DRIVING THE MOBILITY
OF TOMORROW

Eberspächer

EBERSPÄCHER GROUP

BUSINESSPARTNER CODE OF CONDUCT

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I. INTRODUCTION

Value creation can only succeed together with partners. Therefore, Eberspächer relies on trusting cooperation in the awareness of legal, economic, ecological and social responsibility for people and the environment in terms of sustainable development.

The following requirements specify Eberspächer's expectations regarding the behavior of business partners, in particular suppliers and sales partners.

Eberspächer expects our partners to comply with the law, to respect human rights, labor rights and health protection, to be committed to protecting the environment, to fulfill their responsibility in the procurement of raw materials and the use of resources, and to fight corruption.

The requirements described below are based on the values and principles of Eberspächer as expressed in the Eberspächer Code of Conduct. They are based on German legislation and international conventions such as the UN Charter on Human Rights, the UN Global Compact, the core labor standards and conventions of the International Labor Organization (ILO), the OECD Guidelines for Multinational Enterprises, the UN Guiding Principles on Business and Human Rights, European directives such as the Supply Chain Directive (CSDDD) and ISO management standards.

These requirements form the basis of all business relationships between the Eberspächer Group and its business partners.

II. BUSINESS ETHICS AND LEGAL COMPLIANCE

Eberspächer's business partners undertake to comply with all ethical standards and legal provisions of the relevant legal systems relevant to the business relationship with Eberspächer. This includes in particular the following areas of law:

1. FAIR COMPETITION AND PROHIBITION OF CARTELS

Free, unrestricted, and fair competition is a fundamental principle of the market economy and the core of Eberspächer's corporate culture. Eberspächer's business partners ensure that they comply with the applicable competition and antitrust regulations and refrain from any unfair business practices aimed at hindering, restricting, or distorting free and fair competition.

Eberspächer does not tolerate:

- Anti-competitive agreements or concerted practices between competitors which serve the purpose of directly or indirectly fixing purchase and sales prices or other terms and conditions, restricting or controlling the production, sales or technical development of products or investments or dividing markets.
- The application of different conditions for equivalent services to trading partners, at vertical level with suppliers or customers.
- The abuse of a leading position in a market.

2. PROHIBITION OF CORRUPTION

Eberspächer prohibits any form of bribery and undue influence on business decisions or the unfair acceleration of business processes, irrespective of any local customs.

Eberspächer does not tolerate this with its business partners:

- The offering, granting, or demanding of unlawful advantages from or towards Eberspächer, its employees, or their relatives, even the creation of such an impression is prohibited. Employees of Eberspächer are subject to the strict limits of the Eberspächer Gift Policy in the case of hospitality, invitations, or gifts.
- The improper influence of public officials and authorities. In this respect, Eberspächer expects its business partners to behave with a high degree of lawfulness and integrity.

II. BUSINESS ETHICS AND LEGAL COMPLIANCE

3. EXPORT CONTROL, ECONOMIC SANCTIONS, CUSTOMS, AND MONEY LAUNDERING

Eberspächer expects its business partners to comply with all national and international foreign trade, trade and customs regulations that restrict or prohibit the import, export or domestic trade of goods, technology, or services (e.g. economic sanctions). Prescribed approval procedures must be observed.

