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AIR
TRAFFIC
ROUTES

GLOBAL RESPONSIBLE PURCHASING GUIDELINES

KLINGER SCHÖNEBERG GmbH

Foreword

KLINGER SCHÖNEBERG views collaboration with its suppliers as a crucial component of its success and, therefore, fosters an integrated team approach with them. The selection of suppliers is based not only on the quality and competitiveness of their products and services but also on adherence to social, ethical, and environmental principles. Consent to our Global Guidelines for Responsible Procurement is mandatory for becoming or remaining a supplier to KLINGER SCHÖNEBERG. This agreement binds the suppliers and all their subsidiaries that provide goods or services to KLINGER SCHÖNEBERG. We are committed to contributing to a decarbonized economy and are actively engaged in environmental issues—from reducing greenhouse gas and pollutant emissions to recycling and the use of natural resources, promoting a circular economy. We expect not just support from our suppliers but also innovative proposals that contribute to our environmental goals.

Assessing, Monitoring and Remedial Actions

The social and environmental performance of suppliers is regularly assessed by KLINGER SCHÖNEBERG. This evaluation includes, but is not limited to, areas such as environmental practices, labor practices, working conditions, business ethics, and sustainable procurement. The purpose of this assessment is to identify any risks of non-compliance with the principles outlined in these guidelines by a supplier and the locations involved.

In the event of a supplier's non-compliance with these principles:

- » Such non-compliance may be considered a significant breach of the contract(s) between KLINGER SCHÖNEBERG and the supplier, which could justify immediate termination of the contract(s) and consequently end the business relationship. Please note that your agreement to these guidelines does not guarantee business allocation under the prevailing purchasing conditions.
- » KLINGER SCHÖNEBERG may require the supplier to implement an action plan to rectify issues to align performance, and will support the supplier in jointly determining necessary remedial actions, as appropriate. If the necessary remedial actions cannot be agreed upon, KLINGER SCHÖNEBERG reserves the right to terminate the contracts and consequently the business relationship immediately, in accordance with the prevailing purchasing conditions.
- » If the required remedial measures are agreed upon, KLINGER SCHÖNEBERG may conduct follow-up audits to verify the implementation of the planned remedial actions. Should these measures not be implemented, KLINGER SCHÖNEBERG reserves the right to terminate the contracts with the supplier and consequently the business relationship, according to the prevailing purchasing conditions.

Appropriate Grievance Reporting Mechanisms

The supplier undertakes to set up complaint mechanisms (e.g. whistleblowing lines) that are accessible to its employees, business partners and the public. Such mechanisms allow

employees, business partners and the public to raise concerns without fear of intimidation, harassment, retaliation or violence.

Reporting Non-Compliance

Regarding the goods or services provided to KLINGER SCHÖNEBERG, the supplier confirms that it has effective processes in place to prevent, detect, investigate, mitigate, and correct any non-compliance with the requirements set forth in these guidelines. The supplier is obligated to promptly report any such non-compliance to KLINGER SCHÖNEBERG and commits to not taking retaliatory actions against individuals who make such reports in good faith.

KLINGER SCHÖNEBERG will collaborate with the supplier to remedy any non-compliance, but reserves the right to terminate the business relationship if the non-compliance is not adequately addressed, as outlined in the preceding sections. The preferred method for reporting is direct contact with management or through the established reporting system.

Support and respect the protection of internationally proclaimed human rights

The supplier commits to respecting human rights in all countries where it operates, including in geographic areas where human rights may not yet be adequately protected. Furthermore, the supplier commits to avoiding any situations of complicity or tacit consent in serious human rights violations. The supplier is responsible for upholding human rights in its operations and throughout its entire supply chain.

Uphold freedom of association and the effective recognition of the right to collective bargaining

The supplier must ensure the freedom of association of its employees and their right to be represented by unions or other representatives in accordance with local legislation, aligning with the recommendations of the International Labour Organization (ILO), specifically ILO Convention 87. Additionally, the supplier must refrain from any anti-union activities that are not in compliance with local legislation. The supplier also commits to bargaining in good faith, a key aspect of employer-employee relations, in accordance with ILO Convention 98.

Eliminate all forms of forced labor and child labor

No forms of labor practices involving forced labor, compulsory labor, child labor, or human trafficking will be tolerated. The supplier must not directly or indirectly engage in child labor or forced labor, nor demand such practices from its suppliers. The supplier acknowledges the principle of free choice of employment. Labor is considered forced or compulsory if imposed under threat of penalty, such as withholding of food, confiscation of property, non-payment of wages, physical violence, sexual abuse, or involuntary prison labor, or through unlawful restrictions on workers' freedom of movement, for example, by denying entry rights. Also, employing children in violation of the International Labour Organization's conventions (ILO Conventions 138 and 182), participation in state-sponsored programs for forced relocation or recruitment of labor, isolation of workers in internment camps, and others are considered as such. The supplier recognizes indicators of forced labor and declares that none of these conditions shall occur within its supply chain. The supplier supports KLINGER SCHÖNEBERG's initiatives to

eliminate forced labor from its supply chain and commits to taking measures to identify and eradicate forced labor within its own supply chain.

