
EFACEC SUPPLIER CODE OF CONDUCT

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Efacec's Supplier Code of Conduct defines the standards of conduct that the company wants to be observed by its suppliers, subcontractors and other partners (all referred to as "suppliers" in this document) in the context of the relationship of supplying materials, products, services and systems.

The duties described in this code derive from Efacec's Principles described in its Sustainability Policy. Both documents must be considered to fully understand Efacec's ethical system. In addition, the requirements of this code must be complied in conjunction with the General Conditions of Purchase.

To ensure compliance with this code, suppliers must ensure that the code is shared with all individuals who carry out work for or on behalf of Efacec. Any concerns or challenges in complying with the requirements of this code should be immediately shared with Efacec's sales representatives.

Board of Directors

Efacec Power Solutions

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Corporate Responsibility

Within the scope of corporate responsibility, an Efacec supplier must:

[Business Practices]

- Refrain from participating in any form of agreement that restricts free competition, in compliance with the respective laws of the various countries where they operate, whether in formal or informal environments. Comply with the rules of antitrust law.
- Neither your company itself nor its management or owners are currently charged with or have been mentioned in the media for any criminal offense, particularly in the area of white-collar crime, nor have you been convicted or punished for any administrative penalty in the last five years.
- Your group of companies (parent companies, subsidiaries, joint ventures or other affiliates) either does not include a government-owned or government-controlled entity, or you have disclosed this affiliation to us prior to entering into our business relationship.

[Innovation and Quality]

- Scrupulously comply with the purchasing requirements and contracts established with Efacec, and, in case of doubt, consult Efacec's sales representatives. All tasks related to Efacec must be performed by individuals with the appropriate skills, knowledge and certifications to uphold the principles and comply with the standards of the business in question.
- Ensure product quality and utilize appropriate management systems for documentation and improvement.

[Intellectual property]

- Guarantee that its activity, in the execution of the contract, will not imply the violation of any intellectual property rights of third parties, namely, guarantee that you have the ownership or license to use and commercialize the Intellectual Property Rights of the Products subject to the contract.

[Information Security and Data Protection]

- Commit to the security and respect for the privacy of the personal data that it collects, processes or accesses, respecting the data protection legislation applicable in all jurisdictions where it operates, and it is prohibited to disclose personal data obtained in the exercise of functions, within the scope of its relationship with Efacec. Personal data collected, processed, or preserved cannot be communicated or used in violation of the privacy and trust of its holders, under penalty of legal liability.
- Ensure that only authorized users have access to only the information necessary to perform their functions.
- Ensure the accuracy, precision, and consistency of information throughout its life cycle, ensuring that information cannot be modified in an unauthorized way.
- Ensure that information is available whenever there is a need to access it, ensuring the continuity of business processes. Records, information, data, disclosures, and communications to Efacec must be complete, accurate, clear, timely and understandable. Information considered false or misleading must be promptly communicated to Efacec.
- Respect established confidentiality agreements and not disclose any information related to the scope of the supply contract in question.

[Conflict of interests]

- Communicate, in accordance with Efacec's Conflict of Interest Policy ([link](#)), the existence of a Conflict of Interest with employees or members of the board of directors, real or apparent, within 30 (thirty) days following its knowledge, if cannot avoid it.

[Gifts and hospitality]

- Comply, when offering or receiving gifts, meals, travel, accommodation and invitations, with applicable national and international laws (e.g. UK Bribery Act, US FCPA) and Efacec's mandatory requirements:
 1. The value of the offer (isolated or cumulative with other offers to the same person/company) is low (50€);
 2. The offer has a clear commercial objective;
 3. The offer is transparent and does not cause embarrassment when revealed;

4. The offer is not intended to gain an improper advantage or influence behavior;
5. Its content is not offensive to good behavior;
6. The frequency of the offer to the same person is not inappropriate.

[Anti-corruption]

- Commit to the ethical principles of integrity and transparency, not tolerating any form of corruption or payment of bribes, offer, promise, acceptance, or request of an advantage, whether material or non-material, in exchange for an undue action or decision or as an attempt to encouraging someone to abuse their position, regardless of the geography and nature of the business in question.
- Have appropriate control measures to combat corruption.

[Money laundering]

- Guide its activity by the best international financial practices and comply with applicable legal standards to combat money laundering and terrorist financing.
- Prevent false, artificial, or virtual entries in your financial records and do not maintain or allow unrecorded or secret company accounts or funds. Additionally, all books, records, accounts, and financial statements must be recorded and maintained in reasonable detail, appropriately reflect the company's transactions, and comply with applicable legal provisions, as well as the company's internal control system.

[Countries with economic sanctions]

- Ensure that it does not have, in its shareholder structure, people subject to economic sanctions, including the company's Beneficial Owner.
- Present complete information about the structure of its shareholders and the identification of the individual who is the Beneficial Owner of the company.
- Make sure it does not have sanctioned suppliers. Have policies and controls in place to monitor and prevent the use of materials from companies with sanctioned shareholders and owners.

- Document its efforts and make its due diligence measures available upon request and provide evidence of the origin of the products provided.

[Normative Respect]

- Seek to know the legislation and regulations relating to its activity. All activities that may involve illegal practices are formally prohibited and are not accepted by Efacec. Suppliers are responsible for complying with legislation, standards, and regulations.
- Cooperate with any investigations related to compliance with legislation, rules, and regulations.

