

# BALLUFF SUPPLIER CODE OF CONDUCT

BALLUFF GROUP

## With high standards and personal commitment:

### DOING COMPLIANCE, THE BALLUFF WAY

Balluff (“We”, or “Us”) is a medium-sized company that has been family-run for four generations, was founded in Neuhausen auf den Fildern near Stuttgart, and now has grown into a cosmopolitan, leading global player. We are a sensor and automation specialist with tradition and long-standing customer relationships, which at the same time is an important innovation partner for its customers.

Our distinctive edge lies in the seamless integration of agile and innovative collaboration, dedicated to delivering unparalleled service to our clients. What truly distinguishes us is our unwavering commitment to upholding the highest standards of ethical and legal conduct. These core values function as an unwavering compass, intricately woven into the fabric of our organization, directing every decision and action with precision and integrity.

Being a dedicated signatory to the ZVEI-VDMA Code of Conduct, an industry-standard benchmark, we have diligently outlined and transparently communicated the fundamental principles that underpin all our endeavors. Going above and beyond, our internal Balluff Compliance Policy complements the Code of Conduct. This robust policy framework serves as a guiding light for our daily operations, ensuring that ethical standards are not just upheld but ingrained in every aspect of our work.

As our partners on the path to a more sustainable future, we rely on your support – we, therefore, expect all Suppliers (also “You”) engaged in providing products and/or services to us to commit to similar principles of legal, ethical, and sustainable conduct: This Balluff Supplier Code of Conduct therefore delineates Balluff’s expectations for how you conduct your business. We require you to act in accordance with this Balluff Supplier Code of Conduct, as well as all applicable laws and regulations. Should applicable law directly contradict principles and values set out by this code, we both must make reasonable efforts to implement the spirit and values of this Code. You must also impose substantially similar rules of conduct to those set out by this Supplier Code of Conduct on your suppliers, subcontractors, and agents.

Consequently, and as a reflection of our values, this Supplier Code of Conduct sets forth what is required and expected of you in the following areas of concern:

- Integrity and Compliance
- Health and Safety
- Employment, Working Conditions, and Human Rights
- Environment, Energy and Climate Protection
- Data Privacy and Security

We’re excited to embark on this journey towards a brighter future with you – should you have any questions, feel free to reach out!

## Integrity and Compliance:

### Ensuring Good Governance throughout our Supply Chain

It is a matter of principle for us that we comply with current laws and other legal requirements in the countries in which we operate. In cases where local laws and regulations are less restrictive, our actions are guided by the principles of our Code of Conduct. Where there is a direct conflict between mandatory local law and the principles contained in our Code of Conduct, the local laws shall take precedence. Nevertheless, we endeavor to comply with the content of our Code of Conduct, as outlined below:

- We do not tolerate corruption, bribery, or blackmail; they impede fair competitive conditions. Gifts made with the intention of influencing business decisions, or which could give the appearance of doing so or to obtain some other undue advantages are neither promised, offered, granted, requested nor accepted in our business relationships. Nor do we allow these to be promised to us. Especially strict standards must be applied when dealing with people for whom particular rules apply under criminal and liability law (e.g. public officials)
- We operate in compliance with national and international competition and anti-trust legislation and do not participate in price agreements, sharing markets or collusion in respect of customers, markets and bids.
- We comply with our legal obligations to prevent money laundering<sup>1</sup> and do not participate in transactions that serve to disguise or integrate criminal or illegally acquired assets.
- We protect confidential information and respect intellectual property; transfers of technology and know-how must be made in a way that protects intellectual property rights, customer information, business secrets and information that is not in the public domain. We observe the current laws to protect business secrets and treat our business partners' confidential information accordingly.
- We process, store and protect personal data in compliance with statutory regulations. Personal data is therefore treated confidentially and only collected for legal, previously defined purposes in a transparent manner. We only process personal data if it is protected against loss, modification and unauthorized use or disclosure using appropriate technical and organizational measures.
- We undertake to comply with legal standards relevant to export controls - including but not limited to approval requirements, export bans and support bans - in the course of shipping and exporting our goods.
- We avoid internal and external conflicts of interest which could illegitimately influence business relationships. Where this is not successful, we disclose these conflicts.

**We expect you to establish similar regulations of conduct, as well as the appropriate mechanisms of prevention and supervision within your organization.** At a minimum, we require you to adhere to the policies, rules, and standards delineated above. Additionally, we encourage you to work with businesses engaged in supplying goods and services to your organization to establish equal protective measures within your supply chain.

