

Comet Group

# Mission Statement and Code of Conduct for COMET Suppliers and External Service Providers

## Document information

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1.2	30.04.2021	M. Hoekstra	chapter 4 paragraph 4	Final

## References

Code of Conduct COMET Group

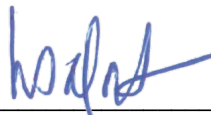
## Document release

This document comes into force on 01.01.2021 and replaces all previous regulations.

Flamatt, 01.01.2021



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## 1 Mission statement

COMET has a responsibility to its customers to provide a supply chain of the highest quality that meets all established product performance standards and expectations. Purchasing maintains these high standards by continuously evaluating the performance of our established suppliers.

Purchasing evaluates and rates its suppliers based on the following factors:

- The quality of the products or services based on the agreed specifications.
- The compliance with all contractual terms, agreements and conditions.
- The ability to meet or exceed COMET's expectations for delivery readiness and on-time delivery.
- Reaction time to requests.
- Warranty compliance.
- Collaboration and speed in solving problems.

Purchasing maintains a relationship based on trust with its suppliers. COMET is a reliable customer. Employees communicate openly, honestly and in a timely manner and trust the expertise of suppliers.

Purchasing adheres to agreements and deadlines. Employees prefer personal dialog and recognize the commitment and performance of suppliers. Purchasers strive for win-win situations and do not optimize in the short term at the expense of a long-term solution. Purchasing does not take advantage of unclear situations. Unfair behavior is not tolerated.

Purchasing pursues long-term strategies and goals with suppliers. Employees do not jeopardize sustainable cooperation at the expense of a short-term opportunity and are committed to environmentally friendly and socially responsible actions.

Purchasing creates an environment in which COMET but also its suppliers can continuously develop. The employees demand and promote new solutions and ideas and work with the suppliers on business excellence solutions.

Purchasing negotiates hard but fairly and, if possible, seeks solutions together with the supplier, but is not satisfied with compromises.

Purchasing adheres to the COMET Group Code of Conduct for ethically and legally compliant behavior. It ensures that this code is also lived and observed by suppliers.

Purchasing reserves the right to audit any supplier with regard to ensuring process safety, quality and compliance with the Code of Conduct.

## **2 Code of Conduct for Suppliers and External Service Providers**

### **2.1 Introduction**

This Code of Conduct is based on the Code of Conduct of the Responsible Business Alliance<sup>1</sup> and sets out the basic requirements placed on COMET suppliers and external service providers regarding their responsibility towards their stakeholders and the environment. COMET reserves the right to change the requirements of this Code of Conduct appropriately due to changes in the COMET Compliance Guidelines.

### **2.2 Principles and requirements**

The undersigned Supplier/ External Service Provider hereby declares:

#### **2.2.1 Compliance with the law**

- Comply with applicable national and international laws and regulations, minimum industrial standards, ILO (International Labor Organization) and UN conventions and all other provisions of applicable legal systems.
- Comply with applicable trade regulations (including import and export rules and regulations, sanctions, embargoes) according to the applicable legal system in which the transactions take place.
- Declare all relevant commercial information on the shipping documents, in particular but not exclusively the preferential country of origin (or country of manufacture), customs tariff number, goods control numbers (GKV, USML, EAR).
- Notify Comet's purchasing department directly of goods subject to authorization (in accordance with EU Regulation 428/2009; GKV; USML; EAR).

#### **2.2.2 Prohibition of corruption and bribery**

- not tolerate any form of corruption or bribery and not participate or engage, directly or indirectly, in any form of corruption or bribery.
- not grant, offer or promise anything of value to a counterparty in the public or private sector for the purpose of influencing official actions or obtaining an improper advantage.

#### **2.2.3 Fair competition conditions, antitrust laws and intellectual property rights**

- to act in accordance with national and international competition laws and not to engage in price fixing, market or customer allocation, market sharing or bid rigging with competitors.
- respect the intellectual property rights of others.

#### **2.2.4 Conflicts of interest**

- avoid all conflicts of interest that may adversely affect business relationships.

#### **2.2.5 Respect of the fundamental human rights of workers**

- Promote equal opportunity and equal rights for employees regardless of color, ethnicity, national origin, social background, disabilities, sexual orientation, political or religious beliefs, gender or age.
- Respect the personal dignity, privacy and rights of each individual.

