

SUSTAINABILITY AND
ENVIRONMENTAL
PROTECTION REGULATIONS
FOR SUPPLIER



TURNING IDEAS INTO EXCITEMENT

The following sustainability regulations define the standards and requirements that the Eissmann Group Automotive imposes on its suppliers: The observance of internationally recognized human and labor rights, the banning of child and forced labor, the observance and promotion of business ethics and compliance with legal norms and environmental directives, as well as the practice of preventative environmental protection measures. The sustainability requirements are based on the internationally recognized principles of the United Nations Global Compact (<http://www.unglobalcompact.org>) and the applicable minimum standards promulgated by the UN International Labor Organization (<http://www.ilo.org>).

The supplier undertakes to comply with the following standards:

A: Standards governing working conditions/personnel

A1: Wages and benefits, working hours

Workers are guaranteed remuneration and social benefits in accordance with the basic principles of minimum wages, overtime, and statutory social benefits. Working hours must comply with applicable laws, industry standards, or relevant ILO conventions. Employees should only work overtime hours on a voluntary basis, and they must be given at least one day off after six consecutive working days.

A2: Prohibition against child labor

The supplier assures its client company that the products that it delivers were not manufactured or processed using child labor within the meaning of the ILO Convention or without violating any obligations arising out of laws that implement this Convention or other applicable national laws or international regulations to combat the use of child labor. Furthermore, the supplier assures its client company that its suppliers and subcontractors have taken active and effective measures to prevent the use of child labor within the meaning of the ILO Convention in the production or processing of the products that it delivers.

The supplier ensures that its suppliers and their subcontractors comply with these control measures. Eissmann Group Automotive will review the content of this guarantee, and the supplier will demonstrate its own control measures at the request of Eissmann Group Automotive.

A3: Free choice of employment

The supplier will not employ anyone against their will or force them to work. Employees must be free to terminate their employment relationship upon providing due notice. Employees must not be required to provide their identity card, passport or work permit as a precondition for employment.

A4: Freedom of association and the right to collective bargaining

Employees must have the freedom to assemble in whatever form they choose for peaceful purposes and to be able to communicate openly with the company management about their working conditions without fear of reprisals.

They must have the right to join together, join a trade union, and appoint a representative.

A5: Occupational health and safety

As an employer, the supplier ensures that its workplace complies with the occupational health and safety standards that are stipulated by its applicable national regulations, and it supports continuous developments to improve its working environment.

A6: Human trafficking

The supplier rejects any form of human trafficking.

B: Business ethical standards

B1: Anti-corruption and compliance measures

In the course of its business with Eissmann Group Automotive, the supplier is obliged to refrain from any actions that will cause its employees or other third parties to incur criminal liability for fraud or breach of trust, criminal insolvency, anticompetitive behavior, the granting of advantages, bribery, or other forms of corruption. If the supplier is found to have engaged in any of these criminal behaviors, Eissmann Group Automotive shall have the right to rescind or terminate all legal transactions with the supplier without providing notice as well as the right to terminate all negotiations. Without prejudice to the foregoing, the supplier is obliged to comply with all applicable laws and regulations in the course of its business relationship with Eissmann Group Automotive.

B2: Anti-discriminatory policy

Discrimination against employees in any form is prohibited. This includes discrimination on the basis of sex, race, class, skin color, disability, union affiliation, political views, national origin, religion, age, pregnancy or sexual orientation.

B3: Complaints procedure and protection against retaliation

Retaliation is defined as a direct or indirect adverse administrative decision taken against anyone who has reported suspected wrongdoing. Suppliers in their companies are expected to establish processes and procedures that allow concerns and complaints to be raised or submitted confidentially and without triggering retaliation.

B4: Privacy and data protection

Suppliers are expected to maintain privacy integrity and comply with information security laws in addition to contractual terms and conditions. Further application and contractual obligation of sub-suppliers to these principles is expected when personal data is processed there.

B5: Conflicts of interest

Suppliers are expected to make decisions based on solid business judgment that is not influenced by preferential treatment based on personal relationships and opinions or used for personal or business gain.

B6: Safety and quality

All products and services must meet the contractually agreed quality and safety criteria upon delivery, and they must be able to be safely used for their intended purpose.

B7: Conflict minerals reporting

The supplier confirms that it does not use or process conflict minerals or conflict raw materials, such as, for example: tin, tantalum, tungsten (including its ores), concentrates, gold, cobalt, diamonds, oil, precious woods, raw materials that are used in fabricating drugs, natural rubber, cotton or cocoa, thus the production process is DRC conflict free. This means that the supplier confirms to purchase 3TG minerals exclusively from smelters whose due-diligence practices have been verified by an independent instance. In addition, the supplier confirms that it will not violate human rights or the provisions of international law. Lastly, the supplier confirms that no mineral resources, raw materials and other goods that are cultivated or promoted in conflict regions were processed during the production process.

