

S + P LION - Supplier Code of Conduct

Version 1.0 – January 2014



Introduction

The ethics of the S+P LION AG are based upon the S+P LION Supplier Code of Conduct and S+P LION's commitment to the United Nations Global Compact, the Universal Declaration of Human Rights, and the International Labour Organization.

The following guidelines set forth the framework of acceptable conduct S+P LION expects from its contractors, consultants, suppliers, vendors, and all other third-party companies that comprise S+P LION's supply chain ("Suppliers"). These guidelines are based on S+P LION's commitment to integrity.

All work performed for S+P LION must be in full compliance with this S+P LION Supplier Code of Conduct and all applicable laws, rules, regulations, and policies. For suppliers who have employees contracted to work directly for S+P LION, these guidelines must be reviewed with all employees and subcontractors working on S+P LION matters.

We expect our employees and our contractors, consultants, and agents to conduct themselves in a safe and professional manner, to refrain from any action that may be considered a conflict of interest, and to treat others with respect, fairness, and dignity while working on behalf of S+P LION. We regard our supplier base as a critical and necessary extension of our operations and future success, and we thank you for continuing to make compliance and integrity a top priority as you work with S+P LION.

Failure to accept the S+P LION Supplier Code of Conduct and to comply with it during the course of business with S+P LION leads to your disqualification as an accepted supplier and eliminates you from consideration of new business with S+P LION.

You also commit to the obligation of reporting to S+P LION any violation of this policy, as you become aware of it, by sending an e-mail to Ulrich.Gellert@sp-lion.

We expect our suppliers to confirm that all subcontractors are equally compliant with our policies and the S+P LION Supplier Code of Conduct.

S+P LION has the right to audit the supplier, related to the Supplier Management Program criteria, agreements, and notifications on a randomly selected basis.



All work performed for S+P LION must be in **full compliance with this S+P LION Supplier Code of Conduct** and all applicable laws, rules, regulations, and policies.

Table of Contents

2	Introduction
4	Compliance with Laws, Rules, and Regulations General Anticorruption Laws Antitrust and Competition Laws Export Laws
5	Labor Standards Freely Chosen Employment Child Labor Avoidance Working Hours Wages and Benefits Humane Treatment Nondiscrimination Freedom of Association Layoff Practices
6	Health and Safety
7	Environmental
8	Management System
9	Responsibility for Company Resources
10	Business Conduct Financial Integrity Conflicts of Interest Offering and Accepting Business Courtesies
11	Reporting Concerns

Compliance with Laws, Rules, and Regulations

General

As a Supplier, you agree to abide by the terms of this Code and acknowledge that compliance with this Code is required to maintain your status as an S+P LION Supplier. You agree that all business conducted on behalf of S+P LION shall be accomplished in full compliance with applicable laws, rules, regulations, and policies. If local laws are less restrictive than the principles set forth in this Code, Suppliers are expected to, at a minimum, comply with the Code. If local laws are more restrictive than this Code, Suppliers are expected to, at a minimum, comply with applicable local laws.

Anticorruption Laws

Suppliers shall not make, authorize, or offer any bribes, kickbacks, or payments of money or anything of value to anyone, including officials, employees, or representatives of any government or public or international organization, or to any other third party (public or private sector) for the purpose of obtaining or retaining business, or influencing any other favorable business decision, that is related in any way to S+P LION. This includes giving money or anything of value to anyone when there is reason to believe that it will be passed on to a government official or the decision maker at a customer or potential customer company for this purpose. Suppliers are required to comply with the U.S. Foreign Corrupt Practices Act and all applicable local antibribery laws.

Antitrust and Competition Laws

Antitrust and competition laws are designed to protect consumers and competitors against unfair business practices and promote and protect healthy competition. S+P LION is committed to observing the applicable antitrust or competition laws of all nations or organizations, and S+P LION expects its Suppliers to comply with all applicable antitrust or competition laws as well. Antitrust or competition laws vary from country to country, but generally such laws prohibit agreements or actions that unreasonably restrain trade, are deceptive or misleading, or unreasonably reduce competition without providing beneficial effects to consumers. Such agreements or actions are against the policy of S+P LION.

