

▶ SUPPLIER
CODE OF CONDUCT



SUPPLIER CODE OF CONDUCT

for the S&T Group



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PREAMBLE

- A. A key priority for S&T is conducting its business in a responsible and sustainable manner. S&T Group implemented high standards to guarantee the compliance and awareness with ethical, social and environmental standards. The S&T Group has a groupwide applicable S&T Code of Conduct, which addresses S&T principles and values to internal and external stakeholders.
- B. The performance of suppliers sets an important part of the value generated by S&T. This "S&T Suppliers Code of Conduct" (S&T Supplier CoC) shows S&T's expectation towards its suppliers in a clear and transparent manner directly addressable to them. Every S&T supplier shall respect and comply with the standards laid down herein by taking reasonable measures depending on its size and nature of its operation, as far as it is reasonably practicable.
- C. The S&T Supplier CoC shall be applicable for all suppliers, that are (or will be) business partners of S&T AG and/or its affiliates belonging to the S&T Group.
- D. S&T might amend this S&T Supplier CoC from time to time and expects its suppliers to review and implement the changes made within a reasonable time into its business practices, if the requirements are not already met.
- E. Suppliers shall make reasonable efforts to continuously improve the development and the implementation of measures to ensure best business practice related to sustainability und high quality standards. Suppliers are also requested to have a procedure in place how to deal and remedy within reasonable timeframe in case of any violations of the requirements herein.

BUSINESS CONDUCT OF SUPPLIERS

LEGAL COMPLIANCE

Everyone working for S&T Group has to obey the laws and regulations of the legal systems within which we operate, as well as the applicable S&T Group policies. Each employee is obliged to adhere to both national and international laws, and to act in accordance with them. We also require our employees to abide by laws as part of their personal conduct, to meet their personal responsibilities, and to refrain from any activities that may be detrimental to the reputation of the S&T Group.



RESPECT OF HUMAN RIGHTS

S&T expects its suppliers to respect the fundamental human rights set out in international conventions of the United Nations (UN), International Labor Organization (ILO) and other applicable statutory and international standards as more described in S&T Code of Conduct. Suppliers shall implement procedures to avoid any conflict with these principles.

This means, including, but not limited to:

- ▶ no forced or compulsory labor / slavery / human-trafficking / servitude
- ▶ no child labor (no workers under the age of 15/14 in accordance with ILO Conv. 138)
- ▶ no workers under the age of 18 for hazardous work

RESPONSIBLE MINERAL SOURCING / REACH AND ROHS COMPLIANCE

In connection with the respect of human rights, suppliers are also expected (if applicable for their business operations), to establish a procedure to avoid conflict minerals. Suppliers have to avoid in their products the use of raw materials, which originate from high-risk areas and/or conflict-affected areas, which potentially supports human right abuse, corruption, the financing of armed groups, terrorism or equivalent circumstances.

Moreover, suppliers must ensure compliance with other applicable product-related requirements, such as REACH and RoHS, and may be required to declare the material content and origin of products delivered to S&T.

Several regulations have to be respected by suppliers, if applicable, to name some (including; but not limited to) in this regard: (i) **European Union**: Regulation concerning the Registration, Evaluation, Authorization and Restriction of Chemicals (REACH), Regulation concerning Restriction of Hazardous Substances (RoHS), Timber Regulation, F-Gases Regulation, Conflict Minerals Regulation; (ii) **USA**: Dodd-Frank Act, Sec 1502 "Conflict Minerals", California Transparency in Supply Chains Act of 2010, Business Supply Chain, Transparency on Trafficking and Slavery Act of 2015; (iii) **Germany**: Requirements out of the National

Action Plan on ensuring Human Rights in the Supply Chain.

Employees of the S&T Group are also prohibited from demanding or accepting such advantages while conducting business with third parties. This also includes receiving any personal discounts from business partners or competitors of the S&T Group that are granted on a private basis and due to the employee's being part of the S&T Group, in cases in which these discounts are not available to everyone or to a large group of employees of the S&T Group.

FAIR LABOR PRACTICE / DIVERSITY & EQUAL OPPORTUNITIES

Supplier shall respect the right of their employees in accordance with all relevant legislations, regulations and directives. S&T expects its Supplier to promote diversity and equal opportunities within its company. Suppliers are expected to provide a workplace free on harassment and should foster a social environment with respect for all individuals. Suppliers should implement measures to avoid any form of discrimination and unacceptable treatments of individuals and to promote in this regard also an awareness of its employees. This means, including, but not limited to:

- ▶ no discrimination based on gender, age, religion, social background, disability, ethnic, national or territorial origin, nationality, political affiliation or opinion, sexual orientation, gender identity, family responsibility, marital status, skin color, disease, pregnancy, or other criteria
- ▶ zero tolerance related to unacceptable treatments of individual, e.g. any forms of harassment, abuse or mental cruelty
- ▶ promotion of diversity and equal opportunities for all employees

- ▶ respect of freedom of association and collective bargaining
- ▶ fair and reasonable payment of wages and benefits to employees (in respect of applicable minimum wages by law; collective bargaining agreements and industry standards as the case may be)
- ▶ respect of working-hours regulations and laws



HEALTHY AND SAFETY

Suppliers shall act in compliance with all statutory and international standards as well as regulations related to occupational health and safety and measures to be taken in this regard. Suppliers should provide safe working conditions to their employees. Suppliers shall establish a reasonable occupational health and safety management system (including guidelines, procedures and regular risk assessments), e. g. ISO 45001 or shall implement other reasonable procedures depending on the specific business activities and corresponding risks.

