

# CLARIOS – Global Supplier Corporate Social Responsibility Code

## LIST OF CONTENTS

- I. Introduction to our Clarios - Corporate Social Responsibility (CSR) Code for Suppliers
- II. Key Conditions – Our Principles and Expectations of Suppliers
- III. Conflict Minerals and Conflict-affected and High-Risk Areas
- IV. CSR-Code Compliance – Risk Identification
- V. Monitoring

## I. INTRODUCTION TO OUR SUPPLIER CSR CODE

**Clarios believes in acting with integrity, showing respect, protecting the environment, and meeting our ethical and social commitments. From those who want to do business with us, we expect nothing less.**

Our Clarios Supplier Corporate Social Responsibility Code, hereinafter referred to as the “CSR-Code,” sets out these expectations in detail. In this CSR-Code, the terms “Our”, “our”, “us”, “We” and “we” shall mean Clarios.

This CSR-Code is based on internationally agreed upon standards, primarily: the core conventions of the **International Labour Organization (ILO)**; norms and principles of the **United Nations (UN) Global Compact**, of which Clarios is a signatory member; standards from the **UN Guiding Principles on Business and Human Rights (UNGPs)**, the UN Universal Declaration of Human Rights; the Children’s Rights and Business Principles; and national laws and regulations, where applicable, covering human rights, labor rights, environmental care and sustainability, and anti-corruption.

The following Corporate Social Responsibility standards apply to all suppliers to Clarios, including entities involved in the extraction, transport and trade of sourced minerals, metals, and parts (hereinafter referred to as “Suppliers”). All Suppliers are expected to understand and follow these standards in their own operations and supply chains, and act as ethical and responsible business partners to Clarios in compliance with relevant legal requirements. We also expect our Suppliers to have processes in place to monitor and maintain compliance with these standards in their own operations and in their supply chains. If a Supplier violates any of these principles and does not agree, to or implement an improvement plan, Clarios reserves the right to terminate the business relationship and/or take other actions as detailed in section IV of this CSR-Code.

We believe that these social and environmental standards create sustainable value and reinforce our commitment to responsible business conduct for the benefit of all society.

Therefore, we kindly invite you to carefully read the following expectations and requirements and **confirm your understanding and adherence to this CSR-Code by signing it and returning it to your Clarios Procurement/Supply Chain contact.**

We are looking forward to your cooperation and continue working with you in the future!



**Micah Mahnke**  
VP Enterprise Sourcing

## II. KEY CONDITIONS – OUR PRINCIPLES AND EXPECTATIONS OF SUPPLIERS

### ADHERENCE TO LAWS AND REGULATIONS

The principles set out in this Clarios CSR-Code are minimum requirements. Suppliers must always conform to the current applicable statutory and regulatory requirements in the country of receipt, the country of shipment, and the customer-identified country of destination, if provided. If applicable statutory and regulatory requirements are stricter than this Clarios CSR-Code, they shall prevail.

### TRANSPARENCY AND DUE DILIGENCE

Clarios may request and Suppliers shall provide to Clarios, information and records demonstrating compliance with this CSR-Code. Suppliers' business process records must be truthful, complete, transparent and traceable. Falsifying business records or otherwise misrepresenting conditions and procedures in the production and sourcing of goods or services is strictly prohibited.

Clarios conducts Supplier due diligence covering critical CSR-Code concepts, in line with standards set forth in the UN Global Compact, the core ILO Conventions, the UNGPs and national laws and regulations. The following sections outline Clarios' expectations for Suppliers on these topics:

### HUMAN RIGHTS

---

Fundamental Human Rights. Right to Life and Liberty.

Clarios is committed to upholding an ethical and transparent supply chain that is free of child labor, forced labor, slavery, and human trafficking.

Clarios believes in personal freedom, the right to life, liberty and personal security.

All employees, regardless of employment form, shall be treated fairly, with dignity and respect, in accordance with international human rights. Suppliers must have adequate procedures for compliance with such rights and the remediation of any human rights violations.

---

Health and Safety at Workplaces

Suppliers are expected to foster safe working conditions, meaning the execution of work must not harm the health and safety of employees. Health at work and safe working practices as well as preventive actions should be encouraged and pursued by adopting management systems to identify, control and minimize workplace hazards. All safety measures and prevention practices should be communicated to all employees, and if needed, training on practical adherence should be provided. The same applies for all sub organizations / sites that will be used by their own staff.