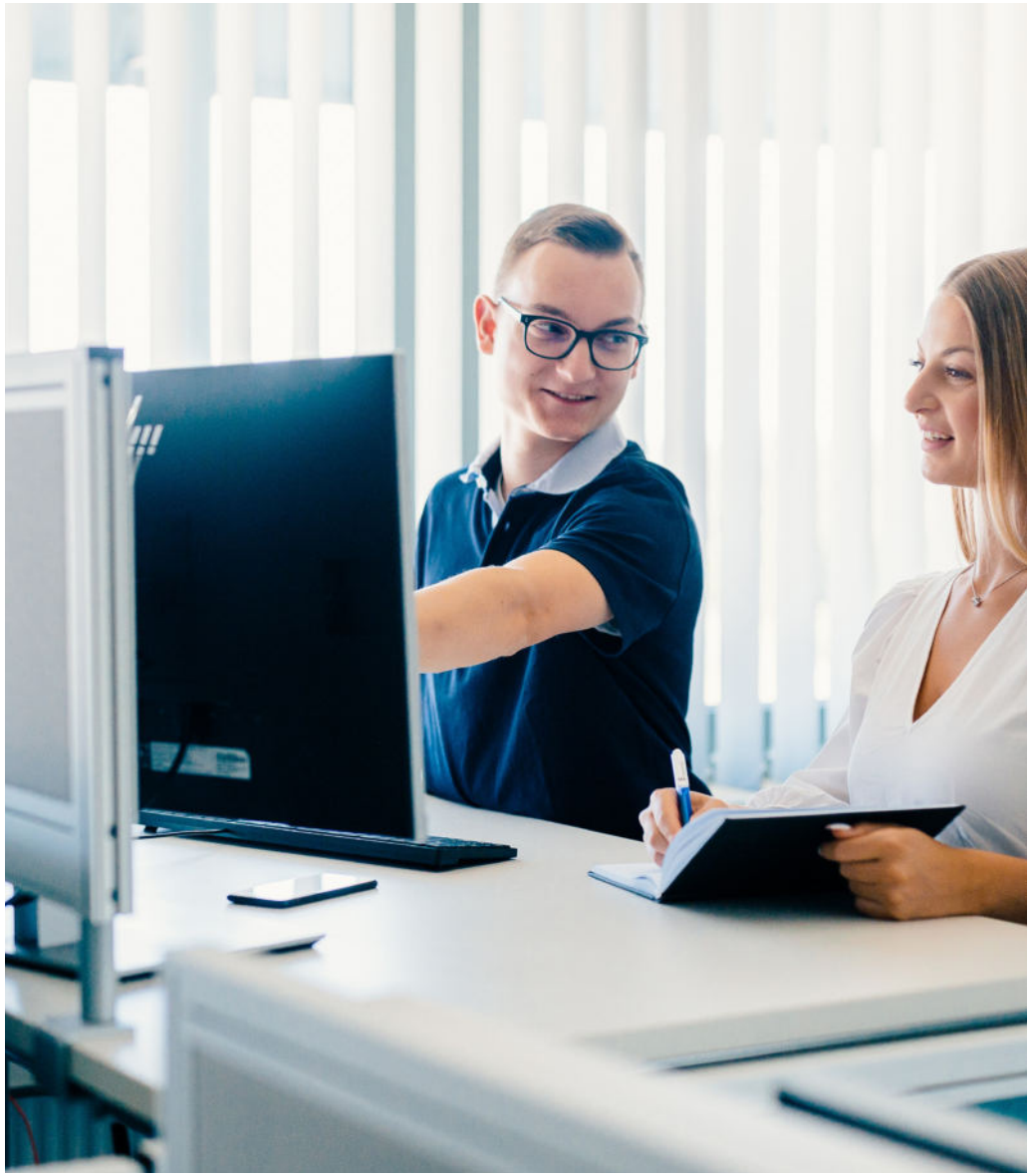
In addition, Eberspächer insists that its business partners comply with all national and international money laundering prohibitions.

4. FINANCIAL RESPONSIBILITY IN ACCOUNTING AND FINANCIAL REPORTING

Eberspächer expects its business partners to observe the applicable principles of proper accounting, transparent financial reporting, and obligations to disclose financial and non-financial information and to comply with tax and duty regulations. We attach significant importance to the existence of an appropriate control system for financial reporting.

5. CONFLICT OF INTEREST

Eberspächer expects its business partners to disclose conflicts of interest. Business relationships between a business partner of the Eberspächer Group and an employee of Eberspächer or their relatives must be disclosed.



II. BUSINESS ETHICS AND LEGAL COMPLIANCE

6. HANDLING OF INFORMATION: PROTECTION OF SECRETS, INTELLECTUAL PROPERTY, AND COUNTERFEITING

When conducting business with Eberspächer, business partners must ensure that business secrets, sensitive information or technical know-how of Eberspächer are adequately protected against misuse, loss, destruction or manipulation regarding confidentiality, integrity and availability (protection of secrets and information).