This means, including, but not limited to:

- ▶ provision of appropriate regular training and working instructions to employees
- ▶ taking of preventive actions and measures to avoid accidents/near-accidents
- ▶ regular reviews, evaluations and elimination of identified potential health and safety risks by taking of reasonable risk mitigation measures
- ▶ provision of appropriate safety equipment, personal protection equipment, first aid/ firefighting equipment and any other material necessary for emergency preparedness as well as ergonomic workplaces

ENVIRONMENTAL RESPONSIBILITY

Suppliers are expected to have a clear understanding of the environmental risks, impacts and responsibilities they have associated with their business conduct and the products/services they supply. Suppliers should have a process in place to mitigate these risks and to ensure that its operations shall confirm to all applicable environmental legislations.

This shall mean, including, but not limited to:

- ▶ establishing of a reasonable environmental management system, preferably with ISO 14001 certification
- ▶ documentation and maintenance of environmental permits, approvals and registrations
- ▶ minimization of pollution and reducing of use of energy, raw materials and resources
- ▶ reducing of emissions and responsible waste handling e.g. by putting best efforts to re-use and recycle materials
- ▶ separate and safe keeping of chemicals, oils, batteries and any other hazardous waste

- ▶ save handling, storage and labelling of chemicals
- ▶ performance of regular risk assessments related to negative impacts of business conducts and products/services to be supplied on the environment

FAIR PRACTICE OF SUPPLIERS BUSINESS OPERATIONS

IT-Security / Handling of Business Know-How / Lawful Processing of Personal Data / Respect of Intellectual Property of Third Party

Supplier shall take reasonable measures to secure personal data of individuals as well as business know-how and intellectual property of S&T. Suppliers shall respect and establish a system to behave in a responsible manner in accordance with the GDPR and local laws with personal data, regardless of who it is from e.g. own workers, employees of S&T and/or other individuals. Suppliers are expected to have an appropriate IT-security procedure established. Where applicable, also products of suppliers shall confirm with the standards of IT-security.

This means, including, but not limited to:

- ▶ appropriate protection of personal data as well as confidential data and business know-how
- ▶ no collection, processing, usage and/or storage of personal data when there is no legal basis (e.g. mandatory law and/or consent of the individual concerned)
- ▶ implementation of an appropriate IT-security system (including technical and organizational measures to safeguard personal data, products, know-how and business data)
- ▶ protect data against modification, loss and unauthorized use or disclosure
- ▶ respect third party intellectual property rights by establishing an appropriate licensing management system.

Anti-Bribery and Corruption Prevention

Suppliers are expected to reject all corruption practices and forms of behavior, which might violate law and the principles of fair competition. Neither employees and subcontractors nor any other representatives of the suppliers shall grant, offer or accept



bribes, facilitation payments and benefits, inadmissible donations or other not reasonable granted benefits from or to customers, officials or other business partners. Suppliers should have a procedure in place, which helps their employees to understand when an offering and/or gifts are ok and when especially not.

This means, including but not limited to:

- ▶ establish a compliance system which provides awareness in this regard (e.g. regular training of employees; provide internal adequate controls to prevent and detect corruption)
- ▶ maintain an appropriate system related to financial and accounting procedures to ensure the maintenance of fair and accurate books, records and accounts, to ensure that they can only be used for legitimate purposes
- ▶ requirements when pursuing cash-based and other kind of transactions. They are also obliged to adhere to the stipulations of contracts.

Respect of Competition and Antitrust Laws

Competition and anti-trust laws are the pillars of efforts to preserve a free market and fair and open competition. S&T treats all business partners in a fair and respectful manner. S&T is committed to behaving fairly towards competitors, and to supporting free and undistorted competition. The achievement of these objectives requires each employee's observing and abiding by the principles of free competition. S&T expects its suppliers to share S&T's values and to comply with all applicable laws and regulations in this respect. This means, including but not limited to:

- ▶ no conclusion of anti-competitive agreements e.g. no agreements with competitors related to prices / customers / markets/ territories/ products offered

- ▶ no agreements with competitors in regard of refraining from competition; to restrict dealings with suppliers, to submit bogus offers for bidding;
- ▶ no communication with competitors about prices, output, capacities, sales, bids, profits, profit margins, costs, methods of distribution or any other fact or factor that determines or influences the competitive behaviors
- ▶ customers and suppliers shall be treated in fair manners, all decisions made in these areas shall be objective in nature
- ▶ no participation in any form of bid rigging or other mechanism that limit fair competition in tender situations, any form of cartel practices with competitors such as dividing or allocating of markets

Conflict of interest

Suppliers are expected to take their decision based on objective reasons. Personal interests and/or relationships of persons acting for or on behalf of supplier shall have no influence on supplier's behaviors and decisions taken. Suppliers are expected to inform S&T on any personal interest that might exist in connection with the relevant business relationship. that possess the highest degrees of motivation and capabilities. To maintain and enhance these, the Group invests in the development of staff expertise.

