

Brose

Code of Conduct for Suppliers



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1 Preamble

The Brose Group ("Brose")¹ has defined a Code of Conduct for Suppliers and Service Providers ("CoC for Suppliers") as a standard for ethical behavior in business in order to live up to our corporate responsibility and our expectations of ourselves and our business partners. The Supplier Code of Conduct ensures mutual respect, honesty and fairness in daily dealings with suppliers and service providers ("Suppliers"). Brose is also committed to the responsible and sustainable development, production and distribution of products and services.

We use our business to build a better future by developing innovative products and services, ensuring broad access to them, providing a rewarding workplace, being a trusted partner and supporting the communities in which we operate.

To this end, we are committed to respecting human rights in our own business activities as well as in our global supply and value chains, and to providing access to remedy for those affected by human rights violations. In doing so, we align our business activities with the internationally recognized Guiding Principles on Business and Human Rights of the United Nations and the requirements of the National Action Plan for Business and Human Rights (NAP).

In order to meet this requirement along our supply chains, we expect all our business partners, in particular suppliers, service providers and other subcontractors, to also commit to respecting human rights, to establish appropriate due diligence processes and to pass on this expectation to their own suppliers. Details of these requirements are set out in this Supplier Code of Conduct.

Corporate responsibility and sustainable action have many facets. In addition to human rights due diligence, Brose is actively driving forward the transformation to a CO₂-neutral corporate group. In this context, we are striving to make environmentally friendly and efficient use of resources along our entire value chain, to avoid waste, harmful emissions and toxicological pollution, to use renewable energies for production, to reduce vehicle fuel consumption through lightweight construction and efficiency improvements, to develop state-of-the-art electric motor technologies and to make our contribution to forward-looking mobility concepts. Our sustainability strategy can be viewed at www.brose.com/de-en/company/environment/.

We can only achieve these goals with our suppliers. Therefore, as part of the sustainable transformation of our business, the requirements for climate protection and the transformation to CO₂ neutrality are given special consideration in the Brose standards BN 592032 and BN 592059 for production material suppliers, as well as the Brose standard BN 592188 for non-production material suppliers.

¹ For the definition of Brose and the Brose Group, see chapter 2.3 "Definitions".

2 Basic Principals

2.1 Purpose

The aim of the Supplier Code of Conduct is to define minimum sustainability requirements for Brose suppliers and their downstream suppliers. These cover the following areas:

- Human Rights & working conditions
- Environmental protection & awareness raising
- Responsible sourcing of raw materials
- Business integrity

The CoC for Suppliers is based on the Brose Code of Conduct as well as all current and future national laws and regulations such as the Supply Chain Act (LkSG), as well as international laws, regulations, conventions and standards (collectively "laws") and any such amendments to these laws that have been or will be enacted in the context of the Brose Code of Conduct.



The Code of Conduct for Suppliers substantiates the "Declaration of Principles of the Brose Group on compliance with human rights and environmental due diligence". Suppliers are obliged to comply with all current and future applicable laws at federal, state, local, national and international level.

Suppliers are required to always maintain the highest level of integrity throughout their business activities and business relationships and to act honest and fair at all times, as well as to disclose details of their business activities at the request of Brose, as further detailed in this Supplier Code of Conduct.

2.2 Scope

The Coc for Suppliers applies to all purchasing activities of Brose worldwide and is an integral part of the agreements between Supplier and Brose.

2.3 Definitions

Brose Group comprises Brose Fahrzeugteile SE & Co. Kommanditgesellschaft, Bamberg ("Brose Bamberg") as well as any company that

- (a) controls Brose Bamberg,
- (b) is controlled by Brose Bamberg,
- (c) is controlled by the same legal entity as Brose Bamberg, or
- (d) is jointly controlled by the same natural persons as Brose Bamberg.

Control used in the preceding sentence means the direct or indirect ownership of a majority of the shares or voting rights, and/or the power to govern the financial and business policy.

Employee means anyone working for or on behalf of a Supplier, including, but not limited to full and part-time employees, consultants, contractors, trainees, casuals, workers, temporary workers, migrant workers, executives and directors/managers.

Supplier means any company that supplies goods and/or services to a Brose company.

Sustainability means for us feeling responsible not only for Brose's economic future, but also for the society in which we operate, for the people we work with and for the environment we need to live in.

