

# Supplier Code of Conduct





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## Preface

### Dear Ladies and Gentlemen,

As an internationally operating company, ENERCON's economic success is linked to a great responsibility towards people, society and the environment. Our suppliers and business partners make a significant contribution to our success - which is why we share a responsibility. Acting as a responsible company, our aim is to work with suppliers who are aware of and committed to their social, societal and environmental responsibilities.

With this Supplier Code of Conduct, we communicate the minimum requirements we expect from our suppliers in terms of environmentally, ethically and socially responsible business practices. We require our suppliers to commit to the requirements of this Code of Conduct and to act accordingly.

At the same time, we expect our suppliers to transfer these or comparable requirements to their business partners in the supply chain. Together we can achieve the goal of a sustainable supply chain!

As a valued supplier to ENERCON, we count on your commitment and support to continuously implement and promote responsible business practices. We also encourage you to go beyond compliance and strive for higher sustainability standards.

Yours sincerely

**Management Board of UEE Holding SE & Co. KG**



# 1

## Introduction

The Supplier Code of Conduct sets out the minimum requirements of UEE Holding SE & Co. KG and its subsidiaries (hereinafter referred to as „ENERCON“) to our suppliers regarding the fulfilment of their responsibilities towards ENERCON, its stakeholders (especially its employees), society and the environment.

ENERCON expects its suppliers to agree to the principles in this Supplier Code of Conduct. These are part of ENERCON's supplier selection and evaluation process. Furthermore, we expect our suppliers to implement these standards downstream in the supply chain.

We do not tolerate any deviations from the principles of this Supplier Code of Conduct, follow up on violations and draw appropriate consequences if necessary.

The Supplier Code of Conduct was developed based on the United Nations Guiding Principles for Business and Human Rights, the Ten Principles of the United Nations Global Compact, the Organisation for Economic Co-operation and Development (OECD) Guidelines for Multinational Enterprises, the United Nations Declaration of Human Rights and the WindEurope Principles for Sustainable Supply Chains.

For better readability, the masculine form is used when referring to persons and personal nouns. Corresponding terms apply in principle to all genders for the purpose of equal treatment. The abbreviated form of language is for editorial reasons only and does not imply any valuation.

The Supplier Code of Conduct applies to all suppliers of goods and services to ENERCON worldwide.

# Integrity

As a globally active company, we are committed to open markets and fair competition and face up to our social responsibility. Compliance with applicable laws and regulations is a matter of course for us. Our corporate principle is:

*“We comply with applicable laws at the local, national and international level!”*

We also place this expectation on our suppliers.



## Compliance with all laws, rules and official regulations

ENERCON expects its suppliers to comply with all applicable laws, rules and official regulations. Our suppliers are obliged not to tolerate, permit and / or carry out any form of illegal or unethical actions.



## Corruption

ENERCON expects its suppliers to prohibit bribery or corruption in any form, including bribes, kickbacks and other improper influence on decision-makers, whether directed at government officials or others.

Our suppliers must not offer, promise or give any benefit to obtain preferential treatment. Such improper gratuities may consist of money, in-kind services, pleasure trips, services or other benefits.



## Conflicts of interest

ENERCON expects its suppliers to avoid all conflicts of interest that (could) have a negative impact on business decisions relating to ENERCON.

Suppliers who are affected by a potential or actual conflict of interest in their activities relating to ENERCON are obliged to disclose and resolve it immediately to ENERCON.



## Fair competition

ENERCON is fully committed to the principles of market economy and fair competition. This includes the applicable antitrust and trade laws and the corresponding laws on price maintenance and competition. We also expect this from our suppliers.

In particular, agreements with competitors that have the purpose or effect of preventing or restricting competition, for example agreements on prices, offers, production or sales quotas, as well as agreements on the division of customers, territories or markets, are prohibited.

