

# **SUPPLIER CODE OF CONDUCT**

## **1. Introduction**

In an era where businesses play a crucial role as catalysts for change, Avit (Avit Group B.V., its subsidiaries and affiliates) is unwavering in its commitment to fostering responsible and ethical business practices. Our Supplier Code of Conduct (SCC) serves as a testament to our dedication to high standards of Corporate Social Responsibility, emphasizing principles of transparency, sustainability, and social responsibility.

This SCC outlines the expectations Avit holds for its Suppliers, encouraging a collaborative effort to shape a business environment that aligns with these standards.

The SCC defines minimum requirements that all Suppliers must comply with. Applicable laws that are more specific and contractual provisions with a higher standard will supersede these general minimum requirements.

## **2. Scope of Application**

In our pursuit of ethical business practices, we recognize that our Suppliers play a pivotal role in realizing our vision. All entities entering into contracts with Avit - be they corporations or individuals, suppliers, service providers, subcontractors, or consultants - are regarded as Suppliers.

## **3. Principles of Ethical Business Practices**

Suppliers must comply with the principles set forth in this SCC. In addition to complying with the SCC, Avit expects its Suppliers to comply with all applicable laws and regulations.

The provisions of this SCC are derived from and respect internationally recognized standards and frameworks. Suppliers commit to uphold the following:

- OECD Guidelines for Multinational Enterprises
- UN Guiding Principles on Business and Human Rights
- ILO Declaration on Fundamental Principles and Rights at Work
- ILO Fundamental Conventions
- UN Universal Declaration of Human Rights

### **3.1 Upholding Integrity in Business Transactions**

Integrity is the cornerstone of ethical business transactions. Avit maintains a zero-tolerance policy towards any form of bribery, corruption, or undue influence, and expects its Suppliers to do the same in all activities related to their engagement with Avit. Suppliers are expected to actively combat these malpractices, complying strictly with all applicable anti-bribery and anti-corruption laws and regulations.

Suppliers must refrain from any act that could be construed as an attempt to obtain or retain business

through improper means. In particular, Suppliers must not:

- Offer, promise, give, request, or accept any bribe or improper benefit, whether directly or through third parties, and whether involving public officials or private parties;
- Engage in or permit facilitation payments, regardless of local customs or expectations;
- Offer or accept gifts, hospitality, charitable donations, or sponsorships where these could reasonably be perceived as intending to influence a business decision or obtain an unfair advantage.

Suppliers must implement and maintain adequate internal procedures, controls, and training to prevent, detect, and address bribery and corruption risks. Accurate and complete books and records must be kept in accordance with applicable legal and regulatory requirements, and made available to competent authorities upon request.

### **3.2 Addressing Conflicts of Interest**

Conflicts of interest can undermine the foundation of ethical business. Suppliers are required to proactively identify and address conflicts that may compromise the best interests of Avit. Open communication is encouraged, and any potential conflicts must be promptly disclosed, allowing for transparent and ethical decision-making.

### **3.3 Compliance with Economic Sanctions Laws and Anti-Money Laundering Regulations**

Adherence to trade laws and anti-money laundering regulations is crucial to maintaining the integrity of business relationships. Suppliers must familiarize themselves with and comply with all applicable sanctions, export control laws, and anti-boycott regulations. A commitment to preventing any actions that may expose Avit to legal penalties is paramount.

### **3.4 Ensuring Fair Competition Practices**

Fair competition is the bedrock of a healthy business environment. Avit expects its Suppliers to operate within the bounds of anti-trust and competition laws in all countries where they conduct business. Emphasis is placed on fostering competition based on merit, ensuring a level playing field for all market participants.

### **3.5 Intellectual Property Rights and Confidentiality**

Intellectual property rights and confidential information are the lifeblood of innovation and competitiveness. Suppliers must not only respect but also actively enforce these rights, including those belonging to Avit. Measures to prevent unauthorized disclosure or use of confidential information are imperative, contributing to an environment that values and protects intellectual property.