Export Laws

Export control laws of various countries govern exports of commodities and technical data, including items that are handcarried as samples or demonstration units in luggage and written or oral disclosure of technical data. S+P LION requires Suppliers to comply fully with these laws. Failure to comply could result in the loss or restriction of export privileges.

Labor Standards

Suppliers are committed to uphold the human rights of workers and to treat them with dignity and respect as understood by the international community.

Freely Chosen Employment

Forced, bonded, or indentured labor or involuntary prison labor is not to be used. All work will be voluntary, and workers should be free to leave upon given reasonable notice and at their own will. Workers shall not be required to forfeit any documents related to travel, identification, and so on, including but not limited to government-issued identification, passports, or work permits, as a condition of employment.

Child Labor Avoidance

Child labor is not to be used in any stage of manufacturing. The term “child” refers to any person employed under the age of 15 (or 14 where the law of the country permits), under the age for completing compulsory education, or under the minimum age for employment in the country – whichever is greatest. The use of legitimate workplace apprenticeship programs, which comply with all laws and regulations, is supported. Workers under the age of 18 should not perform hazardous work and may be restricted from night shifts with consideration given to educational needs.

Working Hours

Studies of business practices clearly link worker strain to reduced productivity, increased turnover, and increased injury and illness. Workweeks are not to exceed the maximum set by local law. Further, a workweek should not be more than 60 hours per week, including overtime, except in emergency or unusual situations. Workers shall be allowed at least one day off per seven-day week.

Wages and Benefits

Compensation paid to workers shall comply with all applicable wage laws, including those relating to minimum wages, overtime hours, and legally mandated benefits. In compliance with local laws, workers shall be compensated for overtime at pay rates greater than regular hourly rates. Deductions from regular contractual wages as a disciplinary measure shall not be permitted. The basis on which workers are being paid is to be provided in a timely manner via pay stub or similar documentation.

Humane Treatment

There is to be no harsh and inhumane treatment, including any sexual harassment, sexual abuse, corporal punishment, mental or physical coercion, or verbal abuse of workers; nor is there to be the threat of any such treatment.

Nondiscrimination

Suppliers should be committed to a workforce free of harassment and unlawful discrimination. Companies shall not engage in discrimination based on culture, race, color, age, gender, gender identity or expression, sexual orientation, ethnicity, disability, pregnancy, religion, political affiliation, union membership, or marital status in hiring and employment practices such as promotions, rewards, and access to training. In addition, workers or potential workers should not be subjected to medical tests that could be used in a discriminatory way.

Freedom of Association

Open communication and direct engagement between workers and management are the most effective ways to resolve workplace and compensation issues. Suppliers are to respect the rights of workers to associate freely, join or not join labor unions, seek representation, or join workers' councils in accordance with local laws. Workers shall be able to communicate openly with management regarding working conditions without fear of reprisal, intimidation, or harassment.

Layoff Practices

There shall be no unlawful practice of laying off workers. This includes temporary layoffs to promote or increase the company revenue and turnover.

Health and Safety

Suppliers recognize that the quality of products and services, consistency of production, and workers' morale are enhanced by a safe and healthy work environment. Suppliers also recognize that ongoing worker input and education is key to identifying and solving health and safety issues in the workplace.

Suppliers shall prevent worker exposure to potential safety hazards (for example, electrical and other energy sources, fire, vehicle, and fall hazards) and make sure they are to be controlled through proper design, engineering and administrative controls, preventive maintenance, and safe work procedures (including lockout-tagout). Where hazards cannot be adequately controlled by these means, workers are to be provided with appropriate personal protective equipment.

Workers shall not be disciplined for raising safety concerns. Suppliers identify and assess emergency situations and events and minimize their impact by implementing emergency plans and response procedures, including emergency reporting, employee notification and evacuation procedures, worker training and drills, appropriate fire detection and suppression equipment, adequate exit facilities, and recovery plans. Procedures and systems are to be in place to manage, track, and report occupational injury and illness, including provisions to encourage worker reporting, classify and record injury and illness cases, provide necessary medical treatment, investigate cases and implement corrective actions to eliminate their causes, and facilitate the return of workers to work.