Eberspächer's business partners respect copyrights, trademark rights, design rights and patent rights ("intellectual property") of Eberspächer and third parties. They shall ensure through appropriate processes that no counterfeit or illegally acquired or manufactured parts are included in the deliveries and services provided to Eberspächer.

7. DATA PROTECTION, DATA SECURITY AND DATA INTEGRITY

Our business partners of Eberspächer must ensure that any processing of personal data of employees, customers or suppliers (e.g. collection, storage, transmission or deletion) is carried out in accordance with the applicable legal regulations on data protection, in particular the principles of purpose limitation and data minimization are observed.

Business partners establish appropriate measures to protect the security and confidentiality of the processed data from access and control by unauthorized persons.

We recommend that our suppliers implement data integrity principles to ensure that the data used as the basis for AI-supported processes and the data provided to Eberspächer are correct and valid.

8. USE OF ARTIFICIAL INTELLIGENCE

The use of artificial intelligence has become indispensable for technical progress. Eberspächer expects business partners to develop and use AI systems in a responsible, reliable, fair, non-discriminatory, and controlled manner and to observe the Eberspächer values, regulatory framework conditions including ethical standards.

9. CYBER SECURITY

We expect our business partners to have an established cyber security strategy that ensures effective protection of critical IT systems and sensitive information against unauthorized access and effectively prevents security breaches in accordance with applicable law and recognized industry standards.

10. HANDLING OF ASSETS

Eberspächer requires its business partners to manage the tangible and intangible assets provided by our Company carefully and appropriately.

II. BUSINESS ETHICS AND LEGAL COMPLIANCE

11. TECHNICAL COMPLIANCE, PRODUCT COMPLIANCE

Business partners are obliged to comply with all binding regulations on product safety, the state of the art at the time the products are placed on the market and all technical specifications agreed with Eberspächer, for the protection of life and limb of people and the environment. Technical compliance risks must be analyzed, managed, and monitored by the business partners throughout the entire life cycle of a product.

III. HUMAN RIGHTS AND WORKING CONDITIONS

Respect for internationally recognized human rights is the basis of every business relationship for Eberspächer.

Our business partners must commit themselves to the guidelines of the international community, in particular to the UN Charter of Human Rights, the International Covenant on Civil and Political Rights, the International Covenant on Economic, Social and Cultural Rights and the following conventions of the International Labor Organization (ILO) and undertake to respect the rights of employees and all those affected by the company's actions and to treat them accordingly.

This includes the following areas in particular:

1. PROHIBITION OF CHILD LABOR

Children must not be restrained in their health, safety, education, and development by harmful working conditions, such as overtime or night work. Therefore, business partners must not use child labor below the age of 15 years according to ILO Convention No. 138 in any phase of value creation. This applies even more to the worst forms of child labor under the age of 18, such as child slavery, forced and compulsory child labor, forced recruitment of children in armed conflicts, child prostitution, the use of children for illicit activities or work harmful to the health or morals of children (ILO Convention No. 182).

2. PROHIBITION OF FORCED LABOR AND SLAVERY, ETHICAL RECRUITMENT

Our business partners must ensure that no forced labor, compulsory labor, or any form of slavery-like practices through oppression in the workplace (modern slavery), such as extreme economic or sexual exploitation or humiliation, take place (ILO Convention No. 29, 105).

In accordance with the ILO core labor standards, employees of our business partners must have the free choice to establish employment relationships and to terminate them in compliance with deadlines.

We expect our business partners not to mislead potential employees about the nature of the work to be performed and not to demand recruitment fees. They must not unlawfully withhold, destroy, conceal, confiscate, or retain employee identification documents. We expect our business partners to provide their employees with understandable documents that clearly, truthfully, and unambiguously state their rights.

