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# **SUSTAINABILITY GUIDELINE FOR BUSINESS PARTNERS THE RONAL GROUP**

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**Valid from:** August 2022  
**Version:** 2

## CHANGE LOG

Version	Date	Department	Checked by	Description of change
1	June 2018	Environment	SCM	Revision of the document
2	August 2022	Environment	SCM & Legal	Update and additions

## CONFIRMATION & SIGNATURE

With this signature you confirm your intention to comply with the requirements of the RONAL GROUP document "Sustainability Guidelines for Business Partners" and to take and implement appropriate and reasonable measures.

Date of approval	Name of company	Contact: First & last name	Role	Signature

## TABLE OF CONTENTS

<b>Introduction</b> .....	<b>4</b>
Definition of sustainability.....	4
Purpose.....	4
Our general requirements.....	4
<b>General information</b> .....	<b>5</b>
Management systems.....	5
Monitoring and accountability.....	5
Duties to their own suppliers.....	5
Implementation.....	5
Monitoring and record keeping.....	5
Non-Compliance.....	5
<b>1. Environment</b> .....	<b>6</b>
1.1. Prevention and reduction of environmental pollution.....	6
1.2. Environmentally friendly products.....	6
1.3. Environmental legislation.....	6
1.4. Responsible handling of resources.....	6
1.4.1 Raw material procurement.....	6
1.4.2 Energy.....	7
1.4.3 Water management.....	7
1.4.4 Waste management and circular economy.....	7
1.5. Declaration and management of hazardous substances.....	7
<b>2. People</b> .....	<b>8</b>
2.1. Modern slavery, child labor and forced labour.....	8
2.2. Discrimination and disciplinary sanctions.....	8
2.3. Occupational safety and health protection at the workplace.....	9
2.4. Working hours, wages and social benefits.....	9
2.5. Whistleblowing, freedom of association and protection against retaliation.....	9
<b>3. Business ethics</b> .....	<b>10</b>
3.1. Compliance with legal requirements.....	10
3.2. Prohibition of corruption.....	10
3.3. Fair competition.....	10
3.4. Intellectual property.....	10
3.5. Product safety.....	10
3.6. Money laundering.....	10
3.7. Data protection.....	11

## INTRODUCTION

Ethical conduct and sustainability, especially in terms of legal, economic, ecological and social responsibility, are key components of RONAL GROUP policy. These include long-term and trusted partnerships, and legally compliant conduct on the part of our suppliers. The RONAL GROUP procures raw materials, goods and services from suppliers worldwide in order to ensure the sustainable success of both the company and its customers with an innovative product.

## DEFINITION OF SUSTAINABILITY

For the RONAL GROUP, sustainability means striving for economic, social and ecological goals equally and in parallel. We want to create lasting value, offer good working conditions and treat the environment and resources responsibly.

As part of our sustainability concept, we aim to ensure that we identify environmental, social and governance risks and opportunities at an early stage at every stage of the value creation process.

## PURPOSE

The Sustainability Guidelines apply worldwide to all suppliers and their employees, and to the employees of the RONAL GROUP and its subsidiaries. The purpose of these guidelines is to define minimum requirements and objectives for all RONAL GROUP suppliers in the areas of:

- Environment
- People
- Business Ethics

The RONAL GROUP requires its suppliers to implement the principles set forth in this code in their companies. It is the responsibility of suppliers to implement compliance with the principles listed below within their own supply chain.

The principles listed in the Sustainability Guidelines are based on the content of the following conventions and standards:

### RONAL GROUP

- RONAL GROUP supplier handbook
- RONAL GROUP supplier self-declaration
- RONAL GROUP list of prohibited substances
- RONAL GROUP policy: Occupational health and safety, energy, environment and quality
- RONAL GROUP data protection declaration/guidelines

### OTHER

- Dodd-Frank Act on Conflict Minerals & Conflict Minerals Regulation (EU) 2017/821
- ICC: Charter for Sustainable Development of the International Chamber of Commerce
- ILO: Agreements of the International Labor Organization
- OECD: Due diligence guidelines for responsible supply chains for minerals from conflict-affected and high-risk areas.
- OECD: Guidelines for Multinational Enterprises of the Organization for Economic Cooperation and Development
- SA8000: Standard for socially responsible corporate governance