---

Forced Eviction and Preservation of Natural Resources	Suppliers shall respect the rights of the local communities in which they operate and the rights of indigenous peoples and other vulnerable and disadvantaged groups. Suppliers shall not, in violation of legitimate rights, deprive such communities of land, forests, water or other natural resources. Suppliers shall refrain from illegal and/or harmful soil changes, water and air pollution, noise emissions and excessive water consumption if it harms the health of persons, significantly impairs the natural basis for the production of food or prevents the access of persons to safe drinking water or sanitary facilities.
---	--

**LABOR**

Freedom of Association and Collective Bargaining	<p>All Supplier employees should have the right to set up or join workers' organizations, including unions, for collective bargaining.</p> <p>In case of legal restrictions on the right of freedom of association or collective bargaining, employees should be allowed to form representative bodies of their interests as well as to being able to enter into direct exchange with their employer. Moreover, an alternative option for freedom of association and collective bargaining should be allowed.</p>
No Forced Labor	<p>Suppliers must not use, be complicit in, or benefit from any forced or involuntary labor. All kinds of slavery or forced labor, bonded labor or prison labor are strictly prohibited.</p> <p>No one shall be subject to working under the menace of any penalty or forced to deposit money or original documents (such as passports, education certificates) at the start of or during their employment. Employees must not be restricted in their freedom of movement. Workers must not be required to pay recruitment fees in order to secure a position.</p>
No Child Labor	<p>Pursuant to ILO and UN conventions, as well as applicable national and local law, child labor is strictly prohibited. Suppliers must not use, or support any use of, child labor or other child exploitation. The age of admission to employment must not be less than the age of completion of compulsory schooling and in any case not less than 15 years (or 14, where the respective country local law permits it in accordance with the ILO convention 138) and in compliance with each respective country law requirements. Hazardous child labor (work that is harmful to a child's health, safety or decency) should not be performed by those under 18 years old.</p>
No Discrimination	<p>All staff and workers must be treated equally. Discrimination will not be tolerated. This includes, but is not limited to, discrimination based on gender, religion, age, race, social background, caste, nationality, ethnicity and national background, membership in a worker association, disability, sexual or political orientation, or any other personal characteristic.</p>

Working Conditions	All employees should be treated with dignity and respect. Any kind of physical punishment, psychological, sexual, or verbal harassment and abuse, and any other kind of mistreatment is prohibited. Disciplinary actions must be taken in compliance with applicable law and international human rights standards and must not be imposed in retaliation for reporting violations against this Clarios CSR-Code or utilizing any other applicable legal protections. Suppliers shall inform all employees of their employment conditions and shall protect employees' personal data. All employees are entitled to a written document or documents, in a language the employee can understand, explaining the terms and conditions of the employment, including remuneration and benefits, period of payment, leave entitlement and period of notice.
Wages, Benefits and Working Hours	Suppliers shall ensure that employees are paid a wage which should at least meet national or industry minimum wage standards and comply with any legally mandatory working hours' laws/regulations. Suppliers shall provide, or otherwise ensure that its employees have access to, adequate social insurance. Wage deductions as a form of discipline are prohibited.
Complaints	Suppliers must provide and promote communication channels for their employees to raise concerns or complaints or report possible wrongful acts that have occurred as a result of activities related to their own or another Supplier's operations without fear of repression, intimidation or harassment. Reports must be kept confidential and, to the extent permitted by the respective country local law, may be made anonymously. Suppliers shall conduct investigations based on the reports and take appropriate action as necessary. Suppliers shall inform their employees or contractors of the option to report directly to CLARIOS' Compliance Hotline under <a href="https://ClariosIntegrityHelpline.com">ClariosIntegrityHelpline.com</a> .
Use of Security Personnel	Suppliers must ensure that external service providers (private or governmental) contracted to protect Suppliers' operations and business activities, respect the human rights of the persons with whom they come into contact during their duties.

## ENVIRONMENT

Compliance with environmental laws and standards and Environmental Protection, Conservation of Natural resources, Waste Handling	<p>All Suppliers are required to adhere to applicable environmental protection laws. Pollution of soil, air and water as well as noise and light pollution must be minimized and at the very least be in conformity with applicable laws and regulations. General emissions from operations, air and noise emissions shall be classified, routinely monitored, verified, and treated as needed prior to their release. Suppliers shall be also responsible for monitoring their emission control systems and shall be required to find legal economical solutions to minimize any emissions.</p> <p>Furthermore, Suppliers shall conduct their operations to conserve and protect natural resources (e.g., energy sources, water, forests, soil, raw materials, etc.) and Suppliers shall not engage in the illegal exploitation, destruction or neglect of natural resources. Therefore, Suppliers shall conduct business in a responsible way with as little impact on the environment as possible in compliance with international, national and</p>
--	---

