

Global TI Fluid Systems Sustainable Purchases Policy

Introduction

Across many industries around the world, the movement toward sustainable purchases is gaining momentum and broad adoption. This concept builds upon environmentally responsible procurement, setting further expectations for key business partners and Suppliers to operate with respect to human rights, responsible labor practices and good governance.

TI Fluid Systems' ambition is to set the standard in sustainability and to remain front runner in the industries in which we operate. The Group integrates sustainability within the supply chain to provide customers with responsible and innovative products and offer reliability with a proactive focus on sustainability. Our Suppliers play a crucial role in reaching these objectives, as the way our supply chain partners act has a large influence on our success, risks and opportunities. This whole process of enhancing sustainability is managed with great care and with respect to legislation.

TI Fluid Systems expects its Suppliers to recognize the importance of sustainable purchases and work with the Company to implement appropriate practices to create value for all stakeholders.

Suppliers are required to meet at least the requirements defined in this Policy to do business with TI Fluid Systems. In addition, Suppliers are encouraged to meet preferred practices.

If efforts to meet the requirements in this Policy are unsuccessful, and/or the Supplier is unwilling to comply with the Policy, TI Fluid Systems reserves the rights to reconsider its relationship with that Supplier, up to and including relationship termination.

Suppliers are required to comply with the Policy and to cascade it with their own suppliers, with the commitment to ensure this policy along the entire supply chain, back to the point of origin.

Transparency must be a pillar in our sustainable relationships: Suppliers are required to report to TI Fluid Systems any events, issues or emergencies that may disrupt or impact TI Fluid Systems business and any violation of this sustainable policy, without any delay.

Suppliers are required to comply with all relevant international, regional, national, and local laws and regulations in the countries or regions in which they operate, or they ship to.

TI Fluid Systems will continually work with stakeholders to ensure our policy meets current societal expectations.



Martin P. Lauer
Vice President Purchasing

SCOPE

TI Fluid Systems maintains a strong commitment to the highest principles of business conduct and ethics and expects the same high standards of those who we do business with. Accordingly, we have implemented this Supplier Code of Conduct, applicable to all suppliers, sub-contractors, business partners (joint venture or otherwise), agents and other third parties (“Supplier(s)”) who do business with TI Fluid Systems in all locations throughout the world. As used in this Code, the words “TI Fluid Systems” or “the Company” refer to all TI FLUID SYSTEMS Group companies globally.

This Code does not cover every issue that may arise, but it sets out the basic principles and expectations of the standards that we expect from all Suppliers of TI Fluid Systems and shall form an integral part of any agreement between TI Fluid Systems and the Supplier as well as the Supplier’s group companies.

Specific Divisions, departments or locations of TI Fluid Systems may have more specific policies and practices than are set forth in this Supplier Code, and local law in the jurisdictions in which the Company operates may impose other higher standards. In all of those instances, you should follow the specific policy, practice or law in addition to the principles set out in this Code. In the event of a conflict between this Code and local business practices or customs, this Supplier Code will take precedence.

Suppliers must actively ensure ongoing compliance with this Code, both within their own organisation as well as their supply chain and must have appropriate reporting channels and tools available for employees and business partners to report any violations or concerns. If you find yourself in a situation which you believe may violate or lead to a violation of this Code, or local standards or laws, please report this immediately to TI Fluid Systems at ethics@tifs.com. TI Fluid Systems reserves the right to terminate any business relationship with a Supplier found to be non-compliant with this Code.

PRINCIPLES

As a Supplier to TI Fluid Systems, you agree to comply with the following:

1. Compliance with Laws, Rules and Regulations

TI Fluid Systems expects every Supplier to conduct its business in accordance with this Code, and all applicable laws, rules, and regulations of all jurisdictions that may apply to its business activities with TI Fluid Systems. Compliance with applicable law as it applies to the business of the Company, both in letter and in spirit, is the foundation on which the Company's ethical standards are built. All Suppliers must respect and obey the laws of the jurisdictions in which we and they operate.

