

**KHD Humboldt Wedag
International AG,
Cologne**



**Code of Conduct
for
Suppliers**

Introduction

This Code of Conduct for Suppliers is binding on KHD Humboldt Wedag International AG and all subsidiaries (referred to in the following as “KHD”).

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For the sake of improved readability, in this Code of Conduct for Suppliers KHD may occasionally make reference to people using grammatically masculine terminology. These references to persons in general apply to all genders equally: masculine, feminine, or other.

1. Our Responsibility

Integrity and economic, ecological, and social responsibility are part of the culture of the KHD Group and a significant component of our long-term company development.

In this regard, compliance with laws and adherence to the respective rights along the value chain provide the essential basis that we require to the same extent from our business partners.

We are committed to the OECD guidelines for multinational companies and to the **ten principles of the UN Global Compact**, with which our activities are aligned. We expect that our stakeholders also comply with these standards.

1. Businesses should support and respect the protection of internationally proclaimed human rights.
2. Businesses should make sure that they are not complicit in human rights abuses.
3. Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.
4. Businesses should uphold for the elimination of all forms of forced and compulsory labor.
5. Businesses should uphold for the effective abolition of child labor.
6. Businesses should uphold for the elimination of discrimination in respect of employment and occupation.
7. Businesses should support a precautionary approach to environmental challenges.
8. Businesses should undertake initiatives to promote greater environmental responsibility.
9. Businesses should encourage the development and diffusion of environmentally friendly technologies.
10. Businesses should work against corruption in all its forms, including extortion and bribery.

2. Labor Standards, Health and Safety, Responsibility for People and the Environment

a) Child Labor

Our suppliers must comply with the legally required minimum work age. The employment of children at the age during which school attendance is required according to the respective national provisions is not permitted. Our suppliers must not source any materials or services from companies that use child labor.

b) Forced Labor

Suppliers must not avail themselves of any labor performed involuntarily or under threat of violence, including human trafficking or slavery, or political or ethical persecution. The supplier must not source any materials or services from companies that use forced labor.

c) Prohibition of Discrimination, Harassment, and Abuse

Suppliers should not differentiate employees based on age, nationality, gender, sexual orientation, religion, ethnic or social origin, or political or other opinions. Corporal punishment and any form of harassment or abusive conduct must be precluded. The supplier shall promote equal employment opportunities and ensure compliance with the respective applicable legal requirements. Equal treatment also includes equal compensation for equal work.

d) Occupational Health and Safety

Our suppliers must comply with all local and the respective national laws, provisions, and guidelines for guaranteeing the protection of the health of their employees as well as their safety and physical integrity. Suppliers must have all of the required authorizations and permits for employing workers.

e) Working Conditions

Our suppliers shall provide fair and appropriate working conditions. The supplier must comply with the respective national laws and regulations regarding work time, wages (minimum wage), and salaries as well as employer contributions and social benefits. Employees must be appropriately compensated in accordance with their qualifications and abilities.

f) Freedom of Association

Suppliers must acknowledge the rights of their employees to collective bargaining and freedom of association as well as the right to education and to join employee representative committees within the scope of the respective national rights. Employee representatives must not face discrimination due to their activities.

g) Environmental and Resource Protection

Suppliers must comply with the applicable local, national, and international laws, directives, and provisions for environmental and climate protection. Suppliers must have the required licenses and permits for their products and services. Suppliers are required to protect the environment and prevent environmental pollution. In addition, the use and disposal of all resources must be carried out properly and mindfully.

3. Integrity and Ethics, Prevention, Conflicts of Interest

a) Corruption and Bribery

Suppliers must comply with all applicable laws and regulations for preventing corruption and bribery. Suppliers must not confer any benefits or inappropriate contributions in connection with business relationships.

b) Fair Competition

The supplier must follow the antitrust legislation and the respective laws against unfair competition applicable in the respective country. Price agreements, collusive practices or behaviors, and the illegal use of a dominant market position are prohibited.

c) Import and Export Controls

The supplier must comply with all applicable laws and provisions for importing and exporting goods, services, and information as well as for financial transactions.

d) Money Laundering

The supplier is required to implement precautionary measures and to comply with the applicable laws with regard to preventing and prohibiting money laundering and terrorist financing.

e) Protection of Personal Information / Intellectual Property

The supplier is required to comply with the regulations of the applicable data privacy laws. For this reason, the collection, processing, or use of personal information is only permitted to the extent that it is required for established and legally allowed purposes. The supplier must implement the necessary precautionary measures to protect the intellectual property and physical property as well as all of the information belonging to KHD that is made known in the context of the business relationship. In addition, the supplier must safeguard this property and information against improper use, theft, and damage. This requirement extends across the entire value chain, including the direct suppliers of the supplier.

f) Confidentiality

All nonpublic information – particularly regarding projects, products, and services as well as personal information – that is made known in connection with the business relationship or that is exchanged with employees of KHD in the form of written, oral, or electronic communications, must be kept confidential at all times by suppliers. Confidential information must never be forwarded to third parties without the consent of KHD.

g) Conflicts of Interest

Our suppliers are required to avoid conflicts of interest and, in case of a suspected conflict of interest, to disclose it to KHD.

4. Implementation and Control

KHD expects that its suppliers acquaint themselves with the principles of the Code of Conduct for Suppliers and comply with them in addition to taking suitable measures for promoting and continuing to develop sustainable business practices. Suppliers are required to actively inform their direct

suppliers with regard to the requirements of this Code of Conduct and to ensure their compliance with it.

Suppliers shall implement effective processes in all of the areas addressed in this Code of Conduct and with regard to all of the applicable legal requirements. KHD expects that its suppliers disclose any risks and/or violations of the requirements specified in this Code of Conduct that are identified in the supplier's own business area and/or supply chain.

KHD reserves the right to control and monitor its suppliers' compliance with the requirements of this Code of Conduct, as implemented either by its own employees, independent third parties, certifications, or other forms of official security measures or subject-specific audits on site.

5. Violation Consequences

The Code of Conduct for Suppliers is an integral component of all business relationships between individual suppliers and the respective KHD company.

In case a violation is suspected, the supplier shall inform KHD immediately and take suitable measures to clarify the matter. If suppliers become aware of either their own violations or violations committed by their suppliers, they shall support KHD in the clarification of the incident and implement measures to prevent further risk. KHD expects that suppliers immediately implement measures to resolve the situation and reserves the right to take appropriate measures itself. In addition to a prompt resolution, this can include a suitable plan of action, the suspension of the business relationship, or compensation for damages.

KHD can terminate the business relationship with a supplier at any time if the supplier knowingly and repeatedly violates individual or multiple rules. This applies regardless of the severity of the violation.

6. Grievance Mechanism

The principles in this Code of Conduct establish the requirements for responsible relationships with our suppliers. With our zero-tolerance policy in case of non-compliance, we protect these values and sanction any possible violations.

In case of a justified suspicion of a violation or non-compliance with these principles, suppliers and other stakeholders have the option to provide information accordingly. For questions and information regarding the Code of Conduct for Suppliers, human rights and the environment, contact [Group Sustainability & GRC](#). If you would like to report (suspected) non-compliance by e-mail, the below address is available.

GRC@khd.com

We ensure that those who report actual or presumed misconduct in good faith will not suffer any disadvantages. As an alternative, there are external, national whistleblower channels available for reporting incidents.