

# Code of Conduct for Suppliers

## Preamble

SMW-AUTOBLOK, also referred to as "the Company", is committed to environmentally and socially responsible corporate governance. We expect the same behaviour from all of our suppliers. We also expect our employees to comply with environmental, social and ethical behaviour principles and integrate these principles into the corporate culture. Furthermore, we strive to continuously optimise our entrepreneurial activities and our products in terms of sustainability, and we request that our suppliers contribute to this end in the interest of a holistic approach.

For future cooperation, the contracting parties agree on the validity of the following provisions for a joint code of conduct. This agreement shall apply as the basis for all future deliveries. The contracting parties shall be obligated to comply with this Code of Conduct's principles and requirements and endeavour to contractually oblige their subcontractors to comply with the standards and provisions set out in this document. This Agreement shall enter into force upon signature. A violation of this Code of Conduct can justify the Company's termination of the business relationship, including any associated supply contracts.

This Code of Conduct is based on national laws and regulations as well as international conventions such as the United Nations Universal Declaration of Human Rights, the Guidelines on Children's Rights and Business Conduct, the United Nations Guiding Principles on Business and Human Rights, the International Labour Standards of the International Labour Organization and the United Nations Global Compact.

## 1. Requirements for suppliers

### 1.1 Social responsibility

#### • Exclusion of forced labour

Forced labour, slave labour or comparable work shall be prohibited. All work must be voluntary, and workers must be able to end the work or employment relationship at any time. Furthermore, there must be no unacceptable treatment of workers, such as psychological coercion, sexual harassment or personal harassment.

#### • Child labour prohibition

Child labour shall be prohibited at all stages of production. Suppliers are required to comply with the recommendation set out in the ILO Conventions concerning the minimum age for the employment of children. Accordingly, the age should not be less than the age at which compulsory education ends; in any case, it should not be less than 15 years. If children are found to be working for the Supplier, then the Supplier shall document the measures that must be taken to remedy the situation and enable the children to attend a school. The rights of young workers must be protected, and special protection regulations must be complied with.

**• Fair pay**

The remuneration for regular working hours and overtime must be commensurate with the national statutory minimum wage or the minimum standards customary in the industry, whichever is higher. The remuneration for overtime must, in any case, exceed the remuneration for regular hours. Insofar as the remuneration is insufficient to cover the ordinary cost of living and to build up a minimum level of reserves, the Supplier shall be obligated to increase the remuneration accordingly. Employees must be provided with all benefits prescribed by law. Wage deductions as punitive measures are not permitted. The Supplier shall ensure that workers receive clear, detailed and regular written information on the composition of their remuneration.

**• Fair working time**

Working hours must comply with the applicable laws or industry standards. Overtime shall only be permitted if provided on a voluntarily and does not exceed 12 hours per week; employees shall be given at least one day off after six consecutive working days. The weekly working time must not regularly exceed 48 hours.

**• Freedom of association**

The right of workers to form and join organisations of their choice and bargain collectively must be respected. In cases where freedom of association and the right to collective bargaining are restricted by law, alternative means of the independent and free association of workers for collective bargaining must be provided. Workers' representatives must be protected from discrimination. Worker representatives must be granted free access to the workplaces of their colleagues to ensure that they can exercise their rights in a lawful and peaceful manner.

**• Prohibition of discrimination**

Discrimination against employees in any form is impermissible. For example, this applies to discrimination based on gender, race, caste, skin colour, disability, political convictions, origin, religion, age, pregnancy or sexual orientation. The personal dignity, privacy and personal rights of each individual must be respected.

**• Health protection; safety at work**

The Supplier is responsible for a safe and healthy workplace. By establishing and applying appropriate occupational health and safety systems, necessary precautionary measures shall be taken to prevent accidents and health impairments that may arise in conjunction with the activity. In addition, employees shall be regularly informed and trained about applicable measures and standards for health protection and safety. Employees shall be provided with access to drinking water in sufficient quantities and access to clean sanitary facilities.

**• Complaint mechanisms**

The Supplier shall be responsible for instituting an effective complaint mechanism for individuals and communities that may be impacted by negative effects.

**• Dealing with conflict minerals**

For the conflict minerals tin, tungsten, tantalum and gold, as well as for other raw materials such as cobalt, the Company establishes processes in line with the guiding principles issued by the Organisation for Economic Cooperation and Development (OECD) for due diligence in promoting responsible supply chains for minerals from conflict areas and high-risk areas. We expect the same from our Suppliers. Smelters and refineries without adequate, audited due diligence processes should be avoided.

