

CLARIOS EMEA – Supplier Corporate Social Responsibility Code

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I. INTRODUCTION TO OUR SUPPLIER CSR-CODE

CLARIOS EMEA (or "**We**") is committed to the principles of ecological, sustainable and socially responsible corporate governance ("**CSR**"). **We therefore believe in acting with integrity, showing respect, protecting the environment and meeting our commitments. From those who want to do business with us we expect nothing less.**

Our CLARIOS EMEA Supplier CSR-Code hereinafter referred to as the "CSR-Code" sets out these expectations and defines the minimum CSR requirements placed on the suppliers of CLARIOS EMEA.

The CSR-Code is based on national laws and regulations such as the German Supply Chain Act (*Lieferkettensorgfaltspflichtengesetz*) as well as internationally agreed upon standards such as the United Nations Universal Declaration of Human Rights, the Children's Rights and Business Principles, the United Nations Guiding Principles on Business and Human Rights, the conventions of the **International Labour Organization (ILO)** and relevant norms of the **United Nations Global Compact**, of which Clarios is a signatory member, covering human rights, labour rights, environmental care and anti-corruption.

The following Corporate Social Responsibility regulations and standards apply to all suppliers and pre-suppliers, including involved parties of extraction, transport and trade of sourced minerals, metals and parts (hereinafter referred to as "**Suppliers**"). Suppliers must know and follow these standards in their supply chain to ensure an ethical and responsible cooperation in compliance with relevant legal requirements and help preserve our reputation. We are committed to fair business relationships with suppliers and to uphold a traceable, transparent, ethical and sustainable supply chain, we furthermore expect our Suppliers to have a process in place which verifies that these regulations and standards are met along their supply chain accordingly. We are furthermore targeting long-term relationships with our supply base. 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.

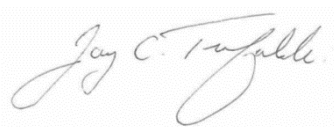
Although sometimes the culture and political background of our Suppliers may differ from our own, we are convinced that common social and environmental compliance standards create sustainable value that can benefit society and business.

Therefore we kindly invite you to carefully read the following expectations and requirements and **confirm your understanding and adherence to the following CSR-Code by signature.**

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



Marco Coelho
Director Procurement EMEA



Jay C Trafalski
Director Lead & Recycling EMEA

II. KEY CONDITIONS – OUR PRINCIPLES AND EXPECTATIONS OF THE BUSINESS PARTNERSHIP

ADHERENCE TO LAWS AND REGULATIONS

The principles set out in this CSR-Code are minimum requirements. Suppliers must always comply with applicable international and national laws, regulations and conventions. If applicable international and national laws, regulations and conventions are stricter than this CSR-Code, they shall prevail.

DISCLOSURE OF INFORMATION

All business processes must be transparent and correctly traceable in the Supplier's business records. Falsification of records and the misrepresentation of conditions and procedures in the supply chain are prohibited. CLARIOS does not tolerate any fraudulent misrepresentations of the origin of the raw materials or goods we are sourcing.

The key conditions of our understanding of due diligence are in line with national laws such as the German Supply Chain Act as well as the UN Global Compact and ILO Conventions. The below-mentioned explanations will outline our expectations and requirements to these key conditions.

HUMAN RIGHTS

Fundamental Human Rights	We are committed to upholding an ethical and transparent supply chain that is free of child labour, forced labour, slavery and human trafficking. 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 and remedial of human rights violations.
Right to Life, Liberty, Health and Safety at Workplaces	Personal freedom and the right to life, liberty and personal security is what we believe in. Moreover, safe working conditions and personal data protection are key expectations and Suppliers must comply with applicable standards. This implies, that the workplace and the execution of the work must not harm the health and safety of the employees. Health at work and safe working practices as well as preventive actions should be encouraged and pursued. All safety measures and prevention practices should be communicated to all employees and if needed, trainings on practical adherence should be provided. The same applies for all sub organizations/ sites that will be used by Supplier's 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 people and other vulnerable and disadvantaged groups. Suppliers shall not, in violation of legitimate rights, deprive land, forests or water, the use of which secures the livelihood of persons. Suppliers shall refrain from harmful soil changes, water and air pollution, noise emissions and excessive water consumption if this 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.

