

# Corporate due diligence Catalog of requirements

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# Code of Conduct

## I. Introduction

Fair and sustainable business practices combined with high quality standards have always been the basis of our actions and contribute significantly to the success of our company.

We take responsibility for our employees and reflect this in our values:

- **Reliable towards customers and employees**
- **Sustainable**
- **Socially committed**
- **Cosmopolitan**
- **Familiar**
- **Respectful**

In accordance with these values, KOPF GRUPPE GmbH/ POWER CAST and all affiliated subsidiaries (hereinafter POWER CAST) attach great importance to the respect and appreciation of human rights and environmental protection. This includes compliance with occupational health and safety and environmental standards throughout the entire value chain and should be equally recognized by all parties concerned. Psychological or physical discrimination due to inadequate working conditions should be strictly prevented. This applies both to our own production and processing sites and to all parties belonging to the value chain (including the extraction of raw materials, transport and trade). Therefore, this code is a fundamental part of our principles for any kind of business relationship.

The following requirements are based on the recognized conventions of the International Labor Organization (ILO) and the relevant standards of the United Nations as well as the Basel Convention, the Minamata Convention and the Stockholm Convention.

Although cultural and political backgrounds of our business partners may differ from our own standards, we firmly believe in a common ground with regard to social and environmental standards and incorporate them into our daily decisions and conduct.

In any case, if nationally applicable law is interpreted more strictly than the requirements defined herein, the national legal situation shall apply.

It is our expectation that our business partners support necessary improvement measures of the following due diligence requirements and, if necessary, drive them forward. We are fully aware of the difficulties in implementing some of the requirements and support improvement and development processes to comply with the requirements.

In the event of serious violations of this Code, we reserve the right to draw appropriate consequences within our sphere of influence.

## **II. Our principles and expectations**

### **Transparency and compliance with local laws**

We expect all business partners to comply with and respect national laws that apply to all countries in which our business partners are located and mine, process or trade raw materials for POWER CAST.

The basis of every business relationship is our values of reliability and respect. We expect the same from our business partners.

Bribery, extortion and fraudulent misrepresentation will not be tolerated in any form. We require our business partners to pay fees and taxes to governments and do not support any abuse of this.

Furthermore, we do not accept any form of money laundering, corruption and unfair competition, either directly or indirectly through our business partners.

Internationally applicable laws to avoid direct and indirect support of non-state armed groups as well as political or private security forces must be complied with.

Financial responsibility is a matter of course for us. Thus, we expect all business transactions to be conducted transparently and reflected accurately in the company's financial reports and records. While respecting trade secrets and confidential information, we thus ensure and expect the disclosure of financial and non-financial information in accordance with applicable regulations.

We are committed to fair competition and comply with anti-trust requirements - both domestic, international and EU.

The following parameters reflect our corporate values and serve to ensure compliance with human rights and environmental protection standards.

Prohibition of child labor	The employment of children is strictly prohibited under the ILO and United Nations conventions. The minimum age for employment of all employees is 15 years and should not be less than the age of ending compulsory education (in some cases 14 years, if so regulated by national law and allowed according to ILO Convention 138).
Prohibition of forced labor	All employees shall perform their work of their own free will. Slavery, forced labor, debt bondage and compulsory prison labor (as regulated in ILO Convention 29 on Forced and Compulsory Labor) are not tolerated and are strictly prohibited. Nor shall the freedom of movement of all workers be restricted by the unlawful withholding of identification documents and disproportionate prohibitions.
Preventing discrimination and abuse	<p>All employees are to be treated with dignity and respect. Furthermore, any kind of discrimination based on gender, religion, race, social origin, nationality, ethical or national background, trade union membership, disability, sexual or political orientation or other personal characteristics will not be tolerated. We are committed to equality by promoting diversity and making respect for women's rights an integral part of our corporate governance.</p> <p>Physical punishment, psychological, sexual or verbal harassment, abuse and mistreatment are prohibited.</p>
Humane working conditions	<p>We ensure humane conditions as early as the application and recruitment process. Through transparent processes and equal treatment of all applications, we create a fair framework for ethical recruitment.</p> <p>All employees should be provided with a legally compliant, official document in a language they can understand, in which employment relationships are specifically defined. All framework conditions, such as remuneration and social benefits, payment periods, notice periods and vacation entitlements should be included. If illiteracy should lead to comprehension problems, the framework conditions are to be conveyed in a form they can understand.</p> <p>If disciplinary measures are used, they must be in accordance with national law. Any kind of disciplinary action based on violations of this Code of Conduct or national law is not permitted.</p>
Compliance with working hours in accordance with the law	National legal requirements regulate the maximum working hours to be worked by employees. However, the regular working time of 48 hours per week and the maximum number of hours of voluntarily worked overtime of 12 hours per week may not be exceeded. Thus, the total working time (regular working time and overtime worked) may not exceed 60 hours per week (cf. ILO Convention 116). After six consecutive working days, employees must be granted at least one day off.
Granting of freedom of association and the right to collective bargaining	Forming or joining an employee organization or trade union is not prohibited and should be free to all employees. The formation of interest groups and open exchange with employers should also be enabled, even if national law interferes with freedom of association or collective bargaining.

