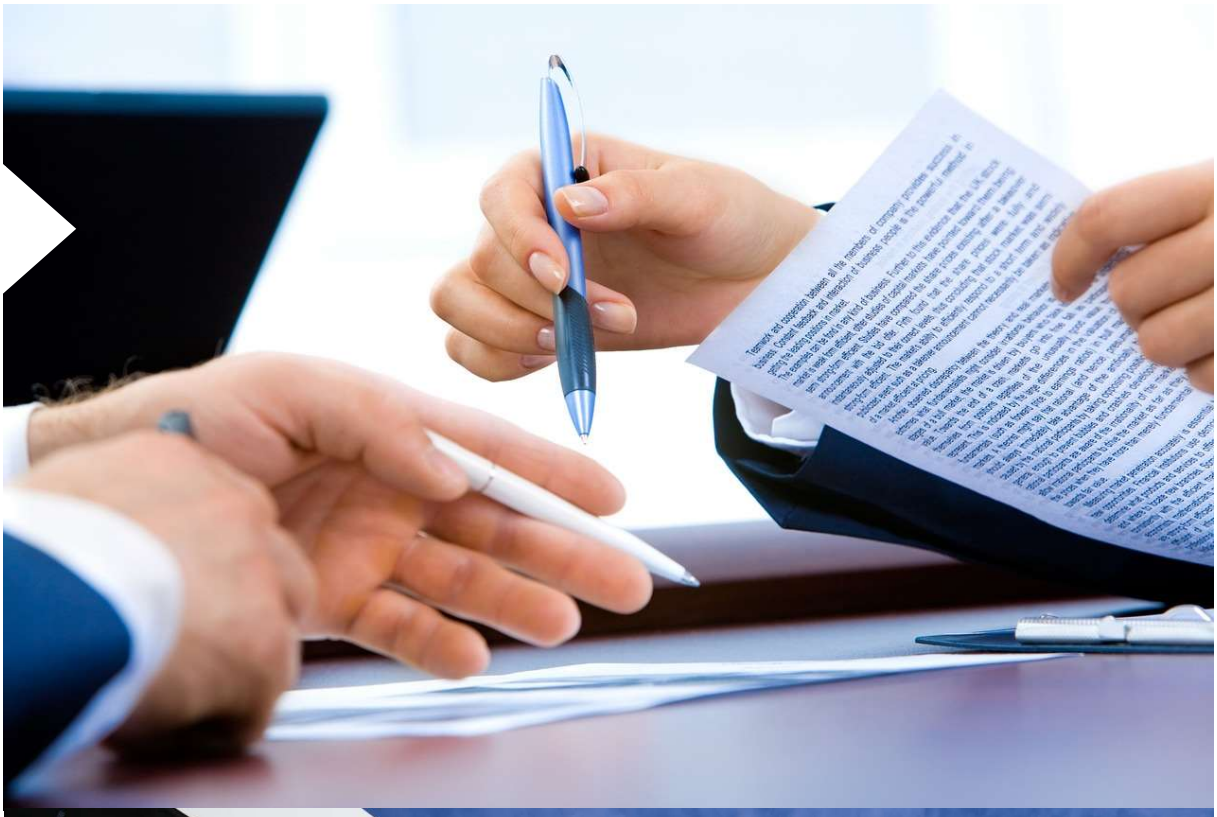

Fairness and Integrity.

BUSINESS PARTNER CODE OF CONDUCT

STABILUS

The Stabilus group, i.e., Stabilus SE and its affiliates (together "Stabilus"), is committed to act in accordance with the highest ethical, social, and ecological standards and to treat others with respect and dignity. We expect our suppliers, manufacturers, service providers and all our other partners (the "Business Partner") to act in the same manner.