- UDHR: Universal Declaration of Human Rights
- UN: Principles of the United Nations Global Compact
- UN: CEO Water Mandate
- UN: Women's Empowerment Principles (2010).
- Supply chain due diligence law

## OUR GENERAL REQUIREMENTS

- ✓ The supplier is required to comply with all requirements of the Sustainability Guidelines, and to take and implement appropriate and reasonable measures.
- ✓ The supplier should ensure that all requirements of the Sustainability Guidelines are distributed and complied with in its own operations, and those of its suppliers. The RONAL GROUP also encourages each supplier to maintain the same standards in relation to our aspirations and to be proactive in their supply chain beyond their direct suppliers to implement policies that are as equal in value as possible for supply partners, both in terms of requirements and expectations.
- ✓ The supplier must work honestly and transparently with traceable facts and data in relation to the requirements. The RONAL GROUP encourages open dialog about successes, trends and opportunities for improvement in the areas described in this policy.
- ✓ The supplier is required to nominate a senior manager responsible for ensuring compliance with the areas identified in this policy.
- ✓ The supplier must have a Code of Conduct that clarifies the supplier's rules of conduct and the correct conduct of the supplier's employees.
- ✓ The supplier must proactively address any risk of non-compliance, whether at its facilities or in its supply chain.
- ✓ The supplier must provide appropriate grievance and redress mechanisms for all employees and third parties without fear of retaliation, and must support the RONAL GROUP in its efforts in this regard (e.g. by reporting to the contractual partner or within the RONAL GROUP whistleblower system).
- ✓ Suppliers with certified management systems in accordance with ISO TS 16949, ISO 14001, ISO 50001 and/or ISO 45001 are given preference by RONAL GROUP.

## GENERAL INFORMATION

### MANAGEMENT SYSTEMS

The RONAL GROUP expects its suppliers to maintain management systems to ensure compliance with the principles set forth in this Sustainability Guideline. The RONAL GROUP gives preference to suppliers who have actively implemented a quality management system in accordance with ISO TS 16949, an environmental management system in accordance with ISO 14001, an energy management system in accordance with ISO 50001, and an occupational health and safety management system in accordance with ISO 45001 or equivalent systems.

The RONAL GROUP expects its suppliers to integrate sustainability requirements into their organization and processes, and to improve environmental performance by setting targets and monitoring environmental performance indicators.

### MONITORING AND ACCOUNTABILITY

The supplier is obliged on request to provide all correct and detailed information required for the initial assessment within the scope of the self-declaration.

In addition, the supplier shall provide further information to prove compliance with the RONAL GROUP supplier handbook. The RONAL GROUP has the right to check implementation of these guidelines itself or via third parties, and to verify it through supplier audits.

The supplier is obliged to inform the RONAL GROUP, without being asked and without delay, about incidents that contradict the rules of the Sustainability Guidelines.

### DUTIES TO THEIR OWN SUPPLIERS

The RONAL GROUP expects its suppliers to apply with due diligence to preventing and mitigating negative results in their own supply chains.

The general expectation is that suppliers will apply a similar code of conduct to their own suppliers and require them to minimize social and environmental impacts in their corporate activities.

### IMPLEMENTATION

#### MONITORING AND RECORD KEEPING

The supplier shall provide all necessary information for an initial assessment in a comprehensible, correct and complete manner within the scope of a self-assessment on request.

The supplier shall also provide other information that demonstrates compliance with the Sustainability Guidelines. The RONAL GROUP has the right to monitor the implementation of this code, and to verify it by means of supplier audits.

The supplier must inform the RONAL GROUP, without being asked, of events that come into conflict with the principles of the Sustainability Guidelines.

#### NON-COMPLIANCE

The RONAL GROUP reserves the right to demand corrective measures in the event of partial or complete non-compliance with the Sustainability Guidelines. Such measures must be implemented within a reasonable period of time set by the RONAL GROUP. In the event of non-compliance with the deadline, serious violations or, in general, repeated violations of the principles and requirements stated in the Sustainability Guidelines, RONAL GROUP has the right if necessary to terminate cooperation with that supplier, without notice and without compensation.

For questions and further information, please contact us at [umwelt@ronalgroup.com](mailto:umwelt@ronalgroup.com).