Not only formal agreements are prohibited, but also concerted practices, such as informal discussions or informal gentlemen's agreements. Even the mere appearance of a violation must be avoided.



## Money laundering and terrorist financing

ENERCON expects its suppliers to ensure that ENERCON cannot be misused for money laundering or other illegal purposes. Money laundering is the term used to describe financial or economic transactions by which illegally acquired, liquid funds are channelled into the legal financial system. Our suppliers shall, in particular, inform themselves sufficiently about the business environment of the contractual partner, the contractual partner itself and the purpose of the intended business transaction prior to a major business transaction.

ENERCON expects its suppliers to sufficiently verify the identity of potential customers, business partners and other third parties and to take comprehensive measures to ensure the transparency of business relationships.



## Embargo and trade control regulations

ENERCON expects its suppliers to comply with national and international laws or embargoes that restrict or prohibit the import, export or domestic trade of goods, technologies or services, the handling of certain products and payment transactions. Our suppliers must observe the relevant control conditions. In particular, it must be checked whether an official permit is required and, if necessary, this must be obtained in good time.

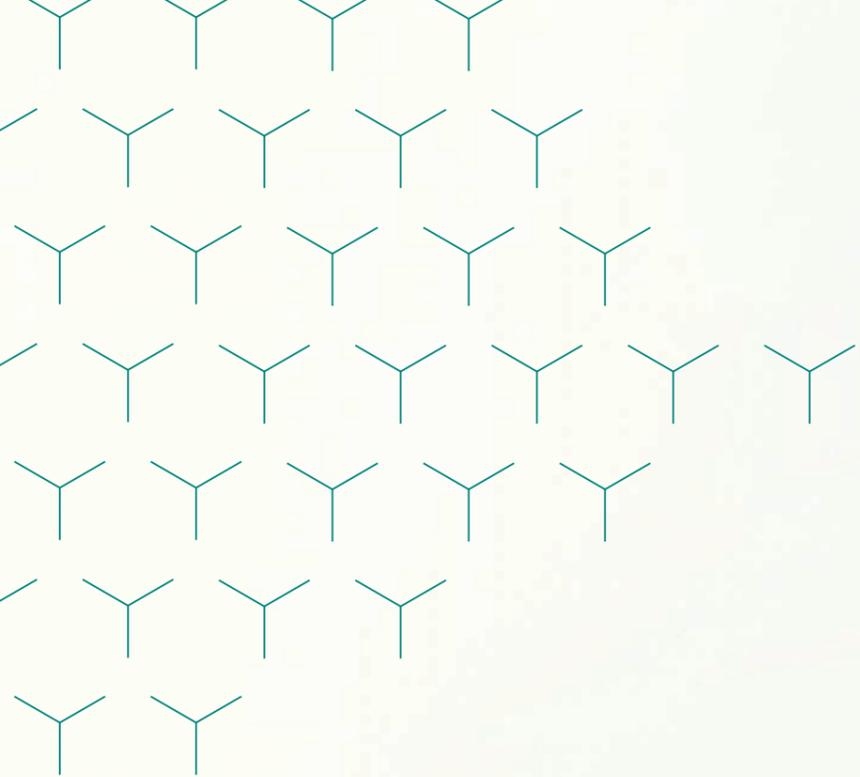


## ENERCON corporate property, confidentiality and data protection

ENERCON expects its suppliers to handle ENERCON facilities and property with care and responsibility. Every supplier of ENERCON is obliged to protect ENERCON's corporate assets. The company assets may only be used for permissible business purposes and under no circumstances for illegal purposes.

Our suppliers are obliged to ensure that any confidential business information, trade secrets or intellectual property related to ENERCON's business activities are kept strictly confidential and protected from unauthorised disclosure and access by third parties both within and outside the business relationship with ENERCON.

Furthermore, our suppliers are obliged to comply with all applicable laws, regulations or official rules on data protection.



