



Rethink Iron Casting

Value-based Supplier Code of the **FONDIUM Group**





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Who is this Supplier Code of Conduct aimed at?

This Supplier Code of Conduct applies to all suppliers, contractors and consultants (hereinafter uniformly referred to as „Suppliers“) who are in an ongoing business relationship with a company of the FONDIUM Group or who are seeking to enter into such a business relationship. Acceptance of and compliance with this Supplier Code of Conduct is an essential prerequisite for FONDIUM’s cooperation with all suppliers.

Our four FONDIUM corporate values

Managing a company like FONDIUM means more than just determining what you offer on the market. Every company not only has financial and strategic goals, but also principles and values that it stands for. At FONDIUM, we want to **rethink iron casting** every day. We set ourselves this challenge again and again. To achieve this goal, we at FONDIUM live by our four corporate values: Our four FONDIUM values are **Respect, Responsibility, Trust** and **Pioneering spirit**. They represent how we want to contribute to a sustainable yet profitable market through integrity, innovation and sustainable and responsible work.

However, in a complex world, we cannot just look at our own actions and close our eyes to the rest of the world. Part of our added value comes from our suppliers, so we have to be active here too. In order to ensure integrity within our supply chain, all our suppliers undertake to comply with this Supplier Code of Conduct.

Basis of this Code

However, to ensure that this Supplier Code of Conduct meets the high demands of stakeholders in the iron casting and automotive supply industry, it is not enough to simply describe values in abstract terms. We must also be able to ensure that the obligations of this Supplier Code of Conduct comply with national and international standards. This Supplier Code of Conduct is therefore not only based on our values, but also includes in particular the principles of the following conventions, standards, laws and guidelines:

- Principles of the United Nations (UN) Global Compact
- Guidelines for Multinational Enterprises of the Organization for Economic Cooperation and Development (OECD)
- Agreements of the International Labor Organization (ILO)
- Charter for Sustainable Development of the International Chamber of Commerce (ICC)
- SA8000 (standard for socially responsible corporate governance)
- Dodd-Frank Act on conflict minerals
- Act on Corporate Due Diligence Obligations to Prevent Human Rights Violations in Supply Chains (Supply Chain Due Diligence Act - LkSG)
- FONDIUM Code of Conduct



The obligations and expectations placed on our suppliers include the following:

Respect

Prohibition of discrimination

We expect our suppliers to treat their employees in accordance with the principles of justice and fairness. We do not tolerate any form of discrimination at FONDIUM or in our supply chain - neither on the basis of gender, skin color, ethnic origin, religion or sexual orientation, nor on the basis of disability/impairment, marital status or age. We therefore expect our suppliers to value every employee for who they are and not to be guided by personal characteristics. The prohibition of discrimination does not only mean avoiding objectively unjustified unequal treatment. We also do not tolerate any discriminatory statements, threats, intimidation or other forms of exclusion by our suppliers in this context.

Equal rights & equality

We expect our suppliers to work towards equal rights for all employees so that they have the same opportunities for advancement and are treated equally throughout their employment relationship. Our suppliers shall work towards full gender equality.

Furthermore, we consider equality to mean the inclusion of everyone, regardless of gender, ethnicity, any mental or physical disabilities or other factors, in all processes in order to promote diversity and acceptance within the company and within society.

We also expect our suppliers to take into account the special requirements of women with regard to health and maternity protection.

