

CeramTec Group Supplier Standards

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As one of the leading developers and manufacturers of advanced ceramics, the CeramTec group of companies (**CeramTec**) places great value on achieving economic success based on principles of good corporate citizenship. We believe that a company can only succeed if it commits to firm values and reliably ethical conduct. At CeramTec, we have a long-term perspective with respect to economic and other successes and are convinced that living our values will protect not only the reputation of our company but also directly benefit our stakeholders. Therefore, responsible and ethical behavior toward our employees, our business partners, society-at-large and the environment is an integral part of our companies' DNA. To ensure that this sense of responsibility for the well-being of others does not stop with us, we expect our business partners, in particular our suppliers, to share our commitment to integrity.

What does this mean for you, our supplier? First of all, we realize that you will likely have your own company-specific value set that applies to your company and to those with whom you do business. We do not ask that you pit those values against those embraced by CeramTec. But we do believe that it is necessary, within the supply chain that we form together with you and our customers, to agree on a common denominator regarding our shared values. In short, that a commitment to less than this set of values would not be acceptable.

In the following CeramTec Group Supplier Standards (**Standards**), we therefore list this minimum commitment to a shared value set that we expect you to follow. We also expect that you will apply best efforts to ensure that suppliers in your own supply chain follow these Standards. If for any reason you believe that you cannot meet these Standards, we require that you contact Compliance@CeramTec.de before entering into any business relationship with CeramTec, including to supply us with materials, products or services.

The principles set out in these Standards are based on CeramTec's Code of Conduct (accessible at CeramTec.com) and supplemented with principles based in part on the following conventions and standards which govern CeramTec's own operations:

- Principles of the United Nations Global Compact (**UN Compact**)
- UN International Bill of Rights
- UN Children's Rights and Business Principles
- The International Labour Organization (**ILO**) Declaration on Fundamental Principles and Rights at Work /Eight Core Conventions
- Organization for Economic Cooperation and Development (**OECD**) Guidelines for Multinational Enterprises

Standards

Basic Standards

- ✓ The Supplier has a code of conduct setting out a comprehensive set of ethical values. The code is easily accessible to all employees and employees-for-hire (collectively, “**Employees**”) of the Supplier. Violations of the code and concerns relating to the code can be reported through one or more vehicles, such as a whistleblower hotline, an ombudsperson or another reporting system. The system allows the reporter to remain anonymous if desired and the Supplier has committed to a no-retaliation policy to those who report concerns in good faith.
- ✓ In conducting its business, the Supplier complies in all material respects with all applicable laws and regulations of the countries in which it operates.

Human Rights & Labor Practices

CeramTec expects the Supplier to respect internationally recognized human rights principles and to treat its Employees with dignity and respect. This includes in particular:

- ✓ Working conditions are consistent with ILO standards and UN Compact principles.
- ✓ The use of child labor is prohibited. If permitted under applicable law, underage Employees are only assigned to non-hazardous work that does not affect their physical, mental or emotional development.
- ✓ The Supplier is not associated with human trafficking or any type of forced labor. This includes work on a forced contract, involuntary servitude, compulsory labor, slavery and other forms of work that are performed against an Employee’s will or choice.
- ✓ The Supplier provides a workplace free of discrimination based on ancestry, sex/gender selection, religion, creed, national origin, disability, age, sexual orientation, physical or mental disability, marital status, political orientation or other legally protected characteristics.
- ✓ The Supplier’s Employees are treated, and treat each other, fairly and with respect. Any kind of gross inhumane treatment, in particular sexual harassment, sexual abuse, corporal punishment, psychological or physical coercion, bullying or abuse of Employees is prevented.
- ✓ The Supplier complies with all applicable laws and regulations that ensure fair working conditions, including those regulating compensation, working hours and privacy. Working conditions must, as a minimum, meet national standards.
- ✓ The Supplier has a consistent, transparent, and understandable compensation system. Salaries, benefits, overtime payments as well as payment of minimum wages are remunerated according to applicable laws and reflect the market, function, and performance.
- ✓ The Supplier recognizes the Employees’ right to freedom of association in accordance with applicable laws and regulations.

