



DUAL BORGSTENA

Supplier Code of Conduct

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1. PREAMBLE

At Dual Borgstena (DB), we believe that the success and the safeguarding of our future development as a company depends on, amongst other factors, our sustainable business strategy. As a Global Player in the automotive sector with a team of qualified professionals committed to our Code of Conduct & Ethics, we align our strategies and operations to the main sustainable initiatives, as well as sectorial initiatives, which allows us to find innovative solutions, to pursue new business opportunities, to control and minimize risks and to strive for efficiency in economic, ecological and social terms.

Therefore, we expect supplier and subcontractors to comply with the principles of our Environmental, Social Responsibility and Governance (ESG) Supplier Code of Conduct and also to ensure that these principles are conveyed through their own supply chain.

DB intends to make the principles of the Supplier Code of Conduct detailed below with key elements of our purchasing policy.

If the expectations of this Code are not met, the business relationship may be reviewed, and corrective actions pursued subject to the terms of the related procurement contract(s).

Supplier authorizes DB and/or any third party designed by it to conduct visits and audits to confirm if the conditions mentioned below are being met. Suppliers and their subcontractors cannot offer or accept any kind of compensation that looks, intentionally or not, to interfere in the impartiality or objectivity from the parts designed by DB.

2. SOCIAL RESPONSIBILITY

2.1 HUMAN RIGHTS, WORKING CONDITIONS AND DISCRIMINATION

DB commits to respect and comply with the Universal Declaration of Human Rights, United Nation Guiding Principles on Business and Human Rights, and International Labour Organization conventions. We work to ensure that neither the company nor its employees abuse any of these principles.

Supplier must ensure that any form of discrimination, exclusion or preferential treatment based on ethnic origin, skin color, gender, sexual orientation, religion, political opinion, national origin, affiliation to minorities and social origin is refrained from and that equal opportunities as well as equal treatment in employment or occupation are not impaired. The work environment must be free from harassment.

2.2 CHILD LABOUR AND YOUNG WORKERS CONDITIONS

Supplier must not allow any form of child labour in their business activities and in the activities of their supply chain, as described in article 3(d) of Worst Forms of Child Labour Convention, 1999 (No. 182). Accordingly, the age should not be less than the age at which compulsory schooling ends or, if not defined, never under 15 years. Supplier must ensure that young employees under the age of 18 do not work overtime or at night and are protected against working conditions that could harm their health, safety or development and/or remuneration below what adult workers earn for the same work.

2.3 FORCED OR COMPULSORY LABOUR

Supplier must not use forced or compulsory labour that includes any type of work or service that is required of a person under the threat of any penalty or personal documentation retention and for which they have not volunteered.

Supplier shall ensure that the employees have the right to terminate the employment relationship at their own will and within a reasonable period of time.

Supplier shall ensure that migrant workers are treated fairly, and their rights are respected.

Supplier shall pay particular attention that, in cases where workers are recruited by third parties, they have not been charged any fees or commission related to the recruitment and/or employment process.

2.4 FREEDOM OF ASSOCIATION AND THE RIGHT OF COLLECTIVE BARGAINING

Supplier must respect the right of workers to associate freely, joining workers organizations of their own choice, seek representation, and to bargain collectively, as permitted by and in accordance with the applicable laws and regulations.

2.5 WORKING HOURS

Working hours (including overtime), as well as break times and periodic days off, shall be compliant with applicable laws & regulations, collective-bargaining agreements and international conventions, namely convention 1.

Overtime is only allowed if it's done on a voluntary basis, taking into consideration that no more than 12 hours of overtime may be worked per week.

All employees are entitled to rest periods/ breaks on each working day. A day off must be granted after six consecutive working days.

2.6 REMUNERATION

Supplier must not fall below state or collectively agreed minimum wages as well as minimum standards in the industry and applicable country legislation, and the wages and benefits must be paid on time, in a regular period.

