

Autoneum Group 3rd Party Due Diligence Manual

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1. Purpose

This Manual delineates Autoneum’s process for conducting background investigations on third parties with whom Autoneum is currently engaged or considering future engagement. The objective of this process is to thoroughly examine the status and practices of existing or potential business partners. This examination aims to assess and mitigate risks associated with environmental, social, legal, and compliance/governance aspects of their business activities, commonly referred to as due diligence.

To ensure alignment with the evolving needs and requirements of Autoneum and its stakeholders, this Manual undergoes regular reviews. Updates are prepared and implemented as necessary to maintain its relevance and effectiveness.

The latest released version of this Manual will be available electronically on the [Supplier Portal](https://purchasing.autoneum.com) or purchasing.autoneum.com. The Supplier Portal is Autoneum’s communication system to its suppliers.

2. Scope

This Manual applies to all third parties that Autoneum is working with and Autoneum expects all suppliers to truthfully answer questionnaires received from Autoneum.

3. Risk Management Process

3.1. Overview

3.1.1. Process

Autoneum sees due diligence as an ongoing process with constantly changing framework conditions. Autoneum conducts, at least annually or ad hoc in case of changes, e.g. new products, new plants/locations, business fields, analyses to identify potential and actual negative impacts on environmental, social, legal, and compliance/governance aspects at selected suppliers, in particular for such as required by applicable local laws (e.g. German Supply Chain Act).

3.1.2. Due Diligence Platform Providers and Assessments

Integrity Next: The Integrity Next Platform allows an automated evaluation of suppliers' sustainability performance based on questionnaires covering all major ESG topics.

NQC: Autoneum further uses the Sustainability Assessment Questionnaire (SAQ) provided by the service provider NQC for conducting due diligence on third parties.

SAQ from NQC covers topics such as company management, working conditions and human rights, health and safety, business ethics, environment, supplier management and responsible sourcing of raw materials.

SAQ has been put into use by several of the participating OEMs from Drive Sustainability (Annex 6.3) and is intended to avoid duplication and improve efficiency. Drive Sustainability members have a set of common guidelines outlining expectations for suppliers on key responsibility issues (Annex 6.3). OEMs using SAQ through the NQC Common Technical platform are for example: Aston Martin, BMW Group, Daimler Truck, Ferrari, Ford, Geely, GWM, Honda, Jaguar Land Rover, Mercedes-Benz, Polestar, Scania, Toyota Motor Europe, Volkswagen Group, Volvo Car Corporation, Volvo Group.

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3.2. 3rd Party Risk Screening

Autoneum’s purchasing function is managing the process of the risk screening of selected suppliers on environmental, social, legal and compliance/governance aspects through a coordinator from each Business Group. Based on the result, such suppliers are included in the Integrity Next Platform and/or the SAQ through NQC is rolled out (“3rd Party Screening”).

A 3rd Party Screening is implemented for all suppliers of Autoneum according to risk criteria, except for direct material suppliers, who shall all be screened through Integrity Next on a regular basis. PUR scans all other suppliers from each BG based on the following risk criteria:

1. Pollution of air, water and soil and corresponding emissions due to manufacturing processes of suppliers
2. Environmental footprint of logistics in relation to supply chain
3. Risks in the supply chain related to human rights and working conditions
4. Corruption and bribery risks associated with supply chains
5. Annual spent category and/or strategic importance

For each of the criteria a risk prioritization factor is used to evaluate impact and probability of the risk to appear. 3rd Party Screening is run at least annually based on the risk evaluation and in line with OEM and regional legal requirements, or ad hoc in case of changes, e.g. new products, new plants/locations, business fields.

Additionally, self-declarations may be required with regard to specific risk areas from suppliers (potentially concerned (e.g. Self-Declaration Confirmation as per Annex 6.4. related to Child Labor). The Autoneum purchasing function may request completion of such self-declarations from the suppliers via the regional coordinators of each BG.

3.3. 3rd Party Invitation, Responding and Validation

The suppliers receive an email from Autoneum Purchasing function (coordinator from each BG in this process) or responsiblesupplychain@autoneum.com informing them about the upcoming assessment and providing details about how to register on the web platform of the respective due diligence platform provider mentioned. The customer service of the due diligence platform providers are supporting in case of an error or questions from suppliers during the assessment process. The suppliers will receive separate automated emails from the due diligence platform providers for registration and update requirements.

The suppliers are required to answer the questionnaires received within a communicated deadline.

The due diligence platform providers validate the answers and documents of evidence for accuracy, completeness and validity.

