

MANN+HUMMEL  
Supplier Code of  
Conduct

## Introduction

MANN+HUMMEL is fully aware of its responsibility as a global company and the associated responsibility towards society. Our values as well as our adherence to applicable laws and general social and ethical principles are the stable basis of all decisions and all entrepreneurial action. These principles for the MANN+HUMMEL group are laid down in writing in the code of conduct of MANN+HUMMEL.

We expect our business partners to also adhere to these standards and principles and to ensure that they are implemented in their supply chains. Therefore, the MANN+HUMMEL code of conduct forms the basis of the Supplier Code of Conduct. It outlines and defines the principles of social responsibility and the code of conduct for our business partners. It is divided into the following areas:

1. General principles and laws
2. Respecting human rights and working conditions
3. Respecting the environment
4. Implementing and monitoring observance and consequences of violations

The Supplier Code of Conduct aims to define the basic principles of cooperation with binding force and inform all business partners of these principles. This strengthens the common understanding of how to implement these principles in the day-to-day business. The principles and standards laid down in the Supplier Code of Conduct are an integral part of our cooperation.

## Scope:

The Supplier Code of Conduct applies to all business partners of the MANN+HUMMEL group and forms an integral part of the contractual relationship between MANN+HUMMEL and all business partners. This also applies to all affiliated companies and employees of the business partners (hereinafter referred to as "Supplier"). Each Supplier shall observe the Supplier Code of Conduct at the time of providing their services to a company of the MANN+HUMMEL group. The Supplier shall also require its subcontractors to observe the Supplier Code of Conduct.

## General principles and laws

### Observance of laws

MANN+HUMMEL expects its Suppliers to comply with legal rules and regulations as well as all contractual terms and conditions entered into with MANN+HUMMEL. Suppliers shall comply with relevant statutory provisions of the respective jurisdiction. Breaches of laws, contracts or the Supplier Code of Conduct will not be tolerated and can result in sanctions.

If the Supplier Code of Conduct conflicts with applicable law, applicable law shall always take precedence. If local practice conflicts with a regulation of the Supplier Code of Conduct, the Supplier Code of Conduct shall be observed.

### Fair competition

Our Suppliers and their employees shall observe the national and international rules of fair competition and must not engage in any acts that violate competition law. Concerted practices, which have as their object or effect the prevention, restriction or distortion of competition, are prohibited.

**Anti-corruption**

Our Suppliers do not bribe and do not let themselves be bribed, even if this means that a business transaction does not materialize. Our Suppliers shall in particular ensure that their employees do not offer, promise or grant MANN+HUMMEL employees or their associated third parties any benefits with the object to obtain an order or another benefit in the business relationship.

**Transparent relationships with business partners**

Suppliers are exclusively selected on the basis of the principles of competition and complete and detailed agreements which ensure appropriate remuneration and commissions.

**Anti-money laundering measures**

Our Suppliers support all required measures to prevent money laundering in their sphere of influence, e.g. introducing criminally acquired funds into financial circulation so that their true source cannot be identified.

**Compliance with foreign trade regulations**

Our Suppliers comply with applicable national and international foreign trade regulations for all supplies, services and payments.

**Avoiding conflicts of interest**

Situations in which personal or financial interests of employees might conflict with those of their company must be avoided. To recognize and avoid such conflicts, the Suppliers shall immediately notify MANN+HUMMEL of situations which might limit the objectivity and independence of the employees.

**Protection of information and data**

Our Suppliers are aware of the meaning of information security and data protection for their company and their employees and provide effective protection in both areas.

The Supplier processes personal data in compliance with all statutory provisions, in particular data protection regulations.

The Supplier shall treat sensitive information of business partners and customers as confidential and protect them from unauthorized access and loss. The obligation to maintain confidentiality also continues after termination of the business relationship with MANN+HUMMEL.

**Respecting human rights and working conditions**

MANN+HUMMEL is convinced that the diversity of people and a respectful way of thinking and acting are the keys to our success. MANN+HUMMEL accepts and respects the personal and individual differences of all employees. We will not tolerate discrimination, sexual or personal harassment, unfairness or offense. We are open and honest in dealings with each other, and our working atmosphere is based on mutual respect and shared responsibility.

The following basic objectives and implementation principles are based on the fundamental principles of the International Labor Organization (ILO) and also adhere, alongside national laws, to the ILO's Conventions Nos. 29, 87, 98, 100, 105, 111, 138, and 182. MANN+HUMMEL expects its Suppliers to follow this approach and comply with the following principles:

### **Free choice of employment**

Employment is freely chosen. We do not tolerate forced and compulsory labor, (including slavery or forced labor for prisoners).

### **Nondiscrimination**

The Supplier guarantees equality of treatment and opportunity, regardless of ethnic origin, race, gender, religion, nationality, sexual orientation, social background or political outlook, as long as they are based on democratic principles and tolerate different persuasions.

### **No child labor**

Children must not be inhibited in their development. Their dignity must be respected and their health and safety must not be impaired. Suppliers shall observe the general legal requirements regarding the minimum age for admission to employment.

### **Freedom of association**

The Supplier acknowledges the right of all employees to form collective worker's representation and conduct collective negotiations to regulate work conditions.

### **Working time and remuneration**

We comply with the national laws and agreements concerning working hours and regular paid holidays.