Prohibition of sexual harassment

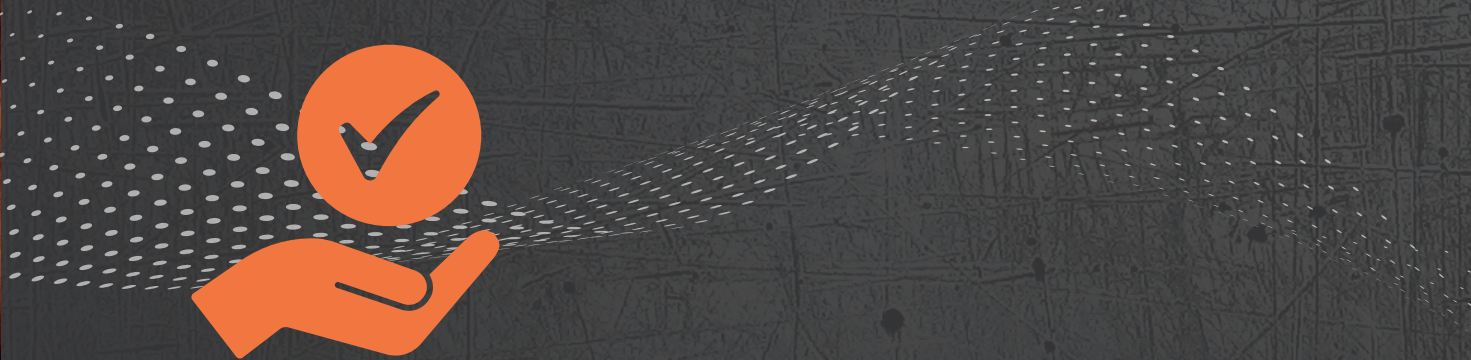
We do not tolerate any form of sexual harassment at our suppliers. Sexual harassment includes not only unwanted advances and touching, but also suggestive jokes, otherwise sexually motivated language, unwanted display and visible attachment of pornographic, erotic or otherwise sexually motivated images. Furthermore, it is unacceptable to demand sexual acts or favors from our suppliers by exerting pressure or making promises. Such behavior is neither in line with our values nor with applicable law and will therefore not be tolerated.

Respecting recovery needs

We expect our suppliers to comply with the relevant applicable regulations on working hours and vacation. For us, it is part of a respectful way of working that our suppliers also ensure that their employees can relax.

Fair remuneration

The wages and salaries paid to employees are regularly the only income they have. It is therefore important that the remuneration paid is sufficient to ensure a dignified and livable livelihood. We therefore expect our suppliers to ensure that the work performed by their employees is appropriately remunerated. Our suppliers shall therefore comply with applicable collective bargaining and employment contract remuneration regulations. Suppliers shall adhere to the applicable minimum wages.



Responsibility

Occupational health and safety

In third world countries, people often work without any personal protective equipment or other safety precautions despite acute dangers in the workplace, risking their health on a daily basis. For us, it would be irresponsible to allow people to work in such unsafe conditions. For us at FONDIUM, maintaining health and protecting against work-related hazards in the workplace is a top priority. Every accident is one accident too many, so we expect our suppliers to make their workplaces as safe as possible. Our suppliers shall actively implement occupational health and safety measures and comply with applicable health and safety laws and regulations.

Compliance with the law

Compliance with the law is an important concern for us at FONDIUM. Laws, regulations and other provisions serve to ensure a harmonious and safe coexistence of people and also to protect the environment from damage. We therefore expect our suppliers to comply with applicable law and not to intentionally or negligently violate laws.

Respect for human rights

In Germany and large parts of Europe, we live in constitutional states in which people’s rights are protected. This cannot be taken for granted. Fundamental human rights such as freedom of expression, the right to freedom of movement and human dignity are not respected in many parts of the world. However, every right also entails a duty. It is therefore also our responsibility as a company and our suppliers not to contribute to human rights violations. We therefore expect our suppliers to commit to internationally recognized human rights in accordance with the UN Human Rights Charter. Our suppliers shall work to ensure that human rights are not violated either on their premises or within their sphere of influence.

If suppliers deploy private or public security forces on their factory premises, they undertake to ensure that these security services also always act in accordance with human rights.

However, the obligation to respect human rights does not only include the rights of persons who work directly or indirectly for our suppliers. Our suppliers shall also respect and take into account the rights of other stakeholders, in particular minorities and indigenous peoples, so that they are not unlawfully expropriated, physically or psychologically harmed or other rights of these groups of people violated.

Our suppliers undertake to actively support FONDIUM in preventive and remedial measures to protect human rights in accordance with the German Supply Chain Due Diligence Act.

Ban on child and forced labor

We believe that a person’s childhood should be carefree and educational and not characterized by work. In many countries, however, children under the age of 15 are forced to perform physical labor, sometimes under cruel working conditions, in order to contribute to their families’ livelihoods. They work in fields, mines and factories or, although they have not yet reached the age of majority, are traumatized by being used as child soldiers or forced into prostitution. As a responsible company, we cannot contribute to children having to work for our suppliers at the risk of their lives and their physical and mental health. We therefore do not tolerate any form of child labor in our supply chain.