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Payment of the minimum wage

The statutory or industry-standard minimum wage level has to be achieved by working within the regular working hours and all prescribed social benefits have to be paid to the employees. Overtime worked must also be paid in accordance with the statutory or industry-standard supplementary rates. The employer is required to inform all employees of their remuneration in a form they can understand.

In addition, remuneration that at least covers the nationally customary cost of living is recommended.

We also do not tolerate wage deductions due to disciplinary measures that are prohibited under national law.

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Occupational health and safety

The health and safety of employees is the highest priority when performing work. The working atmosphere and conditions at individual workplaces must be safe and clean in order to provide preventive measures to avoid accidents and incidents. Emergency care shall be established within the company. Adequate personal protective equipment should be made available to all employees and its use taught with training as needed.

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Indigenous people and local communities

We respect the rights of local populations, minorities, indigenous peoples and other vulnerable groups. This includes respect for land, water and water rights.

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Environment protection

We are demonstrably sustainable. Therefore, the following is self-evident for us: Every person has the right to a clean and healthy environment. Clean water, good soil and air quality, adequate sanitation, sustainable and efficient waste management, and fair and forward-looking consumption of resources are essential. For a balanced environment, the protection of animals also plays a major role. It is therefore important that we promote biodiversity and reduce environmental damage such as noise emissions.

All national and international environmental protection laws must be complied with and include taking necessary measures to avoid, prevent and reduce negative environmental impacts. This includes, among other things, conducting responsible chemical management and sustainable resource management, promoting recycling processes and implementing decarbonization measures. It is recommended that key figures and data on environmental protection performance be collected and, where possible, continuously monitored and optimized. This also implies the consideration and monitoring of greenhouse gas emissions generated by own production and processing units and also within the supply chain.

It is expressly desired to introduce energy efficiency and renewable energy measures at the company's own site and, where possible, along the supply chain.

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Data protection

Applicable national laws on the protection of personal data and employees, business partners and other data subjects must be respected and complied with. If information systems contain confidential data or business secrets, these must be adequately secured against unauthorized access. Any breaches must be reported immediately.

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Dealing with embargoes and sanctions	Any kind of business and/or trade relationship with consolidated individuals or groups of companies on so-called government <a href="#">blocking lists</a> is not supported by us and cooperation is strictly rejected. As an essential part of any business relationship, we require that actual and confirmed violations are actively reported to us. Corresponding documentation and confirmation from the responsible authority must be submitted.
Intellectual property rights	Intellectual property is a valuable asset that must not be used or disclosed without authorization and must be protected accordingly. POWER CAST does not approve of the use, further processing or placing on the market of counterfeit products. The in-house non-disclosure agreement (NDA) governs the handling of confidential information, in particular trade secrets, copyrighted documents and product specifications.
Conflicts of interest	POWER CAST is aware that situations in which conflicts of interest may arise should be avoided. Accordingly, business is conducted in such a way that not only actual but also potential conflicts of interest are identified and managed in an appropriate approach.
Private and public security forces	The hiring or use of private and public security forces will only take place with appropriate instruction and control on the part of the company. If this is not the case, we will not commission or use them because there is a risk of torture, cruel, inhuman or degrading treatment, bodily harm or restriction of freedom of association and labor.

Please do not hesitate to contact our team with any questions about our ethical principles or to report violations of this Code of Conduct. We assure that all reports will be treated confidentially and followed up carefully, and that workers who report potential violations in good faith will not be retaliated against.

E-Mail: [compliance@power-cast.com](mailto:compliance@power-cast.com)

We would like to thank you in advance for respecting and implementing our ethical principles. We look forward to a successful and good cooperation.

We hereby confirm our understanding and compliance with the above requirements.



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Willi Kopf



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Martin Kopf



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Christine Marin

# Conflict Minerals

„Conflict minerals“ are all those substances whose extraction could finance or promote military conflicts in various regions of the world. In particular, serious political instability in regions and inadequate working and social conditions, as well as a lack of environmental protection, pose an increased risk.