III. HUMAN RIGHTS AND WORKING CONDITIONS

3. HEALTH PROTECTION, SAFETY IN THE WORKPLACE AND FIRE PROTECTION, WORKING HOURS

Eberspächer's business partners must observe and comply with the globally applicable legal regulations and international conventions on occupational health and safety and fire protection. In this respect, we recommend that business partners obtain certification in accordance with ISO 45001, for example. This includes compliance with the safety standards of employees at their place of work and workplace and applies with regards to work equipment and employees must be trained and instructed on safety standards and using equipment They must be effectively protected from exposure to chemical, physical and biological substances. The business partner must take work organization measures to prevent excessive physical and mental fatigue, for example by organizing working hours (including voluntary or collectively agreed overtime, rest breaks and days off).

4. FREEDOM OF ASSOCIATION AND THE RIGHT TO COLLECTIVE BARGAINING

Employees have the fundamental right to form, join or be elected to trade unions and employee representative bodies and this right is respected by business partners. None of this may be a reason for discrimination or retaliation. Our business partners respect the right of trade unions to operate freely in accordance with applicable law, to conduct collective bargaining and the right to strike is respected (ILO Conventions No. 87 and 98).

III. HUMAN RIGHTS AND WORKING CONDITIONS

5. PROHIBITION OF DISCRIMINATION, GRANTING OF PROTECTION

Business partners of Eberspächer must combat all forms of discrimination and unlawful unequal treatment, for example on the grounds of national or ethnic origin, social background, health status, disability, sexual orientation, age, gender, pregnancy, political opinion, religion, or belief (ILO Convention No. 111). We expect business partners to stand up for vulnerable groups among their employees.

6. FAIRNESS IN REMUNERATION AND BENEFITS

Our business partners are obligated to pay men and women equal pay for work of equal value (ILO Convention No. 100). It is forbidden to withhold the appropriate wage. Remuneration and social benefits must comply with the applicable principles, e.g., the minimum wage set in the respective country must not be undercut.

7. PROHIBITION OF INTERFERENCE WITH FOOD RESOURCES, DRINKING WATER AND ACCESS TO SANITARY FACILITIES

Our business partners respect the prohibition of impairing natural resources for the preservation and production of food, denying a person access to safe drinking water, impeding or destroying access to sanitary facilities and any damage to a person's health through harmful soil change, air or water pollution, harmful noise emissions or excessive water consumption.

8. PROHIBITION OF UNLAWFUL EVICTIONS AND LAND GRABBING, RIGHTS OF INDIGENOUS PEOPLES AND VULNERABLE GROUPS

Our business partners respect the prohibition of unlawful evictions and the seizure of land, forests, and water if these violate the legitimate rights of Indigenous peoples, local communities, or individuals. This includes respect for the right to free, prior, and informed consent of vulnerable groups where business activities affect their livelihoods.

9. PROHIBITION OF THE UNLAWFUL USE OF SECURITY PERSONNEL

Eberspächer's business partners shall respect the prohibition on hiring or using private or public security forces to protect a business project if, due to lack of instruction or control by the business partner, the use of security forces results in torture, cruel, inhuman or degrading treatment, injury to life or limb, or interference with freedom of association.

IV. RESPONSIBLE MANAGEMENT OF THE SUPPLY CHAIN

It is important for Eberspächer to understand the origin of the raw materials used in our products and those sourced externally.

1. DUE DILIGENCE AND RESPONSIBLE SOURCING

To promote supply chain transparency and traceability of the origin of materials and preliminary products, Eberspächer expects its direct suppliers to establish a risk-based due diligence process regarding sustainability risks in the supply chain, which also includes their subcontractors. The implementation of the measures of the OECD Due Diligence Guidance for Responsible Business Conduct is recommended.

2. RESPONSIBLE SOURCING OF MINERALS

Eberspächer is aware of the risk of negative impacts on human rights associated with the extraction, trade, and export of minerals, particularly from conflict and high-risk countries. These include tin, tantalum, tungsten, and gold (so-called conflict minerals) as well as cobalt and mica. Eberspächer does not directly source minerals from conflict and high-risk areas.