Even if you have already reached working age, everyone should be entitled to choose where and in what profession they work. Unfortunately, not everyone in this world has the choice of whether and which job they are allowed to do. People are abducted or recruited under false pretenses and then forced to work against their will under pressure, threat of punishment or some other evil. The forms of forced labor and modern slavery are diverse and cruel. We cannot in good conscience support such treatment of people within our supply chains. We therefore do not tolerate any form of forced labor or modern slavery at our suppliers. Anyone who works for one of our suppliers should do so of their own free will and by their own choice, and not because they are being forced to do so.

Our suppliers shall also observe this principle of prohibiting child and forced labor in their supply chains.

Ethical recruitment

We are aware that it is becoming increasingly difficult to find suitable employees on the labor market. Companies have to look for ever more creative and unusual ways to cover their personnel requirements. However, this cannot always be to the benefit of the employees. That is why we do not tolerate our suppliers recruiting in an unethical or unfair manner. We therefore expect our suppliers to employ only those employees whose employment relationships are based on their free decisions and who have not been coerced by pressure or otherwise. Furthermore, our suppliers are prohibited from providing false information about the occupational field or the working conditions of the job in order to deceive potential employees.

Freedom of assembly and association

As a responsible company, we want our suppliers’ employees to be strong together. We therefore expect our suppliers to respect the right to freedom of assembly and association. Our suppliers shall ensure that all those who exercise their right to freedom of assembly and association do not have to fear any negative consequences as a result.

Compliance with trade restrictions and export controls

In the course of international conflicts, trade restrictions, sanctions or embargoes on certain goods and/or persons are repeatedly imposed on individual states. In this way, pressure is exerted by states to end or impede wars and terrorism and to punish supporters of unjust states abroad. This can only succeed if the flow of money and certain goods to sanctioned states and individuals is completely interrupted. This presupposes that everyone abides by these sanctions. At FONDIUM, it is therefore important to us that our suppliers sell their products in accordance with international regulations. Our suppliers shall comply with all applicable trade restrictions, sanctions and embargoes and do not illegally supply sanctioned persons or countries. Persons on the relevant anti-terror lists are not employed by our suppliers.

FONDIUM and its suppliers are committed to respecting and upholding the principles of the rule of law. If the supplier sells products that can be used for military purposes, e.g. dual-use goods, these suppliers must comply with the relevant export control regulations.

Protection of competition

Each of our suppliers faces tough national and international competition from companies in the same sector. Fierce, price-driven competition is a major challenge for any company. The relentless competition can tempt companies to gain an advantage through collusion or unfair business practices in order to compete more effectively. However, reducing competition is always at the expense of others. Such cartels are punished by the competent authorities with fines in the millions and can also mean several years in prison for the employees involved. FONDIUM therefore expects its suppliers, as companies of integrity, to rise to the challenge of the market without engaging in anti-competitive practices. The business activities of our suppliers shall be characterized by the principles of honorable merchants. For this reason, our suppliers shall comply with all national and international regulations and laws to ensure fair competition. This includes in particular the applicable antitrust laws as well as laws and regulations against unfair competition. Our suppliers shall refrain from entering into anti-competitive agreements such as price fixing. Our suppliers may not discuss their strategies or other technical or commercially sensitive data with their competitors.

Sustainability

Entrepreneurial action does not just mean being successful in the short term. Our suppliers’ decisions can have a long-term impact on employees, local residents, the environment and the climate, and short-term thinking can therefore cause long-term damage in these areas. Responsible corporate management of our suppliers shall therefore include taking sustainability aspects into account when making decisions. In accordance with the ESG approach, sustainable action for us encompasses environmental and social aspects as well as the principles of good corporate governance. Our suppliers shall therefore consider their impact on the environment, resources, the recycling management, society and the long-term interests of stakeholders in all decisions. Our suppliers undertake to work to ensure that resources are conserved in their business processes. We expect our suppliers to continuously optimize their processes in order to minimize the consumption of energy, water, raw materials and other input materials in the long term.

Waste disposal

As a manufacturing company, our suppliers not only process resources, but also generate waste materials that need to be recycled or disposed of. Improper disposal of waste materials can cause considerable damage to our environment. We are aware that we only have one planet and therefore must not damage it through the improper disposal of waste and pollutants. As a responsible company, we see it as our responsibility to ensure that the products in our supply chain, as well as the manufacture, use and subsequent disposal of these products, do not endanger or pollute the environment. We therefore expect our suppliers to avoid waste where possible, to promote recycling and to ensure that waste materials are disposed of in an environmentally friendly manner. Our suppliers must comply with applicable permits and environmental requirements and shall use the best available technology. Our suppliers undertake to comply with applicable law when disposing of waste materials. In particular, the Minamata Convention on Mercury of October 10, 2013, the Stockholm Convention on Persistent Organic Pollutants of May 23, 2001 and the Basel Convention on the Control of Transboundary Movements of Hazardous Wastes and their Disposal of March 22, 1989 must be taken into account when disposing of waste.

Protecting nature

Every company is surrounded by an ecosystem that provides a habitat for various animal and plant species. Increasing industrialization, growing urbanization and human pollution of the environment mean that existing ecosystems are increasingly endangered or even destroyed. Species are being driven out of their natural habitats and landscapes are being reshaped by humans. The impact of such changes on flora and fauna can be significant and even contribute to the extinction of species. As a company, we do not want to be responsible for changing our natural environment for the worse as a result of our involvement. Our suppliers shall therefore respect flora and fauna and shall take animal welfare and the protection of nature in general into account in their day-to-day work. Furthermore, we expect our suppliers not to excessively pollute or exploit water, forests or land. Our suppliers must comply with all applicable laws and regulations for the protection of nature. Our suppliers must also take this principle of nature conservation and compliance with regulations for the protection of nature into account in their supply chains and pass it on.

Emissions

By burning fossil fuels such as coal, gas or oil products and also through various chemical processes, industrial companies emit greenhouse gases such as CO2. As an industry, this inevitably contributes to climate change. The emission of such greenhouse gases today can have long-term negative consequences for the future, which is why we and our suppliers must constantly work to keep our carbon footprint and greenhouse gas emissions as low as possible. We therefore expect our suppliers to actively work towards continuously reducing their greenhouse gas emissions. Insofar as they are legally or contractually obliged to do so, we also expect our suppliers to report regularly on their greenhouse gas emissions in accordance with the applicable requirements. In this way, our suppliers shall also contribute to the decarbonization of the industry in the long term.

However, emissions do not only include greenhouse gases. Noise, exhaust fumes, particulate matter, odors and other harmful emissions in particular can be a side effect of a value-adding company. Such emissions can mean a deterioration in air quality, the quality of life of local residents or even a long-term health risk for the environment and the surrounding area. Such harmful emissions shall therefore be reduced to a minimum in order to protect the environment and people. Our suppliers shall therefore comply with the applicable statutory and official regulations on pollution control.

Responsible chemicals management

If a company wants to produce goods, it needs input materials - as an industrial company, we are well aware of this. Global trends show increasing quantities of chemicals being produced and used in ever more diverse applications and products. The use and handling of such chemicals is always associated with risks and can have a significant negative impact on health and the environment at all stages of their life cycle. Despite these risks to people and nature, sustainable and responsible chemicals management is not yet standard practice everywhere in the world. FONDIUM wants to contribute to the responsible use of chemicals. We therefore expect our suppliers to comply with the applicable laws and regulations on the handling of chemicals when using potentially hazardous substances. This includes the EU Chemicals Regulation, the REACH and RoHS regulations, as well as other conventions, regulations and national laws (e.g. on biocides or pesticides). We also expect our suppliers to comply with the internationally applicable conventions on chemicals, in particular the Minamata Convention on Mercury of October 10, 2013, the Stockholm Convention on Persistent Organic Pollutants of May 23, 2001, and the Basel Convention on the Control of Transboundary Movements of Hazardous Wastes and their Disposal of March 22, 1989, and to act in accordance with these agreements.

In this way, we at FONDIUM want to work towards the environmentally sound handling of chemicals and all waste throughout their entire life cycle and significantly reduce their release into the air, water and soil.



Financial responsibility

Good company management involves not only offering an appropriate quality of value creation or service, but also impeccable accounting. Only companies whose accounting is beyond reproach are trustworthy enough for us to do business with them with confidence. We therefore expect our suppliers to accurately record and maintain business records in accordance with applicable laws, accounting and industry standards and to keep books in accordance with the principles of honorable merchants. For us, accurate documentation includes not only financial records, but also quality reports, time records, expense reports and documents submitted to customers or authorities.

Furthermore, we expect our suppliers to comply with applicable obligations to publish and disclose financial and non-financial information, e.g. balance sheets or mandatory reporting, and to comply with the relevant legal and industry standards. Our suppliers have provided the information they are required to publish in the quality required by the requesting body.

Land, forest and water rights and eviction

Land, forests, fields and rivers provide the basis for people all over the world. They serve as farmland, as a place to live, as raw materials or as a refuge. In the course of industrialization, many of these lands were acquired and destroyed for the benefit of industry. Where legal acquisition was not possible, space was sometimes made by eviction and forced eviction with complete disregard for the rights of the local people. We find such actions terrible and unacceptable. We therefore expect our suppliers not to participate under any circumstances in unlawful evictions or unlawful deprivation of land, forests and water in the acquisition, development or other use of land, forests and water. Furthermore, our suppliers must not participate in the displacement or oppression of indigenous peoples in such areas.

Trust

Data protection and information security

In the course of our work in the company, our suppliers often require personal data or data relating to individuals from employees or business partners. This personal data may contain information that the data subjects do not want to fall into the wrong hands. These groups of people must therefore be able to trust our suppliers completely to handle personal and business data responsibly. Our suppliers shall therefore only collect, process, store and/or transfer personal data that is absolutely necessary within the scope of the employment/business relationship. Our suppliers undertake to comply with the applicable data protection regulations, in particular the General Data Protection Regulation, and must observe the rights of data subjects and obligations in commissioned data processing by means of appropriate contractual agreements.

Our suppliers shall take the same care in meeting the need for high standards of information security. Our suppliers shall ensure that protective mechanisms are implemented in line with the latest information and communication technology wherever possible.

Prohibition of corruption

In every company, not all decisions are made by the owners. Some decision-making powers are delegated to employees. If someone abuses this trust by acting selfishly through corruption, this harms the company, the employees and society. Corruption is not a trivial offense and constitutes a criminal offense that can be punished with prison sentences of up to five years in Germany. We therefore do not tolerate any abuse of our trust by enriching ourselves through corrupt practices at our suppliers. We do not tolerate any form of bribery or corruption in our supply chain and expect our suppliers not to use corrupt practices in their business activities. We do not tolerate bribes, the acceptance of such money or the acceptance or giving of gifts or other benefits that could influence decision-makers in our supply chain.

Conflicts of interest

We know that it is not always possible to avoid conflicts between professional and private interests. This can affect own private interests as well as the interests of friends, relatives or loved ones. For example, anyone who has dealings with relatives or friends at business partners can be influenced in their decisions by this relationship. Such conflicts of interest cannot always be avoided. However, for a trusting cooperation with our suppliers, it is necessary to reduce such conflicts of interest to an unavoidable minimum in order to avoid the appearance of influence. Our suppliers shall therefore work to ensure that conflicts of interest are avoided wherever possible.

Pioneering spirit

Confidentiality

Without business partners who trust us, FONDIUM cannot win new projects and cannot innovate within the company. But we also provide our suppliers with confidential data that is of great value to our company. In order to be innovative, we must be able to trust that sensitive information about our company and our business partners, which our suppliers need to access, is not made publicly accessible. This could be prototypes or technical data, know-how, but also information of commercial value such as prices or business plans. This confidential information is of particular value to us and our business partners, so it would cause immeasurable damage if it were to fall into the wrong hands. It is therefore important that our suppliers protect this confidential data. To protect this information, our suppliers shall implement appropriate confidentiality measures.

Intellectual property of FONDIUM

In order to live a pioneering spirit and meet the challenges of our industry, we at FONDIUM need competitive advantages, especially through continuous advances in productivity. Such competitive advantages include our knowledge and our intellectual property. In order to remain successful in the future, we must protect this intellectual property in the form of patents, trademarks, copyrights, registered design rights, trade secrets, designs and other know-how. We will therefore only disclose this intellectual property to those persons and companies who are contractually obliged to maintain confidentiality.

Ban on plagiarism

Where there is a pioneering spirit and innovations are driven forward, there are also those who want to take advantage of this unlawfully. The unlawful production of counterfeit products causes considerable damage to the economy. Our customers entrust us and our suppliers as producers of their components with construction plans and other production-relevant information so that we can manufacture components for them. However, this data could also be used to manufacture counterfeit products for resale as spare parts or for other purposes. Such misuse of the information and the production of counterfeits is punishable by law and is not tolerable for us. We therefore expect our suppliers not to use documents entrusted to them for the production of counterfeits and to respect applicable laws on the protection of intellectual property.

Responsibility in the supply chain

The values and principles listed above are extremely important to us at FONDIUM. We do not just pay lip service to them, which is why we not only require our suppliers to take note of them, but also to comply with them. In order to meet our legal obligations under the German Supply Chain Duty of Care Act (LkSG) from 01.01.2024, we must also actively ensure that the points listed in this Supplier Code of Conduct are complied with.

Measures according to LkSG in the supplier’s business area

For this reason, we expect that if our suppliers themselves are obliged to submit a declaration of principles (Grund-satzzerklärung) in accordance with the LkSG, our suppliers will make this available to us on request. Our suppliers shall support us in our risk analysis in accordance with the LkSG and, if this appears reasonable under the circumstances, grant us access to their LkSG risk analysis. Any confidentiality interests will be taken into account by us.

If our suppliers have reason to suspect violations of human rights or the environmental regulations listed in the LkSG in their own business area, they shall inform FONDIUM immediately. In such a case, our suppliers undertake to immediately implement corrective measures in coordination with FONDIUM in order to end such a violation. If the supplier concerned is not in a position to end the infringement within a reasonable period of time or to reduce its consequences, this shall constitute good cause for FONDIUM to terminate the contract. In such a case, we and also the affiliated companies of FONDIUM within the meaning of §§ 15ff. AktG are entitled, at their own discretion, either to terminate only those contracts for affected goods and services or to terminate all contracts with the respective supplier.

Measures according to LkSG in the further supply chain

We expect our suppliers to ensure that they only use sub-suppliers and subcontractors that they can reasonably assume will not violate the principles and obligations of this Supplier Code of Conduct. If our suppliers have reason to suspect violations of human rights or the environmental regulations listed in the LkSG at direct suppliers, they shall inform FONDIUM immediately. In coordination with FONDIUM, the affected suppliers undertake to implement corrective measures to end such a violation in the supply chain.

Evidence

In order to ensure that the principles of this Supplier Code of Conduct are adhered to, we are entitled to demand proof from our suppliers of measures taken to protect human rights and the environment in the respective supplier’s own business area.

Safeguarding through management systems

We know that compliance with the principles set out in this Supplier Code of Conduct is not a one-off challenge, but an ongoing task that can have an impact on all of our suppliers’ processes. This requires a constant and systematic approach. FONDIUM therefore expects its suppliers to maintain management systems to ensure compliance with the principles set out in this Supplier Code of Conduct. In our selection processes, we give preference to suppliers who actively implement a quality management system in accordance with ISO 9001, an environmental management system in accordance with ISO 14001 and an occupational health and safety management system in accordance with 45001 or equivalent systems. We also greatly appreciate it when our suppliers maintain a management system for social responsibility.

Closing words

If you have any questions about this Supplier Code of Conduct or the FONDIUM corporate values, please contact the following persons:

For questions about the Supplier Code of Conduct: **Human Rights Officer of the FONDIUM Group**
(Phone: (+49) 07731 886 205)

For questions about FONDIUM values: **Head of Corporate Development**
(Phone: (+49) 02104 984 481)

If employees of our suppliers discover a violation of the above-mentioned principles of this Supplier Code of Conduct, they can report this on a voluntary basis (also anonymously) in our whistleblower system at <https://www.bkms-system.com/fondium>.