Environmental responsibility

In terms of environmental responsibility, an Efacec supplier must:

[Respect for the environment]

- Promote the safe and environmentally compatible development and manufacture of its products as well as their transport and disposal.
- Develop measures to reduce its environmental impact and respond to global environmental challenges, either through responsible management of operations, including Risk Management, or by developing sustainable and environmentally friendly solutions.
- Allow any environmental audits to be carried out at its facilities.

[Decarbonization]

- Assess the climate impact of your activities and work to reduce greenhouse gas emissions.
- Be available to collaborate with Efacec in its decarbonization effort, sharing information, collaborating on awareness initiatives, and defining decarbonization goals aligned with climate science.
- Comply with legislation and regulations regarding greenhouse gas emissions.

[Circularity]

- Implement Circular Economy principles in its activities, reducing the consumption of natural resources, promoting energy efficiency, reuse and recycling, reducing or eliminating waste.
- Share information about circularity of components and raw materials when requested.
- Be responsible for complying with legislation and regulations relating to circularity, where applicable.

[Biodiversity]

- Assess the impacts on biodiversity in all its activities to prevent the destruction of habitats, minimizing atmospheric emissions and leaks of contaminants from underground, carrying out industrial wastewater treatment and always respecting applicable regulations and legislation.

[Conflict Minerals]

- Implement appropriate measures to prevent the use of illegally or unethically obtained materials and, in particular, conflict minerals sourced (sourced or mined) from conflict and high-risk zones.
- Document its efforts and make due diligence measures (*OECD Due Diligence Guidelines for Promoting Responsible Supply Chains of Minerals from Conflict and High-Risk Areas*) available upon request and provide evidence of the origin of conflict minerals in products supplied.

Social Responsibility and Respect for the Community

With regard to social responsibility and respect for the community, an Efacec supplier must:

[Social development]

- Conduct its operations in accordance with the Universal Principles of the United Nations Global Compact (UNGC), proactively creating measures that promote the development of society.
- Identify and manage business impacts, positive and negative, in order to promote a healthy work environment, inside and outside your facilities.

- Comply with local regulations regarding minimum wage and working hours, and additionally, ensure your employees receive a living wage that reflects the cost of living in your area.

[Work conditions]

- Provide a work environment where everyone is treated with equality, justice, dignity and in absolute respect for Human Rights, giving equal work opportunities to all employees based on qualifications and merit, not discriminating based on ethnicity, race, color, creed, religion, nationality, age, disability, sex, sexual orientation, family status, marital status, political or ideological beliefs, trade union membership or any other legally protected status in accordance with applicable laws and regulations.
- Oppose any form of moral and/or sexual harassment and must comply with all legal obligations applicable to labor matters in all jurisdictions where they operate and respect international standards of fundamental labor rights, namely the Fundamental Conventions of the World Labor Organization Work on Freedom of Association, Forced Labor, Modern Slavery, Discrimination and Prohibition of Work for Minors.

[Occupational health and safety]

- Provide a healthy and safe working environment, complying with legal occupational health and safety standards applicable in all jurisdictions in which they operate, adopting the necessary preventive measures and providing adequate training to safeguard the physical integrity and health of everyone.
- Ensure product safety and utilize appropriate management systems for documentation and improvement.
- Ensure scrupulous compliance, without exception, with all health and safety rules relevant to good practices in the workplace, in accordance with applicable legislation.

[Risk Management and Resilience]

- Act preventively, manage risks, plan emergency situations and ensure business continuity.
- Be able to identify potential risks associated with its supplies and create plans to minimize their impacts, when necessary, alerting Efacec of situations that impact it directly or indirectly.

[Subcontracting and supply chain]

- Make sure that, in the event of subcontracting work or services to third parties, they are informed of the Efacec Supplier Code of Conduct, promoting compliance with its principles and obligations.

Monitoring and Correction of Irregularities

An Efacec supplier must:

- Demonstrate the compliance of its activity, through the adoption of best practices that promote the principles presented here.
- Implement procedures to remedy any cases of violations, non-conformities or problems found through audits, reviews, or inspections.
- Investigate and report any concerns or complaints about violations of law or procedure related to the business of Efacec, sub suppliers or subcontractors and fully cooperate with Efacec during any investigation carried out. Efacec does not accept any type of retaliation against any person or company that raises any concerns.

Communication

1. Irregularities

If the supplier knows or suspects of practice of intentional or negligent conduct within the scope of Efacec's activity, which may constitute violations of an ethical and/or legal nature, with a material impact on the following topic(s):

- Corruption and other financial crimes;
- Fraud and other property crimes;
- Intellectual Property and Information Security;
- Competition Law;
- Health, Safety and Environment;
- Internal Ethics and Compliance standards; and
- Discrimination, harassment and other labor violations.

It must report them immediately through the Efacec Ethics Line, available 24/7, at <https://www.efacec.com/efacec/ethics-and-conduct/>, where it can communicate, securely, confidentially and, if it wishes, anonymously, the respective irregularities.

2. Clarifications

If the supplier needs any clarification about Efacec's Supplier Code of Conduct, it can contact the Procurement and Purchasing Department by email at suppliers@efacec.com.