

CODE OF CONDUCT

FOR MANUFACTURING COMPANIES

AND SUPPLIERS



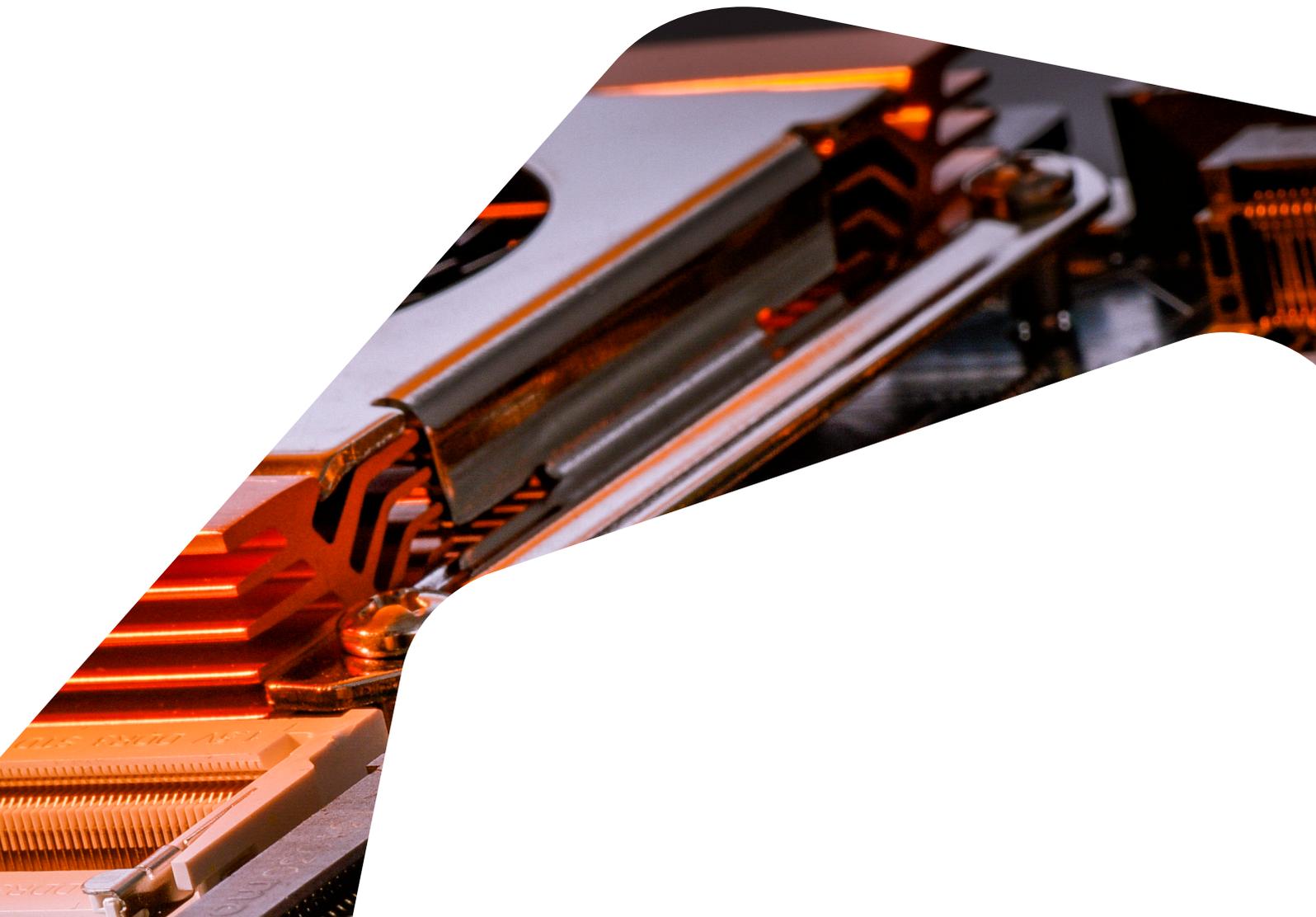
congatec

SUPPLIER CODE OF CONDUCT

***Important Note:** This Supplier Code of Conduct applies to all employees, managers, and members of executive bodies in the international manufacturing facilities of congatec group, as well as to all suppliers working directly or indirectly with our company.*

Overview

1. Preamble
2. Sustainability goals for manufacturing facilities and suppliers
 - 2.1 Our approach to sustainable “ESG” development
 - 2.2 “E” Environment
 - 2.3 “S” Social (Employees and other stakeholders)
 - 2.4 “G” Governance (Good corporate governance and oversight)
3. Concluding remarks



1. Preamble

congatec is a fast-growing technology company focusing on embedded computing products. The powerful computer modules are used in a wide range of system applications and devices:

- industrial automation
- medical technology
- robotics
- telecommunications
- and many other industries

In the computer-on-module segment, congatec is the global market leader with an excellent customer base ranging from start-ups to international blue-chip companies. At congatec, we are committed to maintaining and expanding this outstanding market position. A key element of this strategy is that due diligence is embedded in all business processes. We build on a global network of manufacturing facilities and suppliers, and we expect our business partners to support and further develop the values outlined in this Supplier Code of Conduct.