Supplier ensure that in countries without a collectively agreed or statutory wage framework, wages for regular full-time work are enough to meet the basic needs of the employees. Wages are not withheld and are paid regularly in a form which is suitable for the employee. Supplier must inform their employees about the composition of their wages on a regular basis.

2.7 RIGHTS OF MINORITIES AND INDIGENOUS PEOPLE

Supplier shall respect the rights of local communities to decent living conditions, education, employment and the right to Free, Prior, and informed Consent to developments that affect their lands on which they live, with consideration for vulnerable groups.

2.8 HEALTH & SAFETY

Supplier must comply with the national legal requirements, regulations and all others that can be applicable.

Supplier must have an updated workplace risk assessment available for all sites and every workplace, always guaranteeing that the employees have training related to potential safety hazards, emergency procedures and correct ways of handling chemicals.

Supplier shall guarantee that all employees have the necessary PPE (Personal Protective Equipment) for the risks associated with their workplaces.

3. ENVIRONMENT

DB expects their suppliers and their whole supply chain to not only comply with all environmental laws and regulations, but also to adopt sustainable and responsible practices that promote conservation of resources and raw materials, and to contribute to the protection of the environment, according to the ISO 14001 standard or equivalent.

3.1 GREENHOUSE EMISSIONS AND ENERGY CONSUMPTION

Suppliers are expected to track and document energy consumption and greenhouse gas emissions.

Supplier should also look for effective methods of improving energy efficiency by minimizing their energy consumption and greenhouse gas emissions, considering a life cycle perspective, aiming to reduce greenhouse gases.

Supplier must strive for CO₂e neutrality for their own production and pass this requirement on to sub-supplier. So, the supplier must establish targets to achieve carbon neutrality and define actions to accomplish that.

Supplier must send, when available, the values of the CO₂e footprint for the parts supplied.

3.2 WATER REDUCTION, AIR QUALITY AND WASTE MANAGEMENT

Suppliers are expected to preserve water resources and reduce water consumption. According to that, it is also expected that there are targets to reduce the wastewater production and that the legal limit values are fulfilled.

Supplier must monitor air emissions and establish an air emissions management plan.

Supplier must set targets for waste reduction and establish a waste management hierarchy in the following order of priority: prevention, reduction, reuse, recovery, recycling and finally waste disposal.

Handle and dispose of all generated waste through safe and responsible methods that protect the environment and the health and safety of employees and local communities.

3.3 NATURAL RESOURCE MANAGEMENT

Suppliers are expected to encourage and support the use of sustainable, renewable and natural resources (e.g. water, energy sources, raw materials, etc.) in an efficient manner over the product's life cycle and strive to use recycled materials where possible.

3.4 RESPONSIBLE CHEMICAL MANAGEMENT

Suppliers are expected to identify and manage chemicals to ensure their safe handling, storage, use, recycling and disposal.

Suppliers are expected to collect data from their material manufacturers for all chemicals and components classified as hazardous substances.

Workers handling hazardous substances must receive regular training regarding the potential dangers and the protective measures specified to avoid damage to health or the environment.

3.5 BIODIVERSITY, LAND USE AND DEFORESTATION

Supplier must be active in the maintenance of ecosystems so that flora and fauna are not lost, and natural habitats do not suffer irreparable damage. Supplier need to comply with the applicable directives to protect ecosystems and biodiversity, minimizing deforestation and forest degradation.

3.6 ANIMAL WELFARE

DB does not tolerate any kind of animal abuse. So, all the wool suppliers need to comply with the wool certification that ensures animal welfare on each farmer has a management plan, assessing feeding, breeding, behavior, animal handling and health and infrastructure. This includes stress free shearing and the prohibition of molesting.

3.7 LAND, FOREST, WATER RIGHTS, FORCED EVICTION AND RIGHTS OF INDIGENOUS PEOPLE

Supplier commit to avoid forced eviction and the deprivation of land, forests and waters in the acquisition, development or other use. The rights of indigenous people shall also be protected.

