

COLTENE Supply Chain Policy and Due Diligence

Recognising that risks of significant adverse impacts which may be associated with extracting, trading, handling and exporting minerals/metals from conflict-affected and high-risk areas, and recognising that we have the responsibility to respect human rights and not contribute to conflict, COLTENE Holding AG commits to adopt the following policy. This policy is based on local, national and international laws in relation to minerals and metals from conflict-affected areas and child labour, as well as internationally recognised standards such as the International Bill of Human Rights, the UN Guiding Principles on Business and Human Rights, the OECD Guidelines for Multinational Enterprises, as well as the ILO core labour standards and the principles of the UN Global Compact.

This document applies to all companies and subsidiaries of COLTENE Holding AG.

Compliance with the minimum requirements outlined in this policy is a binding part of the COLTENE Holding AG General Purchasing Conditions. This policy defines the minimum requirements for a supplier to align its business and procurement activities with these principles and address them appropriately along its downstream partners in the supply chain.

In that regard we commit to the following

Regarding Human Rights protection:

1. We shall undertake responsibility to protect human rights in their business area (people in need of protection, employees, etc.). Therefore, COLTENE Holding AG expects suppliers to observe the principles and the rights set forth in the guidelines of the UN Initiative “Global Compact” and the “ILO Declaration on Fundamental Principles and Rights at Work”. The suppliers or other employees must not discriminate against the nationality, religion, age, ethnic background, gender or sexual orientation of any employee (ILO 111). Guidance is provided by general prohibition of discrimination in Article 2(1) of the International Covenant of Civil and Political Rights of 19 December 1966.

Child and forced labour and slavery shall be strictly prohibited.

While sourcing from or operating in conflict and high-risk areas, we will neither support war crimes nor other serious violations of international humanitarian law, crimes against humanity or genocide.

Regarding prohibition of Child Labour:

2. COLTENE Holding AG does not tolerate any form of child labour. The supplier shall ensure that child labour is prevented in its own business area and at its own suppliers, and undertake to comply with the following requirements:

- Prohibition of the worst forms of child labour as defined in Convention 182 of the International Labour Organisation.
- The minimum age for employment is in accordance with the requirements of the national law of the supplier location and is at least 15 years (ILO 138).
- Persons under the age of 18 are minors and therefore in need of protection (ILO 182). They shall not perform work which, due to its nature or the circumstances in which it is performed, would endanger their safety, health, or morals, e.g. overtime or night shifts (ILO 138).

Regarding Health and Safety in worksites:

3. Suppliers must ensure that their employees work in a safe and healthy environment with protection against fire, accidents and hazardous substances. Adequate sanitary conditions must be provided and public health and safety directives established and followed by employees.

Working hours and days of rest must be coordinated according to national laws and industrial standards. The maximum admissible weekly working hours according to national legislation and wage agreements shall apply. This shall include the control of and requests for overtime. (ILO 14)

Regarding Remuneration:

4. Suppliers must pay their employees appropriate remuneration. The remuneration must cover the employees' basic needs as well as the needs of their families while also providing some additional disposable income. Overtime must be compensated in accordance with the statutory provisions. Wages must be paid regularly and in legal tender. Wage deductions must always be transparent.

Regarding Environmental Protection:

5. Through their own initiative and responsible corporate management, suppliers must strive to reduce the negative ecological impact of their actions, products and services to a minimum, for example by:

- reducing the amount of waste,
- improving energy efficiency,
- minimising and safely storing of hazardous substances,
- using environmentally friendly technology.

Regarding Integrity:

6. High level of integrity must be an integral part of the corporate philosophy. In this sense, the supplier shall undertake to:

- Comply with international intellectual property rights.
- Refrain from practices like bribery or other illegal methods to influence the public, authorities, the judicial system and/or representatives of other business partners.
- Never promise, offer or provide benefits or privileges to employees of COLTENE Holding AG in any way in order to positively impact the business with COLTENE Holding AG.

- Refrain from activities that adversely affect free competition, including cartels and price fixing.

Regarding direct or indirect support to non-state armed groups:

7. We will not tolerate any direct or indirect support to non-state armed groups including, but not limited to, procuring minerals from, making payments to or otherwise providing logistical assistance or equipment to, non-state armed groups or their affiliates who:

- illegally control mine sites or otherwise control transport routes, points where minerals/metals are traded and upstream actors in the supply chain; and/or
- illegally tax or extort money or minerals/metals at points of access to mine sites, along transportation routes or at points where minerals/metals are traded; and/or
- illegally tax or extort intermediaries, export companies or international traders.

Regarding bribery and fraudulent misrepresentation of the origin of minerals:

8. We will not offer, promise, give or demand any bribes, and will resist the solicitation of bribes to conceal or disguise the origin of minerals/metals, to misrepresent taxes, fees and royalties paid to governments for the purposes of mineral/metal extraction, trade, handling, transport and export.

