

# Sustainability requirements of Joma-Polytec

The following requirements apply to Joma-Polytec (herein referred to as “JP”) as well as to all relevant affiliated suppliers and service providers (herein referred to as “business partners”). The term “organisations” is herein used as an umbrella term for JP and its business partners, irrespective of the individual company.

## **Fundamental principle: sustainability comprises responsible, fair and open cooperation with all affiliated organisations!**

For achieving our sustainability goals, specific requirements for JP as well as for its business partners are defined within this guideline. These requirements must be checked and complied to by each organisation.

The requirements include social responsibility, human rights, environmental and climate protection, business ethics, legislation as well as common business standards and are mandatory minimum requirements for a successful and trustful cooperation between the organisations.

All employees of JP are personally responsible for complying with all binding obligations within their working environment, especially the executive managers. We expect our business partners to comply with all binding obligations within this guideline as well as with all legal requirements.

The organisations commit themselves to comply with these sustainability requirements as well as to pass them to their own relevant affiliated business partners in an appropriate form. Compliance must be monitored on a risk-based basis by means of legally binding due diligence obligations.

In case of violations against these sustainability requirements, JP expects open and goal-oriented cooperation with its business partners, as well as with affected subcontractors. Serious violations against this guideline may lead to termination of the existing business relationship. JP reserves the right to verify compliance with this guideline on site.

The aim of this guideline is to promote the global protection of human rights and the environment and to promote sustainable standards. Furthermore, the sustainability performance of all participating organisations shall be increased in line with the continuous improvement processes.

## **Social and societal responsibility**

### **Human rights**

JP and its business partners fully uphold, respect and support human rights in accordance with internationally recognised standards. In contact with its business partners, JP values a climate characterised by mutual respect, trust, tolerance, fairness and equality. The dignity, privacy and personal rights of each individual are accepted by the organisations. Legal due diligence must be complied with.

### **No forced labour or child labour**

In accordance with ILO conventions, all forms of forced labour and child labour are rejected. All labour within the supply chain must be provided voluntarily. JP is committed to the abolition of slavery, forced labour and exploitative child labour. The minimum age for employment in accordance with national regulations is complied with by all organisations.

### **Equal treatment, equal opportunities and inclusion**

No discrimination based on gender, skin colour, religion, age, nationality, social and ethnic origin, membership of minorities, ideology, sexual orientation, political or trade union activity or disability is tolerated.

These principles apply to employment, to ongoing employment relationships, to fair remuneration and to the professional advancement of our employees and the employees of our business partners. Only performance, personality, skills and aptitude are decisive in this respect.

Together, we promote an inclusive culture of diversity in which every employee can realise their full potential.

### **Remuneration and working conditions**

The organisations are aware of their social responsibility towards their employees and are committed to ensuring that remuneration and benefits are competitive and comply with local laws, including laws on minimum wage, overtime pay and statutory benefits.

Care is taken to ensure that working hours, including overtime, comply with local laws that regulate working hours.

### **Collective bargaining and freedom of association**

Employees' freedom of association in accordance with the relevant ILO conventions and the right to collective bargaining are guaranteed and negotiations are recognised without retaliation.

Workers can communicate openly regarding working conditions without fear of reprisal, intimidation or harassment. Workers have the right to freely assemble to join workers' organisations or a works council in accordance with local law.

### **Health, safety and well-being of employees**

Guaranteeing safety at work, the preservation and promotion of health as well as performance capability and job satisfaction are central requirements of corporate behaviour. The organisations ensure that the applicable national legal regulations and standards for safe and healthy working conditions are complied with and that appropriate measures are taken to minimise risks. All employees must be protected from work-related hazards and strains.

Employees are obliged to comply with regulations on occupational safety and health preservation at work, e.g. wearing personal protective equipment.

### **Protection of young employees**

The protection of young employees is of particular importance. Legal requirements regarding working hours, night work and tasks must be always complied with. Young employees must be protected from working conditions that have negative effects on their health, development or safety. School attendance must not be affected by their work.

### **Ethical recruitment of new employees**

New employees are recruited and employed in accordance with current legislation. Any unethical recruitment methods such as deception about the nature of the job, recruitment fees and the destruction or retention of identity documents are strictly prohibited.

### **Harassment**

No form of harassment such as psychological or physical coercion or verbal abuse, inhumane treatment, sexual harassment or any physical punishment of employees is tolerated.

### **Land, forest and water rights and forced eviction**

In the development of land for production or business purposes, any unlawful forced eviction or deprivation of land, forest or water is rejected.

The rights of local communities and indigenous peoples must not be violated.

### **Private or public security forces**

The utilisation of private or public security forces for the enforcement and protection of business projects using methods that violate human rights is prohibited.

