

## **Code of Conduct of HSB Automation GmbH**

### **§1 Description of the Code of Conduct**

We are committed to social, ethical, ecological, responsible and sustainable corporate governance and corporate culture. Furthermore, we strive to continuously optimise our business activities and our services in terms of sustainability and call on stakeholders such as our employees, customers, suppliers and owners, as well as our social environment, to contribute to this as part of an integrated approach.

### **§2 Scope, stakeholders, undertaking**

This Code of Conduct ("CoC") applies to all business units and locations of our organisation at all levels and to all stakeholders such as employees, customers, suppliers and owners, as well as our social environment worldwide ("stakeholders"). We undertake to call for, monitor, promote and continuously improve compliance with this CoC by all stakeholders to the best of our respective abilities.

### **§3 Socially responsible corporate governance**

#### **3.1 Active promotion**

We actively work to ensure that the values and principles set out in this CoC are consistently observed and complied with.

#### **3.2 Adherence to laws, compliance and integrity**

We adhere to the applicable laws and other legal requirements of the regions in which we operate. For regions with weak institutional frameworks, we carefully consider which good business practices, derived from our own CoC, should be implemented to support responsible corporate governance.

##### **3.2.1 Compliance guidelines** (see our compliance guidelines)

We have developed rule- and law-based compliance guidelines for our organisation that are based on the following principles: local, national and international law and legislation, product safety, occupational safety and environmental protection, expertise and company property. Our compliance criteria are governed in particular by the content of this Code of Conduct on dealing with gifts, benefits, sponsorship, conflicts of interest, prevention of corruption, antitrust law, data protection and information security.

##### **3.2.2 Integrity and organisational governance**

We are guided in our actions by generally applicable ethical values and principles, particularly integrity, rectitude, respect for human dignity, openness and non-discrimination on grounds of religion, ideology, gender or ethnicity. For our company, organisational governance means a legal and regulatory framework for the management and supervision of our organisation and our stakeholders, which is to be ensured, advanced and exemplified by our officers as guidance for the good of all.

## **3.4 Communication**

We always communicate openly and with an eye to dialogue with our organisation and stakeholders about the requirements of this CoC and its implementation. All documents and records are duly prepared, not improperly altered or destroyed and properly stored. Trade secrets and business information of our partners are treated sensitively, confidentially and in accordance with the law.

## **3.5 Consumer interests**

Where consumer interests are affected, we reserve the right to take into account consumer protection regulations and appropriate sales, marketing and information practices. Particularly vulnerable and/or sensitive consumer groups (minors and their protection, for example) are given special attention in our organisation.

## **\$4 Complaints mechanism**

In order to uphold human rights at all operational levels in our organisation, as well as for all stakeholder groups, rights holders and throughout the supply chain, we have established a complaints mechanism. An independent and neutral point of contact/complaints office is available at all times for all of the above-mentioned groups at [beschwerdestelle@hsb-automation.de](mailto:beschwerdestelle@hsb-automation.de). We are guided by the United Nations 'Protect, Respect and Remedy' Framework.

## **§5 Working conditions and human rights**

### **5.1 Human rights**

Human rights are rights to which every human being is entitled. They embody the generally agreed minimum requirements to enable every human being to maintain his or her dignity. We all have human rights – regardless of nationality, place of residence, gender, national or ethnic origin, skin colour, religion or any other status. Our CoC is based on national laws and regulations as well as international conventions such as the United Nations Universal Declaration of Human Rights Articles 1-30, the Children's Rights and Business Principles, the United Nations Guiding Principles on Business and Human Rights, the International Labour Standards of the International Labour Organization (ILO) and the United Nations Global Compact. We expect all our stakeholders to comply with all relevant laws and regulations and with the requirements of standards.