Eliminate discrimination with respect to employment and occupation

The supplier's employees must be treated fairly and without discrimination, ensuring equal opportunity. There must be no policy that directly or indirectly fosters discrimination on any legally prohibited basis, including but not limited to, ethnicity, gender, sexual orientation, health status, disability, age, nationality, or religion, in accordance with applicable laws and regulations.

Remuneration

The supplier commits to ensuring that the compensation for its employees meets or exceeds the minimum amount stipulated by applicable laws and regulations, the legally guaranteed minimum wage for specific occupations, or the amounts agreed upon in relevant collective bargaining agreements. The supplier adheres to the principle that remuneration should be sufficient to provide employees and their families with a decent standard of living, including reasonable accommodations, food, and other necessities. Furthermore, the supplier is expected to commit to the principle of equal pay for work of equal value and productivity between men and women.

Working hours

The supplier commits to complying with applicable laws, ILO Conventions 1 and 30, automotive standards, collective bargaining, and practices in the countries where it operates, whichever is most stringent. This includes adherence to regulations regarding working hours, fair compensation, breaks, and regular days off.

Respect for Health and safety at the Workplace

The supplier commits to implementing effective health and safety policies at the workplace that meet or exceed applicable laws, with the aim of preventing workplace accidents. These policies should be enacted through detailed action plans that involve all employees at every level of responsibility.

Respect for Vulnerable Groups

The supplier commits to protecting the rights of vulnerable groups such as children, migrants, minorities, disabled persons, indigenous peoples, and women, and to taking measures to protect their health and safety.

Respect for Local Communities

The supplier is urged to act responsibly towards social issues and respect the rights of local communities, including their cultures and traditions. If necessary, the supplier should work with local organizations to facilitate dialogue with affected communities.

Non-Retaliation

The supplier must not retaliate against anyone who reports violations of policies or laws in good faith. This includes employees, suppliers, stakeholders, and human rights defenders

who are internationally recognized for their peaceful and legal efforts to promote and protect human rights.

**Environmental
Quality Management
System**

To minimize the environmental impact of its production processes and products, the supplier should strive to optimize resource use and reduce pollution and greenhouse gas emissions in both its production and supply chain. It should design and develop products considering their environmental impacts and the potential for reduction, reuse, and recycling; handle air emissions, water discharges, waste treatment, and disposal in compliance with applicable laws, and avoid the use of potentially hazardous substances. Additionally, the supplier should maintain an environmental management system that complies with local laws.

**Environmental
Policy**

KLINGER SCHÖNEBERG is committed to researching and promoting innovative technical solutions that reduce environmental impacts. In this context, the supplier commits to a research policy that advances its products and enhances their environmental protection. The supplier should meet KLINGER SCHÖNEBERG's commitment to eco-friendly materials by proposing solutions that use recycled materials and/or natural materials with a lower carbon footprint, and commit to contributing to recyclability with its material proposals. The supplier must provide a complete material trace for its goods and also commit to implementing a policy to reduce greenhouse gas emissions. It will annually inform KLINGER SCHÖNEBERG of the THG emissions associated with the production, transportation, and the goods and services purchased from KLINGER SCHÖNEBERG (Scope 1, 2, and 3), respond to inquiries about the carbon footprint of parts, and ensure their accuracy.

**Preventing
Deforestation and
Land Conversion**

Deforestation and land conversion are significant challenges that exacerbate both the climate and biodiversity crises. KLINGER SCHÖNEBERG aims for a deforestation-free supply chain and expects its suppliers to take specific actions to minimize the risk of deforestation and land conversion. These actions include due diligence throughout the entire supply chain. The supplier commits to prohibiting deforestation and land conversion within its supply chain and to having independent verification of the systems used to deliver products free from deforestation and land conversion. These guidelines are an integral part of KLINGER SCHÖNEBERG's strategy to reduce its greenhouse gas footprint and achieve the goal of net-zero CO₂ emissions by 2040.

**Prohibited
Substances and
Materials**

Deliveries, products, or goods purchased from the supplier by KLINGER SCHÖNEBERG, whether standard or specifically developed for KLINGER SCHÖNEBERG, must comply with the laws and regulations of the countries of production and those where the products are sold or used (such as the European Union). This includes laws requiring traceability of substances of concern for the protection of health and the environment.

Prohibited Practices

The supplier commits to refraining from any form of torture, cruel, inhuman, or degrading treatment, war crimes, crimes against humanity, and supporting non-state armed groups in the delivery

of goods or services to KLINGER SCHÖNEBERG. This includes, but is not limited to, activities such as the extraction, transport, distribution, and sale of minerals or other severe violations of international law.

