

SUPPLIER CODE OF CONDUCT

Issue: June, 2023

Scope:

Applicable to suppliers of 3A Composites Core Materials that deliver:

- Supplies with annual invoicing equal to or greater than \$250,000 USD
- Supplies that are considered to be critical
- Supplies that are raw materials directly used in the products manufactured by 3A Composites Core Materials
- Products that are traded goods by 3A Composites Core Materials

Legal Entities Covered:

- **Airex AG**, Sins, CH
- **Airex Poland Sp. z o.o.**, Nowogard, Poland
- **Airex Composites Ltd. China**, Changzhou, China
- **3A Composites (China) Ltd.**, Shanghai, China
- **Baltek Inc.**, High Point, NC – United States of America
- **Plantaciones de Balsa Plantabal S.A**, Guayaquil, Ecuador
- **3A Composites PNG Ltd.** , Kokopo, ENB, Papua New Guinea

Dear supplier,

3A Composites Core Materials is aware of their social responsibility. All those involved in the procurement process as intermediaries between their own company and suppliers in each of the supply markets bear a particular responsibility towards their own company, towards customers and suppliers. This responsibility is to be found back in several principles:

- **Labor & Human rights**
- **Health and safety**
- **Environment**
- **Business ethics**
- **Sustainable procurement (upstream for suppliers)**

The principles spelled out in this Code of Conduct are grounded in the basic principles of the 17 UN Sustainable Development Goals (SDGs).

We expect our suppliers to counter-sign this Supplier Code of Conduct and return back to your regular 3AC contact person.

1. Labor, Human rights and working conditions

We require our suppliers to maintain and protect human rights:

Child Labor and Young Workers:

Suppliers shall not use child labor or young workers under the legal minimum age requirement. Suppliers shall also ensure that all workers under the age of 18 are not subjected to hazardous work conditions and are provided with access to education and training opportunities.

Wages and Benefits:

Suppliers shall pay workers fair wages and benefits that meet or exceed the local legal minimum requirements. Workers shall be provided with clear information regarding their wages and benefits and shall be paid on time.

Working Hours:

Suppliers shall ensure that working hours comply with local laws and regulations, including overtime limits. Workers shall not be required to work excessive hours or to work more than six days per week.

Modern Slavery:

Suppliers shall not engage in any form of slavery, servitude, forced or compulsory labor or human trafficking. Workers shall have the right to freely choose their employment and to leave their employment without penalty or restriction.

Ethical Recruiting:

Suppliers shall use ethical and transparent recruitment processes that comply with all local laws and regulations. Workers shall not be required to pay any recruitment fees or related expenses.

Freedom of Association and Collective Bargaining:

Suppliers shall respect workers' right to freedom of association and collective bargaining. Workers shall have the right to form and join labor unions and to engage in collective bargaining.

Non-discrimination and Harassment:

Suppliers shall not discriminate against workers based on their race, gender, religion, age, disability, or any other characteristic protected by law. Workers shall be provided with a work environment free from harassment and violence.

Women's Rights:

Suppliers shall provide equal opportunities for women in all aspects of employment, including recruitment, hiring, training, promotion, and benefits. Suppliers shall also ensure that women workers are not subjected to discrimination or harassment.

Diversity, Equity, and Inclusion:

Suppliers shall respect and promote diversity, equity, and inclusion in the workplace. Suppliers shall provide equal opportunities to all workers regardless of their race, ethnicity, gender, religion, or sexual orientation.

Rights of Minorities and Indigenous Peoples:

Suppliers shall respect the rights of minorities and indigenous peoples and shall not engage in any practices that may infringe upon their cultural or social rights.

Land, Forest, and Water Rights and Forced Eviction:

Suppliers shall respect the rights of local communities and indigenous peoples in relation to land, forest, and water rights. Suppliers shall not engage in forced eviction or any other practices that may violate the rights of local communities.

Use of Private or Public Security Forces:

Suppliers shall not use private or public security forces to intimidate or harm workers or local communities. Suppliers shall ensure that security forces are trained in human rights and respect the rights of workers and local communities.

2. Health and safety

Health and Safety: Suppliers shall ensure that working conditions are safe and healthy and comply with all applicable laws and regulations. Suppliers shall provide workers with appropriate protective equipment (PPE), training, and access to medical care.

3. Business Ethics

Suppliers shall conduct their business activities in an ethical and transparent manner:

Anti-corruption and anti-money laundering laws:

Suppliers shall not engage in or tolerate any form of corruption, extortion, embezzlement or bribery and shall comply with all applicable anti-corruption and anti-bribery regulations, also including the UN Global Compact's principle 10 (Anti-corruption). Supplier will not offer or accept any benefits or other unlawful incentives to obtain any undue or improper advantage. Supplier shall conduct its business in accordance with all applicable anti-money-laundering regulations.