Goals of the Supplier Code of Conduct

In addition to the compliance-relevant statements in our Code of Conduct, the statements anchored there for our suppliers, the quality promise, and the statements on our responsibility to the environment, this document defines principles and requirements for our international manufacturing facilities and for our direct and indirect suppliers regarding their responsibility for the sustainable development of all business processes. Especially those activities related to the creation of IT components, with the delivery of intermediate products, raw materials, or their processing. This guideline is a binding instruction for our business partners.

congatec understands “sustainability” as an economic form that takes into account the special needs of the environment (“E” environment), the people involved in the business processes (“S” social) and good and legally sound corporate management (“G” governance) to a significant extent. Every personal or business decision helps to ensure that future generations will (still) have the freedom to shape their own future on this planet.

Sustainability is not a new topic, neither for congatec nor for our suppliers. Companies have been confronted with the requirements of sustainability for some time now. Existing laws and regulations oblige us to act sustainably and take social responsibility. In order to meet these requirements and to sustainably ensure compliance with sustainability goals and corporate success, an appropriate and good governance, risk and compliance (GRC) management system is of great importance. ESG (CSR) = GRC ¹

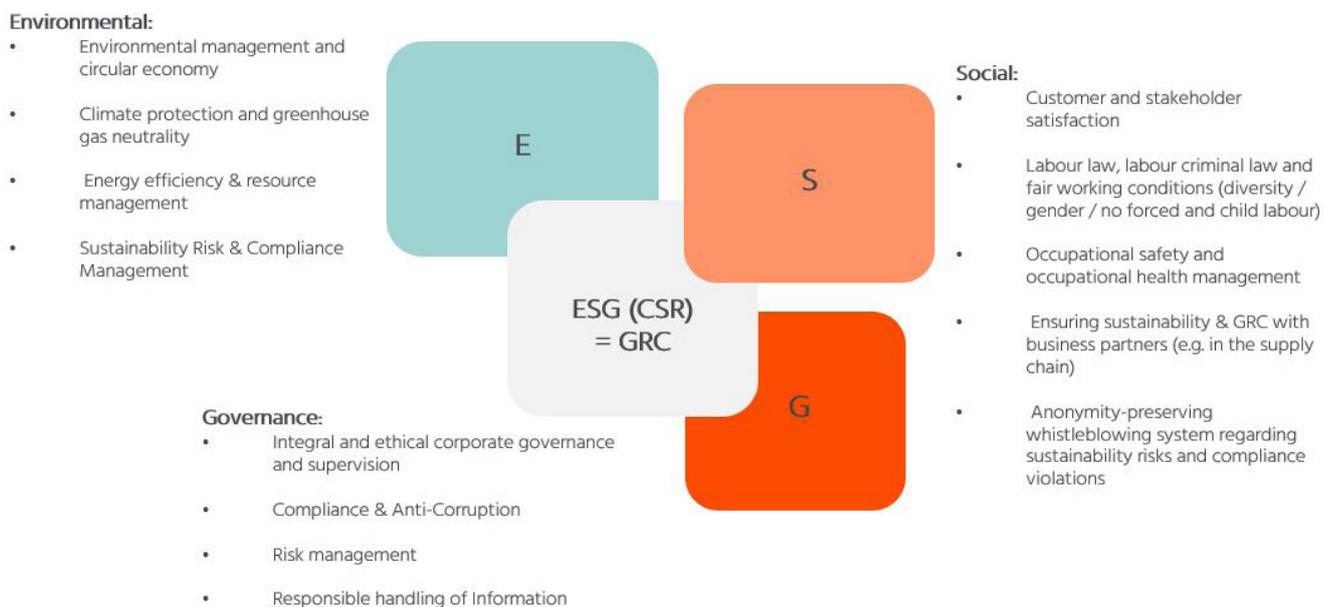


Illustration 1:
Sustainability is not a fashionable topic - ESG (CSR) = GRC!²

¹ The terms “ESG” (Environment Social Governance) and “CSR” (Corporate Social Responsibility) are used synonymously in the Supplier Code of Conduct.