3 Risk analysis, grievance mechanism and material risks

As part of the global automotive industry and as a market-leading supplier of mechatronic systems, Brose is exposed to a wide range of risks within its procurement scope. Approximately 1,300 suppliers from more than 50 countries provide the Brose Group with raw materials, components, assemblies and other goods or services required to manufacture our products year after year.

In line with the expectations of our environment, in particular our direct and indirect stakeholders, our customers and business partners as well as third parties affected by our business activities, we set high standards when it comes to complying with fundamental rules of conduct that form the basis for our long-term cooperation with our suppliers.

In order to meet our due diligence obligations and to comply with legal requirements such as those of the LkSG, we conduct regular risk analyses of our supplier base and have implemented this in a specific risk management process.

3.1 Policy statement on compliance with human rights and environmental due diligence obligations

In line with the requirements of the LkSG, Brose published a public policy statement on compliance with its human rights and environmental due diligence obligations for the first time in 2023 and will update this annually taking into account the material risks and how these risks are dealt with.

The policy statement can be found via our homepage at www.brose.com/de-en/company/environment/ and provides an insight into our approach and principles in respecting human rights and environmental protection. The supplier is obliged to take note of our policy statement and undertake the compliance with the human rights and environmental expectations formulated therein, as it is set out in more detail in this Supplier Code of Conduct.

3.2 Main results of the annual risk analysis according to the German LkSG

The last risk analysis revealed various focus topics within our supplier base, which we address within the framework of this Code of Conduct for Suppliers and whose compliance we monitor with particular attention as part of the annual and event-related analysis. The details on the process and results can be found in the current policy statement. For us, the risk analysis revealed that we pay particular attention to the following risks:

- Workers' rights include threats to health and safety at work, freedom of association and assembly, precarious employment and working conditions.
- Human rights include discrimination in all forms, women's rights, and diversity, equality and inclusion.
- Environmental protection requirements regarding land rights, contamination of water, soil and air and the resulting risks to health, shelter or economic goods needed for subsistence.

3.3 Complaint mechanism

Appropriate and effective grievance management is an important part of our due diligence processes in order to effectively prevent and remedy potential adverse human rights impacts caused by our company and our business activities. We have established a corporate whistleblower system that is accessible inside and outside the company and participate in industry-wide procedures such as the Automotive Industry Dialogue pilot project for a cross-company grievance mechanism (UBM) in Mexico. The grievance mechanism is open

to anyone who provides a relevant information on our own business as well as on issues affecting our supply chains.

All information provided through the whistleblower system must be treated confidentially and must not result in any disadvantage or punishment as a result of a complaint.

The Brose whistleblower system can be found via our homepage at www.brose.com/de-en/company/compliance/ and is available in 17 languages to be accessible to potential stakeholders.

Also available on our homepage are the procedural rules (https://www.brose.com/de/media/company-downloads/compliance/2023_brose_verfahrensordnung_en.pdf), which describe Brose's procedure and handling of notices received.



4 Brose's expectations towards suppliers

We expect our suppliers to comply with all requirements of this Supplier Code of Conduct.

- The supplier must strive to ensure that all requirements of this Supplier Code of Conduct are met by its own sub-suppliers as well as its own operations or affiliates and address this along its own supply chain with appropriate measures. Upon Brose's request, an appropriate proof must be provided that the requirements have been passed on to the supplier's supply chain.
- Upon request, the supplier must provide Brose with complete and truthful answers to the questions regarding compliance with its obligations under this standard, including its measures, any violations and complaints, in order to enable Brose to conduct a regular and, if necessary, occasion-related risk analysis. Likewise, the supplier must provide corresponding documents upon request and name contact persons for inquiries.
- The supplier is obliged to work honestly and transparently with facts and data relating to the requirements outlined. Brose would like to have an open dialogue about performance, trends and opportunities for improvement in the outlined areas of the Supplier CoC. The environmental data on production, product and transport should be available upon request to enable Brose to perform the environmental impact assessments ("LCA").
- The supplier shall appoint a senior manager who shall be responsible for compliance with the areas mentioned in the Supplier CoC.
- The supplier has its own Code of Conduct, which sets out rules of behavior and proper trade practices to their employees in terms of the Supplier CoC.
- The supplier shall act proactively to adequately address the risk of non-compliance, whether at their own facilities or in their supply chains.
- The supplier will implement appropriate complaint channels and corrective mechanisms, which will be made available to all employees and third parties, in order to be able to express concerns or complaints, but also recommendations and suggestions for improvement of the supplier's operations, without fear of disadvantages or even retaliation.