We therefore expect from our suppliers:

- Cooperation in the fulfillment of due diligence obligations in the procurement of minerals,
- Transparency regarding the origin of the above-mentioned minerals contained in the products supplied, including upstream suppliers,
- Ensuring that the above-mentioned minerals contained in the products supplied originate from smelters and refiners that are listed on the RMI list as "active" or "conformant" smelters/refiners and have therefore not contributed to the financing of armed conflicts and human rights violations,
- Reporting on request, but at least annually by using the Conflict Minerals Report Template (CMRT) for tantalum, tin, tungsten and gold and extended reporting by using the Extended Minerals Report Template (EMRT) for cobalt and mica and submitting it to Eberspächer.

V. ENVIRONMENT

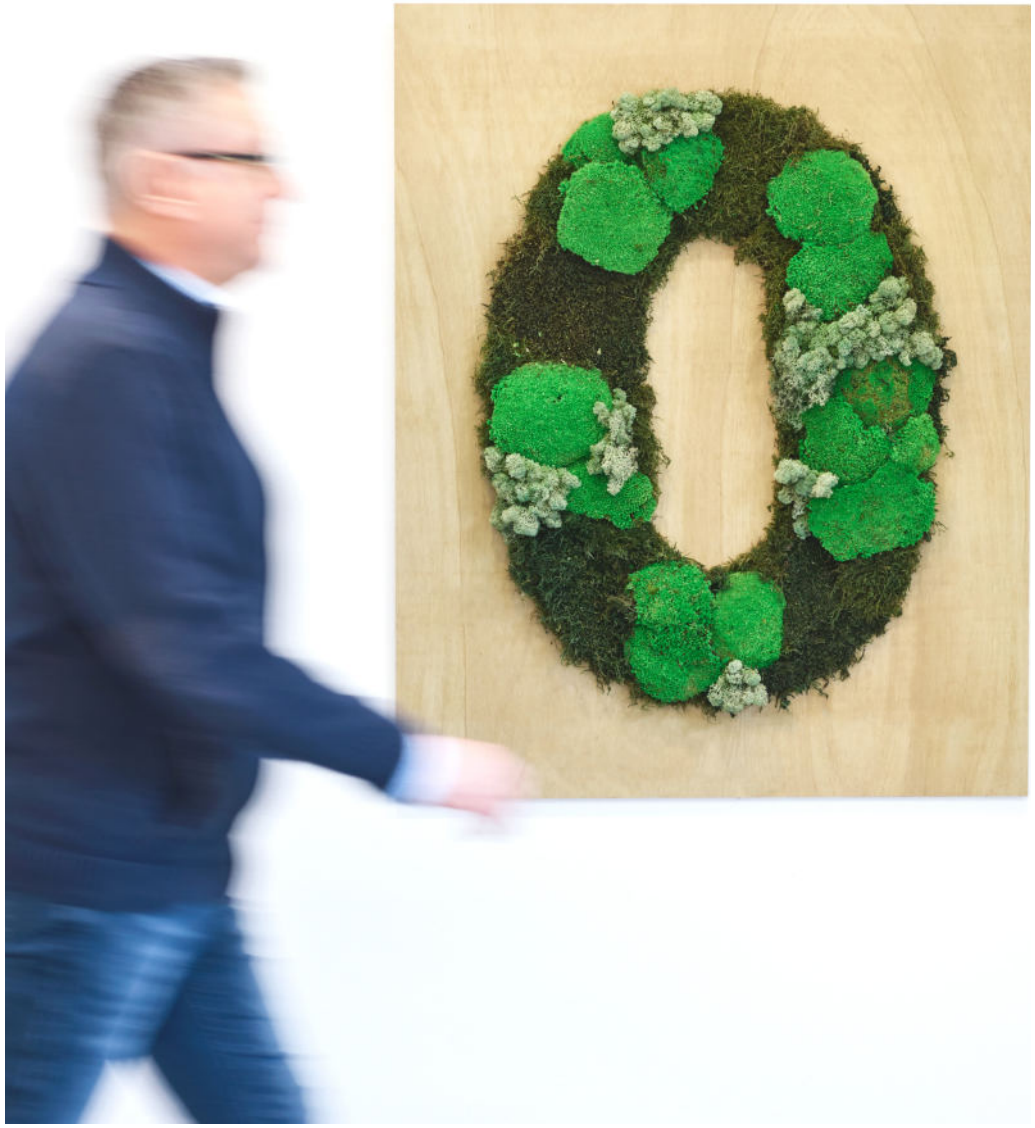
With its innovative solutions in the areas of exhaust technology, vehicle air conditioning and vehicle electronics, Eberspächer contributes to environmentally friendly mobility. True to the slogan "Driving the mobility of tomorrow", the preservation of an intact environment for future generations is of particular concern to Eberspächer.

