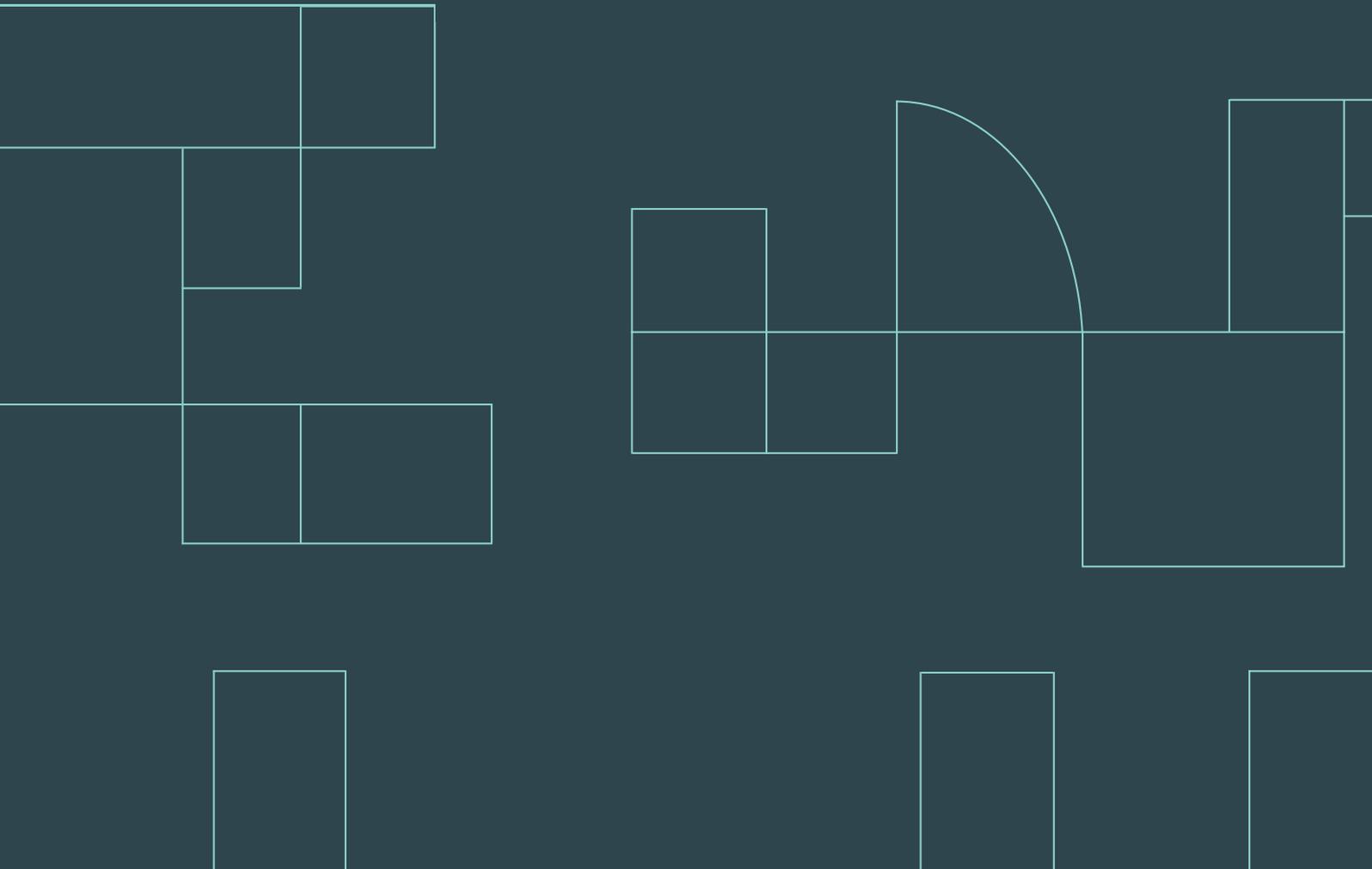
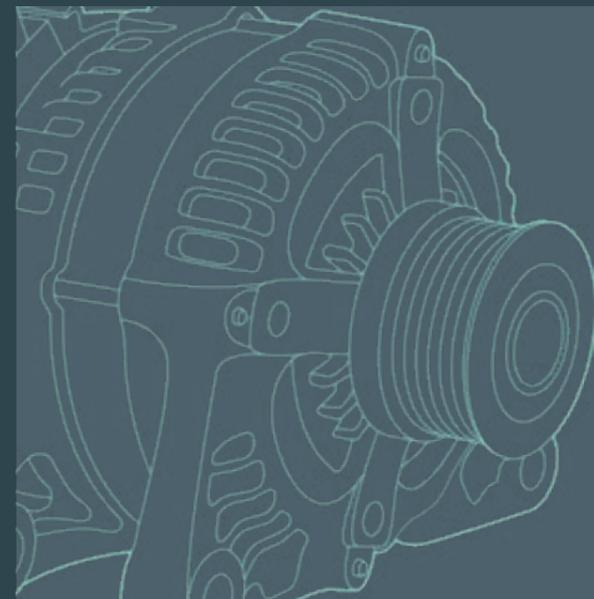