This Business Partner Code of Conduct defines the minimum requirements of Stabilus regarding ethical, social, and ecological standards vis-à-vis its Business Partners. It is based on the belief that business activities should only be conducted in full compliance with legal requirements and consistent with ethical, social and ecological values, which are based on globally valid principles as reflected in national laws, such as the German Supply Chain Due Diligence Act, and international standards and conventions, in particular, the United Nations Universal Declaration of Human Rights and the Global Compact's Principles, the United Nations Guiding Principles on Business and Human Rights, the OECD Guidelines for Multinational Enterprises, and the Core Labour Standards of the International Labour Organisation (ILO).

Stabilus expects all of its Business Partners to share this basic belief and, as a result, not only to comply with the principles of this Business Partner Code of Conduct at company and group wide level, but also to take all necessary regulatory, organizational and technical precautions to ensure such compliance in their group and their supply chain.

Stabilus Group

December 2023

1. SOCIAL

1.1. PROTECTION OF HUMAN RIGHTS

The Business Partner shall be committed to the protection of human rights in accordance with the United Nations Universal Declaration of Human Rights.

1.2. NO FORCED OR CHILD LABOR

Stabilus does not tolerate any type of forced labor or child labor.

The Business Partner must ensure that no form of forced, bonded, indentured, or involuntary prison labour is used. Work must be voluntary, and employees must be able to leave work or employment at any time. Any form of slavery, practices akin to slavery, serfdom, or other forms of domination or oppression in the workplace, such as extreme economic exploitation and humiliation is prohibited. The ILO Conventions No. 29 and 105 apply.

Child labour is strictly prohibited. The Business Partner must ensure that the requirements of the ILO conventions and national law, whichever is stricter, relating to minimum age, child labour and employment of underage workers, are strictly observed. In particular, the Business Partner will not employ children below the legal minimum age for compulsory education, which shall not be less than 15 years, unless the law of the place of employment provides otherwise in accordance with ILO Convention No. 138. In addition, no employees shall be employed for hazardous work who cannot demonstrate a minimum age of 18 years in accordance with ILO Convention No. 182.The ILO Conventions No. 138 and 182 apply.

1.3. FREEDOM OF ASSOCIATION

The Business Partner shall respect the right of the employees to form an employee union and to join it, as well as employees' right to collective bargaining agreements as provided by applicable law.

In no case shall employees be subjected to any kind of sanction or discrimination based on an employee's decision to join or not to join a labour organization. The ILO Conventions No. 87 and 98 apply.

1.4. FAIR WAGES AND WORKING HOURS

The Business Partner shall pay fair, at least minimum wages and benefits according to the applicable laws at the place of employment. The same remuneration will be paid to female and male employees for equivalent work. Wages and benefits must be sufficient to cover the basic needs of the employees and their families.

The Business Partner shall comply with the national working time requirements, which shall be in accordance with the applicable laws or industry standards. Employees shall be allowed at least one day off per seven-day week.

1.5. OCCUPATIONAL HEALTH AND SAFETY

The Business Partner shall take suitable measures to provide employees and third parties working for or with the Business Partner a safe and healthy work environment in compliance with statutory law, ensuring reasonable minimum conditions of light, ventilation, hygiene, fire prevention, safety measures, as well as access to a drinking water supply.

Employees shall be provided with adequate protection, and safety and accident prevention measures shall be promoted. The Business Partner shall prevent occupational accidents, occupational diseases and work-related health risks through training and safety and occupational health measures.

The Business Partner is also obliged to refrain from using security forces if persons are treated or injured in an inhumane or degrading manner or if freedom of association is impaired.

1.6. NON-DISCRIMINATION

Discrimination due to gender, ethnic origin, religion, age, disability, citizenship, sexual orientation, socio-economic class or other characteristics protected by law will not be tolerated. Physical punishment, harassment of any type, mental or physical assault, verbal abuse of employees or abuse of power are strictly prohibited. The ILO Conventions No. 100 and 111 apply.

1.7. DIVERSITY, EQUITY AND INCLUSION

The Business Partner shall promote diversity within their sphere of influence, identify vulnerable groups among employees, and implement programs for these groups that lead to more equal treatment and the prevention of discrimination in hiring and employment.

