

## Sustainability rules for suppliers

The following rules formulate requirements of Schneider Form GmbH regarding human rights and labour standards, business ethics as well as environmental protection, raw material procurement and safety. They are valid worldwide and are directed at both manufacturing suppliers and service providers. The contents of this document apply as the basis of the business relationship with Schneider Form GmbH and are hereby contractual terms with our suppliers worldwide.

Suppliers undertake to implement the following requirements in their own organisation and in the supplier chain.

### 1. Working standards

#### 1.1 Working Conditions and Human Rights

Working conditions and Human rights are rights that every human being is entitled to. They embody the generally agreed minimum requirements for every human being to maintain their dignity. We all have human rights, regardless of nationality, place of residence, gender, national or ethnic origin, skin colour, religion or any other status. We refer to national laws and regulations as well as international conventions such as the United Nations Universal Declaration of Human Rights Articles 1-30, the Guidelines on Children's Rights and Business Conduct, the United Nations Guidelines on Business and Human Rights, the international labour standards of the International Labour Organization (ILO) and the Global Compact of the United Nations.

#### 1.2 Child Labour and Young Workers

This refers to the ban on the employment of children below the legal minimum age. In addition, it must be ensured that, in accordance with ILO Convention No. 138 (International Labour Organisation) on the minimum Age for Admission to Employment, young workers under the age of 18 shall not work at night or overtime and shall be protected from working conditions harmful to their health, security and which are harmful for their development. Compliant with ILO-138 on light work (Articles 6,7) it must be ensured that the tasks of the young workers do not interfere with their school attendance. The total working and teaching time must not exceed 10 hours. The guidelines are the international standards of the Charter of Fundamental Rights of the European Union and the ILO.

#### 1.3 Wages and benefits

Wages and benefits refer to national and international laws relating to basic and minimum wages/salaries and all entitlements above and beyond these, which are to be paid to employees directly or indirectly in the form of cash or benefits which result from the employee's employment relationship. These include paid sick days, sick leave, family leave, paid overtime, and other social benefits. Standards for this are based on the International Labour Organization (ILO) and the United Nations Global Compact (UNGC).

#### 1.4 Working time

The regional statutory labour standards must be observed regarding the maximum permissible working hours. The working time refers to a regular working week, which should not exceed 48 hours. In exceptional situations, a workweek may not exceed 60 hours, including overtime. All overtime is worked on a voluntary basis. Employees receive at least one day off every seven days. Laws and regulations regarding maximum working hours and vacation time are observed. Standards on working time are based on regional labour protection laws and the Ethical Trading Initiative, based on the ILO Convention.

#### 1.5 Modern slavery

Modern slavery is understood to mean, any type of work or service that is demanded of a person under the threat of punishment and for which the person in question has not volunteered. Examples include forced overtime, the withholding of identity documents, and human trafficking. The standards are UK Legislation.gov.uk Modern Slavery Act 2015 and the International Labour Organization (ILO).

#### 1.6 Freedom of association and collective bargaining

Freedom of association and collective bargaining means the right to assemble and associate peacefully at all levels, especially in the political, labour and civil society spheres, which includes the right of any person to form and join representative associations for the protection of his or her interests. This also includes the possibility of negotiating processes between employee interest groups and the employer to communicate openly and without any fear of reprisals or harassment, or to reach agreements. Standards for this are the Charter of Fundamental Rights of the European Union.

#### 1.7 Harassment and non-discrimination

Harassment and non-discrimination of any kind is a violation of human rights. By harassment we mean disrespectful, undignified, brutal and inhumane treatment or even a threat of such treatment. In particular, this includes sexual harassment, sexual abuse, corporal punishment, psychological or physical coercion or verbal abuse at all levels of the company. Non-discrimination is a principle that ensures equal treatment of an individual or group regardless of their personal characteristics, including gender, race, colour, ethnic or social origin, genetic characteristics, language, religion or belief, political or other opinion, membership of a national minority, property, birth, disability, age or sexual orientation. These principles must be promoted, respected and adhered to at all levels of each organization. Standards are based on local legal requirements, the criteria of the Charter of Fundamental Rights of the European Union and the criteria of the Global Automotive Sustainability Practical Guidance.

#### 1.8 Occupational safety

Every employee has the right of healthy, safe and dignified working conditions. We expect our suppliers to align their business processes with an internationally recognized occupational health and safety management system and to strive for third-party certification in the long term. Standards for this are the respective local legal regulations as well as the criteria of Article-31 of the EU Charter of Fundamental Rights, the ILO international labor organization, the ISO 26000 guidelines for social responsibility as well as the two internationally recognized management systems SA8000 for social responsibility and appropriate working conditions and ISO45001 for occupational health and safety.

