

## Preamble

When selecting our suppliers and assessing new and existing supplier relationships, we at Formel D Group consider not only economic criteria but also environmental protection, compliance with human rights, labor and social standards, and anti-discrimination and anti-corruption requirements. In our business activities, we combine economic success, social responsibility and environmental protection and enable our customers to meet the current and future needs of society.

We have established due diligence obligations and sustainability criteria in our processes (e.g. Code of Conduct and Sustainability Guideline) and expect our (Tier 1) suppliers to meet the same standards and ensure these along their supply chain and take measures to avoid and minimize the risk of violations.

We combine our strengths with the expertise of our suppliers and take advantage of all the opportunities that sustainable development offers us. This also means that we expect our suppliers and their suppliers and subcontractors to fully comply with all applicable laws and to adhere to internationally recognized environmental, social and corporate governance standards as well as local laws and to trace, avoid or, at the latest after becoming aware of any grievances, remedy them and inform us about the grievances and how to deal with them.

As a supplier, we expect you in particular to apply and support the following standards. These are based on the ten principles of the UN Global Compact and the United Nations Universal Declaration of Human Rights.

## Contents

- 1. **Environment**..... 3
- 2. **Health and safety** ..... 3
- 3. **Human rights** ..... 4
- 4. **Social responsibility / working conditions** ..... 5
- 5. **Governance**..... 6
- 6. **Data protection** ..... 6
- 7. **Information Security**..... 7
- 8. **Trust** ..... 7
- 9. **History of changes** ..... 8

## 1. Environment

- They proceed according to the precautionary principle with regard to environmental problems. They take initiatives to promote greater environmental responsibility and the development and dissemination of environmentally friendly technologies.
- They ensure optimum environmental protection in all phases of production. This includes a proactive approach to avoid negative consequences for the environment and minimize the damage caused by accidents.
- They typify and monitor general emissions from operations (air and noise emissions) as well as greenhouse gas emissions and production wastewater before they are released and treat them as necessary to maintain optimal air and water quality.

The application and further development of energy- and water-saving technologies is of particular importance. We recommend implementation through the use of strategies to reduce emissions and decarbonization as well as reuse, reprocessing, recycling, waste avoidance and the optimal and responsible use of natural resources.

- You ensure that all raw materials mined and extracted along the supply chain as well as manufactured products meet the environmental standards of your respective market segment. This includes all materials and substances used in production. Chemicals and other substances that pose a risk if released into the environment must be identified. A hazardous substance management system has been set up for them so that they can be safely handled, transported, stored, reprocessed or reused and disposed of using suitable procedures.
- They adhere to environmental bans such as the use of banned chemicals, e.g. mercury.
- They guarantee the environmentally friendly storage and disposal of waste in accordance with legal requirements.
- You take sustainability criteria into account in the continuous improvement of your environmental principles and promote the preservation of our ecosystem and biodiversity.
- You take animal welfare into account in your business activities and refrain from activities that jeopardize it and comply with the relevant applicable guidelines and laws for animal welfare. To this end, you adhere to the 3Rs principle on animal experiments (Replacement, Reduction, Refinement), the principles on animal welfare defined by the World Organization for Animal Health (OIE) (Terrestrial Animal Health Code) and the Five Freedoms of the Farm Animal Welfare Committee (FAWC).
- They avoid and reduce the impact on air, soil quality, water and forests. They also promote sustainable land use along their supply chain, e.g. through reforestation.

## 2. Health and safety

- You ensure the safety and health of your employees and promote a safe and healthy working environment. You must therefore protect your employees from physical, chemical and biological hazards in the workplace. Weekly rest periods, vacation, comprehensible and comprehensive occupational health and safety and maternity protection must be offered to employees.

