

# LKSG @ Formel D

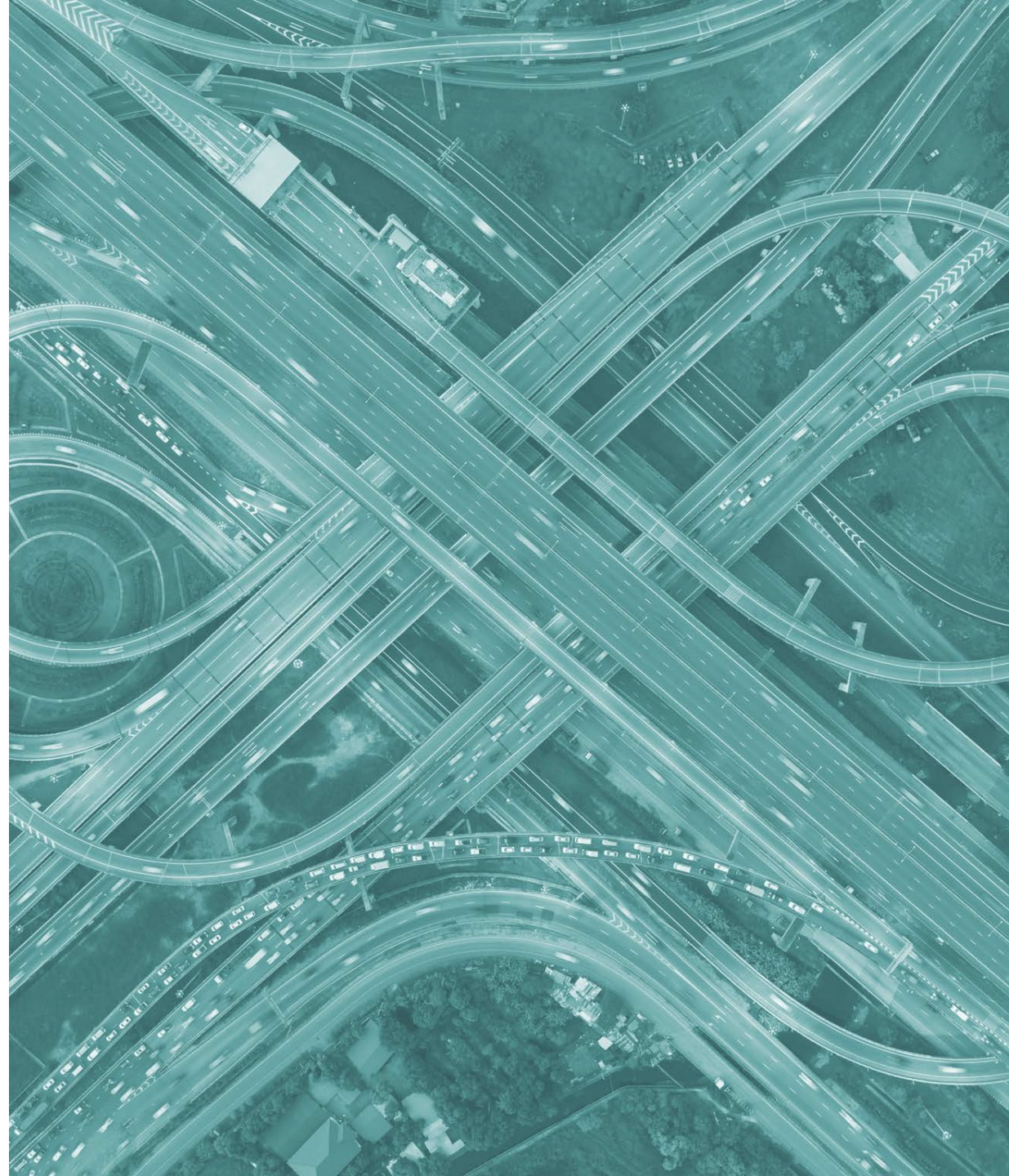
Information for and requirements of our suppliers



CLASSIFICATION: INTERNAL

# INDEX

1. Introduction
2. Overview of the LkSG
3. Human rights and labour standards
4. Environmental standards
5. Requirements for our suppliers
6. Further information



# 1. Introduction



As an international service provider to the automotive and supplier industry, the Formel D Group develops comprehensive concepts and scalable solutions for quality assurance and process optimisation along the entire automotive value chain - from product development to production and aftersales.

We are therefore aware of our responsibility for people and the environment within the global flow of goods and services. We know this: Our success can only be guaranteed if the impact of our business activities, as well as the business activities of our suppliers, are in harmony with the protection of people and the environment. We have therefore set ourselves the goal of preventing and avoiding violations of human and environmental rights within our own organisations and our supply chains, as well as strengthening corresponding rights.

Values such as quality awareness, community and sustainability are firmly anchored in our corporate culture.

