



## SUPPLIER CODE OF CONDUCT

MAHLE's principles stand for innovation, responsibility, fairness and customer orientation. Our behavior is based on these values. Not only do these values govern how we deal with each other and work together, they also apply to our relationships with customers, suppliers, and other business partners.

Being a global company, MAHLE is aware of its legal, social and environmental responsibility and is committed to these principles. To ensure compliance with legal requirements within the MAHLE Group, we have developed a global compliance structure. MAHLE's approach to doing business reflects its continuous pursuit of excellence. Employees as well as interacting external parties are held to the same high standard compliant with all applicable anti-corruption, competition and antitrust laws, as well as with all applicable social and environmental provisions and other applicable laws. It is imperative to prevent false behavior and every employee is expected to uphold the company's public reputation.

In order to ensure compliance with statutory provisions and ethical principles within its own supplier base, MAHLE has developed this Supplier Code of Conduct for all suppliers of the MAHLE Group and all suppliers must ensure compliance with these provisions.

### GENERAL PRINCIPLES, LAWS AND STATUTES

MAHLE is committed to competing globally with honesty, integrity and in full compliance with all applicable laws and regulations. MAHLE prohibits all forms of corruption, extortion and embezzlement, and will not conduct business with any supplier engaged in such practices. MAHLE requires the supplier to comply with all applicable laws and regulations relating to its behavior with business partners. The supplier commits to upholding its social and environmental responsibility in all business dealings in the countries where it conducts business. At a minimum, the supplier is obliged to comply with the following:

- 1. Prevention of Corruption.** The supplier will not seek, accept, offer or grant unfair advantages.  
Advantages are any kind of gratuity that the beneficiary has no claim to and which objectively improves the beneficiary's economic, legal or personal situation.  
An advantage is unfair when it is not customary and inappropriate in light of all the circumstances of the particular case.
- 2. Competition Law and Antitrust Law.** The supplier conducts its business in line with free and fair competition and in accordance with all applicable competition and antitrust laws.
- 3. Foreign Trade.** The supplier complies with all applicable export control, customs, tax and foreign trade regulations, including without limitation, applicable EU- and US-sanctions, embargoes and other laws, regulations, government orders and policies controlling the transmission or shipment of goods, technology and payments.
- 4. Fraud and Anti Money Laundering.** The supplier takes appropriate measures to prevent any form of fraud and to ensure that the business relationship to MAHLE is not abused for money laundering or for any other unlawful activity (for example terrorist financing).

5. **Conflicts of Interest.** The supplier makes business decisions independently and makes sure to keep business interests strictly separate from private interests.
6. **Confidentiality.** Trade and business secrets as well as all other confidential information must be kept strictly confidential. Such information is to be appropriately protected from disclosure to and against access by third parties.
7. **Data Protection and Safety.** The supplier has to process (like collection, recording, organization, structuring, storage, adaption or alteration, retrieval, consultation, use, disclosure by transmission) personal data in strict compliance with all freedom of information acts, in particular with the European Union Freedom of Information Act, data protection laws like the EU General Data Protection Regulation and the German Federal Data Protection Act and all applicable regulations.
8. **Intellectual Property.** The supplier respects intellectual property rights. The supplier performs the transfer of technology and know-how transfer in such manner that all intellectual property rights of MAHLE are protected.
9. **Counterfeit Parts.** The supplier develops, implements, and maintains methods and processes appropriate to its products and services to minimize the risk of introducing counterfeit parts and materials into products.
10. **Conflict Minerals.** The supplier ensures that products and goods supplied to MAHLE do not contain metals or materials that are derived from minerals originating from conflict regions ("conflict minerals"). Conflict minerals are minerals and their derivatives that directly or indirectly finance or benefit armed groups.