3.8 SOIL QUALITY

Supplier need to evaluate the condition of the soil in their area of responsibility and establish measures to maintain and improve soil quality.

3.9 NOISE EMISSIONS

Supplier must comply with national laws regarding noise emission, determine if establish the noise from the different activities on their plant.

4. GOVERNANCE

4.1 RESPONSIBLE SOURCING OF MATERIALS

Supplier are expected to not provide products containing materials that contribute to human rights abuses, bribery and violation of ethics, or negatively impact the environment.

Therefore, we expect supplier to conduct due diligence to understand the source of materials used in their products, identify risks and mitigate human rights breaches.

4.2 CORRUPTION, BRIBERY AND CONFLICTS OF INTEREST

Supplier must actively and consistently fight against any form of bribery, corruption, extortion or unfair competition, and comply with all applicable laws pertaining to these issues. Our policy goes beyond these laws and prohibits improper payments in all our activities, as well as demanding and accepting advantages to which there is no legitimate claim. Negotiations in which transactions are made using illicit means will not be tolerated.

4.3 DATA PROTECTION, PRIVACY AND CONFIDENTIALITY

Supplier are expected to comply with all applicable laws concerning data protection and information security, ensuring that privacy is safeguarded, personal data is protected, and all business information is kept secure.

Supplier must ensure that any confidential business information or trade secrets obtained under business activities with DB are held in strict confidence and not improperly used or revealed to third parties.

For confidential information and intellectual property of DB, and/or its customers, which is shared with the supplier for the purpose of fulfilling contractual obligations, the supplier is obliged to treat the information discreetly and not to pass it on to third parties.

The unauthorized disclosure of protected information of any kind is prohibited.

4.4 FINANTIAL RESPONSIBILITY/ ACCURATE RECORDS

All records and reports, whether internal or external, must be accurate and truthful. Suppliers are expected to act in accordance with applicable law and generally applicable accounting principles,

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which require that data and other records always be complete, correct, up-to-date, and System-compliant.

4.5 FAIR COMPETITION/ANTI-TRUST

Supplier must comply with all applicable antitrust, trade practice and any other competition law, rules and regulations dealing with unfair competition and restraints of trade.

Supplier will not enter into agreements with competitors or engage in other conducts that may unfairly impact competition, including, but not limited to, price fixing, bid rigging or improper market allocations.

4.6 IMPORT/EXPORT CONTROLS AND ECONOMIC SANCTIONS

Supplier shall ensure that their business practices are in accordance with all applicable laws, directives and regulations governing the import / export of parts, components and technical data.

Supplier shall provide truthful and accurate information for reporting purposes when requested and obtain import and/or export licenses and/or consent where necessary.

Whenever certified recycled raw materials are supplied, the supplier must provide its TE-ID (Textile Exchange - Identification) in due time.

4.7 WHISTLEBLOWER PROTECTION AND NON-RETALIATION

If the Supplier or employees of the Company have evidence, doubts or suspicions regarding any form of corruption, or other criminal or non-compliant conduct, they should immediately inform and report through the DB whistleblowing line:

<https://www.borgstena.protecaodedenunciantes.com/#/?lang=en>

Supplier must also have a complaint management system with information regarding how to proceed and the corrective/ preventive actions taken, so that the situation doesn't happen again.

DB will not tolerate any form of retaliation against anyone who, in good faith, communicates facts that could constitute a breach of this Code.

4.8 PRIVATE OR PUBLIC SECURITY FORCES

Whenever the government is not capable of providing adequate police protection, the supplier may need to employ private security contractors. In such circumstances, the supplier must ensure that clear and rigorous operating procedures and terms of engagement are established by private security contractors prior to the conduct of any security operations.

With this document signed the supplier (place the supplier's name)

undertakes to comply with the requirements included in this code of conduct.

Date:	Name and Position:	Signature: