ERBUD GROUP

Suppliers' Code of Conduct



SUPPLIERS' CODE OF CONDUCT OF ERBUD S.A.

1. Purpose and scope of the Code.

   The Code sets out the standards of responsible business conduct expected from Suppliers collaborating with the ERBUD Group. Its purpose is to foster responsible supply chain management and mitigate ESG Risks associated with Suppliers' operations. The Code also constitutes an integral part of the Due Diligence process implemented within the ERBUD Group.

2. Scope of application:

   The Code applies to Suppliers cooperating with the Company or seeking to establish cooperation, taking into account the nature of their business operations and cooperation with the Company, the scale of the Supplier's operations, and the nature and level of identified ESG Risks.

   Suppliers are required to comply with the principles set forth in this Code and to ensure compliance with the provisions of the Code throughout their entire Supply Chain.

   The Code sets out the standards of conduct expected of Suppliers within the framework of their cooperation with the Company. It does not replace applicable statutory provisions or contractual terms, but rather supplements them with regard to principles of responsible business conduct.

3. Definitions and abbreviations:

   The terms used in the Code shall have the meanings set out below:

   3.1. ***"Company"*** means ERBUD Spółka Akcyjna with its registered office in Warsaw,

   3.2. ***"ERBUD Group"*** means all business entities directly or indirectly financially affiliated with ERBUD S.A.,

   3.3. ***"Supplier"*** means any entity cooperating with the Company in connection with the supply of products or provision of services, in particular a supplier of materials or equipment, manufacturer, distributor, service provider, subcontractor, or other trading partner participating in the execution of the Company's operations,

   3.4. ***"Supply chain"*** means entities, activities, and business relationships involved in the sourcing, manufacture, and delivery of products, materials, components, or services, including in particular suppliers, manufacturers, subcontractors, and other intermediaries involved in the performance of supplies or services,

   3.5. ***"Due diligence"*** means an ongoing process of identifying, assessing, preventing, mitigating, and monitoring actual and potential adverse impacts associated with an enterprise's operations and its business relationships, in particular with regard to human rights, labour rights, the environment, and business ethics,

   3.6. ***"ESG Risk"*** means the risk of an actual or potential adverse impact on the environment, human rights, or labour rights, or a breach of the principles of ethics and responsible business conduct, arising in connection with the Supplier's operations or its supply chain,

   3.7. ***"Administrator"*** means the person coordinating the process of drafting, reviewing, publishing, and archiving internal regulations, as well as maintaining registers, contactable via email at: procedury@erbud.pl,

   3.8. ***"Employee"*** means any individual performing work or providing services for the Company, Supplier, subcontractor, or another business partner in the value chain, irrespective of the legal basis of employment or engagement.

4. Content of the document:

4.1. **Standards relating to legal compliance and business ethics**

The Company's Suppliers are required to comply with applicable laws and conduct their operations in accordance with the principles of business ethics, integrity, and probity.

4.1.1. **Compliance with the law**

The Supplier shall conduct its business in compliance with applicable statutory legislation and shall take account of regulatory changes applicable to its operations.

4.1.2. **Anti-corruption and anti-fraud**

The Supplier does not tolerate any forms of corruption, bribery, extortion, fraud, or other malpractice. It shall not offer, promise, grant, or accept any advantages that could influence the independence of business decisions or create the appearance of such influence.

4.1.3. **Conflicts of interest**

The Supplier shall identify actual and potential conflicts of interest and take appropriate steps to ensure the impartiality of business decisions. Any conflicts of interest capable of affecting cooperation with the Company shall be disclosed to the Company without delay.

4.1.4. **Fair competition**

The Supplier shall adhere to competition law and shall not enter into agreements or engage in practices whose object or effect is the unlawful restriction of competition.

4.1.5. **Combatting financial crime and sanctions compliance**

The Supplier shall comply with applicable regulations governing domestic and international sanctions and trade restrictions, as well as legislation concerning anti-money laundering and counter-terrorist financing.

4.1.6. **Integrity of information and documentation**

The Supplier shall maintain records in an accurate, complete, and true manner, and shall ensure the reliability of information provided to the ERBUD Group.

4.1.7. **Whistleblowing and reporting irregularities**

The Supplier shall provide adequate arrangements enabling the secure reporting of potential breaches of law or ethical standards, and shall protect individuals making reports in good faith against retaliation.

4.1.8. **Compliance management system**

The Supplier shall implement arrangements to ensure the compliance of its operations with applicable laws and ethical principles, proportionate to the nature and scale of its business and the level of risk.

4.1.9. **Political neutrality**

The Supplier shall not fund or support, directly or indirectly, political parties, candidates for public office, or political campaigns, nor shall it use corporate resources to support political activities.

