



Elmos ESG Policies

Section:	Governance
Chapter:	Compliance
Policy:	Supply chain management
Coverage:	Elmos Group
Supported UN SDGs:	
Addressed GRI Standards:	204, 308, 414

The semiconductor industry's value and supply chain is – by nature – globally intertwined and highly complex. Therefore, we at Elmos have implemented sound and effective systems to safeguard supply chain due diligence.

Along the supply chain, regulations on topics such as **human rights**, including forced and child labor, as well as environmental protection and occupational safety are set out, for example, in our Code of Conduct for Suppliers and Business Partners. Compliance with this Code of Conduct is stipulated in our General Purchase Conditions. In addition to compliance with the Code of Conduct for Suppliers and Business Partners, we expect our business partners to comply at least with national legislation and to uphold the declarations, guidelines and recommendations on which our Supplier Code of Conduct is based. When it comes to compliance with applicable human rights, we are additionally guided by the UN Declaration of Human Rights as well as the fundamental principles of the International Labor Organization (ILO), the principles of the UN Global Compact, the OECD Guidelines for Multinational Enterprises and the UN Sustainable Development Goals (17 SDGs).

Anchoring the requirements regarding human rights, occupational safety and environmental sustainability in our Code of Conduct for Suppliers and Business Partners as well as the Policy Statement on Human Rights – in alignment with the German Supply Chain Due Diligence Act (LkSG) – promotes the effectiveness of our supply chain management, as it enables us to increase transparency along the value chain, identify potential risks and initiate appropriate measures. Elmos has also set up a **whistleblower system** for reporting compliance incidents. Within this system, there is a separate module for reporting violations within the supply chain that can be accessed by all stakeholders.

In addition to compliance with these due diligence obligations, fulfillment with regard to **critical raw materials and conflict minerals** is also indispensable. Corresponding obligations are set out in documents such as our Conflict Minerals Policy. Compliance with this and other frameworks is expected from all employees and business partners.

As we rely on long-term partnerships, comprehensive sustainability criteria are already taken into account during the **selection of suppliers**. Before a business relationship can be entered into with a new supplier, the supplier is systematically examined and evaluated. To this end, preliminary surveys are carried out, including on compliance with human rights and environmental standards. A query is also made about financial stability. Preference is given to suppliers with an environmental management system in accordance with ISO 14001, an EMAS certification and/or other certifications, such as an energy management system in accordance with ISO 50001 or an occupational health and safety management system in accordance with ISO 45001.

To increase transparency in our value chain and to comply with the German Supply Chain Due Diligence Act (LkSG), we have introduced a risk management process for our suppliers in collaboration with an external service provider. Based on information on industry and country risks, as well as publicly available reports,

suppliers are assessed in the four areas of labor rights, human rights, health and safety and the environment. An overall rating is calculated in conjunction with our ability to exert influence, which results from our purchasing volume from suppliers. This assessment distinguishes between four classes; no priority, low priority, medium priority and high priority. Elmos takes a closer look at product-relevant suppliers and service providers that are assigned a medium or high priority. If necessary, these suppliers are sent questionnaires on the topics for which risks have been identified. After processing the questionnaires, supplier-specific measures are identified, implemented and monitored. This analysis is repeated at least once a year as part of our Supplier Quality Management (SQM). A partnership can only be established or maintained if this evaluation meets our quality and sustainability requirements. Corresponding data is monitored in our supplier portal. As part of our IATF certification, selected suppliers can also be audited on site in a process audit if required.

With Regulation 2023/1115 on **deforestation-free supply chains**, the EU aims to contribute to reducing global deforestation and the associated loss of biodiversity. To this end, provisions are made for the placing and making available on the Union market and for the export from the Union of relevant products containing, fed with or produced using cattle, cocoa, coffee, palm oil, rubber, soy and wood. Elmos does not distribute any of the products listed in Annex 1 of the mentioned regulation.

ESG policies	Critical raw materials and conflict minerals Upholding human rights Whistleblower system
Accompanying documents	Code of Conduct for Suppliers and Business Partners Conflict Mineral Policy ELV, RoHS, REACH and “Rare Earths” Statement General Purchase Conditions
Additional documents	Policy Statement on Human Rights
