing**

None of our suppliers will directly or indirectly favour money laundering or terrorist financing.

- **Data protection**

Our suppliers will process personal data confidentially and responsibly, respecting the privacy of all and ensuring that personal data is effectively protected and used only for legitimate purposes.

- **Export control and customs regulations**

We expect our suppliers to comply with the applicable export control and customs regulations.

- **Law-abiding behaviour**

We expect our suppliers to comply with all laws and other regulations at home and abroad. They recognise that legal and social standards change over time. They therefore continuously review their behaviour and adapt it in

line with requirements. Furthermore, our suppliers comply with all international economic sanctions (including embargoes) and all sanctions imposed by the European Union.

5. responsible handling of chemicals / raw materials / conflict minerals

- **Chemicals / Raw materials / Conflict minerals**

Our suppliers shall make reasonable efforts to avoid the use of raw materials in their products that originate from conflict or high-risk areas and contribute to human rights violations, corruption, the financing of armed groups or similar negative effects. Chemicals or other materials that pose a risk if released into the environment must be identified and handled in such a way that safety is ensured when handling, transporting, storing, using, recycling or reusing and disposing of these substances. In particular, no products containing the chemicals listed in Article 3(1)(a) and Annex A of the Stockholm Convention of 23 May 2001 on Persistent Organic Pollutants are supplied to us.

- **Mercury**

We expect our suppliers to ensure that the products they supply are not manufactured with mercury or mercury compounds and that mercury waste has been treated properly (Minamata Convention).

6 Implementation of the Code of Conduct

- **Whistleblowing and protection from retaliation**

We expect our suppliers to enable their employees to raise legal or ethical issues and concerns without fear of retaliation. In addition, our suppliers are expected to take steps to prevent, detect and remedy retaliation. No one should be penalised for reporting a potential violation in good faith.

- **Risk management**

We expect our suppliers to identify human rights and environmental risks in their supply chains and to take appropriate measures immediately if necessary.

7. compliance with the **simple system** code of conduct for suppliers

The aforementioned expectations are regarded as the basis for ensuring that the business relationships between us and our partners are successful. In order to fulfil the due diligence obligations in the supply chain, the supplier of **simple system** must, upon request, fully and truthfully disclose information on compliance with its obligations under this Code of Conduct for Suppliers. We also expect our partners to fulfil their financial responsibilities, to conduct all business transactions transparently and to reflect these correctly in the company's records.

Our suppliers pass on all the principles and requirements described here to their subcontractors and suppliers. Violations of the aforementioned requirements on the part of a supplier or subcontractor can be reported to the **Hoffmann Group** at any time. Any information can be communicated using our **whistleblower system**

(<https://hoffmann-group.integrityline.app>). Our suppliers undertake to inform our compliance department (<mailto:compliance@hoffmann-group.com>) immediately in the event of a breach or suspected breach of the Code of Conduct.

In order to prove compliance with the principles, requirements and recommendations for action from this Supplier Code of Conduct, our suppliers may be requested to provide appropriate evidence of compliance with the requirements. Furthermore, **simple system** is authorised to conduct remote or on-site audits of suppliers, including by commissioned third parties, in order to evaluate the measures taken to comply with this Supplier Code of Conduct. Each supplier is obliged by this Code of Conduct to support simple system in conducting such audits; the supplier will provide all documents and information necessary to conduct the audit and grant access to its premises. As a rule, audits shall take place during normal business hours. We will determine the time for an audit with appropriate lead time and in consultation with our supplier. When conducting the audit, we will comply with data protection regulations and ensure that the confidentiality of our supplier's business secrets is protected, if necessary by concluding specific confidentiality agreements.

With his signature, the supplier undertakes to recognise and comply with all principles and regulations of the Code of Conduct in addition to the obligations arising from supply contracts.

Place, date

Signature(s)

Name(s) (in block letters), function

Company stamp

References:
UN Global Compact
www.unglobalcompact.org
International labour standards
<http://www.ilo.org/global/lang-en/index.htm>

Compliance Management HSE,
V3.0