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Supplier Code of Conduct

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SUPPLIER CODE OF CONDUCT

Element Logic always strives to contribute to sustainable development through a focus on ethical, social, and environmental protections. We see the value of dialogue, transparency, and active collaboration with our suppliers in order to achieve this.

The Supplier Code of Conduct (hereinafter “the Code”) sets out minimum requirements for our suppliers to operate in accordance with responsible business principles. The Code of Conduct applies to all suppliers, as well as to the supplier's representatives and employees at all levels, including board members, employees, hired personnel and others who represent the supplier. Suppliers are further obliged to pass on corresponding requirements to their subcontractors.

The Supplier Code of Conduct reflects Element Logic’s values and is based upon internationally recognized principles from the United Nations Declaration of Human Rights, the International Labour Organization’s conventions, as well as national laws and regulations. The Code is to be considered as minimum requirements for conducting ethical business with Element Logic and its business units. Where internationally recognized conventions and national laws and regulations give stricter and/or higher requirements, the highest requirements shall be followed.

Acceptance of the Code is a prerequisite for an agreement with Element Logic. When entering into an agreement, the Supplier is obliged to familiarize itself with the Code and comply with it fully.

Human and Labor Rights

Element Logic strives to ensure that the company, through its procurements, does not cause any infringement of human and labor rights. This also applies to purchases made through our suppliers. Element Logic does not tolerate working conditions or treatment that conflicts with international laws and practices, and the use of child or forced labor is strictly prohibited.

The supplier shall:

- Fully support and respect internationally recognized human rights, including the UN's Universal Declaration of Human Rights and the ILO's core conventions on fundamental rights and principles in working life, and shall not commit or be involved in violations of these.
- Regularly assess the risk of human rights violations, and establish measures to stop, prevent or limit negative consequences, in a manner consistent with international instruments on human rights.
- Ensure restoration, remediation, or replacement where this is required in accordance to overarching human rights frameworks.
- Respect and comply with internationally recognized principles, standards and rights related to decent working conditions, under the ILO's core conventions.

Freedom of Association and Collective Bargaining

The supplier shall:

- Recognize and ensure the right to freedom of association for its employees and facilitate the implementation of collective negotiations.

- Avoid discriminating against representatives of the employees or members of trade unions, but rather facilitate such persons to have the opportunity to perform their respective functions at the workplace.

Forced Labor

The supplier shall:

- Prohibit any form of forced, bonded, compulsory labor or modern forms of slavery. All labor must be voluntary. Workers must be allowed to maintain control over their identification documents (e.g., passports, work permits or any other personal legal documents).
- Prohibit physical or psychological threats or punishments to control employees, contractors, or suppliers. All policies bearing potential individual consequence should be made available to and understood by all involved parties.
- Avoid the use any form of direct or indirect coercion, threats, or undue influence in connection with employment or towards already employed employees.
- Ensure that the working relationship between the employee and the supplier is based on voluntariness and without threats or undue pressure.
- Ensure that all their employees can voluntarily terminate the employment relationship after notifying the supplier of this in a reasonable manner in line with the applicable local laws.
- Avoid requiring or encouraging employees to deposit money, identity papers or the like for the purpose of securing or maintaining employment with the supplier.

Child and Forced Labor

The supplier shall not:

- Employ workers under the age of 15 or any other higher minimum age that follows from national legislation. Should the Supplier use young workers under the age of 18, the Supplier shall be able to document that young workers do not perform dangerous work, heavy work or work night shifts, in accordance with ILO standards.

Discrimination

The supplier shall:

- Promote equality in employment and shall have zero tolerance for direct and indirect discrimination based on ethnicity, religion, age, disability, gender, marital status, sexual orientation, trade union membership or political affiliation, as well as prevent dismissal on unfair grounds.
- Treat all employees with fairness, respect, and dignity and not tolerate any form of abuse, harassment, intimidation, degrading treatment or sexually offensive behavior.

Employee Conditions

The supplier shall:

- Comply with national laws and regulations as a minimum, including providing a written employment contract in a language that the employee understands.
- Ensure that statutory working time regulations are followed.

- Ensure that remuneration is provided that at minimum meet applicable national and industry standards. Wages should be enough to cover basic needs and provide some discretionary income.
- Agree with the employees on the salary, including necessary supplements, in writing and transfer through the bank to the employee at the agreed time.
- Respect the employee's need for restitution and ensure that all employees have the right to at least one day off following six consecutive working days and a satisfactory holiday with pay.

Health, Working Environment, and Safety

The supplier shall:

- Ensure that all employees have a healthy and safe working environment in accordance with internationally recognized standards and national legislation.
- Control occupational risks and establish measures to prevent accidents and occupational diseases.
- Offer regular training to ensure that the employee have satisfactory competence related to health and safety issues.
- When relevant, provide the employee with appropriate personal safety equipment and provide training in its use.
- When accommodation is offered, ensure satisfactory living conditions that meet the basic needs of the employees and, if applicable, their family.

