

# **SZAE**

## Supplier Code of Conduct



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### **SZAE understanding of sustainability at suppliers**

Salzgitter Automotive Engineering GmbH & Co. KG (SZAE) regards sustainability as an essential part of its business processes. As a company for body construction worldwide, it purchases raw materials, goods and services from suppliers in order to ensure the sustainable success of its customers with innovative product and service solutions.

The basis for this is responsible value-added management with a long-term orientation. For this reason, SZAE integrates its suppliers directly into its sustainability strategy. In addition to procedural, economic and technical criteria SZAE also pays attention in its procurement activities to social and environmental aspects such as human rights, working conditions, corruption prevention and environmental protection.

In the arc of suspense between product/performance, market, region and process, the essential factors for supplier selection and evaluation for SZAE are costs, quality, reliability, innovation and sustainability.

SZAE expects its suppliers to comply with applicable national laws, the principles of the United Nations Global Compact and this SZAE Supplier Code of Conduct. They are also expected to implement appropriate processes that support compliance with applicable laws in their companies and promote continuous improvement in relation to the principles and requirements of the SZAE Supplier Code of Conduct.

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### **Basic principles of action**

SZAE expects its suppliers to comply with the basic principles set out in the United Nations Global Compact as the basis for their actions:

1. Respect human rights
2. Ensure that the company does not participate in human rights violations
3. Respect the freedom of association
4. Exclusion of all forms of forced labour and trafficking in human beings
5. Abolishment of child labour
6. Exclusion of all discrimination in vocation and employment
7. Careful handling of environmental hazards
8. Promotion of a responsible approach to the environment
9. Commitment to the spreading of environmentally friendly technologies
10. Stand up against all forms of corruption, including extortion and bribery

### **Human and workers' rights**

SZAE expects its suppliers to respect internationally recognised human rights (personality rights, freedoms, judicial and social human rights) <sup>1</sup>.

SZAE expects its suppliers to strictly reject any form of forced or compulsory labour, serfdom, human trafficking or involuntary work and to recognise the right of workers<sup>2</sup> to form trade unions and employee representations. SZAE expects its suppliers to ensure the appropriate remuneration of all employees.

### **Compliance with law and order**

SZAE expects its suppliers to comply with the relevant legal regulations. This applies to the executive board as well as to the managers and the employees. SZAE expects its suppliers not to tolerate any violations of the law (zero tolerance). Violations must result in appropriate sanctions for those responsible.

<sup>1</sup> See, for example, the catalogues in the European Convention on Human Rights and in the United Nations Universal Declaration of Human Rights <sup>2</sup>. If the male form is used below, this is done only for easier readability. The text refers in equal measure to members of both sexes.

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### **Treatment of employees**

SZAE expects its suppliers not to tolerate any discrimination or harassment in the working environment, whether on the basis of race, ethnic origin, gender, religion or conviction, disability, age or sexual identity. SZAE also expects its suppliers to treat colleagues, employees and third parties in a factual, friendly and fair manner. SZAE expects its suppliers to hold all parties involved in high regard and to promote open dealings.

### **Working time**

All suppliers must comply with local laws and regulations governing working and rest periods. Overtime is voluntary. There must be appropriate arrangements for rest and sleep times. Breaks, holidays and rest periods must be in accordance with the locally applicable laws and regulations.

### **Occupational health and safety**

SZAE expects that the health and safety of employees are also regarded by its suppliers as highly valuable commodities. Occupational health and safety must be a fundamental component of all operations at the supplier and should meet the global high standards.

### **Protection of the environment and sustainable management**

Environmental protection is a high priority within the quality concept of SZAE. SZAE suppliers are expected to use resources efficiently and to have defined and implemented business processes for environmental aspects such as use of materials, energy consumption, greenhouse gas emissions, water quality and consumption, air quality, waste management and other natural resources. This reduces emissions in air, water and soil and effectively minimises environmental impacts. It is therefore expected of the SZAE suppliers

- that the protection of the environment is accorded high importance in any action,
- that their executive board promotes the environmental awareness of their employees at all levels and defines competences and responsibilities;
- that environmental objectives are defined and the effectiveness of the resulting measures is monitored;
- that possible environmental impacts due to changes in activities, products and processes are taken into account in advance;
- that local effects of day-to-day activity are also taken into account, as well as the handling of hazardous substances, chemicals and noise at the site,
- that greenhouse gas emissions are minimised,
- that good air quality is promoted through appropriate measures in order to avoid adverse effects on air quality,

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- that water savings and waste reduction as well as the possibilities for energy saving are accelerated through conscious energy management,
- that the trendsetting handling of all resources involves the avoidance, reduction and recycling of the raw materials used in order to minimise environmental pollution.

