

4flow supplier sustainability policy

shaping the future of supply chain



4flow supplier sustainability policy

1. Introduction and Scope

At 4flow, we are committed to conducting our business in an ethical, legal, and socially responsible manner. This commitment extends to our entire supply chain. This Supplier Sustainability Policy outlines our expectations we have for all suppliers, contractors, and business partners (collectively referred to as “suppliers”) across all tiers of our supply chain.

This policy covers environmental responsibility, social responsibility, governance and ethics, and compliance. It also includes a commitment to the Ten Principles of the United Nations Global Compact, as well as compliance with internationally recognized human rights and labor and social standards.

Compliance with this policy is essential for fostering a responsible and resilient supply chain. Our suppliers play a key role in supporting our sustainability objectives. They are expected to adhere to this policy and to ensure that their own suppliers and subcontractors also comply with the principles outlined in this policy. The suppliers are encouraged to implement their own programs and processes that promote long-term social, environmental, and economic sustainability across the entire supply chain.

The 4flow vision and values outlined in 4flow’s Code of Conduct shape the way we treat our customers, partners, service providers, and coworkers.

2. Compliance with laws and regulations

Suppliers must comply with all applicable national and international laws, regulations, and industry standards, particularly those related to human rights and labor conditions, environmental protection, occupational health and safety, anti-corruption, fair competition, taxation regulations, data protection, export control and other ethical business practices.

We expect our suppliers to have appropriate whistleblowing systems and protection against retaliation in place.

3. Efficient resource management and environmental protection

4flow is dedicated to minimizing its environmental impact and expects its suppliers to do the same, aligning with global efforts to combat climate change. Suppliers shall implement effective environmental protection measures, such as sustainable sourcing and eco-friendly production processes, comply with applicable environmental laws and regulations, and continuously minimize their resource consumption and environmental impact. This applies especially to responsibly managing and minimizing energy consumption, greenhouse emissions, and water, reduction of waste, as well as maximizing recycling and reuse of materials, water quality, and air quality. Suppliers are expected to make use of renewable energies.

Suppliers shall protect natural ecosystems and biodiversity, halt conversion, deforestation and forest degradation in their operations and supply chains based on identification and management of natural forests and other natural ecosystems. Appropriate soil quality shall be protected, and suppliers shall be in compliance with and respect existing land/water rights.

4. Responsible chemical management

Although 4flow is not trading, handling or producing dangerous chemicals, it is committed to a responsible chemical management and expects all suppliers to comply with all applicable legal and regulatory standards, to implement effective environmental protection measures and to conduct a responsible management of such chemicals. This includes but is not limited to the compliance with

the Zero Discharge of Hazardous Chemicals Manufacturing Restricted Substances List (ZDHC MRSL) as well as the Product Restricted Substances List (PRSL) to protect consumers, workers, communities and the environment from negative impact.

5. Conflict minerals and supply chain transparency

Suppliers must ensure that their products are free from conflict minerals. We expect our suppliers to take appropriate steps to ensure the traceability of raw materials used in their products, to adhere to the principles outlined in the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas, and to provide transparency regarding the origin of materials and maintain records that can be reviewed upon request.

Raw materials should be obtained from audited sources as a matter of principle whenever possible. 4flow participates in initiatives aimed at establishing the standards and rules set out in this policy in raw material supply chains.

6. Animal welfare in the supply chain

For 4flow it is crucial that corporate activities take animal welfare into consideration. Therefore, we require relevant suppliers to implement standards and best-practice methods to comply with animal welfare along the entire supply chain. In general, animal testing must be avoided and alternative methods free of animal testing must be favored, unless such testing is strictly required by law. In any case, national and international rules regarding animal protection and animal testing, such as the German Animal Protection Act (TierSchG) or the EU Directive 2010/63 shall be followed.

7. Social responsibility

It is crucially important to 4flow that all business activities take into account our social responsibility towards team members and society as a whole. This applies both to 4flow itself and our suppliers. We are committed to respecting human rights and promoting fair labor practices (see 4flow's Declaration of Principles for Human Rights). All suppliers are called upon to observe the principles and rights set forth in the guidelines of the UN Initiative Global Compact (Davos, 01/99), the "Declaration on Fundamental Principles and Rights at Work" adopted by the International Labour Organisation (ILO) in 1998 and amended in 2022, and to align their due diligence process with the requirements of the "UN Guiding Principles on Business and Human Rights". Of particular importance is the respect for human dignity and internationally recognized human rights, especially the prohibition of child labor, forced labor, and human trafficking. The suppliers must ensure the prohibition of discrimination and instead promote diversity, inclusion, and equal opportunity, the freedom of association and collective bargaining rights, maintain a safe and healthy workplace, ensure protective equipment, lawful hours of work and adequate periods of rest, fair wages and benefits in compliance with local law.