2. Conflicts of Interest

The Supplier must not engage with a TI Fluid Systems employee in a way which results in, could result in, or could be perceived to result in conflict with a TI Fluid Systems employee's obligation to act in the best interests of the Company.

3. Anti Corruption

TI Fluid Systems rejects all forms of corruption, even where such activities may not be subject to enforcement under local laws. Integrity and anti-corruption are a fundamental principle of working with TI Fluid Systems.

A Suppliers must prohibit all forms of bribery, extortion, embezzlement, corruption and unethical practices. In particular, a Supplier must not pay or accept (or tolerate anyone else paying or accepting) any bribes, 'kickbacks' or other similar payments or inducements. This includes 'facilitation payments' made to facilitate or speed up official or governmental procedures.

TI Fluid Systems expects Suppliers to act with integrity and transparency at all times. Under no circumstances is a Supplier permitted to provide or offer a gift or benefit to a TI

Fluid Systems employee or other third party, directly or indirectly, with the intention of improperly gaining some kind of advantage or influencing an action or decision.

Customary and reasonable business courtesies are only permitted in accordance with the following:

- i. It is not a cash gift or gift card;
- ii. It is consistent with customary business practices and the policies and rules of the Company where the recipient is employed;
- iii. It is of proportional or small value;
- iv. It cannot be construed as a bribe or payoff; and
- v. It does not violate any applicable laws or regulations, including the Foreign Corrupt Practices Act and the UK Bribery Act.

4. Accurate Records

All Suppliers must act with financial responsibility, maintaining accurate financial books and business records in accordance with accepted accounting standards and applicable laws and regulations.

5. Confidential Information, Information Security and Data Privacy

Suppliers must maintain the integrity and confidentiality of information entrusted to them by the Company, its customers or other authorized third parties. If you have access to confidential information you are not permitted to use or share that information for any purpose except for that which it has been made available to you. You should treat all non-public information about the Company as confidential information and must ensure that you have the appropriate systems in place to safeguard such information.

Personal and sensitive data collected must be secured and processed in accordance with all local and regional regulations, including but not limited to the General Data Protection Regulation. Adequate safeguards must be implemented by the Supplier with respect to personal data processing operations.

6. Export/Import Laws and Boycott Issues

Suppliers must comply with all export control and import laws and regulations that govern the exportation and importation of goods, services and technical data. Some countries have laws which restrict trade among certain countries or laws which prohibit companies from complying with certain boycotts imposed by other countries. These laws often change and may carry specific reporting requirements. Suppliers must ensure that they comply with all applicable trade compliance regimes, including export and import controls, embargoes and sanctions.

7. Competition and Fair Dealing

TI Fluid Systems requires that Suppliers ensure that competition is performed fairly and honestly in compliance with all applicable competition and anti-trust laws.

Fair and honest competition requires that all Suppliers must not collaborate or communicate with any competitor in any way that is intended, expected or actually results in an agreement with a competitor in areas such as price, terms and conditions, discounts, services, or product availability. In addition, using proprietary information of others that was obtained without the owner's consent, or asking past or present employees of other companies to provide proprietary information is prohibited.

8. Positive Work Environment

TI Fluid Systems expects all Suppliers to conduct themselves in a professional manner, being respectful of others and displaying appropriate business etiquette. Accordingly, Suppliers are expected to comply with the following:

- a. **NO DISCRIMINATION:** Suppliers must oppose any form of direct or indirect discrimination on the basis of gender, marital status, sexual orientation, religious or political beliefs, union membership, race, ethnicity, nationality, age, social background and status, and physical and mental disability, and as such Suppliers must demonstrate commitment to the prevention of discrimination in all areas of working life.