LABOUR

Freedom of Association and Collective Bargaining	<p>All employees should have the right to set up or join workers' organizations, including unions, for collective bargaining.</p> <p>In case of law 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 the employer. Moreover, an alternative option for freedom of association and collective bargaining should be provided.</p>
No Forced Labour	<p>Suppliers must not use, be complicit in, or benefit from any forced or involuntary labour. All kinds of slavery or forced labour, bonded labour or prison labour 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.</p>
No Child Labour	<p>According to the ILO and UN conventions as well as national law, child labour is strictly prohibited. Suppliers must not use, or support any use of, child labour or other child exploitation in any phase of production. 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 national law permits it in accordance with the ILO convention 138). Children under the age of 18 shall not be employed in work that is harmful to the health, safety or decency of children.</p>
No Discrimination	<p>All staff and workers need to be treated equally. Discrimination will not be tolerated. Discrimination includes but is not limited to gender, religion, age, race, social background, caste, nationality, ethnic and national background, membership in a worker association, disability, sexual or political orientation, or any other personal characteristics and will not be tolerated.</p>
Working Conditions	<p>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 are prohibited. Disciplinary actions must be in compliance with national law as well as international human rights standards and must not be imposed on employees who report violations against this CSR-Code or national law. Suppliers shall inform all employees of their employment conditions.</p> <p>All employees are entitled to written employment contracts in a language understandable to the employees that includes terms and conditions of the employment, including remuneration and benefits, period of payment, leave entitlement and period of notice.</p>
Use of security personnel	<p>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.</p>
Wages and Benefits	<p>Suppliers shall ensure that employees are paid a wage which should at least meet national or industry minimum standards and at least be sufficient to cover the basic needs of the employee and the living costs. Suppliers shall provide, or otherwise ensure that its employees have access to, adequate social insurance.</p> <p>Any kind of wage deductions as disciplinary actions are prohibited.</p>

Complaints	<p>Suppliers must promote and provide communication channels for their employees to raise concerns or complaints or report possible wrongful acts that have occurred as a result of economic activities in their own or another Supplier's work environment without fear of repression, intimidation or harassment. Reports must be kept confidential and, to the extent permitted by law, may be made anonymously. Suppliers shall conduct investigations based on the reports and take appropriate action as necessary.</p> <p>Suppliers shall inform their employees or contractors of the option to report directly to CLARIOS' Compliance Hotline under ClariosIntegrityHelpline.com.</p>
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ENVIRONMENT

Conservation of natural resources	Suppliers shall conserve and protect natural resources, e.g. energy sources, water, forests, soil, raw materials, etc. They prevent the exploitation, destruction or neglect of natural resources.
Compliance with laws and standards	All Suppliers are required to adhere to the applicable environmental protection laws. Furthermore, Suppliers shall conduct business in a responsible way with as little impact on the environment as possible. 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 environmental damage from their operations especially in regard to a responsible chemical management. The environmental performance and operations should be documented.
Climate protection	General emissions from operations (air and noise emissions) and greenhouse gas emissions shall be typed, routinely monitored, verified, and treated as needed prior to their release. The supplier is also responsible for monitoring its emission control systems and is required to find economical solutions to minimize any emissions. Energy consumption shall be monitored and documented. Economic solutions must be found to improve energy efficiency and minimize energy consumption.
Biodiversity, deforestation, land use and forest-damaging raw materials:	<p>Suppliers are expected to protect biodiversity and 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.</p> <p>Suppliers shall make reasonable efforts to ensure that the use of land, forests and waters that provide essential livelihoods for people does not unlawfully displace those people.</p>
Waste, wastewater, local emissions	<p>Pollution of soil, air and water as well as noise and light pollution must be avoided. Suppliers shall use their best efforts to ensure that handling, storage, transportation, reuse, recycling and disposal of all types of waste and wastewater are carried out safely and in accordance with applicable regulations.</p> <p>Suppliers shall comply with the prohibitions on 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>

ETHICAL BUSINESS PRACTICES

Integrity in business	Suppliers shall prohibit and shall not practice or tolerate counterfeit parts, corruption, extortion, embezzlement, misappropriation and money laundering in any form. Suppliers must not offer or accept bribes or other unlawful payments (e.g. "kickbacks") in business dealings with business partners or public officials, as defined in the UN Convention against Corruption. 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 in an improper way and must not violate applicable laws or ethical standards.
Fair competition	Suppliers shall behave fairly in competition and comply with all applicable antitrust laws.
Sanctions and export controls	Suppliers must comply with export control regulations and sanctions applicable to their business
Confidentiality, data protection, and intellectual property	<p>Suppliers shall oblige their employees to protect business and company secrets. 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 our affiliates or products for promotional purposes without the prior written consent of CLARIOS.</p>

III. CONFLICT MINERALS AND CONFLICT-AFFECTED AND HIGH-RISK AREAS (CAHRA)

Suppliers that are involved in Supply Chains of Minerals from Conflict-Affected and High-Risk areas (CAHRA), as defined by the European Conflict-Mineral Declaration, are subject to an enhanced duty of care.

