

CORPORATE  
CODE OF  
CONDUCT



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## 1. Preamble

To DELO, full compliance with the principles of environmental, social, and ethical behavior represents the basis of day-to-day business activity. To emphasize the importance of these values, DELO has developed a set of behavioral guidelines in line with the designated principles and enshrined them in this Corporate Code of Conduct.

DELO expects its employees at all levels to follow the behavioral guidelines. We also require our business partners to integrate these values into their company. Only by ensuring that each and every individual feels personally responsible for values such as sustainability, fairness, and integrity do we create the basis for our corporate success. Ultimately, though, we all have a common duty to uphold these values.





## 2. Declaration of Principles on Respect for Human Rights

Respecting and protecting human rights is a matter of course for DELO – both in relation to our business activities as well as along our global supply. Our measures are based on the Universal Declaration of Human Rights, the UN Guiding Principles on Business and Human Rights and the ILO Core Labor Standards. We are committed to this, to promote sustainable and ethical business practices.

We have conducted a comprehensive assessment of potential human rights risks to identify potential negative impacts of our business activities and supply chain. This assessment forms the basis for our strategy with regards to human rights. Our analyses focus on the potential impact of our chemical production and the associated supply chains on people and the environment.

**From our risk assessment, we have prioritized the following key human rights risks:**

- ▶ Compliance with labor standards
- ▶ Ensuring health and security at workstations, both in our own operations and at our suppliers' sites
- ▶ Protection against environmental pollution and its negative impact on local communities

**To counteract these risks, we at DELO take the following measures:**

- ▶ Developing and implementing a code of conduct for suppliers that sets out specific requirements for human rights and environmental standards and includes remedial measures or consequences for violations.
- ▶ Conducting regular audits and inspections of our suppliers to check compliance with our standards and identify opportunities for improvement.
- ▶ Organizing workshops and training for our employees to raise awareness of human rights and safety-relevant topics.
- ▶ Establishing an anonymous and accessible grievance mechanism that enables potential violations to be addressed quickly and effectively.

We report transparently on our progress and challenges in the frame of our sustainability strategy. This policy statement is part of the DELO Code of Conduct, which is reviewed and updated annually.

Responsibility for the implementation and monitoring of this policy statement and our Code of Conduct is applied to DELO's Human Rights Officer. The appointed person coordinates our activities for attention to human rights in cooperation with other relevant departments.

We are aware of our responsibility as a company and are continuously working to integrate and promote human rights standards throughout our business activities and supply chain.



### 3. Social responsibility

#### **Exclusion of forced labor and child labor**

Slave labor, forced labor, and other comparable work, as well as human trafficking and all other forms of exploitation, are expressly rejected by DELO. All work must be voluntary, and employees must be able to terminate work or employment at any time in accordance with the law. The use of child labor is prohibited in all respects.

#### **Fair remuneration and working hours**

DELO undertakes to pay its employees appropriate and living wages. Of course DELO also complies with the applicable labor law regulations and laws such as maximum working hours, statutory entitlements to minimum vacation and minimum wage. We are also committed to the highest standards for ethical recruitment practices by ensuring fair and transparent recruitment in accordance with our internal guidelines.

#### **Freedom of association**

DELO respects the right to freedom of association of its employees. If freedom of association and the right to collective bargaining are restricted by law, DELO complies with the legal framework conditions of the respective country in which DELO employees work. Nevertheless, DELO always encourages its employees to voice any concerns directly and in confidence to responsible persons at DELO.

#### **Equal treatment of employees**

DELO actively advocates equal treatment of employees. Appreciation and respect are shown equally to all employees, regardless of gender, skin color, disability, political beliefs, ethnic origin, religion, age, pregnancy, or sexual orientation. Personal rights and the personal dignity and privacy of all employees are respected by DELO.

#### **Occupational health protection and safety**

DELO provides a safe and healthy working environment. Necessary precautionary measures are taken to prevent accidents and damage to health which could arise in connection with work activity by establishing and applying appropriate occupational safety systems. In addition, DELO regularly informs and trains employees on applicable health protection and safety standards and corresponding measures in areas such as noise protection and exposure to hazardous substances. Special consideration is given to the protection of young people and pregnant women here.

#### **Dealing with conflict minerals and banned substances**

DELO puts special focus on the topic of conflict minerals. To ensure compliance with due diligence requirements to promote responsible supply chains for minerals from conflict and high-risk areas, DELO has established processes for handling the conflict minerals tin, tungsten, tantalum, and gold, as well as for other raw materials. DELO undertakes to comply with all legal and regulatory requirements applicable at the time of placement on the market concerning prohibited and declarable substances, including RoHS and REACH in particular, and to provide evidence of this upon request.





## 4. Ecological responsibility

In our role as a manufacturing company, we are aware of our responsibility towards the environment and society and are committed to sustainable and environmentally friendly business practices. We work closely with our contractual partners and the relevant authorities on all environmental issues. Our commitment to environmental protection is an integral part of our corporate strategy and reflects our aspiration to act responsibly both today and in the future.

### Climate protection

With a focus on reducing greenhouse gases and sustainable and innovative economic development, we are committed to making our contribution to global climate protection. In doing so, we strive to determine relevant CO<sub>2</sub> data for products and associated processes produced by DELO and to limit the CO<sub>2</sub> footprint to an unavoidable minimum.