Material Testing and Combatting the Use of Conflict Minerals

KLINGER SCHÖNEBERG is committed to applying principles of responsible sourcing for parts and components, including raw materials and minerals. This involves maintaining due diligence and participating in the development of responsible procurement practices. KLINGER SCHÖNEBERG emphasizes transparency regarding the origin of used minerals, especially from conflict and high-risk areas as defined by the OECD Due Diligence Guidance. Suppliers are expected to implement responsible sourcing policies for minerals and materials and require their suppliers to establish appropriate management systems. The supplier commits to providing KLINGER SCHÖNEBERG in writing with the results of efforts that meet legal standards, particularly regarding the detailed composition of the materials used in the manufacture of delivered goods, and any changes in their composition.

Export Controls

The supplier commits to staying informed about and complying with all applicable export control and sanction laws and regulations, including those of the European Union, the United States, and any other relevant jurisdictions. The supplier will not violate any export control and sanction laws and will not cause KLINGER SCHÖNEBERG to violate these laws, such as by transshipping goods through sanctioned countries or supplying goods or services from sanctioned countries or with the support of sanctioned persons or entities. The supplier is aware of the constant changes in the lists of countries, companies, and individuals subject to export restrictions or sanctions and takes steps to stay updated on these changes. The supplier will provide KLINGER SCHÖNEBERG with all necessary information to ensure compliance with export control and sanction laws, including disclosing any potential military use or military end-users of the goods. All necessary licenses or other permissions required for the export of goods or services, or for conducting business in sanctioned countries or with sanctioned companies or individuals, are the responsibility of the supplier.

Compliance with laws

KLINGER SCHÖNEBERG expects its suppliers to fully comply with all laws and regulations applicable in the countries where they operate. Additionally, they should have their own code of conduct and communicate these expectations to their own suppliers.

Fair Trade Practices

Regardless of the specific business terms applicable to the supplier's sale of goods or services to KLINGER SCHÖNEBERG, the supplier commits to adhering to all relevant anti-corruption laws. The supplier will not engage in commercial bribery, nor will they offer undue benefits, directly or indirectly, to officials or employees of governmental or state-controlled organizations to obtain a business advantage. The supplier will also ensure that all its subcontractors, suppliers, and partners comply with these regulations. Furthermore, the supplier commits to paying all

necessary taxes and duties and complying with all applicable competition laws. The supplier will act independently to promote fair competition, avoid conflicts of interest, and maintain transparency in its business relations. Additionally, the supplier will ensure the integrity of all business information, protect the confidentiality of information received from KLINGER SCHÖNEBERG, and respect the intellectual property rights of others. Finally, the supplier will prohibit any activities that facilitate the trade in counterfeit products or aid money laundering and other inappropriate financial activities.

Retention and use of personal data

The supplier commits to complying with all applicable regulations regarding the collection and use of personal data. They may only use and process personal data as stipulated in the contracts and under the relevant legal and regulatory frameworks.

Training and development

The supplier commits to providing all its employees with appropriate tools to develop their skills and competencies. In the case of layoffs, the supplier is expected to act responsibly to mitigate the effects as much as possible within the bounds of applicable law. Each affected employee shall receive adequate information and support in accordance with local legislation. KLINGER SCHÖNEBERG expects its suppliers to apply these principles throughout their entire supply chain. Therefore, the supplier commits to (i) raising awareness among its own suppliers about corporate and social responsibility (CSR), (ii) establishing a responsible procurement policy in accordance with these guidelines, and (iii) implementing all necessary due diligence measures regarding its subcontractor chain.

Supplier relationships with its own suppliers

KLINGER SCHÖNEBERG expects its suppliers to apply these principles throughout their entire supply chain. Therefore, the supplier commits to raising awareness among its own suppliers about corporate and social responsibility (CSR), establishing a responsible procurement policy in accordance with these guidelines, and implementing all necessary due diligence measures regarding its subcontractors.

Supplier Agreement

KLINGER SCHÖNEBERG expects its suppliers to conduct a self-assessment to verify compliance with these guidelines. The supplier confirms that it has read and understood the guidelines and agrees to apply them throughout its organization. If necessary, this commitment also applies to all its subsidiaries and affiliated companies worldwide that provide goods or services to KLINGER SCHÖNEBERG. The supplier also agrees that self-assessment questionnaires will be sent out, completed by them, and audits may be conducted at their locations or those of their subsidiaries either by KLINGER SCHÖNEBERG or a third party appointed by KLINGER SCHÖNEBERG for this purpose.

Company name	
First name and last name	
Funktion and email	
Date, Signature, Stamp	

A handwritten signature in blue ink, appearing to read "M. Goßmann".

Marcel Goßmann
BDM / Management Assistant
14.11.2023