Sustainable management should be one of the guiding principles of SZAE suppliers. Every employee must be aware of his or her responsibility for protecting the environment, towards colleagues, customers and shareholders, and as part of society. In particular, the supplier must pay attention to resource efficiency and thus resource conservation, aware of the finiteness of many raw materials when using them.

### **Conduct with integrity and avoidance of conflicts of interest**

SZAE expects its suppliers to conduct themselves with integrity in their working environment, i.e. with honesty, fairness and decency. Any conflict between private and business interests must be avoided.

### **Receipt and granting of gifts**

SZAE expects its suppliers' employees to refrain from any form of corruption and bribery and not to take personal advantage from their activities, to receive gifts and other perks from business partners only within the scope of common business practices and even then only if it can be assumed that the employee cannot be influenced in his business decisions by the gift and does not feel obliged to reciprocate.

Similarly, employees of SZAE suppliers will present gifts and other perks to employees of other companies only within the scope of common business practices. Gifts aimed at obtaining unfair benefits for the supplier or other persons, as well as gifts to public officials are generally not to be allowed.

### **Fair and honest competition**

SZAE expects its suppliers to commit themselves to the social market economy and the associated principle of competition. The principle of competition presupposes that competition is not restricted or impeded. Therefore, the suppliers must refrain without exception from any agreements that are impermissible under antitrust laws as well as concerted practices.

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### **Compliance with foreign trade laws**

National and international laws regulate the import, export or domestic trade of goods, technologies or services, the handling of certain products, as well as capital movements and payments. SZAE expects its suppliers to take appropriate measures to ensure that transactions with third parties do not violate applicable economic embargoes or rules on trade, import and export control or regulations to combat the financing of terrorism.

### **Protection of secrets**

SZAE expects its suppliers to obligate their employees to maintain silence about operational and business secrets that have come to their attention in the course of their activities, both during and after they leave the employment relationship. Business documents and data carriers must generally be protected against access by unauthorised third parties. No employee may unjustifiably obtain or use secrets of a third party.

With regard to the technical securing of personal data, a high standard of protection against unauthorised access by third parties must be guaranteed by the SZAE suppliers. The suppliers' employees must respect the intellectual property rights of third parties and refrain from unauthorised use.

### **Protection of intellectual property**

Intellectual property, regardless of its commercial value, is the name given to of all products of intellectual labour. These include literary works, music, films, television programmes, graphic works and software. Intellectual property is protected by laws (e.g. copyright law, trademark law, design rights or patents) as a trade secret or know-how.

Examples of the infringement of protected intellectual property are the performance, distribution or exhibition of copyrighted works without appropriate permission, and the reproduction or distribution of copies of intellectual property, whether in physical or digital form, without consent.

The protection of intellectual property is of fundamental importance for SZAE in terms of business policy and is therefore also expected of its suppliers.

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### **Privacy**

When collecting, storing, processing or transmitting personal data (e.g. name, address, telephone number, date of birth, health information) of employees, customers or other third parties, SZAE expects its suppliers to take the utmost care and observe strict confidentiality as well as complying with applicable laws and rules.

### **Financial integrity**

Transactions, assets and liabilities are recorded and documented by the supplier in accordance with legal requirements.

Incorrect or misleading entries must not be deliberately made in documents relevant to financial accounting.

### **Supplier Relationships**

SZAE expects its suppliers to communicate all the principles and requirements described in this Supplier Code of Conduct to their suppliers, subcontractors and advisors and to take them into account when selecting the suppliers, subcontractors and advisors. Suppliers shall encourage their suppliers, subcontractors and advisors to comply with the standards described on human rights, working conditions, the prevention of corruption and environmental protection in the context of the fulfilment of their contractual obligations.

Suppliers and their sub-suppliers are also expected to exercise care regarding the origin of the raw materials used in their products and to use only materials from legal sources, to prove this on demand and to work only with certified, conflict-free smelters and refiners when procuring tin, tungsten, tantalum, gold and cobalt, if they are contained in their products.

### **Compliance**

We expect our suppliers to ensure that the minimum standards of this Supplier Code of Conduct are met in the contractual relationship with SZAE.

For this purpose, our suppliers shall pass on the values and principles of the Supplier Code of Conduct to their employees who work for SZAE and to their sub-suppliers and act to ensure that they are complied with.