

Code of Conduct

for Employees of the
Conrad Group

Contents

1	Introduction.....	3
2	Scope of application.....	4
3	Company values.....	4
4	Collaboration.....	5
5	Legal compliance.....	5
6	Fair business relationships.....	6
6.1	Anti-trust and competition law.....	6
6.2	Combating corruption and bribery.....	6
6.3	Personal gifts and other benefits.....	7
6.4	Invitations and entertainment.....	7
6.5	Facilitation or “grease” payments.....	8
6.6	Kickbacks, rebates and commissions.....	8
6.7	Prevention of money laundering and terrorist financing.....	8
6.8	Payments.....	8
6.9	Donations and sponsorship.....	9
6.10	International trade.....	9
6.11	Conflicts of interest.....	9
6.12	Secondary activities.....	9
6.13	Interests in third-party companies.....	10
6.14	Engaging business partners for private purposes.....	10
7	Fair working conditions.....	11
7.1	Respecting human rights.....	11
7.2	Working hours.....	11
7.3	Inclusion and equal opportunities.....	11
7.4	Excluding child labour and managing young employees.....	11
7.5	Remuneration.....	12
7.6	Responsible procurement.....	12
7.7	Occupational health and safety.....	12
8	Handling information and company resources.....	13
8.1	Data protection.....	13
8.2	Information security.....	13
8.3	Need-to-know basis.....	13
8.4	Non-disclosure and confidentiality.....	14
8.5	Intellectual property.....	14
8.6	Company property.....	14
8.7	Merchandise.....	14
8.8	Financial reporting.....	14
9	Commitment to sustainability.....	15
9.1	Environmental and climate protection.....	15
10	Innovation, product quality and safety.....	16
10.1	Innovation.....	16
10.2	Product quality and safety.....	16
11	Violations and compliance issues.....	17
11.1	Whistleblower system.....	17

1 Introduction

Dear Employees,

Our business partners, customers, suppliers and society in general place great trust in us. This trust shapes how we work, interact and communicate every day, and it provides the foundation for the long-term success of our company. As a member of the Conrad family, you have an important contribution to make through responsible behaviour in all your business dealings and through compliance with all applicable laws and ethical standards.

This Code of Conduct provides guidance for all your actions and behaviours in your capacity as an employee of the Conrad Group. In our globalised and highly complex working world, this Code of Conduct will help you to quickly recognise legal risks and avoid infringing the law. It outlines our corporate values and our clear commitment to upholding legal requirements and ethical standards, including in the areas of human rights, labour, anti-corruption and environment. Examples reflecting everyday business life will show you how to live these values.

This Code of Conduct is globally applicable and binding for all Conrad Group employees. It is the responsibility of our managers to ensure compliance with it at all levels and across all countries for the employees who report to them. We would like to call on each and every one of you to bring the principles of ethical conduct to life in your personal and business relations. In doing so, you will be making a vital contribution to the continued success of the Conrad Group.

If you have any queries or suggestions about this Code of Conduct, please contact your manager or your local HR/legal department.

Hirschau, July 2023



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2 Scope of application

This Code of Conduct contains binding behavioural standards that you, as part of the Conrad Group, must adhere to in your dealings with each other and in your cooperation with business partners and third parties.

The Code of Conduct applies worldwide to board members, executives, leaders and all other employees of the Conrad Group. It also applies to temporary and non-salaried staff, i.e. those holding a function equivalent to functions held by employees of the Conrad Group.

In the case of Group companies that are not under the sole management or control of the Conrad Group as defined by company law (e.g. joint ventures), we strive to ensure that the Code of Conduct is applied in full or that comparable behavioural guidelines are introduced.

We endeavour to apply the principles of this Code of Conduct in our cooperation with our business partners, and in particular with our customers and suppliers. Our Supplier Code of Conduct applies primarily to the latter.

Where local law mandates specific requirements at our locations, these take precedence. This Code of Conduct then applies in a supplementary capacity.

We regularly review the validity of this Code of Conduct and update it as necessary.

3 Company values

Our company values provide the framework for our work at the Conrad Group. They guide us in our day-to-day business and shape our relationships with each other and with our business partners, customers and suppliers.

