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1 Foreword

For Schulte & Co. GmbH, including its subsidiaries, the ILO (International Labor Organization), as well as the basic principles listed in other relevant regulations, form the basis of our actions in addition to the United Nations Global Compact. For joint implementation with our suppliers, we have established a sustainability guideline with which we call on our suppliers to uphold and respect general human rights and laws, and to demand the same from their own suppliers. We also call on our suppliers to introduce behavioral guidelines for themselves and their employees with requirements for ethical and sustainable conduct and to demand compliance. The responsibility lies on the side of the supplier to pass on and promote compliance with the principles listed in this guideline in their own supply chain to the best of their ability. We as Schulte & Co. GmbH expect its suppliers to comply with the principles described below:

2 Compliance and business ethics

2.1 Compliance with laws

Our suppliers are required to refrain from any form of fraud or embezzlement, insolvency offenses, corruption, granting of advantages, bribery or venality. We expect the highest level of integrity in all business activities and relationships. The supplier is obliged to comply with all regulations and laws applicable to him and the business relationship with Schulte & Co. GmbH shall comply with all regulations and laws applicable to him and the business relationship with Schulte & Co.

2.2 Prohibition of corruption, extortion and bribery

Any form of corruption is to be refrained from. In particular, bribery, the payment of bribes and extortion aimed at influencing representatives of business partners, politics, administration, the judiciary or the public are prohibited.

2.3 Fair competition, antitrust law


Any laws and regulations that promote and protect competition, in particular antitrust laws, must be complied with. Companies must respect fair competition and comply with the prohibition of price fixing with competitors and other measures that impede the free market.

2.4 Trade secrets

Our suppliers are obliged to treat all commercial and technical details which are not in the public domain and which become known to them through the business relationship as business secrets.

2.5 Whistleblowing and protection against retaliation

We expect our suppliers to protect employees who file a complaint report within the supplier company from threats, harassment or other adverse actions. In addition, care must be taken to

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protect the personal data of whistleblowers and reporters. Whistleblowers are expected to maintain the confidentiality of their identity during all phases of the process by the supplier company.

3 Social sustainability

3.1 Compliance with human rights

We ask our suppliers to respect internationally recognized human rights (UN Human Rights Charter) and to promote their observance. In all business activities within their sphere of influence, suppliers should work to ensure that they themselves, their business partners and their suppliers do not commit or participate in human rights violations.

3.2 Prohibition of child labor

No child labor may be used in any phase of the production chain or processing. Suppliers are required to comply at least with the ILO conventions on the minimum age for admission to employment and on the prohibition of child labor. Children must not be inhibited in their development, and their safety and health must not be impaired.

3.3 Prohibition of forced labor

Any form of forced or compulsory labor is prohibited and is rejected by Schulte & Co. GmbH. The supplier may not force employees to hand over their identity card, passport or work permit to him as a precondition for employment.

3.4 Fairness in wages, working hours and social benefits


Working hours and non-working hours must at least comply with applicable laws, industry standards or relevant ILO conventions, whichever is more stringent. Compensation and benefits must comply with the basic principles regarding minimum wages, applicable overtime regulations and statutory social benefits.

3.5 Equal opportunities / prohibition of discrimination / harassment

Our suppliers are obliged to maintain equal opportunities in employment and to refrain from any discrimination. Discrimination against employees, for example on the basis of origin, race, color, nationality, religion, gender, sexual orientation, ideology, political and trade union activity, age, disability, illness or pregnancy, must not take place.

3.6 Freedom of association and right to collective bargaining

We call on our suppliers to ensure that workers can openly discuss working conditions with company management without fear of disadvantage. Companies should uphold the freedom of association and the effective recognition of the right to collective bargaining. The right of workers to associate, join a trade union, appoint and be elected to representation, and freedom of expression shall be respected.

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3.7 Occupational health and safety

We require our suppliers, as employers, to ensure occupational health and safety at least within the scope of the applicable national regulations and to support and promote continuous development to improve the working environment.

4 Sustainability in environmental protection

4.1 Environmentally friendly products

All products manufactured along the supply chain must meet the environmental protection standards of their market segment. This includes the complete product life cycle and all materials used. Chemicals and other substances that may pose a hazard if released into the environment must be identified. Hazardous substance or chemical management must be established for them so that they can be safely handled, transported, stored, reprocessed or reused and disposed of through appropriate procedures.

4.2 Environmentally friendly production

In all phases of production, the sense of responsibility of each individual employee is the basis for optimum environmental protection so that this is continuously ensured.

This includes a proactive approach to avoiding or minimizing the consequences of accidents that can have a negative impact on the environment. Particular importance is attached to the application and further development of energy- and water-saving technologies - characterized by the use of strategies for reuse and recycling as well as for the continuous improvement of air and water quality.

4.3 Energy Consumption & Greenhouse Gas Emissions


We expect our suppliers to develop and implement a strategy to reduce energy use. Increasing the share of renewable energy should be a goal of the management program. This should serve to comply with the targets for CO² emissions agreed at the UN Climate Change Conference in Paris (2015). As a final target for the future, the focus should be on climate-neutral products in addition to climate-neutral production.

4.4 Water Quality & Consumption:

Our suppliers shall effectively reduce water consumption, reuse and treat water where possible. Wastewater should be responsibly discharged for reuse.

4.5 Air Quality:

In our supply chain, we expect air emissions to be routinely monitored, appropriately controlled, and if present, air emissions reduced or minimized to promote local air pollution control.

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4.6 Natural Resources Management and Waste Reduction:

We expect our suppliers to promote the use of sustainable, renewable and natural resources and to increase reuse and recycling rates.

4.7 Responsible Chemical Management:

If restricted substances are used in the production process or are present in the end product, they must be identified. Furthermore, the associated compliance with legal regulations must be ensured. This must also be taken into account when using reportable substances in processes and in the end products. The supplier is requested to actively search for suitable substitutes or to reduce their use.

5 Sustainability policy in the supply chain

In order to implement the aforementioned basic principles and achieve the associated goals, it is necessary to pass on these contents in the respective supply chain. Only in this way can the social challenges be met by involving all partners involved in the product creation process. Innovative solutions in the processes and products, also in the upstream manufacturing stages, offer the opportunities to jointly achieve the goals.

6 List of changes

Revision	Capital	Description of changes	Release date
00	all	Creation	22.01.2021
01	2.5	Add chapter 2.5	12.02.2021
02	all	Update as well as extension from point 4.3 and point 5.	27.04.2021