² Source: Scherer, Integriertes GRC-/ESG-/Resilience-Managementssystem – Reliance + Antifragilität = Resilience in: RiskNET column from 18.11.2021, <https://www.risknet.de/themen/risknews/resilience-antifragilität-resilience/>, last accessed: 18.01.2022, P.4

Scope of the Supplier Code of Conduct

The Supplier Code of Conduct applies to all employees, managers, and members of executive bodies in the international manufacturing facilities of congatec group, as well as to all suppliers working directly or indirectly with our company.

2. Sustainability goals for manufacturing facilities and suppliers

2.1 Our approach to sustainable “ESG” development

Ensuring and guaranteeing sustainable development in line with ESG principles throughout the supply chain is essential for congatec. We want to work with our international suppliers and support them in developing their own sustainability performance. We are already guided by the Corporate Sustainability Reporting Directive (CSRD), the European Sustainability Reporting Standards (ESRS) and the German Supply Chain Due Diligence Act as well as its European counterpart, the Corporate Sustainability Due Diligence Directive (CSDDD), which will be highly relevant for the sustainability reporting of congatec group in the near future.

In the following, we address “you”, our manufacturing facilities and suppliers, directly, and define binding requirements that we ask you to comply with in your daily economic actions and decisions, so that we can continue to work together effectively, trustingly and sustainably in the future.

2.2. „E“ Environment

- The ESRS Environmental Standards cover the five areas of climate change, pollution, water, biodiversity and resource use and circular economy.
- You comply with all applicable environmental regulations as well as international conventions on environmental standards.
- You promote the safe and environmentally appropriate engineering, manufacturing, transportation, use and disposal of your products.
- Using appropriate management systems, you ensure that product quality and safety comply with the applicable requirements.
- You use resources efficiently, employ energy-efficient and environmentally friendly technologies, and keep your waste volumes as low as possible, as well as emissions to air, water, and soil.
- You reduce your negative impact on biodiversity, climate change, and water scarcity to protect people's livelihoods.

2.3. „S“ Social (Employees and other stakeholders)

- The ESRS Social Standards cover four areas: Own workforce, workers in the value chain, communities concerned, and consumers and end users.
- You ensure that you protect internationally proclaimed human rights in your operations and towards your employees and do not directly or indirectly engage in any form of forced labor, slavery, human trafficking and child labor or use intermediate products that have been produced with the help of such labor.
- You support the right to freedom of association and collective bargaining in accordance with applicable laws.

- You treat your employees with respect, promote an inclusive work environment, and prohibit discrimination, unequal treatment, harassment, abuse, or inhumane treatment of individuals based on, for example, their ethnic origin, national origin or color, religion or belief, gender, sexual orientation, gender identity and/or expression, age, physical or mental disability, political or union affiliation, citizenship, maternity, marital status, or any other characteristic protected by law.
- You also support these aspects when selecting your suppliers and subcontractors.
- You give your employees and other stakeholders the opportunity to report concerns or potentially unlawful practices at work.
- You comply with minimum wages and working hours in accordance with local laws and ensure the compensation of a living wage in accordance with local living conditions.
- You ensure that all security personnel comply with applicable laws for the protection of the company.
- You ensure that you do not supply products containing conflict minerals that directly or indirectly finance or benefit armed groups and cause human rights abuses, as described in Annex II of the OECD Due Diligence Guidelines for Promoting Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Countries (OECD DDG).

2.4. „G“ Governance (Good corporate governance and oversight)

- The ESRS Governance Standards cover the areas of appropriate corporate governance, risk management and internal control, and business conduct.
- You comply with all applicable national and international trade laws and regulations, including but not limited to antitrust, trade control, and sanctions regimes.
- You consider corporate integrity as the basis for business relationships.
- You prohibit any form of bribery, corruption, money laundering, as well as antitrust violations.
- You respect the privacy and confidential information of all your employees and business partners and protect data and intellectual property from misuse.
- You have an adequate compliance management system, risk management, and internal control system.
- You must ensure, for example through training, that your managers and employees have an adequate level of knowledge and understanding of the content of this Supplier Code of Conduct, applicable laws and regulations, and accepted standards.

3. Concluding remarks

As our supplier and manufacturing partner, you must accept the above principles. Alternatively, you can demonstrate your commitment to these principles through your own code of conduct and company policies that incorporate these standards. You agree to communicate the requirements contained in this Supplier Code of Conduct to all suppliers in your supply and value chain.

congatec reserves the right to conduct audits or assessments to ensure that you are complying with the relevant laws, rules and standards stated herein and will take appropriate action with respect to the business relationship if there is cause for concern. congatec further reserves the right to terminate any relationship if there is a violation of the principles set forth herein and the international principles, no action is taken to correct such violations, or systematic violations are evident.