**The Formel D Group also requires its suppliers to act responsibly and to comply with high standards with regard to human rights and environmental requirements. This training document therefore provides an overview of the relevant standards and the expectations that Formel D places on itself and its suppliers.**

## 2. Overview of the LkSG

- The Supply Chain Due Diligence Act (Lieferkettensorgfaltspflichtengesetz - LkSG) introduced in Germany aims to strengthen and protect human rights and environmental standards in global supply chains.
- Overview:
  - Area of application: Companies with > 1000 employees
  - **Due diligence obligations: Companies are obliged to identify risks to human rights and environmental standards along their entire supply chain and in their own business area.**
  - Risk management: Companies must introduce and implement effective risk management.
  - Whistleblower channel: Companies must set up a complaints mechanism to report possible violations.
  - Possible sanctions: Fines can be imposed for violations of the law. In addition, companies that violate the law can be excluded from participating in public tenders for up to three years.
  - Reporting: Companies must report annually.
- **The Formel D Group requires its suppliers to be aware of the provisions of the Supply Chain Due Diligence Act and to take measures to avoid human rights and environmental violations and associated risks.**



# 3. Human rights and labour standards

- The LkSG obliges companies to ensure that human rights and labour standards are observed in their supply chains. Fundamental human rights include
  - **Prohibition of child labour and forced labour:** Companies must ensure that no child labour or forced labour takes place in their supply chains.
  - **Occupational health and safety:** Ensuring that all employees work in safe and healthy working conditions.
  - **Fair wage:** Ensuring that all employees receive a fair wage.
  - **Right to freedom of association:** Employees must have the right to form trade unions or other workers' organisations.
  - **Access to food and water:** Ensuring that workers have access to basic resources such as food and water.
- The basis for this are:
  - ILO core labour standards
  - International Covenant on Economic, Social and Cultural Rights
  - International Covenant on Civil and Political Rights



## 4. Environmental standards

- The LkSG obliges companies to ensure environmental standards. The basis for this are:
  - **Minamata Convention on Mercury:** This agreement aims to minimise the release of mercury into the environment and to control mercury.
  - **Stockholm Convention on Persistent Organic Pollutants (POPs):** The Convention obliges the signatory states to reduce or eliminate the use and release of POPs.
  - **Basel Convention on the Control of Transboundary Movements of Hazardous Waste:** The aim is to reduce the generation of hazardous waste and to dispose of this waste in an environmentally sound manner.



# 5.1 Requirements for our suppliers

In order to fulfil our commitment to recognising and respecting human rights, the Formel D Group has implemented guidelines that define our attitude towards our employees and suppliers. The following guidelines are particularly relevant:

- Declaration of human rights
- Code of Conduct of the Formel D Group
- Supplier Code of Conduct of the Formel D Group
- Anti-Corruption Policy of the Formel D Group
- Antitrust guideline of the Formel D Group
- Sustainability Policy (content: HR, Procurement, Environment and Health & Safety)

These guidelines are a compass for us and our business partners to help us understand what is right or wrong in the context of our daily co-operation

## 5.2 Requirements for our suppliers

The requirements placed on our suppliers are designed to ensure that human rights and environmental standards are complied with along the entire supply chain. Here are the most important requirements:

- **Contractual assurances:** Our suppliers must give contractual assurances that they will comply with the required human rights and environmental expectations.
- **Supplier Code of Conduct:** Our suppliers must read, understand and actively accept our Supplier Code of Conduct.
- **Supplier self-disclosure:** In the run-up to a collaboration, our suppliers must submit certain information to Formel D, which also includes requirements from the LkSG.
- **Training courses:** Our suppliers are obliged to familiarise themselves with the requirements of the LkSG. Any violations of human rights or environmental requirements can be reported via Formel D's whistleblower system.
- **Audits and certifications:** In some cases, our suppliers must provide certain certifications and/or allow us to audit processes.



# 6. Further information

Further information can be found at:

- **Formel D Supply Chain:** <https://formeld.com/company/supply-chain/>
- **Formel D Compliance:** <https://formeld.com/company/compliance/>
- **Formel D Corporate Social Responsibility:** <https://formeld.com/company/corporate-social-responsibility/>
- **Corporate anonymous whistleblower channel:** [https://report.whistleb.com/en/formeldgroup\\_WB](https://report.whistleb.com/en/formeldgroup_WB)
- **Bafa information on the LksG:** [https://www.bafa.de/DE/Lieferketten/lieferketten\\_node.html](https://www.bafa.de/DE/Lieferketten/lieferketten_node.html)
- **OHCHR Universal Declaration of Human Rights.** <https://www.ohchr.org/en/human-rights/universal-declaration/translations/german-deutsch>
- **International Labour Organization:** <https://www.ilo.org/de/deutschland>
- **International Covenant on Civil and Political Rights:** <https://www.bmz.de/de/service/lexikon/internationaler-pakt-buergerliche-politische-rechte-60140>
- **International Covenant on Economic, Social and Cultural Rights:** <https://www.bmz.de/de/service/lexikon/internationaler-pakt-wirtschaftliche-soziale-kulturelle-rechte-60142>
- **Minamata Convention on Mercury:** <https://www.basel.int/Partners/MEAs/TheMinamataConvention/tabid/3895/Default.aspx>
- **Stockholm Convention on Persistent Organic Pollutants (POPs):** <https://www.pops.int/>
- **Basel Convention on the Control of Transboundary Movements of Hazardous Wastes:** <https://www.basel.int/>





Dunja Schuld/ Miriam Mallik/ Daniel Thiebes  
Human rights team  
[humanrights.team@formeld.com](mailto:humanrights.team@formeld.com)

# THANK YOU

CLASSIFICATION: INTERNAL