CAR PARTS INDUSTRIES CODE OF CONDUCT



“Our values are the foundation and the guidelines for the way that we do business



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Introduction



In BORG Automotive (herein after BA) our values are the foundation and the guidelines for the way that we do business, and function as a value base for our employees as to how they should conduct day-to-day business. We believe in value driven management, and our values empower all of us to act and make decisions proactively rather than reactively.

Our values are based on responsibility, competences, interdependency, transparency and continuous improvement. All actions to reach the strategic goals are based on these values. Competence is based on the human factor, hereunder knowledge, innovation, imagination and personal development. The idea of improving our organisation's capabilities through systematic continuous improvement involves everybody, including our suppliers and business partners, and is our foundation for victory. Understanding this interdependency is essential for achieving an organisation where diverse skills and abilities serve for our common success. We always act responsibly and transparently, and strive to meet customer expectations, using resources wisely.

The Code of Conduct represents our core values and reflects our continued commitment to ethical business practices and regulatory compliance. We are aware that our responsibility goes beyond our own activities, and we take a responsible approach throughout the entire supply chain. The Code of Conduct reflects our continued commitment to ethical business practices as well as social and environmental responsibilities in line with the ten principles of the UN Global Compact, and we only have suppliers and business partners that share this commitment.

The Code applies to our entire supply chain, including our suppliers, contractors and business partners of BA worldwide. The purpose of this Code of Conduct is to describe how we see responsible business practice, and what we demand from our own organisation as well as from our suppliers.

We require our suppliers to ensure that their suppliers follow and comply with the Supplier Code of Conduct, and fully understand the content and obligations.

We thank you for reading our Code of Conduct.

Jens Bjerg Sørensen, Chairman

Kim Kruse Andersen, Chief Executive Officer



Our vision

We want to provide the best customer experience in remanufactured automotive solutions

Our mission

We bring new life to car parts



Human Rights

It is important for BA that all people related to our business are treated with respect and dignity. This is a principle in our organisation, and we require that our suppliers respect human rights, including the principles set forth in the International Bill of Human Rights and the International Labour Organisation's (ILO) declaration on Fundamental Principles and Rights at Work.

BA is committed to ensuring there is transparency in our own business and in our approach to tackling modern slavery throughout our supply chains, consistent with our disclosure obligations under the UK Modern Slavery Act 2015. We require the same high standards from all our contractors, suppliers and other business partners.