## RESPONSIBLE WORKING CONDITIONS

Specifically, the supplier respects and supports compliance of internationally recognized human rights, attesting to the following:

1. **No Forced or Underage Labor, Slavery or Human Trafficking.** The supplier rejects all forms of forced labor and does not employ any person who is under the statutory minimum age as stated in the applicable laws. Additionally, the supplier does not participate in and rejects all forms of slavery and human trafficking.
2. **Diversity and Equal Opportunity.** The supplier values diversity in its workforce and commits to building an inclusive work environment. The supplier commits to the principle of equal opportunity when selecting and promoting its employees and other employment decisions. In doing so, the supplier refrains from any discriminatory treatment on the basis of age, disability, race, ethnic background, skin color, gender, pregnancy, sexual identity, nationality, religion, marital status, or other characteristic protected by law.
3. **Anti-harassment.** The supplier does not tolerate harassment and abuse. The supplier does not threaten or subject employees to any form of psychological, physical, sexual or verbal abuse, intimidation or harassment, and prohibits the same.
4. **Freedom of Association.** The supplier respects the right of its employees to associate freely in accordance with local laws. The supplier treats employees fairly who act as employee representatives or who are members of labor unions. The supplier respects collective bargaining, as a process of negotiations between employers and a group of

employees aimed at reaching an agreement that regulates working conditions. The supplier will strive for a trustful cooperation with the responsible employee representatives and labor unions.

- 5. Working Hours and Wages.** The supplier complies with all applicable laws regarding working hours, minimum wages and benefits.
- 6. Health and Safety.** The supplier complies with all applicable health and safety-related laws and regulations. The supplier takes proactive measures to ensure and continuously improve safe and healthy working conditions for its employees, contractors and visitors.

## ENVIRONMENTAL SUSTAINABILITY

MAHLE believes it is crucial to harmonize the future of humanity with technical progress. MAHLE is continuously evaluating and improving its products and processes to ensure sustainable use of resources and efficient use of energy. MAHLE expects the same of its suppliers.

The supplier ensures that it complies with all applicable environmental laws and environmental regulations. The supplier maintains all required environmental permits up-to-date and complies with reporting requirements and regulations. In addition, the supplier has or will implement environmentally friendly and sustainable business practices, including:

- 1. Reduction of Green House Gas Emissions.** Taking action to reduce the emissions of greenhouse gases.
- 2. Reduction of Water Use.** Taking action to reduce water consumption and the generation of wastewater including pollutants.
- 3. Reduce Waste and Pollutants.** Taking actions to reduce waste and pollutants, including implementing measures to minimize consumption of energy and natural resources.
- 4. Hazardous Materials.** Implementing processes and procedures to properly identify, manage, handle, dispose and replace hazardous materials.

## COMPLIANCE MANAGEMENT SYSTEM

Every supplier is responsible for ensuring that its employees, representatives and agents comply with this Supplier Code of Conduct in their business dealings with MAHLE. In order to effectively evaluate and ensure that the supplier maintains compliance at all levels of its operations, MAHLE expects the supplier to implement a compliance management system that at a minimum includes the following:

- 1. Supply Chain.** Processes to effectively communicate the principles of this Supplier Code of Conduct to its suppliers and sub-suppliers and require its supply chain to comply with the principles of this Supplier Code of Conduct to the best of its ability.
- 2. Risk Management.** Measures to effectively monitor and verify compliance with the Supplier Code of Conduct, including maintaining documentation to demonstrate its commitment to the Supplier Code of Conduct.
- 3. Training Programs.** Training programs to educate its employees about the principles of this Supplier Code of Conduct and any applicable laws and regulations referenced herein.

4. **Reporting Channel.** If not already existing, the supplier has to implement an internal reporting channel for its employees to ensure that violations of applicable laws and regulations can be reported. The supplier has to ensure the protection of the identity of the reporter and has to ensure that employees who report a violation do not need to fear any negative consequences for themselves.

By accepting a purchase order from MAHLE, the supplier acknowledges its acceptance of the Supplier Code of Conduct and agrees to comply with this Supplier Code of Conduct. MAHLE reserves the right to verify supplier's compliance with the provisions of this Supplier Code of Conduct by self-assessment questionnaires. In case the supplier has received a self-assessment questionnaire from MAHLE or by an organization commissioned by MAHLE, the supplier is obliged to fill-out and reply such self-assessment questionnaires within the given deadline. If there is a suspicion of non-compliance of the supplier, MAHLE reserves the right to conduct audits at the premises of the supplier during normal business hours. In the event MAHLE determines the supplier is non-compliant, the supplier shall take immediate corrective actions or MAHLE may terminate the business relationship.