We are:

- Resourceful: We combine our courage to drive change with specialist expertise in technology and procurement to always find the right solution for our customers.
- Entrepreneurial: We listen to our customers and understand their needs to increase the cost-effectiveness of their technical procurement activities.
- Proactive: We put ourselves in our customers' shoes, think ahead and propose viable alternatives or improvements to provide our customers with the best possible service experience.
- Mindful: As a family-run business spanning generations, we are committed to quality, reliability and long-term partnerships with customers, suppliers and employees to promote a sustainable, resource-aware business model.

4 Collaboration

These behavioural guidelines play a key role in bringing our Conrad Group values to life. We are all responsible for ensuring compliance with the Group-wide requirements set out in this Code of Conduct. We expect our managers to lead by example, actively living the contents of this Code of Conduct for their team members.

We are all entitled to fair treatment, courtesy and respect. We will not tolerate any discrimination or harassment. In particular, we have zero tolerance for discrimination based on ethnic or cultural background, disability, gender, religious beliefs, age or sexual orientation.

Child labour, forced labour, modern slavery and comparable practices are prohibited and will be rejected and actively prevented without exception. Our employees are free to participate in representative bodies permitted by law.

5 Legal compliance

At the Conrad Group, the members of our various management boards, our executives, leaders and all other employees must comply with the applicable laws and internal regulations. Our Code of Conduct and its behavioural guidelines define ethically correct practices and frame all business activities at the Conrad Group. Disregarding applicable regulations is not permitted even if doing so would serve the business or economic success and thus ultimately the interests of the company. Any criminal investigation could have a negative impact on our operations. We expect all employees to avoid intentional or grossly negligent misconduct.

6 Fair business relationships

6.1 Anti-trust and competition law

The Conrad Group has zero tolerance for practices that restrict competition and takes active measures to combat them. Making arrangements about pricing and conditions with competitors or other business partners in the vertical supply chain (e.g. suppliers) is strictly prohibited, as is engaging in unlawful manipulation of any kind. The same applies to exchanging competitively sensitive information and to any other conduct that improperly restricts or might restrict competition. We are committed to a zero-tolerance policy in this regard.

For instance, employees are thus not permitted to:

- Engage in discussions with fellow competitors or other business partners in the vertical supply chain about prices, production performance, capacities, sales, tenders, profit, profit margins, costs, distribution methods or other factors that determine or influence Conrad's competitive behaviour
- Collude with competitors to refrain from competing, restrict business relations with suppliers, submit rigged bids in tender processes or allocate customers, markets, territories or production programmes
- Influence the resale prices of Conrad's business customers
- Be influenced by suppliers or other third parties in setting Conrad's own sales prices

Example: As a longstanding sales employee at the Conrad Group, over the years you have got to know people employed by the competition through customer meetings and trade fairs. A competitor's sales manager now approaches you to advise that it would be beneficial to Conrad and that competitor to increase the product price by 5% from a certain point in time..



Under no circumstances should you engage in such discussions. Price fixing and other interference in the free play of market forces are punishable by law. Companies involved have to pay considerable fines. Additionally, individuals participating in such arrangements must expect consequences under criminal and labour law.

6.2 Combating corruption and bribery

Corruption and bribery constitute a gross abuse of a position of trust within a role or organisation in order to obtain a material or non-material advantage to which there is no legally justified claim.

We secure our customer orders exclusively by fair means, based on price, service and the quality of our offering. Whether on the giving or receiving end: demanding, being promised, accepting or offering benefits of any kind – directly or indirectly – in dealings with business partners, institutions, government bodies or other third parties is not permitted and will not be tolerated.

No monetary payments or other forms of consideration may be used to influence official decisions or gain an unjust advantage. The same applies with regard to unjust advantages over participants from the private sector. Offers,



promises, gifts or other benefits must therefore not be made if they could be construed as an attempt to influence public officials or to bribe a business partner in order to obtain advantages for Conrad or the individual concerned.

The definition of public officials includes, at every level, representatives and employees of public authorities or other public bodies, agencies or legal entities, as well as officials and employees of state-owned enterprises and national or international public organisations. The term also includes representatives and employees of any political party, the political party itself and candidates for political office.

