

SUPPLIER CODE OF CONDUCT

APA Sp z o.o. with its registered office in Gliwice





At APA Group, we believe that ethics and compliance have a direct impact on the trust and satisfaction of all our stakeholders and are a source of pride for our employees. Therefore, in our company, we promote and strictly adhere to business ethics and we always conduct business in accordance with applicable laws and regulations.

Artur Pollak

CEO of APA Group

1. PREAMBLE

1. Based on the company's values of business ethics, social and environmental commitments, APA Sp. z o.o. [hereinafter: APA] requires its suppliers to comply with the enumerated principles set forth in the body of this Code.
2. Supplier agrees to use its best efforts to comply with the principles set forth herein for the entire supply chain.
3. The provisions of this code do not supersede the rights and obligations applicable in Poland or any country in which Supplier operates.
4. Under this Code, Supplier is obligated to respect these laws and regulations contained herein.
5. Supplier also agrees to comply with international trade sanctions (including embargoes), including sanctions imposed as a result of resolutions passed under Chapter VII of the UN Charter by the UN Security Council and any sanctions imposed by the European Union.
6. Supplier shall obligate its contractors and/or subcontractors [hereinafter referred to as: Subcontractors] involved in the process of providing products to APA, to comply with the Code.
7. APA seeks to work with Suppliers who understand and share the company's policy on responsible business and sustainability and who are committed to improving and developing their best practices.

2. RESPECTING HUMAN RIGHTS AND PROHIBITION OF SLAVERY



1. Supplier is committed to respecting internationally recognised human rights and to avoiding any violation of these rights.
2. The use of slavery in any form (servitude, forced/compulsory labor, human trafficking, etc.) is prohibited.
3. Supplier is committed to respecting the personal dignity, privacy, and rights of each individual.
4. Supplier agrees to comply with all standards set forth by the International Labour Organisation (ILO).
5. Supplier agrees to treat all its employees with respect, not to use corporal punishment, mental or physical coercion, any form of abuse or harassment, and will not threaten such treatment.

3. PROHIBITION OF DISCRIMINATION



Supplier agrees to not condone and to combat all forms of discrimination, including on the basis of race, color, sex, sexual orientation, language, religion, political or philosophical beliefs, national or social origin, property, birth or other grounds, and will promote diversity, equal opportunity and equal treatment at work.

4. PROHIBITION OF CHILD LABOR

1. Child labor is not permitted.
2. 'Child labor' shall be defined by the Parties in line with the definition of the International Programme on the Elimination of Child Labour (ILO-IPEC) and Article 32 of the UN Convention on the Rights of the Child.
3. If any child is found to be working on Supplier's premises, Supplier agrees to take immediate steps to resolve the situation in the best interest of the child.
4. Minors' work is permitted only if the laws of the state in question provide for it, and only in accordance with the rules set forth in such laws.

5. FREEDOM OF ASSEMBLY AND RIGHT TO COLLECTIVE BARGAINING

1. Supplier undertakes to comply with internationally recognised standards, e.g., ILO conventions, without violating national law.
2. Supplier will provide to its employees and representatives, including temporary agency workers, the opportunity to openly express their views on issues related to working conditions, the right to association, freedom of assembly, and the right to collective bargaining.

6. REMUNERATION

1. Supplier agrees to pay wages in accordance with national minimum wage laws and to avoid deducting wages in violation of applicable laws as a disciplinary measure.
2. If there is no such law in the country concerned, the salary must be sufficient to cover the basic needs of the employee (according to Convention 131 of the International Labour Organisation concerning Minimum Wage Fixing).
3. The basis on which employees are paid must be communicated to them clearly and in a timely manner.

7. WORKING TIME

1. Working hours, including overtime, shall be in accordance with applicable national laws.
2. If there are no regulations in the country, the ILO standards shall apply.
3. Supplier agrees to respect each employee's need for rest and to ensure that each employee is entitled to paid annual leave.

