

MANN+HUMMEL
Supplier Code of
Conduct

Introduction

MANN+HUMMEL is fully aware of its responsibility as a global company and the associated responsibilities towards society and the environment.

For us, acting sustainably includes considering environmental, economic and social aspects along the entire supply chain and incorporating them into our decision-making. Therefore MANN+HUMMEL supports the goals of the UN Global Compact and we encourage our suppliers to do the same.

Our FILTER values as well as our adherence to applicable laws, social, ethical, environmental and climate principles form the stable basis for all decisions and all entrepreneurial actions. The MANN+HUMMEL code of conduct forms the basis of the Supplier Code of Conduct and contains standards regarding human rights, occupational safety, business ethics and environmental protection and safety that must also be adhered to by our suppliers.

The Supplier Code of Conduct is divided into the following areas:

1. General principles and laws
2. Respecting human rights and working conditions
3. Respecting the environment
4. Sustainable procurement
5. Reporting options and consequences of violations

The Supplier Code of Conduct communicates the basic principles of cooperation to all suppliers and bindingly regulates them. This strengthens the common understanding of how to implement these principles in the daily business. The principles and standards defined in this Supplier Code of Conduct are an obligatory part of our business relationship.

Scope:

The Supplier Code of Conduct applies to all suppliers of the MANN+HUMMEL group and forms an integral part of the contractual relationship between MANN+HUMMEL and its suppliers. This also applies to all affiliated companies and employees of the suppliers. Each Supplier shall observe the Supplier Code of Conduct whenever providing their services to a company of the MANN+HUMMEL group. The Supplier is also required to oblige its subcontractors to observe the Supplier Code of Conduct.

1. General principles and laws

Observance of laws

MANN+HUMMEL expects a maximum of integrity in their business relationships from its suppliers and expects them to comply with legal rules and regulations as well as all contractual terms and conditions entered into with MANN+HUMMEL, including this Supplier Code of Conduct. Suppliers shall comply with relevant statutory provisions of the respective jurisdiction. Breaches of laws, contracts or this 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 to 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 won't be achieved. Our suppliers shall as well 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 out of the business relationship.

Transparent relationships with suppliers

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.

2. 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 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 dealing with each other, and our working atmosphere is based on mutual respect and shared responsibility. MANN+HUMMEL requests that suppliers respect internationally recognized human rights and strive to observe them, also within their supply chains.

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,
- as well as the following conventions: ICCPR; ICESCR; Minamata Convention (mercury); POPs Convention (chemicals):

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, gender, religion, nationality, sexual orientation, social background or political outlook, as long as they are based on democratic principles and tolerate different perspectives.

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, but at a minimum the ILO Conventions on the minimum age for admission to employment and on the prohibition of child labor.

Freedom of association and collective bargaining right

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 compensation

The national laws and agreements concerning working hours and paid time-off must be followed.

The compensation 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.

3. Respecting 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, total water consumption, process waste water, waste for disposal, waste for recycling, VOCs emissions (volatile organic compound). Suppliers shall also regularly prepare reports on their CO₂ emissions in accordance with the Greenhouse Gas Protocol or ISO14064 and ISO 14067. These reports will be made available to MANN+HUMMEL on request.

- **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 daily 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 those material to MANN+HUMMEL. In the manufacture of products, the suppliers shall only use validated, conflict-free smelters and refineries for the procurement of minerals.

4. Sustainable procurement

MANN+HUMMEL has committed itself to comply with the goals of the Paris Climate Protection Agreement and aims to achieve CO₂ neutrality across its entire supply chain by 2050. The path towards CO₂ neutrality is described in more details in our Carbon Zero Strategy.

We expect our suppliers to develop a strategy and measures to describe the path towards climate neutrality and to ensure this objective is achieved with appropriate processes, through the entire supply chain.

5. Reporting options and consequences of violations

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 or anonymously via MANN+HUMMEL's reporting system "SpeakUp":

URL: speak-up.mann-hummel.com

iTunes: [SpeakUp@MANN+HUMMEL](https://itunes.apple.com/lookup?id=1444444444)

Google Play: [SpeakUp@MANN+HUMMEL](https://play.google.com/store/apps/details?id=com.mannhummel.speakup)

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 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.