




# **SUPPLIER SUSTAINABILITY**

**Requirements for supplier selection**



Revision:

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## Introduction

In accordance with and following the Code of Ethics, Auto Fit, spol.s r.o. (hereinafter referred to as Auto Fit) has **the highest interest to maintain the highest standards of ethics in business also in cooperation with all suppliers, subcontractors and other business partners.**

Auto Fit **distances itself** from working with companies that engage in or are suspected of engaging in corruption, extortion, collusion, that practice bribery, and other illegal and immoral practices.

We want all stakeholders working with Auto Fit to have **integrity and conduct business** with similar moral and ethical standards.

**Our company's reputation is one of the most valuable assets we want to create, develop and protect.**

The management of our company reserves the right, to screen each supplier and require compliance with the principles stated in this document.

Suppliers are made aware of this document when signing a supplier contract. Interested partners can familiarize themselves with this policy of our company upon request.

Ing. Marie Ryšavá, MBA  
Managing director Auto Fit, spol. s r.o.



# Code of conduct for business cooperation with AutoFit

## 1. PURPOSE AND APPLICABILITY

At Auto Fit, spol. s r.o. ("AutoFit"), we are dedicated to exceeding customer expectations. We accomplish this, in part, through partnerships with Suppliers who share our commitment to quality, safety, and low cost as well as operating under a philosophy that focuses on integrity and doing the right thing.

To assist our suppliers, vendors, and service providers ("Suppliers") in understanding AutoFit's expectations, AutoFit has published this Code of Conduct, which applies to all businesses that produce goods or provide services for AutoFit or any of its subsidiaries or affiliates. While AutoFit recognizes that legal and cultural requirements vary in a global business environment, this Code of Conduct sets forth certain universal requirements that Suppliers are expected to follow. During the entire term of a Supplier's provision of Services and related products to AutoFit, the Supplier, and the Supplier's agents and employees, agree to complete compliance with this Code of Conduct, and to ensure and guaranty complete compliance throughout the Supplier's supply chain, including all direct and indirect suppliers of such Supplier. This Code of Conduct provides the foundation for AutoFit's ongoing evaluation or audit of a Supplier and constitutes an integral part of every agreement to which AutoFit and its Suppliers are party.

## 2. COMPLIANCE WITH LAWS

Suppliers must at all times comply with the laws of their countries and with all other applicable laws, rules, and regulations, including those related to labour, worker health and safety and the environment. Further, AutoFit expects all its Suppliers to conduct business honestly, ethically and in such a way as to reflect positively on AutoFit. While Suppliers must comply with all applicable laws and regulations, here are a few examples of important areas of legal compliance:

### a. Bribery/Corruption of Government Officials


Suppliers must follow all anti-bribery laws throughout the world and educate their employees about compliance with these laws. In addition, Suppliers must comply with anti-bribery laws with regard to maintaining books and records.

### b. Fair Competition/Antitrust Compliance

Suppliers must comply with local antitrust laws and regulations. These laws deal with agreements among competitors, agreements with resellers, price discrimination and other acts or situations that may unfairly reduce competition. If a Supplier is under investigation for actions related to the antitrust laws of any country in which it operates, such Supplier must notify AutoFit immediately.

### c. Human Trafficking/Supply Chain Transparency

Suppliers must follow all applicable human trafficking and supply chain transparency laws throughout the world and educate their employees about compliance with these laws. Suppliers must not traffic persons or use any form of slave, forced, bonded, indentured, or prison labour. Involuntary labour includes the transportation, harbouring, recruitment,



transfer, receipt, or employment of persons by means of threat, force, coercion, abduction, fraud, or payments to any person having control over another person for the purpose of their exploitation. Suppliers must not withhold workers' original government-issued identification and travel documents. Suppliers must ensure that workers' contracts clearly convey the conditions of employment in a language understood by the workers. Suppliers must not impose unreasonable restrictions on movement within the workplace or upon entering or exiting company- provided facilities. Workers shall not be required to pay employers' or their agents' recruitment fees or other similar fees to obtain their employment. If such fees are found to have been paid by workers, such fees shall be repaid to the workers.

### **3. EQUAL EMPLOYMENT OPPORTUNITY AND TREATMENT OF OTHERS**

AutoFit supports internationally recognized human rights. Suppliers must comply with all applicable laws regarding the treatment of employees and other stakeholders. Suppliers must uphold the human rights of their workers and treat them with dignity and respect.

#### **a. Diversity and Inclusion**

AutoFit believes in the value of diversity. Diversity in perspectives enables teams to think in many dimensions. Bringing together people of different backgrounds, viewpoints, and experiences achieves richness in ideas.