6.3 Personal gifts and other benefits

No employee may use their position in the company to demand, accept, obtain or be promised any form of advantage. Benefits of any kind that are accepted or offered for personal use and are directly related to the employment relationship are not permitted. Infringements will not be tolerated.

Exceptions to this are the acceptance of occasional gifts of symbolic value, benefits for all employees or invitations to meals or events within reasonable limits, provided that local customs are respected. Any gift, meal or event invitation in excess of this must be declined.

Material benefits received/given within the permitted scope are limited to EUR 15.00 in the Europe region. Any benefits received that exceed this threshold must be forwarded to the Compliance department. In all other countries, the value depends on national customs, the benchmark of ethically sound business practices and applicable laws.

Any offer of tangible benefits (e.g. money or cash-equivalent vouchers) or the covering of costs for accompanying persons (e.g. gifts, hotel accommodation) must be rejected with reference to this Code of Conduct. The Compliance department must be informed of any such benefits offered.

Example: You work in the purchasing department of the Conrad Group. A potential supplier promises you a season ticket for your favourite football club if you consider them for future orders.



You must refuse this offer. Bribery in business transactions is a criminal offence in Germany and many other countries. Similarly, you are not permitted to claim a personal benefit for awarding contracts to this provider.

6.4 Invitations and entertainment

We undertake not to offer or accept invitations to meals or events (e.g. concerts, trade fairs, sporting fixtures) to or from suppliers, business partners, government bodies or third parties if they conflict with our understanding of what is reasonable and appropriate.

Reasonable or appropriate in this context means that the invitations are extended voluntarily against the background of a business event. The frequent acceptance of invitations would not be considered reasonable or appropriate in this context. Nor would invitations no longer backgrounded by a business event or invitations extended in the run-up to a contract or business win.

We consider the covering of event, accommodation or travel costs by business partners, institutions, government bodies or third parties to be generally inadmissible. Conrad does not cover any event, accommodation or travel costs for activities that do not fall within the usual business context. Exceptions

to this must be reviewed to establish whether they are reasonable/appropriate and must always be contractually agreed (e.g. part of a training programme).

6.5 Facilitation or “grease” payments

Facilitation or “grease” payments (e.g. bribes) are unofficial payments to trigger, secure, accelerate or otherwise facilitate the performance of services. Accepting or offering facilitation or “grease” payments is not permitted and will not be tolerated.

6.6 Kickbacks, rebates and commissions

Kickbacks include all corrupt dealings whereby services that have not been rendered are invoiced so that part of the inflated amount can be channelled to a private individual or a company account in the form of rebates, commissions or similar payments. We process and document legitimate rebates, commissions or similar payments in a transparent and traceable manner. Accepting or offering kickback payments or payments with a similar purpose (e.g. in the form of rebates or commissions) for personal gain is not permitted and will not be tolerated.

Example: The Conrad Group participates in a tender process. An intermediary approaches you and informs you that they can ensure the contract is awarded to Conrad for an additional fee.



You may be liable for prosecution if you approve the additional fee and the intermediary uses this fee as a bribe to ensure the contract is awarded to Conrad. Furthermore, such legal violations by consultants damage the reputation of the Conrad Group and can even result in the company being held liable or incurring very heavy fines.

6.7 Prevention of money laundering and terrorist financing

We uphold our legal obligations to prevent money laundering and terrorist financing and do not engage in money laundering activities. We prohibit any form of support or contribution of funds to dubious associations as well as offences related to terrorist financing.

6.8 Payments

Making payments without a clear and verifiable business purpose and not associated with a specific service or delivery is not permitted and will not be tolerated. We process and document all payments in a transparent and traceable manner.

6.9 Donations and sponsorship

Donations and sponsorship comprise voluntary payments or other services without the donating persons or companies receiving anything in return. As a responsible corporate citizen, Conrad makes donations in cash and in kind on an individual basis for education, science, sports promotion, art and culture, as well as to social and humanitarian projects, and is committed to transparency in the payment of donations.

Quasi-donations, meaning benefits that appear to be compensation for a service but substantially exceed the value of the actual service, violate the transparency requirement and are prohibited in the same way as donations or sponsorship to cover up corruption, bribery or other unjustified payments

6.10 International trade

We comply with the laws and regulations governing international trade. In particular, we observe applicable import and export restrictions, obtain the necessary permits and pay the specified duties and taxes.