- b. **INCLUSION AND DIVERSITY:** Suppliers must ensure an inclusive and diverse working environment, including: respecting the rights of women to access opportunities to participate in the workplace on an equal footing, establishing procedures for ethical recruiting and respecting the rights of indigenous and tribal peoples social, cultural, environmental and economic interests.
- c. **NO HARASSMENT:** Suppliers must be committed to creating a workplace environment that does not tolerate harassment (sexual or otherwise) or abuse in any form. Where a Supplier employs or engages with private or public security forces, it must implement measures to ensure human rights are respected.
- d. **FREEDOM OF ASSOCIATION:** Suppliers must appreciate and respect their employees right to freely choose to organize under a trade union for the purposes of collective bargaining.
- e. **COMPENSATION/ WAGES:** Suppliers should promote the economic wellbeing of their employees by providing compensation/ wages and benefits that are competitive, fair and comply with applicable laws.
- f. **NO FORCED LABOUR:** Suppliers must prohibit the use, in any form, of child labour, forced labor, including indentured labor, bonded labor, prison labor or any similar form of non-voluntary working arrangement. By extension, the Supplier must also prohibit any arrangement that includes, or supports in any manner, human trafficking, forced relocation or other similar practices. All employment of young workers must comply with laws and regulations on the minimum working age and the compulsory age for schooling as applicable in the relevant jurisdiction.
- g. **WORKING HOURS:** Suppliers must ensure that regular and overtime hours comply with the law and are not excessive.
- h. **REPORTING AND GRIEVANCE MECHANISMS:** Suppliers must have in place a system to confidentially report concerns or complaints ensuring protection of identity and without fear of retaliation.

9. Workplace Health and Safety

TI Fluid Systems Suppliers are required, as a minimum, to comply with all local, national and international occupational health, safety and welfare laws, including where applicable laws and regulation regarding the restriction and registration and where necessary, authorization or notification of chemical substances contained in the end product or production process according to the statutory requirements that apply to the corresponding market (i.e. REACH).

Suppliers are expected to operate an effective occupational health and safety management system (OHSMS), to minimize the health and safety risks and maintain safe and healthy work environments for their employees and 3rd parties performing work on suppliers premises. Suppliers are expected as part of the OHSMS, to implement processes for hazard identification and risk evaluation and to identify potential emergency/disaster situations and have robust contingency plans in place. Suppliers

are expected to improve working conditions by implementing adequate engineering, administration and training control measures and where required provide safe working instructions and personal protective equipment. We strongly recommend all suppliers go beyond minimum compliance obligations and gain certification of the OHSMS according to international standards (i.e. ISO 45001).

TI Fluid systems expects its Suppliers to have a process in place to prevent accidents or injuries and to report and investigate all incidents including root cause analysis and implementation of permanent corrective actions to eliminate their causes.

10. Environmental Standards

All TI fluid systems suppliers are required, as a minimum, to comply with all local, national and international environmental laws. Supplier are expected to operate an effective environmental management system (EMS), to support us in minimizing resource consumption (i.e. energy, water, raw materials) and reduce our environmental impacts (i.e. GHG emissions, pollutants, waste reduction, air & water quality) throughout the product lifecycle (design, manufacture, distribution, use, recycling). We strongly recommend all suppliers go beyond minimum compliance obligations and gain certification of the EMS according to international standards (i.e. ISO 14001).

TI Fluids systems expects its suppliers to implement energy efficient measures and actively focus on reducing their direct and indirect CO2 emissions in line with the Paris Agreement (COP 21).

TI Fluid System does not conduct or commission the use of animals in tests for research purposes or in the development of our products, either directly or indirectly. Suppliers will not supply any raw materials, components, parts, or assemblies to TI Fluid systems that involved testing on animals in its research or development.

Suppliers should also protect ecosystems, especially key biodiversity areas, impacted by their operations, and avoid illegal deforestation in accordance with international biodiversity regulations. Suppliers should routinely monitor and control their impact on soil quality to prevent soil erosion, nutrient degradation, subsidence, and contamination. Suppliers should routinely monitor and control the levels of industrial noise to avoid noise pollution. Suppliers shall respect the rights of local communities and ensure they do not contribute to land conflicts leading to forced eviction.

GOVERNING DOCUMENT

In the event there is an inconsistency between a translation of this document and the original English version, the English version will be the governing document.