

GRILLO

CODE OF CONDUCT

FOR SUPPLIERS



GRILLO-Werke AG

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PREAMBLE

For the GRILLO Group (hereinafter referred to as GRILLO), sustainability is an essential component of its business strategy and it is committed to an ethical and sustainable approach in all business activities.

GRILLO assumes responsibility for human rights and the environment and is committed to the principles of the United Nations Global Compact and the Charter of Fundamental Rights of the European Union. Furthermore, GRILLO supports the conventions of the International Labour Organisation (ILO), the global Responsible Care Programme of the chemical industry and the guidelines of the International Zinc Association (IZA).

To this end, GRILLO conducts systematic due diligence and remediation procedures to ensure that compliance with the OECD Guidelines for Multinational Enterprises and the United Nations Guiding Principles on Business and Human Rights is verifiable and ensured.

GRILLO's activities are focused on the well-being of its customers, its own employees, those in its supply chain and society as a whole.

GRILLO is expressly committed to continuous improvement of its performance in the areas of occupational health and safety, environmental and climate protection and product quality.

GRILLO expects its employees, partners, suppliers, distributors, advisors, consultants, contractors, agencies and other intermediaries representing it to share these commitments.

GRILLO collaborates with its suppliers (hereinafter referred to as "Business Partners") to further develop its performance in terms of sustainability in the supply chain. The success of the co-operation between GRILLO and its Business Partners is based on mutual trust, transparency, reliability, support and fairness. GRILLO assumes responsibility for the implementation of ethical, social and environmental standards in its own organisation and expects its suppliers to comply with the principles set out in this Code of Conduct and to adequately incorporate them in their own supply chain.

RESPONSIBLE BUSINESS PRACTICES

01

COMPLIANCE WITH LAWS, RECOGNISED HUMAN RIGHTS AND LABOUR STANDARDS AND GUIDELINES

The Business Partner undertakes to comply with the applicable national laws and the relevant internationally recognised standards, guidelines and principles in all business actions and decisions, in particular the principles of the United Nations Global Compact, the Universal Declaration of Human Rights, the conventions of the United Nations Organisation, the core labour standards of the International Labour Organisation (ILO), the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights. Compliance with this Code of Conduct and the applicable norms and standards may not be undermined by subsidiary agreements such as deviating contractual agreements or other comparable measures. If national and international regulations are not consistent, the Business Partner should adhere to the standard that provides greater protection for those affected.

02

PREVENTION OF CORRUPTION

The Business Partner hereby undertakes to comply with international and local anti-corruption laws and standards. When dealing with business partners (customers, suppliers) and state institutions, the interests of the company and the private interests of employees on both sides are to be strictly separated. Actions and decisions should not be influenced by extraneous considerations and personal interests.

03

ANTITRUST AND COMPETITION LAW

The Business Partner shall ensure compliance with the relevant national and international antitrust laws and laws against unfair competition, including agreements on prices or conditions with competitors or other anticompetitive agreements, in particular agreements with competitors that have the hidden objective of market sharing or customer sharing.

04

PRIVACY AND DATA PROTECTION

Our understanding of data protection is based on European legislation, including the EU General Data Protection Regulation (GDPR), and also takes into account local data protection requirements and demands. In this regard, the Business Partner undertakes to comply with the provisions of the applicable data protection laws. Personal data may therefore only be collected, processed or used to the extent necessary for specified and legally permissible purposes. The use of such data must be transparent to the data subject (the person to whom the data relates); the Business Partner undertakes to comply with all laws governing communication and reporting of personal data as well as revocation of consent to their use, the restriction and erasure of personal data. In addition, the Business Partner shall respect the individual in a manner consistent with the right to privacy and shall ensure not to interfere with an individual's privacy in an unlawful and/or arbitrary manner.

05

INTELLECTUAL PROPERTY

The Business Partner shall respect the expertise, patents, trade and business secrets of GRILLO and third parties. The Business Partner shall not disclose such information to third parties without the explicit written consent of GRILLO or in any other unauthorised way.

