

## Code of Conduct for Suppliers

### I. Preamble

01. Huf Baolong Electronics Bretten GmbH ("**BH SENS**") is committed to its social responsibility in an open and fair world trade and undertakes to comply with the principles of social responsibility.
02. As an innovative company with years of global experience, BH SENS aims to operate in a socially, economically and ecologically balanced and sustainable way.
03. Our business partners make a significant contribution to the success of the company by acting in partnership, which forms the basis for the joint creation of innovation and sustainable values. Close cooperation with our suppliers and service providers based on mutual trust is a priority for us.
04. Thus, we expect that they also take responsibility and comply with the standards defined in this Code of Conduct for business relations with BH SENS, as well as the other participations within the group of companies. The rights and obligations of this Code of Conduct apply to all members of the BH SENS-Group, regardless of whether BH SENS-Group or Huf Baolong is mentioned.
05. This Code of Conduct applies to suppliers and service providers of BH SENS with whom a direct business relationship exists (hereinafter referred to as "Business Partners") defines the principles and requirements of BH SENS regarding its responsibility for people and the environment.

## Code of Conduct

### I. General rules of conduct

#### 1. Compliance with Laws, recognised standards and guidelines

- 1) The Business Partner shall comply with the applicable national laws, regulations and ordinances and support the relevant internationally recognised standards, guidelines and principles, in particular the principles of the UN Global Compact, UN Guiding Principles on Business and Human Rights, the Universal Declaration of Human Rights, the conventions of the United Nations (UN) as well as the core labour standards of the International Labour Organisation (ILO), "Declaration on Fundamental Principles and Rights at Work" (Geneva, 06/98) of the International Labour Organisation (ILO). Compliance with this Code of Conduct and the above standards may not be circumvented by collateral agreements, such as contractual arrangements or comparable measures.
- 2) Business documents, records or reports, such as annual or final reports, audit reports and any other business documents must be accurate, complete and truthful.



## 2. Prevention of Corruption and Conflicts of Interest

- 1) The highest level of integrity is expected in all business activities and relationships. The Business Partner is committed to respecting international and local anti-corruption and bribery laws.
- 2) The Business Partner must reject and prevent any form of corruption, including "facility payment", in the course of business. He must ensure that employees, subcontractors or representatives do not grant, offer or accept any bribes, kickbacks or other inadmissible payments or benefits. This also applies to any kind of criminal offences, such as fraud, embezzlement or offences against competition.

## 3. Antitrust and competition law

The Business Partner shall observe all applicable national and international antitrust laws as well as the laws against unfair competition. Agreements on prices or conditions with competitors are therefore to be refrained from, as are other agreements restricting competition, which include in particular agreements with competitors for the purpose of market or customer sharing.

## 4. Export Control and Trade Restrictions

Applicable trade regulations or restrictions must always be complied with. This applies in particular to counter-terrorism regulations, compliance with embargoes as well as prohibitions and licensing requirements in connection with the movement of goods, the use of technologies and the procurement of services.

## 5. Product Responsibility and Quality

All products and services must meet the contractually specified quality and safety criteria upon delivery and be safe to use for their intended purpose. To ensure the health and safety of the automotive end customers, the relevant national and international regulations on product responsibility (e.g. product liability, take-back obligations, product labelling, warranty provisions) must be observed by the Business Partner and coordinated with BH SENS.

## 6. Environmental and Climate Protection

- 1) The aim is to reduce the environmental impact through the careful use of all resources (energy, input materials, etc.) as well as the reduction of emissions and energy consumption and the increase of energy efficiency.
- 2) Measures must be taken to ensure a responsible approach to the environment. BH SENS expects its Business Partner to observe environmental and climate protection with regard to applicable international standards and legal requirements and to minimise the environmental impact of processes and products. This means:



- manage resources efficiently (energy, water, raw materials, consumables and supplies),
  - to use environmentally friendly materials wherever possible,
  - to avoid or reduce emissions and waste or to recycle them,
  - to design logistics processes in an environmentally friendly manner, and
  - generally work towards the development and diffusion of environmentally friendly technologies.
  - to handle chemicals and other materials that pose a risk to the environment responsibly and safely during processing, storage, transport or disposal.
  - To avoid or minimize impacts on the environment and the health of employees in all activities.
- 3) For this purpose, suitable and traceable measures should be taken and systems (based on ISO 14001, ISO 50001 or comparable systems) should be operated in order to continuously improve the protection of the environment and the climate. Employees of the Business Partners should be motivated, informed and trained according to their tasks in environmental protection. With regard to the environmentally relevant requirements for deliveries and services, the General Terms and Conditions of Purchase and the Corporate Supplier Manual also apply.
- 4) The Business Partner is obliged to immediately notify BH SENS in writing of all environmental risks and to disclose to BH SENS the results of investigations required by law or the authorities. The Business Partner must immediately answer and comply with all enquiries and notified regulations/restrictions of BH SENS regarding the use of hazardous substances. An active engagement with the topic of environmental protection is required. The aim is to install an environmental protection management system at the Business Partner's premises.

## 7. Avoidance of Minerals from Conflict and Risk Areas

- 1) The Business Partner assures that no conflict minerals, such as in particular tin, tantalum, tungsten, gold and their derivatives, from conflict and risk areas are used. Conflict minerals are, according to the Dodd Frank Act Section 1502, minerals whose proceeds directly or indirectly financially support non-state armed groups.
- 2) We expect our Business Partner to provide evidence that they source or process DRC conflict-free minerals.
- 3) Upon request by BH SENS, the Business Partner shall promptly provide an overview of measures it has taken to ensure that its products are free of conflict minerals. For this purpose, it shall use the standardised reporting format of the Conflict-Free Sourcing Initiative (CFS), the Conflict Minerals Reporting Template (CMRT).