### 3.6 Data Privacy and Security Measures

The protection of personal data and the security of information are of the utmost importance to Avit. Suppliers entrusted with processing personal data or handling sensitive business information must comply with all applicable data protection and cybersecurity laws, including the General Data Protection Regulation (GDPR) and the EU NIS2 Directive. Suppliers must implement robust technical and organizational measures to safeguard such data and prevent unauthorized access, disclosure, or destruction.

In the event of a potential or actual data breach or security incident, including those within the scope of NIS2, Suppliers processing personal data or providing essential services to Avit must inform Avit as soon as possible, and in any case not later than 24 hours after becoming aware of the incident. Initial notifications should be made by phone at **+31880321018** and, in addition, by email to [cert.avit@avitgroup.com](mailto:cert.avit@avitgroup.com) and, in the case of personal data breaches, also to [privacy@avitgroup.com](mailto:privacy@avitgroup.com).

Suppliers must take all reasonable steps, as defined jointly with Avit, to mitigate the impact of the incident, protect affected data, and prevent recurrence.

### 3.7 Environmental Stewardship

In the face of global environmental challenges, Avit is committed to working with Suppliers who not only comply with applicable environmental laws and regulations, but who also actively seek opportunities to reduce their environmental impact and contribute to a more sustainable future.

Suppliers are required to obtain and maintain all necessary environmental permits, approvals, and registrations, and to comply with all related operational and reporting obligations.

Beyond legal compliance, Avit encourages Suppliers to identify and minimize adverse environmental effects across their operations. This includes efforts to reduce emissions and discharges, conserve natural resources such as water, energy, and raw materials, and prevent pollution at the source. Suppliers are invited to explore practices such as process optimization, material substitution, reuse, and recycling.

The safe handling, storage, and disposal of hazardous substances is essential. Suppliers are expected to manage such materials responsibly and in accordance with applicable regulations. Similarly, solid waste should be reduced and disposed of in a manner that minimizes environmental harm.

Avit encourages Suppliers to implement water management practices that monitor usage, prevent contamination, and ensure proper treatment of wastewater. Suppliers are encouraged to improve energy efficiency and reduce greenhouse gas emissions, including tracking Scope 1, 2, and relevant Scope 3 emissions where feasible.

Avit values collaboration and innovation. We welcome

Suppliers who are committed to continuous improvement, who set measurable environmental goals, and who contribute to the transition toward a low-carbon, circular economy.

### 3.8 Promoting Human Rights and Labor Conditions

Suppliers commit to respect the human rights of workers, and to treat them with dignity. This applies to direct and indirect suppliers, as well as all workers including temporary, migrant, student, contract, direct employees, and any other type of worker. The labor and human rights standards are as follows:

- *Freedom of Association and Right to Collective Bargaining:* Support for workers' right to form or join trade unions and other organizations. Where these rights are restricted by law, Suppliers must enable alternative forms of worker representation. Workers must be able to communicate openly with management without fear of retaliation;
- *Working Hours and Compensation:* Full compliance with applicable laws relating to working hours, wages, and benefits. Overtime must be voluntary and compensated at a premium rate. Workers must receive at least one day off every seven days;
- *Equal Treatment:* Ensure compliance with paying fair and legal wages to all employees. Suppliers are encouraged to work towards paying a living wage that covers basic needs and provides discretionary income;
- *Support to Diversity and Inclusion:* Promotion of diversity and inclusion in all workplaces. Particular attention must be given to the inclusion of vulnerable groups, such as migrant workers, persons with disabilities, and women;
- *Protection of Privacy:* Commitment to the right of privacy and freedom of expression, with measures in place to protect employee personal data. Suppliers must ensure that no worker is subjected to medical tests, including pregnancy or virginity tests, that could be used in a discriminatory way;
- *Prohibition of Discrimination and Harassment:* Prohibition of all forms of discrimination and harassment against employees based on, but not limited to, personal characteristics such as race, color, religion, gender, age, political opinion, national origin, social origin, pregnancy and maternity, disability, medical condition, marital status and sexual orientation;
- *Prohibition of Child Labor:* Prohibition of employment and exploitation of children under the age defined in ILO Convention number 138, or under the legal minimum age for employment in the relevant country, whichever is higher. Young workers (under 18) must not perform hazardous work or night shifts. Their working hours must not interfere with education or training;
- *Prohibition of Forced Labor, Human Trafficking, and Freedom of Movement:* Strict prohibition of forced or compulsory labor, ensuring all work is conducted on a voluntary basis. Workers must not be required to pay recruitment fees. Identity documents must not be withheld. Employment contracts must be provided in a language the worker understands, prior to departure for migrant workers.

