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Sustainability guideline for suppliers and business partners of the C-P-S Group

Foreword

We, C-P-S Holding GmbH & Co. KG together with our affiliated companies C-P-S Professionals GmbH, C-P-S Dr. Böckmann s.r.o., C-P-S Automotive L.P. and C-P-S / SimPlan (China) Co. Ltd. (together "C-P-S Group") understand sustainability as an essential part of our business processes. We source raw materials, goods and services from suppliers worldwide in order to ensure the sustainable success of our customers with innovative product and service solutions. The basis for this is responsible corporate management geared towards long-term value creation.

In our procurement activities, we pay attention not only to process-related, economic and technical criteria, but also to social and ecological aspects such as human rights, working conditions, corruption prevention and environmental protection. In the area of conflict between product/service, market, region and process, costs, quality, reliability, innovation and sustainability are essential factors for us when selecting and evaluating suppliers.

C-P-S Group expects its suppliers to comply in their activities with the applicable national laws, the principles of the United Nations Global Compact, the Guidelines for Multinational Enterprises of the Organisation for Economic Co-operation and Development (OECD), the agreements of the International Labour Organisation (ILO), the Charter for Sustainable Development of the International Chamber of Commerce (ICC) and this Sustainability Policy.

Furthermore, you are expected to implement appropriate processes that support your company's compliance with applicable laws and promote continuous improvement with respect to the principles and requirements of this Sustainability Policy. C-P-S Group suppliers must work to ensure that their employees, their affiliated companies and their own suppliers in the wider supply chain also comply with and acknowledge the principles and requirements described here. Only together can we master the challenges of the future.

A. Scope of application

This Sustainability Policy applies to all natural persons or legal entities that sell or provide products, processes or services themselves or through third parties, e.g. affiliated companies, distributors, subcontractors, agents (hereinafter "Supplier"), to the C-P-S Group and all companies in which the aforementioned companies directly or indirectly hold a majority interest.

B. Fundamental principles and behavioural requirements

B.1 Integrity

Integrity means that C-P-S Group's business practices are always consistent with the company's values and principles of conduct. C-P-S Group requires its suppliers to comply with applicable law as well as with the additional values and principles of conduct defined herein. C-P-S Group maintains long-term business relationships only with those third parties whose business practices are consistent with the values and principles of conduct set forth in this Code of Conduct and thereby protect the Company and its employees from criminal or other liability.

B.2 Transparency, Trust and Cooperation

C-P-S Group is a fair and reliable partner. C-P-S Group and its employees therefore act transparently towards you as a supplier. Because transparency creates trust and trust is the basis for successful cooperation in the supplier network. We also have this claim on you. Responsible cooperation requires actions and decisions that are transparent and comprehensible. Only then will they meet with the necessary acceptance. For cooperation, transparency also means addressing issues openly and dealing with each other honestly.

B.3 Dealing with risks in the supply chain

C-P-S Group takes calculated business risks prudently in order to implement the corporate strategy and realise the associated opportunities. Business success generally requires that risks are identified, assessed and managed at an early stage. Due to the complex supply network to which you belong as a supplier together with your sub-suppliers, the analysis and evaluation of the supply chains plays an essential role. This is particularly important in order to comply with the legal requirements of the Supply Chain Act. To this end, we expect your active cooperation and support in identifying or classifying risk burdens and agreeing on remedial measures for identified risks. This applies in particular to the acceptance and implementation of the methods used, e.g. self-disclosure or on-site inspections, if necessary by commissioned third parties. C-P-S Group reserves the right to check the implementation of these measures.

B.4 Compliance with applicable laws

C-P-S Group respects and complies with all applicable local, national and international laws and regulations. Compliance with these laws and regulations is the basis for long-term economic success. Violations of these laws and regulations can lead to significant damage and serious consequences for the company as well as for employees, business partners and other stakeholders. C-P-S Group does not tolerate violations and equally requires its suppliers to comply with applicable laws, government regulations and rules.

B.5 Care in handling business assets

If C-P-S Group property, e.g. equipment, operating resources or information technology, software, data or intellectual property, is provided to you as a supplier, you are obliged to handle it carefully and responsibly and to protect it from unauthorised access.

B.6 Proper accounting and financial reporting

C-P-S Group requires its Suppliers to comply at all times with the principles of proper accounting and, where applicable, financial reporting. C-P-S Group Suppliers shall keep proper records and shall not alter any entries to conceal or falsify any transaction affected thereby. All records created or received as evidence of a business transaction, regardless of format, must fully and accurately reflect the incident being documented. Records shall be retained in accordance with applicable regulations.