To that end, AutoFit expects its Suppliers to employ workers based on the following standards:


1. A worker's employment, wages and benefits must not be based in any way on race, colour, gender, nationality, religion, age, maternity, sexual orientation, gender identity and/or expression, or marital status.
2. Suppliers must demonstrate best efforts to achieve a high level of diversity in the workforce.
3. Suppliers must have a policy that prohibits inappropriate conduct. There must also be a process for anonymous disclosure, investigation and resolution of incidents that breach the policy.
4. No employee of a Supplier will take part in harassing behaviour or create a hostile or offensive work environment.


#### **b. Women's Rights**

Suppliers must ensure women workers receive equal treatment in all aspects of employment, including pay. Pregnancy tests will not be a condition of employment. Workers must not be forced to use contraception.

#### **c. Child Labour**

Suppliers must comply with applicable laws regarding the use of child labour. Only workers who meet the applicable minimum legal age requirement in the country where they are working or are at least 14 years old, whichever is greater, may be hired by a Supplier. In addition:

1. Suppliers must comply with all applicable child labour laws, including those related to hiring, wages, hours worked, overtime and working conditions. Vocational or developmental programs for young people may require an exception to the age requirements.
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2. Suppliers should encourage eligible workers, especially younger workers, to participate in their work-study programs and government-sponsored educational programs.
  3. Suppliers must maintain official documentation that verifies a worker's date of birth, employment history and training history.

#### d. Wages and Hours

Suppliers must comply with all applicable laws regarding working hours, wages and overtime pay. Workers must be paid at least the greater of (i) the minimum legal wage or (ii) a wage that meets local industry standards. When overtime is required, Suppliers must conduct operations in ways that limit overtime to a level that ensures humane and productive working conditions. In addition:


1. Suppliers must pay overtime and any incentive rates that meet all legal requirements and local industry standard. Hourly wage rates for overtime must be higher than the rates for the regular work shift.
2. As a general rule, workers should have at least one day off in seven. Suppliers should not require, on a regularly scheduled basis, a work week in excess of 60 hours.
3. Workers must receive paid annual leave and holidays as required by local laws.

#### e. Freedom of Association

Suppliers must comply with all local laws regarding employees' freedom of association and must not take unlawful actions to interfere with employees' rights. The freedom of association includes the right to bargain collectively or to belong to works councils.

### **4. WORKING CONDITIONS**

A safe environment is a critical component of effective partnerships between AutoFit and its Suppliers. To that end, the following guidelines apply:

1. Suppliers must comply with all applicable laws regarding working conditions, including worker health and safety, sanitation, fire safety, risk protection and electrical, mechanical, and structural safety.
  2. Suppliers must not engage in or permit physical punishment of employees or in psychological coercion or any other form of non-physical abuse, including threats of violence, sexual harassment, screaming or other verbal assaults.
  3. The work environment must be well lighted and sufficient for the safe performance of production activities. The work setting must be well ventilated and free from unhealthy or dangerous temperature extremes.
  4. Suppliers must develop and implement programs to take reasonable steps to prepare for, prevent, and respond to the potential for an infectious disease among their employees.
  5. There must be sufficient, clearly marked exits that allow workers to evacuate in an orderly fashion in the event of an emergency. Evacuation drills must be held periodically to ensure that employees know what to do. Exits must remain accessible and unlocked during working hours.
  6. Production machinery must be equipped with operational safety devices and must be
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inspected and serviced on a regular basis.

7. Suppliers must have strict procedures that prevent the use of illegal drugs or alcohol on their premises and that stop impaired employees from working.

8. Appropriate personal protective equipment, such as gloves, rubber boots, safety glasses, goggles, ear plugs, and earmuffs should be used where applicable and must be made available at no cost to all workers. Instructions in the employee's native language must be provided on the use of personal protective equipment in the process documentation.

9. Suppliers must maintain clean and sanitary toilet facilities and place no unreasonable restrictions on their use during working hours.

## **5. FINANCIAL RESPONSIBILITY/ACCURATE RECORDS**

All records and reports, whether internal or external, must be accurate and truthful. Suppliers are expected to act in accordance with applicable law and generally applicable accounting Principles, which require that data and other records always be complete, correct, up-to-date, and System compliant.

## **6. ENVIRONMENT**

Suppliers must comply with all applicable environmental laws, regulations, and standards. In addition, Suppliers are required to meet the standards outlined below:

### 1. Energy Consumption & Gas Emissions

Suppliers are expected to track and document energy consumption and greenhouse gas emissions. Suppliers are also to look for cost-effective methods of improving energy efficiency by minimizing their energy consumption and greenhouse gas emissions, considering a life cycle perspective.