1.8. ETHICAL RECRUITING

The Business Partner must not mislead or defraud potential workers about the nature of work, ask workers to pay recruitment fees and/or confiscate, destroy, conceal and/or deny access to worker passports and other government-issued identity documents. Workers should receive a written contract or employment notification at the start of their recruitment in a language well understood by them, stating in a truthful, clear manner their rights and responsibilities.

1.9. PRESERVATION OF NATURAL RESOURCES

The Business Partner shall not unlawfully clear or deprive land, forests or waters, the use of which secures the livelihood of people. It is obliged to refrain from harmful soil changes, water and air pollution, noise emissions and excessive water consumption if this harms people's health, significantly impairs the natural basis for food production or prevents people's access to clean drinking water or sanitary facilities.

2. ETHICS

2.1. COMPLIANCE WITH APPLICABLE LAWS

Legal compliance is the basis for all actions and applies to all activities of our company and employees without exception. The Business Partner shall comply with all applicable local, national and international legislation in force, including the US Uyghur Forced Labour Prevention Act.

2.2. FAIR COMPETITION

The Business Partner shall respect fair competition, in particular the applicable antitrust laws and regulations and other laws regulating competition. Specifically, the Business Partner shall ensure that no prohibited anticompetitive agreements are entered into (including information shared with competitors or partners regarding topics that might determine or influence competitive behaviour). In markets where a leading market position is held, rules regarding abuse of a dominant market position will be strictly complied with.

Insofar as the Business Partner participates in public tenders or private sector bidding procedures, it shall strictly comply with applicable laws and regulations of the tendering organisation.

2.3. ANTI-CORRUPTION

Stabilus does not tolerate any form of bribery or actions by its Business Partners that could be construed as undue persuasion or exertion of influence. The Business Partner will comply with the applicable legal requirements, which includes the prohibition of promising, offering or granting a financial or other advantage for the purpose of unfair preferential treatment in competition. When dealing with public officials, the Supplier shall observe the stricter legal requirements applicable to them.

Furthermore, the Business Partner will comply with its legal obligations to prevent money laundering and will not engage in money laundering activities.

2.4. CONFLICTS OF INTEREST

The Business Partner shall avoid conflicts of interest. Stabilus expects its Business Partners to make decisions only on the basis of objective criteria and to act in the best interests of Stabilus without being influenced by private interests or personal considerations. Proposals shall be examined fairly and without prejudice. The entire order awarding and processing procedure shall follow objective criteria and must be transparent and reproducible. Biased preferential treatment or discrimination will not be tolerated. Existing conflicts of interest must be disclosed to Stabilus without delay.

2.5. DATA PROTECTION

The Business Partner shall strictly comply with all applicable laws on data protection and information security when collecting, storing, processing, transmitting or otherwise handling personal data. The Business Partner shall comply with an appropriate standard of technical and organisational protection of data, in particular protection against unauthorised access and loss, taking into account the state of the art and the respective risk.

2.6. CONFIDENTIALITY

The Business Partner shall be obliged to treat confidential information and know-how of Stabilus strictly confidential, protect it from unauthorized access and only disclose it to a third party with the written approval from Stabilus.

2.7. TRADE COMPLIANCE

The Business Partner shall comply with all applicable laws and regulations regarding export, import, customs duties and trade control, including trade sanctions such as embargoes and sanctions, especially in the EU and the US.

Stabilus expects to be notified by its Business Partners regarding applicable export restrictions and classifications.

2.8. CONFLICT MINERALS

The Business Partner shall comply with all applicable laws as well as the resulting due diligence obligations and the Organisation for Economic Cooperation and Development (OECD) Guiding Principles regarding the procurement of minerals and materials from conflict regions and risk areas that contribute to human rights abuses, corruption, the financing of armed groups or similar negative impacts. In the event that a product contains so-called conflict minerals (tin, tantalum, tungsten, gold), the Business Partner is obliged to provide transparency regarding their supply chain, in order to prove that no armed groups that are in violation of human rights are financed, neither directly nor indirectly.