### 3

## Labour and human rights / dealing with people

**ENERCON is committed to respecting human rights and providing good and safe working conditions. The Ten Principles of the United Nations Global Compact are binding for us. ENERCON expects its suppliers to respect human and labour rights and to treat their employees fairly and with respect.**

### Prohibition of child labour

ENERCON rejects child labour. All forms of child labour (in accordance with the principles of the United Nations Global Compact and the standards of the International Labour Organisation<sup>1</sup>) are prohibited at our suppliers.

### Discrimination and harassment

ENERCON is committed to fair, respectful and equal treatment of all employees, regardless of gender, age, origin, religion, sexual orientation, disability or marital status. We also expect this from our suppliers. This applies from recruitment, promotion and remuneration to termination. Discrimination and harassment in the workplace will not be tolerated in any form.

### Forced labour and modern slavery

ENERCON expects its suppliers to reject any form of forced labour. This includes any work that is required of a person against their will or under threat of punishment. Our suppliers are obliged to comply with Convention No. 105 of the International Labour Organisation (ILO).

ENERCON recommends its suppliers to create an inclusive and supportive working environment and to pay attention to diversity when selecting their employees or business partners.

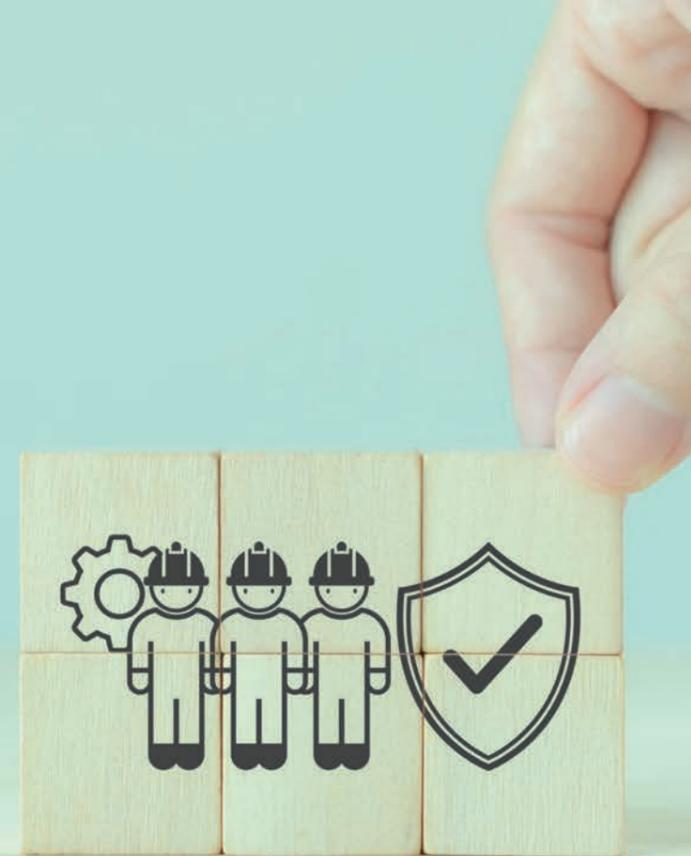
Furthermore, ENERCON expects its suppliers not to tolerate or profit from modern forms of slavery and human trafficking. Our suppliers are obliged to provide their employees with a comprehensible and legally binding employment contract.

### Working hours, wages and other benefits

ENERCON expects its suppliers to comply with the applicable regulations on working hours. Furthermore, it is expected that the suppliers' employees receive fair remuneration that is in line with applicable laws and ensures a reasonable standard of living. We expect our suppliers to pay their employees on time. Wage reductions as disciplinary measures shall only be permissible in accordance with applicable national law; this is without prejudice to a possible claim for damages on a contractual or legal basis.

ENERCON recommends that its suppliers provide their employees with appropriate training and development opportunities.