	<p>local laws and regulations. This includes having an environmental management system, or as a minimum an environmental policy and a system including a risk assessment approach, to prevent, mitigate and control any potential environmental damage from their operations especially in regard to responsible chemical management.</p> <p>Suppliers shall minimize the amount of waste. Suppliers shall use their best efforts to ensure that in their operations the handling, storage, transportation, reuse, recycling and disposal of all types of waste and wastewater are carried out safely and in accordance with applicable regulations. Waste shall be recycled or otherwise sent for legally appropriate waste treatment to minimize environmental impact.</p> <p>Suppliers shall comply with the applicable prohibitions on import and export of hazardous wastes in the Basel Convention of March 22, 1989. Chemicals or other materials that pose a hazard when released into the environment shall be identified and handled in a manner that ensures safety during their handling, transportation, storage, use, recycling or reuse, and disposal. Mercury shall be used in accordance with the prohibitions of the Minamata Convention of October 10, 2013, and persistent organic pollutants in accordance with the Stockholm Convention of May 23, 2001.</p> <p>Suppliers should document their environmental performance and operations.</p>
Climate Protection and Water Consumption	<p>Suppliers shall continuously strive to minimize greenhouse gas emissions as well as their energy and water consumption. Greenhouse gas emissions should be inventoried and reported in a manner consistent with the Greenhouse Gas Protocol. Energy and water consumption shall be monitored and documented. Legal economic solutions must be found to improve water usage, reduce greenhouse gas emissions, improve energy efficiency and minimize energy consumption, including targeting usage of renewable energy to a reasonable extent.</p>
Biodiversity, Deforestation, Land Use and Forest-Damaging Raw Materials	<p>Suppliers are expected to conduct their operations in a way that protects biodiversity, considers appropriately animal welfare and protects natural ecosystems from deforestation, forest or land conversion. Suppliers shall use their best efforts to conduct their operations entirely without deforestation.</p> <p>Suppliers shall make every effort to achieve sustainable production when raw materials of agricultural or forestry origin or raw materials hazardous to forests are involved. Suppliers shall make reasonable efforts to ensure that their use of land, forests and waters that provide essential livelihoods for people does not unlawfully displace those people.</p>

**INTEGRITY & COMPLIANCE**

Doing Business with Integrity	<p>Clarios does not tolerate any kind of fraudulent misrepresentations of the origin of the raw materials or goods we are sourcing. The adherence to this and the rejection of any abuses regarding the payment of taxes, fees and government royalties is expected from every Supplier.</p> <p>Additionally, Suppliers shall prohibit and shall not practice or tolerate counterfeit parts, corruption, extortion, embezzlement, misappropriation and money laundering in any form.</p> <p>Suppliers must not offer or accept bribes or other unlawful payments (e.g., “kickbacks”) in business dealings with business partners or public officials,</p>
-------------------------------	---

	<p>as defined in the UN Convention against Corruption.</p> <p>Suppliers must not offer gifts or other benefits to Clarios employees for personal gain that could be considered a bribe. As a general rule, gifts or hospitality may not be used to influence a business relationship and must not violate applicable laws or Clarios' Code of Ethics.</p>
Compliance	<p>We expect our Suppliers to strictly adhere to international standards and applicable laws and regulations including those, without limitation, regarding:</p> <ul style="list-style-type: none"> <li>• Fraud, Extortion, and Money Laundering</li> <li>• Imports, exports and trade sanctions/embargos</li> <li>• Fair Competition</li> <li>• Conflicts of Interest</li> <li>• Taxes, Fees and Royalties</li> <li>• Privacy and Data protection</li> </ul> <p>Furthermore, we expect our Suppliers to ensure no connection or support directly or indirectly to any terrorist activities.</p>
Confidentiality, Data Protection, and Intellectual Property	<p>Suppliers shall require their employees to protect its business and company secrets and those of Clarios. Any disclosure of confidential information and confidential documents to third parties without proper authorization and any other form of disclosure is prohibited unless proper authorization has been given or the information is generally and publicly available.</p> <p>Suppliers must ensure that protected data and the valid intellectual property rights of their own employees and business partners are safeguarded.</p> <p>Technology and know-how transfer must be carried out in such a way that intellectual property rights and customer information are protected.</p> <p>Suppliers may not use the name or trademarks of Clarios or Clarios' affiliates or products for promotional purposes without the prior written consent of Clarios.</p>