8. HEALTH AND SAFETY AT WORK



1. Supplier undertakes to provide employees with safe, hygienic, and comfortable working conditions.
2. If necessary, Supplier agrees to implement programs to improve the work environment.
3. Supplier shall make efforts to prevent situations that endanger the life and health of employees.
4. Supplier shall provide regular training on health and safety regulations. This training shall include provisions and instruction in the use of appropriate personal protective equipment.
5. If Supplier provides housing for employees, the living quarters shall be clean, safe, and meet the basic needs of employees and, where applicable, their families. Supplier is encouraged to implement a Health and Safety Management System in accordance with international standards.
6. Supplier shall comply with national regulations on employee health before allowing employees to work, as well as conducting periodic occupational health examinations.

9. ANTI-CORRUPTION POLICY

1. Supplier shall refrain from all forms of corruption, use of extortion and actions that could be perceived as corrupt.
2. Corrupt activities are defined as requesting, offering, giving or accepting, directly or indirectly, a bribe or any other undue advantage or the promise thereof which distorts the proper performance of any duty or conduct required of the person receiving the bribe, undue advantage, or the promise thereof.
3. Supplier shall not offer, promise or give any advantage to domestic or foreign officials or private sector decision makers to obtain preferential treatment or favorable decisions. The above also applies to donations, gifts, and invitations to meals and business events.
4. Supplier will not allow benefits to be offered or promised to him, and will not accept benefits if to accept them creates an impression that the party providing such benefits can thus influence business decisions. Supplier will also not claim any benefits.

10. AVOIDANCE OF CONFLICTS OF INTEREST

1. Supplier shall avoid conflicts of interest that may lead to corruption risks.
2. If Supplier is also an APA customer, he shall not take unfair advantage of this and shall keep purchasing and sales issues separate.

11. FAIR COMPETITION

1. Supplier agrees to respect the principles of free and fair competition in all business relationships.
2. In particular, Supplier undertakes to desist from any practices threatening the development and protection of competition, as well as to desist from and counteract any practices limiting competition or consumers' collective interests, and to verify, on an ongoing basis, the contractual models used with a view to eliminating any abusive clauses.
3. Supplier agrees to comply with the antitrust rules.

12. SPONSORSHIP ACTIVITIES

All sponsorship activities, if any, undertaken by Suppliers shall comply with applicable laws and regulations.

13. MONEY LAUNDERING

Supplier will take measures to prevent money laundering within its sphere of influence.

14. ENVIRONMENTAL PROTECTION



1. Supplier shall undertake environmental protection activities and initiatives to promote greater environmental responsibility.
2. Supplier shall work to minimise its environmental impact and implement environmental protection measures.
3. Supplier shall encourage the development and use of environmentally friendly technologies and shall comply with national and international environmental standards and applicable national laws by adhering to the highest standards, in particular the RoHS (Restriction of Hazardous Substances in Electrical and Electronic Equipment) and WEEE (Selective Collection of Waste Electrical and Electronic Equipment) Directives.
4. Supplier is committed to a circular economy throughout the product life cycle: from design, development, production, transportation, use and disposal to recycling.
5. Supplier agrees to make efforts to:
 - a. avoid the emissions of pollutants into the atmosphere,
 - b. monitor the air quality,
 - c. minimise energy consumption and CO2 emissions
 - d. design products and services that are characterised by low life-cycle energy consumption and greenhouse gas emissions (energy efficiency, renewable energy, etc.),
 - e. minimise water consumption,
 - f. monitor water quality.

15. NATURAL RESOURCES AND WASTE MANAGEMENT

1. Supplier shall work to reduce the use of materials and resources during procurement and production of goods to minimise its environmental impact.
2. Use of scarce resources should be reduced or discontinued where possible.
3. Supplier shall implement measures to trace the source of supply and promote supply chain transparency.
4. Waste generated by Supplier shall be identified, monitored, and properly managed. Supplier will make efforts to reduce waste.
5. Waste management should be carried out in accordance with the relevant environmental regulations.

