



Code of Conduct for Suppliers

Version 1.0

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1 Foreword

The SAF-HOLLAND Group is a growing, globally active company with a long tradition. Our corporate success, as well as our social and societal responsibility are inextricably linked with one another. We are acutely aware of this responsibility and our role as a trustworthy and reliable employer and business partner. We are committed to respecting and protecting the personal dignity, personal rights, and privacy of each individual. Doing business in compliance with the law is a fundamental requirement for us. We embed our due diligence in our processes and strive to create a global supply chain that meets the same sustainability standards we set for ourselves.

In this Code of Conduct for Suppliers, we, therefore, specify our basic principles, as well as objectives of responsible and ethical action in the operating environment, especially with regard to respect for human rights and the protection of our environment. These are to be understood as minimum requirements and reflect our expectations towards our Suppliers. Violations thereof are not acceptable.

The Code is an essential pillar of our compliance management system, and our corporate values form the foundation:

- We are focused on safety
- We are respectful
- We are reliable
- We are innovative
- We are responsible

In addition, this Code is based on international conventions and guidelines – such as the International Bill of Human Rights, the ten principles of the United Nations Global Compact Initiative, the United Nations Guiding Principles on Business and Human Rights, the OECD Guidelines for Multinational Enterprises and the labour standards set by the International Labour Organization (ILO). Requirements from other statutory regulations – such as the German Supply Chain Due Diligence Act – are also taken into account.

This document applies worldwide to all supply chain partners who deliver goods and/or services to a company of the SAF-HOLLAND Group. The Supplier's respective commitment to comply with corresponding requirements is an essential prerequisite for a business relationship with SAF-HOLLAND and represents an important aspect in the selection and evaluation of Suppliers. If a Supplier commissions third parties (e.g., subcontractors or representatives) within the scope of a business relationship with SAF-HOLLAND, or if these are indirectly part of our supply chain, they must also be obligated by the Supplier.

For the sake of improved readability, we refrain from using multiple gender-specific names. Reference is, however, to all genders equally. All information in this respect is, therefore, to be understood as gender-neutral.

Together, we are making an important contribution to people and the environment, changing today the world we will live in tomorrow. SAF-HOLLAND counts on your commitment!

The Management Board
SAF-HOLLAND SE

2 Requirements for Suppliers



2.1 Social responsibility

No forced labour

SAF-HOLLAND rejects all forms of forced labour, modern slavery, and human trafficking in their supply chain. The Supplier must ensure that no one is employed or forced to work for them against their will. Employees always have the right to terminate their employment relationship freely, subject to a contractually agreed or statutory notice period.

Prohibition of child labour

Child labour is not tolerated by SAF-HOLLAND. The Supplier assures that all forms of child labour are prevented in their business. The legal minimum age of employees in the relevant country or jurisdiction must be respected. In particular, the regulations of the International Labour Organization (ILO) must be considered.

Reasonable remuneration and working hours

The Supplier must ensure the appropriateness of the remuneration. It must be in line with local laws on remuneration and at least comply with minimum wage laws. Wages and salaries shall always be paid regularly, punctually and in full for services rendered. These may not be held back unlawfully. At all times, the applicable national legal protection regulations or respective industry standards pertaining to working hours and rest periods for all employees must be respected.

Equal opportunities and protection against discrimination

SAF-HOLLAND is committed to the equal opportunity and treatment of their employees, irrespective of colour, race, nationality, ethnicity, political affiliation, social origin, any disability, sexual identity and orientation, religious belief, gender, or age. The Supplier shall provide equal employment opportunities to their employees and shall not tolerate discrimination of any kind or harassment. The selection, recruitment, and promotion of employees must always be based on qualifications and skills. The Supplier shall treat each person with dignity and respect.

Freedom of association

The Supplier grants and protects the freedom of association of employees and the right to collective bargaining on working conditions in their business area. In cases where this right is restricted by local law, working alternatives to employee representation that comply with the law shall be promoted. Formation, joining and/or membership of a trade union shall not be used as a reason for discrimination or retaliation.

Health and safety in the workplace

Promoting the health and safety of employees in the workplace is a top priority for SAF-HOLLAND. The Supplier shall ensure the strict compliance with the applicable occupational health and safety regulations and shall take the necessary measures to preserve the health of their employees, to protect third parties and to avoid hazards, accidents, and work-related illnesses. Employees must be regularly informed and trained on applicable health and safety standards.

Preservation of natural resources and basic human needs

The Supplier shall not unlawfully take land, forests, or waters whose use secures the livelihood of persons. The Supplier shall refrain from harmful soil changes, water pollution, air pollution, harmful noise emissions, or excessive water consumption if this harms the health of persons, significantly impairs the natural basis for the production of food or prevents said people from accessing safe drinking water or sanitary facilities.

Dealing with critical raw materials

SAF-HOLLAND's goal is to use only raw materials, the extraction, production, processing, transportation, or trade of which do not contribute directly or indirectly to violations of human rights, pollution of the environment, violations of rules and laws, or health and safety problems. The Supplier shall, if critical raw materials or process materials are used for the production of goods, in particular, comply with the due diligence obligations set out under the "OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas".



2.2 Integrity in business

Fair competition and anti-trust

The Supplier is expected to comply with the legal provisions and rules of fair business, fair advertising, and fair competition. All applicable anti-trust laws shall apply. These prohibit, in particular, unfair agreements on prices and offers, as well as the abuse of a dominant market position. In particular, no sensitive data (from a competitive perspective) may be exchanged, nor may any other conduct take place that could improperly influence or restrict competition.

Prohibition of corruption and bribery

SAF-HOLLAND condemns all forms of corruption, bribery and extortion and has a zero-tolerance policy in this regard. The Supplier shall ensure that their employees, subcontractors, or agents do not provide, offer, or accept bribes, improper donations, or other unlawful benefits for the purpose of influencing customers, public officials, or other third parties. Monitoring and enforcement processes shall be strictly applied, in order to ensure compliance with anti-corruption laws.

Avoidance of conflicts of interest

When dealing with business partners, the Supplier must make decisions exclusively based on factual criteria and must not be guided by personal interests. Business interests and private interests must be strictly separated. Conflicts of interest which could have an influence on the business relationship with SAF-HOLLAND or foster the appearance of such shall be disclosed by the Supplier without delay.

Confidentiality and data protection

The Supplier undertakes to meet the reasonable expectations of their employees, suppliers, customers, and consumers with regard to the protection of business and trade secrets and other confidential information. Existing confidentiality agreements with business partners must be observed. The Supplier shall take all necessary steps to protect confidential information and business documents from access by unauthorised colleagues and third parties in an appropriate manner. When collecting, storing, using, processing, and passing on personal data, the Supplier must comply with the applicable laws on data protection and information security, as well as the official requirements.

Protection of intellectual property

The Supplier respects the intellectual property rights of third parties and protects corresponding data. Intellectual property includes, in particular, registrable property rights (e.g., trademarks, patents, designs), copyrights and domains, as well as requirements under unfair competition law.

Prohibition of money laundering and terrorist financing

The Supplier shall comply with all statutory provisions on the prevention of money laundering and the financing of terrorism within the scope of their business operations. The Supplier neither directly nor indirectly participates in nor facilitates transactions that serve money laundering or terrorist financing purposes. Financial records and reporting are prepared in accordance with international requirements.

Compliance with international trade regulations

When importing, exporting, transiting, brokering, transporting, and shipping goods, services, software, or technology, the Supplier shall comply with all applicable global trade regulations – including embargoes and sanctions – of the respective countries of their business activities.



2.3 Ecological responsibility

Sustainable consumption of natural raw materials and resources

Sustainability is firmly anchored in SAF-HOLLAND's corporate principles and actions. The Supplier shall ensure that the applicable environmental regulations and internationally recognised environmental standards are complied with, and that suitable management systems are applied. It bears the responsibility to use natural resources consciously and sparingly, to use reusable materials wherever possible and to recycle residual materials. Resource-saving and environmentally friendly technologies, products and services must be promoted.

Climate protection

The Supplier is expected to promote the climate protection cause. General emissions from operations (air and noise emissions) and greenhouse gas emissions shall be ascertained prior to their release, monitored regularly, reviewed, and treated as necessary. The Supplier is required to take appropriate measures to minimise any emissions that are deemed hazardous to health and the environment, in particular, CO₂ emissions in accordance with the Paris Climate Agreement.

Handling hazardous substances and waste

Applicable laws and regulations regarding hazardous materials, chemicals and substances must be strictly observed. In particular, the Supplier, therefore, undertakes to classify and label chemicals and other hazardous substances accordingly. The Supplier must ensure that these are handled, collected, transported, and stored in an environmentally sound and safe manner. Proper reuse, recycling, and disposal must also be ensured. Employees must be informed and receive training in this regard. The requirements of the international conventions of Minamata (mercury), Stockholm (persistent organic pollutants), and Basel (hazardous waste) must be met.