Business activities with countries, persons or organisations subject to sanctions and embargoes are affected by certain restrictions or may be completely illegal. Violations here can result in heavy fines and, in the case of individuals, imprisonment.

Example: You are approached by a potential business partner who wants to export electronic components to a country subject to EU sanctions. At the request of the business partner, the order should be processed with minimal documentation due to time constraints. What should you do?



EU sanctions can mean that an export licence must be obtained before a delivery can be made or that delivery is banned altogether. You should therefore consult with the Sourcing Governance department, which is responsible for export control at the Conrad Group, before responding to the potential business partner.

6.11 Conflicts of interest

We differentiate clearly between business and private interests. Employees must not abuse their position in the company for their own advantage or to benefit family or friends. Business partners must not be favoured out of private interest. We expect the personal interests of board members, directors, managers and other employees not to conflict with the interests of the Conrad Group. We are all obliged to disclose any suspected or actual conflicts of interest to our managers and to work with them to resolve the conflict. For conflicts of interest that cannot be resolved, there is a duty to inform the Compliance department.

6.12 Secondary activities

Secondary activities may lead to conflicts of interest between Conrad and its employees. Secondary activities that could cause a conflict of interest are thus always subject to Conrad's approval. In the event of secondary activities for or within companies in competition with Conrad, it must always be assumed that this classifies as a conflict of interest. Taking up a secondary activity for remuneration must be reported to the responsible function/unit, e.g. the HR department, as well as to the line manager, and requires prior written

consent. Consent to secondary activities will not be granted if this conflicts with the interests of the Conrad Group. Secondary activities may also be prohibited if employees engage with the company in question during the course of their work. Consent already granted may be revoked if such reservations arise.

6.13 Interests in third-party companies

Employees who directly or indirectly hold or acquire an interest in a competitor of Conrad must disclose this to their manager and HR if the shareholding exceeds five percent of the competitor's total capital. Additionally, employees who directly or indirectly hold or acquire an interest in a business customer, supplier or business partner of Conrad, or in a company in which Conrad holds a stake, must inform their manager and HR if they also have business dealings with company in question during the course of their work. For shares in listed companies, this only applies if the stake exceeds five percent of the total capital. When notified of interests in third-party companies, Conrad may take appropriate measures to eliminate any potential conflicts of interest.

6.14 Engaging business partners for private purposes

Employees engaging our business customers, suppliers or business partners for private purposes could give rise to conflicts of interest between Conrad and its employees, business customers, suppliers or business partners. To prevent any conflicts of interest between the company and the private matters of employees, an employee must not engage a business partner closely connected to that employee's area of responsibility for private purposes.

7 Fair working conditions

7.1 Respecting human rights

Our Declaration on Human Rights and Fair Working Conditions provides supplementary guidelines to this Code of Conduct. We respect internationally recognised human rights and base our practices on the:

- Universal Declaration of Human Rights of the United Nations
- Conventions of the International Labour Organization (ILO)
- UN Guiding Principles on Business and Human Rights
- OECD Guidelines for Multinational Enterprises
- Ten principles of the United Nations Global Compact, to which Conrad Electronic SE has signed up
- German National Action Plan for Business and Human Rights (NAP)
- German Supply Chain Due Diligence Act (LkSG)

7.2 Working hours

We comply with the applicable national laws and international labour standards regarding maximum permitted working hours and paid leave entitlements. We ensure that our working hours (including overtime) do not exceed the relevant legally permissible maximum. We generally grant our employees at least one day off every seven days.

7.3 Inclusion and equal opportunities

We foster an inclusive culture where diversity is valued and accepted and everyone can realise their full potential. We strive for equal opportunities and equal treatment in the workplace. We treat every individual and every group equally, regardless of personal or genetic characteristics such as gender, skin colour, nationality, ethnic or social origin, language, religion or ideology, political or other opinions, membership of a national minority, wealth, birth status, disability, age or sexual orientation. We do not tolerate discrimination, sexual harassment, sexual abuse, corporal punishment, psychological or physical coercion or verbal abuse.