Regarding the payment of taxes, fees and royalties due to governments:

9. We will ensure that all taxes, fees, and royalties related to mineral and metals extraction, trade and export from conflict-affected and high-risk areas are paid to governments and, in accordance with the company's position in the supply chain, we commit to disclose such payments in accordance with the principles set forth under the Extractive Industry Transparency Initiative (EITI).

Regarding diamonds:

10. In the fight against using the conflict minerals, COLTENE Holding AG is turning to new resource-saving materials and methods. Currently, industrially manufactured diamonds are used for the most part in COLTENE Holding AG production. All natural diamond suppliers commit to sign and to implement the Code of Conduct for the Suppliers of COLTENE Holding AG.

Due Diligence:

Depending on risks specific to particular countries and groups of goods, as well as additional criteria such as, for example, turnover with COLTENE Holding AG, the supplier should implement a due diligence process to comply with this Policy.

The supplier shall establish a special due diligence process in accordance with the "OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas" for the following minerals/metals: tin, tungsten, tantalum, and gold (the so-called 3TG) from conflict-affected and high-risk areas (CAHRAs).

We expect that the supplier has established or is implementing the due diligence process with appropriate measures to ensure that its suppliers and subcontractors, in turn, also comply with the stated provisions.

The supplier should obtain materials that are subject to restrictions arising from national and international law only from audited sources. The supply chain policy must identify the tools that the supplier uses to identify, assess, eliminate or mitigate the risks of potential

adverse impacts in its supply chain. These include in particular:

- Source of origin checks,
- Information, in particular from authorities, international organisations and civil society,
- the consultation of experts and specialist literature,
- Assurances from economic operators in the supply chain and other business partners,
- the use of recognised standards and certification systems.

COLTENE Holding AG cooperates with the suppliers on a basis of trust and transparency. In order to review the compliance with the stated provisions, we ask the supplier to complete a self-assessment, or we use, for example, questionnaires or audits.

Upon request, the supplier shall provide COLTENE Holding AG with information on the use of materials in production and operations that are subject to restrictions arising from national and international law, as well as providing written procedures on how these substances are handled.

The supplier shall cooperate to the best of its abilities in responding to the questionnaire. Upon request, the supplier shall fully and truthfully answer the questions from COLTENE Holding AG about compliance with its obligations under this document, including its actions, any violations, and grievances in the supply chain of COLTENE Holding AG.

On an ad hoc basis, we expect the suppliers to provide information to COLTENE Holding AG about their supply chain for the minerals/metals for instance via the Responsible Minerals Assurance Process (RMAP) of the Responsible Minerals Initiative (RMI). We expect the supplier to obtain certification by an independent third party, such as the Standard for Responsible Mining from the Initiative for Responsible Mining Assurance (IRMA).

In relevant high-risk supply chains COLTENE Holding AG requires collaboration with suppliers and subcontractors, to the source of origin if needed. The supplier shall also provide relevant documentation upon a COLTENE Holding AG request and nominate contacts for enquiries. The supplier grants COLTENE Holding AG or any third party appointed by COLTENE Holding AG the right to check and assess compliance with this Standard in an appropriate manner at relevant production sites. If deviations are found in the audit at the supplier's site, corrective measures are expected from the supplier. The supplier shall bear the costs of the corrective measures.

If applicable, the supplier shall provide its sustainability report upon COLTENE Holding AG's request.

We encourage suppliers to work actively to abolish child labour within their own sphere of influence, e.g. through supplementary measures (as per ILO Recommendation 203) or cooperative efforts (e.g. as part of initiatives) and collaboration with non-governmental organisations.

In accordance with the specific position of the company in the supply chain, we commit to engage with suppliers, central or local governmental authorities, international organisations, civil society and affected third parties, as appropriate, to improve and track performance with a view to preventing or mitigating risks of adverse impacts through measurable steps taken in reasonable timescales.

Within the reasonable terms we will suspend or discontinue engagement with upstream suppliers where we identify a reasonable risk that they are sourcing from, or linked to, any party committing serious abuses described above.

Communication and Notification:

If required, COLTENE Holding AG is willing to inform and support the suppliers for compliance with this policy.

COLTENE Holding AG recognises that implementing the due diligence obligations described here is a dynamic process. COLTENE Holding AG shall update this policy based on implementation experience and emerging good practice and shall communicate it to the suppliers and to the public via the COLTENE Holding AG website.

If the supplier discovers violations in the supply chain of COLTENE Holding AG, the supplier shall immediately take appropriate remedial action. In case of confirmed violations in the supply chain of COLTENE Holding AG, the supplier should immediately inform COLTENE Holding AG via the following link: <https://www.coltene.com/de/hinweisgeber-portal/>

Document history:

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