

SUPPLIER CODE OF CONDUCT



MONDRAGON
ASSEMBLY



1. OBJET

Mondragon Assembly considers its suppliers, contractors and external partners to be an indispensable part of achieving its objectives of growth and improvements in quality of service, seeking to establish relationships with them based on trust and mutual benefit.

The Mondragon Assembly Supplier Code of Conduct is seen as an extension of our company's Code of Conduct and aims to establish the minimum guidelines that should govern the behaviour of suppliers, contractors and external partners in accordance with the business culture and regulatory system of Mondragon Assembly.

The criteria set out in this Code are not intended to cover every situation or circumstance that may arise, but rather to establish general guidelines to guide those concerned in terms of their behaviour during the course of their professional activity.

Mondragon Assembly is committed to promoting and encouraging its suppliers, contractors and external collaborating companies to adopt practices in accordance with the guidelines included in this Code and will provide the necessary resources to ensure that they are aware of and understand this Code and are able to comply with it.

Compliance with this Code is unrelated to where suppliers, contractors and collaborating companies operate around the world, without prejudice to compliance with the legislation that exists in each country.

All suppliers, contractors and collaborating companies are able to approach the Mondragon Assembly Conduct and Compliance Committee confidentially, in good faith and without fear of reprisal, in order to report any breach of the Code of Conduct guidelines that they observe during the course of their professional activities. This communication can be made through the S.R. and Compliance channel available on our website www.mondragon-assembly.com and/or via email to: socialreponsibility@mondragon-assembly.com. The communications received will be treated in confidence and in accordance with the provisions of current legislation on data protection. This Code of Conduct includes the commitments established in the United Nations Global Compact and the Mondragon Assembly Integrated Management System Policy.

2. SOCIAL RESPONSIBILITY GUIDELINES

- **Human rights:** Mondragon Assembly's suppliers and partners must support and respect the protection of internationally recognised human rights within their sphere of influence and must ensure that they are not complicit in human rights abuses.
- **Child labour:** The employment of children in violation of ILO (International Labour Organisation) conventions is prohibited. (ILO Convention no. 138).
- **Forced and compulsory labour:** Workers shall be free to end the employment relationship in accordance with the established time limits. The supplier may not resort to forced or compulsory labour in any situation. Work is considered forced and compulsory when it is required of an individual under threat and when the individual does not volunteer. (ILO Conventions no. 29 and 105).
- **Freedom of association:** Workers shall have the right to associate freely, to join unions, and to appoint representatives. The supplier shall ensure that trade union independence and pluralism are respected. (ILO Conventions no. 87 and 135). The supplier undertakes to promote collective bargaining as a central element of labour relations. (ILO Convention no. 68).



- **Remuneration and social benefits:** Mondragon Assembly suppliers, contractors and external partners will remunerate their employees in an appropriate manner, adjusted to their skills, responsibilities and duties, and in line with the applicable legislation and the conditions of the markets in which they operate. The supplier acknowledges the principle of equal pay in relation to workers of the same professional category and equal performance, particularly between men and women. (ILO Convention no. 100).
- **Work shift:** The working hours and breaks must at least comply with the applicable legislation in force, the standards of the business sector, or the ILO conventions, according to whichever of these is the most stringent.
- **Fair treatment:** The practice or support of acts of physical, verbal, sexual or psychological harassment, abuse or threats in the workplace is prohibited. Any disciplinary policies and procedures to be defined shall be duly communicated to all workers, and measures shall be taken to prevent and remedy such acts.
- **Discrimination and equal opportunities:** Any discrimination in hiring and professional advancement is prohibited, whether it is based on culture, nationality, sex, religion, political and union beliefs, differences in experience, professional career, physical characteristics, pregnancy, age, health status, or sexual orientation. (ILO Convention no. 111). The suppliers, contractors and external partners of Mondragon Assembly will promote equal opportunities in recruitment, pay, access to training, promotion and professional development.
- **Local communities and indigenous populations:** the suppliers, contractors and external partners of Mondragon Assembly must respect the rights of the communities, including indigenous ones, in places where they operate, with a commitment to ensure that their activities do not adversely affect the traditional ways of life and work of the people living in their areas of activity.
- **Health and safety:** The supplier undertakes to implement effective occupational health and safety policies based on prevention, and in the form of action plans and commitments that involve everyone, according to their level of responsibility, including social organisations. (ILO Convention no. 155). Workers must have a healthy and safe work environment, which meets or exceeds the applicable occupational health and safety standards. Ensure that any potential risk situation that could affect workers, customers, users or the safety of the site is notified, assessed and managed appropriately.
- **Environment:** suppliers, contractors and external partners will maintain a constant commitment to protecting the environment and will comply with the standards and requirements set out in applicable local and international legislation. They will incorporate environmental criteria into their business processes, new projects, activities, products and services, as well as in the selection and evaluation of their suppliers. The prevention of pollution and continuous improvement will be ensured.