4.1 Management System

We expect our suppliers to establish and maintain an appropriate management system to monitor all elements of this Supplier CoC. The system must be capable of continuously identifying and informing about potential risks, tracking initiated countermeasures including a performance review. This management system must be continuously reviewed, monitored and improved, preferably within the framework of third-party certification. The supplier shall observe the required duties of care within the meaning of the LkSG, implement them accordingly in his company and ensure that their suppliers and sub-suppliers in turn comply with them.

4.2 Compliance

Fundamental to all areas of the Supplier CoC and as a basis for all business within Brose, we require our suppliers to be aware of and comply with all applicable laws and regulations as well as the contractual terms agreed with Brose. Particularly, anti-corruption and anti-money laundering laws, competition and antitrust law, export control laws and tax laws shall be complied with. All legally required permits, approvals, licenses, registrations and related reports should be available for inspection upon request. If local laws and regulations are less restrictive, the principles of this Supplier CoC shall still apply. If a requirement is covered by both

this Supplier CoC and applicable laws and/or an agreement with Brose, the stricter regulation with the greatest protection for the affected parties shall apply. In cases where there is a direct conflict between a local law and the principles contained in this Supplier CoC, the local law shall prevail. In such a case, the supplier shall promptly notify Brose what it considers to be a conflict.

4.3 Continuous Improvement

Brose believes in continuous improvement and recognizes that the implementation of the standards of this CoC for Suppliers into the supplier's operations and supply chains is a dynamic rather than a static process. Supplier should also implement a continuous improvement system to demonstrate progress in all areas covered by this CoC for Suppliers.

4.4 Trainings

Brose attaches great importance to working in partnership with our suppliers. In order to continuously improve cooperation, we conduct training courses for our suppliers worldwide. They convey the challenges facing the automotive industry today. The courses are available to all suppliers in equal measure. Depending on the topic and as a result of the risk analysis, we also require suppliers to participate in our training courses or to provide proof of attendance at the third-party training providers in order to meet our due diligence obligations under the LkSG. Therefore, we expect our suppliers to comply with these requests and to follow the development path together with Brose, to participate in the Brose training courses and to create suitable training courses and tools in order to train their employees and, if necessary, business partners.

4.5 Implementation and Compliance

Sustainability performance as described in the Suppliers CoC is an important indicator for the qualification and evaluation of Brose suppliers. Acceptance of the Supplier CoC is a prerequisite for cooperation with Brose. Brose verifies compliance with the requirements of the Supplier CoC through a supplier self-assessment (Sustainability Assessment Questionnaire = "SAQ") and reserves the right to conduct on-site audits at any time according to standards of the 'Responsible Supply Chain Initiative' (RSCI). This can be done either by Brose employees or by an independent third party. For this purpose, the supplier shall provide Brose or the commissioned third party with all necessary information and allow access to business and production premises during their normal business hours.

5 Human Rights & Working conditions

We firmly believe that employees are the most important resource of any company and that respect for human rights is the basis for any successful business. Brose promotes a working climate that supports diversity. Differences between employees are valued and respected.

Brose suppliers shall respect all internationally recognized human rights and treat all people with dignity. Suppliers shall be particularly aware of, and respect the rights of indigenous people who tend to be most vulnerable, including but not limited to migrant workers, women, children and disabled people, and local communities in connection with their activities and operations. Diversity, equality and inclusion are core values that our suppliers promote.

Therefore, we require that our suppliers apply appropriate human rights due diligence to identify, prevent, mitigate and account for negative human rights impacts of their own operations and in their supply chains. In doing so, they should focus on the areas of highest risks that harm people and appropriate to company size and circumstances.

5.1 Child Labour

We have a zero-tolerance threshold regarding child labor and our suppliers shall prevent any form of child labor. The minimum working age, depending on local laws, is the age of completion of standard schooling, but not less than 15 years. Children under the age of 18 shall not be exposed to work that involves the risk of causing harm to either physical or mental health, safety or morals of these children. Suppliers are encouraged to have adequate policies, risk awareness, risk assessment and due-diligence processes in place to prevent child labor throughout its supply chain.

