SUPPLIER CODE OF CONDUCT

Introduction

At Agglotec, we are committed to conducting business with the highest standards of integrity, ethics and sustainability. Our Supplier Code of Conduct outlines the principles and expectations we have for all our suppliers, subcontractors and business partners (hereafter together referred to as the "Suppliers"). This Supplier Code of Conduct is designed to ensure that our supply chain operates in a manner that is socially responsible, environmentally sustainable and economically sound.

The following outlines the minimum requirements and expectations for all Suppliers who provide goods and/or services to AGGLOTEC. It is designed to promote ethical business practices, human rights, environmental stewardship, sustainability practices and good governance across our supply chain.

We expect our Suppliers

- to adhere to the same high standards of environmental, social and governance performance that guide our own operations,
- to share our commitment to ethical business practices and
- to comply with all applicable laws and regulations.

This includes, but is not limited to, adherence to labor standards, health and safety requirements, environmental protection and anti-corruption measures.

By aligning with these principles, our Suppliers help us to uphold our values and contribute to a positive impact on society and the environment, while at the same time Suppliers strengthen their own business by meeting the growing expectations of consumers, investors and global markets.

1. Legal and Regulatory Compliance

Our Suppliers shall comply with all relevant laws, regulations and industry standards. This includes compliance with national and international labor laws, environmental regulations and climate-related policies, such as regulations related to Environmental, Social and Governance (ESG) performance, anti-corruption and anti-bribery legislation, health, safety, and human rights standards.

2. Adherence to ESG Standards

2.1 Environmental Responsibility

Our Suppliers shall implement policies and practices that minimize their environmental footprint and support global sustainability efforts. This includes:

- Resource Efficiency: Suppliers shall use resources such as energy, water and raw materials in an efficient manner and shall work to reduce waste and emissions. Recycling and waste reduction programs should be in place.

- Climate Change and Carbon Emissions: Suppliers are encouraged to adopt strategies to mitigate climate change, including reducing greenhouse gas (GHG) emissions, adopting renewable energy sources and setting targets aligned with global climate goals. Suppliers shall seek to implement carbon footprint tracking and reporting.
- Sustainable Sourcing: Suppliers shall prioritize environmentally sustainable sourcing of raw materials, avoiding sources associated with deforestation, biodiversity loss or illegal extraction. This includes avoiding conflict minerals and sourcing materials in a way that protects ecosystems and communities.
- Pollution Prevention and Environmental Impact: Suppliers shall actively prevent pollution, minimize hazardous substances and responsibly manage chemicals and waste. Efforts should be made to limit air, water and soil pollution from their operations.
- Environmental Management Systems: Suppliers are encouraged to implement certified environmental management systems (e.g.: ISO 14001) and continuously assess and improve their environmental performance.

2.2 Social Responsibility

Our Suppliers shall respect human rights, ensure fair labor practices and contribute positively to the communities where they operate. This includes:

- Human Rights: Suppliers shall uphold and strictly adhere to internationally recognized human rights standards.
- Fair Wages and Working Conditions: Suppliers shall provide fair wages, benefits and working hours that meet local legal requirements.
- No Child or Forced Labor: Suppliers shall strictly prohibit child labor, forced labor or any form of modern slavery in line with local laws.
- Diversity, Equity and Inclusion: Suppliers shall promote a diverse, equitable and inclusive work environment, free from discrimination based on gender, race, ethnicity, nationality, disability, religion, sexual orientation or other protected characteristics.
- Health and Safety: Suppliers shall provide a safe and healthy working environment that complies with all applicable occupational health and safety laws. Suppliers should aim to prevent accidents and injuries through proper safety training, risk mitigation and emergency preparedness.
- Community Engagement: Suppliers are encouraged to contribute to the social and economic development of the communities where they operate. This includes supporting local employment, respecting land rights and engaging in dialogue with community stakeholders.