Eberspächer's environmental expectations of its business partners relate to the following areas:

1. COMPLIANCE WITH ENVIRONMENTAL REGULATIONS, SUSTAINABLE ACTION

Business partners undertake to comply with all relevant environmental laws and regulations in all countries in which they operate. Business partners shall keep all legally required permits, licenses or test reports up to date and make them available to Eberspächer for review upon request.

Eberspächer expects its business partners to actively assume environmental responsibility and to promote the development of environmentally compatible technologies, products, and services. Eberspächer recommends that business partners with a corresponding risk profile implement an environmental management system and certify it in accordance with the international standard ISO 14001 or the EMAS Regulation of the European Union.



V. ENVIRONMENT

2. CLIMATE NEUTRALITY, DECARBONIZATION, PCF

Eberspächer's business partners should develop effective strategies to achieve climate neutrality: Greenhouse gas emissions are to be reduced at company level (Scope 1 and 2) and in the respective supply chains (Scope 3) to achieve the global climate targets (limiting global warming to below 2 degrees Celsius compared to pre-industrial levels). Emissions must be recorded and documented. Suppliers shall determine the Product Carbon Footprint (PCF) and emissions data for the Carbon Border Adjustment Mechanism (CBAM) regarding their supplier products. This information shall be provided to Eberspächer upon request

3. ENERGY EFFICIENCY

Our business partners must implement the principle of energy efficiency by saving energy, using renewable energy and recording the total energy consumption (in MWh) in their company. Corresponding information must be provided to Eberspächer on request. In this respect, Eberspächer recommends the implementation of an energy management system in accordance with ISO 50001.

4. REDUCTION OF RESOURCE CONSUMPTION, AVOIDANCE OF ENVIRONMENTAL DAMAGE, WATER, AND AIR QUALITY

Business partners ensure economical use of natural resources such as soil, water and air in all phases of the value chain, from development and raw material extraction to product manufacturing - also taking into account the utilization phase and recycling.

Business partners should ensure that the pollution of air, soil and water by harmful emissions, soil contamination or water pollution is avoided to prevent any risk to health and the environment.

Suppliers shall prepare a water assessment and a water balance for each operation and measure their water footprint. Air emissions such as volatile organic compounds, corrosive substances, particulate matter, or toxic air pollutants are to be monitored and reduced.

V. ENVIRONMENT

5. HANDLING OF SUBSTANCES AND MATERIALS, CIRCULAR ECONOMY

Business partners should avoid the use of environmentally hazardous substances and materials, determine their environmental impact and work on more environmentally friendly, alternative solutions with the aim of a circular economy (cradle to cradle).

Lists of the materials used and their composition must be kept available and communicated to Eberspächer on request. The business partners undertake to register and declare environmentally hazardous substances in accordance with legal requirements and to have their use approved if necessary.

6. TREATMENT OF WASTE AND DISPOSAL MANAGEMENT

Business partners are recommended to have a waste management system that prioritizes waste avoidance, then waste reduction, reuse, recovery, recycling, waste disposal and only if necessary, waste disposal.

The prohibitions on the non-environmentally sound handling, collection, storage, and disposal of such waste must be complied with. Any export bans on certain hazardous waste must be observed (POPs Convention of 23.05.2001, Basel Convention of 22.03.1989).

7. RESPONSIBLE CHEMICALS MANAGEMENT

Business partners are recommended to use a chemicals management plan for the handling of chemicals. The bans on the manufacture of products containing mercury and the use of mercury in manufacturing processes (Minimata Convention on Mercury of 10.10.2013) and the ban on the production and use of chemicals under the Stockholm Convention on Persistent Organic Pollutants (POPs Convention of 23.05.2001) must be observed.