06

EXPORT AND IMPORT

The Business Partner undertakes to comply with the applicable import and export laws, in particular to comply with official sanctions, embargoes and other relevant laws, regulations, state and national guidelines and principles governing the transfer, provision or delivery of goods and/or technology.



RESPECT FOR HUMAN RIGHTS AND LABOUR STANDARDS

07

PROHIBITION OF CHILD LABOUR

The exploitation of children and young people cannot be tolerated in any form. The Business Partner is expected to prevent all forms of child labour in its operational processes. The Business Partner must also observe the minimum age for admission to employment. Where national law regulating child labour or the minimum age for admission to employment stipulates stricter criteria, this law shall take precedence.

08

PROHIBITION OF FORCED LABOUR AND ANY OTHER FORM OF MODERN SLAVERY

No form of forced and/or compulsory labour can be tolerated. This means that the Business Partner may not impose any form of involuntary employment or employment under threat of punishment or other sanctions, including compulsory overtime, indentured labour, forced prison labour, slavery or debt bondage. Furthermore, the Business Partner hereby undertakes to take measures to eliminate forced labour or any form of modern slavery.





09

OCCUPATIONAL HEALTH AND SAFETY

We set the highest standards of occupational safety to prevent accidents in the workplace and occupational diseases. We are therefore committed to the Group-wide goal of “zero accidents”. We encourage our suppliers to include the “zero accidents” initiative in their business objectives.

We therefore expect our Business Partners to ensure a safe, healthy and hygienic working environment and to take the necessary measures to prevent all forms of occupational accidents and impairment of health. As part of these efforts, the business partner undertakes to comply with internationally recognised occupational safety standards. In addition, the Business Partner is expected to promote continuous improvement of the working environment and to prioritise safety-related training of employees.

10

FREEDOM OF ASSOCIATION AND RIGHT TO COLLECTIVE BARGAINING

The Business Partner shall ensure to uphold the fundamental right of its employees to freedom of association and the right to collective bargaining within the scope of national laws. The Business Partner shall have an open attitude towards the activities of trade unions and their organisational activities. Workers’ representatives shall not face discrimination and shall have access to exercise their representative functions in the workplace.

In cases where national laws restrict the right to freedom of association and/or the right to collective bargaining, the Business Partner shall make every effort to ensure that the free and independent association of employees for the purpose of collective bargaining is possible and actively granted.

11

EQUAL TREATMENT

GRILLO expects all its Business Partners and suppliers to integrate equal treatment of all employees as a central principle in their corporate policy (including with regard to recruitment, remuneration, benefits, promotion and termination of employment). The Business Partner must therefore eliminate and prevent any form of discrimination based on (but not limited to) ethnic, national or social origin, skin colour, gender, age, religion, ideology, political orientation and/or activity, membership of a trade union or employee representative body, disability, sexual identity or orientation or other personal characteristics or preferences. The Business Partner shall promote equal opportunities in employment and ensure that the applicable statutory provisions are always observed. Equal treatment also includes equal pay for work of equal value.

12

REMUNERATION AND EMPLOYEE BENEFITS

The Business Partner shall ensure that the wages paid to its employees are appropriate. The appropriate wage is at least the applicable statutory minimum wage or the minimum wage set for the industrial sector. In addition, the Business Partner shall provide its employees with employee benefits that comply with the applicable national or local standards. In any case, wages should always be sufficient to meet basic needs and provide a certain amount of disposable income. Wages shall be paid on time and written and understandable information about the wages shall be provided.

13

ENVIRONMENTAL IMPACTS THAT MAY HAVE NEGATIVE CONSEQUENCES FOR CERTAIN HUMAN RIGHTS

The Business Partner undertakes to avoid harmful soil changes, air, noise and water pollution, harmful noise emissions or excessive water consumption that could affect the resources required for the preservation and production of food, as well as actions that hinder access to drinking water and sanitary facilities or damage the health of individuals.

14

LAND RIGHTS

When acquiring, developing or utilising land, the Business Partner shall ensure that the prohibition of unlawful clearing and deprivation of land, forests and waters is observed, in particular if their use secures the livelihood of a person.