Data Protection and Data Security:

Suppliers shall ensure that all data and information related to their business activities and workers are protected and secure and comply with all applicable data protection laws.

Financial Responsibility:

Suppliers shall maintain accurate financial records and comply with all applicable laws and regulations related to financial reporting and accounting.

Disclosure of Information:

Suppliers shall provide clear and transparent information regarding their business activities, including their supply chain practices and sustainability performance.

Fair competition and anti-trust:

Suppliers must comply with all relevant anti-trust and competition laws, including those related to price fixing, market allocation, and monopolies.

Conflicts of interest:

Suppliers must disclose any potential conflicts of interest, including relationships with other companies that may compete with the products or services provided to us.

Counterfeit parts:

Suppliers must not provide counterfeit parts or materials that violate any intellectual property rights or are subject to trade restrictions.

Intellectual property:

Suppliers must respect the intellectual property rights of others and ensure that all products and services provided to us do not infringe on any patents, trademarks, or copyrights.

Export controls and economic sanctions:

Suppliers must comply with all applicable export controls and economic sanctions, including those related to countries, organizations, or individuals subject to trade restrictions.

Whistleblowing and protection against retaliation:

Suppliers must have a mechanism for reporting any violations of this Code of Conduct or other ethical concerns and ensure that whistleblowers are protected from retaliation.

4. Environment

As part of our commitment to sustainability, we are implementing the following environmental expectations for our suppliers:

GHG emissions reporting:

We expect our suppliers to measure and report their greenhouse gas emissions and set targets for reducing their emissions over time.

Energy efficiency:

We expect our suppliers to prioritize energy efficiency in their operations and implement measures to reduce energy consumption.

Renewable energy:

We encourage our suppliers to use renewable energy sources and implement renewable energy projects wherever possible.

Decarbonization:

We expect our suppliers to work towards reducing their carbon footprint, and to set targets for carbon reduction.

Water quality, consumption & management:

We expect our suppliers to implement measures to protect and conserve water resources, and to manage water consumption responsibly.

Air quality:

We expect our suppliers to minimize their impact on air quality, and to implement measures to reduce air pollution.

Responsible chemical management:

We expect our suppliers to use chemicals responsibly and to implement measures to reduce chemical use and minimize chemical waste.

Sustainable resources management:

We expect our suppliers to manage natural resources responsibly and to prioritize sustainable sourcing wherever possible.

Waste reduction:

We expect our suppliers to minimize waste generation and to implement measures to reduce, reuse and recycle waste.

Animal welfare:

We expect our suppliers to uphold animal welfare standards and to ensure that animal products are sourced from responsible and ethical sources.

Biodiversity, land use and deforestation:

We expect our suppliers to prioritize biodiversity conservation and responsible land use practices, and to avoid contributing to deforestation.

Soil quality:

We expect our suppliers to implement measures to protect soil quality and prevent soil erosion.

Hazardous Chemicals, restricted substances:

We expect our suppliers to issue regular declarations regarding the use of chemical substances listed in the following lists:

- REACH restricted substances list (REACH Annex XVII) in its latest release
- REACH candidate list of Substances of Very High Concern (SVCH) issued by ECHA in its latest release
- Conflict Minerals list

Failure to report may be considered as a motivation to terminate the relationship with the supplier.

Noise emissions:

We expect our suppliers to minimize noise emissions and implement measures to reduce noise pollution.

5. Cascading in the upstream supplier management

We expect our suppliers to enforce sustainability requirements throughout their entire supply chain by:

- Defining and implementing similar standards towards their own tier-1 suppliers.
- Establishing binding requirements towards tier-1 suppliers to pass on standards along the supply chain.

6. Applicability:

All suppliers covered in the scope of this Code of Conduct must sign this document as a pre-requisite to deliver supplies to any legal entity adhered to 3A Composites Core Materials whether new or existing. This Code of Conduct defines minimum, non-negotiable standards that our suppliers must adhere to, regardless of where they produce the materials or provide the services. The Code does not prevent suppliers from exceeding these standards.

3ACM acknowledges suppliers may require time to implement the requirements in this code. We expect suppliers to inform accordingly their corrective action plans to fulfill this Code of Conduct

3ACM authorized officials may request to perform audits in order to assess compliance of this Code of Conduct.

Failure to comply with these requirements may result in termination of our business relationship.



Eric Gauthier
CEO
3A Composites Core Materials



Juan E. Matheus
Division ESG Coordinator
3A Composites Core Materials

Supplier:
Date: