

## **PWO Business Partner Code of Conduct**

Progress-Werk Oberkirch AG, including its affiliates as defined by § 15 of the German Companies Act (AktG) (jointly referred to as "PWO" or the "Group"), is a partner to the global automotive industry for the development and production of advanced metal components and subsystems using lightweight construction. Since PWO was founded in 1919, the Group has developed a unique knowledge in metal forming and joining. With our expertise in cost-optimized lightweight construction, we contribute to environmentally friendly driving and greater distances.

### **Basic Principle of Our Business Activities**

For a successful company rich in tradition like PWO, acting in compliance with the law is a matter of course. To safeguard and deepen trust in the Group's management among shareholders, employees, customers and suppliers, as well as among the public, we are committed to responsible corporate governance. We are true to our corporate mission in conducting our business with integrity and in compliance with ethical standards. This basic principle is the foundation of our activities and an essential factor when it comes to securing our company's long-term, sustainable success for the future. The above-noted principle is also reflected in our Code of Conduct, which serves as a guideline and standard for our managers and employees. We also expect our business partners to follow the principles defined in this Business Partner Code of Conduct. The Code of Conduct and the PWO Business Partner Code of Conduct have been published at <https://www.progress-werk.de/en/group/corporate-governance/principles-of-conduct/>. The PWO Business Partner Code of Conduct goes beyond mere compliance with laws and regulations. We consider it an indispensable condition for the selection and appraisal of, and for our collaboration with, our business partners that they: act in conformity with all applicable laws and observe ethical standards, also take this into account in selecting their business partners and work towards realizing this basic understanding throughout PWO's entire supply chain. Any statutory national, supranational or international laws and regulations remain in force where applicable and take precedence over this Business Partner Code of Conduct wherever they set higher standards in individual cases. In case of lower standards, the Business Partner Code of Conduct shall take precedence.

### **1. Behaving with Integrity in All Business Activities**

#### **Prohibition of Corruption and Bribery**

Corruption is prohibited by international conventions (e.g., the principles of the UN Global Compact and the UN Conventions against Corruption) and national laws.

PWO does not tolerate any form of bribery or business practices that may give rise to the impression that there is any impermissible taking of influence or manipulation among both its own employees as well as its business partners.

PWO expects that its business partners refrain from offering any advantages whatsoever to third parties and receive neither any direct nor indirect advantages for themselves from others. Likewise, they shall not promise any advantages constituting an illegal action pursuant to the applicable anti-corruption laws.

PWO also expects that its business partners do not tolerate any form of illegal gratuities whatsoever, particularly in business contact with official dignitaries and authorities at home and abroad. They shall likewise ensure the integrity of their employees' conduct and procedures.

### **Invitations and Gifts**

In the handling of gratuities, for example in the form of gifts or invitations, the business partner shall pay close attention generally and particularly, with respect to its activity for PWO, to avoid any appearance of impropriety or incorrectness. PWO expects that its business partners do not abuse invitations and gifts for the purpose of exerting influence. Invitations and gifts to PWO employees or persons associated with them shall be granted only if the reason and value is appropriate, i.e., if they are of low value and if they can be considered as an expression of locally generally accepted business practice. In the same way, business partners shall not solicit any inappropriate advantages from PWO employees.

### **Fair Competition**

PWO expects that its business partners act fairly in competition and observe the applicable legal regulations of anti-trust and competition law. Business partners shall neither participate in any agreements with competitors contrary to anti-trust regulations nor take advantage of any possibly existing market-controlling position.

### **Money Laundering**

PWO expects that its business partners observe the relevant legal requirements for the prevention of money laundering, that they do not get involved in money-laundering actions, and that they support the international fight against money laundering.

### **Avoidance of Conflicts of Interest**

PWO expects that its business partners make their decisions regarding their business with PWO exclusively on the basis of objective considerations. Conflicts of interest with private or family matters or otherwise with economic or other activities, as well as those of associated persons or entities or other related persons or organizations shall be avoided from the outset.

## **2. In the Interest of Human Rights**

PWO expects from its business partners the recognition of the "Universal Charter of Human Rights" of the United Nations, the principles of the UN Global Compact, and the core work standards of the International Labor Organization (ILO), in consideration of the country-specific laws applicable at the different sites. PWO expects its business partners to ensure compliance with fundamental human rights in their business operations in accordance with the applicable national laws and regulations.

### **Child Labor**

PWO expects that its business partners prohibit and refrain from any kind of child labor at their companies.

## **Discrimination**

PWO expects that its business partners treat their employees fairly and that they prevent discrimination in the hiring of employees as well as in promotions, the remuneration of work of equal value or the provision of training or continued education measures. We expect from each business partner that they do not discriminate against anyone by reason of their gender, skin color, national and ethnic origin, age, citizenship, political opinion, world view, religious affiliation, social origin, health status, disability, or sexual orientation. The rights of indigenous peoples shall be respected and protected by PWO's business partners.

## **Human Trafficking, Slavery and other forms of Forced Labor**

PWO prohibits any kind of human trafficking, slavery, forced labor or comparable practices and expects the same from its business partners.

## **Freedom of Association**

PWO expects that its business partners respect the freedom of association as well as the right to form interest groups. Thus, they shall grant the right to their employees under national laws and regulations to represent their interests collectively.

## **Compensation and Working Hours**

PWO expects that its business partners observe the respectively applicable legislation on working hours. Furthermore, it is expected that the employees of our business partners receive compensation that is consistent with the respectively applicable national, provincial and/or state laws.

## **Health Protection and Work Safety**

PWO expects that its business partners observe the applicable legislation on health protection and work safety. The business partner shall support the protection of its employees' safety and health through appropriate measures, such as preventive and consistent work protection, appropriate instruction and training as well as a safe and healthy work environment.

## **Deployment of Security Forces**

PWO expects that its business partners, when hiring or using private or public security forces for business purposes, will discourage the use of extensive violence and interference with freedom of association and freedom of labor by providing adequate instruction and supervision of the security forces.

## **Land Acquisition**

PWO expects that when acquiring land, its business partners will not engage in unlawful evictions or other forms of unlawful deprivation of land, forests, and waters whose use provides a person's livelihood.

## **3. Environmental Protection**

### **Efficient Dealing with Resources**

The business partner shall, within the scope of its capabilities, advocate for the efficient use of energy, water and raw materials, as well as for the use of renewable resources and the minimization of environmental and health damage. Non-renewable resources in particular should be used as sparingly as possible. PWO expects the business partner to continuously identify and implement potential improvements as part of its environmental policy.

### **Avoidance and Mitigation of Environmental Impacts**

#### CO<sub>2</sub> Reduction

PWO develops its climate targets in line with the Paris Climate Agreement and in collaboration with its business partners, contributing to the reduction of CO<sub>2</sub> emissions along the value chain. As such, PWO expects its business partners to record and monitor direct and indirect CO<sub>2</sub> emissions, including the upstream supply chain. The business partner shall strive to continuously reduce such CO<sub>2</sub> emissions in line with the Paris Climate Agreement and within the scope of its capabilities.

#### Water Quality and Consumption

PWO expects targeted prevention from its business partners, particularly in areas where environmental pollution can have a damaging effect on the basis of food production, access to sanitary facilities and safe drinking water, or the health of individuals. Water consumption is to be recorded completely and transparently and continuously reviewed for reduction potential.

### **Handling Hazardous Substances and Waste**

The business partner shall observe the guidelines set by applicable laws and international agreements (e.g. REACH) in the use, production and trade of hazardous substances, other chemicals and wastes.

### **Sustainable Products**

In developing products and services, the business partner shall ensure that their use is economical in terms of consumption of energy and natural resources. This includes that reuse, recycling and safe environmentally friendly disposal are taken into account, and that waste is reduced as much as possible. PWO expects its business partners to comply with the applicable environmental laws, regulations and standards.

#### **4. Confidential Handling of Information**

In order to protect confidential and personal information, data and plans, the business partner shall store these securely and protect them against access by third parties.

PWO expects that its business partners observe all relevant laws and regulations regarding data privacy and that they gather, process and use personal data only in accordance with the conditions of the applicable data protection regulations.

Business partners may use information exclusively for authorized purposes and in an appropriate way and manner. All business partners of PWO undertake not to disclose any confidential data or business secrets to third parties without PWO written authorization and not to use these on their own for their own purposes.

#### **5. Compliance and Implementation of Standards Described**

PWO calls on selected business partners to carry out a self-assessment based on a supplier survey. PWO will verify the compliance and implementation of the standards described herein within the scope of a risk-based review in order to detect any compliance or integrity risks.

In case of non-compliance with the standards described in this PWO Business Partner Code of Conduct, PWO reserves the right to review the business relationship with each business partner. In doing so, PWO will adhere to the principle of appropriateness, such that PWO will review carefully which consequences are appropriate, suitable and required in each individual case. This may lead to an immediate termination of the business relationship as well as to claims being brought for damage compensation.

#### **Supplier Relations**

PWO's business partners shall require their subcontractors and suppliers to comply with the principles and requirements described in this PWO Business Partner Code of Conduct and take this into account when selecting such subcontractors and/or suppliers. PWO's business partners strive for compliance in the supply chain leading to PWO. Particular attention must be paid to the responsible procurement of raw materials, as the extraction, further processing, and trade of certain raw materials can be associated with high risks for people and the environment.

#### **Management Systems**

PWO recommends that its business partners implement the appropriate management systems or equivalent processes to ensure compliance with the principles listed herein, e.g., by using a certified management system.

#### **6. Reporting of Violations**

Despite the commitment to act honestly and ethically, every company is exposed to the risk that various situations may not proceed appropriately or that unlawful or unethical acts may be committed, either knowingly or unknowingly. To ensure that PWO is able to respond to misconduct in a timely and appropriate manner, everyone's attention and willingness to cooperate is required. PWO's whistleblower system provides everyone with a way to inform PWO about misconduct within PWO or in connection with PWO. PWO expects its business partners not to obstruct communications through the whistleblower system. If the business partners have concrete, well-



founded evidence of a severe infringement or breach of rules within PWO or any non-compliance in connection with PWO, the business partners can use PWO's external whistleblower system to report these. The whistleblower system is available round the clock. PWO also accept anonymous tips. The whistleblower system is available at the link below:

<https://pwo-progresswerk-oberkirch.integrityline.org>

Business partners can also access it from the PWO home page under *Group>Corporate Governance>Whistleblower System*.

Alternatively, business partners can also provide tips directly to PWO's Compliance Officer.

**Compliance Officer and Privacy Officer of PWO Canada Inc.**

Lana Takarenka  
255 McBrine Drive  
Kitchener, ON N2R 1G7  
Canada  
Phone: +1 519-893-6880, ext. 225  
Fax: +1 519-893-0414  
[Compliance2@pwocanada.com](mailto:Compliance2@pwocanada.com)

**PWO Group Compliance Officer**

Christian Bühler  
Industriestr. 8  
77704 Oberkirch  
Tel: 07802 84178  
Fax: 07802 8488178  
[compliance@progress-werk.de](mailto:compliance@progress-werk.de)



**Confirmation**  
**PWO Business Partner Code of Conduct**

We, the undersigned, hereby confirm that

- we have received the PWO Business Partner Code of Conduct and we acknowledge and accept it;
- we know all the relevant laws and regulations of the countries in which our company operates;
- we conduct our business based on ethical principles, applicable laws, and social responsibility; and
- we take into account all standards described in the PWO Business Partner Code of Conduct when it comes to selecting our business partners.

---

Company's full name

---

Stamp/ Seal of the company

---

First and last name

---

Title

---

Signature

---

Commercial Register, place

---

Commercial Register No. or VAT ID

---

Place, date

This document must be signed by an authorized representative of the business partner and be returned to the requesting PWO purchasing department.