4.2. **Standards relating to human rights and labour rights**

The Company expects Suppliers to respect internationally recognised human rights and labour rights in their business operations and to take proactive steps to prevent infringements thereof.

The standards set out in this section are based in particular on the UN Guiding Principles on Business and Human Rights, the OECD Guidelines for Multinational Enterprises, the core conventions of the International Labour Organization, and the principles of the UN Global Compact.

4.2.1. **Respect for human dignity**

The Supplier shall respect the dignity of every individual and shall not tolerate practices leading to exploitation, degrading treatment, or any other violations of human rights.

4.2.2. **Prohibition of child labour**

The Supplier shall not employ individuals below the minimum working age defined by applicable statutory legislation and International Labour Organization standards. The Supplier shall implement appropriate measures to verify Employees' age and prevent unlawful employment of minors.

4.2.3. **Prohibition of forced labour**

The Supplier shall not tolerate any form of forced, slave, bonded labour, or human trafficking. It shall ensure that Employees are free to commence and terminate their employment in accordance with applicable law. The Supplier shall not retain identity documents nor require Employees or applicants to pay recruitment fees, lodge deposits, or make other monetary payments that could restrict their freedom of employment, whether directly or through recruitment agencies or other intermediaries.

4.2.4. **Equal treatment and non-discrimination**

The Supplier shall ensure equal treatment in employment and make decisions regarding recruitment, remuneration, and professional development based on objective criteria, in particular competence and qualifications. It shall not tolerate discrimination on grounds of sex, age, nationality, origin, race, colour, disability, religion, belief, sexual orientation, gender identity, trade union membership, or any other characteristic protected by law.

4.2.5. **Prevention of violence and harassment**

The Supplier shall ensure a work environment free from violence, bullying, harassment (including sexual harassment), intimidation, and other forms of inappropriate or degrading treatment. The Supplier shall respond appropriately to reports of such conduct.

4.2.6. **Grievance and concern reporting mechanisms**

The Supplier shall ensure Employees have access to adequate channels for raising grievances, concerns, and potential breaches regarding working conditions and labour rights without fear of retaliation. The Supplier shall ensure the impartial examination of reports, with full respect for confidentiality and the rights of the reporting individuals.

4.2.7. **Terms and conditions of employment**

The Supplier shall comply with applicable legislation concerning wages, working hours, overtime, rest periods, annual leave, employee benefits, and other employment terms. It shall provide Employees with clear and comprehensible information regarding their terms of employment and statutory rights.

4.2.8. **Freedom of association and collective bargaining**

The Supplier shall respect the right of Employees to freedom of association, to establish and join organisations representing Employees, and to engage in collective bargaining in accordance with applicable laws. The exercise of these rights shall not give rise to discrimination or retaliation.

4.2.9. **Responsible recruitment**

The Supplier shall conduct recruitment processes fairly and transparently and shall provide applicants with clear information regarding employment terms prior to the commencement of work. Where recruitment agencies or other intermediaries are used, the Supplier shall take appropriate and proportionate steps to ensure their compliance with the principles set out in this Code.

4.2.10. **Protection of vulnerable individuals**

The Supplier shall take account of specific risks concerning migrant, temporary, and young workers, as well as other groups of Employees who, due to the nature or conditions of their employment, may be more vulnerable to infringements of their rights.

4.2.11. **Response to breaches**

Where infringements of human rights or labour rights are identified, the Supplier shall take appropriate measures to mitigate their effects, rectify root causes, and prevent recurrence.

4.3. **Standards relating to health, safety, and quality**

The Company expects Suppliers to ensure an adequate standard of occupational health and safety, as well as the quality and safety of delivered products and rendered services.

4.3.1. **Product and service compliance and safety**

The Supplier shall ensure that delivered products and rendered services comply with applicable laws, relevant technical standards, and agreed quality requirements. The Supplier shall ensure their safety, durability, and fitness for intended purpose.

4.3.2. **Quality management**

The Supplier shall implement appropriate measures and processes to ensure product and service quality and to prevent defects and non-conformities. Where required by legislation, terms of cooperation, or justified by the nature of the product, the Supplier shall ensure appropriate product traceability.

4.3.3. **Safe transport and storage**

The Supplier shall provide adequate conditions for the transport, storage, and protection of products so that they retain required properties and pose no hazard to individuals or the environment.

4.3.4. **Notification of hazards and non-conformities**

The Supplier shall promptly inform the Company of identified hazards, defects, non-conformities, or other circumstances capable of affecting the safety or quality of products or services, and shall cooperate in taking appropriate remedial actions.