### Dealing with the ecosystem

DELO respects biodiversity and takes care to avoid negative impacts of its business activities on humans, animals and nature. Our goal is to prevent water and soil pollution. Regular inspections and preventive measures in our production buildings ensure that limit values are adhered to. In the production halls, the floor sealing is designed to prevent harmful substances from seeping into the ground, even in emergency situations. To guarantee air purity in and around our production systems, we carry out regular exhaust air measurements and use air filtration systems.

To prevent environmental incidents and emergency situations, we have implemented emergency plans and regularly train our employees to starch their awareness of environmentally friendly behavior.

### Handling resources and raw materials

Together with our suppliers, we focus on responsible and sustainable procurement and production that takes both environmental and social criteria into account. We work continuously to ensure environmentally friendly production processes and to reduce the use and consumption of resources, including water and energy. We make savings either directly at the point of origin or through various processes – for example, by modifying production and maintenance processes or end of processes, through the use of alternative materials, through recycling or by reusing materials. Where possible and sensible, we replace primary raw materials with secondary, recycled resources. In some cases, we are already able to use bio-based raw materials. Energy consumption is monitored and documented. DELO finds economic efficiency solutions to improve energy efficiency and minimize energy consumption. The use of renewable energies, in particular through our company-owned photovoltaic system, is a central aspect of our energy strategy. Water is a valuable resource that we use carefully. Neither cooling nor process waste water is used in our production. In other areas, we are looking at all processes to further reduce our water consumption.

### Dealing with dangerous substances and waste

As a chemical company, we take our responsibility for handling hazardous substances very seriously. We strive to replace substances of particular concern with safer alternatives and, where this is not possible, to limit the use



of such substances to the absolute minimum. The highest level of security is ensured in the handling, transportation, storage, use, recycling or reuse and disposal of chemicals and other materials that pose a potential danger if released into the environment, and appropriate documentation is kept on the generation and handling of these materials. The generation of waste at DELO is reduced wherever possible or, in the best case, avoided altogether. Any waste generated is disposed of or recycled responsibly.

#### **Involvement of employees and the supply chain**

All DELO employees and contractual partners are required to behave in accordance with these directives and thus make their personal contribution to sustainability and ecological responsibility. The requirements for suppliers are defined in the supplier manual and in a code of conduct.





## 5. Ethical business conduct

### **Fair competition**

DELO stands for conduct which complies with competition and antitrust law. For this reason, not only suppliers are required to comply with all standards relating to fair business, fair advertising, and fair competition, but DELO also expects its own employees to comply with all applicable competition and antitrust laws without exception. Any collusion or other activity which affects prices or conditions is prohibited.

### **Data protection and confidentiality**

DELO undertakes to meet the reasonable expectations of its stakeholders with regard to the protection of personal data. DELO complies with the laws on data protection and information security and the official regulations when collecting, storing, processing, transmitting, and forwarding personal data. Received confidential information and trade secrets are protected against misuse, loss, destruction, and manipulation.

### **IT security**

Company data, as well as data of employees and all other stakeholders which is processed in IT systems, is protected to a high degree by DELO using implemented IT security measures and always in accordance with applicable laws. Employees receive regular training in this area to raise awareness of issues such as data breaches and hacking or

phishing. In addition, our systems are regularly checked and updated in order to remain protected against cyber threats. Business partners and suppliers are required to follow comparable standards to ensure comprehensive data security throughout our value chain.

### **Intellectual property**

The protection of intellectual and real property is of great importance to DELO. Property transferred to us by the customer is protected to the same extent as the property of DELO. DELO treats instruments, tools, and other work equipment with the greatest possible care and protects them from theft, damage, and destruction. We also handle confidential information, documents, and intellectual property conscientiously and always in accordance with the contract. Technology and knowledge transfers are carried out by DELO exclusively in such a way that intellectual property rights and customer information are protected. Additionally, we take proactive measures to ensure the integrity of our products and consistently minimize the danger of counterfeit parts. We inform our customers transparently about our quality controls and guarantee the authenticity of all components.

### **Export control and sanctions regulations**

As an internationally operating company, DELO places the highest value on compliance with all relevant export control and economic sanctions laws. We are aware that the free movement of goods is subject to numerous prohibitions and restrictions. We are committed to ensuring that our products, technologies and services are traded worldwide in compliance with these regulations.





### **Integrity, bribery, and benefits**

DELO applies the highest standards of integrity in all its business activities and complies with internationally recognized anti-corruption laws such as the UK Bribery Act, the U.S. Foreign Corrupt Practices Act (FCPA), the Malaysia Anti-Corruption Commission Act 2009, and the Singapore Prevention of Corruption Act. Employees at DELO therefore maintain a zero-tolerance policy regarding all forms of bribery, corruption, extortion, and embezzlement. Applicable law and internal guidelines are complied with. A suitable compliance system for monitoring and enforcing laws and standards has been implemented. DELO guarantees proper behavior in day-to-day business and ensures mutual respect in all business relationships. For example, DELO only gives its business partners gifts and benefits within an appropriate, written framework. It is impermissible to give gifts or other personal benefits to business partners, project partners, or target groups or to accept such from business partners, project partners, or target groups if the business courtesies exceed the value permissible as per the tax law applicable at the time. Invitations from employees can only be accepted if they are voluntary, appropriate, and take place within the framework of ordinary cooperation.

### **Complaint mechanism / Reporting misconduct**

DELO has set up a whistleblower system which can be used at any time to report violations of this Corporate Code of Conduct. (<https://delo.iwhistle.de/en>)

Furthermore, employees can freely and at any time report inappropriate behavior at DELO to their managers or, alternatively, to the Human Resources Department.

# DELO

## DELO Industrial Adhesives

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Korea | Malaysia | Singapore | Thailand | USA

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