## 8. Handling of banned Substances

Substances that are subject to legal restrictions or bans may only be present in the delivered parts, materials or in the products contained therein in accordance with these legal regulations (e.g. Chemicals Prohibition Ordinance, End-of-Life Vehicles Ordinance, REACH Regulation (EC) No. 1907/2006 as amended).

## 9. Human Rights

The Business Partner is obliged to observe and respect internationally recognised human rights in accordance with the United Nations Declaration of Human Rights. It must be ensured that it is not complicit in human rights violations. Any form of human trafficking will not be tolerated.

## 10. Prohibition of Child Labour

- 1) Any exploitation of children and young people will not be tolerated. Child labour in the sense of the ILO conventions as well as national regulations is prohibited. Compliance with the minimum age of workers in accordance with the ILO convention for admission to employment as well as the prohibition of child labour must always be observed by the business partner.
- 2) Children and young people must not be exposed to dangerous, unsafe or unhealthy situations.

## 11. Occupational safety and health protection

- 1) The physical integrity of employees and visitors has the highest priority. The national standards for occupational health and safety must be complied with.
- 2) In addition, the Business Partner shall take appropriate measures within this framework for a hygienic and safe workplace and to maintain health and safety.
- 3) Business Partner will also take appropriate measures and operate systems to identify and prevent potential health hazards from accidents, injuries as well as work-related illnesses of their employees. Whenever possible, the Business Partner will use the best available technology.

## 12. Working Hours

Working hours shall comply with the relevant ILO conventions, but at least with the applicable national laws and regulations.

## 13. Remuneration and Social Benefits

The Business Partner shall ensure that the wage paid to employees, including social benefits, is at least equal to the legal minimum wage or the minimum wage prescribed in the industry sector.



#### **14. Freedom of Association and Right to Collective Bargaining**

The Business Partner shall respect the fundamental right to freedom of association and the right to collective bargaining within the framework of national laws and shall ensure that this is not impaired. In the event that national standards restrict the right to organise and to bargain collectively, the Business Partner should work to enable and permit the free and independent association of workers for the purpose of bargaining.

#### **15. Prohibition of Forced Labour**

The Business Partner shall refrain from all forms of forced and compulsory labour as well as human rights violating involuntary prison labour.

#### **16. Disciplinary Measures**

BH SENS is committed to treating all employees with dignity and respect. Sanctions, fines, other penalties or disciplinary measures must be in accordance with applicable national and international standards and internationally recognised human rights. Arbitrary sanctions, fines, other penalties or disciplinary measures shall be avoided. The Business Partner shall ensure that no employee is subjected to verbal, psychological, sexual and/or physical violence, coercion or harassment.

#### **17. Equal opportunities**

The Business Partner shall refrain from any form of discrimination based on:

- ethnic affiliation
- national or social origin
- skin colour
- gender
- age
- religion and belief
- political activity
- trade union membership
- disability
- sexual orientation

or other personal characteristics. The respective legal provisions apply.



## 18. Information security, data protection and copyright

- 1) Information, whether physical or digital, is a particularly important asset for BH SENS. We therefore protect sensitive information of our group of companies in particular to ensure integrity, availability and confidentiality. Our Business Partner respects BH SENS's know-how, patents, trade and business secrets as well as all other information provided by us. He shall not pass these on to third parties without our prior express written consent or in any other inadmissible manner. In any case, disclosure is only permitted for contractual purposes.
- 2) In any case, the Business Partner assures to comply with the Secrecy Directive (EU) 2016/943 and to implement a minimum standard of protective measures for the operational and transferred know-how of BH SENS. Business Partners located outside the European Union undertake to comply with the principles of this Directive as well.
- 3) In addition, our Business Partner, like BH SENS, will comply with all applicable laws regarding the protection of personal data of employees, customers, suppliers and other data subjects and will apply the requirements of the GDPR accordingly.
- 4) Third party rights shall be protected accordingly.

## II. Final Provisions

### 19. Implementation

We expect our Business Partner to comply with the above principles. BH SENS recommends to enable continuous improvement with the help of a suitable system (definition and documentation of responsibilities, procedures, objectives and measures). BH SENS expects its Business Partner to work towards consistent dissemination of these standards in the supply chain.

### 20. Information and Communication

This Code of Conduct can be viewed on the Internet at [www.bh-sens.com/cocsupplierEN](http://www.bh-sens.com/cocsupplierEN) at any time and printed out from there and shall be made available by the Business Partner to the relevant employees.

### 21. Monitoring

BH SENS reserves the right to monitor compliance with the above requirements either by BH SENS itself or by independent third parties.

### 22. Sanctions and Remedies

- 1) It is the responsibility of the Business Partner to ensure that its subcontractors also act in accordance with these regulations.



- 2) Any material breach of the above obligations will be considered by BH SENS as a breach of contract by the Business Partner. If possible, we will give the Business Partner the opportunity to take appropriate remedial action.
- 3) Huf Baolong Electronics Bretten GmbH reserves the right to terminate all existing legal transactions with the Business Partner by means of extraordinary termination in the event of a breach. It is within the decision-making authority of BH SENS to forego such consequences and to take alternative measures in lieu thereof, if countermeasures are immediately pointed out and proven.