C. Social responsibility

C.1 Respect for human rights

Respect for human rights is an integral part of C-P-S Group's corporate responsibility. As a supplier to C-P-S Group, you should also commit to the United Nations International Human Rights Code, the ten principles of the "UN Global Compact" and the internationally recognised standards of the International Labour Organisation (ILO). C-P-S Group requires you, as a supplier, to respect the dignity and personal rights of individuals and all stakeholders with whom you are associated through activities, business relationships or products. C-P-S Group requires you to actively prevent the impairment of human rights and to eliminate such impairments as part of a due diligence process.

C.2 Rejection of forced and child labour

C-P-S Group lehnt jegliche Form von Kinderarbeit, Zwangs- und Pflichtarbeit, moderner Sklaverei, unfreiwilliger oder ausbeuterischer Gefängnisarbeit, Menschenhandel oder andere Formen der Ausbeutung in seinen eigenen Geschäftstätigkeiten strikt ab. C-P-S Group fordert dies nachdrücklich auch von seinen Lieferanten und deren Lieferkette ein. C-P-S Group verbietet allen Lieferanten strikt den Einsatz von Zwangsarbeitern oder die Beteiligung an jeglicher Form von Menschenhandel.

C.3 Land, Forest and Water Rights and Forced Evictions / Rights of Ethnic Minorities and Indigenous Peoples

The Supplier undertakes to protect land, forests and waters whose use secures the livelihood of local people (especially ethnic minorities and indigenous peoples) and recognises the right of local people to use land, forests and waters as a source of livelihood. C-P-S Group rejects any kind of expropriation and forced eviction and expects the same from its suppliers.

C.4 Use of private or public security forces

To the extent that the Supplier operates in locations or situations that require the use of security personnel to carry out a Company project, the Supplier will ensure that the security personnel comply with the social responsibility requirements set forth in this Policy.

D. Dealing with employees, colleagues

D.1 Fair working conditions and staff development

It is prohibited to use misleading or fraudulent practices in the recruitment and employment of staff. It is not permitted to make false statements about working conditions, including wages and fringe benefits, place of work, living conditions, dangerousness of work, accommodation and related costs (if provided or arranged by the employer or intermediary). Employment contract documents must be in writing and must include a detailed description in an understandable form or language of the prospective employee in terms of execution and must be received in good time at least five days prior to activities related to the commencement of work. Employees' identity documents must not be retained, tampered with or destroyed. Any accommodation provided must be at least up to the standard of the country. Suppliers should also develop employees according to individual skills and professional and personal interests. Ideally, company interests should be aligned with individual needs.

D.2 Diversity and the principle of equality and inclusion

C-P-S Group requires its suppliers to provide an appreciative and prejudice-free working environment free from discrimination, intimidation and harassment. All employees are to be treated equally, regardless of age, gender, gender identity, ethnic origin, nationality, religion or belief, disability or sexual orientation. The inclusion of people with physical or mental disabilities shall be promoted.

D.3 Dialogue with employees and employee representatives

C-P-S Group requires its suppliers to respect its employees' right to freedom of association and assembly and to grant them the right to bargain collectively. All employees should always have the opportunity to voice their concerns.

D.4 Remuneration and working hours

C-P-S Group requires its suppliers (including, but not limited to, those hiring out workers) to comply with the legally guaranteed minimum wages in the respective labour markets as well as the applicable labour regulations/laws, in particular with regard to working hours.

D.5 Occupational health and safety

C-P-S Group expects its suppliers to comply with the respective applicable national legislation on health and safety at work. Furthermore, suppliers are expected to establish and apply an appropriate occupational health and safety management system. This includes, on the one hand, the containment of actual and potential occupational safety risks and, on the other hand, the training of employees in order to prevent accidents and occupational illnesses in the best possible way. This also includes providing appropriate protective equipment (PPE) when needed, as well as creating emergency plans and conducting appropriate emergency drills.

E. Ethical Business Conduct

E.1 Fair competition

C-P-S Group stands for fair, free and undistorted competition. In almost all countries, there are laws and regulations that prohibit agreements, arrangements and concerted practices between competitors, suppliers, customers and dealers that have the purpose or effect of impairing competition. The same applies to the abuse of market power through unilateral conduct. C-P-S Group requires its suppliers not to engage in conduct that violates competition and antitrust laws and to ensure this expectation in the supply chain.

E.2 Prohibition of corruption and bribery

C-P-S Group expects its suppliers not to tolerate corruption and to ensure compliance in their companies with the United Nations (UN) and Organisation for Economic Co-operation and Development (OECD) conventions on corruption and relevant anti-bribery laws. Any conduct by suppliers that could give the impression of improperly influencing business decisions is prohibited. In particular, ensure that your employees, subcontractors or agents do not offer, promise or grant any benefits to C-P-S Group employees or related third parties with the aim of obtaining a contract or other preferential treatment in business dealings.