## 1.1. PREVENTION AND REDUCTION OF ENVIRONMENTAL POLLUTION

To support efforts to dramatically reduce greenhouse gas emissions (GHS), the RONAL GROUP requires its suppliers to monitor their emissions and strive for carbon neutrality in their production and logistics processes. Suppliers must reduce their negative impact by protecting the environment and minimizing their environmental footprint arising from their industrial activities, including the supply chain.

All forms of emissions, especially into the air, soil or water, shall be monitored.

## 1.2. ENVIRONMENTALLY FRIENDLY PRODUCTS

When developing products and services, the suppliers of the RONAL GROUP should take care to ensure that their use is economical in the consumption of energy and natural resources. Products should be suitable for reuse or safe disposal whenever possible.

Suppliers are expected to improve the environmental performance of products and services by setting targets and monitoring environmental performance indicators. Impacts on the environment and the health of employees should be avoided or kept as low as possible in all activities throughout the entire life cycle of products and services. In particular, suppliers should work to minimize emissions into the air, soil and water that pose a risk to the environment and health, including greenhouse gas emissions. In order to improve the environmental performance of products and services, the supplier should proactively manage key environmental indicators, including the reduction of greenhouse gas emissions throughout the supply chain.

On request, suppliers must provide the RONAL GROUP with information on their total energy consumption in MWh, their CO<sub>2</sub> emissions in tons (scope 1, 2 and 3) and their water consumption.

## 1.3. ENVIRONMENTAL LEGISLATION

The RONAL GROUP expects its suppliers to comply with applicable national and international environmental laws and regulations in all countries in which they operate.

## 1.4. RESPONSIBLE HANDLING OF RESOURCES

### 1.4.1 RAW MATERIAL PROCUREMENT

RONAL GROUP suppliers should support activities that ensure responsible sourcing of raw materials. The procurement of partial and semi-finished products and the use of raw materials obtained illegally or through ethically reprehensible or unreasonable measures are prohibited. The use of raw materials affected by embargoes must be excluded. Conflict minerals (3TG) are to be avoided. If this is not possible, they must be named and the supply chain must be shown transparently. If materials are affected by import restrictions, this must be indicated pro-actively and alternatives must be proposed.

Suppliers should commit to identify raw materials in manufactured products in the supply chain, and to disclose the origin and sources of raw materials they use. Raw materials should therefore be purchased exclusively from verified sources, e.g. using certification by independent and recognized third parties, if possible. The RONAL GROUP expects its suppliers to unconditionally support our efforts to achieve full transparency and traceability of their raw material supply chain and to cooperate with the RONAL GROUP.

## 1.4.2 ENERGY

The RONAL GROUP requires that suppliers monitor and reduce their energy consumption and promote the use of renewable alternative energy sources for their operations and logistics system. RONAL GROUP suppliers are encouraged to set clear targets for reducing energy consumption.

## 1.4.3 WATER MANAGEMENT

In accordance with the UN CEO Water Mandate, RONAL GROUP suppliers should reduce their consumption of fresh water and should support the provision of safe and accessible drinking water in their manufacturing operations and communities. They are encouraged to monitor and document their water use, in order to identify opportunities for improvement and minimization.

Water shall be used responsibly, especially by suppliers who locate their production in areas with water scarcity and/or high water consumption. A long-term water management strategy is to be implemented with the goal of protecting water as a resource, improving water use efficiency, reducing consumption, and ensuring good water quality.

## 1.4.4 WASTE MANAGEMENT AND CIRCULAR ECONOMY

In order to enable the transformation of the automotive industry from linear production to a closed loop system, the RONAL GROUP expects its suppliers to implement programs that promote the circulation and reuse of products and materials within its activities, as well as within all upstream and downstream activities plus those of other contracting parties.

Suppliers shall pursue waste prevention, reuse, recycling, and the safe environmentally sound disposal of residual waste, chemicals, and wastewater in the design, manufacture, usage phase, and subsequent recovery of products and other activities.

In addition, the RONAL GROUP expects suppliers to increase the use of renewable raw materials and reusable/recycled packaging. Furthermore, suppliers must dispose of their waste in a sustainable manner, including forms of waste as a resource.

On request, suppliers must provide the RONAL GROUP with information on the proportion of recycled materials and/or use of renewable raw materials.