### **5.2 Child labour and young workers**

'Child labour and young workers' refers to the ban on employing children below the legal minimum age. In addition, we expect our stakeholders to ensure that, in line with ILO Convention 138 on the minimum age for admission to employment, young workers under the age of 18 years are not required to perform night work or overtime and are protected from working conditions that are harmful to their health, safety and development, in accord with ILO-138 regarding light work (Articles 6, 7). All stakeholders should ensure that the duties of young workers do not adversely affect their attendance at school. Young workers' hours of work and instruction must not exceed a total of 10 hours. We comply with the international standards of the Charter of Fundamental Rights of the European Union and the ILO.

## 5.3 Wages and benefits

'Wages and benefits' refers in our organisation to the national and international laws relating to basic and minimum wages/salaries and all entitlements in excess thereof that are payable to our employees by our organisation, directly or indirectly, in cash or in kind, and that arise out of the employee's employment. This includes paid sick days, sick leave, family leave, paid overtime and other benefits. Our organisation also requires our stakeholders to respect and implement the above-mentioned wage and benefit practices. For the rest, our values are based on the standards of the ILO and the United Nations Global Compact (UNGC).

## 5.4 Working time

We comply with the regional statutory labour standards regarding maximum permissible working time and ensure that these are likewise complied with by our stakeholders. 'Working time' refers to a regular working week, which should not exceed 48 hours. In exceptional situations, a working week may comprise a maximum of 60 hours including overtime. All overtime is worked on a voluntary basis. Our employees receive at least one day off every seven days. Laws and regulations on maximum working time and holiday time are observed. When it comes to working time, we comply with regional occupational health and safety laws as well as the standards of the Ethical Trading Initiative, based on the ILO Convention.

## 5.5 Modern slavery

We understand modern slavery to be any kind of work or service that is required of a person under threat of punishment and for which said person has not made him or herself available voluntarily. Examples include forced overtime, the withholding of identity documents and human trafficking. Our standards and values are guided by the Modern Slavery Act 2015 of the Parliament of the United Kingdom and also by the ILO. In this respect, we and our stakeholders undertake to comply with the criteria contained therein at all times.

## 5.6 Freedom of association

We understand freedom of association to mean the right to assemble and associate peacefully at all levels, including in particular in the areas of politics, labour law and civil society, which includes the right of any person to form and join representative associations for the protection of his or her interests. This includes the ability to communicate negotiation processes between our employees' representative bodies and our organisation and to reach agreements openly and without any fear of reprisals or harassment. Our standards and values are guided by the relevant local legal requirements as well as the Charter of Fundamental Rights of the European Union. We make sure that our stakeholders also respect these standards.

## 5.7 Harassment

Harassment of any kind is a violation of human rights. By harassment we mean disrespectful, undignified, brutal or inhumane treatment or even a threat of such treatment. This includes, in particular, sexual harassment, sexual abuse, corporal punishment, psychological or physical coercion and verbal abuse of any of our employees at any level, as well as of any individuals among or associated with our stakeholders. Our standards and values are guided by the relevant local legal

requirements as well as the criteria of the Global Automotive Sustainability Practical Guidance.

## **5.8 Non-discrimination**

It is our understanding that non-discrimination is a principle that ensures equal treatment of an individual or group regardless of their personal characteristics, including gender, race, skin colour, ethnic or social origin, genetic features, language, religion or belief, political or other opinion, membership of a national minority, property, birth, disability, age or sexual orientation. This principle of non-discrimination is promoted, respected and adhered to within our organisation and among our stakeholders. Our standards and values are guided in this respect by the relevant local legal requirements as well as by the criteria of the Charter of Fundamental Rights of the European Union.

## **5.9 Freedom of opinion**

We support the protection and granting of the right to freedom of opinion and expression in our organisation. Everyone has the right to express their opinion freely. This right includes freedom of opinion and freedom to receive and impart information and ideas without interference by public authorities and regardless of national frontiers. The freedom of the media and its plurality are respected. Our standards and values are guided in this respect by the relevant local legal requirements as well as by the criteria of Article 11 of the EU Charter Fundamental Rights.

## **5.10 Occupational health and safety and working conditions in accordance with ISO 45001**

All employees in our organisation and those of our stakeholders have the right to healthy, safe and dignified working conditions. Our standards and values are guided by the relevant local legal requirements as well as by the criteria of Article 31 of the EU Charter of Fundamental Rights, ILO, ISO 26000 – Guidance on Social Responsibility, and the SA8000 management system for social responsibility and fair working conditions.

