



TONFUNK Group Code of Conduct on Social Responsibility

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1 Introduction

The TONFUNK Group is committed to upholding high ethical standards, as expressed through this Code of Conduct. This Code of Conduct is an integral part of the TONFUNK Group's management system and defines specific areas of the company's policy. The present Code of Conduct on Corporate Social Responsibility is based on the following frameworks:

- The industry guideline of ZVEI¹
- The OECD guidelines for multinational enterprises²
- The UN Guiding Principles on Business and Human Rights³

When we use the term “we”, “us” or “our” in this Code of Conduct we refer to TONFUNK.

2 Basic Understanding of Socially Responsible Corporate Governance

For us, social responsibility means combining economic success with sustainable action. We consider the ecological, social, and economic impacts of our decisions and are committed to achieving a responsible balance of interests.

Within the scope of our capabilities and areas of influence, we voluntarily contribute to the well-being and sustainable development of global society at all locations where we operate.

TONFUNK aligns its actions with universally accepted ethical values and principles – particularly integrity, honesty, and respect for human dignity – as enshrined in the Universal Declaration of Human Rights of the United Nations⁴ and the Principles of the UN Global Compact⁵.

¹ ZVEI: Initiative in Electronic Manufacturing Services ([ZVEI | Germany's Electro and Digital Industry](#))

² OECD Guidelines for multinational enterprises ([MNE Guidelines - Organisation for Economic Co-operation and Development](#))

³ UN Guiding Principles on Business and Human Rights ([guidingprinciplesbusinesshr_en.pdf](#))

⁴ UN Universal Declaration of Human Rights ([Universal Declaration of Human Rights | United Nations](#))

⁵ The 10 Principles of the UN Global Compact ([The Ten Principles | UN Global Compact](#))

3 Scope

This Code of Conduct applies to the entire TONFUNK Group.

We are committed to promoting compliance with the principles set out in this Code of Conduct among our suppliers and throughout the broader value chain, within the scope of our capabilities and sphere of influence. The document used for this purpose is the Code of Conduct for Business Partners.

TONFUNK maintains open and dialogue-oriented communication regarding the requirements of this Code of Conduct and its implementation with employees, customers, suppliers, and interest and stakeholder groups.

All documents and records are prepared with due diligence, are not improperly altered or destroyed, and are retained appropriately. Trade secrets and business information of partners are handled with sensitivity and confidentiality.

4 Our Principles and their Assurance

TONFUNK complies with all applicable laws and regulations in the countries where it operates. In countries with weaker institutional frameworks, we carefully assess which best practices from our home country can be applied to ensure responsible corporate governance. Our values are the foundation of our corporate culture. They define how we work, interact with each other, and conduct our business.:

- **Trust:** Honesty, fairness, and respect are the foundation for building mutual trust and fostering a strong sense of unity in our collaboration.
- **Communication:** Open, purposeful, and respectful communication promotes mutual understanding, motivation, and transparency. Questions are always welcome, and everyone is approachable.
- **Quality:** The quality of our products and services is the cornerstone of our success. Every employee is responsible for the quality of their work and strives to meet the high expectations of our customers.
- **Partnership:** We see ourselves as partners to our customers and employees. Through helpfulness, coaching, and collaborative teamwork, we achieve the best possible outcomes.
- **Efficiency:** We aim to achieve the best results with minimal effort. We combine cost awareness with effective working methods.
- **Innovation:** We continuously drive improvement, adapt to change, and develop new solutions to remain competitive.
- **Passion:** Pride, motivation, and enthusiasm for our work shape our commitment and are reflected in our corporate culture.
- **Collaboration:** Teamwork, tolerance, and cross-disciplinary cooperation are key to our success. Together, we create inspiring and high-performing processes.
- **Quality of Life:** We value a healthy work-life balance, consideration for family needs, and the promotion of health and vitality.



Supervisors, Management, and the Works Council are always available to support our employees, especially when it comes to behaviour that may contradict this Code of Conduct or our corporate values. If these internal channels are not sufficient, all stakeholders can use our whistleblower portal, accessible via our website ([TONFUNK Whistleblower System](#)).