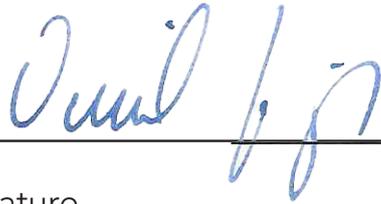
Further contractual obligations remain unaffected by this Supplier Code of Conduct and take precedence over the provisions described in this document. This applies in particular to contractual provisions under which you are obliged to comply with certain ESG standards and/or requirements under supply chain legislation (e.g., the Supply Chain Due Diligence Act).

If you have concerns about unlawful conduct or misconduct by any of your (pre)suppliers, please contact corporate-compliance@congatec.com or to our ombudsman: ombudsmann-congatec@sws-p.de.

We hereby confirm the implementation of the Supplier Code of Conduct:

27.07.2023

Date

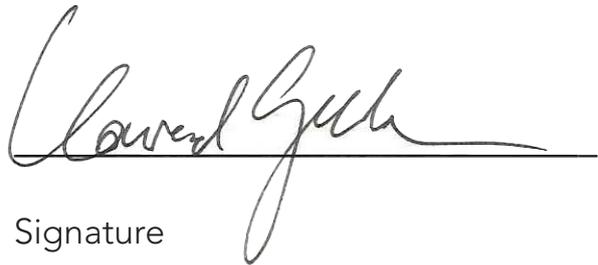


Signature

Daniel Jürgens, Managing Director
congatec group GmbH

27.07.2023

Date



Signature

Konrad Garhammer, Managing Director
congatec group GmbH

4. Quellen für Nachhaltigkeit (ESG) und Berichterstattung

BaFa, Unternehmerische Sorgfaltspflichten in Lieferketten, https://www.bafa.de/DE/Lieferketten/lieferketten_node.html

congatec, Qualitätsversprechen <https://www.congatec.com/de/congatec/unternehmensverantwortung/qualitaetsversprechen/>

congatec Code-of-Conduct, congatec: Self Commitments, Company Directives, Guidelines, Internal Standards & Emergency Plans Home-v40-20221206_085729.pdf, P. 85-100

congatec, Umweltverantwortung

<https://www.congatec.com/de/congatec/unternehmensverantwortung/umweltverantwortung/>

EU, European Sustainability Reporting Standards, handed to the European Commission on

23.11.2022 at: <https://www.csr-berichtspflicht.de/esrs>

EU, RICHTLINIE 2022/2464 DES EUROPÄISCHEN PARLAMENTS UND DES RATES vom 14. Dezember 2022 zur Änderung der Verordnung (EU) Nr. 537/2014 und der Richtlinien 2004/109/EG, 2006/43/EG und 2013/34/

EU hinsichtlich der Nachhaltigkeitsberichterstattung von Unternehmen

(Text von Bedeutung für den EWR) in: https://eur-lex.europa.eu/legal-content/DE/TXT/?uri=uriserv%3AOJ.L_.2022.322.01.0015.01.DEU&toc=OJ%3AL%3A2022%3A322%3ATOC

EU, Corporate Sustainability Due Dilligence Directive (CSDDD) in: https://commission.europa.eu/publications/proposal-directive-corporate-sustainability-due-diligence-and-annex_en

ILO, International Labour Organisation`s Declaration on Fundamental Principles

and Rights at Work, in: <https://www.ilo.org/declaration/lang--en/index.htm>

UN, United Nations Global Compact Initiative, in: <https://www.unglobalcompact.org/>

oder in: <https://www.unglobalcompact.org/library/2>

Confirmation form

Dear Business Partner,

As part of our business relationship, we are committed to ensuring that our suppliers adhere to certain ethical standards and codes of conduct. The Supplier Code of Conduct serves as a guide to these standards and behaviors that are expected of all our suppliers. This form is used to document your agreement to the Supplier Code of Conduct.

By signing this form, you confirm that you have read, understand and accept the contents of the Congatec Supplier Code of Conduct. You agree to follow and implement the principles and guidelines set forth therein in your business activities. We place great emphasis on compliance with these standards and reserve the right to conduct unannounced audits as necessary to ensure compliance.

Please sign this form to acknowledge your agreement to the Supplier Code of Conduct. Return the signed form to us via email.

Thank you for your cooperation.

Supplier name

Stamp of the supplier

Signature of the supplier

Date of signature