### 2. Corporate Ethics and compliance

#### 2.1 Compliance with the law

The highest level of integrity is expected in all business activities and relationships. Suppliers are requested to refrain from any form of fraud or embezzlement, insolvency offences, corruption, granting of advantages, extortion, bribery or venality. The supplier is obliged to comply with all laws and regulations applicable to him and to the business relationship with Schneider Form GmbH.

**2.2 Corruption, extortion and bribery**

As a matter of principle, corruption within the meaning of the corresponding UN Convention against Corruption must be rejected. Transparency, integrity and responsible management and control must be promoted in an appropriate manner at all levels of the company. Corruption can take many forms, varying in severity, from petty influence peddling to institutionalized corruption. It is defined as the abuse of power for personal gain. It includes not only financial gain, but also non-financial benefits. The standards for this, in addition to the respective local legal provisions, are the criteria of the UN Global Compact and Transparency International.

**2.3 Privacy and data protection**

Privacy, data protection and confidentiality are a human right and must be respected, observed, protected and handled with trust at all levels of the company. These aspects must always be demanded and promoted. According to the Charter of Fundamental Rights of the EU, the protection of personal data in Article-8 reads as follows. Everyone has the right to the protection of personal data concerning him or her. Such data may only be processed fairly for specified purposes and with the consent of the data subject or on any other legitimate basis laid down by law. Every person has the right to obtain information about the data collected concerning him or her and to have the data corrected. The standards for this are, in addition to the respective local legal provisions, the criteria of the EU Charter of Fundamental Rights, the EU Data Protection Regulation DSGVO and the EU General Data Protection Regulation (GDPR). If no corresponding data protection guidelines exist or have been agreed in our supply chain, our data protection guidelines apply, which are published on our website [www.schneider-form.de](http://www.schneider-form.de).

**2.4 Protection of confidential information and intellectual property rights**

The supplier shall use and protect any information in an appropriate manner. The supplier shall ensure that data or products worthy of protection and the valid intellectual property rights of its own employees and business partners are properly processed, secured and, if necessary, deleted/destroyed. The supplier shall oblige its employees to protect business secrets. Confidential information may not be published without authorisation, passed on to third parties or made available in any other form.

**2.5 Fair competition and antitrust**

Fair competition and antitrust law refers to the observance of fair business and competition standards, including, among other things, the avoidance of business practices that unlawfully restrict competition, the improper exchange of competitive information, and price fixing, bid rigging or abusive market allocation. It is the primary responsibility of our suppliers alike to consistently comply with these competition rules. They must be aware of the risks associated with violating competition rules and communicate them clearly through our purchasing policy. This policy allows our organization and our interested parties to minimize the risk of involvement in competition violations and the costs incurred by anti-competitive behaviour. The standards for this are based on the respective local legal regulations, as well as e.g. the determining antitrust law and in accordance with the criteria of the Global Automotive Sustainability Practical Guidance and the European Commission (Common Rules on Competition, Taxation and Approximation of Laws, Articles 101- 106).

**2.6 Conflicts of interest**

In our organization and supply chain, we understand conflicts of interest to be when an individual employee, or the organization itself, may exploit one's job function in some way for personal or corporate gain. These potential conflicts of interest must be avoided or transparently identified in the supply chain in order to avoid potential conflicts of interest or to bring about solutions. The standards for this are OECD (Organization for Economic Cooperation and Development) Recommendation of the Council on Integrity in Public Life.

**2.7 Whistleblowing and protection against retaliation**

By whistleblowing and protection against retaliation, we mean that every employee in our supply organization is given the opportunity to report unusual circumstances or deviations. This must not result in disciplinary action, suspension or termination, discrimination, harassment, denial of promotion or other adverse action that may be taken in response to a report. To this end, we expect our suppliers to establish a trustworthy reporting office.

**2.8 Import and Export controls**

The supplier shall strictly observe all applicable laws governing the import and export of goods, services and information. In addition, it shall observe the sanctions lists.

**2.9 Prevention of counterfeit parts**

The supplier shall take appropriate measures to prevent the use of counterfeit parts. As the performance of counterfeit products is unpredictable, counterfeit parts can have serious adverse effects on operational safety and production costs. Raising awareness among all persons in the supply chain helps to improve knowledge about counterfeiting and how to prevent fraud.