2.3 Governance and Ethical Business Practices

Our Suppliers are expected to demonstrate sound corporate governance and operate with transparency, accountability and integrity in all business activities. This includes:

- Anti-Corruption and Anti-Bribery: Suppliers shall not engage in corruption, extortion, fraud or bribery. Suppliers shall comply with all applicable anti-corruption laws and maintain accurate policies to prevent unethical practices.
- Accurate Reporting and Transparency: Suppliers shall maintain transparent and accurate financial and operational records and report ESG performance honestly. Misrepresentation or falsification of information is strictly prohibited.

- Risk Management: Suppliers shall implement risk management systems to identify, assess and mitigate risks related to environmental, social and governance issues, including human rights violations, environmental degradation and legal compliance risks.
- Data Privacy and Security: Suppliers shall protect confidential and sensitive information, including the personal data of employees, customers, and business partners. Cybersecurity measures should be in place to prevent data breaches or unauthorized access.
- NIS-Comliance: Suppliers shall comply with the Network and Information Systems (NIS) regulation of the European Union and shall implement appropriate security measures, including risk management practices, incident reporting and the protection of critical infrastructure. Regular monitoring of security incidents is essential and Suppliers shall have processes in place to detect, report and respond to security incidents promptly. Suppliers are also required to conduct regular training and awareness programs for their staff and be prepared for both internal and external audits to ensure compliance with the NIS regulation.
- ESG Governance: Suppliers shall comply with ESG standards and applicable ESG legislation. Suppliers shall endeavour to integrate ESG principles into their corporate governance structures. This includes appointing responsible officers, setting ESG-related goals and regularly monitoring and reporting ESG performance to their stakeholders.

3. Supply Chain Management

Our Suppliers shall ensure that their own suppliers and subcontractors also adhere to the principles outlined in this Supplier Code of Conduct, particularly with regards to ESG standards.

- Due Diligence: Suppliers shall conduct due diligence across their supply chains to identify and mitigate risks related to human rights, environmental impact and governance issues.
- Compliance in Supply Chain: Suppliers shall refrain from the use of suppliers who are involved in illegal activities, such as human rights abuses, environmental crimes or unethical labor practices.
- Sustainability in Supply Chain: Suppliers shall ensure traceability of key materials to prevent sourcing from conflict zones, illegal operations or suppliers who fail to meet ESG criteria.

4. Product Quality, Safety, and Sustainability

Our Suppliers shall ensure that all products, materials and services provided to AGGLOTEC are of high quality, safe and meet applicable regulatory standards. In addition, Suppliers are expected to:

- Product Lifecycle Management: Suppliers should prioritize materials and technologies that enhance product sustainability and minimize environmental impact throughout the product's lifecycle.
- Innovation and Sustainable Solutions: Suppliers are encouraged to innovate and offer products and solutions that align with ESG goals, such as energy-efficient machinery, low-carbon technologies and environmentally friendly materials.

5. Reporting, Monitoring, and Compliance

5.1. Audits and Inspections:

Suppliers must maintain documentation of their adherence to this Supplier Code of Conduct and allow AGGLOTEC or third-party auditors to conduct audits and inspections of their facilities, processes and supply chains to ensure compliance.

5.2. Non-Compliance and Corrective Action:

If a Supplier is found to be in violation of this Supplier Code of Conduct, AGGLOTEC reserves the right to request corrective action. Repeated or severe violations may result in termination of the business relationship.

5.3. Whistleblower Protections:

Suppliers must establish mechanisms for employees to report unethical behavior without fear of retaliation. Suppliers must protect whistleblowers and ensure that reported concerns are properly investigated.

5.4. Continuous Learning:

Suppliers should stay informed on emerging ESG trends, regulatory changes and best practices. Suppliers are encouraged to participate in training, capacity-building initiatives and industry collaborations that promote sustainability and ESG performance improvement.

6. Conclusion

This Supplier Code of Conduct reflects AGGLOTEC's dedication to building a responsible and sustainable supply chain that promotes positive impacts on the environment, society and corporate governance.

Together, we can build a sustainable and ethical supply chain that benefits all stakeholders and supports the long-term success of our business.

Acknowledgment

By working with AGGLOTEC, the Supplier acknowledges that it has read, understood and agree to adhere to the standards set forth in this Supplier Code of Conduct.