Discrimination

BA recognizes that cultural differences exist, and different standards apply in various countries. However, we believe that all terms and conditions of employment should be based on an individual's ability to do the job, not based on personal characteristics or beliefs. BA does not accept any discrimination in hiring practices or any other terms or conditions of work based on race, colour, nationality, social origin, age, gender, pregnancy, religion, trades union membership, disability, sexual orientation or political opinion.

- Employees must have equal opportunities and treatment in employment and when hiring new employees.

Forced labour and human trafficking

BA does not conduct business with suppliers that are associated with any form of bonded labour, forced labour, labour with a fear of punishment or any form of human trafficking. Our own organisation is subject to the same requirement.

- Employees must work at their own will and employees should be free to leave and change their employment when they wish.

Child labour

BA does not conduct business with suppliers that are associated with any form of child labour. Every child is to be protected from economic exploitation and from carrying out work that can be considered to have a negative effect on the child's education or harmful to the child's health or development. If a supplier violates this point it will lead to a termination of the contract.

- We do not employ people younger than 16 and we require our suppliers not to use child labour and ensure that no person shall be employed at an age younger than 16. In countries where local laws set a higher age for labour or extend mandatory education beyond the age of 16, this higher age will apply.

We protect young workers of legal work-age, up to the age of 18, from any type of employment or work which, by its nature or circumstances in which it is carried out, is likely to jeopardise their health, safety or moral, or interfere with their schooling needs. We require the same from our suppliers.

Right to privacy

We respect our employees' right to privacy when gathering and keeping personal information. We expect the same from our suppliers.



Employees +1500

At BA, our employees form the basis of our success. We are committed to provide a motivating and inspiring work environment for our employees. Likewise, we require our suppliers to focus on employees' well-being and provide a safe work environment with proper terms of employment.

Working conditions

Employees are treated within the applicable national or local laws as well as industry practice and collective bargaining agreements regarding employment.

In recent years BA has due to a focused effort reduced the number of lost working days due to accidents.

- Suppliers are required to fairly compensate their employees by providing wages and benefits, which comply with the national laws of the countries in which the suppliers are doing business, and which are consistent with the prevailing local standard and applicable collective agreements in the countries in which the supplier partners are doing business if the local standards are higher. BA complies with the same requirement.
- Wages are not to be withheld as a disciplinary sanction and must be paid out timely. Any deductions from wages should be transparent and clearly stated on payslip.
- BA and its suppliers maintain reasonable employee work hours in compliance with local standards, applicable collective agreements and applicable national laws of the countries in which the suppliers and BA are doing business. Employees shall not work more hours per week than allowable under applicable law and shall be compensated as appropriate for overtime work. Employees are entitled to at least one day off per calendar week. Days of consecutive work comply with local standards and applicable national laws of the countries in which the suppliers and BA operate.

**BORG Automotive
employs more than
1500 people across
locations**

Health and safety

BA and suppliers will provide a healthy and safe working environment for all employees. A healthy workplace environment includes the absence of sexual harassment, sexual abuse, physical reprimand or abuse as well as the absence of toxic levels of pollutants and the proper handling of chemicals. We do – and require our suppliers to:

- Follow all applicable local laws and regulations to prevent accidents and injury to health.
- Continuously improve working conditions and reduce workplace related risks and hazards by e.g. having a health and safety management system in place, identify, assess and take measures to eliminate potential safety risks, ensuring management responsibilities, providing necessary safety training and equipment to employees, setting targets and conducting training.
- Inform employees of potential safety risks and instruct on proper, safe behaviour and the corresponding safety measures to be implemented. Should such measures not afford adequate hazard management, the employees shall be provided with suitable personal protective equipment.

Freedom of association and collective bargaining

BA respects its employees' right to organise themselves and negotiate collective wage agreements. We expect our suppliers to ensure that employees have freedom of association and the right to collective bargaining consistent with applicable laws.

Climate and Environment

In BA, it is important for us that we conduct business in a sustainable way with care for the environment. We are aware that acting responsibly goes beyond our own activities, and we therefore expect our suppliers to carry out operations with care for the environment and strive to minimise adverse impacts on the environment, such as disproportionately large amounts of CO2 emissions and waste.

- Suppliers must comply with local environmental regulation and maintain the necessary registrations, permits and licences.
- We expect suppliers to handle air emissions and appropriately handle waste, attempt to minimise waste and to reuse and recycle resources and materials.
- Suppliers must monitor and continuously strive to improve environmental performance, e.g. by having an environmental management system in place.
- The later years BA has – in collaboration with suppliers and customers – focussed on reducing the amount of paper and cardboard we use per sold unit. Likewise, we have focused on different projects to reduce the amount of kWh used per sold unit. Both KPI's are showing a trend that are above expectations.



Anti-corruption and business ethics

In BA, we ensure that business decisions are made with high ethical standards and in compliance with the law. We work against corruption in all its forms, including bribery and facilitation payments. Likewise, it is important for us that our suppliers do not engage in any form of corrupt practices, and we expect suppliers to maintain adequate procedures for preventing employees, suppliers etc. from undertaking any illegal behaviour regarding corruption.

Anti-corruption

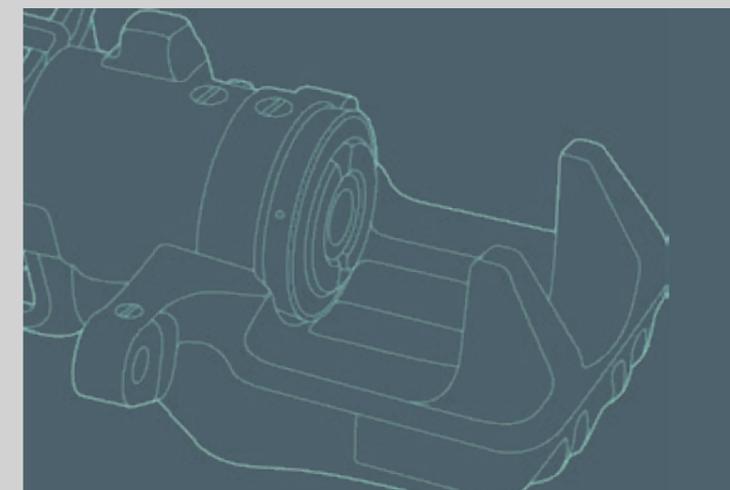
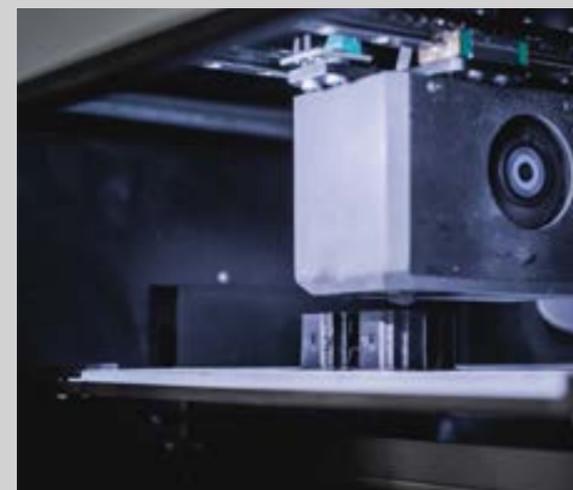
Like we do, we also request our suppliers to:

- Not engage in any form of corrupt practices, including bribery and facilitation payment, whether direct or indirect. This means that a supplier must never, directly or through intermediaries, accept or offer bribes. Suppliers shall also refrain from offering expensive gifts or extravagant entertainment to BA to influence business decisions.
- Maintain adequate procedures for preventing employees, suppliers etc. from undertaking any illegal behaviour regarding corruption.
- Comply with all applicable anti-corruption laws, including, without limitation, the U.S. Foreign Corrupt Practices Act and the U.K. Bribery Act

Fair competition

Like we do, we request our suppliers to:

- Act in compliance with national and international competition legislation and regulation.
- Behave fairly in competition and observe the applicable legal provisions that safeguard free competition. Thus, our suppliers should not make agreements or concerted practices with other companies aimed at or resulting in the prevention, restriction or distortion of competition in accordance with the applicable anti-trust regulations and abuse any dominant position on the market in an unlawful manner.