5 Responsibility Towards Employees

5.1 Employees and Human Rights

TONFUNK is committed to the promotion of human rights. The company upholds human rights in accordance with the UN Universal Declaration of Human Rights. TONFUNK does not tolerate any form of harassment, threats, or abuse and is dedicated to providing a work environment where all employees feel safe and respected.

5.2 Data Protection and Cybersecurity

We respect the privacy and personal data of all employees and business partners and protect this information through appropriate measures.

Safeguarding personal data is a top priority for us. We comply with the GDPR (General Data Protection Regulation of the EU) and apply the highest standards of IT and data security to protect sensitive information. We conduct regular awareness training, systematically assess IT risks, and maintain emergency plans to detect and manage security incidents.

5.3 Freedom of Opinion and Association and Respectful Collaboration

We respect the right to freedom of expression and ensure that employees can express their opinions without fear of reprisals. We advocate respectful interaction with one another; discriminatory statements are not tolerated in any way.

We fully recognize the rights of employees regarding freedom of association, to form a workers' representative body, or to join a trade union in accordance with the International Labour Organization's Declaration on Fundamental Principles and Rights at Work.⁶ In addition, we encourage social dialogue through regular dialogue formats with workers' representatives.

We promote equal opportunities and treat all our employees equally and fairly, regardless of skin colour, race, gender, religion, nationality, social background, disability, sexual orientation, political beliefs, or age⁷. This not only applies to the hiring process, but also to promotions and access to training opportunities. The prohibition of discrimination and unequal treatment also particularly applies to the principle that equal pay is given for work of equal value. We are also committed to an inclusive working environment that respects and encourages diversity.

⁶ ILO Declaration on Fundamental Principles and Rights at Work (updated 2022) ([ILO Declaration on Fundamental Principles and Rights at Work | International Labour Organization](#))

⁷ ILO Convention no. 111 of 1958 on Discrimination in Respect of Employment and Occupation (Convention C111 - Discrimination (Employment and Occupation) Convention, 1958 (No. 111))

5.4 Fair Treatment of Employees

Work for the TONFUNK Group is always based on voluntary agreement. Every employee has the right to terminate their employment at any time, in accordance with the agreed terms, without fear of retaliation or penalty. We promote the professional and personal development of our employees through targeted training programs. Participation in training sessions is documented and encouraged as part of regular development discussions.

We recognize children and young people as a particularly vulnerable group and employ them only within the limits permitted by law.⁸

We do not tolerate any form of forced labour.⁹ We also reject slavery, human trafficking, modern slavery, and exploitative or involuntary prison labour. Every employee receives a clear and binding employment contract.

5.5 Fair Remuneration

We comply with all applicable laws regarding compensation, particularly those related to minimum wage.¹⁰ It is our goal to ensure fair and appropriate remuneration for all employees, based on the German statutory minimum wage and internal regulations. Payroll is always processed punctually and presented in a clear and understandable manner. Furthermore, our social benefits, such as paid leave, meet or exceed local legal requirements.

5.6 Health and Safety at Work

We comply with all applicable laws and regulations regarding working hours and their documentation, and we ensure appropriate breaks and rest periods. We take care to ensure that the maximum permissible weekly working hours are not exceeded. Our internal policies meet or exceed local legal requirements.

We ensure a safe and healthy working environment and take the necessary measures to prevent accidents and occupational illnesses. All employees receive regular training on occupational safety and health-related topics. We offer programs that promote both the physical and mental well-being of our employees. Our occupational safety team operates professionally and systematically analyses potential sources of risk. In the event of indications of violations of labour or human rights, we are committed to a structured and investigation resolution process.

We are particularly committed to training our employees in the safe handling of hazardous substances and taking preventive measures to avoid incidents or accidents that could pose risks to people and the environment. Wherever possible, we replace hazardous substances with safer alternatives.