<sup>1</sup> Minimum Age Convention, 1973 (No. 138); Worst Forms of Child Labour Convention, 1999 (No. 182).



### Freedom of association

ENERCON expects its suppliers to maintain open and constructive communication with their employees and employee representatives. In accordance with local laws, suppliers shall respect the right of employees to associate freely, join trade unions, appoint employee representation, form a works council and engage in collective bargaining. Our suppliers undertake not to discriminate against employees who exercise this right.

### Use of security personnel

ENERCON expects its suppliers to ensure that security personnel operating on the suppliers' premises act in accordance with generally accepted human rights standards, including the Basic Principles on the Use of Force.

### Disciplinary measures

ENERCON expects its suppliers to educate their employees regarding possible disciplinary measures in case of compliance violations. Wage reductions as disciplinary measures shall only be permissible in accordance with the applicable national law; this does not affect a possible claim for damages on a contractual or legal basis.

### Occupational safety and health protection

ENERCON expects its suppliers to adequately protect their employees from chemical, biological or physical hazards. Physically demanding activities and conditions in the workplace, as well as risks arising from the use of the infrastructure available in the workplace, must be managed

in such a way that employees are protected from hazards. This applies in particular to work with hazardous materials as well as fire protection.

Our suppliers must provide adequate controls, appropriate training, safe work procedures, adequate maintenance and the necessary technical protective measures to reduce health and safety risks in the workplace and to prevent accidents and occupational illnesses.

ENERCON expects its suppliers to replace all substances used that pose a risk to health and the environment with less hazardous products wherever possible. Activities requiring the use of substances with a particularly high risk potential (SVHC) shall be considered on a case-by-case basis and monitored separately.

Furthermore, ENERCON expects its suppliers to provide their employees with suitable protective equipment. Safety information on identified risks in the workplace or hazardous substances - including components in the intermediate products - must be made available to employees for training and protection.

The minimum requirements for a safe and healthy working environment, as defined by the International Labour Organisation Conventions, include the provision of drinking water, adequate lighting, appropriate room temperature, good ventilation, sanitary facilities and, where appropriate, safe and healthy company accommodation.

### Minerals from conflict and high-risk areas

ENERCON expects its suppliers to take appropriate measures to ensure that no products are supplied to ENERCON that contain minerals whose raw materials or derivatives originate from a conflict or high-risk region where they directly or indirectly contribute to the financing or support of armed groups or cause or justify human rights violations.

ENERCON recommends that its suppliers comply with the OECD Due Diligence Guide to Promote Responsible Supply Chains for Minerals from Conflict and High-Risk Areas<sup>2</sup>.

Our suppliers are required to continuously work on transparency in the upstream supply chain. Upon request, information on smelters and refineries used by suppliers or sub-suppliers must be provided to ENERCON.

### Local communities

ENERCON expects its suppliers to take responsibility for the communities (especially indigenous and tribal) in which they operate by addressing concerns of local residents and providing healthy and safe living conditions.

ENERCON recommends that its suppliers create jobs, provide education and training opportunities, and develop infrastructure at the local level.

### Unlawful eviction and deprivation of livelihoods

ENERCON expects its suppliers to comply with the prohibition of unlawful eviction and unlawful taking of land, forests and waters, the use of which secures a person's livelihood, when acquiring, building on or otherwise using them.

<sup>2</sup> According to the EU Conflict Minerals Regulation (EU 2017/821), conflict minerals include tin, tantalum, tungsten and their ores, as well as gold.

# 4

## Environment and sustainability

**ENERCON is committed to protecting the environment and actively lives an environmental management system. Sustainable environmental and climate protection as well as resource efficiency are important corporate goals for us. We also place this expectation on our suppliers. Environmental laws and regulations must be complied with by our suppliers in all countries.**

### Climate protection & protection of natural resources

ENERCON expects its suppliers to use natural resources (e.g. water, energy sources, raw materials) efficiently. Furthermore, ENERCON expects its suppliers to take appropriate measures (e.g. development and use of environmentally friendly technologies and products, use of renewable resources) to adapt to and mitigate climate change. In order to conserve natural resources, our suppliers shall support the application of generally accepted sustainability standards and certifications.