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<sup>1</sup> Money laundering is the term used for bringing money obtained illegally or from illegally acquired assets into the legal financial and economic system.



**Balluff has decided on a cautious approach concerning the acceptance of gifts:**

- **No acceptance of gifts which may be construed as inappropriate, out of ordinary, or in any other way not usual for the type of relationship between supplier and Balluff personnel.**
- **No acceptance of gifts above legal limits as prescribed by law (e.g., Germany ≥ EUR 40, -)**
- **Invitations to business meals may be accepted if certain criteria (reason, type, frequency, and cost) are met in the specific circumstance.**

We expect you to have both a policy and a process in place for reporting any workplace concerns. Such policies, as well as the accompanying procedures, must be transparent and easily comprehensible. Both external, as well as internal participants must be protected from any form of retaliation.

## Health and Safety:

### Safeguarding Wellbeing at every Stage of Value Creation

We protect our employees' health by taking suitable measures concerning health and safety at work. These can include the implementation of a company health and occupational safety management system and must provide appropriate coverage in the following areas:

- Compliance with current laws and guidelines set out in international standards relating to health and safety at work.
- Suitable workplace design, safety regulations, and provision of suitable personal protective equipment.
- Implementation of preventive checks, emergency measures, an accident reporting system, and further suitable measures for continuous improvement.
- Provision of access to adequate quantities of drinking water and access to clean sanitary facilities for employees.
- Instruction and Training in matters of Health, Safety, and the prevention of occupational accidents and injuries.

We expect you to enact equal protections for employees within your organization. At a minimum, we require you to comply with all applicable laws about health and safety, as well as to adopt practices to minimize work-related risks to the life, health, and well-being of your employees. We encourage you to work with businesses in your supply chain to enact similar standards of protection.

## Employment, Working Conditions, and Human Rights:

### Protecting Vulnerable Groups from Exploitation

We pay attention to and support compliance with internationally recognized human rights. Respecting the personal dignity, privacy, and personal rights of each individual, protecting and upholding the right to freedom of speech and freedom of expression, and ensuring a workplace free from unacceptable treatment of employees, such as physical and psychological hardship, sexual, and personal harassment or discrimination, is at the very core of everything we do at Balluff.

We've enacted policies and procedures to consistently implement the values outlined in the Ten Principles on human rights, labor, environment, and anti-corruption; the Universal Declaration of Human Rights; the International Labor Organization's (ILO) Declaration on Fundamental Principles and Rights at Work; and the UN Guiding Principles on Business and Human Rights within our organization. Based on these commitments, we've instituted the following rules of conduct within the Balluff Group:

- Remuneration is based on current laws and, if applicable, current binding collective agreements and is supplemented by the relevant national legislation on minimum wages. Employees are given clear, detailed, and regular information on the composition of their remuneration.
- We comply with current laws and (international) working standards in respect of the maximum permissible working hours and ensure that working time, including overtime, does not exceed the relevant legally permissible maximum limits; the hours worked per week, including overtime, do not exceed 50 hours per week, even in exceptional circumstances and even if no such stipulations exist; employees have at least one full day per calendar week free.
- We do not tolerate any child labor. We do not employ any employees who cannot prove that they are at least 15 years old, and we require proof of age to be submitted. For countries which fall within the exception for developing countries according to ILO Convention No. 138, the minimum age can be reduced to 14 years. We do not hire employees for dangerous work who, according to ILO Convention No. 182, cannot prove that they are at least 18 years old.
- Forced labor, modern slavery or comparable acts that involve the deprivation of Liberty are forbidden. All work must be voluntary, and it must be possible to end the employment relationship.
- We respect the right of employees to freedom of association, freedom of assembly and to engage in collective bargaining and pay negotiations, providing this is legally permissible and possible in the relevant country in which we are operating. If this is not permissible, we look for appropriate compromises for our employees.
- You will enable your employees and other stakeholders to report concerns or potentially unlawful practices at the workplace.
- We encourage equal opportunities and do not tolerate discrimination. We treat all people equally regardless of gender, age, skin color, ethnic origin, sexual identity and orientation, disability, religious affiliation, worldview or other personal attributes.

We expect you to enact equal protections for employees within your organization. Additionally, we encourage you to work with businesses engaged in supplying goods and services to your organization to establish equal protective measures within your supply chain. Should you have any reasonable suspicion of a violation of these principles within your supply chain, you are obligated to notify us of such occurrences without delay.



