



SHAPE THE WAY TO
THE MOBILE FUTURE.



Sustainability guides our actions regarding the environment, society, and our business operations. It is the bedrock of our future.

Sustainability Policy for Business Partners

Preface

KSM Castings Group is one of the world's leading specialists in aluminum and magnesium castings for lightweight automotive construction. In its business activities, KSM Castings Group and its suppliers worldwide are committed to complying with all relevant economic, environmental and social standards.

Commitment to internationally recognized standards

The KSM Castings Group Sustainability Policy for Business Partners sets out what is expected of our business partners with regard to sustainability. KSM Castings Group is committed to the environmental and social standards listed below, and we expect the same from our suppliers and other service providers in the supply chain:

- Universal Declaration of Human Rights
- Ten Principles of the UN Global Compact
- UN Guiding Principles on Business and Human Rights
- International Labour Organization (ILO) Declaration on Fundamental Principles and Rights at Work
- Charter for Sustainable Development of the International Chamber of Commerce (ICC)
- Decision on conflict minerals of the Securities and Exchange Commission (SEC)

Specific requirements

Based on the above standards, we also expect our suppliers to adopt the following positions:

Governance

- Upholding strong values and standards in compliance with national and international regulations. Along with data privacy laws in accordance with the EU General Data Protection Regulation (GDPR), this includes compliance with local laws on goods and services in the importing and exporting country, export regulations, and sanctions lists.
- Fighting all forms of corruption, including extortion and bribery.
- Ensuring full and strict compliance with competition rules, in particular strict observance of the applicable anti-trust laws and avoidance of conflicts of interest.
- Consistent compliance with the laws on accounting and handling capital and on the disclosure of information for support or clarification.
- Combating money laundering and piracy and ensuring the protection of intellectual property.
- Working with partners to ensure continuous improvement.
- Striving for the highest possible quality in products and processes.

Financial Responsibility

All essential business transactions are to be traced and documented in a timely manner. Internal and external reports (e.g. financial accounts, quality reports, etc.) have to be correct and complete so that the recipient can get an accurate picture. Financial records are to be created in accordance with applicable law and the generally approved principles of orderly bookkeeping (financial responsibility).

Disclosure of information

Information is to be disclosed in accordance with applicable regulations and customary industry practice. This includes, among other things, financial and non-financial information as well as information about industrial safety measures, environmental practices, business activities and information on the financial condition.

Social

- Respecting international human rights and the exercise of human rights due diligence.
- Protecting individual privacy, identity, and the private sphere.
- Protecting employees from threats, harassment, or other adverse actions when they make a complaint (whistleblowing and protection from retaliation) and maintaining confidentiality for whistleblowers during all stages of the process.
- Recognizing the right of workers to unionize and bargain collectively.
- Recognizing the right to freedom of assembly.
- Ensuring that remuneration, benefits, and working hours are in line with the applicable legal norms.
- Rejecting all forms of forced labor and human trafficking.
- Rejecting physical or psychological punishment and opposition to any form of retaliation.
- Rejecting child labor. Observing laws on the minimum age for workers in accordance with national laws. Children must not be hindered in their development. Their health and safety must not be impaired.
- Ensuring equal opportunities and the prevention of harassment.

Specific requirements

- Rejecting all forms of discrimination based on age, gender, skin tone, religious or sexual orientation, ethnic or social origin, nationality, disability, beliefs or political opinions, illness or pregnancy.
- Ensuring minimum standards of health and safety in the workplace.

This Code of Conduct for Ethical Recruitment shall comply with legal requirements and recognition of all ethical expectations in each country and sets forth the relationship with society through honesty and respect and governs the fair treatment of applicants, employees, employers and others (collectively „Parties“), as well as integrity and social responsibility. The ILO conventions are to be observed.

Environment

- Compliance with all national laws and policies relating to environmental protection and implementation of effective processes to continuously monitor them.
- Adopting a precautionary, responsible attitude towards environmental hazards and in dealing with chemical substances.
- Effective identification of chemicals or other substances that may pose a risk if released into the environment and associated regulatory compliance. This must also be taken into account for reportable substances in processes and end products. The potential for using alternative, lower-risk, substances should be examined.
- Adopting and supporting initiatives to promote environmental awareness.
- Promoting and advancing the development of green technologies.
- Applying and developing ways of reducing water consumption and adopting water reuse technologies.
- Monitoring and controlling wastewater before discharge or disposal.
- Reducing emissions, particularly greenhouse gases.
- Proactive and professional approach to resource efficiency, promoting the circular economy, and reducing waste. Wherever possible, materials are to be reused. When dealing with waste, the principle of “Avoidance prior to Recycling prior to Disposal” is to be followed. At a minimum, the relevant legal regulations and official requirements are always to be observed.
- Local soil quality goals and standards are to be met and thus local soil quality is to be improved.
- Noise emissions are to be avoided. Criteria and measures for noise prevention and protection against noise are to be initiated.
- Increasing energy efficiency and the share of renewable energy with the goal of climate-neutral production.
- Routine monitoring and control of air emissions and their reduction to a minimum in order to improve local air quality.
- Compliance with national and international regulations on animal welfare and animal testing, such as the German Animal Welfare Act or Directive 2010/63/EU of the European Union (also known as the Directive on the protection of animals used for scientific purposes).
- The natural ecosystems must be protected, and it is important not to contribute to their alteration, deforestation, or damage to other natural forests and ecosystems.

Specific requirements

Counterfeits and Intellectual Property

The usage of plagiarism or counterfeit material is prohibited. The raw materials are to be obtained primarily from official and certified sources/suppliers. If counterfeit materials or plagiarism are nevertheless found during one of the quality assurance measures that are to be carried out regularly, they are to be isolated immediately and the original equipment manufacturer (OEM) and/or any law enforcement authorities are to be notified. Intellectual property, such as inventions or patterns, as well as symbols, names and images used in commerce are to be respected and not used or published without authorization. This applies in particular to intellectual property that is protected by patents, copyrights or trademarks.

Export Controls and Economic Sanctions

All applicable import and export control laws, sanctions and embargoes that restrict the export or reexport of goods, software, services and technology to certain countries of destination are to be observed. Prohibitions on transactions involving certain countries, regions, organizations and individuals involved that are subject to restrictions, are to be observed.

Occupational health and safety

Ensuring that workers are protected from workplace hazards – as a minimum within the framework of the applicable national regulations – and promoting continuous improvement of health and safety measures.

Implementing these standards in the supply chain

KSM Castings Group is committed to implementing the above-mentioned basic principles for the benefit of society and its customers. In the interest of sharing responsibility for achieving the associated goals, it is necessary to disseminate this information throughout the supply chain.

The KSM Castings Group expects all suppliers to apply definitions and implementation of similar standards to their own Tier 1 suppliers and thus, if necessary, take appropriate measures to eliminate these risks. KSM Castings Group expects to be notified of any breach of the above requirements.