## **Environmental and climate protection, conservation of natural resources**

JP takes into account the natural basis of life on our planet and is committed to conserving resources and reducing the environmental impact on air, water and soil. This commitment to sustainable environmental protection is the basis for business relationships between JP and its business partners.

For this, the organisations comply with all applicable laws and regulations, consider applicable standards and guidelines, develop and design products in an environmentally friendly manner, strive to constantly reduce the negative environmental impact of their business processes and continuously improve their energy and environmental performance. The requirements relating to environmental and climate protection must be passed on within the supply chain.

JP strives to become climate neutral in 2040 by technical and organisational measures. For this, JP developed its “Roadmap towards Climate Neutrality”, which is applicable to this guideline. In addition, all negative environmental impacts originating from the organisations shall be continuously and consistently reduced.

### **Decarbonisation and reduction of greenhouse gases**

We expect from our business partners that a concept for climate neutrality is developed and implemented according to the Paris Climate Agreement.

Suitable aims and measures must be defined to continuously reduce CO<sub>2</sub> emissions for all scopes (scope 1, scope 2 and scope 3). The company's own business partners must be involved for achieving this goal.

For this purpose, JP has set itself the following goals:

- compliance with CO<sub>2</sub> targets at product level as from 2025
- reduction of direct (scope 1) and indirect (scope 2) CO<sub>2</sub> emissions by 40 % until 2030 relative to the business partner's base level
- become a climate-neutral company until 2040

When reducing CO<sub>2</sub> emissions, the business partner must follow the principle of ‘avoidance and reduction before compensation and neutralisation’. The achievement of goals must be verified and monitored using approved scientific methods.

### **CO<sub>2</sub> footprint on product level**

The business partner provides a meaningful and product-specific CO<sub>2</sub> footprint on request. The CO<sub>2</sub> footprint must be determined using approved scientific methods. For scope 3 emissions, the supply chain must be included where possible, reasonable and justifiable.

### **Use of secondary materials at product level**

Business partners comply with product-specific targets regarding the proportion of used secondary material and provide meaningful information on request. The goals regarding the proportion of secondary material can relate to post-consumer or post-industry.

### **Material compliance on product level**

The organisations ensure that all purchased (raw) materials comply with the relevant current legislation, such as REACH and POP, and with customary industry guidelines communicated by the customer, such as RoHS. The organisations work together to meet customer-specific material compliance requirements to a reasonable extent, even if there is no legal obligation to do so.

Prohibited or restricted substances are handled in accordance with these regulations and communicated within the supply chain.

When using conflict materials (conflict minerals or critical raw materials according to the EU) and their derivatives, it is ensured that these materials are sourced responsibly. Due diligence obligations must be complied with by all relevant parties.

JP considers fulfilment with these material compliance requirements within its supply chain to be a basic prerequisite for cooperation. JP expects a smooth flow of information regarding material compliance from its business partners and also guarantees this to its customers and business partners.

### **Protection of soil, air, and water Quality and reduction of noise and radiation**

The organisations commit to consistent environmental protection within all business activities to preserve and maintain high levels of quality for soil, air, and water. Reportable incidents related to environmental protection are submitted to the relevant authorities.

The emission of noise and radiation from traffic, production processes, or other business activities must not exceed permissible levels and should be continuously reduced.

### **Responsible handling of hazardous substances**

Responsible management of hazardous substances aims at the reduction of negative environmental impacts to a permissible and safe level. Key components of hazardous substance management include approval and release, proper use and storage, and proper disposal of hazardous substances. Employees of the organisations must be provided with the necessary information and personal protective equipment to an appropriate extent.

### **Biodiversity, land use, deforestation and animal welfare**

JP is interested in preserving natural ecosystems and their flora and fauna while performing business activities within the supply chain.

If the handling of animals is necessary within a supply chain process, legal requirements regarding animal welfare must be complied with.

### **Personal consciousness**

Each employee within the supply chain influences the company's ecological footprint. A sustainable corporate culture can only be achieved if employees are aware of their impact on the environment, understand the influencing factors, and if they act accordingly. To create this awareness, regular trainings and information on sustainability measures must be conducted and provided.

### **Energy efficiency**

Energy efficiency plays a major role in the procurement, operation, and maintenance of machines and equipment. A key criterion in procurement of machines and equipment must be energy consumption. This must also be considered when awarding contracts and can be decisive in this regard. Energy-efficient operation is a priority during operation of machines and equipment.

### **Process optimisation**

JP and its business partners continuously optimise their current but also future production processes as well as products, machines and equipment in regard to environmental impact and energy efficiency.

### **Sustainable management of resources**

The minimization approach applies to the use of natural resources of any kind. Only the necessary amount of resources should be used. Water consumption is of particular importance here, as clean and accessible water plays a crucial role in our ecosystem. Furthermore, compliance with the requirements of a deforestation-free supply chain according to the EU Deforestation Regulation (EUDR) must be ensured. Business partners will provide meaningful and usable information upon request.