**As a Company with global ambitions, our commitment to diversity and equality is embedded throughout our supplier development processes. Alongside factors such as price, quality, and commitments to sustainable development, diversity and dedication to shared values play a vital role when fairly deciding upon any supplier.**

## Environment, Energy and Climate Protection:

### Preserving our Natural Resources

We act in compliance with current legislation and are guided by international standards to minimize negative impacts on the environment and continuously improve our activities concerning the environment and climate protection. We are committed to reducing the impact of our operations on the natural environment – to achieve that, we require you at a minimum to adhere to the principles and guidelines outlined below:

- Comply with environmental, occupational health, and safety regulations.
- Promote safe and environmentally sound product lifecycle practices.
- Ensure product quality and safety through effective management systems.
- Protect employees, neighbors, and the public from process and product hazards.
- Efficiently use resources, employ eco-friendly technologies, and reduce waste and emissions.
- Minimize impact on biodiversity, climate change, and water scarcity.
- Prohibit unlawful eviction and taking of land, forests, and waters.

## Data Privacy and Security:

### Enabling Trust through Safety

As a human right and necessary condition for our business model of constant innovation, we respect the privacy and safety of the data entrusted to us by our stakeholders – this includes both individuals, such as our employees, as well as corporate entities, such as customers and trade partners. Similar commitments to the confidentiality and safety of data, as well as the protection of personal data we require of you:

- To adhere to applicable laws and accepted industry standards concerning data privacy and security. This can, in particular, include laws such as the GDPR, the California Data Protection Act, or the Chinese Personal Information Protection Law.
- To protect both personal and other data entrusted to you with the same degree of care you would apply to similar information, but in no circumstance less than reasonable care.
- To use information supplied to you only for purposes allowed by law and the respective contractual obligations applicable to the case at hand.
- To establish and promote procedures for the safe handling and protection of any information in your possession.

## Compliance with this Code:

### Securing a Prosperous Partnership

In our collaboration, we share a commitment to ethical principles. We urge you to embody these values in your daily conduct. Should you want to demonstrate your commitment to the principles set out by this Balluff Supplier Code of Conduct, you may do so by providing us with your own policies and/or Codes of Conduct, provided, they offer an equal level of commitment to the principles and values set out by this Balluff Supplier Code of Conduct. We encourage you to implement the rules, principles, and values as defined by this Balluff Supplier Code of Conduct within your own supply chain.

Transparency matters to us, so we may conduct audits to ensure mutual assurance and excellence. Any such audit will be made known to you at an appropriate time. If concerns arise, we'll take steps to protect our interests and integrity. In the event of non-compliance, such as a violation of this Code of Conduct, we will provide you with a reasonable opportunity to remedy the issue through effective corrective measures.

Should any violation be of a severe or incurable nature, occur despite the application of corrective measures, or constitute a violation of any applicable law or regulation, in particular the German Supply Chain Due Diligence Act (Lieferkettensorgfaltspflichtengesetz) or other applicable regulations, we expressly reserve the right to suspend or terminate our relationship with you. Please note that in some cases, we may be obligated by law to disclose any action in relation to a violation of this Balluff Supplier Code of Conduct, applicable standards, or law to the appropriate authorities.

You further agree to compensate and indemnify us against all costs, damages, and expenses incurred as a result of your own or your suppliers' non-compliance with this Balluff Supplier Code of Conduct.

We reserve our right to change this Balluff Supplier Code of Conduct with appropriate notice.

## Contacts, Inquiries, and Information:

We're here for you

Questions and comments about this Balluff Supplier Code of Conduct or other topics concerning your relationship with us can be directed to your responsible purchaser or the Balluff Compliance Team.

Complaints or information about non-compliance with our Code of Conduct, the Balluff Compliance Policy, or this Balluff Supplier Code of Conduct can be submitted anonymously and securely to our Balluff Compliance Team via the Balluff Integrity Line. This channel is available to you via e-mail at [compliance@balluff.de](mailto:compliance@balluff.de). Alternatively, the known contact details of your responsible purchasers are available to you. Should you have any other inquiries, we'll be glad to help:

### Balluff Global Purchasing Network:



[pex@balluff.de](mailto:pex@balluff.de)

### Balluff Compliance Team:



[compliance@balluff.de](mailto:compliance@balluff.de)

### Balluff Advisory Committee on Human Rights:



[humanrights@balluff.de](mailto:humanrights@balluff.de)

### Balluff Integrity Line:



<https://app.whistle-report.com/report/f0db98a0-2884-4d07-a41f-b4703be77372>



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