2.9. FINANCIAL RESPONSIBILITY (ACCURATE RECORDS)

The Business Partner shall comply with applicable legal regulations and be aware of its financial responsibility. All business transactions must be carried out transparently and reflected accurately in records like financial accounts, quality reports, time and revenue/expense records. Any abnormality must be reported immediately. Proper accounting and financial transparency in accordance with applicable laws are both fundamental for fair business relationships.

2.10. COUNTERFEIT PARTS

Plagiarism, as soon as detected, shall be legally prosecuted as well as if plagiarism of products from other manufacturers are discovered. Plagiarism of all kinds is harmful to free and fair competition. Furthermore, the Business Partner shall develop, implement, and maintain methods and processes appropriate to its products and services to minimize the risk of introducing counterfeit parts and materials into products.

3. ENVIRONMENT

3.1. ENVIRONMENTAL PROTECTION

The Business Partner shall comply with all applicable legal regulations for the protection of the environment and the reasonable use of resources. In addition, the Business Partner shall take suitable and appropriate measures to continuously improve the protection of the environment and resources throughout the entire supply chain, in particular by introducing appropriate environmental management systems based on international standards.

3.2. PROHIBITED SUBSTANCES AND MATERIALS, REACH

Deliveries to Stabilus shall not contain any ingredients, components, substances or materials that are prohibited pursuant to applicable laws and regulations in the Business Partner's country of origin, the European Union, or one of the countries in which the products or parts are sold and used.

The Business Partner shall comply with the relevant requirements of the Regulation (EC) No 1907/2006 concerning the Registration, Evaluation, Authorisation and Restriction of Chemicals ("REACH"), as amended, for all delivery items supplied to Stabilus. In particular, the Business Partner assures that the substances included in the delivery items have been registered (if applicable). The Business Partner shall inform Stabilus immediately in writing if the delivery items contain substances which are included in the candidate list SVHC, which are listed in Annex XIV or which are listed in Annex XVII of REACH (as amended). The delivery of such substances requires prior written release by Stabilus.

3.3. REDUCING CONSUMPTION OF RAW MATERIALS AND WASTE REDUCTION

The use and consumption of resources during the production process and the generation of waste of any sort, including water and energy, are to be reduced and avoided by the Business Partner.

This takes place either directly at the place where the waste is generated or through processes and measures – for example, through changing production or maintenance procedures or processes and the use of alternative materials, through economising, recycling or the reuse of materials.

3.4. HAZARDOUS WASTE, MERCURY, PERSISTENT ORGANIC POLLUTANTS

The Business Partner shall comply with the requirements for the export of hazardous wastes in the Basel Convention of 22 March 1989, as amended. Chemicals or other materials that pose a hazard if released into the environment shall be identified and handled in a manner that ensures safety during their handling, transport, storage, use, recycling or reuse and disposal. Mercury shall be used in accordance with the prohibitions of the Minamata Convention of 10 October 2013 and persistent organic pollutants in accordance with the Stockholm Convention of 23 May 2001, as amended.

3.5. ENERGY EFFICIENCY AND RENEWABBLE ENERGY

Economical solutions must be found to improve energy efficiency and minimize energy consumption. The Business Partner shall implement initiatives with the aim to substitute renewable sources of energy for non-renewable sources e.g. through self-generated energy.

3.6. GHG EMISSIONS

General emissions from operational processes (air and noise emissions) as well as greenhouse gas emissions shall be classified before they are released, routinely monitored, checked and, if necessary, treated. The Business Partner shall have programs in place to support measures related to GHG emissions and work to reduce absolute energy consumption in their processes. Any required permits limiting the number of emissions must be obtained and adhered to, and a system must be in place to monitor emission controls.

