

Sustainability guideline for suppliers and service providers

(Supplier Guideline)

1 Preamble

Linz Center of Mechatronics GmbH is committed to ecologically and socially responsible corporate governance and expects the same behavior from all its suppliers and service providers.

The Supplier Guideline is based on national laws and regulations, as well as international conventions such as the United Nations Universal Declaration of Human Rights, the Guidelines on Child Labour and Responsible Business Conduct, the United Nations Guiding Principles on Business and Human Rights, the International Labor Standards of the International Labor Organization, and the United Nations Global Compact.

The Tier-1 suppliers and service providers of Linz Center of Mechatronics GmbH undertake to comply with the provisions of this supplier guideline and to demand them from their own sub-suppliers/service providers. These standards include quality requirements, ethical guidelines, environmental standards, and requirements for working conditions and human rights.

2 Working conditions

2.1 Exclusion of forced labor, free choice of employment

No forced labor, slave labor, or work comparable in this way may be used. All work must be voluntary and without threat of punishment. Employees must be able to terminate employment relationship at any time. There must be no unacceptable treatment of workers, such as psychological harshness, sexual and personal harassment and humiliation, or human trafficking.

2.2 Prohibition of child labor

Child labor shall not be used in any phase of production or service. The legal minimum age must be observed when employing minors. The age shall not be less than the age at which compulsory education ends under the law of the place of employment and in any case not less than 15 years.

2.3 Wages and social benefits

Workers shall be paid in line with the market and in accordance with their performance, whereby the respective statutory minimum wages shall be observed as the absolute lowest limit.

2.4 Fair working hours

Working hours must comply with applicable laws or industry standards. Overtime is only permitted on a voluntary basis and if it does not exceed 12 hours per week. Employees shall be granted at least one day off after six consecutive working days.

2.5 Freedom of association and the right to collective bargaining

The right of workers to form and join organizations of their choice, and to engage in collective bargaining, and strike shall be respected. In cases where freedom of association and the right to collective bargaining are restricted by law, alternative means of independent and free association of workers for the purpose of collective bargaining shall be provided. Employees shall not be discriminated based on forming, joining or being a member of such an organization.

2.6 Prohibition of discrimination

Unequal treatment of employees in any form is prohibited unless it is justified by the requirements of the employment. This applies, for example, to discrimination based on gender, nationality, ethnicity, social origin, skin color, disability, health status, political conviction, ideology, religion, age, pregnancy, or sexual orientation. The personal dignity, privacy, and personal rights of everyone are respected.

2.7 Health protection and safety at work

A safe and healthy working environment shall be provided. Necessary precautions shall be taken against accidents and damage to health, that may arise in work activities, by establishing and applying appropriate occupational safety systems. Excessive physical or mental fatigue shall be prevented by appropriate measures. In addition, employees are regularly informed and trained about applicable health and safety standards and safety measures.

2.8 Women's rights

We expect our suppliers to promote gender equality and actively prevent any form of gender-based discrimination. The principles of equal pay for equal work and safe and healthy working conditions must be guaranteed.

2.9 Diversity, equality, and inclusion

Recognition and appreciation of diversity, equality and inclusion are fundamental elements of our suppliers. In our business practices, we strive to create an inclusive and respectful work environment. Any form of discrimination, harassment or unequal treatment shall be rejected.

2.10 Rights of Minorities and Indigenous Peoples

Respect for and protection of the rights of minorities are of great importance. Policies and processes shall be designed to respect and promote the rights and interests of all employees, regardless of their origin or cultural background.

2.11 Ethical recruitment

Our recruitment aims to ensure fairness, transparency, and equal opportunity. We firmly believe that all applicants must be treated equally regardless of age, gender, race, religion, sexual orientation, disability, or other protected characteristics. All relevant information for the application and selection process is clearly communicated and the privacy of applicants is

respected. Everyone involved in our recruiting process strives to adhere to these ethical standards.

3 Ecological sustainability

3.1 Treatment and discharge of industrial wastewater

Wastewater from operations, manufacturing processes, and sanitary facilities should be typed, monitored, inspected, and treated as necessary prior to discharge or disposal. In addition, measures should be implemented to reduce wastewater.

3.2 Air emissions

General emissions from operations (air and noise) and greenhouse gas emissions should be typed, routinely monitored, reviewed, and treated as needed prior to release. Economic solutions shall be found to minimize any emissions.