ENERCON expects its suppliers to define environmental targets and to monitor and improve environmental indicators of products and services, especially with regard to the reduction of greenhouse gas emissions along the supply chain. Upon request, suppliers must provide ENERCON with information regarding environmental indicators such as material, energy and water consumption, and CO<sub>2</sub> emissions (classification in Scope 1, 2 and 3 according to the Greenhouse Gas Protocol).

Negative impacts on the environment (e.g. biodiversity, environmental media) caused by the suppliers themselves or within the supply chain are to be minimised at the point of origin, prevented and compensated for through compensatory measures. In particular, this includes harmful soil changes, water pollution, air pollution, noise emissions or excessive water consumption, which significantly impair the natural basis for the preservation and production of food, deny people access to safe drinking water, impede or destroy people's access to sanitary facilities or damage people's health.

ENERCON recommends that its suppliers design their practices in line with the principles of the circular economy, including material reduction and substitution, as well as return, shared use, maintenance, reuse, remarketing, remanufacturing and recycling.

### Waste and emissions

ENERCON expects its suppliers to ensure safety and compliance in the handling, storage, transport, disposal, recycling and reuse of waste, exhaust and effluents. Activities that may have a negative impact on human health or the environment must be adequately managed, measured and controlled. The release of hazardous substances must be prevented and minimised. Our suppliers must prevent or minimise accidental spills and fugitive emissions of hazardous substances.

The regulations of the Stockholm Convention of 2001 (POPs Convention) on the non-environmentally sound handling, collection, storage and disposal of waste, as well as the Basel Convention on the Control of Transboundary Exports and Imports of Hazardous Wastes, must be bindingly observed by our suppliers.

### Mercury and persistent pollutants

ENERCON expects its suppliers to comply with the Minamata Convention of 2013 on the production, use and treatment of mercury and the Stockholm Convention of 2001 (POPs Convention) on the use of persistent pollutants.

The use of substances and materials that are hazardous to the environment and health shall be avoided.

In accordance with the legal requirements in the respective markets, suppliers are obliged to register, label, declare and have approved the substances and materials, and to comply with existing substance restrictions and bans.



## 5 Governance and management systems

### Risk management and controls

ENERCON expects its suppliers to implement appropriate tools to regularly identify, assess and manage risks in all areas covered by this Supplier Code of Conduct and with reference to all applicable legal requirements. This includes, in particular, the identification and assessment of risks related to human and labour rights, the environment and sustainability, and integrity. Based on the risk analysis, measures to avoid or manage the risks are to be derived.

### Continuous improvement

ENERCON expects its suppliers to continuously improve, e.g. by setting performance targets, fulfilling implementation plans and initiating necessary corrective and preventive actions for deficiencies identified through internal and / or external assessments, inspections and management reviews.

### Documentation

ENERCON expects its suppliers to provide the necessary documentation to demonstrate compliance with the principles of the Supplier Code of Conduct and with all applicable regulations and guidelines.

### Complaint channels and remedial action

ENERCON expects its suppliers to promote and establish communication channels for their employees to file complaints or report possible unlawful conduct without fear of repression, intimidation or harassment. Any communication must be treated confidentially.

Our suppliers must investigate and, if necessary, take remedial action based on the communications. Our suppliers are obliged to inform ENERCON of any legal action, administrative investigation or criminal prosecution that could affect their activities for ENERCON or damage their own or ENERCON's reputation.