## **§6 Business ethics**

### **6.1 Corruption**

We fundamentally reject corruption as defined in the United Nations Convention against Corruption. We take appropriate steps to promote transparency, integrity and accountable management and control within our organisation and among our stakeholders. Corruption can take many forms that vary in severity – from petty influence peddling to institutionalised corruption. It is defined as the abuse of power for personal gain and includes not only financial gain, but also non-financial benefits. Our standards and values are guided in this respect by the relevant local legal provisions as well as by the criteria of the UN Global Compact and Transparency International.

### **6.2 Extortion**

In our organisation, we understand extortion to mean pecuniary loss through coercion, such as demanding bribes or material goods by threatening behaviour. It becomes extortion when this demand is accompanied by threats that endanger the personal integrity or life of the private actors involved. We are committed to

consistently combating extortion in our organisation and among our stakeholders. Our standards and values are guided in this respect by the relevant local legal provisions as well as by the criteria of the UN Global Compact and OECD Guidelines for Multinational Enterprises.

## **6.3 Bribery**

We fundamentally reject corruption as defined in the United Nations Convention against Corruption and Bribery. We take appropriate steps to promote transparency, integrity and accountable management and control within our organisation and among our stakeholders. Bribery is the offer or acceptance of a gift, loan, fee, reward or other advantage to or by a person as an inducement to do something improper, illegal or in breach of trust in the conduct of the company's business. Our standards and values are guided in this respect by the relevant local legal provisions as well as by the criteria of the UN Global Compact and Transparency International

## **6.4 Data protection, confidentiality and the right to privacy**

Data protection, the right to confidentiality and the right to privacy are responsibly implemented and protected in our organisation. We also call on and encourage our stakeholders to respect the following aspects of data protection, confidentiality and the right to privacy.

### **6.4.1 Data protection**

Under the Charter of Fundamental Rights of the European Union, the protection of personal data is set out in Article 8 as follows: "Everyone has the right to the protection of personal data concerning him or her. Such data must be processed fairly for specified purposes and on the basis of the consent of the person concerned or some other legitimate basis laid down by law. Everyone has the right of access to data which has been collected concerning him or her, and the right to have it rectified." Our standards and our values compass are guided by the relevant local legal provisions as well as the criteria of the EU Charter of Fundamental Rights and the EU General Data Protection Regulation (GDPR). Our organisation's privacy policy is published on our homepage at [www.hsb-automation.de](http://www.hsb-automation.de).

### **6.4.2 Confidentiality**

We handle confidential information and data discreetly and responsibly in our organisation. Confidentiality is the attribute of a message to be intended only for a limited group of recipients. Disclosure and publication are not permitted without the consent of the information and data owners.

### **6.4.3 Right to privacy**

The right to privacy is defined in Article 12 of the United Nations Universal Declaration of Human Rights as follows: "No one shall be subjected to arbitrary interference with his privacy, family, home or correspondence, nor to attacks upon his honour and reputation. Everyone has the right to the protection of the law against such interference or attacks." We protect these values at all levels in our organisation.



## **6.5 Financial responsibility**

We fulfil our financial responsibility by transparently reporting and regularly disclosing our commercial operating data and results to internal and external stakeholders, taking into account the relevant regional legislation as well as to the tax authorities. To this end, we keep the following business records among others: Financial statements, management accounting analyses, company annual financial statements, key company figures, management reports, controlling data, proofs under tax law and financial law in accordance with generally accepted accounting principles. In addition to the regional legal requirements, we also follow the criteria of the Global Automotive Sustainability Practical Guidance.

## **6.6 Disclosure of information**

We and our stakeholders are committed to encouraging and requiring the disclosure of information and transparent communication at all times. In particular, we consider it important to disclose our organisation's responsibility to provide financial and non-financial information in accordance with applicable regulations and industry practice and, where appropriate, information about our workforce, health and safety practices, environmental practices, communications, business activities, financial situation and performance (for example, with Creditreform). In addition to the regional legal requirements, we also follow the criteria of the Global Automotive Sustainability Practical Guidance.