15

ABUSE OF POWER BY PRIVATE OR PUBLIC SECURITY OFFICERS

When public or private security forces are assigned to protect the company's projects, the Business Partner shall ensure through appropriate instructions or controls that the security forces do not interfere with the right to freedom of assembly, do not physically harm employees and refrain from any form of inhuman or humiliating treatment.

16

LIMITATION OF WORKING HOURS

The working time structures implemented by the Business Partner must comply with the applicable national laws, industry standards and relevant ILO conventions.

17

REGULAR EMPLOYMENT

The Business Partner shall ensure that work is performed on the basis of an employment contract which is established according to national laws and practices. Obligations resulting from the regular employment must not be avoided by using other types of contractual arrangements.

18

PROHIBITION OF HARASSMENT OR INHUMAN TREATMENT

The Business Partner shall ensure that measures are implemented to prevent physical abuse or discipline, threatened physical abuse, sexual or other harassment, verbal abuse or other forms of intimidation.

19

DISCIPLINARY MEASURES AND EMPLOYEES RELATIONS

GRILLO expects its Business Partner to treat their employees with dignity and respect. Sanctions, fines, other penalties or disciplinary measures may only be imposed in strict compliance with applicable national and international laws and standards and internationally recognised human rights.

The Business Partner shall ensure that no employee is subjected to verbal, psychological, sexual and/or physical violence, coercion or harassment. Deduction from wages as a disciplinary measure is not permitted.

20

LOCAL COMMUNITIES AND INDIGENOUS PEOPLES

The Business Partner shall act responsibly in the local community, respect the concerns of local residents and ensure healthy and safe living conditions. The Business Partner shall respect the rights of indigenous peoples to the land, territories and resources that they have traditionally owned, occupied or otherwise used or acquired.

21

ACCESS OF WORKERS TO ADEQUATE FOOD, CLOTHING, WATER AND SANITATION IN THE WORKPLACE

The Business Partner shall not restrict access to adequate food, clothing, water and sanitation in the workplace. If the company provides housing, the Business Partner shall ensure access to adequate housing.



ENVIRONMENTAL PROTECTION

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ENVIRONMENTAL AND CLIMATE PROTECTION

The protection of people and the climate is an integral part of GRILLO's policies. GRILLO therefore expects the Business Partner to take appropriate measures to reduce the climate-relevant effects of its business activities, to actively protect the climate and the environment in accordance with internationally applicable standards and statutory provisions and to continuously improve the effectiveness of its efforts. This includes avoiding emissions and waste wherever possible and continuously increasing resource efficiency. The Business Partner shall take suitable and verifiable measures and establish effective management systems (e.g. according to ISO 14001, ISO 50001 or another management system that meets a comparable standard) to ensure climate protection. GRILLO expects its Business Partner to promote safe and environmentally friendly development and manufacture of its products, their packaging and transport.

23

WASTE AND EMISSIONS

GRILLO requires the Business Partner to maintain procedures and systems that ensure safe handling, transport, storage, recycling, reuse and management of raw materials, other business materials and waste. The Business Partner hereby undertakes to minimise the generation and disposal of waste and any form of release or emission of materials into the air, water and/or soil that could impair human health, ecosystems and/or the climate. Moreover, the Business Partner must ensure that all business materials and waste are handled and treated in an appropriate manner before they are released into the environment, if this cannot be avoided. The Business Partner shall prevent or, if unavoidable, minimise the accidental release, emission and/or leakage of hazardous substances into the environment by implementing and actively maintaining the appropriate procedures and systems. In addition, GRILLO expects the Business Partner to implement and maintain procedures and systems that continuously and sustainably optimise its consumption of all relevant resources such as energy, water and raw materials.

24

COMPLIANCE WITH SPECIFIC ENVIRONMENTAL CONVENTIONS

Where applicable, GRILLO requests the Business Partner to ensure compliance with the prohibitions related to the use and production of mercury and the treatment of mercury waste under the Minamata Convention, the prohibition of production and use of chemicals and the handling, collection, storage and disposal of waste in an environmentally unsound manner under the Stockholm Convention and finally the prohibition of export and import of hazardous waste under the Basel Convention.