Suppliers identify, evaluate, and control worker exposure to chemical, biological, and physical agents. When hazards cannot be adequately controlled by engineering and administrative means, workers are to be provided with appropriate personal protective equipment.

Suppliers identify, evaluate, and control worker exposure to physically demanding tasks, including manual material handling and heavy lifting, prolonged standing, and highly repetitive or forceful assembly tasks. Physical guards, interlocks, and barriers are to be provided and properly maintained for machinery used by workers.

Suppliers provide workers with clean toilet facilities, access to potable water, and sanitary food preparation and storage facilities. Worker dormitories provided by the Supplier or a labor agent are to be clean, safe, and provide emergency egress, adequate heat and ventilation, and reasonable personal space.



Suppliers recognize that the quality of products and services, consistency of production, and workers' morale are enhanced by a **safe and healthy work environment.**

Environmental

Suppliers recognize that environmental responsibility is integral to producing world-class products. In manufacturing operations, adverse effects on the community, environment, and natural resources are to be minimized while safeguarding the health and safety of the public. All required environmental permits (for example, discharge monitoring) and registrations are to be obtained, maintained, and kept current, and their operational and reporting requirements are to be followed. Waste of all types, including water and energy, is to be reduced or eliminated at the source or by practices such as modifying production, maintenance, and facility processes; materials substitution; conservation; recycling; and reusing materials. Chemical and other materials posing a hazard if released to the environment are to be identified and managed. Wastewater and solid waste generated from operations, industrial processes, and sanitation facilities are to be monitored, controlled, and treated. Air emissions of volatile organic chemicals, aerosols, corrosives, particulates, ozone-depleting chemicals, and combustion byproducts generated from operations are to be characterized, monitored, controlled, and treated.

Suppliers are to adhere to all applicable laws and regulations regarding prohibition or restriction of specific substances, including labeling laws and regulations for recycling and disposal. Suppliers are also to adhere to processes to comply with each agreed-upon customer-specific restricted and hazardous materials list. Suppliers are committed to become certified with international standards such as ISO 14001, if applicable.



Suppliers recognize that environmental **responsibility** is integral to producing world-class products.

Management System

Suppliers shall adopt or establish a management system whose scope is related to the content of this Code. The management system shall be designed to ensure compliance with applicable laws, regulations, and customer requirements related to Supplier operations and products; conformance with this Code; and identification and mitigation of operational risks related to this Code. It should also facilitate continual improvement.

Suppliers commit to the statements on corporate social and environmental responsibility, affirming compliance and continual improvement.

Suppliers hold clearly identified company representatives responsible for ensuring implementation and periodic review of the status of the management systems.

Suppliers identify, monitor, and understand applicable laws, regulations, and customer requirements.

Suppliers establish a process to identify the environmental, health, and safety and labor practice risks associated with Supplier operations.

Suppliers determine the relative significance for each risk and implementation of appropriate procedural and physical controls to ensure regulatory compliance to control the identified risks.

Suppliers create and maintain written standards, performance objectives, targets, and implementation plans including a periodic assessment of Supplier performance against those objectives.

Suppliers establish programs for training managers and workers to implement Supplier policies and procedures.

Suppliers establish and monitor ongoing processes to assess employees' understanding of and obtain feedback on practices and conditions covered by this. Periodic self-evaluations shall be conducted by Suppliers to ensure conformity to legal and regulatory requirements, the content of the Code, and requirements related to social and environmental responsibility.

Suppliers establish a process for timely correction of deficiencies and creation of documents and records to ensure compliance and conformity along with appropriate confidentiality to protect privacy.

Responsibility for Company Resources

Suppliers are expected to safeguard S+P LION resources, which include property, assets, intellectual property, company technology assets (network, phone, Internet, software applications, and e-mail systems), trade secrets, and other confidential, proprietary, or sensitive information while performing work for S+P LION. Use of S+P LION resources without proper approvals or for anything other than to perform S+P LION work activities is strictly prohibited. Intellectual property rights of S+P LION must be protected.

S+P LION confidential or sensitive information must be protected. Suppliers may only possess such information if they need to do so to perform work activities. Suppliers should not use this information for gain or advantage and should never share this information without appropriate S+P LION approval. All confidential or sensitive information obtained by a Supplier must have documented authorization in place. Inappropriate use of S+P LION Internet or e-mail is strictly prohibited.