Confidential information

Like we do, we request our suppliers to:

- Keep all confidential and proprietary information in strict confidence, except when authorised or legally required to disclose information and data.
- Not to talk or write on behalf or about our customers. No communication can be made on the social media or in any way, such as a Curriculum Vitae, that would lead to the disclosure of BA customers' or other stakeholders' confidential information.

Conflict of interest

We notify our customers of any condition, which could be perceived as a conflict of interest – this specifically relates to delivery schedule, quality, prices, or if a conflict is ongoing for a longer period with a possibility to hurt our capability to supply to our customers as agreed.

Money laundering

Like we do, we request our suppliers to:

- Observe the legal provisions to prevent money laundering.
- Have the primary bank account in the same country as the company is registered.

Prohibited Materials

Products delivered by BA will not contain prohibited materials such as, but not limited to Cr6, Pb, Hg and asbestos. This means that no materials prohibited in EU and in the automotive industry, according to EU Directive EC 552/2009 and all related documents, are in products delivered by BA. In addition, we comply with the REACH Regulation (EC) No 1907/2006 and the Annex XVII according to the Commission Regulation (EU) 2018/675 and require our suppliers to do the same.

Since BA believes that conduct of its suppliers can be attributed to BA and affect our reputation, we require our suppliers to:

- Conform to standards of business practices, which are consistent with the expectations and beliefs outlined above. More specifically, BA requires conformity to those standards and reserves the right to make periodic, un-announced inspections of supplier facilities to satisfy itself of supplier's compliance with these standards.
- Stay updated on the ever-increasing list of substances of very high concern that can be found through: <https://echa.europa.eu/candidate-list-table>
- Adopt appropriate measures which ensure to the best of its knowledge and belief that raw materials used in the manufacture of its products (tantalum, tin, tungsten, gold, etc.) do not directly or indirectly serve as means to finance or support armed groups that commit serious human rights violations

Animal Welfare

As part of its supply, the Supplier undertakes to respect and to ensure that its own suppliers respect the five animal rights formalized by the World Organisation for Animal Health (OIE) concerning animal welfare.

Compliance

We encourage our suppliers to go beyond legal compliance and continuously seek to improve ethical, social and environmental performance.

All BA suppliers, new as well as established, can/will upon request, be audited yearly and approved by one of the BA representatives.

New facilities are audited before they participate in sourcing events. Supplier Self audit and/or an on-site audit assess suppliers' capabilities, capacity, quality systems and social responsibilities to provide basic assurance that a factory can meet our needs and the needs of our customers. Any audit assesses resources based on the existing regulatory standards, when appropriate, and against standard best practices for categories that are not industry or government regulated. These inspections may be unannounced without prior notice.

Suppliers failing an on-site audit for compliance with legal requirements, ethical and/or social requirements or non-compliance with BA supplier standards will need to correct the situation prior to a second audit within a timeframe agreed with BA. Any supplier failing the follow up audit risk a termination of the business relationship with BA.

Disclaimer

This Code is not intended to and does not create any rights not otherwise provided by law or contract. Nothing contained in this Code of Conduct creates an express or implied right for customers or business partners.

Questions

This Code of Conduct addresses the most common issues relevant for our customers and business partners, but it can not cover everything. If you have questions about this Code of Conduct, its interpretation, applicability or scope, please contact BA.

