



**GRAPHITE
MATERIALS**

Code of Conduct

Last updated
02.2025



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1 Preamble

Introduction

We have drawn up this Code of Conduct for suppliers in our endeavour to promote a sustainable and ethical business culture. We are committed to ensuring that companies conduct their business in accordance with ecological, ethical and legal standards. We recognise the growing responsibility towards our society, the environment and future generations.

This Code of Conduct sets out the fundamental principles that we expect from all our business partners, including suppliers and their subcontractors. We require not only ourselves, but also all partners in our network, to respect and comply with the values and standards that are consistent with the principles of Graphite Materials and applicable laws.

The requirements set out in this Code are to be understood as minimum standards. If applicable local laws and regulations establish higher standards, they will necessarily prevail over the provisions of this Code.

Graphite Materials complies with all laws and regulations applicable in Germany and Europe and requires its suppliers at least to comply with the customary national legal regulations. For more information, please see our recently published CSR report.

Any company that provides goods or services to our company is bound by this Code of Conduct. We are obliged not only by local and international laws, but also by our customers' contractual terms and conditions,

to abide by the following principles of conduct in all business actions and decisions.

In addition, we ask our suppliers and, through them, their subcontractors also to commit to following these principles. By adhering to these standards, together we contribute to creating a responsible and ethical business world.

2 Requirements for suppliers

2.1 Social responsibility

Exclusion of forced labour

Graphite Materials GmbH requires that no form of forced or slave labour is tolerated within the supply chain. It is the supplier's responsibility to ensure that all employees carry out their activities on a voluntary basis, without threats or punishment. Employees have the unrestricted right to terminate their employment at any time without fear of adverse consequences. It should be ensured that all employees can work in a respectful environment. Unacceptable practices such as psychological harshness, sexual harassment or humiliation are strictly prohibited. This also applies to security companies hired by suppliers if this impairs the freedom of association or if people are treated inhumanely or degradingly as a result of their presence.

In accordance with ILO Conventions 29, 105

Prohibition of child labour

Children are the greatest asset and need our protection. They have the right to an appropriate education and health, which is why child labour is not accepted at any stage of production. Suppliers are required to comply with the recommendations of the ILO Conventions on the minimum age for the employment of children. The minimum age should not be less than the age at which compulsory education ends according to the law of the place of employment and in no case should it be less than 15 years. Young employees under the age of 18 may not be employed for work that is harmful to their health, safety or morals. It is imperative to comply with all special protection regulations for young workers. If children are found at work, the supplier is expected to document this immediately and take measures to remedy the situation. Violations of these principles may lead to inspections and consequences on the part of Graphite Materials GmbH.

In accordance with ILO Conventions 59, 79, 138, 142, 182

Fair remuneration

Graphite Materials GmbH demands from its suppliers that employees receive fair and legally regulated remuneration and that all labour law regulations are observed in accordance with local laws.

This includes compliance with minimum wage, overtime and social security laws. The use of temporary work, the posting of employees and the outsourcing of work must be carried out in strict compliance with local legislation.

In accordance with ILO Conventions 26, 131, 132

Fair working hours

At Graphite Materials, overtime is worked exclusively on a voluntary basis and does not exceed the limit of 12 hours per week. Furthermore, the legal requirements regarding rest breaks, weekly working hours and paid holidays are complied with.

We therefore expect that the regulations of our suppliers along the entire supply chain also comply with the applicable legal requirements of the respective countries.

It must also be ensured that pregnant employees receive appropriate protection and their legal rights to maternity leave are respected.

In accordance with ILO Conventions 1, 14

Freedom of association

Suppliers must respect the right of employees to form or join trade unions and/or works councils, in accordance with local law. Trade unions should be allowed to operate freely and in accordance with local laws, including the right to strike and collective bargaining.

Employees should be able to communicate openly with management without fear of reprisals, and their right to form, join and be active in such organisations must be respected.

In accordance with ILO Conventions 87, 98, 135, 154

Prohibition of discrimination

Graphite Materials does not tolerate unequal treatment of employees in any form, unless it is justified by the requirements of the job. This includes discrimination based on gender, national, ethnic or social origin, skin colour, disability, state of health, political opinion, ideology, religion, age, pregnancy or sexual orientation. We respect the personal dignity, privacy and personal rights of each individual.