C: General environmental standards and environmental sustainability

C1: General environmental responsibility as well as environmentally friendly production and products

Eissmann Group Automotive is committed to taking an integrated approach to environmental protection. According to such an approach, the effects of production processes and products on the environment are already considered in advance and are factored into business decisions. At the same time, production processes and products are holistically designed to be resource-conserving and environmentally friendly.

The supplier will take a proactive approach to environmental protection, adopt initiatives to promote environmental responsibility among its employees, and promote the development and diffusion of environmentally friendly technologies. These measures will ensure a high level of environmental protection at all stages of production. They include a proactive approach to avoid or minimize potential accidents that can have a negative impact on the environment. Special importance has application, monitoring and further development of water and energy-saving technologies as well as technologies that reduce air pollution (improving air quality). It will be implemented by installing emission reduction, reuse and recycling strategies and plans.

All products manufactured across the supply chain must meet the environmental protection standards stipulated for their respective market segments. This includes all materials and substances that are used in production. Chemicals and other substances that present a hazard when released into the environment must be identified. You must set up a hazard management system that allows you to safely handle, transport, store, reprocess or reuse and dispose of materials in accordance with appropriate procedures.

Suppliers are obliged by our Quality Assurance Agreement to take continuous and effective actions to improve the environmental situation in line with the latest versions of the international environmental management standards, such as DIN EN ISO 14001 or the European Eco-Management and Audit Scheme (EMAS). This requirement applies for the entire duration of the supplier's business relationship with Eissmann Group Automotive. Appropriate certificates must be submitted and renewed in a timely fashion before the expiration of the validity period.

C2: Creation of recycling and disposal concepts for the delivered products

In accordance with the End-of-Life Vehicle Ordinance (end of life vehicle ordinance), the supplier must:

- Create and submit a component-specific concept for the draining and removal of pollutants.
- Comply with the VDA 260 labeling standards for materials and components.
- Provide a recycling concept for selected parts as agreed with Eissmann Group Automotive.
- Make the greatest possible use of recycled components in plastic parts and utilize renewable raw materials as agreed with Eissmann Group Automotive.

C3: Consent to/compliance with material bans

Substances that are subject to legal restrictions or prohibitions may only be used in the supplied materials or parts in accordance with the regulating ordinances (e.g., Ordinance on the Prohibition of Chemicals (Chemical ban regulations, End-of-Life Vehicle Ordinance, and the REACH Ordinance). Eissmann Group Automotive assumes that the supplier is aware of and fulfills the obligations stipulated by these ordinances.

Therefore, the supplier must:

Provide correct and complete IMDS (International Material Data System) material data sheets free of charge for all new and modified parts as well as for all substructural parts and/or included operating materials, which are designated as spare parts in the spare parts list. Defective material data sheets (MDS) will be rejected and must be corrected. MDSs that have not yet been submitted can be requested. Register, not permit the use of, and submit notifications about substances in accordance with the following provisions: The supplier will only deliver substances, including ones that are used in preparations and in products that require registration, to Eissmann Group Automotive if it has registered to use such substances with the Eissmann Group Automotive in accordance with Ordinance 1907/2006/EC. Similarly, it will ensure that it registers substances that are present in delivered products for which a notification requirement exists, or that the preliminary supplier has done this (if the supplier did not manufacture or import the product itself). Alternatively, it will make sure that the substance has already been registered in accordance with its intended use. If substances that are subject to registration fail to be registered, substances that are not permitted for the contractual use in accordance with Ordinance 1907/2006/EC are delivered, or if a required notification is not made, the supplier must directly contact the REACH contact person at Eissmann Group Automotive.

C4: Regulation of substances regulated by the REACH Ordinance

The provisions specified in the purchase terms and conditions of Eissmann Automotive Deutschland GmbH (VI 1.) shall apply here.

If a substance that is restricted by the REACH Ordinance must be used, then such an exception shall only be permissible if it has been approved in writing in advance with the party responsible for the structural component. The supplier will submit proof to the party responsible for the structural component that it or its subcontractor has submitted an application for the required use. Otherwise, the supplier must adopt further measures to ensure compliance with the requirements of the REACH Ordinance.

If there are no other alternatives, this must be agreed with Eissmann Group Automotive.

D: Implementation of sustainability requirements in the further supply chain

The supplier includes these Eissmann sustainability requirements in their sustainability standards, passes them on to their suppliers and obliges them to implement them. This ensures compliance with these requirements in the supply chain.

Bad Urach, 03/05/2021

A handwritten signature in blue ink, appearing to read 'Sami Sagur', written in a cursive style.

Sami Sagur

Chief Financial Officer (CFO)

A handwritten signature in blue ink, appearing to read 'M. Winkler', written in a cursive style.

Michael Winkler

Supplier Management