Autoneum will receive a detailed analysis of the results. The table below shows an example of supplier ratings based on the questionnaire results.

Red	<p>Non-compliance of supplier regarding Autoneum requirements.</p> <p>The supplier is required to submit a corrective action plan to address all ‘non-compliant’ scored questions. The corrective action plan must be submitted to Autoneum within six weeks after the results are shared with the supplier. After the supplier action items have been addressed and implemented, a mandatory follow-up is required.</p>
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	<p>In the meantime:</p> <ul style="list-style-type: none"> - In case of a 'new supplier', nomination is not allowed. - In case of an 'existing supplier', supplier is put on escalation. - The supplier is considered as a potential candidate for external audit. External audit costs are to be covered by the supplier.
Amber/Yellow	<p>Non-compliance of supplier regarding Autoneum requirements.</p> <p>The supplier is required to submit a corrective action plan to address all 'non-compliant' scored questions. The corrective action plan must be submitted to Autoneum within six weeks after the results are shared with the supplier. After the supplier action items have been addressed and implemented, a mandatory follow-up is required.</p> <ul style="list-style-type: none"> - In case of a 'new supplier' nomination is allowed with restriction. - In case of an 'existing supplier' follow-up on CAP (Corrective Action Plan). - The supplier is considered as a potential candidate for external audit. External audit costs are to be covered by the supplier.
Green	<p>Compliance of supplier regarding Autoneum requirements.</p> <p>No further need for corrective actions.</p> <ul style="list-style-type: none"> - In case of a 'new supplier' nomination is allowed without any restriction. - In case of an 'existing supplier' regular monitoring. Continues collaboration via visits/audits.

3.4. Corrective Action Plan (CAP)

3.4.1. CAP related to implementation of Preventive Measures

Suppliers with identified gaps as a result of the questionnaire submitted shall deliver a CAP. Supplier shall provide such CAP to address all 'non-compliant' scored questions. The details of category scores, risks and gaps are accessible to the supplier from the report by NQC or through the Integrity Next Platform.

The supplier updates the questionnaire after implementing the corrective actions. NQC/Integrity Next validates the answer update and attachments for accuracy, completeness and validity.

The supplier and Autoneum's purchasing function see in the platform, which gaps were closed by the actions and which remaining gaps were still identified.

3.4.2. Control Measures / Supplier Audits

Audits at the supplier's premises or other business locations or other adequate control measures (e.g. interviews with supplier representatives) may be necessary to verify accuracy of the questionnaire, fulfilment of the CAP and/or compliance with discovered gaps. Such should be implemented on a case-by-case basis, in particular for strategic suppliers, where such suppliers falling within the category "Red" have either failed to provide a CAP or failed to implement their CAP within a reasonable time period despite several reminders.

When a supplier audit is conducted, it shall be done as a systematic and independent examination of a supplier's operations, processes, and practices to ensure compliance with Autoneum's and/or legal requirements. Such audit aims to verify that suppliers adhere to internationally recognized human rights and environmental standards.

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The key objectives of the supplier audit include:

1. **Compliance Verification:** Verifying implemented preventive measures, including assess the local situations related to an identified risk, or investigate whistleblower allegations.
2. **Risk Management:** Identifying and mitigating potential risks related to human rights violations and environmental impacts within the supply chain.
3. **Continuous Improvement:** Encouraging suppliers to continuously improve their practices to meet evolving regulatory and ethical standards.

Such external audit is at the supplier's expense, unless otherwise communicated by Autoneum.

3.4.3. CAP related to implementation of Remedial/Corrective Actions

Suppliers, in relation to which actual or imminently threatening violations with regard to human rights, or environmental, social, legal, and compliance/governance aspects ("**ESG Violations**") are discovered, will be informed by the responsible Autoneum buyer immediately upon knowledge in writing. Suppliers shall equally immediately inform Autoneum about any actual or threatening ESG Violations, irrespective of whether occurring within its own operations or such of its supply chain relevant to the product or service provided to Autoneum, either directly to its contact at Autoneum, to compliance@autoneum.com or through [Autoneum's Speak Up Line](#).

If such actual or threatening ESG Violation is confirmed, the supplier shall implement a CAP in full cooperation with Autoneum to prevent or terminate such violation with immediate effect and prevent future violations.

The suppliers are required to update Autoneum on a regular basis on the status of the implementation of the CAP until the violation has been eliminated or at least minimized.

Should the supplier fail to cooperate, the agreed CAP fail to achieve the required improvement and/or in case of material violations by the supplier of this Manual, Autoneum may terminate the supply relationship with the supplier concerned, unless more lenient mitigation measures are available.