In accordance with ILO Conventions 100, 111, 143, 158, 159

Health protection, safety in the workplace

A productive working environment strengthens the trust and satisfaction of the team. To ensure this, Graphite Materials employees are regularly informed and trained about the applicable health and safety standards. This allows the team to contribute actively to workplace safety and identify and minimise potential risks.

We also expect our suppliers to introduce effective occupational safety systems. The focus here is on preventing excessive physical or mental fatigue, and appropriate measures must be taken to ensure a safe working environment. Basic needs such as access to sufficient drinking water and clean sanitary facilities must be ensured.

Gemäß der ILO Konventionen 155, 164

Preservation of the natural basis of life

People must be given access to land, forests or waters that secure their livelihoods. Any harmful changes to the soil, water and air pollution, noise emissions and excessive water consumption must be avoided. This must be taken into account in particular if it impairs the health of people, significantly disrupts the natural basis for food production or prevents people from accessing clean drinking water or sanitary facilities.

Complaint mechanisms

Graphite Materials has established an anonymous complaints procedure for employees and suppliers. This is accessible to all while maintaining confidentiality of identity and effective protection against discrimination.

Information about violations of human rights or the LkSG (Supply Chain Due Diligence Act) can also be made anonymously there.

<https://graphite-materials-whistleblower.hinweis.digital/>

If we do not report any violations, the supplier itself is responsible for establishing an effective complaint mechanism at the company level for individuals and communities that may be affected by negative impacts.

2.2 Ecological responsibility

Graphite Materials is ISO 14001 certified. This certification and the orientation towards the Paris Climate Agreement with the 1.5 degree climate target are the basis for our commitment to environmental protection and sustainable action.

The main aspects we pay attention to are:

- > Emissions released into the atmosphere
- > Harmful discharges into bodies of water
- > Soil contamination
- > Consumption of raw materials and natural resources
- > Energy consumption/efficiency
- > Release of energy (heat, radiation, light, noise)
- > Generation of waste
- > Land use/biological diversity

These aspects form the basis of our efforts to ensure that our business activities have a minimum impact on the environment.

We require that our suppliers recognise the importance of our environmental protection measures and reflect them in their actions.

Together we strive to promote a sustainable and environmentally friendly supply chain and make a positive contribution to the conservation of our natural resources and the environment.

Dealing with air and noise emissions

General emissions from operational processes (air and noise emissions) and greenhouse gas emissions must be defined before they are released, regularly monitored, checked and, if necessary, treated. Graphite Materials evaluates its established objectives with the responsible managers on a monthly basis.

The supplier is also required to monitor its exhaust gas purification systems and find economical solutions to minimise any emissions.

Treatment and discharge of industrial wastewater

wastewater from operating procedures, production processes and sanitary facilities must be standardised, monitored, checked and, if necessary, treated before discharge or disposal in accordance with the applicable national regulations.

Graphite materials does not produce any toxic waste water. Our process water can be discharged into the city sewerage system without hesitation. Measures should be introduced to reduce the generation of wastewater.

Soil contamination

Graphite Materials is aware that the extraction of raw materials required for the production of synthetic graphite releases emissions. The company is actively working to develop alternative sources of graphite and thus reduce its dependence on individual suppliers.

Care must be taken throughout the entire supply chain to ensure that all necessary measures are taken to avoid soil contamination.

Dealing with conflict minerals

Graphite Materials does not use any conflict minerals, including tin, tungsten, tantalum and gold, in its processes.

To date, the LkSG (Supply Chain Due Diligence Act) only requires compliance with certain obligations under the Minamata Convention (mercury), the Stockholm Convention on Persistent Organic Pollutants (POPs) and the Basel Convention on the Export of Hazardous Waste. At least these must be adhered to by our suppliers.

**Reduce consumption of raw materials and
natural resources**

Through the transport, production, use and even the disposal of raw materials, we make an essential contribution to climate change.

Care must therefore be taken to limit the consumption of all resources to the bare minimum. At Graphite Materials, residual materials are recycled and used as raw materials for other products. We have waste professionally recycled by certified waste disposal companies.

Environmentally harmful packaging materials are replaced by sustainable alternatives and used according to the minimum principle. The use of fossil fuels has already been reduced through the use of green electricity. Our goal in the future is to cover our energy needs completely with renewable energies.

Dealing with energy consumption/efficiency

Graphite Materials defines targets and key figures for its energy consumption and monitors and documents the results as part of an energy management system. In general, we expect our suppliers to find cost-effective solutions to improve energy efficiency and minimise energy consumption.