Money Laundering

Suppliers shall ensure by appropriate measures that legal money laundering and terrorism financing provisions are not breached. S&T has committed itself to conducting business with reputable business partners, with "reputable" being defined as those parties that are engaged in lawful business activities, whose funds stem solely from legal sources, and whose operations adhere to the stipulations of anti-money laundering and anti-terrorism laws. Suppliers of S&T are expected to work solely with business partners who are reliable and for which, appropriate,

risk-based measures to verify the identity and economy background are taken, to secure that the origin of payment comes from a legitimate source.

ADHERENCE TO EXPORT, IMPORT AND TRADE CONTROLS

The importing and exporting of products and services are highly regulated. S&T expects its suppliers to comply with all applicable export controls, laws and regulations in the countries in which they operate. S&T expects from its suppliers, that the foreign trade regulations are carefully complied with when goods are traded or transported, services are provided, or other technical know-how or software is transferred, including regulations on EU and US sanctions lists are checked and an appropriate documentation is made.

SUPPLIER'S SUPPLY CHAIN

S&T expects its suppliers to use their best efforts to

extend the principles embodied in this S&T Supplier CoC to their suppliers and agents that are engaged in the production, supply and support of products or services for S&T. Suppliers are recommended to ensure this by a properly documented risk-based due diligence for their own supply chain and that suppliers take suitable measures to ensure that their suppliers permanently meet the minimum requirements as laid down herein (e.g. by self-assessment requests, auditing). Suppliers might also use towards their supply chain their own code of conduct, provided the standards of the S&T Supplier CoC are contained therein.

GENERAL PRINCIPLES (LINK TO S&T'S GENERAL CODE OF CONDUCT)

The S&T Code of Conduct, available at www.snt.at, is incorporated by reference in this document.



CONTROL MECHANISM

S&T will monitor and evaluate the supplier performance on a regular basis. It is S&T's expectation, that every supplier is willing to improve its sustainability and complies with all requirements laid down in this S&T supplier CoC and any update hereof. S&T Group Companies may request from time to time from their suppliers a self-assessment related to the requirements laid down in this S&T Suppliers Code of Conduct. S&T might also conduct regular, one-time and/or event-driven audits at suppliers premises and/or sites to monitor supplier's compliance. S&T expects its suppliers to cooperate in best manner when an audit and information request will be placed to them. Information on compliance performance and progress must be made available to S&T on request. Suppliers shall notify S&T as soon as reasonable, when suppliers become aware of existing violations of applicable laws, regulations and material requirements of this S&T Supplier CoC provided that this violation can be considered to have material influence on S&T's business and/or reputation.

CONSEQUENCES OF NON-COMPLIANCE

S&T expects its suppliers to fully comply with the S&T Supplier CoC. Violations of the S&T Suppliers CoC constitute a deterioration of the business relationship between S&T and the specific supplier. In case of minor breaches of the S&T Supplier CoC, suppliers will be requested by S&T to agree on a reasonable timeframe within they correct the deviation. Suppliers shall provide evidence to S&T that the breach is cured. In case of a significant breaches well as violation of essential material principles, or if no actions have been taken to correct the breach(es)

within a reasonable time as requested by S&T or the measures taken were insufficient and the breach wasn't cured, than S&T reserves the right, to terminate any agreements with the supplier with immediate effect.

REPORTING OF NON-COMPLIANCE AND CONCERNS

Everyone is entitled to report cases of contraventions of compliance regulations, proven or suspected. In ace of (possible) violations in the supply chain against the above-mentioned requirements please get in contact via e-mail:

compliance@snt.at

Another option is using our whistleblower platform, which is maintained on S&T's website and which is available under:

<https://compliance.snt.at>

All complaints can be submitted at any time confidentially as well as anonymously. All complaints will be investigated. No reprisal of any kind against complainants will be made or tolerated.



On S&T AG

S&T AG (www.snt.ag) heads a technology group that employs some 5,000 persons and that operates in more than 32 countries around the world. S&T AG is listed on the Frankfurt Stock Exchange (ISIN AT0000A0E9W5, WKN A0X9EJ, SANT). S&T forms part of the Exchange's TecDAX® and SDAX® indexes of high techs. S&T is a leading supplier in Central and Eastern Europe of IT systems and of the services and solutions comprised in them. S&T's taking in 2016 of a stake in Kontron AG – one of the leaders on the world's market for embedded computers – has enhanced its portfolio of proprietary technologies used in the fields of appliances, cloud security, software and smart energy. This move has made S&T one of the leading suppliers on the international markets for Industry 4.0 and IoT (Internet of Things) technologies.



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