E.3 Invitations, gifts and other benefits

C-P-S Group expects that its suppliers will not misuse invitations and gifts to influence. Invitations and gifts to C-P-S Group employees are only permitted if the occasion and scope are transparent and appropriate, i.e. they are of low value and are to be regarded as an expression of locally generally accepted business practice. Similarly, suppliers do not demand unreasonable benefits from C-P-S Group employees.

E.4 Prevention of money laundering and terrorist financing

C-P-S Group requires its suppliers to comply with legal obligations to prevent money laundering and terrorist financing and not to engage in or facilitate activities related to money laundering and terrorist financing.

E.5 Avoidance of Conflicts of Interest

C-P-S Group expects its suppliers to make decisions related to their business with C-P-S Group based solely on objective criteria. Conflicts of interest with private interests or other economic or other activities, including those of relatives or otherwise related persons or organisations, are avoided at the outset.

E.6 Export control and sanctions law

National and international laws and regulations govern import, export, trading, brokering or financing transactions, the provision of services and the transfer of goods (merchandise, software and technology). C-P-S Group requires its suppliers to ensure through appropriate processes that transactions and activities with both third parties and the C-P-S Group do not violate export control and sanctions laws and that any required evidence and information is provided promptly.

E.7 Intellectual Property / Plagiarism

C-P-S Group suppliers protect and acknowledge intellectual property of C-P-S Group and third parties. Examples include patents, trademarks, copyrights, designs, trade secrets, samples, models and know-how. In particular, C-P-S Group suppliers ensure that the products supplied to C-P-S Group do not infringe the intellectual property of third parties. C-P-S Group Suppliers shall develop and maintain effective procedures and processes to minimize the risk of introducing counterfeit parts and materials into their products. Recipients of counterfeit products are notified when appropriate evidence is provided and counterfeits are removed from the products supplied.

E.8 Taxes and duties

C-P-S Group requires its suppliers to comply with applicable tax laws and customs regulations.

F. Handling of information / data

F.1 Protection of company-relevant information

C-P-S Group requires from its suppliers an appropriate level of information protection to protect information from misuse, loss, destruction, unauthorised use and manipulation. The level of information protection is to be proven by presenting suitable certificates (e.g. ISO/IEC 27001 "Information Technology - IT Security Procedures - Information Security Management Systems - Requirements") or a test according to the VDA model "TISAX" (Trusted Information Security Assessment Exchange).

F.2 Protection of personal data

C-P-S Group requires its suppliers to protect and respect personal rights. Suitable measures must be taken to ensure compliance with the applicable regulations and laws, in particular with regard to the handling of personal data. If the supplier necessarily processes personal data of the C-P-S Group within the scope of the cooperation, the supplier shall be prepared to conclude a commissioned data processing agreement and shall only process personal data if such an agreement has been effectively concluded.

F.3 IT Security

Data processed in IT systems must be protected in the best possible way, but at least in accordance with the law.

F.4 Insider information

Insider information, i.e. concrete information that would be capable of significantly influencing the price of listed securities if it became publicly known, must be treated as strictly confidential. Suppliers who have such insider information may not use it for trading in securities or other financial instruments. They shall also not pass on insider information to third parties or use it to recommend the purchase or sale of securities or other financial instruments.

G. Sustainability, environment, safety and health

G.1 Environmental protection and sustainability

C-P-S Group expects its suppliers to comply with applicable national environmental laws, regulations and standards. Furthermore, suppliers are expected to establish and apply an appropriate environmental management system to minimise environmental impacts and hazards and to continuously improve environmental protection in daily business operations. C-P-S Group requires its suppliers to actively promote sustainable business strategies. Early prevention, e.g. through the use of renewable energies, and minimisation of pollution or waste must be the focus of action. Corresponding, qualified certifications are expected as proof. A special focus is placed, among other things, on the handling of so-called conflict minerals and critical minerals and materials in general, where the entire supply chain is the key to greater responsibility and care and therefore further requirements are placed on transparency and cooperation. The supplier undertakes to comply with the regulations on prohibited and declarable substances and to provide evidence of this.

G.2 Energy consumption/efficiency, resource and climate protection, soil quality and animal welfare

C-P-S Group expects its suppliers to monitor and document their own energy consumption and to find economic solutions to improve energy efficiency and minimise energy consumption. Natural resources such as water, air, energy sources or raw materials are used sparingly to conserve them. Negative impacts on the environment and climate caused by our suppliers themselves or within their supply chains are to be minimised or prevented at the point of origin. In doing so, the principles of the circular economy, such as material reduction and substitution as well as return, shared use, maintenance, reuse, remarketing, remanufacturing, refurbishment and recycling, shall be taken into account. Our suppliers shall be committed to the development and use of environmentally and climate friendly products, processes and technologies and ensure continuous environmental improvements through clear targets and improvement strategies. This includes, for example, reducing raw material and energy consumption, emissions, effluents, noise emissions, waste and dependence on natural resources and hazardous substances. Negative impacts in terms of biodiversity, animal welfare, deforestation, soil quality conservation, climate change and water scarcity shall be minimised. In order to demonstrate and further develop these topics and indicators, it is recommended that suppliers join corresponding initiatives or have suitable ratings.

