

THK SUPPLIER CODE OF CONDUCT



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Approved by:
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THK RHYTHM AUTOMOTIVE

THK RHYTHM AUTOMOTIVE is committed to acting in an economically, ecologically, and socially responsible manner, guided by THK's corporate philosophy of providing innovative products to the world and generating new trends to contribute to the creation of an affluent society.

As a division focused on automotive and transportation components, we develop next-generation products and provide solutions that fully capitalize on the technology and know-how that THK has cultivated since its founding. This Code of Conduct establishes the standards expected of all employees, business partners, and stakeholders, reflecting our global manufacturing presence and commitment to continuous improvement .



HUMAN RIGHTS AND LABOUR STANDARDS

The supplier acknowledges that the human rights of all employees must be respected and that all employees must be treated with dignity and respect in accordance with the understanding of the international community and that their health must be protected.

This Code is aligned with the principles of the United Nations Global Compact, the Universal Declaration of Human Rights, ILO core conventions, and the OECD Guidelines for Multinational Enterprises.



- **Prohibition of child and forced labor:** Absolute prohibition of child labor (usually under 15 years of age) and any form of forced labor, including human trafficking and withholding of documents.
- **Choice of employment:** Employees must be free to terminate their employment and not be unduly restricted in their freedom of movement.
- **Decent working conditions:** Access to drinking water, sanitation, protection of pregnant women and mothers.
- **Working hours and breaks:** Compliance with maximum working hours, sufficient breaks and respect for legal entitlements to leave and maternity protection.
- **Fair wages and social benefits:** Compliance with local laws on minimum wages, overtime and statutory social benefits.
- **Human treatment:** Prohibition of brutal, inhuman treatment, sexual harassment, physical punishment, psychological or physical coercion and verbal attacks.
- **Prohibition of discrimination:** Prohibition of discrimination on the basis of ethnic origin, sex, religion, age, health status, sexual orientation, trade union membership and other protected characteristics.
- **Equal pay:** Suppliers shall ensure fair compensation, including gender pay equity and equal pay for equal work.
- **Freedom of Association:** Respect for the right of employees to form or join trade unions and collective bargaining.
- **Regular training:** Suppliers shall provide regular training to employees on ethics, human rights, health & safety, and environmental protection.

HEALTH AND SAFETY AT WORK

The supplier declares its willingness to provide a working environment for all employees that ensures and, where possible, exceeds health and safety standards in accordance with local laws.



- **Workplace Safety:** Provision of emergency exits, fire systems, regular evacuation drills and risk prevention through technical and administrative measures.
- **Work area:** Identification, assessment and monitoring of risks (chemical, biological, ergonomic, physical) and implementation of countermeasures.
- **Emergency measures:** Establishment of emergency notification systems, evacuation plans, training and fire-fighting equipment.
- **Prevention of occupational accidents and illnesses:** Processes for preventing, monitoring, reporting and analyzing incidents, including the provision of medical care.
- **Compensation for physically demanding work:** identifying and monitoring hazards, ensuring adequate breaks.
- **Machine safety:** identifying hazards, providing instructions, installing protective equipment.
- **Information and training:** Workers' right to clear information and training on health and safety.
- **Personal protective equipment (PPE):** Provision of and access to appropriate PPE.

ENVIRONMENTAL RESPONSIBILITY

The supplier acknowledges that the protection of resources and environment, in particular water, air and soil, as well as the preservation of biodiversity, is and essential task for our corporate word.



- **Environmental Protection:** Measures to protect resources (water, air, soil), biodiversity and the entire life cycle of products.
- **Compliance with environmental regulations and reporting:** Obtaining and complying with permits, registration and reporting requirements.
- **Resource reduction and pollution prevention:** Minimize water, energy consumption and waste production.
- **Hazardous Substances Management:** Identification, proper labeling, storage and disposal of hazardous substances, access by authorized personnel only.
- **Responsible disposal and recycling:** Compliance with local waste management laws and maximizing recycling, wastewater treatment.
- **Emissions and emission reduction:** Minimization and monitoring of discharges, maintenance of exhaust gas cleaning systems, reduction of greenhouse gases (GHG).
- Suppliers are encouraged to establish and disclose their environmental goals, including GHG emissions reduction targets in line with the Science Based Targets initiative (SBTi), or comparable standards
- **Restrictions on product ingredients:** Compliance with restrictions or bans on specific materials in products.
- **Water protection:** Prevention of contamination of rainfall and illegal discharges.
- **Prohibition of illegal eviction:** Prohibition of illegal occupation of land, forests or waters used for livelihoods.
- **Information for employees:** Training and information on environmental issues for employees.

MARKET BEHAVIOR AND ETHICS

The supplier is aware of its obligation to comply with local, national and international laws and regulations and acts accordingly also in its own supply chain.



- **Business Integrity:** Zero tolerance for bribery, corruption, money laundering, extortion, fraud and embezzlement.
- **Transparency:** Proper record keeping, transparency in business processes and disclosure of ownership or major shareholders.
- **Intellectual property protection:** Respect for intellectual property rights, protection of confidential information and prohibition of counterfeit products.
- **Non-disclosure and insider knowledge:** Using information only for business purposes, prohibiting disclosure of information to third parties and complying with insider trading laws.
- **Compliance with antitrust and competition laws:** Compliance with antitrust laws, prohibition of anticompetitive agreements and abuse of dominance.
- **Identity protection and prohibition of retaliation:** Whistleblower protection programs, anonymity and confidentiality, prohibition of retaliation.
- **Responsible management of conflict minerals trade:** Programs to regulate the purchase of minerals from conflict and high-risk areas to prevent the financing of armed groups and human rights abuses.
- **Data protection and cybersecurity:** Protecting confidential and personal data, protecting systems from unauthorized access and regularly updating security measures.
- **Fair international trade:** Compliance with international agreements and national laws on the control of international trade and financial transactions.

RESPONSIBILITY WITHIN THE SUPPLY CHAIN

The supplier is aware of its responsibility within the supply chain and acts accordingly.



- **Delegation of responsibilities:** Suppliers must ensure that their subcontractors and third parties also comply with the standards set, including contractually.
- **Addressing breaches:** Immediate reporting of potential violations, initiation of investigations and corrective actions.
- **Documentation and risk management:** Documenting compliance, maintaining records and establishing a risk management system to identify and address risks.

REPORTING OF POTENTIAL VIOLATIONS



- **Whistleblowing systems:** establishment and use of internal/external whistleblowing systems (THK Group Helpline), with emphasis on confidentiality and whistleblower protection.

