



KOLBENSCHMIDT

**PISTONS**

DRIVING YOUR SUCCESS.

# **SUPPLIER CODE OF CONDUCT**

KOLBENSCHMIDT PISTONS



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## **PREAMBLE**

Respect, trust and openness – according to these principles we steer **Kolbenschmidt Pistons**, and this is what the entire company stands for with vigor.

For us, correct business conduct must always include the strict observance of all principles of good corporate governance:

First and foremost, that means the adherence to our strict ethics and compliance rules when dealing with customers, business partners, employees, stakeholders and the public at the Group headquarters and abroad.

As an automotive supply group, which successfully operates with different products in many markets, we also pursue a risk-based approach when it comes to our compliance program: Hence we place particular value on our strict rules for preventing corruption and bribery.

Whereas we give specific emphasis on aspects such as antitrust, anti-money laundering and the handling of risks in our company.

Apart from the mere observation of these rules it is important for us to actively promote an attitude of integrity amongst colleagues and stakeholders and an open and early involvement of our compliance organization in cases of doubt. The same ethics and compliance requirements of course are also expected from our business partners.

Yes, we want to successfully conclude our business. However, we only want to do those businesses, which are in accordance with the applicable laws, and with the rules of good corporate governance, corporate compliance and common industry standards. We must all commit ourselves to this.

## 1. HUMAN RIGHTS

**Kolbenschmidt Pistons** expects its suppliers to comply with internationally recognized human rights such as the United Nations' Universal Declaration of Human Rights.

**Kolbenschmidt Pistons** expects its suppliers to ensure equal opportunity in employment and to refrain from any discrimination unless national law explicitly permits selection to be based on certain criteria. Employees may not be treated differently on account of gender, race, skin color, any possible disability, origin, religion, age or on account of sexual orientation.

**Kolbenschmidt Pistons** expects its suppliers not to engage in any activities associated with human trafficking, not to participate in them or profit from them during the entire recruitment phase and duration of employment.



## 2. WORKING CONDITIONS

**Kolbenschmidt Pistons** expects its suppliers to acknowledge the right of all employees to appropriate remuneration. Salary/remuneration and other benefits (benefits, vacation etc.) shall take account of the principle of fairness and comply at least with the respective national legislation or the level of the national economic sectors/industries.

**Kolbenschmidt Pistons** expects its suppliers to apply and comply with the respective national regulations and agreements on working hours and on regular paid vacations. **Kolbenschmidt Pistons** expects its suppliers to ensure occupational safety and health protection at the workplace pursuant to the respective national legislation and ensure that continuous development takes place to improve working conditions.



### 3. FREEDOM OF ASSOCIATION

**Kolbenschmidt Pistons** expects its suppliers to acknowledge the right of employees to freely form or join trade unions of their choice. Suppliers shall accept the establishment of workforce or trade union representation of employees and welcome it in a positive manner, unless it conflicts with the respective national legislation.

### 4. ENVIRONMENT

**Kolbenschmidt Pistons** expects its suppliers to comply with the national environmental legislation, regulations and standards applicable in each case.

**Kolbenschmidt Pistons** expects its suppliers to ensure that the most effective environmental protection measures are in force in their production and environmental impacts are steadily reduced.

**Kolbenschmidt Pistons** expects its suppliers to ensure that all products manufactured along the delivery chain, including all materials used meet the relevant environmental production standards applicable in their market segment.

### 5. CONFLICTS OF INTEREST

**Kolbenschmidt Pistons** expects its suppliers to make decisions solely on the basis of objective, business-related criteria and not to be influenced by private or financial interests or personal relationships.



## 6. ORGANIZATIONAL INTEGRITY

**Kolbenschmidt Pistons** demands correct business conduct from its suppliers and their employees, subcontractors, intermediaries and consultants in the form of compliance with all applicable legislation, ordinances and industrial standards. Corruption or attempted corruption of any kind and other illegal practices such as fraud, extortion, embezzlement, misappropriation, tax evasion or money laundering will not be tolerated.

**Kolbenschmidt Pistons** expects the supplier to have put processes in place to monitor compliance with all applicable legislation, ordinances and industrial standards and to maintain them permanently.

**Gifts & Benefits – Kolbenschmidt Pistons** expects its suppliers not to have accepted, demanded or received any donations, which could lead to a conflict of interests.

**Dealing with authorities – Kolbenschmidt Pistons** expects its suppliers to comply with the legal regulations in dealing with government authorities and public institutions.

**Use of intermediaries and consultants – Kolbenschmidt Pistons** expects its suppliers only to use intermediaries and consultants in compliance with the respective national legislation. They shall ensure that the remuneration paid is only granted for brokering and consulting services actually supplied, and the remuneration is appropriate to the service supplied.

**Antitrust – Kolbenschmidt Pistons** expects its suppliers to comply with the applicable antitrust and competition provisions in force. They shall neither reach agreements that violate antitrust law (e.g. to set prices or divide markets) with competitors, suppliers, customers or other third parties nor use any dominant market position that they may have in an inadmissible manner.

**Foreign trade legislation – Kolbenschmidt Pistons** expects its suppliers to comply with all applicable legislation for the import and export of goods, services and information including sanctions, embargoes, ordinances, government decrees and directives.

**Prevention of money laundering – Kolbenschmidt Pistons** expects its suppliers to counter the channeling of illegally acquired financial resources into the economic system through suitable and reasonable measures.

**Tax honesty – Kolbenschmidt Pistons** expects its suppliers to pay the taxes/duties incurred because of the order in their country or third countries in accordance with the regulations and maintain appropriate documentation of this.

## 7. INTELLECTUAL PROPERTY

**Kolbenschmidt Pistons** expects its suppliers to respect operating and commercial secrets. Data/information made available may only be used within the framework of the business relationship for the agreed purpose and to fulfill the services for **Kolbenschmidt Pistons** unless explicit written consent for other purposes has been given. Confidential information and content must be protected from internal and external misuse and may not be published without authorization, passed to third parties or made available in other form.

## 8. COMPLIANCE

For **Kolbenschmidt Pistons**, adherence to environmental, social and legal rules in the value chain is of major significance. Together with our suppliers, **Kolbenschmidt Pistons** aims to improve them continuously. The Supplier Code of Conduct is an integral part of the order.


Each violation against the rules and standards listed in this Supplier Code of Conduct will be considered as compromising the business relationship and the contractual relationship.



Klaus Semke  
Managing Director, CEO



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Managing Director, CFO



Oliver Bender  
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