5.2 Employment Terms & Working Hours

The supplier is obliged to comply with applicable laws and collective bargaining agreements at all times. This includes, where applicable, regulations on working and resting hours, including overtime-working, as well as annual, sick and parental leave and all other applicable vacation regulations. The supplier is required to comply with the standards of the International Labor Organization (ILO) for working hours and vacations.

5.3 Health & Safety

Brose expects its suppliers to provide their employees with a safe and healthy working environment that minimizes work-related injuries and improves the quality of products and services, consistency of production, employee retention and morale. This applies to the supplier's production facilities and offices, provided accommodations, such as dormitories and any type of (passenger) transportation offered by a supplier to its employees.

In addition, our supplier shall ensure that their employees' potential exposure to safety hazards, such as machines, equipment, substances or other chemical, biological or physical agents, are identified, assessed and controlled through proper design and/or preventive maintenance and safe work procedures. The Safety Information must be made available to all employees to educate, train and protect them from safety hazards.

5.4 Fire protection

Fires within the company premises of our suppliers must be prevented by the supplier to the best of his ability, as they pose a considerable risk to the health and lives of employees and, in their effects, impair the economic ability to act as a supplier, and as a Brose customer. Fire protection measures must therefore be regularly reviewed and approved by the local authorities.

5.5 Forced Labor, Modern Slavery & Ethical Recruitment

Brose does not tolerate any forms of forced labor or modern slavery, including, but not limited to forced, bonded and compulsory labor and human trafficking. Consequently, none of our suppliers, including their recruiters, shall engage in or tolerate restrictions of movement, excessive recruitment fees, confiscation of identity documents and/or passports, withholding of wages, abusive working conditions, debt bondage, violence or any other form of exploitation or abuse. Employees or potential employees must not be deceived about the nature of the work and employment relationships must be voluntary and able to be terminated by the employee in compliance with the legal time limits.

5.6 Adequate Wages & Benefits

Appropriate wages represent the basis for successful long-term employee retention and competitiveness, and are for us not only part of the responsibility of companies to respect human and employee rights, but also the basis for long-term stable business relationships. Our suppliers are therefore obligated to always pay and provide their employees with wages and benefits that at a minimum comply with applicable laws and collective bargaining agreements. If no minimum wage laws or collective bargaining agreements are applicable to the supplier, the supplier agrees to pay wages and benefits that enable a full-time employee to meet the basic needs for himself and his family. Supplier shall provide their employees with information regarding their terms and conditions of employment, including benefits, in a form and language they can easily understand, such as a written employment contract and timely wage confirmation.

5.7 Freedom of association and collective bargaining

All employees have the right to lawfully form, join or not join unions, bargain collectively, represent themselves and join works councils in accordance with the local law and international conventions. Employees must be able to communicate openly with management about working conditions and management practices and share ideas and concerns without fear of discrimination, intimidation or retaliation.

Where local law restricts the right to freedom of association and collective bargaining, the supplier shall permit alternative forms of employee representation, freedom of association and collective bargaining.

5.8 Non-discrimination & Fair treatment

Our suppliers treat each employee with dignity and respect and provide equal employment opportunities and conditions based on the individual's ability to do the job, regardless of employee or job applicant characteristics including, but not limited to:

- gender, gender identity or expression,
- age,
- nationality, ethnicity or social origin,
- religion or belief,
- health status or physical limitation,
- sexual orientation,
- union affiliation or political opinion.

Supplier shall not tolerate degrading or physical punishment or allow any employee to be subject to verbal, psychological, physical, sexual harassment, or abuse.

5.9 Social responsibility

Brose attaches great importance to the social commitment of its employees in associations or organizations. Accordingly, we expect our suppliers to also enable their employees to engage in social activities.

5.10 Unlawful violation of land rights

Brose expects the suppliers not to engage in unlawful eviction or unlawful taking of land, forests, waters in the acquisition, development or other use of land, forests and waters that secures the livelihood of persons.

5.11 Contracting or using private/public security forces

Brose expects the supplier to use only security forces that reliably comply with internationally recognized human rights in the performance of their activities. The supplier is obligated to monitor the activities of their security forces accordingly and to pay particular attention to compliance with the prohibition of injury to life and limb, the prohibition of torture and cruelty, inhuman or degrading treatment and guaranteeing freedom of association and freedom of *association*. Upon request, the supplier shall provide evidence of continuous training and regular background checks of the security forces about the human rights observance. The supplier shall immediately remedy violations of human rights by deployed security forces and cooperate with those affected in order to avoid repetitions and to bring about redress.