3. COMPLIANCE GUIDELINES

- **Integrity:** The Mondragon Assembly Group companies, as well as their suppliers, subcontractors and collaborating companies, are committed to conducting their business with integrity and in accordance with the legal requirements, adhering to the applicable laws and international standards of business ethics. We comply with all applicable laws and regulations in the countries in which we operate.
- **Corruption and bribery:** In their dealings with third parties, and in particular with public authorities and institutions in the various countries in which they operate, Mondragon Assembly suppliers, contractors and external partners shall act in accordance with national and



international provisions for the prevention of corruption and bribery and, in particular, with the principles established by the OECD Convention on Combating bribery of foreign public officials in business transactions. They may not accept, offer or confer, either directly or indirectly, gifts or compensation of any kind that are intended to improperly influence their business, professional or administrative relationships, either with Mondragon Assembly or with other public or private organisations.

- **Conflict of interest:** We avoid conflicts of interest, in particular, when disclosing any financial interest that an employee of Mondragon Assembly may have in a supplier, and when not accepting or soliciting, directly or indirectly, any benefit from a supplier of Mondragon Assembly with a view to awarding business. We do not allow third parties or suppliers to influence or attempt to influence Mondragon Assembly employees or their families by offering them gifts, favours, entertainment, personal benefits or preferential treatment that is beyond a modest and/or reasonable magnitude and that clearly cannot be considered a culturally acceptable display of business manners or mere hospitality.
No gifts or favours will be accepted that could be construed as being intended to influence the objective decision-making process of our employees, directors or those acting on behalf of Mondragon Assembly.
- **Money laundering:** Mondragon Assembly suppliers, contractors and external partners must adopt measures to prevent money laundering in any financial transactions. It is important to remain vigilant regarding any payments related to our business that come from unidentified sources or unrecognised bank accounts, or bank accounts unrelated to the paying party, or that are not consistent with the amounts we expect to receive in payment.
- **Privacy and information:** Suppliers, contractors and external partners are required to preserve the integrity and confidentiality of the information they receive as a result of their business relationships with Mondragon Assembly. The obligation of confidentiality will remain once their relationship with Mondragon Assembly has ended.
They must comply with the current legislation on data protection in each country, respecting the right to privacy and protecting personal data entrusted to them by third parties.
- **Intellectual property:** Mondragon Assembly suppliers, contractors and partners shall protect Mondragon Assembly's intellectual property, which includes, among others, rights to patents, trademarks, domain names, reproduction rights, design rights, database extraction rights and specialised technical knowledge rights.
Suppliers, contractors and external partners will follow the rules and procedures in this area in their relations with third parties.

4. BUSINESS ETHICS GUIDELINES

- **Fair competition:** Fair business, advertising and competition standards shall be maintained, and responsible taxation shall be exercised, with the presentation and payment of tax obligations on a timely basis and avoidance of double accounting.
- **Promotions and advertising:** Mondragon Assembly suppliers, contractors and external partners must take the utmost care to preserve the image and reputation of MA in their professional activities. They will also oversee the respect for and correct use of the image and reputation of Mondragon Assembly on the part of their employees and subcontracted companies.
When marketing products and services, they must use promotions and advertising that respect human dignity, health and safety, that are not misleading and that do not encourage behaviour that is illegal, dangerous or contrary to the principles of sustainability and social responsibility.
- **Quality and safe goods and services:** the products and services delivered by suppliers, contractors and external partners must comply with the quality and safety standards and



parameters required by the applicable laws, paying particular attention to compliance with prices and delivery times.

- **Contracts:** Mondragon Assembly, as well as its suppliers, contractors and partners, will draw up and implement contracts in accordance with the principles of transparency, truthfulness, trust and good faith. They must also avoid abusive actions arising from any possible position of dominance. Clear, complete and truthful information must be provided regarding the characteristics of goods and services, prices, quotations, guarantees, insurance and taxes.

5. ACCEPTANCE AND COMPLIANCE WITH THE CODE

This Code of Conduct is obligatory for all suppliers, contractors and external partners of Mondragon Assembly.

Suppliers, contractors and external partners must implement appropriate mechanisms for disseminating this Code to their employees and especially to those who perform work for Mondragon Assembly.

They will also be responsible for ensuring that their own suppliers, contractors and external partners are subject to behaviour standards equivalent to those of this Code of Conduct.

Mondragon Assembly expects a high level of commitment from all its suppliers, contractors and external partners when it comes to complying with the Supplier Code of Conduct.

Mondragon Assembly will terminate business relations with those suppliers, contractors or external partners who violate the guidelines of conduct defined in this Code, especially those referring to human rights and corrupt practices.

6. VALIDITY AND APPROVAL

This Code of Conduct is approved by the Conduct and Compliance Committee. It will be reviewed periodically and at the suggestion of the Purchasing, Compliance, Environment and Social Responsibility departments, and these reviews will take into account any suggestions and proposals made by suppliers and contractors.