## **6.7 Fair competition and competition law**

'Fair competition and competition law' refers to the observance of fair business and competition standards in our organisation, including, among other things, the avoidance of business practices that unlawfully restrict competition, the improper exchange of competitive information, and price fixing, bid rigging or abusive market allocation. It is the primary responsibility of our organisation and our stakeholders alike to comply with the competition rules. We and our stakeholders must be aware of the risks associated with breaching the competition rules and communicate them clearly through our compliance policy. Our formulated compliance policy enables our organisation and our stakeholders to minimise the risk of involvement in breaches of competition law and the costs arising from anti-competitive behaviour. Our standards and values are guided in this respect by local legal requirements such as competition law and by the criteria of the Global Automotive Sustainability Practical Guidance and the European Commission (Common Rules on Competition, Taxation and Approximation of Laws, Articles 101-106).

## **6.8 Conflicts of interest**

In our organisation, we understand conflicts of interest to mean situations where individual employees or our organisation itself can exploit their own professional function in some way for personal or corporate benefit. These potential conflicts of interest must be avoided or made transparent in our organisation so that they can be avoided or resolved. The OECD (Organisation for Economic Co-operation and Development) Recommendation of the Council on Public Integrity serves as our guideline and value set in this regard.

## **6.9 Plagiarism**

We are committed to the prevention of plagiarism within our organisation and among our stakeholders. Through our processes, we ensure that the risk of introducing plagiarised or counterfeit materials into deliverable products is identified and/or minimised. When possible plagiarism is detected, the suspect products and materials are isolated or blocked and the original equipment manufacturer (OEM) and/or law enforcement authorities are notified. Our standards and values are guided in this respect by the relevant local legal requirements as well as by the criteria of the Global Automotive Sustainability Practical Guidance.

## **6.10 Intellectual property**

We and our interested parties understand 'intellectual property' to mean intellectual creations such as inventions, know-how, software, literary and artistic works, designs, and symbols, names and images used in commerce. These are legally protected by patents, copyrights and trademarks, for example, through which inventors can earn recognition or financial benefits from the things that they invent or create. Our standards and values are guided in this respect by the relevant local legal provisions as well as by the criteria of the World Intellectual Property Organisation (WIPO).

## **6.11 Export controls and economic sanctions**

We and our stakeholders always observe the currently valid official requirements regarding export controls and economic sanctions worldwide. We understand these to include, but not be limited to, restrictions on the export or re-export of goods, software, services and technology, and applicable restrictions on trade with certain countries, regions, companies or organisations and individuals. Our policies and processes in this respect are based on the relevant local legal requirements as well as on the criteria of the Global Automotive Sustainability Practical Guidance.

## **6.12 Whistleblowing and protection from retaliation**

We understand 'whistleblowing and protection from retaliation' to mean that any employee in our organisation and our interested parties should be able to report unusual circumstances and/or discrepancies. This must not result in employment consequences, suspension or dismissal, discrimination, harassment, denial of advancement or any other adverse action that may be taken in response to a disclosure. To this end, we have also established a confidential and discreet reporting mechanism in our organisation for whistleblowing and to protect against retaliation (see Item 4 Complaints mechanism.)

## **§7 Environmental management (see our environmental management system)**

We always strive to act in a way that is sustainable, protects the environment and conserves resources in order to protect our planet. In particular, when dealing with environmentally hazardous substances in relation to our management, core and supporting processes in line with our process landscape, we take care to use environmentally friendly substitutes (we refer to our management system).

Furthermore, we expect, require and encourage these aspects from our suppliers, business partners, customers and stakeholders.

## **§8 Energy management in accordance with ISO 50001** (see our energy management system)

We always strive to conserve energy and consume it in a sustainable manner in order to protect our planet. In particular, when dealing with our energy flows in relation to our management, core and supporting processes in line with our process landscape (we refer to our management system). Furthermore, we expect, require and encourage these aspects from our suppliers, business partners, customers and stakeholders.