5.12 Other violations

Brose expects its suppliers to refrain from actions or omissions in breach of duty which are directly capable of impairing a protected legal position (arising from human rights agreements within the meaning of § 2 Para. 1 LkSG) in a particularly serious manner and the unlawfulness which is obvious upon reasonable assessment of all the circumstances under consideration.

6 Environmentally conscious action

Brose expects its suppliers to reduce their negative environmental impact of their business activities by protecting the environment, conserving natural resources, and continuously striving to reduce their environmental footprint of their production, their products and services over the entire life cycle. This also means that our suppliers handle environmental violations and complaints methodically and pass on information to the employees concerned and, if necessary, to external stakeholders, including Brose.

Specific regulations for achieving emission reduction targets are set out in detail in the Brose standards BN 592032 and BN 592059 for production material suppliers, and Brose standard BN 592188 for non-production material suppliers and are applied accordingly.

6.1 Resource efficiency & energy consumption

Supplier shall monitor, track and document their natural resource consumption, such as water, raw materials or energy sources, to identify opportunities that supplier can control and influence to promote improvements and minimized consumption.

6.2 Protection of biodiversity

The protection of natural ecosystems is central to the preservation of a livable environment and biodiversity. We expect our suppliers to protect these ecosystems and not to contribute to negative change through deforestation or damage to natural forests or other ecosystems.

6.3 Emissions & waste management, reuse & recycling

Supplier shall monitor, track, and document their emissions to air, water, and land from their facilities and transportation, including the wastewater and solid waste generated by their operations, to identify opportunities that Supplier can control and influence to promote improvements and minimize emissions.

The supplier monitors, tracks and documents the composition of their packaging materials that become waste at Brose in order to facilitate steps towards a circular economy, e.g. by using low-complexity materials and/or raw materials for which locally established recycling markets exist.

Right from the early stages of product development and in all phases of manufacturing the products supplied to Brose, our suppliers ensure that they have a high degree of reusability, and a high degree of recyclability both in manufacturing and further use.

6.4 Destruction of the natural basis of life through environmental pollution

The Supplier shall, within the scope of their business operations, ensure that it does not significantly impair the natural basis for the preservation and production of food, deny persons access to safe drinking water, impede or destroy access to sanitary facilities, or thereby harm the health of persons, by means of harmful soil alteration, water pollution, harmful noise emissions or excessive water consumption.

6.5 Animal welfare

We expect our suppliers to comply with all applicable animal welfare regulations and laws and to support the ethical and species-appropriate treatment of animals.

6.6 Respect for international agreements on substance bans and restrictions

Compliance with regulations and the handling of international conventions that limit or prohibit the use of substances is mandatory for Brose and for our suppliers and is an essential part of the technical requirements and approval for purchased parts via the Brose environmental standard BN 589598. Explicit mention should be made at this point of the requirements arising from the regulations:

- the Minamata Convention on the Production, Use and Treatment of Mercury or Mercury Compound Wastes,
- the Stockholm Convention on Persistent Organic Pollutants (POPs), and
- the Basel Convention on the Control of Transboundary Movements of Hazardous Wastes and their Disposal

We expect full compliance and complete transparency from our suppliers in the event of requests for information in this regard.



7 Business integrity and compliance

We are convinced that fair and lawful corporate governance is essential to build trust with suppliers. Brose therefore calls on its suppliers to conduct their business in the same way, particularly in the following areas:

7.1 Fighting corruption

None of our suppliers shall enter, support or tolerate, directly or indirectly, any form of bribery or corruption. Supplier shall not accept any form of improper advantage of any third party, whether private or public, whether offered or accepted for the purpose of obtaining or retaining business or offering any form of preferential treatment. Gifts and entertainment are permissible in the ordinary course of business if the gifts and/or entertainment are proportionate and do not influence the decision of the recipient. In regions where specific value limits regarding maximum amounts for gifts or maximum entertainment costs have been regulated by Brose, these must be respected and complied with by the supplier vis-à-vis Brose.

7.2 Money laundering

The Supplier shall comply with the applicable laws on the prevention of money laundering.