8. BIODIVERSITY, LAND USE, DEFORESTATION

Eberspächer expects business partners to preserve protected ecosystems and to measure and prevent the effects of their business activities on ecosystems such as illegal deforestation, unlawful land use or impairment of biodiversity (see Red List of the International Union for Conservation of Nature IUCN) and to compensate for any damage caused. As far as suppliers fall within the scope of the EU Regulation on Deforestation-free Products (EUDR), the corresponding due diligence obligations regarding supplier products for Eberspächer must be fulfilled and confirmed.

9. ANIMAL WELFARE

If the business activities of business partners involve a risk of harm to animals, Eberspächer expects the species-appropriate and ethically sound treatment of animals. We base our approach on the five freedoms of the Animal Welfare Committee, the standards of the World Organization for Animal Health (WOAH), and the "3Rs" principle for animal testing.

VI. COMMITMENT

1. COMPLIANCE WITH EXPECTATIONS

The business partner undertakes to comply with all these regulatory, human rights and environmental expectations formulated by Eberspächer, to address these due diligence obligations appropriately along its supply chain and to demand these obligations in a legally binding manner in its business relationships with its business partners with the aim of identifying and minimizing risks and preventing, ending or minimizing the extent of violations of human rights or environmental obligations.

2. RISK ANALYSIS

Eberspächer is obligated to identify human rights and environmental risks not only in its own business area, but also with its direct business partners. In this respect, the business partner undertakes to cooperate and disclose information in response to corresponding inquiries from Eberspächer, as far as this is legally required.

3. TRAINING COURSES

Participation in online training courses and further training offered by Eberspächer free of charge for business partners to enforce the contractual assurances is mandatory. The business partner hereby gives a binding assurance of this. We also expect our suppliers to offer their employees training on these topics themselves.

4. MONITORING AND AUDITS

Eberspächer reserves the right to check compliance with the obligations (questionnaires, audits, on-site inspections). In this respect, Eberspächer also has the authority to conduct risk-based checks and request documents to verify compliance with the Eberspächer Human Rights Strategy by business partners. On-site audits are only conducted on an ad hoc basis after prior notification and in the presence of representatives of the business partner.

5. REMEDIAL MEASURES

If human rights or environmental obligations have been violated in the business partner's area or if a violation is imminent, its the business partners responsibility and is obligated to remedy the complaints immediately at their own expense. Eberspächer shall have the right to take appropriate remedial measures at the expense of the business partner concerned within its sphere of influence to prevent or end a violation or to minimize the extent of a violation. The business partner shall participate in the creation and implementation of a concept for ending or minimizing breaches of duty.

VI. COMMITMENT

6. REPORTING VIOLATIONS / WHISTLEBLOWER SYSTEM

Reports of violations of this Business Partner Code of Conduct, in particular reports of legal violations, human rights violations, and environmental violations, can be made via all available reporting channels, in particular via the **Eberspächer Speak Up whistleblower system**, which is accessible to everyone worldwide at any time: https://eu.deloitte-halo.com/whistleblower/website/Eberspacher. Reports are investigated at Eberspächer in an appropriate internal complaint procedure.

Our suppliers must inform their own employees and business partners in the value chain about all available reporting channels. They are obliged to provide a complaint mechanism in accordance with UN Guiding Principle No. 31 on Business and Human Rights or to support or recommend another external mechanism for reporting legal violations or human rights or environmental risks.

7. SANCTIONS

Culpable violations of this Business Partner Code of Conduct will not be tolerated and may lead to temporary suspension, withdrawal from the contract, termination of the contract or even termination of the business relationship. The right to claim damages remains reserved.

8. CONTACT PERSONS

The Compliance Officers are available to answer any questions regarding these principles and can be contacted at compliance@eberspaecher.com.

PLACE/DATE, SIGNATURE OF BUSINESS PARTNER

COMPANY NAME/COMPANY STAMP BUSINESS PARTNER

THE CONFIRMATION OF THE BUSINESS PARTNER CODE OF CONDUCT INCLUDES

☐ ALL
☐ THE FOLLOWING

AFFILIATED COMPANIES OF THE COMPANY LISTED ABOVE.

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