Privacy

The supplier shall:

- Adhere to applicable data protection laws, including security of personal data, as well as to respective regulation, e.g., GDPR, in particular regarding personal data of customers, consumers, employees, and shareholders. The supplier shall comply with all said requirements when personal data is collected, recorded, hosted, processed, transmitted, used or erased.
- Have a process for identifying and handling confidential information. The supplier shall respect and protect proprietary information owned by Element Logic, its customers, suppliers, and other business partners.

Inform Element Logic of real and suspected breaches in data security and privacy as soon as they are made aware.

Business Ethics

Before entering into a contract a new supplier shall document that it is legally registered, who are their ultimate beneficial owners and that they carry out legal activities.

Business Integrity

Suppliers shall:

- Work to prevent, detect, and remedy economic crime, including but not limited to extortion, money laundering, terrorist financing, fraud, and bribery/corruption.

Bribery and Corruption

Corruption in all forms, including but not limited to bribery and favoritism, is strictly prohibited. Suppliers shall comply with all applicable national and international anti-corruption laws and regulations. The supplier shall not:

- Directly or indirectly offer, provide, or accept anything of value to improperly influence an official act or to secure an improper advantage in order to obtain or retain business. This includes so-called facilitation payments or other benefits provided to public officials or subcontractors for routine non-discretionary actions.

Gifts and Hospitality

The supplier shall not:

- Directly or indirectly, offer or give gifts, including monetary gifts, representation or expense coverage to Element Logic's employees, representatives of Element Logic, or anyone closely related to them, unless the gift is of modest value.
- Offer or receive gifts, entertainment or other courtesy gestures in connection with procurement processes and contract negotiations.

Anti-Money Laundering

The supplier shall:

- Actively distance itself from all forms of money laundering and shall establish measures to avoid that the companies' assets can in any way be used for money laundering.

Fair Competition

The supplier shall not:

- Cause or be part of any kind of agreement, activity or arrangement that has the purpose or effect of preventing, restricting or distorting competition, such as, for example, illegal cooperation on pricing, illegal market cooperation or other behavior that entails a breach of applicable competition legislation.

Conflict of Interest

The supplier shall:

- Disclose any actual or potential conflict of interest where an individual has a personal or private interest that could influence their decisions or actions. Conditions that may cause problems for the supplier's independence, or which may create a conflict of interest when carrying out the assignment may include but are not limited to situations based on relationship by blood or marriage, partnership, business partnership, or investment. Conflicts of interest related to Element Logic employees shall also be disclosed.

Sanctions

The supplier shall:

- Follow applicable international and economic sanctions, issued by e.g., United Nations, the European Union, or the USA, imposing restrictions and prohibitions against specific countries.

This may include sale, supply, transfer, provision or export, directly or indirectly, of certain goods, technology, software, services, funds, brokering services, technical assistance, or disclosure of information.

Sanction laws also prohibit dealings with certain parties, who are specifically designated by governments for sanctions restrictions. Element Logic will not tolerate any violations of such sanction laws.

Environment

Element Logic values suppliers who work actively to protect the environment and mitigate negative impacts on the climate, including reduced energy consumption, resource use and improved waste management.

The supplier shall:

- Actively work to comply with relevant national and international environmental standards.
- Support and encourage the use and development of environmentally friendly technologies, products, and services, internally and within the value chain.
- Promote a responsible environmental policy and, to the best of its ability, minimize negative climate and environmental impact, including greenhouse gas emissions, pollution and use of harmful chemicals, impact on nature and extraction of natural resources.

Whistleblowing

The supplier is obliged to have routines for reporting objectionable conditions through an accessible whistleblowing channel. The notification routines shall be able to be used by the supplier's employees, including those employed by the supplier and any subcontractors. Breaches of this Code should be reported to Element Logic via whistleblower@elementlogic.net.

IMPLEMENTATION AND BREACH OF THE CODE

Element Logic can check that the requirements in this Code are met in the following ways:

- a. Require a self-declaration from the supplier and/or
- b. Conduct follow-up interviews and/or
- c. Conduct own or independent third-party control of conditions at the supplier.

Element Logic reserves the right to conduct pre-announced checks at all of the supplier's business and production locations and/or subcontractors throughout the period that the supplier and Element Logic are in a binding contractual relationship. In the event of an inspection, the supplier is obliged to provide the names and contact details of subcontractors.

The supplier shall drive continuous improvements in its operations to satisfy the Code and contribute to their subcontractors also satisfying these. Element Logic shall be informed of any breaches of the Code and the supplier shall be able to present a plan for the work to comply with the Code in such a case.

Non-compliance with the policy and authority structure shall be reported to an immediate supervisor, the business owner, and/or Element Logic.

Element Logic reserves the right to terminate the contract with the Supplier in the event of material or continued breaches of the obligations described in these Code and underlying conventions and declarations.

Review

The Code is evaluated regularly and updated as necessary. It is the responsibility of the supplier to remain up-to-date with the contents of the Code and provide confirmation of this as required. The current version of the Code can always be found on Element Logic's webpage.

Change History

Version	Date	Creator/Editor	Description	Approved by
1.0	19.04.2023	Kevin Kempe	First Approved Version	GMB