### III. CONFLICT MINERALS AND CONFLICT-AFFECTED AND HIGH-RISKS AREAS

**Suppliers that are involved in Supply Chains of Minerals from Conflict-Affected and High-Risk areas are subject to an enhanced duty of care.**

In recent years, there has been growing concern regarding the mining and trade of certain minerals which may help to finance armed conflict involving extreme levels of violence in conflict-affected and high-risk areas, including the Democratic Republic of Congo and its surrounding countries such as Angola, Burundi, Central African Republic, The Republic of Congo, Rwanda, South Sudan, Tanzania, Uganda and Zambia<sup>1</sup> (the "Covered Countries"). In response, the U.S. Securities and Exchange Commission ("SEC") adopted rules to implement reporting and disclosure requirements related to "conflict minerals," as directed by the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010. The rules require companies who file reports with the SEC to

<sup>1</sup> The list of Covered Countries may change from time to time and in such cases Suppliers' obligations under applicable laws and under this CSR-Code will accordingly change to match the revised list of Covered Countries.

annually disclose due diligence measures taken to determine whether the products they manufacture or contract to manufacture contain “conflict minerals” that are “necessary to the functionality or production” of those products. The European Union also enacted a Conflict Minerals Regulation, which went into force on January 1, 2021, and which requires certain upstream companies to conduct due diligence and report on “conflict minerals” in their supply chains. Under both regimes, the term “conflict minerals” currently refers to gold, as well as tin, tantalum, and tungsten, the derivatives of cassiterite, columbite-tantalite, and wolframite (referred to as 3TG). This policy uses the term “conflict minerals” to cover 3TG and any other minerals that may be added or subject to similar requirements by regulators in the future.

Clarios supports the humanitarian goal of ending violent conflict in conflict-affected and high-risk areas, including the Covered Countries. Therefore, Clarios is committed to conducting our worldwide business operations in a manner that complies with applicable laws and regulations. Clarios is also committed to the responsible sourcing of conflict minerals throughout our supply chain.

Clarios uses the processes and tools established by the Responsible Minerals Initiative (RMI), and we complete a reasonable country of origin inquiry to compare the aggregation of smelter lists provided by our Suppliers with the RMI list of conformant smelters. The information provided by our Suppliers is used to conduct our due diligence, including assessing reports for completeness and consistency. Our due diligence processes also conform to the primary principles of the internationally recognized due diligence framework from the Organization for Economic Cooperation and Development (OECD).

Clarios has a multi-tiered, complex, and geographically dispersed supply chain, and engagement with our Suppliers in this environment requires focused efforts to comply with these rules. We continue to promote and encourage Suppliers to conduct responsible sourcing from conflict-affected and high-risk areas. Our Suppliers are required to conduct due diligence on their respective supply chains and to assist us with our compliance with these rules; to the extent that a Supplier refuses to cooperate with our compliance efforts or does not conduct responsible sourcing from conflict affected and high-risk areas, we will reconsider our supply arrangement and implement remedies available to us.

Suppliers must ensure that no products are supplied to Clarios that contain metals whose source minerals or derivatives originate from conflict or high-risk regions where they contribute directly or indirectly to the financing or support of armed groups and the violation of human rights. Suppliers are, furthermore, expected to comply with the OECD Due Diligence Guidance for Promoting Responsible Supply Chain of Minerals from Conflict and High-Risk Areas (OECD DDG) and other applicable regulations, such as the EU Conflict Minerals Regulations ((EU) 2017/821) and the US Dodd Frank Wall Street Reform and Consumer Protection Act of 2010.

To mitigate risk, our Suppliers are required to carefully assess and select business partners and ensure there are adequate precautions against any CSR-Code violations and that Suppliers:

1. Have an implemented **Conflict-Minerals Policy** in place based on the OECD due diligence guideline in order to identify, assess and mitigate risks in the supply chain; and,
2. Use the “Conflict Mineral-Reporting-Template” (CMRT) available on the website of the Responsible Mining Initiative (RMI) to trace business practices.

The objective is that Suppliers ensure that no products are supplied to Clarios that contain metals whose source minerals or derivatives originate from conflict or high-risk regions where they contribute directly or indirectly to the financing or support of armed groups and the violation of human rights.

We are aware that under specific circumstances, certain sourcing operations or business relationships cannot be avoided. In those cases, we expect our Suppliers to communicate any actual or potential violations of this CSR-Code to the responsible Clarios’ buyer immediately. Moreover, as noted above, we expect close monitoring by Suppliers of business practices in those circumstances to confirm compliance with the CSR-Code and identify and respond to any potential or actual violations as quickly as possible. Documentation and evidence of compliance must be provided to Clarios upon demand.

