

AVECTRIS

CODE OF CONDUCT FOR BUSINESS PARTNERS

Introduction

Avectris AG stands for reliability, sustainability and innovation. As a business, we have a responsibility to meet the high expectations of all stakeholders through our corporate behaviour and to fulfil the ever-increasing legal requirements. True to our mission statement, we will continue to operate our business with steadfast integrity and observation of the highest ethical standards – completely, constantly and independently of what others might expect or demand. This is how we understand 'compliance': an unconditional obligation to legal fidelity, integrity and ethics.

Avectris places a high value on business partners that observe the same values, compliance principles and ethical principles as we do. For a fair, trusting and long-term mutual partnership, Avectris therefore requests that its business partners (suppliers and service providers) commit to the same guiding principles determined herein by Avectris for sustainable, ethical and legally compliant business.

The conditions set out in the Code are based on the following recognised conventions and standards:

- Principles of the United Nations Global Compact (UNGC)
- Guidelines for multinational enterprises of the Organisation for Economic Co-operation and Development (OECD)
- Conventions of the International Labour Organisation (ILO)
- Business Charter for Sustainable Development of the International Chamber of Commerce (ICC)
- SA8000 (standard for socially responsible company management)
- Recommendations for federal procurement units

Applicable mandatory national, supranational and international legislation and regulations remain reserved in certain cases and prevail over this Code, insofar as they set higher standards in individual cases. In the case of lower standards, the Code has priority.

The Code applies internationally to all business partners¹ of Avectris and their employees. Additionally, Avectris expects its business partners to ensure that their important² suppliers and sub-contractors also comply with the principles determined herein.

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¹ The Code applies within the context of procurement and also as a component of the General Terms & Conditions of Avectris AG. For all other business relationships with goods suppliers and service providers for which the General Terms & Conditions of Avectris do not apply, the Code must be defined as an integral part of the contract. The following criteria can be used: Industry, size of turnover, location and/or residence of the business partner, audits carried out by an independent certification company, number of employees, primary supply chain or origin of products and/or services, or duration of the supply relationship.

² An 'important' supplier or sub-contractor is one that performs a significant part of the work order (delivery of a considerable component and/or provision of a considerable partial service) and/or which works in an area with an elevated level of risk.

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1 Business ethics and integrity

The Avectris business partner operates its business in an ethical manner; it acts with integrity and observes legislation and regulations.

1.1 Observation of legislation and conventions

The business partner observes national legislation and regulations and the relevant international conventions.

1.2 Product safety

The business partner's products and services do not endanger people or the environment when used properly and fulfil the agreed and/or legally stipulated norms in terms of product safety. The business partner discloses information about safe use accordingly.

1.3 Prohibition of corruption and bribery

All types of corruption are prohibited for the business partner. These include bribes, kickbacks and extortion in order to influence business partners, politicians, administrators, the judiciary or public officers.

1.4 Fair competition

All the business partner's professional activities align with the regulations of fair competition. The business partner observes all relevant monopoly and competition legislation, and legislation against unfair competition.

1.5 Protection of intellectual property

The business partner respects the protection of intellectual property of third parties.

1.6 Trade barriers and money laundering

The business partner observes applicable trade and economic barriers, and legal provisions against money laundering and the financing of terrorism.

1.7 Misuse of confidential information

The business partner uses reasonable measures to ensure that its employees do not misuse confidential information.

1.8 Taxes and duties

The business partner observes the applicable tax regulations.

1.9 Ombudsman (registration point)

The business partner gives its employees the opportunity to report concerns regarding perceived or suspected violations by others in the workplace freely, without fear of reprisal or harassment in the company. The business partner will investigate such reports appropriately and take the necessary measures.

1.10 Personal rights

The business partner uses reasonable means to ensure that its employees' personal and data protection rights are respected and not violated.

2 Respect for human rights

The Avectris business partner respects the applicable human rights and treats its employees with dignity and respect.

2.1 Prohibition of child labour

The business partner must not employ workers under the age of 15 years. For countries in which the economy and educational facilities are less developed, a minimum age of 14 years applies, or 13 years in the case of light duties. Dangerous work may only be carried out in compliance with the applicable safety regulations.

2.2 Prohibition of forced labour

All forced and compulsory labour is prohibited. The business partner must not force its employees to hand over their identification card, passport or work permit as a precondition for employment.