4.3.5. **Occupational health and safety**

The Supplier shall provide safe and healthy working conditions in accordance with applicable statutory provisions and commensurate with existing hazards. It shall identify and assess risks associated with work performed and implement appropriate measures to eliminate hazards and mitigate occupational

risks.

4.3.6. Competence and safety culture

The Supplier shall ensure that personnel possess the knowledge, qualifications, and training appropriate to their assigned tasks. It shall promote safe behaviours and open communication, and enable Employees to report hazards, incidents, and near misses.

4.3.7. Incidents and continuous improvement

The Supplier shall record and analyse, proportionately to the nature of its business, accidents, incidents, and near misses, identify their root causes, and implement preventive and corrective actions to mitigate the risk of their recurrence.

4.4. Standards relating to environmental protection

The Company expects Suppliers to conduct business with respect for the environment and to undertake measures to mitigate adverse impacts on climate, natural resources, and biodiversity, commensurate with the nature and scale of their operations.

4.4.1. Environmental impact management

The Supplier shall identify and appropriately manage the significant impacts of its operations on the environment, particularly on climate, water, air, soil, natural resources, and biodiversity. In the event of environmental occurrences and incidents, it shall analyse their causes and take suitable preventive and corrective measures.

4.4.2. Resource efficiency

The Supplier shall strive for the rational use of energy, water, fuels, raw materials, and components, and shall implement solutions that enhance resource efficiency and reduce waste generation.

4.4.3. Mitigating climate impact

The Supplier shall take steps, commensurate with the nature and scale of its operations, to reduce greenhouse gas emissions, in particular through improving energy efficiency and adopting low-emission solutions.

4.4.4. Waste and hazardous substances management

The Supplier shall manage waste in compliance with applicable legislation, striving primarily to prevent waste generation, followed by reuse, recycling, or other recovery methods. It shall also ensure the safe storage, labelling, handling, and use of hazardous substances and other materials capable of posing a risk to humans or the environment.

4.4.5. Environmental information and data

Upon the Company's request, the Supplier shall provide reliable information and data regarding the environmental impact of delivered products, materials, or services, where required by law, client requirements, or the nature of cooperation. These may include, in particular, Environmental Product Declarations (EPDs), carbon footprint data, recycled content information, and other available environmental metrics required for regulatory, contractual, or reporting compliance.

4.4.6. Continuous improvement

The Supplier should monitor the effectiveness of its environmental initiatives and, commensurate with the nature and scale of its business, strive to continuously reduce its adverse environmental impact.

4.5. Standards relating to information security

The Company expects Suppliers to ensure an adequate level of information security, including personal data and systems utilised in connection with the cooperation, proportionate to the nature of services rendered and the associated level of risk.

4.5.1. Information and data protection

The Supplier shall protect confidential information, personal data, and other information obtained or processed in connection with its cooperation with the Company against unauthorised access, disclosure, alteration, loss, or destruction. Such information shall be used solely for purposes related to the performance of cooperation and in accordance with applicable laws and agreed terms.

4.5.2. Information and system security

The Supplier shall implement technical and organisational measures providing an adequate level of information and systems security, proportionate to the nature of services rendered and the associated risk. Access to the Company's information and systems shall be restricted strictly to personnel for whom it is essential for the performance of assigned tasks.

4.5.3. Reporting security incidents

The Supplier shall promptly notify the Company of any information security or cybersecurity incidents, as well as personal data breaches, that could affect the Company's information, systems, services, or ongoing cooperation. The Supplier shall cooperate with the Company in investigating the incident, mitigating its consequences, and implementing remedial measures.

4.6. Standards relating to a responsible supply chain

The Company expects Suppliers to responsibly manage the impacts associated with their operations and to take steps, commensurate with the nature of their business and the level of risk, to identify and mitigate ESG Risks within their supply chain.

4.6.1. Identification and management of ESG Risks

The Supplier shall identify material ESG Risks associated with its business operations and take appropriate measures to prevent and mitigate them. To the extent proportionate to the nature of its operations and the level of ESG Risks, it shall also take account of ESG Risks existing within its own supply chain.

4.6.2. Collaboration in verification processes

The Supplier shall cooperate with the Company in Due Diligence processes and the verification of compliance with the principles set out in this Code. Upon request by the Company, it shall provide information, documentation, and explanations necessary to carry out such verification. Where justified by the level of ESG Risk, identified non-compliances, or project specifications, the Supplier shall also permit the conduct of an audit within the scope covered by the Code.

4.6.3. Response to breaches and corrective actions

In the event of a breach of the principles set out in the Code, the Supplier shall cooperate with the Company to clarify the circumstances and, where appropriate, implement agreed corrective actions. A refusal to cooperate, failure to implement agreed measures, or a material breach of the law or the provisions of this Code may result in the restriction, suspension, or termination of cooperation.