### 2. Water Reduction, Air Quality & Waste Management

Suppliers are expected to:

- a. Preserve water resources and reduce water consumption.
- b. Set targets for waste reduction and establish a waste management hierarchy in the following order of priority: prevention, reduction, reuse, recovery, recycling and finally waste disposal.
- c. Handle and dispose of all generated waste through safe and responsible methods that protect the environment and the health and safety of employees and local communities.

### 3. Natural Resource Management

Suppliers are expected to encourage and support the use of sustainable, renewable and natural resources in an efficient manner over the product's life cycle.

### 4. Responsible Chemical Management

Suppliers are expected to identify and manage chemicals to ensure their safe handling, storage, use, recycling and disposal. Suppliers are expected to collect data from their material manufacturers for all chemicals and components classified as hazardous substances.

## **7. CONFLICT OF INTEREST**

Suppliers must do business in a manner that is open, honest, and transparent. Suppliers must avoid conflicts of interests. There is the potential for a conflict of interest if a Supplier's employee or his or her family member has a relationship with a AutoFit employee who can make decisions that will affect such Supplier's business. Suppliers must disclose these types of relationships to AutoFit before entering into negotiations or business transactions with AutoFit.

Suppliers must have policies in place that prohibit such conduct and the giving and receiving of gifts and other business courtesies. When doing business with AutoFit, Suppliers may offer gifts and other business courtesies only on the following circumstances:

1. The gift is for legitimate business purposes;
2. The gift is unsolicited;
3. The gift is not illegal or in violation of this Code of Conduct;
4. The gift is not a bribe, kickback or an illicit payment;
5. The gift is not given in exchange for any consideration; and
6. The gift would not embarrass AutoFit if it were disclosed or does not create the appearance that the gift giver is entitled to preferential treatment.

## **8. INFORMATION SECURITY AND INTELLECTUAL PROPERTY**

AutoFit's technology and knowledge is critical to its operations. AutoFit takes great care to protect those assets to maintain a competitive advantage. Suppliers are responsible for helping to protect AutoFit's intellectual property and confidential information. The secure use and distribution of information and data in the workplace is critical to AutoFit and each Supplier's success in a competitive marketplace. Suppliers must maintain physical and electronic security for all confidential information. Suppliers' employees must use extreme care in protecting confidential or proprietary information of any kind. Face-to-face confidential discussions must be conducted in a private, secure location. If confidential information is to be discussed, the parties must first ensure that a Confidentiality Agreement has been signed and is being complied with.

Suppliers must also safeguard AutoFit's intellectual property assets as well as the intellectual property rights of their other customers. Suppliers must immediately report any violations of AutoFit's rights. Suppliers must take all appropriate steps to ensure that it is not supplying any counterfeit or defective parts.

## **9. ADMINISTRATION – COMMUNICATION, MONITORING AND ENFORCEMENT**

All Suppliers must comply with this Code of Conduct as a condition of doing business with AutoFit. Suppliers may be required to provide a certification of compliance on a periodic basis. Suppliers must establish a proactive process to ensure compliance with the intention of the Code of Conduct. Suppliers must establish a system to communicate the requirements of this Code of Conduct to their employees at least annually in the local language. Suppliers must make provisions for workers to anonymously report violations of the Code of Conduct without retribution. The actions of third-party agents or representatives (including government representatives) will be considered to be the actions of the Supplier for the purposes of this

Code of Conduct. Suppliers shall allow AutoFit, or its representatives access their facilities and all relevant records upon reasonable request. Suppliers shall cooperate with AutoFit in connection with any investigation regarding an alleged wrongdoing or breach of this Code of Conduct. If AutoFit determines that a Supplier has violated this Code of Conduct, such Supplier must provide information relating to the incident(s) and show within 10 days the actions taken to correct the condition. AutoFit will follow up to commitments to correct the condition. AutoFit reserves the right to hold such Supplier responsible for reasonable costs of investigating and remedying non-compliance. If AutoFit determines at any time, in AutoFit's sole discretion, that a violation of this Code of Conduct has occurred, or has not been appropriately remedied to AutoFit's satisfaction, AutoFit will be permitted to terminate, in whole or in part, all or any of any contracts, agreements, purchase orders, work orders, and similar business transactions between AutoFit and such Supplier.

If an interested party has any questions, he/she should contact one of the company's managing directors:

- email: [smerda@autofit.cz](mailto:smerda@autofit.cz)
- email: [rysava@autofit.cz](mailto:rysava@autofit.cz)



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