The rights of indigenous peoples and local communities shall be respected, promoted and protected throughout the supply chain in accordance with the "UN Declaration on the Rights of Indigenous Peoples" (2007). Suppliers are required not to engage in land grabbing, to obtain Free Prior and Informed Consent (FPIC), as defined by the UN-REDD Programme from existing land users and to promote adequate compensation where land use has been granted to the supplier.

The supplier shall comply with the ban on hiring or using private or public security forces to protect a business project if, due to a lack of instruction or control on the part of the company, the prohibition of torture and cruel, inhuman, or degrading treatment is disregarded during the deployment of security forces, or if life and limb are injured in any other way.

8. Business Integrity

We expect our suppliers to conduct their business with high ethical standards, integrity, transparency, and fairness. They shall comply with all applicable anti-corruption laws and shall not engage in any form of corruption, bribery, or fraudulent practices. They shall avoid any conflicts of interest and disclose any potential conflicts to 4flow. Suppliers are expected to compete fairly and comply with all applicable antitrust and competition laws. Suppliers must protect confidential information, implement robust data privacy and cybersecurity measures, and respect intellectual property rights.

9. Financial integrity and transparency

Our suppliers must keep their financial transactions and records complete, accurate, and transparent. Appropriate controls must be in place to create, store, and maintain business records correctly and securely.

The financial reports of our suppliers must comply with applicable legal and regulatory requirements. Suppliers have to follow generally accepted accounting principles to ensure the accuracy and integrity of financial reporting.

Our suppliers are aware of their financial responsibility and strive for open and transparent communication with all stakeholders.

10. Prohibition of money laundering, financing of terrorism, and other illegal activities

Suppliers must fully commit to the international fight against money laundering and the financing of terrorism. 4flow requires its suppliers to prevent the direct or indirect funding of armed groups, conflicts and human rights abuses.

Suppliers must not engage in or tolerate any form of illegal activity at the workplace or otherwise in connection with 4flow.

11. Implementation of these standards in the supply chain

All suppliers are called upon to communicate this policy to their employees and make contractual arrangements to ensure all their subcontractors comply with the standards and rules set out in this policy. These arrangements should be documented and communicated in a supplier policy for sustainable procurement. To provide security for supply chains with increased risk, 4flow requires the disclosure of supply chains that may be affected.

12. Monitoring and Compliance

Suppliers are expected to regularly self-monitor and report their compliance with this policy, take appropriate corrective actions when necessary and engage in continuous improvement efforts. Progress towards sustainability goals is requested to be shared with 4flow. In case of a suspected violation of this policy, suppliers are expected to report promptly to 4flow. We reserve the right to assess suppliers' adherence to this policy through audits or risk-based assessments. Non-compliance may result in corrective actions or termination of the business relationship.

13. Reporting and whistleblowing

Employees, suppliers, and other business partners are encouraged and expected to report any suspected or actual violation of this policy at the earliest possible stage. Reports can be made anonymously, confidentially and without fear of retaliation through 4flow's whistleblower portal via The hive (Whistleblowing) and via our website (Responsibility - 4flow). All reports will be taken seriously and investigated promptly, impartially, thoroughly, and in accordance with applicable laws and regulations. If necessary, appropriate remedial actions will be taken.

14. Continuous Improvement

4flow is committed to continuously assessing and improving its sustainability performance and expects its suppliers to do the same. We will regularly review this policy to ensure its adequacy, effectiveness and alignment with legal requirements. Improvements as necessary to adapt to emerging risks or changes in legislation will be implemented promptly.

15. Conclusion

By adhering to this policy, our suppliers contribute to a more sustainable, ethical, and resilient supply chain, reflecting our shared commitment to responsible business practices.

16. Contact information

For questions or further information to this policy, please contact the Chief Compliance Officer, Stephan Kappel (s.kappel@4flow.com), the Compliance Department (compliance@4flow.com) or the Legal Department (legal@4flow.com).

Last update: March, 2025