## 1.5. DECLARATION AND MANAGEMENT OF HAZARDOUS SUBSTANCES

Substances which pose a risk to humans and the environment when released must be avoided. This requires the identification and use of environmentally friendly, alternative solutions that are effective in the long term.

RONAL GROUP suppliers must maintain a hazardous materials management system that ensures the safe use, transportation, storage, reprocessing, reuse and disposal of hazardous materials.

### SUBSTANCES OF CONCERN

Suppliers are obliged to register and declare these substances in accordance with the legal requirements of the relevant markets and, if necessary, to have them approved. Products and materials supplied to the RONAL GROUP must not contain any substances of concern, including substances of very high concern (SVHC) covered by the REACH Regulation. The use of such substances must be reported in advance to the RONAL GROUP.

Materials or purchased parts that do not comply with the RoHS specifications are to be substituted by the supplier in consultation with the RONAL GROUP. If required, an EU declaration of conformity regarding compliance with the RoHS Directive is to be issued by the supplier of the RONAL GROUP.

In order to track materials of concern and critical materials, all suppliers who deliver products that remain within a finished product to the RONAL GROUP must declare their substances in the International Material Database System ([IMDS](#)) and report them to the RONAL GROUP (RONAL ID: 356).

The supplier is encouraged to work proactively with RONAL GROUP to progressively reduce substances of potential concern wherever possible.



## 2. PEOPLE

### 2.1. MODERN SLAVERY, CHILD LABOR AND FORCED LABOR

The RONAL GROUP does not tolerate forced labor, child labor, sexual exploitation, domestic servitude, criminal exploitation, human trafficking, organ removal or any other type of exploitation or abuse of human beings, either at its own facilities or those of its suppliers. The minimum age for admission to employment must be observed in accordance with the applicable national requirements. The supplier is encouraged to apply appropriate strategies, policies, risk awareness, risk assessment, and due diligence processes throughout its supply chain to prevent modern slavery and child labor.

### 2.2. DISCRIMINATION AND DISCIPLINARY SANCTIONS

The RONAL GROUP does not tolerate discrimination of any kind and expects its suppliers to prohibit any kind of discrimination in their organization. This does not include any form of physical or psychological punishment. This applies, among other things, when employees report in good faith corporate practices that violate national, international or internal regulations.

The supplier must treat each person with dignity and respect and provide equal employment opportunities and conditions based on the individual's ability to perform the job, regardless of the employee's or applicant's characteristics including, but not limited to:

- Gender, gender identity, or gender expression
- Age
- Nationality, race, ethnicity, skin color or cultural background
- Religion or belief
- Disability, genetics or health information including pregnancy
- Sexual orientation
- Union membership

The supplier shall not tolerate humiliating or physical punishment, or allow any employee to be subjected to verbal, psychological, physical or sexual harassment or abuse.

The supplier shall actively promote diversity and inclusion and provide appropriate working conditions that accommodate all categories of human diversity. They are also encouraged to raise awareness and work proactively to identify, reduce, or eliminate causes of discrimination.



## 2.3. OCCUPATIONAL SAFETY AND HEALTH PROTECTION AT THE WORKPLACE

The primary goal of the RONAL GROUP is to create a healthy and safe working environment. All suppliers are obliged to comply with the occupational safety regulations at their sites. Each supplier shall implement long-term occupational health and safety measures and specifications. Safety information shall be made available to all employees to educate, train and protect them from hazards.

The RONAL GROUP gives preference to suppliers with a certified occupational safety management system, and expects its suppliers to provide their employees with a workplace with clean sanitary facilities, clean drinking water and adequate catering facilities. All suppliers are also encouraged to promote a culture of open communication. Under the national framework, grievances, particularly those related to health and safety, should be capable of being addressed openly with the assurance that no retaliatory action will be taken. This does not affect the exercise of statutory rights.

The supplier must ensure that potential hazards from machinery, equipment, substances or other chemical, biological or physical substances are identified, assessed and reduced or prevented as far as possible by appropriate processes and/or preventive measures.

Hazardous materials must be handled, transported, stored, recycled and disposed of safely.

## 2.4. WORKING HOURS, WAGES AND SOCIAL BENEFITS

The RONAL GROUP requires its suppliers to be aware of their social responsibility towards their employees, and that their remuneration and working hours, including regulated annual leave, are fair and appropriate and meet the local/national requirements as a minimum.