## **1.2 Environmental responsibility**

### **• Treatment and discharge of industrial wastewater**

Before discharge or disposal, wastewater from operations, manufacturing processes and sanitary facilities shall be classified, monitored, tested, and treated if need be. In addition, measures must be introduced to reduce the generation of wastewater.

### **• Dealing with air emissions**

Prior to their release, general emissions from operations (air and noise emissions) and greenhouse gas emissions shall be classified, routinely monitored, tested, and treated if need be. The Supplier also has the task of monitoring exhaust gas cleaning systems and is obliged to find economical solutions to minimise any emissions.

### **• Handling waste and hazardous substances**

The Supplier must follow a systematic approach to identify, handle, reduce and responsibly dispose of or recycle solid waste. Chemicals or other materials that pose a hazard if released into the environment must be identified and dealt with in a manner that ensures safety when handling, transporting, storing, using, recycling or reusing and disposing of said chemicals or other materials.

### **• Reducing consumption of raw materials and natural resources**

The use and consumption of resources during the production and generation of waste of any kind, including water and energy, must be reduced or avoided. This is done either directly at the point of origin or through processes and measures, such as changing production and maintenance processes or procedures in the Company, by using alternative materials, economisation, recycling or reusing materials.

### **• Dealing with energy consumption/energy efficiency**

Energy consumption must be monitored and documented. Economic solutions must be found to improve energy efficiency and minimise energy consumption.

## **1.3 Ethical business conduct**

### **• Fair competition**

The standards of fair business, fair advertising and fair competition must be complied with. In addition, the applicable antitrust laws must be applied, which in particular prohibit collusion and other activities that influence prices or conditions when dealing with competitors. Furthermore, these regulations prohibit agreements between customers and suppliers intended to restrict customers' freedom to independently determine their prices and other conditions when reselling.

### **• Confidentiality/privacy**

The Supplier shall be obligated to meet the reasonable expectations of the Company, the Supplier's upstream suppliers, customers, consumers and its employees concerning the protection of private information. The Supplier shall comply with data protection and information security laws and official regulations when collecting, storing, processing, transmitting and disclosing personal information.

#### • **Intellectual property**

Intellectual property rights shall be respected; technology transfers and know-how transfers shall occur in a manner that protects intellectual property rights and customer information.

#### • **Integrity/bribery, acceptance of advantages**

The highest standards of integrity must be applied to all business activities. The Supplier must pursue a zero-tolerance policy in prohibiting all forms of bribery, corruption, extortion and embezzlement. Procedures for monitoring and enforcing standards shall be applied to ensure compliance with anti-corruption laws.

#### • **Whistleblowing**

Our Suppliers shall encourage all of their workers to report concerns or illegal activities in the workplace without fear of reprisal, intimidation or harassment. Suppliers must review all tips and take corrective action if necessary.

#### • **Conflicts of interest**

Suppliers must avoid all conflicts of interest during their activity for SMW-Autoblok. A conflict of interest occurs when a Supplier's representative attempts to positively influence their personal interests or those of an acquaintance or relative by virtue of their position as a representative of the Supplier. Suppliers must report any situation of potential or apparent conflict between their personal interests and the interests of SMW-Autoblok.

## **2. Implementation of the requirements**

We expect our Suppliers to identify risks within supply chains and to take appropriate measures. In the event of suspected violations and to safeguard supply chains where increased risks exist, the Supplier shall inform the Company promptly and, if necessary, regularly about the identified violations and risks as well as the measures taken.

The Company shall verify compliance with the standards and regulations listed in this document by means of a self-assessment questionnaire and sustainability audits conducted at the Supplier's production sites. The Supplier agrees that the Company may conduct such audits to verify compliance with the Code of Conduct at the Supplier's premises during normal business hours after reasonable advance notice by persons appointed by the Company. The Supplier may object to individual audit measures if these measures would violate mandatory data protection regulations.

Should a violation of the provisions of this Code of Conduct be determined, the Company shall notify the Supplier of this circumstance in writing within one month and set a reasonable grace period for the Supplier to bring its conduct into line with these provisions. If such a violation has occurred culpably and makes continuation of the contract until its ordinary termination unreasonable for the Company, the Company may terminate the contract after the expiry of the deadline, if the Company threatened to do so when setting the grace period. A statutory right to extraordinary termination without setting a grace period shall remain hereby unaffected, as shall the right to compensation for damages.

### **3. Acknowledgement and consent of the Supplier**

By signing this document, the Supplier undertakes to act responsibly and to comply with the principles/requirements cited. The Supplier undertakes to communicate the content of this Code of Conduct to employees, agents, and subcontractors in an understandable manner and take all necessary precautions to implement the requirements.

City/date:

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Signature