3.7. DECARBONISATION

The Business Partner shall ensure transparency with regard to their emissions as well as those of upstream supply chains (e.g. by using life cycle assessments (LCA)), and to set reduction targets for direct and indirect CO_2 emissions, including targets that apply to their supply chain. This includes, for example, the use of green electricity and the use of secondary materials or biomaterials. Please reference Stabilus' latest annual Non-Financial Report for more detailed information on Scope 1, 2 and 3 emissions reduction targets and objectives.

3.8. BIODIVERSITY, LAND USE AND DEFORESTATION

The Business Partner shall protect natural ecosystems and not contribute to the changing, deforestation, or damage of natural woodland and other natural ecosystems. Where applicable, the guidelines of the High Conservation Value Resource Network (HCV) and the High Carbon Stock Approach (HCSA) are to be applied.

The Business Partner is expected to know and abide to applicable environmental laws and regulations and to manage their environmental impacts and aspects responsibly. Required permits and licenses must be obtained and their requirements adhered to. In addition, the Business Partner should routinely monitor and control their impact on soil quality to prevent soil erosion, nutrient degradation, subsidence, and contamination.

3.9. ANIMAL WELFARE

The Business Partner, if applicable, shall implement standards and best-practice methods to comply with animal welfare along the entire supply chain as well as to apply methods don't involving animal testing, except where required by law. In any case, the Business Partner shall follow national and international rules regarding animal protection and animal testing, e.g. the German Animal Welfare Act (TierSchG) or the EU Animal Experiments Directive 2010/63. In addition, the Business Partner shall work ensuring compliance along the entire supply chain with (i) the 3R principle regarding animal testing (reduction, refinement, replacement), and (ii) the five freedoms of the Animal Welfare Committee (AWC) as a criterion to evaluate animal welfare, and (iii) the standards for the improvement of animal health and welfare (Terrestrial Animal Health Code) of the World Organisation for Animal Health.

4. IMPLEMENTATION

4.1. VALIDITY ALONG THE SUPPLY CHAIN

Compliance with the contents of this Business Partner Code of Conduct will become a binding component of the business relationship between Stabilus and the Business Partner.

The Business Partner will take appropriate measures to ensure compliance with this Business Partner Code of Conduct. This includes, among other things, appropriate training measures for its employees as well as the introduction and maintenance of appropriate controls and plausibility checks.

The Business Partner is obliged to adequately address the principles, standards and requirements contained in this Business Partner Code of Conduct appropriately to its employees and to its own suppliers. It shall endeavour to contractually oblige its suppliers to commit to the principles, standards and requirements contained in this Business Partner Code of Conduct and to address them appropriately in its own supply chain.

4.2. RIGHT TO INFORMATION AND AUDIT

Stabilus will regularly monitor Business Partner's compliance with the principles, standards and requirements set out in this Business Partner Code of Conduct by means of surveys and audits.

The Business Partner agrees that Stabilus may carry out such audits at the Business Partner's premises during normal business hours, either itself or through third parties commissioned by it, after giving reasonable advance notice. The audits shall take place once a year or on the occasion of a changed risk assessment for the Business Partner's compliance with the principles, standards and requirements contained in this Business Partner Code of Conduct.

The Business Partner shall notify Stabilus immediately of any breach of any of the principles, standards and requirements contained in this Business Partner Code of Conduct by the Business Partner itself or its suppliers or other participants in the wider supply chain. If there is reason to suspect that this Business Partner Code of Conduct has been violated, Stabilus reserves the right to request written information and to conduct an unscheduled audit.

The Business Partner shall grant Stabilus and/or the appointed third-party access to the necessary documentation and means to ensure the auditing process. It is entitled to take appropriate measures to protect its interests and the interests of its employees during any audit, surveys or information requests, in particular with regard to trade and business secrets as well as compliance with data privacy rules.