- Employees must be provided with clean sanitary facilities separated by gender as well as access to clean drinking water in sufficient quantities. If employees are provided with accommodation, the facilities, safety and cleanliness must meet the basic needs and dignity of every human being. In particular, where dormitories are provided, these must also be gender-segregated, clean and safe.
- You must take appropriate account of the special health concerns and needs of vulnerable persons, such as pregnant women, young mothers and people with disabilities.
- They strictly adhere to the applicable labor laws, apply all safety regulations, guidelines, rules and practices and monitor the implementation of the contents.
- They take preventive measures to ensure occupational health and safety and promote accident prevention.
- You must identify workplace risks and any emergency situations that may arise. You must respond appropriately by eliminating risks where possible or taking measures in coordination with safety authorities (for example, in the area of fire protection by drawing up emergency plans and regular drills or in the area of emergency medical care through evacuation plans and by ensuring first aid) in order to minimize these risks to the greatest possible extent.
- They create an ergonomic working environment to minimize health risks for employees.
- You carry out regular documented instruction and training in the area of occupational safety and monitor the implementation of the content.
- They guarantee the safe and responsible protection of your employees.

### 3. Human rights

- They observe the United Nations General Assembly's Universal Declaration of Human Rights (UDHR) and the rights of minorities. This also includes the UN institutions for strengthening the human rights of indigenous peoples. They support the protection of internationally proclaimed human rights. These include minimum wages, social benefits, working hours and respect for women's rights. In particular, they adhere to the following principles and guidelines relating to human rights issues:
  - Global Compact of the United Nations ("United Nations Global Compact"),
  - Universal Declaration of Human Rights ("UN Universal Declaration of Human Rights"),
  - UN Guiding Principles on Business and Human Rights,
  - Declaration of the International Labor Organization (ILO) on Fundamental Principles and Rights at Work ("1998 International Labor Organization Declaration on Fundamental Principles and Rights at Work"),
  - Guidelines of the Organization for Economic Cooperation and Development (OECD) and
- You may not demand work or services from a person under threat of punishment or coercion. In particular, any work or service that is imposed on a person under threat of penalty and for which the person has not volunteered, or any work or service that is required to repay a debt, is prohibited. You may not withhold property, wages and personal documents of your employees such as passports, identity cards, social security cards, work papers and training certificates. You may also not demand recruitment fees from employees when hiring them. If you do so, these must be repaid in full to the employees concerned without delay.

- You must comply with the regulations on the protection of children contained in the ILO conventions. You do not employ children under the age of 15 or before they reach compulsory school age in accordance with local laws.  
In the event of a violation of the prohibition of child labor, you must take appropriate measures to ensure the rehabilitation and social integration of the child concerned and to enable him or her to obtain a general school-leaving qualification in accordance with the applicable national standards.  
When employing young people, pay particular attention to ensuring that working conditions do not have a negative impact on their health, safety and life chances.  
They must set up reliable mechanisms for age assessment as part of their recruitment process, which under no circumstances may lead to degrading or undignified treatment of the persons concerned.
- When deploying both private and public security forces, they ensure that they do not violate human rights under any circumstances. They reduce the risks and potential of violence-based activities even before they are deployed and also avoid potential violations.
- You respect and protect the rights of minorities and indigenous peoples. You do not support the unlawful forced eviction and deprivation of land, forests or waters and any action or omission that is likely to affect a protected legal position in a particularly serious way, as well as any form of political oppression.

## 4. Social responsibility / working conditions

- All of your employees must have the right to join and form associations of their choice and to bargain collectively at any time within the framework of the applicable national laws and in accordance with ILO Conventions Nos. 87 and 98. Each of your employees may form or join an employee representative body. You are obliged to recognize them as negotiating partners with regard to working conditions.  
Employees must be protected from discrimination on the basis of their membership of a trade union/employee representative body.
- They only conclude employment contracts that comply with national legal requirements and at the very least with internationally recognized standards for the protection of employees. You must not attempt to circumvent employer obligations. You must ensure that other business partners, suppliers and subcontractors are legally recognized and willing to assume the responsibilities of an employer.
- They must pay wages regularly, in full and on time in a legal tender. The remuneration must be sufficient to enable employees and their families to cover all basic living expenses, such as housing, food, clothing, education and healthcare.  
It is not permitted to withhold salary as a sanction or to provide benefits in kind instead of salary. Likewise, all legally regulated social benefits must always be granted.
- You must define and comply with working hours and rest breaks in accordance with statutory provisions and the collective bargaining and collective agreements customary in the industry or within the framework of ILO specifications.
- They may only impose sanctions, fines and other penalties or disciplinary measures on employees in accordance with the applicable national and international regulations.  
Any form of physical, psychological, sexual or verbal harassment, coercion or violence and any other form of intimidation is prohibited, including as a disciplinary measure, regardless of applicable local laws and standards.