### **Reduction and recycling of waste**

While manufacturing products, providing services, and operating business processes, the organisations are obliged to reuse as many resources as possible, provided this is compatible with technical and safety-related parameters.

When disposing of waste, JP follows the five principles of waste management. The following disposing approach should be considered in descending order of priority: waste reduction, direct recycling of waste, recycling by waste disposal companies, incineration for energy recovery, and landfill disposal as a last resort.

## **Business ethics**

### **Fair competition and antitrust law**

All organisations are obliged to comply with the relevant regulations of antitrust and competition law. JP prohibits any conduct that has the goal or effect of hindering, restricting, or distorting free and fair competition.

Competitive positioning may be based solely on entrepreneurial success factors, particularly innovation, quality, reliability, and fairness. Therefore, dealings with competitors, business partners, and end customers are always expected to be compliant with antitrust law. In particular, the following will not be tolerated:

- contracts, agreements or arrangements with actual or potential competitors for the purpose of fixing prices and premiums, limiting the type or quantity of products or services or dividing markets,
- abuse of a leading position in a particular market,
- agreements or contracts at a vertical level (with suppliers or customers) if these are intended or have the effect of preventing or restricting free and fair competition contrary to applicable laws.

### **Prohibition of all forms of corruption**

JP does not tolerate any form of corruption or bribery in its global business activities. Corruption is prohibited by international conventions and legislation. JP does not tolerate any form of bribery or business practices by employees or business partners that could create the impression of undue influence.

All employees and business partners of JP are prohibited from directly or indirectly requesting, accepting, offering, or granting benefits in business transactions if this is intended to improperly influence business processes or could even create the impression of doing so. Integrity must be guaranteed at all times, particularly in business dealings with national or international public officials and authorities.

Facilitation payments are generally not tolerated. Facilitation payments are payments to a public official that are not provided for by law and are intended to induce the public official to perform or expedite an official act to which there is a fundamental entitlement.

### **Gifts, invitations, and other benefits**

When dealing with benefits, such as gifts or invitations, strict care must be taken to avoid any appearance of dishonesty or impropriety. No benefits should be tolerated that could cast doubt on the integrity of the organisation or influence business decisions.

### **Factual decision-making and conflicts of interest**

The organisations make decisions based on sound reasoning and in the interest of the company. JP assumes that business decisions are not influenced by private or personal interests. Decisions may only be made based on sound reasoning and in the interest of the company. Care must be taken to avoid the appearance of any extraneous consideration. JP expects from its employees and its business partners to remain objective under all circumstances and to ensure that judgment is not influenced by personal or family interests.

### **Import and export controls as well as economic sanctions**

All international business relationships must comply with current global foreign trade principles and sanctions. The organisations comply with applicable export and import control regulations and rules, as well as temporary restrictions on foreign trade, such as economic sanctions or embargoes.

### **Complete and truthful documentation as well as financial and sustainability responsibility**

The organisations comply with all documentation obligations. Documentation must be complete, truthful, timely, and accurate. All reporting, whether digital, verbal, or written, must comply with the same integrity standards. Legally required or agreed data retention periods must be ensured through appropriate filing and backup for the agreed period.

Legally required financial and sustainability reporting will be processed completely and with integrity and made available to the relevant auditing body.

Necessary data for reporting will be provided by business partners, unless disclosure violates other laws or is unreasonable.

### **Protection of information and personal data**

The use or processing of sensitive data must be subject to a confidentiality policy that focuses on information security and data protection.

Therefore, the organisations ensure that sensitive information and trade secrets are appropriately protected by all parties involved and are not disclosed without authorisation. JP also respects and is committed to protecting the privacy of its employees and business partners and expects the same in return. The use of and access to personal data may only be carried out for specific purposes in accordance with current legislation and only by authorised personnel.

### **Intellectual property**

In the spirit of a fair global supply chain and the inventor, the organisations accept and respect intellectual property in all its forms. Unauthorised use or reproduction of patents, scientific papers, written works, symbols, trademarks, and images is not tolerated.

### **Protection against counterfeit and substandard parts as well as plagiarism**

The organisations take appropriate steps to ensure that products cannot be counterfeited, cannot fall into the unauthorised hands of third parties, or cannot be distributed through illicit channels. Thus, the organisations support the effort to ensure that only original, tested, and high-quality products reach the end consumer and that counterfeits are avoided.

### **Compliance with sustainability requirements and whistleblowing, protection of whistleblowers**

Both employees and all business partners of JP must comply to the regulations listed within this guideline. Violations against sustainability requirements shall be reported to the compliance officer of JP for review and follow-up. A complaint management system has been established at JP to report such violations, which can also be used anonymously upon request. The complaint management system is available on the website of JP under the tab "Sustainability and Compliance". The company's top management guarantees all whistleblowers full protection regarding whistleblowing.

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