7.4 Excluding child labour and managing young employees

We reject every form of child labour without exception. Within the Conrad Group, we ensure compliance with the minimum age for regular employment in line with the applicable national regulations. We ensure that our employees under the age of 18 do not work night or overtime hours and are protected against work conditions that may be harmful to their health, safety or development.



7.5 Remuneration

We base our remuneration on the applicable laws, supplemented by the relevant national minimum wage legislation. We provide our employees with clear, detailed and regular information on how their pay is calculated.

7.6 Responsible procurement

We are committed to a responsible supply chain. We comply with human rights and environmental due diligence requirements in an appropriate manner, with the aim of avoiding or minimising risks and ending human rights or environmental violations. Our goal is to ensure that our products and materials are free from 'conflict minerals'. Conflict minerals include tin, tantalum, tungsten and their ores, along with gold, extracted from conflict and high-risk areas and contributing to the direct or indirect financing of armed groups, forced labour and other human rights abuses.

We require our suppliers to comply with the principles of the Conrad Group's Supplier Code of Conduct or to apply equivalent codes of conduct. We also expect them to take appropriate measures to ensure compliance with the contents of the Conrad Group's Supplier Code of Conduct or equivalent codes of conduct in their supply chains.

7.7 Occupational health and safety

We act in accordance with the applicable occupational health and safety laws and ensure safe working conditions.

We are committed to providing and maintaining a safe and healthy working environment. Our safety regulations and practices apply both to Conrad Group employees and to external service providers.

8 Handling information and company resources

When dealing with information and business secrets, we must observe various requirements that are either placed on us by third parties or that we impose on ourselves. Protecting our business information from unauthorised acquisition, use or disclosure has top priority.

8.1 Data protection

We protect the personal data of our business partners, customers, suppliers and employees. Personal data is only collected, processed and used within the framework of the legal provisions. We comply with the provisions of data protection law and take into account the comprehensive rights of the individuals whose data is collected, processed and used.

8.2 Information security

Information security has a profound impact on our business success and our public image. We are committed to protecting information about our company, employees, customers, suppliers and other business partners against any breaches of confidentiality, access or integrity to the best of our ability. To achieve this, we make use of all the technical and organisational means at our disposal. We also regularly monitor and review our internal guidelines on information security to comply with European and national legislation.

8.3 Need-to-know basis

As a general rule, employees should only have access to sensitive or business-critical information if they require it in the performance of their duties, i.e. information is shared on a need-to-know basis.

This need-to-know basis means we undertake to share internal information related to a role within our company only to the extent necessary for that person to perform their job. Accordingly, access rights and distribution lists must be limited to the necessary extent. Confidential information is only to be disclosed to enable performance of the relevant role and completion of specific tasks. Employees are not permitted to pass on information to other areas of responsibility, even if this is requested, without written authorisation from their manager. This authorisation must be documented with the disclosure process.

Employees in hybrid positions (e.g. in the areas of controlling, IT or customer care) or specialised/technical roles (e.g. administrators, archivists or accountants) handle classified information from different areas of responsibility due to the nature of their work. Such employees are not authorised to use or pass on information acquired in the course of their work outside their specific functional remit (e.g. monitoring or evaluation for accounting purposes).



Please refer to the organisational guideline Classification, labelling and protection of information, which is also applicable here.

8.4 Non-disclosure and confidentiality

We observe the applicable laws governing the protection of business secrets and act accordingly. When business partners provide us with information that is confidential, we ensure we treat it as such and use it only for the agreed purposes. We comply at all times with any obligations or agreements regarding special confidentiality. We take appropriate measures to ensure the protection of sensitive information.

8.5 Intellectual property

Our intellectual property and that of our business customers, suppliers and business partners is a valuable asset which we protect against unauthorised use. This applies in particular to works protected by copyright or patent, trademarks, logos, business and trade secrets and related knowledge.

8.6 Company property

Using company property (e.g. materials and supplies, equipment, buildings or business and trade secrets) for non-business purposes is prohibited and will not be tolerated. We are committed to the protection and proper use of company property. Unless directly related to their professional activities, no employee is permitted to produce any recordings, files, visual or audio documents or reproductions thereof without their manager's consent.

8.7 Merchandise

Protecting our merchandise is a major concern for us as a retailer. Theft of merchandise causes considerable damage to our employees, customers, suppliers and business partners. Stealing our merchandise represents a breach of trust that impacts the entire retail chain, is prohibited and will not be tolerated. Theft not only has consequences under labour and civil law, but will also be prosecuted under criminal law.