Water protection and quality

Wastewater from operations, manufacturing processes and sanitary facilities shall be ascertained, monitored, inspected, and treated as necessary prior to discharge or disposal. In addition, measures should be introduced to minimise water consumption at own sites, as well as along the entire supply chain. Contamination of surface or groundwater must be prevented at all costs.

Dealing with energy consumption/efficiency

The Supplier shall monitor their energy consumption. In principle, efficient solutions must also be established to improve energy efficiency and reduce energy consumption. Where possible, renewable energy sources are to be promoted.

Biodiversity

The Supplier shall ensure the protection of natural ecosystems, in particular, threatened wildlife habitats. Sustainable supply chains should be sought within the framework of applicable legislation and international biodiversity requirements.

3 Compliance with the SAF-HOLLAND Code of Conduct for Suppliers

3.1 General information

Cooperative collaboration with regard to compliance with the SAF-HOLLAND Code of Conduct for Suppliers is of great importance. The Supplier must, therefore, identify and evaluate the corresponding requirements and integrate them into their day-to-day business. In doing so, it must be ensured that their employees and relevant third parties have fully understood this Code and receive regular training on it.

In addition, the Supplier shall always comply with applicable laws, regulations and agreed contractual provisions. If the requirements of SAF-HOLLAND go beyond the requirements of an applicable law or contract, these must be observed in addition thereto. In principle, the stricter provision that offers the greatest protection shall apply.

A central e-mail address (Compliance@safholland.de) is available for further questions regarding this Code.

3.2 Options for reporting misconduct

The Supplier shall establish an appropriate grievance mechanism for their employees and other stakeholders. This allows any violations of human rights, business ethics and the environment to be brought forward. Reporting must be able to be done freely and without fear of reprisals.

In the event of a genuine suspicion regarding potential misconduct by employees of the SAF-HOLLAND Group, the Supplier or the Supplier's business partner, any person can also submit a report via SAF-HOLLAND's electronic whistleblower system. The system can be accessed via a link on the SAF-HOLLAND website. Further reporting channels and all relevant information are listed here. If desired, tips can also be submitted anonymously. All matters will be carefully examined by the Compliance Department and treated confidentially.

3.3 Rights regarding the disclosure of information and review

The Supplier is expected to inform SAF-HOLLAND, immediately and without being asked, of the relevant facts and the measures taken in the event of an actual breach of the obligations arising from this Code in their own business area or in their supply chain.

SAF-HOLLAND reserves the right to inspect or audit Suppliers on a regular, random or ad hoc basis with reasonable notice, in order to ensure compliance with this Code of Conduct.

The Supplier shall cooperate in this to the best of their ability. Information on the established processes for human rights and environmental due diligence must be provided. Questions must be answered completely and truthfully. Relevant information shall be properly recorded and required data provided within a reasonable time.

3.4 Dealing with infringements

Imminent or actual violations of human rights and environmental protection, as well as violations of the law by the Supplier, must be prevented or stopped immediately and appropriate remedial action taken.

If the nature of the breach is such that it cannot be terminated or minimised in the foreseeable future, the Supplier shall immediately prepare and implement a concept with a binding timetable. Its development shall be carried out in cooperation with SAF-HOLLAND on a case-by-case basis.

Should an incident not be dealt with in an appropriate manner within a reasonable period of time, SAF-HOLLAND reserves the right to terminate the contract.

In the event of serious violations, the business relationship may be terminated for good cause without further notice and irrespective of any further statutory or contractual rights.

4 Acknowledgement and consent of the Supplier

By signing this document, the Supplier confirms that the “SAF-HOLLAND Code of Conduct for Suppliers” has been read and understood. The currently valid version is authoritative. This can be viewed at any time on the SAF-HOLLAND website.

The Supplier undertakes to act responsibly and to comply with the ethical and legal principles set out in this Code.

The Supplier shall communicate these in a comprehensible manner to their employees and, in particular, to third parties who indirectly affect the contractual relationship of SAF-HOLLAND and shall implement appropriate measures to ensure compliance with the requirements.

Any breach of this constitutes a material breach of contract on the part of the Supplier and shall entitle SAF-HOLLAND, under certain circumstances, to terminate the contractual relationship for cause.

Supplier

Name of the signatory

Function

Place, date

Signature

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