4.6.4. **Transparency and accuracy of information**

The Supplier shall provide the Company with accurate, complete, and up-to-date information necessary for the execution of cooperation and the conduct of Due Diligence processes. Depending on the nature of cooperation and level of risk, this may encompass, in particular, information and documentation concerning products, manufacturing sites, origin of key components, materials, and raw commodities, supply chain traceability, and the findings of conducted assessments or audits.

4.6.5. **Responsible sourcing of products, components, materials, and raw commodities**

The Supplier shall take measures, proportionate to the nature of its business and level of risk, to identify the origin of products, key components, materials, and raw commodities, as well as the ESG Risks associated therewith. It shall strive to ensure adequate transparency and traceability of the supply chain and to mitigate the risks of human rights abuses, adverse environmental impacts, and the financing of armed conflict.

Particular scrutiny is required for supply chains involving timber and timber-derived products, equipment and components used in renewable energy source (RES) installations and the power sector, as well as critical and strategic raw materials, including inter alia copper, aluminium, lithium, nickel, cobalt, graphite, and rare earth elements, as well as minerals originating from conflict-affected and high-risk areas (CAHRAs).

In respect of products subject to specific regulatory requirements or presenting an elevated level of ESG Risk, the Supplier shall cooperate with the Company in providing information and documentation concerning the origin of products, components, and raw materials, supply chain traceability, and applied Due Diligence processes.

In its responsible mineral sourcing processes, the Supplier shall take into account, commensurate with the nature of its operations and the level of ESG Risk, recognised international standards, in particular the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas.

4.7. **Our commitment to Suppliers**

While requiring Suppliers to comply with the principles set out in this Code, the Company equally commits to conducting business cooperation in a fair, transparent, and responsible manner.

4.7.1. **Fair terms of cooperation**

We make supplier selection decisions based on transparent and objective criteria, giving due regard to economic aspects, quality, safety, as well as social and environmental considerations.

4.7.2. **Relationships based on respect and dialogue**

We build relationships with Suppliers based on mutual respect, open communication, and integrity. We strive for cooperation that fosters the achievement of shared goals and the development of long-term

business partnerships.

4.7.3. **Timely performance of obligations**

We strive to discharge our obligations in a timely manner and ensure the efficient management of processes related to our cooperation.

4.7.4. **Information protection**

We protect confidential information and data provided by Suppliers against unauthorised access, disclosure, alteration, loss, or destruction. We utilise such information exclusively for legitimate purposes relating to our cooperation, in compliance with applicable law and agreed confidentiality terms.

4.7.5. **Dialogue in the event of non-compliance**

Where non-compliance with the provisions of the Code is identified, our primary objective is to clarify the circumstances and, where appropriate, agree on suitable corrective actions with the Supplier.

4.7.6. **Continuous improvement of the Due Diligence process**

We regularly evaluate and refine our Due Diligence process, taking into account changes in statutory legislation, standards, and practical experience gained from cooperation with Suppliers.

4.8. **Breaches of Code provisions**

4.8.1. Should the Supplier obtain information or suspect a breach of the principles set forth in this Code, the Supplier may communicate such information to the Company via the designated reporting channels.

4.8.2. Reports may be submitted in accordance with the applicable Whistleblowing / Breach Reporting Procedure or via the dialogue channel for internal and external stakeholders available on the platform www.dialog.erbud.pl.

4.8.3. Reports are reviewed in accordance with the Company's internal rules, maintaining confidentiality and safeguarding individuals reporting in good faith against retaliation.

5. Final provisions

5.1. This Code sets out the core standards of conduct expected from Suppliers and constitutes an element of the Due Diligence process operational within the Company.

5.2. The Supplier is required to comply with the principles set out in the Code throughout the entire term of cooperation with the Company and to cooperate in their verification under the terms set forth herein.

5.3. The Supplier acknowledges that in the event of a breach by the Supplier of any provision of the SupplierS' Code of Conduct, the Company shall be entitled to terminate cooperation for cause attributable to the Supplier, without prejudice to any other legal remedies available under the contract or statutory law.

5.4. The Supplier shall promptly inform the Company of any material circumstances capable of affecting compliance with the principles set out in the Code.

6. Organisational provisions

6.1. The highest tier within the organisation responsible for the implementation and execution of the Code is the ESG Director.

6.2. The Code shall be reviewed at least once every two years and updated as necessary, in particular in the event of material changes to legislation, standards, or requirements governing responsible business conduct.

6.3. The Code shall be communicated via dedicated communication channels operational within the Company.

6.4. The person responsible for archiving this policy is the Administrator.