3.4.4. Supplier Trainings

Autoneum may require suppliers to participate in general ESG trainings or dedicated trainings addressing the gaps identified through the questionnaire responses, the CAP implementation or any supplier audits. On request, supplier will organize such trainings itself or through a third-party service provider and provide proof of their completion and completion rates. Alternatively, Autoneum may request suppliers to participate in trainings provided by or on behalf of Autoneum itself and suppliers commit to complete such within the timeframes requested.

3.5. Conflict Mineral and Cobalt Reporting

Autoneum uses the IMDS system to understand the materials purchased from its supply chain. Additionally for the suppliers selected as part of the 3rd Party Screening, there is an enforced follow up via the NQC SAQ or the possibility to request the completion of a related questionnaire (Cobalt & Mica, Conflict Minerals based on CMRT) through the Integrity Next Platform.

Within the IMDS system, it is required to declare to Autoneum if the supplied products are containing Conflict Minerals (Tin, Tantalum, Tungsten, Gold) and Cobalt. The Material Compliance Team from R&T is leading the process in collaboration with the purchasing function and a third-party service provider to obtain Conflict Mineral and Cobalt reports from all suppliers who declared such content in IMDS.

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Autoneum submits annually a company level CMRT report (Annex 6.1) to each impacted OEM in line with their individual reporting deadlines. A separate Cobalt report is completed annually and reported within NQC SAQ together with the company level CMRT report (Annex 6.1).

4. Contact

Questions regarding this Manual, Autoneum’s requirements and their evaluation can be addressed to your contact person at Autoneum or to responsiblesupplychain@autoneum.com.

General information for suppliers can be found on the web: www.autoneum.com/supplier-portal

NQC:

For technical questions regarding the SAQ process on the NQC platform as well as questions regarding the content, e.g. definition of requirements, please contact our service provider NQC Ltd. directly.

Help and support for suppliers in the web: <https://supplierassurance.com/help>

E-mail: auto.support@nqc.com

Phone: +44 161 413 7983

Integrity Next:

For technical questions regarding the registration on the Integrity Next platform as well as questions regarding the content, e.g. definition of requirements, please contact our service provider Integrity Next GmbH directly.

Help and support for suppliers in the web: <https://helpdesk.integritynext.com/hc/en-us>

E-mail: contact@integritynext.com

Phone: +49 89 21540-5250

5. List of Abbreviations

BG	Business Group
CAP	Corrective Action Plan
CMRT	Conflict Mineral Reporting Template
IMDS	International Material Data System
OEM	Original Equipment Manufacturer (customer)
RMI	Responsible Minerals Initiative
R&T	Research & Technology
SAQ	Sustainability Assessment Questionnaire

6. Annexes

6.1. CMRT

The Conflict Minerals Reporting Template (CMRT) is a free, standardized reporting template developed by the Responsible Minerals Initiative (RMI) that facilitates the transfer of information through the supply chain regarding mineral country origin and the smelters and refiners being utilized.

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6.2. Code of Conduct for Suppliers

The Code of Conduct for Suppliers, which can be downloaded under <https://www.autoneum.com/supplier-portal/> in various languages, sets principles for suppliers to act fairly and ethically, provide safe working conditions and use environmentally responsible practices whenever they provide goods or services for Autoneum.

6.3. Drive Sustainability

[Drive Sustainability](#) is a partnership of several automotive companies leading the transformation towards a circular and sustainable automotive value chain.

Drive Sustainability members: Aston Martin, BMW Group, Daimler Truck, Ferrari, Ford, Geely, GWM, Honda, Jaguar Land Rover, Mercedes-Benz, Polestar, Scania, Toyota Motor Europe, Volkswagen Group, Volvo Car Corporation, Volvo Group.

6.4. Child Labor

Self-declaration confirmation for suppliers:

The Supplier herewith confirms that no child labor is used in any of its or its suppliers' facilities worldwide. In particular, the Supplier confirms that

- *all workers directly or indirectly engaged by the Supplier meet the legal minimum age required to work in the country where the work is performed, or are over the age of 15, whichever is higher; and that*
- *workers under the age of 18 do not perform hazardous work or operate heavy machinery; and that*
- *unless stipulated differently by applicable law, the wage rate for student workers, interns and apprentices is at least the same wage rate as other entry-level workers performing equal or similar tasks; and that*
- *all its suppliers, agents, contractors, and temporary labor agencies supplying goods or services to it are adhering to the same principles as stated here above.*

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