If at any time a supplier or one of its employees believes that an ENERCON employee has violated these principles, the supplier or its employee should report its concerns, anonymously if desired, to ENERCON. The e-mail address [compliance@enercon.de](mailto:compliance@enercon.de), the digital whistleblowing system ([enercon.integrityline.com](http://enercon.integrityline.com)) and the ombudsman are available for this purpose:

#### Ombudsman:

**Dr Tobias Rudolph**

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# Glossary

The glossary explains or defines selected terms or concepts used in this ENERCON Supplier Code of Conduct.

## **Conflict minerals:**

Conflict minerals, as currently defined, include the metals tantalum, tin and tungsten, which are derivatives of the minerals cassiterite, columbite-tantalite and wolframite, and gold. They are also referred to as „3TG“.

## **Employees:**

By employees, ENERCON means all personnel employed by or engaged by a supplier.

## **Forced labour:**

Involuntary work or service performed under threat of punishment.

## **Human trafficking:**

Human trafficking includes the recruitment, harbouring or transportation of people for the purpose of exploitation through the use of force, deception or coercion and the forcing of these people to work involuntarily.

## **International Labour Organization (ILO):**

The ILO is a UN agency that brings together governments, employers and workers of UN member states to set labour standards, develop guidelines and design programmes that advocate decent working conditions for all employees.

## **Modern slavery:**

The term modern slavery serves as an umbrella term for various practices in which a person is under the control of another person for the purpose of economic exploitation, who uses means of violence and power to maintain this control. This includes, for example, forced labour, debt bondage, forced prostitution, forced marriage and human trafficking.

## **Organisation for Economic Co-operation and Development (OECD):**

The OECD is an international organisation whose goal is better policies for a better life - that is, policies to ensure prosperity, justice, opportunity and quality of life for all.

## **Suppliers:**

Suppliers are all third parties who supply goods and services to ENERCON, as well as the agents or subcontractors of these third parties.

## **United Nations Global Compact:**

A voluntary initiative led by the United Nations (UN) based on the commitment of CEOs to apply universal sustainability principles (also known as „The Ten Principles of the UN Global Compact“) and to support UN goals such as the Sustainable Development Goals through their own actions.

# References

## **United Nations Guiding Principles on Business and Human Rights; further information:**

<https://www.business-humanrights.org/en/big-issues/un-guiding-principles-on-business-human-rights/>

## **Ten Principles of the United Nations Global Compact; further information:**

<https://www.unglobalcompact.org/what-is-gc/mission/principles>

## **Declaration of the International Labour Organization on Fundamental Principles and Rights at Work; further information:**

<https://www.ilo.org/global/lang--en/index.htm>

## **OECD Guidelines for Multinational Enterprises; further information:**

<https://www.oecd.org/investment/mne/>

## **United Nations Declaration of Human Rights; further information:**

<https://www.un.org/en/about-us/universal-declaration-of-human-rights>

## **WindEurope Principles for Sustainable Supply Chains; further information:**

<https://windeurope.org/policy/position-papers/industry-principles-for-supply-chain-sustainability/>

## **OECD Due Diligence Guidance to Promote Responsible Supply Chains for Minerals from Conflict and High-Risk Areas; further information:**

<https://www.oecd.org/corporate/mne/mining.htm>

## **Basic Principles on the Use of Force and Firearms by Law Enforcement Officials; further information:**

<https://www.ohchr.org/en/instruments-mechanisms/instruments/basic-principles-use-force-and-firearms-law-enforcement>

## **Greenhouse Gas Protocol; further information:**

<https://ghgprotocol.org/>

## **Stockholm Convention on Persistent Organic Pollutants; further information:**

<https://www.unep.org/explore-topics/chemicals-waste/what-we-do/persistent-organic-pollutants-pops>

## **Basel Convention on the Control of Transboundary Movements of Hazardous Wastes; further information:**

<https://www.unep.org/resources/report/basel-convention-control-transboundary-movements-hazardous-wastes>

## **Minamata Convention on Mercury; further information:**

<https://www.unep.org/resources/report/minamata-convention-mercury>

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