3.3 Handling of waste and hazardous substances

Waste and hazardous substances shall be identified, handled, reduced, and responsibly disposed of or recycled. The prohibitions on the export of hazardous wastes, as amended in the Basel Convention of March 22, 1989, shall be respected. Chemicals or other materials, that pose a hazard when released into the environment, shall be identified and handled in a manner that ensures safety during their handling, transportation, storage, use, recycling or reuse, and disposal.

3.4 Reduce consumption of raw materials and natural resources

The use and consumption of resources during production and the generation of waste of any kind, including water and energy, shall be reduced, or avoided.

3.5 Dealing with energy consumption and energy efficiency

Energy consumption shall be monitored and documented. Economic solutions shall be found to improve energy efficiency and minimize energy consumption.

3.6 Decarbonization and reduction of emissions (Scope 2 & 3).

Fully environmentally friendly practices shall be adopted, and efficient, sustainable processes shall be integrated into business operations. The aim is to reduce any kind of harmful emissions (e.g., greenhouse gas emissions, noise emissions) and promote a low-carbon economy.

3.7 Reuse and recycling

Waste volumes in production processes are to be continuously reduced through improved waste prevention and recycling to establish a circular economy. This is achieved by promoting the reuse of products and materials, expanding recycling infrastructures, and introducing effective waste separation systems.

4 Ethical business conduct and compliance

4.1 Fair competition

The standards of fair business, fair advertising and fair competition shall be observed. The applicable antitrust laws shall be applied, which, in dealing with competitors, prohibit agreements and other activities that influence prices or conditions. Agreements between customers and suppliers that are intended to restrict customers' freedom to determine their own prices and other conditions for resale are prohibited.

4.2 Confidentiality and data protection

The supplier or service provider commits to meet the reasonable expectations of its client, suppliers, customers, consumers, and employees regarding the protection of private information. When collecting, storing, processing, transmitting, and disclosing personal information, the laws on data protection and information security and the official regulations must be followed.

4.3 Intellectual property

Intellectual property rights must be respected. Technology and know-how transfers must be carried out in such a way that intellectual property rights and customer information are protected.

4.4 Integrity, bribery, and avoidance of conflicts of interest

The highest standards of integrity shall be applied in all business activities. Any form of bribery, corruption, extortion, and embezzlement shall be strictly prohibited and prosecuted. Procedures shall be in place to monitor and enforce standards to ensure compliance with anti-corruption laws.

4.5 Whistleblowing and prohibition of retaliation.

The supplier or service provider shall have a whistleblowing mechanism, including a policy to protect those who use it. Employees and subcontractors shall be informed of their whistleblowing rights. Confidentiality of the identity of the whistleblower and third parties, must be ensured. Only authorized employees may have access to the whistleblowing messages.

In cases where our supply chain cannot establish an adequate reporting mechanism, supply chain employees and subcontractors should be made aware that complaints and whistleblowing can be reported at www.lcm.at/hinweis. LCM guarantees anonymity, as well as that no reprisals will be taken by LCM against whistleblowers.

4.6 Disclosure of information

Regular and timely disclosure of information is critical to the trust our stakeholders have in our organization. This transparency is a core principle of our governance, and we recognize the need to provide relevant and accurate information about our operations and to be fully informed about our workforce, occupational health and safety, environmental practices, business activities, financial condition and performance.

4.7 Financial Responsibility

We place a high priority on the accuracy and integrity of our reports and records. All transactions and events that have a financial impact are fully and accurately recorded. This includes, for example: Financial accounts, quality reports, time records, expense reports, and

submissions to clients or government agencies. Our financial responsibility is not limited to the accuracy of financial reporting, but also includes the efficient use of the company's resources. We recognize the responsibility we have to our stakeholders, employees, and the public at large and manage our capital with care and responsibility.

4.8 Plagiarism

To ensure the quality and authenticity of our products, we work to minimize the risks posed by the introduction of counterfeit and pirated materials. When such materials are discovered, they are isolated and the original equipment manufacturer (OEM) and/or law enforcement authorities, as appropriate, are notified. We also expect and confirm that our sales to non-OEM customers comply with national laws and that the products sold are used in accordance with the law. We have a zero-tolerance policy toward plagiarism and counterfeiting and will not support these practices in any way. Employees who have knowledge of possible plagiarism or counterfeiting are encouraged to report it immediately.

4.9 Export Controls and Economic Sanctions

Our Export Controls and Economic Sanctions Policy states that our company will comply with all applicable laws and regulations that restrict the export or re-export of goods, software, services, and technology. In addition, we accept trade restrictions imposed by international, national, or regional sanctions with certain countries, regions, companies, organizations and individuals.