4.3. CORRECTIVE MEASURES AND EARLY TERMINATION

In the event of a violation of this Business Partner Code of Conduct, Stabilus shall have the right to request the Business Partner to refrain from the violating action(s) and to implement appropriate corrective or improvement measures in consultation with Stabilus within a reasonable period. Stabilus is entitled to suspend the business relationship with the Business Partner in whole or in part during the period in which the Business Partner implements such measures.

In the event (i) that no evidence can be provided that corrective measures have been taken, despite a specific request to do so, or (ii) if repeated violations occur, or (iii) that the corrective measures do not remedy the violation of this Business Partner Code of Conduct within a reasonable period, Stabilus reserves the right to terminate the agreements with the Business Partner for good cause. Termination for other reasons shall remain unaffected, as shall any damage claims from Stabilus.

4.4. COMPLAINTS SYSTEM

Stabilus has established a complaints system to enable Business Partners and their employees and their (sub-)suppliers to uncover grievances that are contrary to this Business Partner Code of Conduct. The exact accessibility, responsibility and implementation of the procedure are defined in the corresponding rules of procedure for complaint proceedings published on https://group.stabilus.com/company/compliance-at-stabilus.

The Business Partner shall inform its employees about Stabilus' complaints system and grant access to this system while maintaining confidentiality and effective protection against discrimination. Likewise, the Business Partner shall inform its suppliers about Stabilus' complaints system and the possibility for the (sub-)suppliers and their employees to access the system.

5. CONFIRMATION

The Business Partner hereby declares that it will comply with the obligations of this Business Partner Code of Conduct. In addition, the Business Partner will adequately address the principles, standards and requirements set out herein along its supply chain and take them into account when selecting its suppliers.

_____
[Company name of the Business Partner]

_____
[Place, Date]

_____
[Authorized signature and company stamp of the Business Partner]

REFERENCES

Basel Convention on the Control of Transboundary Movements of Hazardous Wastes and their Disposal

https://www.basel.int/TheConvention/Overview/TextoftheConvention/tabid/1275/Default.aspx

Core Labour Standards of the International Labour Organisation (ILO)

https://www.ilo.org/global/standards/lang--en/index.htm

EU Animal Experiments Directive 2010/63

https://eur-lex.europa.eu/legal-content/EN/ALL/?uri=CELEX%3A32010L0063

Five Freedoms of the Animal Welfare Committee (AWC)

https://www.gov.uk/government/groups/animal-welfare-committee-awc

German Animal Welfare Act (TierSchG)

https://www.gesetze-im-internet.de/tierschg/BJNR012770972.html

German Supply Chain Due Diligence Act (LkSG)

https://www.gesetze-im-internet.de/lksg/BJNR295910021.html

Guidelines of the High Carbon Stock Approach (HCSA)

http://highcarbonstock.org/

Guidelines of the High Conservation Value Resource Network (HCV)

https://www.hcvnetwork.org/

Minamata Convention on Mercury

https://minamataconvention.org/en/resources/minamata-convention-mercury-text-and-annexes

OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas

https://www.oecd.org/corporate/mne/mining.htm

OECD Guidelines for Multinational Enterprises

https://www.oecd.org/corporate/mne/1922428.pdf

Regulation (EC) No 1907/2006 concerning the Registration, Evaluation, Authorisation and Restriction of Chemicals ("REACH")

https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A32006R1907

Terrestrial Animal Health Code of the World Organization for Animal Health (WOAH)

https://www.woah.org/en/what-we-do/standards/codes-and-manuals/terrestrial-code-online-access/

United Nations Universal Declaration of Human Rights

https://www.ohchr.org/en/human-rights/universal-declaration/translations/english

United Nations Global Compact's Principles

https://unglobalcompact.org/what-is-gc/mission/principles

United Nations Guiding Principles on Business and Human Rights

https://www.ohchr.org/sites/default/files/Documents/Publications/GuidingPrinciplesBusinessHR_EN.pdf

US Uyghur Forced Labour Prevention Act

https://www.govinfo.gov/app/details/PLAW-117publ78