

## **Code of Conduct**

### Core principles for suppliers

Süddeutsche Gelenkscheibenfabrik (SGF) is a recognized partner of the global automobile industry and caters to industrial applications across all industry sectors. We are mindful of our responsibility towards our business partners, employees, and organizations in which we are active. That is why we have set strict ethical rules for ourselves that guide our business activities.

We expect all suppliers who have a business relationship with us to act according to the same basic ethical principles. This Code of Conduct was compiled for our suppliers in order to set the standards for our business relationships.

#### **1. Interaction with persons**

The supplier shall undertake to enforce all human rights, equal opportunity and anti-discrimination laws, as well as to adhere to generally recognized customs of the countries in which he is active. The supplier shall guarantee equal opportunity without any form of discrimination (e.g. skin color, race, gender, disability, sexual orientation, and political or religious beliefs). This must also apply equally to his employees and business partners around the globe. Furthermore, the supplier shall undertake to pay at least the stipulated minimum wage in each country, and is prohibited from engaging in any form of exploitation or child labor. Furthermore, the supplier shall not utilize any forced labor.

#### **2. Corruption and competition**

The prevention of corruption and the protection of a free and fair competitive environment are a top priority for SGF. Hence, the supplier shall refrain from price fixing or other arrangements for limiting competition, as well as observe the ban on cartels. The supplier shall select his business partners based on defined criteria in comparison to existing competitors. Business relationships and activities with clients and suppliers shall be comprehensively documented. The acceptance, submission, and requesting of bribes or unfair advantages with regard to business partners are to be avoided at all costs. When dealing with international relationships, the supplier is to pay attention to the guidelines on foreign economic legislation, tax legislation, and customs laws in the corresponding countries.

#### **3. Occupational health and safety**

The supplier is to adhere to prevailing occupational health and safety regulations and to ensure a safe and healthy working environment in order to maintain employees' health and to avoid accidents, injuries, and work-related illnesses. In order to ensure an optimal working environment, fair working conditions, work safety, and the facilitation of work are crucial.

#### **4. Environmental protection**

The supplier is to develop, design, and produce his products and manufacturing processes in a manner that conserves resources and protects the environment. In this regard, the objective is adherence to the prevailing guidelines on environmental protection for the avoid-

ance of hazards to persons and the environment as well as the implementation of an environmental management (DIN EN ISO 14001) and an energy management system (DIN EN ISO 50001). When planning for new business premises and operational equipment, the supplier shall undertake to design them in a manner that saves and recovers energy, and also conserves the environment. He shall ensure that environmentally friendly materials/products (e.g. “Blue Angel”) are purchased in all areas.

### **5. Dialog with business partners**

The supplier shall relay the basic principles specified in this Code of Conduct to his sub-contractors and other business partners, and shall require them to act according to these standards at all times.

### **6. Adherence to the Code of Conduct for Suppliers**

SGF reserves the right to verify that the requirements of the Code of Conduct for Suppliers are being adhered to after appropriate advance warning. SGF encourages its suppliers to introduce their own guidelines for ethical behavior and to uphold them.

The supplier shall encourage its own suppliers — in the context of fulfilling their contractual obligations — to comply with the ethical standards, human rights, work standards, and environmental protection standards on which this agreement is based. The supplier is responsible for his own supply chain.

Every violation of the obligations specified in this Code of Conduct for Suppliers shall be seen as a major breach of contract on the part of the supplier, with the consequence that SGF shall reserve the right to require remedial action and, if necessary, terminate the partnership.