## **§9 Sustainable use of raw materials**

### **9.1 Responsible procurement of raw materials**

We are mindful of and support measures that ensure the responsible procurement of raw materials. The procurement and use of raw materials that have been obtained illegally or through ethically reprehensible or unreasonable measures should be avoided. Raw materials such as conflict minerals that are subject to embargoes or other import restrictions should not be used. Our organisation and our suppliers and stakeholders are therefore obliged to identify these raw materials in manufactured products in the supply chain and to disclose the origin and sourcing of the raw materials they use.

### **9.2 Use and reduction of raw materials**

The use and consumption of resources during production and the generation of waste of any kind, including water and energy, should be reduced or avoided. This is done either directly at the point of origin or through procedures and measures, for example by changing our production and maintenance processes or process flows in our company, through the use of alternative materials, through savings, through recycling, and with the help of material reuse.

### **9.3 Avoidance of hazardous substances** (see register of hazardous substances)

Substances that pose a risk to humans and the environment when released should be avoided. Our organisation therefore maintains a hazardous substance management system that ensures safe use and transport as well as safe storage, recycling, reuse and disposal. Responsible chemical management based on the minimum principle is also expected and demanded from our suppliers.

### **9.4 Environmentally compatible products**

When developing products, processes and services, we take care to ensure that their use is economical in terms of energy and natural resources. As far as possible, products should be suitable for reuse, recycling or safe disposal. As a guideline, we orient ourselves to the currently valid EU REACH (Registration, Evaluation, Authorisation and Restriction of Chemicals) Regulation and the requirements of the EU RoHS (Restriction of Hazardous Substances) Directive. Raw materials, substances or purchased parts that do not comply with the RoHS requirements must be substituted by our suppliers in consultation with our procurement department. If required, a declaration of conformity regarding compliance with the RoHS Directive should be requested from our suppliers.



## **§10 CSR/sustainability in supplier management**

(see our terms and conditions of purchase/supply)

In order to implement the requirements and expectations stated in this CoC in our supply chain too, we ask our suppliers to introduce and implement the following minimum requirements in their organisations and in their supply chain as a minimum standard. The following minimum requirements are:

### **10.1 Working conditions and human rights**

- 10.1.1 Child labour and young workers
- 10.1.2 Wages and benefits
- 10.1.3 Working time
- 10.1.4 Modern slavery (i.e. slavery, servitude and forced or compulsory labour, and trafficking in human beings)
- 10.1.5 Freedom of association and collective bargaining
- 10.1.6 Harassment and non-discrimination

### **10.2 Occupational health and safety**

### **10.3 Business ethics**

- 10.3.1 Corruption, extortion and bribery
- 10.3.2 Privacy and data protection
- 10.3.3 Fair competition and competition law
- 10.3.4 Conflicts of interest
- 10.3.5 Whistleblowing and protection from retaliation

### **10.4 Environment**

- 10.4.1 Greenhouse gas emissions, energy efficiency and renewable energies
- 10.4.2 Water quality and consumption
- 10.4.3 Air quality
- 10.4.4 Management of sustainable resources and waste reduction
- 10.4.5 Responsible chemical management

### **10.5 Upstream supplier management**

- 10.5.1 Sustainability requirements for sub-suppliers

## **§11 Implementation and enforcement**

We make all appropriate and reasonable efforts to continuously improve, implement and apply the principles and values described in this CoC. Contractual partners and our stakeholders should be informed on request and on a reciprocal basis about the main measures taken in order to ensure transparency regarding our compliance with these principles and values. There is no entitlement to the disclosure of trade and business secrets, information relating to competition or other information worthy of protection.

## **§12 Conclusion**

As part of the continuous and sustainable improvement of this CoC, our management would like to motivate everyone in our organisation and our stakeholders to contribute to compliance with, implementation of and improvements to this CoC. We would like to express our sincere thanks to them in this regard.