The supplier shall provide its employees with the social benefits and living wages to which they are entitled by law or contract. In the absence of statutory or collectively agreed provisions, they shall be based on industry-specific, locally customary compensation and benefits that ensure an adequate standard of living for employees and their families.

## 2.5. WHISTLEBLOWING, FREEDOM OF ASSOCIATION AND PROTECTION AGAINST RETALIATION

The RONAL GROUP expects its suppliers to maintain open and constructive communication with their employees and employee representatives. Workers have the right to bargain collectively, join trade unions and organize within trade unions, and must be protected from retaliation.

Conflicts of interest must be avoided; therefore, personal interests must not unduly influence professional judgment.

If for political reasons trade unions are not allowed in a country, the supplier must allow other forms of independent associations. Suppliers may not discriminate against employees who participate in employee representation.

Suppliers or employees of the RONAL GROUP or other parties involved are able to report violations of the RONAL GROUP Code of Conduct via the freely accessible RONAL GROUP Compliance Hotline.

For more information please visit: [RONAL Compliance Hotline](#).

## 3. BUSINESS ETHICS



### 3.1. COMPLIANCE WITH LEGAL REQUIREMENTS

RONAL GROUP suppliers undertake to comply with relevant laws, norms and standards, to respect human rights and, in particular, to uphold human dignity. Furthermore, the GROUP takes appropriate measures to prevent possible violations and to investigate identified violations.

### 3.2. PROHIBITION OF CORRUPTION

The RONAL GROUP does not tolerate any form of corruption by its suppliers, such as bribery or the granting or acceptance of unlawful benefits, regardless of whether they are given directly or through third parties to private individuals or public officials. In particular, the prohibition explicitly includes directing (active bribery, granting of advantages) and accepting (passive bribery, acceptance of advantages) benefits which have the purpose of obtaining an unlawful advantage for oneself or a third party.

### 3.3. FAIR COMPETITION

The RONAL GROUP expects its suppliers to comply with applicable competition and antitrust laws, in addition to international and national laws, to maintain fair and free competition.

In particular, they shall not enter into any anti-competitive agreements or arrangements with competitors, suppliers, customers or other third parties and shall not abuse any dominant market position that may exist. Suppliers shall ensure and take measures to ensure that there is no exchange of competitively sensitive information (prices, terms of sale, quantity restrictions, etc.), nor any other conduct that may inadmissibly restrict or limit competition.

### 3.4. INTELLECTUAL PROPERTY

Suppliers shall protect the intellectual property of the RONAL GROUP, such as patents, trademarks, copyrights, designs, trade secrets, samples, models and know-how, and respect the intellectual property of third parties. In particular, the suppliers shall ensure that the products delivered to the RONAL GROUP do not infringe the intellectual property of third parties.

### 3.5. PRODUCT SAFETY

RONAL GROUP products and services, as well as the products purchased from its suppliers, must not endanger people or the environment, and must comply with the agreed or legally required standards regarding product safety. Suppliers are required to communicate safe use information in a clear and understandable manner. All products and services must therefore meet the contractually specified criteria for quality and safety upon delivery, and must be safe when used for their intended purpose.

### 3.6. MONEY LAUNDERING

The RONAL GROUP requires its suppliers to comply with the applicable legal provisions against money laundering.

## 3.7. DATA PROTECTION

The RONAL GROUP attaches great importance to the protection and fair and transparent handling of personal data. The supplier is obliged to use any personal data received within the scope of the cooperation, in particular those of contact persons or other suppliers of the RONAL GROUP, in accordance with the applicable legal data protection regulations and exclusively for the provision of the agreed services. In addition, the supplier shall take appropriate technical and organizational measures to ensure data security.

Suppliers must ensure that data requiring protection is collected, processed, stored and deleted appropriately. Business partners shall make it obligatory for their employees to maintain business confidentiality. Confidential content may not be published without authorization, passed on to third parties or made available in any other form. If necessary, the RONAL GROUP may ask the supplier to sign separate agreements.

Further information on the privacy policy of the RONAL GROUP can be found on the [RONAL GROUP corporate website](#). The RONAL GROUP reserves the right to change the privacy policy or parts of it.