16. SECURITY AND PROTECTION OF PERSONAL DATA

1. Supplier agrees to comply with all data protection laws and security and privacy requirements.
2. To this end, Supplier shall sign non-disclosure agreements and comply with the information obligation under the provisions of Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016 on the protection of individuals with regard to the processing of personal data and on the free movement of such data and repealing Directive 95/46/EC (GDPR).

17. PRINCIPLES OF ETHICAL RECRUITMENT (ETHICAL RECRUITING)

1. APA collaborate only with entities that conduct recruitment without discrimination, ensuring equal opportunities for all candidates.
2. Ethical recruitment meets at least the following criteria:
 - a. Ensuring the clarity and understandability of all recruitment stages by clearly communicating requirements, procedures, and deadlines.
 - b. Protecting candidates' personal data in accordance with data protection regulations.
 - c. Treating candidates with respect and professionalism, ensuring their comfort during interviews. Evaluating candidates solely based on their qualifications, experience, and suitability for the position.
 - d. Informing candidates of recruitment results within a reasonable timeframe and providing feedback to rejected candidates as well.
 - e. Conducting all recruitment activities in compliance with applicable labor laws and employment regulations.

18. LAND, FOREST AND WATER RIGHTS

1. Suppliers must respect land rights, avoiding actions that lead to illegal land acquisition or infringement of land rights.
2. Suppliers should take actions to protect forests, ensuring sustainable forest resource management and preventing illegal logging.
3. Suppliers must manage water resources sustainably, avoiding actions that may lead to water pollution and conflicts with local communities.

19. FORCED EVICTION



1. Suppliers must not participate in or support forced evictions of people without legally justified reasons.
2. Suppliers must respect residents' rights to decent housing and protect them from arbitrary decisions regarding forced relocation.
3. These requirements aim to ensure that suppliers act in accordance with international human rights and environmental protection standards, respecting local communities' rights and principles of sustainable development.

20. USE OF PRIVATE OR PUBLIC SECURITY FORCES



1. Suppliers must ensure that all actions by private security forces comply with applicable laws and security regulations.
2. Private security forces employed by the supplier must have appropriate qualifications, licenses, and training to perform their duties in accordance with the highest standards of professionalism and ethics.
3. Suppliers must ensure that both private and public security forces operate with respect for human rights, avoiding any form of violence, abuse, or discrimination.
4. In situations requiring the intervention of public security agencies, such as serious threats to health and life, suppliers must promptly inform the relevant authorities and cooperate with them according to established procedures.
5. In the event of security incidents, suppliers must ensure that private security forces take immediate action to secure the incident site and notify the appropriate authorities and company management.
6. Suppliers should maintain documentation of all actions taken by security forces and regularly report on incidents and preventive measures, ensuring transparency in their operations.

21. FINANCIAL RESPONSIBILITY



1. Suppliers are required to maintain accurate and up-to-date accounting records in accordance with Polish or international accounting standards. All transactions must be properly documented and accessible to auditors and stakeholders.
2. Suppliers are expected to adhere to both local and global financial regulations and implement effective internal control systems that help monitor and protect financial resources.
3. Suppliers should regularly prepare financial reports and conduct internal and external audits to ensure the accuracy of records and compliance with applicable legal standards.

22. USE OF PRIVATE OR PUBLIC SECURITY FORCES



1. The supplier must supply only original parts as part of their activities.
2. All parts should have appropriate quality and authenticity certificates and meet the safety standards required by law.
3. The supplier is obliged to use procedures to prevent counterfeit parts and ordering unauthentic or dangerous parts.

23. PROTECTION OF INTELLECTUAL PROPERTY



1. The Supplier undertakes to respect intellectual property rights, including patents, trademarks and copyrights.
2. The Supplier respects the rights to protect confidential information and not to disclose it without the owner's consent.
3. The Supplier will immediately inform about any suspected infringement of intellectual property rights in connection with the cooperation of the parties.

24. EXPORT CONTROLS AND ECONOMIC SANCTIONS



1. The Supplier must comply with all applicable export control and economic sanctions laws.
2. The Supplier is obliged to maintain accurate export documentation and ensure product tracking in accordance with legal requirements.
3. The supplier is obliged to regularly train employees on export control and sanctions regulations and update procedures in re-sponse to changes in legislation.