7.3 Fair competition

Each of our suppliers is required to respect and comply with all applicable fair trade, competition and antitrust laws and regulations and must not engage in anti-competitive discussions or anti-competitive agreements, including illegal price fixing, market sharing, customer allocation or other illegal restrictive practices, at any stage of the production or distribution chain. We expect our suppliers to take measures against the anti-competitive exchange of competition-relevant information by their own employees, for example, in the form of guidelines or training.

7.4 Conflicts of interest

The supplier must act openly and transparently to demonstrate that it is *a bona fide* and reliable partner for Brose. In addition, we expect our supplier to conduct business in a manner that avoids situations in which private, financial or other external interests' conflict with employees' job duties. Any situation in which a Brose employee or professional under contract with Brose might have a personal interest of any kind in the supplier's business or in economic relations with the supplier must be reported to Brose immediately through the usual reporting channels.

7.5 Intellectual Property Rights (IP) & Confidentiality

The supplier shall respect Brose's confidential information and intellectual property rights and protect it from misuse, improper handling, forgery, theft, fraud or improper disclosure in accordance with the applicable law and the terms of the contract with Brose. Supplier is required to create and implement an information management policy. This includes establishing a policy that ensures appropriate levels and thresholds and records of proper business integrity.

7.6 Counterfeit products

Due to their lack of quality, counterfeit products can, in addition to the economic and legal damage they cause, also pose a significant risk to the life and limb of people who use those products. Our suppliers are therefore required to exercise caution and develop, implement and maintain appropriate measures to minimize the risk of counterfeit products being used and put into circulation.

7.7 Information and IT security

It is of utmost importance that the supplier addresses the security interests and information security requirements of the Brose Group and its customers. Therefore, all scopes classified with appropriate classification (confidential / strictly confidential such as specifications, design and development data and other correspondingly critical information) must be processed and protected in an appropriate manner.

In terms of the Brose Group's information security requirements, the supplier shall be obliged to secure the entire data stock of existing scopes of supply against unauthorized access, modification, destruction and other misuse in accordance with the state of the art. Furthermore, data of the Brose Group and its customers must be strictly separated from data of other customers of the supplier. Details on this are governed by the guideline on "Information security requirements for suppliers and service providers", which can be found at www.brose.com/de-en/purchasing/handbooks-templates/.

If an identified, significant case of a violation of information security has occurred, the Brose Group buyer who is responsible for the supplier must be informed immediately by the supplier.

The supplier is obliged to provide the buyer request with a central contact person for information security via the respective portal (supplier database) and to inform the buyer immediately of any changes.

7.8 Privacy policy

Whenever a supplier is entrusted with personal information about individuals, supplier shall safeguard it and take appropriate steps to protect it from misuse. All applicable data privacy laws as well as the contractual terms with Brose shall be observed when collecting, storing, using, processing or sharing personal information about individuals.

7.9 Export Control & Economic Sanctions

Supplier complies with the international applicable laws for the import and export of goods, services and information, including compliance with all applicable laws that prohibit or restrict business relationships with sanctioned countries, entities or persons.

7.10 Documentation

Brose expects their supplier to ensure that all reports, records and invoices are correct and complete and do not contain any false or misleading information.

7.11 Financial responsibility

The supplier complies with the principles of proper accounting and financial reporting. Where required by law, supplier shall provide information on the current financial situation. Social, tax and customs regulations are observed and complied with.

8 Responsible procurement of raw materials

We are convinced that the mining and trading of minerals and raw materials can generate income, growth and prosperity, safeguard livelihoods and promote local development. At the same time, Brose recognizes the risks of contributing to negative impacts such as human rights violations and conflicts due to improper mining. Our suppliers shall respect all internationally recognized human rights and implement responsible supply chain management for all materials that are critical to the industries in which Brose operates, especially for all materials from conflict-affected and vulnerable mining areas.

8.1 Responsible sourcing

Supplier shall conduct appropriate due diligence in the sourcing, extraction and handling of tantalum, tin, tungsten, gold ("3TG"), cobalt or any other material or derivative listed in Annex I of Regulation (EU) 2017/821 of the European Parliament and of the Council of May 17, 2017 or designated as a "Conflict Mineral" by the U.S. State Department or other recognized national or international institutions such as the OECD Due Diligence Guidelines. The supplier shall also make a reliable determination of the origin and sources of such minerals. Supplier shall be able to disclose supply chain attribution to the primary source associated with products or services provided to Brose, its subsidiaries and affiliates for products containing a Conflict Mineral. Suppliers are required to conduct appropriate supply chain verification to ensure that conflict minerals are sourced from mines and smelters outside of conflict regions. Suppliers shall have policies and processes in place to ensure that these conflict minerals contained in products manufactured by the supplier do not directly or indirectly fund or benefit perpetrators of human rights abuses or otherwise directly or indirectly contribute to human rights abuses.