2.3 Prohibition of discrimination

Equal opportunities must be maintained in recruitment, employment and remuneration. The business partner should not discriminate against anyone based on gender, age, ethnic or national affiliation, religion, sexual identity, union membership or any type of disability.

2.4 Prohibition of disciplinary punishment

The business partner must not punish its employees physically or psychologically in any way. This applies in particular if employees report business practices that violate national, international or internal provisions in good faith.

3 Socially compatible working conditions

The Avectris business partner offers its employees proper working conditions.

3.1 Safe and healthy workplace

Occupational safety and health protection must be guaranteed at least within the context of national provisions. The business partner supplies guidelines and processes for work safety and health protection, and makes these available to its employees to reduce and where possible to avoid the risk of accidents and work-related illnesses.

3.2 Living wages

The business partner remunerates its employees appropriately and guarantees a statutory or collectively agreed minimum wage or an industry-standard minimum wage. The business partner guarantees its employees social contributions to which they are legally entitled. The business partner structures remuneration transparently, payments take place regularly and in a legal tender. Illegal or unjustified wage deductions may not be made.

3.3 No excessively long working hours

The business partner ensures that employees comply with the legal or contractually defined or industry-standard maximum working hours. In particular, the maximum weekly working hours (incl. overtime) must not exceed the legally permissible limit. The business partner compensates overtime according to legal and contractual provisions. Employees are entitled to rest days in accordance with statutory provisions.

Employees are also entitled to regulated annual leave in accordance with the applicable statutory provisions.

3.4 Freedom of association and collective bargaining

Employees have the right to collective bargaining and to organise themselves within a union. If a union is prohibited in a country for political reasons, the business partner must provide for an independent association in another form. The business partner must not discriminate against employee representatives due to their function or unionised employees due to their membership.

4 Compliance with environmental standards

The Avectris business partner operates its business responsibly and in an environmentally compatible manner. The business partner reduces negative effects on people and the environment through observance of the applicable regulations within its business operation.

4.1 Efficient use of resources

The business partner commits itself to efficient use of resources to the extent possible. In particular, non-renewable resources are to be used as carefully as possible.

4.2 Avoidance and mitigation of environmental impact

The business partner records and monitors polluting emissions according to the circumstances and commits to a continual reduction of these to the extent possible. Materials used should be recycled where possible. The business partner develops processes to regulate the transport, storage and safe and environmentally friendly treatment and disposal of waste.

4.3 Safe handling of hazardous substances

The business partner guarantees the safe handling of substances that pose a danger to people and the environment when released, in some cases with help from a hazardous materials management that ensures safe use and transport, and secure storage, reprocessing, recycling and disposal.

4.4 Environmentally compatible products

When developing products and services, the business partner takes care that its energy and natural resource consumption is economical. Products should be suitable for reapplication, recycling or safe disposal.

5 Supply chain transparency

The Avectris business partner provides information on its supply chain on request and with its management system ensures the implementation of these principles.

5.1 Preferred business partners

Avectris prefers business partners that disclose their supply chains to Avectris transparently on request. Furthermore, Avectris prefers business partners that make active efforts to improve in environmental and social areas, and which disclose these services transparently; for example, with assistance from a certified management system according to ISO 9001, ISO 14001, OHSAS 18001, SA8000 or EFQM, or sustainability reporting according to the Global Reporting Initiative standard.

5.2 Management systems

The business partner operates management systems or employs similar processes that ensure compliance with the principles mentioned here.

6 Implementation

Failure to comply with this Code by the business partner may result in measures by Avectris.

6.1 Monitoring and burden of proof

On request, the business partner must provide Avectris with all necessary information for an initial assessment correctly and comprehensively as part of a self-evaluation. In particular, the business partner must inform Avectris transparently if it cannot fulfil aspects of this Code, or can fulfil them only partially. The business partner must make other information available that proves its compliance with this Code.

Avectris reserves the right to control implementation of this Code, in particular in the case of suspected violations of this Code or its principles due to press reports, complaints or similar. The business partner must inform Avectris of events that conflict with the principles of this Code.

6.2 Non-fulfilment

Avectris reserves the right to enforce measures and/or to terminate the business relationship in the case of non-compliance with this Code.