25. GHG EMISSIONS

1. The supplier must regularly monitor and report its greenhouse gas emissions.
2. The supplier must have implemented strategies and technologies aimed at reducing greenhouse gas emissions.
3. The supplier must comply with applicable regulations regarding greenhouse gas emissions.

26. ANIMAL WELFARE

1. The supplier must comply with the principles of humane treatment of animals, providing them with appropriate living conditions.
2. If the Supplier's activities are in any way related to animals, they should have an appropriate certificate confirming compliance with animal welfare standards.
3. If the Supplier's activities involve animals in any way - the Supplier should regularly monitor the conditions of treatment of animals and conduct audits to ensure compliance with animal welfare policies.

27. BIODIVERSITY, LAND USE AND DEFORESTATION

1. The supplier must take actions to protect biodiversity and avoid practices leading to its degradation.
2. The supplier should manage the land in a sustainable manner, minimizing negative impacts on ecosystems. (Sustainable Land Use).
3. The Supplier is obliged to avoid activities leading to deforestation and forest degradation.

28. SOIL QUALITY

1. The supplier must take action to protect and improve the quality of the soil.
2. If the Supplier's activities are related to this, he should use sustainable agricultural practices that minimize soil degradation. (Sustainable Agricultural Practices).
3. If the Supplier's activities are related to this - the Supplier should regularly monitor soil quality and conduct audits to ensure compliance with requirements.

29. NOISE EMISSIONS

1. The Supplier must regularly monitor noise emissions generated by its activities and must not allow noise to be generated in excess of the standards resulting from the currently applicable legal regulations.
2. The Supplier is obliged to implement technologies and strategies aimed at reducing noise emissions.
3. The supplier must comply with applicable regulations and standards regarding noise emissions.

30. MONITORING ON THE APPLICATION OF THE CODE



1. In order to ensure compliance with the provisions of the Code - the Supplier shall, upon APA's request, provide all information needed to confirm that the Supplier's or any of its Subcontractors' compliance is maintained.
2. APA or its authorized representative is authorized to monitor the activities of the Supplier and its Subcontractors in order to assess compliance with the Code - including conducting an audit of the Supplier to ensure that the Supplier is effectively implementing the APA requirements under this Code regarding the principles of social responsibility business.
3. The Supplier undertakes to immediately inform APA of any known cases of non-compliance with the Code on the part of its own or a third party / subcontractor, as well as corrective measures taken to ensure compliance with the Code.
4. The Suppliers should provide their employees and other persons with the possibility of reporting any irregularities and violations through appropriate channels, while maintaining the confidentiality of reporting.
5. Retaliation of any kind against the persons who report the violations is unacceptable. It is forbidden to take any actions that would be hostile to persons providing information about violations of the law or about other violations.
6. Any doubts, suspected violations of the Code or cases of non-compliance with the Code should be immediately reported to APA - to the President of the Management Board at artur.pollak@apagroup.pl , in person - at the company's headquarters at ul. Tarnogórska 251, 44-105 Gliwice or by letter - to the above-mentioned address.
7. APA protects the whistleblower from retaliation. After the APA becomes aware of the irregularities, the first step is to conduct an investigation into the breach in question, in order to determine whether it has actually occurred and to assess the level of negative effects it has caused or could have caused.
8. Following reporting of irregularities and carrying out an investigation, an appropriate remedial plan should be implemented in a timely manner.
9. Upon APA's request, Supplier will provide information on measures taken to ensure compliance with the Code.
10. Before starting cooperation, the Supplier will provide the APA in the form of a signed scan (or electronically signed) completed "Supplier Form", available at the link <https://www.apagroup.pl/download/filedisplay/apa-kwestionariusz-dla-dostawcow-suppliers-questionnaire> which will be sent in the form of a signed scan to the email address suppliers@apagroup.pl and then delivered to APA in the original paper form.

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