Health and Safety

- ✓ In structuring the work environment for Employees, the Supplier complies with all applicable safety, health and environmental laws and regulations and generally accepted safety, health and environmental standards.
- ✓ The Supplier has a SHE management system in place whose aim it is to prevent injuries to Employees and under which shortcomings of the workplace are remediated in a timely fashion.
- ✓ In particular, the Supplier ensures a healthy and safe workplace for Employees and protects them from any unnecessary, uncontrolled and ultimately illegal exposure to hazards or pollution.
- ✓ Employees have access to clean sanitary facilities and where the Supplier supplies housing to Employees, the Supplier ensures that such housing is clean and adequate.

Respect for the Environment

- ✓ The Supplier complies with all applicable laws, regulations and standards regarding the environment and the use of restricted substances. It strives to reduce its environmental impact whenever feasible and has established or will establish an environmental management system, amongst others, to monitor its performance and progress.
- ✓ The Supplier avoids use of hazardous substances in manufacturing of the products sold to CeramTec whenever technically possible. The products manufactured by our suppliers shall not endanger humans or the environment.

Conflict Minerals

- ✓ The Supplier will identify the use and supply of conflict minerals (such as W, Sn, Ta, Au, Co, Mira) in its supply chain.
- ✓ The Supplier participates in the annual reporting mechanism with CMRT Templates or similar systems to ensure any conflict mineral supply in its supply chain derives solely from certified smelters. Any deviation must be reported immediately to CeramTec.
- ✓ Any supply to CeramTec of products containing conflict minerals is strictly forbidden if the Supplier cannot document by written evidence that such supply derives from conflict-free sources.

Conducting Business in a Fair and Honest Manner

- ✓ The Supplier avoids conflicts of interest in any form. Before engaging in any business relationship with CeramTec, the Supplier ensures that its business relationship with

CeramTec is not impacted in any way by close relationships between its Employees and/or their family members and CeramTec employees and/or their family members.

- ✓ With respect to any aspect of the business relationship, the Supplier strictly complies with any applicable laws or regulations on anticorruption or antibribery. The Supplier will not offer, promise, provide, request or ask for or receive, directly or indirectly, in any form, any bribes or provide kickbacks of any kind.
- ✓ The Supplier has a zero-tolerance policy with respect to corruption or bribery.
- ✓ The Supplier commits to conducting its business in accordance with applicable antitrust and competition laws, and to competing fairly.

Observing Global Regulatory Principles

- ✓ The Supplier has implemented adequate controls to ensure that it does not, even inadvertently, participate in any money laundering activities and that it complies with applicable laws and regulations on money laundering.
- ✓ The Supplier has implemented adequate controls to ensure that neither it, nor its direct subcontractors in their dealings with the Supplier, violate any applicable economic embargos, sanction lists or trade regulations, import or export controls, or regulations for the prevention of the financing of terrorism.
- ✓ The Supplier will ensure that personal data it obtains in its relationship with CeramTec are processed in full compliance with applicable data protection laws. The Supplier will take technical and organizational measures necessary to secure personal information and to prevent unauthorized access. Upon CeramTec's first written request, the Supplier will delete all personal data obtained in and through its relationship with CeramTec.

Protecting CeramTec's Intellectual Property

- ✓ CeramTec owns significant intellectual property, both registered and unregistered. Whenever CeramTec intellectual property is involved in the relationship between CeramTec and the Supplier, the Supplier will adequately protect such intellectual property. In addition, any confidential data disclosed by CeramTec to the Supplier in the course of the relationship will be protected and held in confidence.

Quality of Materials, Products or Services

- ✓ The Supplier shall ensure that materials, products or services provided to CeramTec are of the agreed quality, and manufactured or performed in full compliance with applicable law. The Supplier will be mindful of the fact that many of the material, products or services provided by it may ultimately affect and have an impact on human beings.

Reporting of Violations

We request that any violation of these Supplier Standards is reported to CeramTec without delay. Please contact us through our Ethics Hotline reachable via the www.CeramTec.com website or, alternatively, via email at Compliance@ceramtec.de.

Due Diligence, Audits and Events of Non-Compliance

CeramTec reserves the right

- ✓ to conduct or have conducted due diligence on each supplier based on a risk assessment of such supplier
- ✓ to conduct or have conducted an on-location or document-based audit of the Supplier's CeramTec-related activities in the event of justified concerns that the Supplier does not comply with these Standards,
- ✓ to request from the Supplier an up-to-date self-assessment regarding compliance with Supplier Standards, and
- ✓ to refrain from entering into, or terminating an existing, relationship in the event of non-compliance with these Standards.