Release of energy

(in the form of heat, radiation, light, noise)

By using energy-efficient machines and systems as well as regular maintenance, we reduce energy consumption and therefore the release of heat. In addition, through noise reduction measures and innovative lighting solutions, we minimise the impact of noise and light emissions in our operating environment while creating more environmentally friendly working conditions.

Dealing with waste and hazardous substances

Not all waste in our company can actually be avoided.

We must therefore reduce the amount of waste as much as possible and then separate it by type. This is the only way to dispose of waste properly and economically. The bans on the export of hazardous waste from the Basel Convention in its current version must be observed. Chemicals or other materials that pose a risk if released into the environment must be identified and handled in such a way that safety is ensured when handling, transporting, storing, using, recycling or reusing and disposing of these substances.

Land use/biological diversity

To promote biodiversity conservation, suppliers should focus on sustainable land management and ensure that their supply chains minimise environmental impacts to ensure a balanced ecosystem footprint. Space consumption can be minimised by implementing efficient warehousing systems. By optimising transport routes and grouping together deliveries, the need for additional storage facilities can also be reduced.

3 Ethical business conduct

Our principles

The UN Global Compact (UN GC) is the world's largest and most important initiative for sustainable and responsible corporate governance. Based on the 10 universal principles and the 17 Sustainable Development Goals, the UN Global Compact pursues the vision of a more inclusive and sustainable economy. With the aim of initiating change processes in companies and strategically anchoring sustainability, the UN GC focuses on the topics of human rights & labour standards, environment & climate, corruption prevention as well as reporting and the SDGs. Our suppliers should also feel committed to these principles.

Fair competition

At Graphite Materials, we strictly adhere to the rules of fair competition in terms of business ability, advertising and competition.

Furthermore, we are committed to complying with the applicable antitrust laws. These laws specifically prohibit agreements and other activities that may influence the prices or conditions of competitors.

Any agreements between customers and suppliers are prohibited if they restrict the freedom of customers to determine their own prices and other conditions for resale.

Confidentiality/Data protection

The protection of private information must be guaranteed along the entire supply chain. All parties must comply with local regulations when collecting, storing, processing, transmitting and sharing data. In addition, the terms and conditions of purchase of Graphite Materials GmbH apply.

<https://www.graphite-materials.com/en/conditions-of-purchase/>

Intellectual property

Graphite Materials is committed to ensuring that intellectual property rights are always respected.

The transfer of technology and expertise is therefore subject to the condition that both intellectual property rights and customer information are reliably protected.

Integrity / bribery, taking advantage

A zero-tolerance policy must be pursued for all forms of bribery, corruption, embezzlement and extortion. Procedures for monitoring and enforcing the standards must be followed in accordance with the OECD Guidelines in Chapter 7.

https://read.oecd-ilibrary.org/finance-and-investment/oecd-leitsatze-fur-multinationale-unternehmen-zu-verantwortungsvollem-unternehmerischem-handeln_abd4d37b-de.htm

4 Implementation of the requirements

Our principles

We attach great importance to working with partners who share our values and are also committed to the highest standards of quality, ethics and sustainability.

Graphite Materials therefore regularly carries out a risk assessment of its suppliers. This measure is intended to ensure that all partners in our supply chain comply with the established standards and basic principles.

We would like to inform you that we reserve the right to audit suppliers or visit them on site. This will of course take place after appropriate advance notice in order to ensure a smooth process. Access to production sites is essential to check compliance with the agreed standards.

In the event that violations of the basic principles laid down in our Code of Conduct are identified, we expect the supplier concerned to implement suitable measures to rectify these violations without delay. It is important to us that all partners in the supply chain strive for the same high standards as we do.

Should a supplier of Graphite Materials repeatedly violate the principles laid down in the Code of Conduct despite taking appropriate measures, we reserve the right to notify this immediately in writing and to set a reasonable period of grace.

If a remedy is not possible in the foreseeable future, the supplier must report this immediately and, together with Graphite Materials, create a concept with a timetable for ending or

minimising the violation. If the period of grace expires without result or the implementation of the measures contained in the concept does not remedy the situation after the expiry of the deadline, we reserve the right to terminate the business relationship with due notice.

A statutory right to extraordinary cancellation without setting a period of grace, in particular in the case of very serious violations, remains unaffected, as does the right to compensation.



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Graphite Materials GmbH | Rothenburger Straße 76
90522 Oberasbach | Germany | Tel. +49 911 9990103-0
info@graphite-materials.com | www.graphite-materials.com

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