Suppliers are expected to safeguard confidential information by not reproducing copyrighted software, documentation, or other materials without permission and by not transferring, publishing, using, or disclosing it other than as necessary in the ordinary course of business or as directed or authorized. Suppliers should observe applicable data privacy standards. Materials that contain confidential information or that are protected by privacy standards should be stored securely and should be shared only internally with those employees with a "need to know." For example, S+P LION confidential information may include, but is not limited to, software and other inventions or developments (regardless of the stage of development) developed or licensed by or for S+P LION, marketing and sales plans, competitive analyses, product development plans, pricing, potential contracts or acquisitions, business and financial plans or forecasts, and prospect, customer, and employee information. However, the terms of any confidentiality provision in the agreement between Supplier and S+P LION will govern confidentiality terms between the parties.

S+P LION retains the right to monitor its assets and work environments in compliance with applicable federal, state, and local law. We monitor to promote safety, prevent criminal activity, investigate alleged misconduct and security violations, manage information systems, and for other business reasons.



Suppliers are expected to **safeguard S+P LION resources** while performing work for S+P LION.

Business Conduct

S+P LION expects Suppliers to compete fairly and ethically for all business opportunities. Suppliers' employees involved in the sale or licensing of products and services and the negotiation of agreements and contracts to S+P LION must ensure that all statements, communications, and representations to S+P LION are accurate and truthful.

Financial Integrity

Accurate and reliable financial and business records are of critical importance in meeting S+P LION's financial, legal, and business obligations. Suppliers should not have any false or inaccurate entries in the accounting books or records related to S+P LION for any reason. Suppliers' business records must be

retained in accordance with record retention policies and all applicable laws and regulations. Suppliers should not knowingly shift an expense to a different accounting period.

Conflicts of Interest

The term "conflict of interest" describes any circumstance that could cast doubt on the Supplier's ability to act with total objectivity with regard to the supply of products and services to S+P LION. S+P LION wants its Supplier's services to come easily and be free from any conflicting interests.

A conflict of interest also exists when there is a choice between acting in a personal interest (financial or otherwise) or in the interest of S+P LION. While engaged in S+P LION-related work, you must exercise reasonable care and diligence to avoid any actions or situations that could result in a conflict of interest. This includes not accepting any secondary employment or other outside activity that creates a conflict of interest with S+P LION or in any way compromises the work you are to perform for S+P LION.

S+P LION expects Suppliers to prevent or immediately disclose a conflict of interest or the appearance of a conflict of interest as soon as possible to the S+P LION Global Compliance Office.

Offering and Accepting Business Courtesies

Suppliers should use discretion and care to ensure that any expenditure offered to or received by any S+P LION employee is in the ordinary and proper course of business and could not reasonably be construed as a bribe or improper inducement. Business courtesies cannot be designed or appear to be designed to influence the recipient and secure unfair preferential treatment.

A general guideline for evaluating whether a business courtesy is appropriate is whether public disclosure would be embarrassing to the Supplier or S+P LION. Employees of the Supplier are permitted to offer and accept meals and other business entertainment from third parties in connection with S+P LION business only when accepting such business courtesies:

- Serves a bona fide business purpose
- Does not inappropriately influence, or appear to influence, any business decision
- Is not offered during any pending bidding or negotiation process
- Is given openly and transparently
- Is not unlawful or contrary to ethical business principles, local business customs, or the customer, vendor, competitor, or partner's company policy

Generally, meals or business entertainment should not exceed €150 per person.

Reporting Concerns

The standards of conduct described in these guidelines are critical to the ongoing success of S+P LION's relationship with its Suppliers. If you have questions or concerns about compliance or ethics issues while working for S+P LION or want to report illegal or unethical activities:

- Send an e-mail to Ulrich.Gellert@sp-lion.com. Your message will be routed to the appropriate representative for assistance or guidance as necessary.

All matters raised in good faith through these reporting lines will be handled on a confidential, nonretaliatory basis. All information will be maintained as confidentially as practical in light of the need to conduct an investigation and implement remedial measures. Anonymity will be granted upon request by the reporting person.