Furthermore, they may not subject employees to any disciplinary measures or reprisals if they complain about their working conditions and in particular about violations of this Code of Conduct.

They must set up reporting channels that enable their employees to report violations of applicable law or this Code of Conduct confidentially and, if desired, anonymously, without fear of sanctions or reprisals.

If you need support in setting up the reporting channels, you can contact Formel D Group at any time. On request, Formel D Group will provide free training on how to set up confidential and barrier free reporting channels.

- They promote an appreciative and respectful approach as well as diversity, inclusion, equality and equal treatment of all employees in the company. This excludes discrimination or unequal treatment in any form, in particular with regard to gender, age, religion or ideology, national or ethnic origin, social background, health status, disability, sexual orientation and the payment of unequal remuneration for work of equal value for all employees in the company.
- The aforementioned equality also applies to the recruitment of new staff.

## 5. Governance

- They comply with all applicable national and international rules of antitrust law and trade control, in particular export controls and economic sanctions, and ensure fair competition.
- You fulfill your financial responsibility. Business transactions, assets and liabilities are recorded and documented by you in accordance with the legal requirements and any form of manipulation is ruled out.
- You counteract corruption and bribery and ensure fair competition in which personal relationships in particular do not affect business activities. This also includes exerting influence through gifts and invitations.
- They refrain from any form of money laundering activities.
- You promote the maintenance of an open, transparent and compliant corporate culture through the use of a whistleblower system. This system enables secure and anonymous communication and protects the whistleblower.

## 6. Data protection

- You comply with the relevant legal and operational principles for the protection of personal and, where applicable, sensitive data of your employees, customers and investors.
- They exercise the necessary care to protect personal and, where applicable, sensitive data within the scope of the assigned tasks.
- They take into account that the collection, storage, processing and other use of personal and, where applicable, sensitive data may only take place on the relevant legal basis or with the consent of the data subject.
- They protect contractual information that is not already known to the public from disclosure.
- They ensure strict action against the acquisition, distribution and use of plagiarized and counterfeit products and protect intellectual property.

## 7. Information Security

- You must ensure that your software and hardware do not compromise the integrity, confidentiality, authenticity, and availability of Formel D Group's processes, services, hardware, software and data.
- You need to secure your own and Formel D Group's data against unauthorized access, modification, destruction, and misuse.
- In case of any security incidents, you must immediately inform Formel D Group, take necessary steps to clarify the facts, limit the damage, and work towards recovery.
- These requirements must be passed on to any subcontractors who have access to Formel D Group's information/data.
- You should include confidentiality clauses in contracts with subcontractors.
- You should conduct mandatory information security training for relevant employees.
- Procedures for withdrawing access/entry rights must be planned and applied.
- In the event of a contract cancellation, it must be ensured that the Formel D Group's own information/data is returned.

## 8. Trust

Our relationship with you is based on mutual trust and respect. However, Formel D Group reserves the right to review your compliance with these standards using one of the following methods and to take further action if there is cause for concern:

- Self-disclosure: We reserve the right to ask you to complete a questionnaire on compliance with the above standards.
- Assessment by third parties: We reserve the right to also ask third parties for information, for example information files, regarding compliance with and handling of the above standards.
- Certificates/statements: We reserve the right to ask you for a certificate or statement confirming compliance with the above standards.
- On-site or remote audits: If we identify an increased risk, we or a third party appointed by us may ask you for permission to demonstrate compliance with the above standards on site or remotely.

To prove your credibility, we recommend that you introduce a management system in accordance with ISO 45001 for occupational health and safety and ISO 14001 for environmental protection or a system that is in line with these standards in order to fulfill your responsibility throughout the entire supply chain. In this way, you too can promote the development of a long term sustainable supply chain.

## 9. History of changes

Rev.11	03.12.2024	Conversion to monolingual format and addition of LkSG and Information Security requirements



Marcel Blinde  
CEO

Please use the QR code to access further information on the topic of supply chain at Formel D and to access the Formel D whistleblowing channels:

