

HeiQ's Suppliers and Business Partners Code of Conduct

HeiQ is a leader in textile innovation creating some of the most effective, durable and high-performance textile technologies in the market today. HeiQ is committed to sustainability in all business activities and aims to apply the highest ethical standards. In support of this goal, HeiQ demands strict adherence to its principles for safety and health, labor, environment and business ethics, as outlined in this Code of Conduct. HeiQ follows the Principles of the United Nations Global Compact. HeiQ is committed to conducting its business in light of these principles.

HeiQ's suppliers and business partners play an important role as enablers of HeiQ's sustainable growth and overall success. In this Code of Conduct HeiQ has set forth principles that are instrumental for dealings with suppliers and business partners. HeiQ expects its suppliers and business partners to strictly observe and comply with all the principles expressed herein, in all of their activities and on all their sites worldwide.

1. Competitiveness and Compliance

a. Competitiveness

All dealings by HeiQ with its business partners are executed on the basis of competitive prices, highest suitability and required quality.

b. Compliance with Laws and International Standards

HeiQ requires that the business behavior of its suppliers and business partners must be in compliance with all applicable international, national and local laws and contractual terms, as well as with generally accepted standards in relation safety, to child labor and anti-bribery. HeiQ requires its suppliers and business partners to act in a socially responsible and ethical way.

c. Subcontractors

The principles of this Code of Conduct shall also apply to third parties (subcontractors) if suppliers or business partners have outsourced parts of their contractual obligations.

2. Safety and Health

Suppliers and business partners must provide a safe and healthy working environment. Suppliers and business partners should have a safety and health organization to define, implement, and follow up on policies and management systems that include compliance with local and national regulations. The safety and health elements should include:

a. Workers' Health and Protection of Workers' Health

Suppliers and business partners shall protect workers from over-exposure to chemical, biological and physical hazards in the workplace as well as from risks associated with any infrastructure used by their employees.

b. Safe Operations

Suppliers and business partners shall have programs in place to operate and maintain all operations in the safest manner possible. Suppliers shall identify and assess possible emergency situations in the workplace and minimize their impact by implementing emergency response plans and procedures. In particular, the suppliers and business partners shall have programs in place to prevent or mitigate catastrophic release of chemicals.

c. Hazard Information and Training of Staff

Safety information shall be available to educate, train, and protect workers from hazards. This includes safety information about hazardous substances used, such as chemicals, pharmaceuticals, intermediate products, etc.

3. Labor

a. Child Labor and Young Workers

Suppliers and business partners shall not use child labor below the age of 15 or the applicable minimum legal age, whichever is higher. The employment of young workers between the ages of 15 and 18 shall occur only in non-hazardous work and when young workers are above a country's legal age for employment.

b. Forced Labor

Suppliers and business partners shall not use forced or involuntary labor.

c. Nondiscrimination

Any discrimination in hiring, training, promotion, compensation, etc. based on race, color, gender, age, sexual orientation, religion, political affiliation, union membership, marital status or any additional illegally discriminatory characteristic is not acceptable.

d. Fair Treatment

Inhumane treatment and/or physical punishment of workers are prohibited.

e. Wages

Work hours, minimum wages and overtime hours paid to employees as well as the fringe benefits must be in compliance with the applicable laws and regulations. Suppliers and business partners must notify their employees of the method used to calculate wages. Wages should be paid at regular intervals and with reasonable frequency in cash, by check or bank transfer, except in specific cases provided for by national regulations.

f. Open Communication and Freedom of Association

Suppliers and business partners should encourage their employees to communicate freely with their superiors concerning working conditions, compensation etc., without fear of reprisals, intimidation, or harassment. Employees should be free to join any trade union of their choice, to seek representation, and to join workers' councils.

4. Environment

a. Minimal Impact and Responsibility

Suppliers and business partners should ensure that their activities have a minimal impact to the environment. Suppliers and business partners must operate as environmentally responsibly and efficiently as possible. Suppliers and business partners are encouraged to use their best efforts to reduce or eliminate emissions generated by their activities, to preserve natural resources, to avoid or minimize the use of hazardous substances, and when possible to promote waste recycling or reuse.

b. Waste and Emissions

Suppliers and business partners shall have systems in place to ensure, as per local regulations, the safe handling, movement, storage, recycling, management of waste, air emissions, and wastewater discharge. If required by local regulations waste, wastewater or emissions shall be measured, tested, controlled, and (if required) treated prior to release into the environment. Waste should be reused or recycled where possible.

c. Environmental Authorizations

Suppliers and business partners shall ensure compliance with all applicable regulations and recommendations relating to environmental protection in force within the countries where they carry out activities. All required environmental permits, licenses, registrations, etc. shall be obtained and their operational/reporting requirements followed.

d. Spills and Releases

Suppliers and business partners need to have systems in place to prevent and mitigate accidental spills and releases into the environment. Emergency procedures and personnel should be in place to treat any accidental event presenting an environmental risk.

5. Ethics

Suppliers and business partners will conduct their business in an ethical manner and act with integrity:

a. Fair Competition

Suppliers and business partners will be committed to working against corruption, including extortion and bribery. Suppliers and business partners shall conduct their business using fair business practices, consistent with fair competition and in compliance with all applicable laws, rules, and regulations.

b. Anti-Corruption and Anti-Bribery

Suppliers and business partners shall not give or offer anything of value, directly or indirectly, to any government official or any commercial party for the purpose of improperly obtaining or retaining a business advantage. Similarly, suppliers and business partners shall not solicit or accept such payments. Suppliers and business partners must at all times conduct their activities in full compliance with all applicable anti-corruption laws, including the UK Bribery Act and the United States Foreign Corrupt Practices Act.

c. Trade Sanctions

Suppliers and business partners shall comply with all applicable trade sanctions laws, including the U.S. Department of the Treasury's Office of Foreign Assets Control sanctions regulations, the U.S. Export Administration Regulations, the UK Export Control Act of 2002, the E.U. sanctions regulations and the sanctions regulations of Switzerland. Suppliers shall not engage in any business or dealings with embargoed countries, blocked persons, or individuals or entities listed as a sanction's target by applicable legislation, or facilitate transactions with third parties that involve embargoed countries, blocked persons, or individuals or entities listed as a sanctions target by applicable legislation.

d. Business Integrity

Suppliers and business partners shall refrain from proposing to any HeiQ's employees and directors any sum of money, gifts, loans or valuable objects, with the exception of presents or promotional gifts of an insignificant monetary value, which are in accordance with local

customs and all applicable laws, rules, and regulations.

e. Identification of Concerns

Suppliers and business partners shall encourage their workers to report concerns or illegal activities within their workplace without threat of reprisal, intimidation or harassment. Suppliers and business partners shall investigate and take corrective action where needed. All reported cases will be officially recorded by suppliers.

f. Privacy

Suppliers and business partners shall secure and use properly any confidential information made available by HeiQ in order to ensure that the privacy rights of the HeiQ, its employees, directors and its customers, business partners and cooperation partners are protected.

6. Internal Procedures and Reporting

a. Internal Procedures

Suppliers and business partners should possess internal measuring procedures, tools and indicators required to guarantee adherence to the principles mentioned in this Code of Conduct. False information must not be given to HeiQ in the course of HeiQ's supplier screening/ assessment and commercial negotiation.

b. Reporting to HeiQ

Suppliers and business partners shall make all reasonable efforts to report any violations of ethics and compliance by HeiQ employees and by other suppliers and business partners to HeiQ.

7. Termination of Agreements

In the event that HeiQ become aware of any actions or conditions not in compliance with this Code of Conduct, HeiQ reserves the right to request corrective actions and the right to terminate any agreement with any suppliers and business partners who do not comply or violate this Code of Conduct.