Brose expects their suppliers to endeavor to ensure that all smelters and refineries in the supply chain related to 3TG, cobalt, other materials, derivatives or conflict minerals are sourced from risk-free sources and actively participate in independent third-party audit programs. Supplier shall also, upon request, provide Brose with all information regarding such smelters and refiners or, if sourced within the conflict region, from mines and smelters certified by an independent third party as conflict-free for the DRC. To the extent that a supplier does not currently have this capability, it is obligated to immediately communicate their plans in this regard to achieve this goal. Upon Brose's request, the supplier immediately shall provide Brose with all information.

8.2 Hazardous substances

The supplier is required to identify potentially hazardous substances in chemical products and goods used in manufacturing and to ensure that these substances are safely handled, transported, stored, recycled and disposed of. Substance safety information must be available to train and protect employees in the handling of hazardous substances. Furthermore, employees must have access to appropriate personal protective equipment.

To enable end-to-end transparency for our customers and the end users of our products, we require our suppliers to report 100% of the content of all substances used in products supplied to Brose. Reporting is done by entering data into the International Material Data System or another appropriate tool.

9 Consequences of breaching the Brose CoC for suppliers

Brose verifies compliance with the standards and rules set out in this document as part of their risk management process, including through SAQs and if needed by sustainability audits and assessments at supplier production location, and their entire supply chain.

Dealing appropriately with non-compliant cases is an essential part of our comprehensive compliance management. Brose will not tolerate non-compliant behavior about the specifications in the CoC for Suppliers. Suppliers who violate this Supplier CoC will be held accountable. Brose expects its suppliers to identify risks within their supply chain, and to take appropriate measures to prevent, and or minimize the extent of violations of the requirements.

Brose handles all indications of possible violations within the scope of the complaints procedure in accordance with the rules of procedure referenced in chapter 3.3 of this CoC for Suppliers and follows the following principles in particular:

- All allegations are taken seriously.
- Efficient and timely investigation of allegations, using external service providers if necessary.
- Objective and impartial assessment of the facts.
- The persons entrusted with conducting the proceedings are bound to secrecy and discuss the facts with the whistleblowers.
- If necessary, an amicable settlement procedure may be offered.
- Take appropriate corrective action and sanctions if an allegation is substantiated.

Brose reserves the right to charge the supplier for costs resulting from non-compliance with the CoC for Suppliers.

A violation of the requirements shall be deemed a material impairment of the business relationship with the supplier. In this case, Brose reserves the right to demand clarification, initiation of measures and information in this matter, without prejudice to further rights. The supplier is obligated to take immediate remedial action against violations in order to prevent, terminate or minimize the extent of any impact. If necessary, and if possible, this includes cooperation in the joint development and implementation of a plan to end or minimize the violation with Brose and / or its own suppliers. A lack of willingness to cooperate or demonstrable failure to initiate appropriate improvement measures within a reasonable period or the severity of the violation may lead to termination of the business relationship by Brose.

Summary

Distributor	
Brose	Purchasing Brose Website Brose suppliers and service providers
Changes	
Index 101	21.09.2020: Editorial changes: - Text Preamble, page 4: ... has a code of conduct ... for ethical behavior ... - Text Pkt. 2.2., page 5: The code of conduct ... - Text Pkt. 3, page 6: Environmental data on production, product and transport should be available on request so that Brose can conduct environmental impact assessments ("LCA") ... - Item BUSINESS INTEGRITY, Content additions in the subitem Information Security: Page 13
Index 102	06.11.2020: Update of the link under item 7 BUSINESS INTEGRITY
Index 103	Profound reorganization of content and editing; minor as well as substantial changes in all chapters - Revision of the preamble, chapters 1 and 2 - Supplement Chapter 3 from requirement of the "Supply Chain Sourcing Obligations Act" - Supplementation and detailing of individual requirement elements in chapters 4-8 - Editorial revision and adjustment with regard to the complaints channel in Chapter 9
Source	Purchasing / Supplier Innovation & Sustainability