## IV. CSR-CODE COMPLIANCE AND RISK IDENTIFICATION

Suppliers shall comply with the principles set forth in this CSR-Code and shall integrate all applicable aspects of this CSR-Code into their management systems. Suppliers shall also apply the principles set out in this CSR-Code in their upstream supply chain. We expect our Suppliers to identify risks within their supply chains and to take appropriate mitigation measures.

**Should any kind of incident occur that violates, or is suspected of violating, this CSR-Code, Suppliers are expected to notify their Clarios procurement contact immediately.** After consultation with their Clarios procurement contact regarding such actual or suspected violations, Suppliers should undertake a root-cause-analysis and share the results with Clarios.

Supplier shall establish processes to regularly identify, assess, monitor and mitigate risks in all areas addressed in this CSR-Code.

Additional circumstances, activities or incidents warranting notification to Clarios and after consultation with the Supplier's Clarios representatives, preparation of, a root cause analysis include:

- Any circumstances or activities leading to potential high risks of violations of Section II ("II. Key Conditions - Our Principles and Expectations of Suppliers") of this CSR-Code.
- Any circumstances or activities leading to potential high risks of violations of Section III ("III. Conflict Minerals, Conflict-Affected and Conflict High-Risk Areas") of this CSR-Code.
- Serious incidents at a Supplier's production/ processing sites, such as site collapses, serious fires, accidents, or any other incident where life and health of a Supplier's staff is in danger or that led to deaths and/ or severe injuries.
- Serious incidents which result, or will likely result, in a high level of attention from governmental agencies, non-governmental organizations and/or the media.

In the event of a breach or suspected breach by a Supplier of this CSR-Code, or if Supplier fails to implement within the grace period of three months (or such shorter period of time as is permitted by the contract(s) between the Supplier and Clarios) ("Grace Period") effective corrective action and remedial measures related to such breach, Clarios reserves the right, in addition to any other rights that Clarios may have, to either (i) suspend such contract(s) with such Supplier until a breach has been remedied (ii) terminate a particular contract or all contracts with that Supplier and their affiliates at Clarios' sole discretion (iii) take corrective actions to mitigate and remediate any adverse impacts related to such actual or suspected breach by a Supplier of this CSR-Code and (iv) require the Supplier's mandatory cooperation in investigating, mitigating and/or remediating the breach.

## V. MONITORING

We focus on the future, as well as the positive impact we can have today. As we expect our Suppliers to operate with the same high standards that we apply to ourselves, we are undertaking several activities to secure and enhance compliance in the supply chain:

---

Self-Assessment Questionnaire  
(First Party Audits)

---

---

The assessment is containing pre-formulated questions as well as space for advanced answers with special focus on your CSR performance and due diligence measures.

---



On-site Visits through Clarios (Second Party Audits)	We reserve the right to conduct own on-site visits at your organization’s premises with the focus on your CSR measures and supply chain due diligence activities.
Audits on behalf of Clarios (Third Party Audits)	In addition to the above-mentioned verification formats, we reserve the right to conduct third party audits at your organization’s premises in order to verify your compliance performance according to our minimum standards as set out in this CSR-Code.
Audits through an accredited audit company or initiative	Should your organization have been already audited or certified through a sustainability initiative or accredited auditing institute, e.g., OHSAS 18001/ISO45001, ISO14001, ISO50001, CFSI, SEDEX, RMI, SA8000, etc. Clarios may request and Suppliers shall provide to Clarios the outcome of the audit/certification with us. Kindly note that we can consider valid audits and certifications only.

In case you have any questions regarding this CSR-Code or would like to contact us to report incidents or occurrences, please approach your Clarios’ procurement contact. For anonymous reporting you may choose to use the Clarios 24-hour Integrity Helpline via phone or internet. Please go to: [ClariosIntegrityHelpline.com](https://ClariosIntegrityHelpline.com).

**Herewith I confirm the acceptance and understanding by the Supplier named below of this CSR-Code and agreement by the Supplier to abide by the requirements set out in this CSR-Code.**

\_\_\_\_\_  
Supplier name

\_\_\_\_\_  
Date and Place

\_\_\_\_\_  
Printed Name of authorized Supplier signatory

\_\_\_\_\_  
Signature of authorized Supplier representative

\_\_\_\_\_  
Printed Title of authorized Supplier signatory