25

PROCESS SAFETY

GRILLO requires the Business Partner to implement and maintain a formal management system to control its business processes in accordance with recognised safety standards.

Where appropriate, the Business Partner shall carry out site and/or plant-specific risk analyses. The Business Partner must take reasonable measures to prevent incidents at all its sites and plants, e.g. (but not limited to) chemical emissions and/or explosions.





PRODUCT RESPONSIBILITY

26

PRODUCT SAFETY

The Business Partner shall comply with all relevant country and state-specific laws and regulations on product safety. Moreover, the Business Partner must provide all relevant product information, in particular on the composition, use (in particular processing instructions, installation instructions and occupational safety measures) and, if applicable, the disposal of its products, in due time before the product is delivered or the service is rendered, and must label products properly. Furthermore, the Business Partner undertakes to provide GRILLO with complete documentation on the legal conformity of the products and services provided by it, including (but not limited to) safety data sheets and product labelling regulations.

27

CLINICAL STUDIES AND ANIMAL WELFARE

If applicable to the suppliers' areas of business, the Business Partner is expected to reduce animal testing to a minimum. GRILLO requires the Business Partner to conduct clinical trials and product testing on animals, where unavoidable, in accordance with international guidelines and all applicable national and local regulations. For product tests on animals, the Business Partner shall apply the 3Rs principle: Replace, Reduce, Refine.

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CONFLICT MINERALS

The Business Partner is expected to ensure that no products are supplied to GRILLO that contain metallic elements whose ores and/or derivatives originate from a conflict region where they could contribute to direct or indirect financing or support of armed groups and/or contribute to violations of human rights. The Business Partner is expected to comply with the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas (OECD DDG) and other applicable regulations, such as the EU Conflict Minerals Regulation.

WHISTLEBLOWER SYSTEM



Whistleblowers from the supply chain are encouraged to report misconduct via the GRILLO system, in particular breach of applicable laws and codified behaviour in connection with GRILLO.

<https://grillo.de/en/whistleblowing-system/>

The complaints mechanism is publicly accessible and allows anonymous reporting as desired. The person entrusted with the evaluation of reports treats any information provided with absolute confidentiality and is sworn to secrecy. Confidentiality of the whistleblower's identity is maintained throughout the entire procedure and beyond. Whistleblowers need not fear any retaliatory measures resulting from their disclosure of information, neither by GRILLO nor by other parties. Whistleblowers, affected persons as well as those involved in the investigation of the tip-off are subject to the greatest possible protection.

COMPLIANCE WITH THE CODE OF CONDUCT

i.

IMPLEMENTATION

The Business Partner shall actively inform its direct suppliers of the requirements of this Code of Conduct and ensure compliance with same. The Business Partner undertakes to implement effective risk management processes in all areas addressed in this Code of Conduct and with respect to all applicable legal requirements. The Business Partner is expected to disclose (upon request) any risks and/or breaches of the requirements set out in this Code of Conduct that have been identified in its own areas of business and/or supply chain.

ii.

TRAINING AND QUALIFICATION

The Business Partner is expected to promote and develop the qualifications of its employees through appropriate training and further courses.

iii.

COMPLAINT MECHANISMS

The Business Partner shall establish and maintain effective complaint mechanisms for its employees to enable them to report possible breaches of the Code of Conduct.

iv.

VERIFICATION

GRILLO reserves the right to monitor and verify the compliance of its Business Partners with the requirements of this Code as described above, either through its own employees, independent third parties, certifications or other forms of official assurance, or by subject-specific audits on site.

v.

SANCTIONS

GRILLO will treat any serious breach of the obligations, requirements and provisions of this Code by the Business Partner as a material breach of contract and will therefore consider appropriate legal action on a case-by-case basis.

The Business Partner will be given the opportunity to take appropriate corrective action. GRILLO reserves the right to suspend and/or terminate the business relationship.