⁸ ILO Protocol of 2014 to the Forced Labor Convention (addendum to ILO Convention no. 29 of 1930) ([Protocol P029 - Protocol of 2014 to the Forced Labour Convention, 1930](#))

⁹ ILO Declaration on Fundamental Principles and Rights at Work (updated 2022) ([ILO Declaration on Fundamental Principles and Rights at Work | International Labour Organization](#))

¹⁰ ILO Convention no. 131 of 1970 on the Fixing of minimum wages ([Convention C131 - Minimum Wage Fixing Convention, 1970 \(No. 131\)](#))

6 Environmental and Social Responsibility

6.1 Environment and Climate Protection

We comply with the environmental protection regulations and standards applicable to our operations and act responsibly toward the environment at all our sites. This includes continuous improvement in accordance with the requirements of ISO 14001¹¹, whose certification is further developed annually through the review of KPIs and objectives.

We minimize environmental impact through sustainable practices, an efficient waste management system, and ongoing improvements in environmental management. Based on the circular economy concept, most of the waste is recycled. We make efforts to reduce waste and use renewable energy wherever feasible and practical.

The storage, use, and transport of hazardous substances are organized to minimize the risk of environmental accidents, in accordance with the Technical Rule for Hazardous Substances (Technische Regel fuer Gefahrstoffe TRGS 510)¹².

TONFUNK contributes to the social and economic development of the country and regions in which it operates. We support the local economy wherever possible. We adhere to standards such as the Greenhouse Gas Protocol for the systematic measurement and reduction of CO₂ emissions across all scopes.

6.2 Conflict Minerals

EU Regulation 2017/821 requires companies importing tin, tantalum, tungsten, and gold (3TG) into the EU to comply with due diligence obligations in their supply chains. The goal is to ensure that these minerals do not contribute to the financing of armed conflicts or are linked to human rights violations in mining areas.

Although we are not directly subject to the obligations of this regulation, we are preparing for the upcoming requirements of the Corporate Sustainability Due Diligence Directive (CSDDD), which imposes extended due diligence obligations on companies operating in the EU.

We take our social responsibility regarding environmental protection, safety, health, and human rights seriously and recognize that our conduct in business activities impacts society and the environment. TONFUNK GmbH neither sources conflict minerals nor their derivatives directly from smelters or other suppliers in conflict-affected regions.

As a mid-sized B2B company, we actively collaborate with our suppliers to increase transparency throughout the entire supply chain – particularly at the Tier 2 level. We expect our suppliers to comply with applicable due diligence obligations and to provide us with reliable information regarding the origin of their materials.

In case our investigations reveal indications of conflict minerals in supplied components; we are committed to taking appropriate measures in response.

¹¹ ISO 14001:2015 Environmental Management Systems (<https://www.iso.org/standard/60857.html>)

¹² TRGS 510 – Storage of hazardous substances in portable containers (BAuA – Technical Rules – TRGS 510 Storage of hazardous substances in non-stationary containers – Federal Institute for Occupational Safety and Health)



6.3 Sustainable Supply Chain

We are committed to ethical procurement processes and expect the highest standards from our partners regarding human rights and environmental responsibility. Our suppliers are required to comply with sustainable and ethical standards. We implement a risk-based assessment of our suppliers and conduct audits when necessary.

We do not engage in unlawful forced evictions or illegal appropriation of land, forests, or waters when purchasing, developing, or otherwise using land, and we expect the same from our business partners.

7 Commitment to Business Partners and Customers

7.1 Ensuring Quality for Our Customers

TONFUNK follows a zero-defect strategy in all our processes and products to ensure customer satisfaction and avoid waste. Through regular inspections and adjustments, we continuously improve our processes and products.

Customer focus is a core part of our corporate culture. We are committed to meeting our customers' needs and expectations to the best of our ability and continuously increasing their satisfaction. To respond quickly and effectively to unforeseen events, we develop and implement comprehensive crisis and emergency plans.

7.2 Ethics and Anti-Corruption

We strictly reject all forms of corruption and bribery. Business decisions are based on integrity and transparency.

8 Implementation and Enforcement

We make all appropriate and reasonable efforts to continuously implement and uphold the principles and values outlined in this Code of Conduct.

Ermsleben, June 13, 2025


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