8.8 Financial reporting

We report all relevant business transactions fully, accurately, in a timely fashion and in line with defined procedures. Financial reporting is carried out in accordance with the accounting standards prescribed by law and reflects the actual assets, earnings and financial position of the company.

9 Commitment to sustainability

Managing resources responsibly allows us to play a role in minimising impacts on people and the environment.

9.1 Environmental and climate protection

To protect the environment, we strive to reduce our consumption of energy, materials and resources across all our sites. Our goal is to cut consumption of raw materials – including water and energy – and shrink the volume of waste. The Conrad Group is working towards even more comprehensive measures to reduce greenhouse gas emissions as part of its climate strategy. We promote circular systems by supporting the use of sustainable, renewable natural resources and increasing reuse and recycling. We avoid general emissions from our operations (air and noise emissions) wherever possible. We act in accordance with applicable laws and follow international standards and regulations to minimise negative impacts on the environment and climate, while continually increasing our environmental protection activities. Examples include the OECD Guidelines for Multinational Enterprises and the Paris Climate Agreement. Our Environmental Policy contains guidelines supplementary to this Code of Conduct.



10 Innovation, product quality and safety

10.1 Innovation

Our aim is to inspire our customers with our expertise in technology and procurement processes. We pride ourselves on quality and reliability. We listen to our customers, understand their requirements and offer them just what they need to power the success of their projects or business: a high-quality product range, customer-centric services and solutions, and qualified advice – from one expert to another.

10.2 Product quality and safety

The Conrad Group offers its customers a high-quality portfolio spanning millions of technical products. Consumer protection is the top priority here. We know that safe, top-quality products, environmental protection and fair working conditions are key success factors for our business. At Conrad, we ensure this through continuous improvement of our integrated quality management and business processes.

As a distributor, Conrad is conscious of the obligations arising from the EU chemicals regulation REACH (Registration, Evaluation, Authorisation and Restriction of Chemicals) and the RoHS Directive (restriction of the use of certain hazardous substances in electrical and electronic equipment) and contractually obliges all suppliers to comply with the requirements as manufacturers or distributors.

11 Violations and compliance issues

Violations of laws, internal guidelines or other regulations can lead to significant economic damage as well as to consequences under criminal law and fines for the Conrad Group and its employees.

All employees undertake to participate in preventative training and instruction sessions from time to time. These initiatives are intended to strengthen competence in dealing with risks and facilitate compliance with the regulations. Our managers oversee this continuous process and monitor participation in all mandatory training in their respective areas.

If we become aware of any violations, we respond to them in a measured, predictable and transparent manner. Breaches of our Code of Conduct may lead to disciplinary action, termination of employment or other consequences under civil or criminal law. Serious instances of misconduct must be made known so that it can be appropriately addressed and prevented in future.

The Conrad Group investigates all indications and reports of possible misconduct. We rely on the support of all those involved to ensure we are made aware of potential violations.

Questions about our Code of Conduct and notifications of possible instances of misconduct can be submitted to your line manager and to Legal & Internal Audit / Compliance at any time.

You can find more information on the [Conrad intranet](#).

11.1 Whistleblower system

The so-called Whistleblower Directive (Directive (EU) 2019/1937) obliges companies that exceed a certain number of employees to set up an internal whistleblower system. Affected Conrad Group companies provide a whistleblower reporting system in multilingual form as part of their regulatory obligations to protect whistleblowers. The whistleblower office can be accessed via the following [link](#).

Our whistleblower system using legal expertise from Ratisbona Compliance GmbH („RC-Whistle“) creates additional trust and security by means of a clearly defined structure that is accessible to everyone, also anonymously, and a legally sound initial assessment in order to point out grievances and thus ensure the sustainable success of Conrad and avert damage.

All information will be investigated. No substantive statements will be made on the facts of the case. If necessary, appropriate measures will be taken and/or competent authorities will be involved. All documents will be kept confidential within the legal framework. Reprisals against whistleblowers of any kind will not be tolerated. The presumption of innocence applies to affected persons as long as they have not been convicted of a violation.

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