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. This currently applies to the high-risk minerals **tin, tantalum and tungsten, their ores, and gold** (hereinafter referred to as "**3TG**") and also to critical minerals like **cobalt** which are not yet in the list of conflict minerals, but subject to political discussions. Suppliers are expected to comply with the OECD Due Diligence Guidance for Promoting Responsible Supply Chains of Minerals from Conflict and High-Risk Areas (OECD DDG) and other applicable regulations, such as the EU Conflict Minerals Regulation ((EU) 2017/821). According to the EU Conflict Minerals Regulation, Suppliers must ensure the following:

1. A dedicated **Conflict-Minerals Policy needs to be in place and implemented** that includes a risk management system based on the OECD due diligence guidance in order to identify, assess and mitigate risks in the supply chain. The Conflict-Minerals Policy must be provided to Clarios EMEA.
2. Business practices, such as the **sourcing, processing or trade** of tin, tantalum, tungsten, their ores and gold, from or through any CAHRA, should be traced, transparent and made available. This must be done by **making use of the “Conflict Mineral-Reporting-Template” (CMRT)** available on the website of the Responsible Mining Initiative (RMI).

To mitigate the risk of using, trading or otherwise supporting 3TG, we expect our Suppliers to carefully choose and check their business partners, located in Conflict-Affected and High-Risk areas as listed by the Responsible Minerals Initiative (RMI) and ensure adequate precautions on any CSR violations.

However, we are aware that under specific circumstances sourcing operations or business relationships cannot be avoided. In those cases, we expect our Suppliers to communicate the same to the responsible buyer immediately.

Moreover, we expect a close monitoring of the compliance matters for those business practices subject to 3TG and/ or taking place in CAHRAs. The documentation and evidence of compliance measures should be made available to CLARIOS on demand.

IV. GOVERNANCNE AND CRISIS MANAGEMENT

Suppliers shall comply with the principles set forth in this Supplier CSR code and shall integrate all applicable aspects of the Clarios EMEA Supplier CSR code into their management systems. Suppliers shall establish processes to regularly identify, assess and monitor risks in all areas addressed in this Supplier CSR Code. Suppliers shall also apply the principles set out in this Supplier CSR code in their upstream supply chain.

We expect our Suppliers to identify risks within supply chains and to take appropriate measures. In the event of suspected violations and to safeguard supply chains with increased risks, the Supplier will inform CLARIOS in a timely manner and, if necessary, on a regular basis of the identified violations and risks as well as the measures taken.

Furthermore, in the following cases a root-cause-analysis should be prepared by Supplier and derived after consultation with our representatives:

- Any infringement of the described key conditions (“II. KEY CONDITIONS – OUR PRINCIPLES AND EXPECTATIONS OF THE BUSINESS PARTNERSHIP”) in this CSR-Code.
- Any circumstances or activities leading to potential high risks on unethical working practices as mentioned in this document that we as a responsible acting organization would like to prevent.
- Potential high risks or incidents based on the origin or transit of minerals and metals in relation with CAHRAs.
- Serious incidents at the Supplier's production/ processing sites, such as site collapses, serious fires, accidents or any other incident where live and limb of your staff is in danger or that led to deaths and/ or severe injuries.
- Serious incidents which result or will result with a reasonable degree of certainty in a high level of attention by Non-Governmental Organisations (NGO) and/ or media.

Contact data:

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CLARIOS reserves the right to (i) apply an approach to terminate or minimize a breach and (ii) request the Supplier's cooperation in this regard. If Supplier fails to comply with the requirements of the CLARIOS Supplier CSR code and a grace period of three months has elapsed without the breaches having been remedied, CLARIOS reserves the right to either (i)

suspend the contract until the breaches have been remedied or (ii) terminate the contract extraordinarily and at CLARIOS' sole discretion after the expiration of the set grace period without result.

V. MONITORING

We as CLARIOS 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 Corporate Social Responsibility performance and due diligence measures.
On-site Visits through CLARIOS EMEA (Second Party Audits)	We reserve the right to conduct own on-site visits at your organization's premises with the sole focus on your Corporate Social Responsibility measures and supply chain due diligence activities.
Audits on behalf of CLARIOS EMEA (Third Party Audits)	In addition to above-mentioned verification formats, we reserve the right to conduct third party audits at your organization's premises in order to verify the social and environmental compliance performance according to our minimum standards as described 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. you are welcome to share the outcome of the audit/certification with us. Kindly note that we can consider valid audits and certifications only.

In case you have any question regarding this CSR-Code or would like to contact us in order to report incidents, occurrences or grievances, please contact us through the details provided below.

Contacts:

For direct contact please reach out to our CSR management at csr-emea@clarios.com.

For anonymous contact you may choose the CLARIOS 24-hour Integrity Helpline via phone or internet. Please go to: ClariosIntegrityHelpline.com

Non-compliance with this CSR-Code may have negative impact on CLARIOS or the relationship with the Business Partner. CLARIOS reserves the right to terminate the contract with any Business Partner who itself or in any part of their value chain, has materially breached this CSR-Code.

Herewith I confirm the acceptance and understanding of the above-mentioned CSR-Code of CLARIOS EMEA and according to standards and requirements on responsible sourcing.

Company name

Date and Place

Name in block letters

Signature and Stamp