Our values

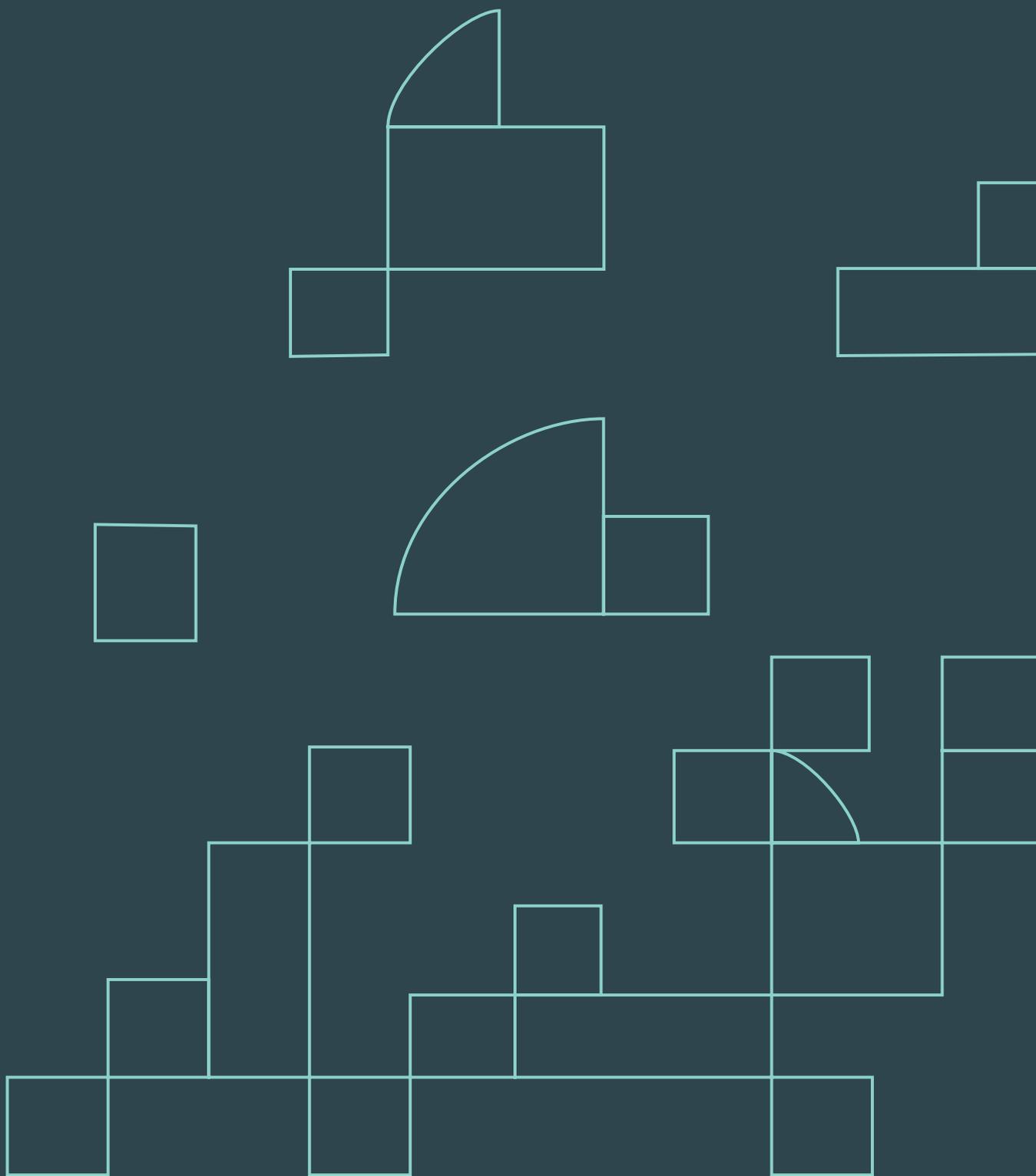
Responsibility

Transparency

Competence

Continuous Improvement

Interdependency



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