G.3 Treatment and discharge of industrial waste water

C-P-S Group suppliers monitor wastewater from operations, manufacturing processes and sanitary facilities prior to discharge or disposal. In addition, measures are continuously identified and tracked to reduce wastewater generation.

G.4 Waste and emissions

C-P-S Group suppliers ensure safety and compliance in the handling, storage, transportation, disposal, recycling and reuse of waste, exhaust and effluents. Activities that may have a negative impact on human health or the environment are appropriately managed, measured and controlled. The release of hazardous substances is minimised. Special caution is required for active substances.

G.5 Chemicals management

Chemicals or other materials that pose a hazard when released into the environment shall be identified and managed in such a way that handling, transport, storage, use or reuse and disposal are carried out safely. If required, applicable documentation containing all necessary safety-related information on all hazardous substances shall be made available. This includes product information, safety data sheets, notification and authorisation confirmations, uses and exposure scenarios. Our suppliers proactively and transparently share information on the health, safety and environmental aspects of their products with all parties involved.

G.6 Product safety and compliance

C-P-S Group suppliers comply with legal requirements for product safety and labelling and properly communicate the requirements for handling their products. Product safety has the primary objective of not endangering the health and safety of persons. In compliance with the legal and regulatory requirements applicable at the time of placing the product on the market, in particular the legal provisions on product safety in the context of development, production, instruction and observation in circulation, the conformity of all processes, products and services is strived for. In doing so, the supplier shall take into account the respective current state of knowledge and technology as well as the justified safety expectations of the end users throughout the entire life cycle.

H. Reporting, notices and contact persons

H.1 Handling of misconduct of any kind

Inappropriate behaviour is actively raised at C-P-S Group. Both employees and external stakeholders are always encouraged to speak up freely and without fear of reprisal. Reprisals against employees who raise concerns in good faith about misconduct within the company are prohibited. This also applies to external stakeholders who approach C-P-S Group.

H.2 Whistleblower protection

C-P-S Group suppliers will promote and ensure communication channels for their employees to file complaints or report possible wrongful conduct without fear of repression, intimidation or harassment. Any communication shall be treated confidentially and, where necessary, appropriate action shall be taken to improve it.

H.3 Whistleblowing system

Information on violations of the C-P-S Group Sustainability Policy, the C-P-S Group Code of Conduct for Employees or other legal regulations with operational relevance, in particular on illegal business practices, potential human rights violations or environmentally harmful facts, can be provided at any time via the C-P-S Group whistleblower system. For this purpose, C-P-S Group has established the following whistleblowing office. Whistleblowers can contact this complaints office at the e-mail address info@c-p-s.de.

I. Compliance, Violations, Audit Rights

C-P-S Group expects its suppliers to comply with all of the principles and requirements described herein and to pass them on to their subcontractors and suppliers to the appropriate extent. C-P-S Group may, in consultation with the supplier, verify supplier compliance with the principles and requirements set forth in this Sustainability Policy through on-site audits conducted by a third party appointed by C-P-S Group. Any breach of the principles and requirements set out in this Sustainability Guideline shall be considered a material impairment of the contractual relationship on the part of the suppliers. In case of suspicion of non-compliance with the principles and requirements described (e.g. negative media reports), C-P-S Group reserves the right to demand information about the relevant facts. Furthermore, C-P-S Group has the right to terminate without notice individual or all contractual relationships with suppliers who demonstrably do not comply with the sustainability guideline or who do not strive for and implement improvement measures after they have been given a reasonable period of time to do so by C-P-S Group.

J. References

The principles set out in this Sustainability Policy are based on the content of the following conventions and standards:

- Principles of the United Nations (UN) Global Compact.
- Guidelines for Multinational Enterprises of the Organisation for Economic Co-operation and Development (OECD)
- Agreements of the International Labour Organisation (ILO)
- Charter for Sustainable Development of the International Chamber of Commerce (ICC)

Detailed guidelines on sustainability can be found in our Code of Conduct for ourselves and our suppliers at <http://www.c-p-s.de>. For complaints or suggestions on sustainability in the supply chain, please contact info@c-p-s.de.

Supplier declaration

The supplier has received and fully acknowledged the C-P-S Sustainability Policy. The supplier hereby undertakes to comply with and acknowledge all principles and regulations of the C-P-S Sustainability Guideline. The substantive law applicable in the Federal Republic of Germany applies to this declaration.

Name of the supplier

Place, Date

Stamp

Name (in block letters)

Signature