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<sup>1</sup> RBA Code of Conduct 6.0 (effective Jan. 1, 2018)

- Refusing to hire or allow someone to work against their will.
- Not tolerate any unacceptable treatment of workers, such as psychological violence, sexual harassment or discrimination.
- Prohibit conduct, including gestures, language, and physical contact that is sexual, coercive, threatening, abusive, or exploitative.
- To ensure fair remuneration and guarantee the applicable national statutory minimum wage.
- To comply with the maximum number of working hours specified in the applicable laws.
- To the extent legally possible, recognize the right of employees to freedom of association and neither favor nor discriminate against members of employee organizations or trade associations.

#### **2.2.6 Prohibition of child labor**

- not to hire workers who do not have a minimum age of 15 years (in accordance with ILO Convention 138); - domestic standards for the protection of children and adolescent workers shall be complied with. The exceptions of the ILO<sup>2</sup>.

#### **2.2.7 Health and safety of employees**

- take responsibility for the health and safety of its employees.
- monitor the hazards to workers and take the best possible, appropriate preventive measures against accidents and occupational diseases.
- identify and assess potential emergency situations and events. Their impact shall be minimized by implementing emergency plans and procedures for responding to emergencies.
- Provide training and ensure employees are trained on health and safety issues.
- Establish and apply a sound occupational health and safety management system.
- Inspect production equipment and other machinery for safety hazards and use appropriate protective equipment.

#### **2.2.8 Environmental protection**

- to act in accordance with applicable legal and international standards regarding environmental protection.
- applicable procedures and standards for waste management, handling and disposal of chemicals and other hazardous substances, as well as for emissions and wastewater treatment shall be complied with.
- minimize pollution and continuously improve environmental protection.
- Establish and apply an appropriate environmental management system.

#### **2.2.9 Supply Chain**

- make reasonable efforts to ensure compliance by its suppliers with the principles and requirements of this Code of Conduct.
- To comply with the principles of non-discrimination in relation to the selection and treatment of suppliers.

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<sup>2</sup> International Labour Organization C138 - Minimum Age Convention, 1973 (No. 138)

### 2.2.10 Material Compliance

- to comply with the information obligations towards COMET (or towards the partner commissioned by COMET)
- to refrain from the use of substances (from the prohibited list) whose use is illegal/prohibited under the REACH Regulation<sup>3</sup>
- to strive for the elimination and replacement of SVHCs ((Candidate List of Substances of Very High Concern) or, if not feasible, to implement a reduction of the quantities used to a minimum.
- to refrain from the use of certain hazardous substances in electrical and electronic equipment in accordance with Regulation (EU) 2011/65 and the applicable delegated regulations on RoHS<sup>4</sup> or to guarantee COMET the corresponding declaration obligations.
- in accordance with Regulation (EU) 2017/821<sup>5</sup> and the applicable delegated regulations on conflict minerals to refrain from using raw materials such as tin, tantalum, tungsten or gold from conflict regions and to comply with corresponding management systems, risk management obligations and the control mechanisms. The information obligations towards COMET regarding the supply chains are guaranteed.

### 2.3 Implementation, monitoring, violations and reporting

The undersigned supplier is solely responsible for full compliance with this Code of Conduct by its officers, directors, managers, employees, representatives and agents. In addition, Supplier agrees that Comet Group, and its subsidiaries or designated agents (including third parties) may verify compliance with this Code of Conduct, including on-site inspections of facilities and review of books and records. The principles and requirements of this Supplier Code of Conduct are central to the business relationship between Comet Group Company, its subsidiaries and the Supplier. Therefore, Comet Group Company and its subsidiaries reserve the right to terminate the business relationship with the Supplier in compliance with applicable laws if the Supplier fails to comply with this Supplier Code of Conduct. The Supplier shall immediately inform Comet Group if it has knowledge of or suspects any abusive conduct by the Supplier or any employee of Comet Group Company, its subsidiaries or its representatives.

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<sup>3</sup> Regulation (EC) No 1907/2006 (REACH regulation)

<sup>4</sup> Directive 2011/65/EU (RoHS directive)

<sup>5</sup> Regulation (EU) 2017/821 (due diligence obligation for 3TG, conflict minerals)

### 3 Supplier declaration

We hereby declare as follows:

We have received the document " Guiding Principles and Code of Conduct for COMET Suppliers and External Service Providers " and hereby undertake to comply with its principles and requirements in addition to our obligations under other contracts with COMET.

Place, Date: \_\_\_\_\_

Signature: \_\_\_\_\_

First name, Surname: \_\_\_\_\_

Function: \_\_\_\_\_

Company stamp:

This document must be signed by authorized representatives of the company.