The remuneration observes – without discrimination in terms of sex – the respective legally guaranteed minimum wages, the minimum standards of the respective national economic sectors and is oriented to the specific labor market involved.

### **Industrial safety and health protection**

The Suppliers ensure observance of all applicable laws and regulations regarding occupational health and safety as well as work and health protection. The Suppliers ensure that accidents and work-related diseases are prevented and that their employees work in a safe and healthy environment. Safety information and, if required, adequate personal protective equipment are available.

## **Respect for the environment**

### **Use of resources / resource efficiency and energy consumption**

The protection of resources and the environment are highly important, both with regard to development as well as manufacture, transport, and the disposal of products.

- **Resource efficiency:** The Suppliers use resources efficiently and have defined and implemented business processes for environmental aspects such as material use, energy consumption, greenhouse gas emissions, water quality and consumption, air quality, waste management, and other natural resources. This reduces emissions into air, water or soil and effectively minimizes environmental impacts. Relevant indicators are used to monitor the effectiveness. Upon request by MANN+HUMMEL, the Suppliers shall provide information and data for the preparation of resource efficiency analyses and eco-balances, e.g. the total energy consumption, CO<sub>2</sub> emissions from own and external energy supply, total water consumption, process waste water, waste for disposal, waste for recycling, VOCs emissions (volatile organic compound).
- **Waste management:** The Suppliers avoid waste at the development, manufacturing and use phase and the subsequent use of products as well as other activities, and consider

re-use, recycling and the safe and environmentally friendly disposal of non-recyclable waste, chemicals and waste water.

- **Environmental management:** The Suppliers ensure observance of all applicable laws and regulations for environmental protection. The Suppliers shall also provide and use an adequate environmental management system (depending on the impacts of production on the environment, e.g. according to ISO 14001) in order to minimize environmental impacts and hazards and improve environmental protection in the day-to-day business.

### Hazardous substances

The Supplier identifies potentially hazardous chemical or other substances that present a hazard if released to the environment, and ensures that they are handled, transported, stored, recycled and disposed in a safe manner. If soil or groundwater have been contaminated, the Suppliers shall implement the required risk prevention and damage remediation measures in accordance with legal requirements and in coordination with the responsible authorities.

### Responsible material procurement

All Suppliers who process natural resources (e.g. wolframite, cassiterite, columbite, tantalite or gold) from conflict areas shall disclose the origin of the material to MANN+HUMMEL. In the manufacture of products, the Suppliers only use validated, conflict-free smelters and refineries for the procurement of minerals.

## Implementing and monitoring observance and consequences of violations

### Implementation

The MANN+HUMMEL group expects the Suppliers to fulfill the requirements of this Supplier Code of Conduct and introduce a respective compliance management system to ensure observance of the Supplier Code of Conduct in all areas. This includes at least:

- The Suppliers shall introduce a respective **Code of Conduct** in their companies, which informs the employees of the social, ethical and environmental standards and requires them to observe these standards.
- We call on our Suppliers to implement the principles and requirements of this Supplier Code of Conduct also in their **upstream supply chain** (Suppliers and sub-contractors).
- The Suppliers provide for complete **documentation** to prove compliance with the rules of the Supplier Code of Conduct.
- The Suppliers develop and implement adequate **training measures** to give their employees an adequate understanding of the principles of this code of conduct that apply to them, as well as all applicable laws, regulations and generally recognized standards.
- MANN+HUMMEL recommends that the Suppliers appoint a **Compliance Officer** who monitors observance of the principles and regulations in this code of conduct.

### Continuing improvement

MANN+HUMMEL expects its Suppliers to continually improve the implementation of the requirements laid down in this Supplier Code of Conduct in order to permanently minimize negative environmental and social impacts of the company and adapt to the changing environment.

### Reporting options:

Misconduct shall be identified at an early stage, reviewed and stopped immediately. This requires the attention of the entire staff and their willingness to report possible violations of rules if there is concrete evidence. Incidents may be reported via email to [Compliance@mann-hummel.com](mailto:Compliance@mann-hummel.com) or anonymously via MANN+HUMMEL's reporting system "SpeakUp":

**URL:** [speak-up.mann-hummel.com](https://speak-up.mann-hummel.com)

**iTunes:** [SpeakUp@MANN+HUMMEL](mailto:SpeakUp@MANN+HUMMEL)

**Google Play:** [SpeakUp@MANN+HUMMEL](mailto:SpeakUp@MANN+HUMMEL)

### Consequences

The MANN+HUMMEL group expects the Suppliers to allow their employees to speak up if the requirements described here are not fulfilled. The MANN+HUMMEL group reserves the right to review fulfillment of the requirements by appropriate means (questionnaires, audits, visits to Suppliers). An onsite inspection will take place only upon prior notice during regular business hours and in the presence of the Supplier's representatives.

The Supplier shall assess and remedy each identified non-compliance with the MANN+HUMMEL Supplier Code of Conduct in their supply chain within a reasonable period of time, without additional cost to the MANN+HUMMEL group.

The MANN+HUMMEL group considers the fulfillment of the requirements contained in this document to be essential for the respective business relationship. Culpable breaches of these principles will not be tolerated by MANN+HUMMEL and can result in the withdrawal or termination of the contract or even the termination of the business relationship.