**3. Environment**

We always strive for a sustainable environmental and resource-saving handling for the protection of our earth in our supplier chain. In particular, when dealing with environmentally hazardous substances in relation to the management, core and supporting processes in accordance with the process landscape of your organization, environmentally friendly auxiliary, operating and substitute materials must be used in a low-consumption manner. We expect our suppliers to align their business processes with an internationally recognized environmental management system according to ISO14001, or a local comparable standard, and to strive for third-party certification in the long term.

**3.1 Greenhouse gas emissions, energy efficiency and renewable energies**

We expect our suppliers to determine and continuously reduce their greenhouse gas emissions (CO2 footprint), as well as to know and measure their energy flows and also to continuously make more energy-efficient use of them. To this end, the use of renewable energies must be anchored in the company's objectives. We expect our suppliers to align their business processes with an internationally recognized energy management system according to ISO50001 or a local comparable standard and to strive for third-party certification in the long term.

**3.2 Water quality and consumption**

Water scarcity, emerging water pollution, and climate change are growing global problems. Combined with industrial use, urbanization and population growth, our available water resources are under enormous strain. Therefore, we expect our suppliers to use and reduce their water consumption in an environmentally friendly way through targeted and verifiable measures.

**3.3 Air quality**

There is a close link between air pollution and climate change. The extraction and burning of fossil fuels, as the main source of CO2 emissions, not only fuels climate change, but also releases large amounts of air pollutants. Therefore, we expect our suppliers to reduce environmentally harmful emissions in order to improve air quality in the future. Particular attention should be paid to air emissions such as volatile organic carbons, ozone-depleting substances or exhaust gases from combustion processes during production.

**3.4 Management of sustainable resources and waste reduction**

An essential component of sustainable development is the careful and efficient use of natural resources. The entire economic cycle is considered and optimized throughout the supply chain, from the extraction of raw materials to the manufacture and use of products to the recycling and disposal of waste. We therefore expect our suppliers to place continuous improvement in the use of sustainable raw materials at the center of their procurement and thus drive waste reduction.

**3.5 Responsible chemical management**

All chemicals subject to declaration and monitoring must be handled by our suppliers in accordance with safety and environmental legislation. Environmental policy and activities are focused on the Reduction or substitution of hazardous chemicals with a major impact on the environment.

**4. Responsible sourcing of raw materials**

**4.1 Environmentally compatible products**

The products supplied to Schneider Form GmbH do not contain any substances of concern that fall under the REACH regulation. If necessary, affected ingredients must be reported in advance. Materials or purchased parts that do not comply with the RoHS specifications are to be substituted by the supplier in consultation with Schneider Form GmbH. If required, an EU declaration of conformity regarding compliance with the RoHS Directive shall be issued.

**4.2 Conflict minerals**

The suppliers of Schneider Form GmbH support activities that ensure responsible procurement of raw materials. The procurement and use of raw materials that have been obtained illegally or through ethically reprehensible or unreasonable measures are to be avoided. The use of raw materials such as conflict minerals that are affected by embargoes or other import restrictions shall be excluded.

Suppliers are therefore obliged to identify these raw materials in manufactured products in the supply chain and to disclose the origin and sources of supply of the raw materials they use, if applicable.

**4.3 Declaration of compliance with regulations on the use of restricted or forbidden substances**

By confirming the order the supplier also confirms the compliance with the following guidelines of all to the SCHNEIDER FORM delivered goods:

- a. 2011/65/EU „RoHS“ – restricted use of hazardous substances in electronic products
- b. 2012/19/EU „WEEE“ – disposal of electronic waste products
- c. 2000/53/EG „ELV“ – vehicle end of life regulation, 2002/525/EG
- d. 1907/2006/EU „REACH“ – registration, evaluation, authorization and restriction of chemicals
- e. EU-Guidelines 2003/11/EG Penta- and OctaBDE (Penta- and Octabromodiphenylether)
- f. EU-Guidelines 2006/122/EG PFOS (Perfluorooctanesulfonates)
- g. AltfahrzeugG – old car act
- h. AltfahrzeugV – old car ordinance
- i. ElektroG – electronic product act
- j. ElektroStoffV (electronic product ordinance) – ordinance on the restricted use of hazardous sub-stances in electronic products
- k. Chemicals Act & Hazardous Substances Regulation, as well as all relevant German regulations
- l. Doss-Frank Act on conflict minerals

These sustainability rules for suppliers are the translation of the “Nachhaltigkeitsregeln für Lieferanten” in German. If there are any deviations in the interpretation of single paragraphs the German Version should be regarded as leading.

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