Currently, tantalum, tin, tungsten, their ores cassiterite, columbite-tantalite and wolframite, and gold, also known as "3TG", are considered to be conflict raw materials. Although there are currently no regulatory compliance requirements for cobalt and mica, we also recognize these two materials as conflict minerals and act accordingly.

Both, the U.S. Dodd-Frank Act of 2010 and the EU Regulation on Conflict Commodities, which comes into force in January 2021, focus on responsible import and trade in these commodities.

POWER CAST is a globally active and family-managed company. Responsible conduct and fair business practices are of great importance to us. This includes compliance with all legal regulations and requires a responsible and risk-based management approach.

With regard to the classification of conflict and high-risk areas, we refer to the [CAHRA list](#) (Conflict-Affected-High-Risk-Area), which is drawn up and regularly revised by the European Commission. This is the essential basis for our risk assessment.

In our Code of Conduct, we explicitly mention that POWER CAST expects all business partners to comply with applicable legal requirements and basic duties of care along the supply chain.

We comply with the requirements and principles of the Responsible Mining Initiative (RMI). If a direct or indirect business partner (including smelters and refiners) is on one of the RMI active or compliant lists, it is considered conflict-free, even if it operates in an area that is on the EU Commission's CAHRA list. Suppliers, both direct and indirect, operating in a CAHRA area and not RMI-listed are automatically considered "high-risk".

Therefore, all business partners associated with the "3TG", or cobalt and mica are required to provide appropriate evidence via established RMI forms (Conflict Minerals Reporting Template or Extended Minerals Reporting Template).

POWER CAST reserves the right to conduct further checks if the procurement process involves "3TG", or cobalt and mica.



# Audit Guidance

Compliance with our expectations and values is important to us and should also be lived by our business partners. In order to meet our due diligence obligations, we are keen to promote this through direct exchange and, where possible, to see for ourselves.

Self-assessments	A self-assessment gives us an insight into your company. The questionnaire prepared by POWER CAST focuses on social and environmental standards at your site and in your supply chain. We will send you this questionnaire separately.
Visits by POWER CAST employees	POWER CAST would like to personally verify the conditions in your supplier factories. Therefore, we reserve the right to visit your production site. This enables us to get to know your working methods as well as measures to ensure ethically acceptable production and processing procedures. We ensure compliance with and protection of company and business secrets during all our visits.
Checks directed by POWER CAST	A third party audit, so-called "Third Party Audits" allows us to have the compliance with our requirements verified by an independent third party. We reserve the right to entrust an accredited testing institute to conduct such an audit. As a rule, these audits are conducted on an announced basis. If there is an increased risk, we reserve the right to conduct a semi-announced or unannounced audit.
Recognition of already existing audits and certificates	<p>Nowadays, many certification and auditing formats already exist with a focus on social standards and environmental protection. If you have already successfully completed such an audit/certification process (e.g. OHSAS 18001, ISO 45001, RMI, SEDEX, SA8000, etc.), we will be pleased to receive the results and reports in order to avoid a double audit. Please note that we can only consider valid audits and certifications.</p> <p>In addition, we value involvement in sustainability initiatives such as the Metal Alliance for Responsible Sourcing (MARS), Responsible Tin Association, etc.</p>

In case of refusal of an audit, we reserve the right to draw further consequences as well as to charge the incurred costs for the audit to you.

# Embargo and sanctions policy

As an international company, we are opposed to any kind of violation of international embargo and sanctions policies.

In this policy we point out our expectations towards our business partners, which we explain in the following.

Kopf Holding does not support any business and/or trade relationships with consolidated individuals, business entities or groups that are on so-called government embargo lists, such as

- Consolidated list of persons, groups and entities subject to EU financial sanctions
- Russia embargo on dual-use goods
- Russia embargo on capital market
- Iran embargo
- Consolidated list of Financial Sanctions Targets in the UK
- Consolidated List
- End User List
- Specially Designated Nationals And Blocked Persons List
- Denied Persons List
- Entity List
- Unverified List
- List of Statutorily Debarred Parties
- List of Administratively Debarred Parties
- Nonproliferation List
- Consolidated Sanctions List
- Consolidated Sanctions List.

In addition, we do not tolerate any types of transactions involving the prohibited arms trade with certain companies, countries, governments or regimes that are subject to the aforementioned government restricted lists.

Please keep yourself regularly updated on any changes to the prescriptions and overviews. In addition, we expect that appropriate review mechanisms will be in place to ensure compliance with embargo and sanctions parameters.

In case of confirmed violations of this policy, we reserve the right to draw appropriate consequences as well as to report them to the competent authority.