### **3.9 Ensuring Workplace Safety**

Suppliers must operate in accordance with international standards and local laws. Suppliers must provide their employees, contractors, partners or others who may be affected by Supplier's activities with a safe and healthy working environment and ensure correct use of its products. Suppliers are encouraged to implement a Health & Safety Management System based on international standards such as ISO 45001 or similar.

### **3.10 Conflict minerals**

Suppliers must ensure that the materials used in the manufacturing process of products are conflict-free and do not contribute to any ongoing conflict-affected and high-risk countries as defined by the OECD Due Diligence Guidance for Responsible Supply Chain of Minerals as follows:

- Suppliers must ensure that materials used in the manufacturing process are conflict-free and do not come from countries with ongoing conflicts. They should check where their minerals come from and participate in established programs like the "RMI - Conflict-Free Smelter Program". They must also follow recognized standards such as the OECD guidelines for supply chain due diligence;
- Suppliers must make available to Avit – upon written request – all documentation and supporting evidence that demonstrate Supplier's due diligence measures on minerals and metals.

### **3.11 Responsible Business Conduct and OECD Due Diligence Expectations**

Avit expects all Suppliers to conduct their business in accordance with the OECD Guidelines for Multinational Enterprises. These internationally recognized guidelines provide a comprehensive framework for responsible business conduct, covering areas such as human rights, labor rights, environmental protection, anti-corruption, and supply chain due diligence.

Suppliers are expected to embed these principles into their operations and supply chain management. This includes identifying and assessing potential and actual adverse impacts on people and the environment, taking appropriate measures to prevent or mitigate those impacts, and being transparent about their efforts. Suppliers should also engage with stakeholders, provide access to remedy where harm has occurred, and continuously monitor and improve their due diligence processes.

Avit encourages Suppliers to align their internal policies and procedures with the OECD Due Diligence Guidance and to demonstrate a proactive approach to managing risks in their own operations as well as in their upstream and downstream value chains. This commitment is essential to ensure ethical, sustainable, and legally compliant business practices throughout the supply chain.

## **4. Principles of Quality**

Suppliers are expected to deliver products and services that meet agreed specifications, applicable quality standards, and relevant legal requirements. Suppliers must apply appropriate quality assurance processes to ensure reliability, continuity, and ongoing improvement. In doing so, Suppliers support Avit's commitment to responsible, compliant, and professional operations.

## **5. Customer Complaints and Feedback**

Suppliers must have established mechanisms for customers and other stakeholders to submit complaints. Additionally, Suppliers must ensure that these complaints are addressed and that feedback is provided efficiently and respectfully.

## **6. Audit and inspection**

To verify Suppliers' compliance, Avit reserves the right to audit Suppliers and inspect Suppliers' operations and facilities, upon reasonable notice, with Suppliers' consent. Such consent must not be unreasonably withheld. If the results of such an audit or inspection show that a Supplier does not comply with this SCC, this Supplier must take necessary corrective actions in a timely manner as directed by Avit.

## **7. Reporting and taking appropriate action**

Timely reporting of SCC breaches is crucial for swift and effective action. Suppliers must promptly notify Avit in writing of any identified risks to and violations of this SCC via [legal@avitgroup.com](mailto:legal@avitgroup.com). Suppliers must take appropriate corrective actions to prevent, end or mitigate the risk or violation.

## **8. Consequences of non-compliance**

If a Supplier fails to comply with this SCC, or fails to take necessary corrective actions to remedy violations of this SCC within a reasonable timeframe, Avit reserves the right to take action against such Supplier, including suspending or terminating the business relationship.

## **9. Conclusion**

This SCC exemplifies Avit's unwavering commitment to ethical, responsible, and sustainable business practices. Adhering to these comprehensive guidelines is not only a legal requirement but also a testament to our shared dedication to shaping a business environment that prioritizes transparency, integrity, and social responsibility.