

## 1 Introduction

The Setrab Group (hereinafter referred to as “Setrab”) is committed to a Code of Conduct which describes our intention to behave when we do business and how we interact with our stakeholders. The principles in our Code of Conduct are based on the UN Global Compact<sup>1</sup> and the Guiding Principles of the European Automotive Working Group on Supply Chain Sustainability. Setrab and our customers enjoy a reputation for corporate trustworthiness, based on consistently conducting business with integrity and in compliance with the laws, rules, regulations, and internal directives governing its activities.

Our employees play a key role in our company. Through their engagement and efforts they are laying the cornerstone for future success. The basis of our shared success is trust – the trust that all of our stakeholders place in our company, and which needs to be earned daily.

All of our stakeholders, including customers, investors, suppliers, business partners and especially employees, trust that our company always acts according to the highest ethical standards. Honesty and integrity must therefore guide all aspects of our behavior. In this way, we can fulfil our responsibility to be a reliable business partner and employer.

This Code of Conduct specifies these expectations and standards for our everyday business conduct. It is based on our corporate values and explains how to live these values. We are committed to complying with laws, rules, regulations and internal directives in all of our business activities.

The principles described in our Code of Conduct are binding for all board members and all employees of Setrab in all positions, countries and subsidiaries. Board members and managers are expected to lead by example, by encouraging ethical behavior and creating a transparent and open working environment. We do not tolerate any breaches of the principles defined in this Code of Conduct.

All board members and employees of Setrab need to be aware of their personal responsibility to always act in an ethical manner and in compliance with the Setrab Code of Conduct. This is essential for the success in our global operations and to sustainably increase Setrab’s business value.

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<sup>1</sup> UN Global Compact United Nations ten principles based on international conventions on human rights, anticorruption, International Labour Organization (ILO) conventions, workplace rights and sustainable development. <http://www.unglobalcompact.org/>

## Section A

### 2 Company management (general)

#### 2.1 Social sustainability

Setrab has responsibility towards society and wants to be a good corporate citizen. Therefore we will

- refrain from utilizing or supporting child, forced or compulsory labor,
- support our employees' freedom of association and right to collective bargaining
- support and respect the protection of human rights,
- promote ecological and health minded behavior.

See further information in the section Working conditions and Human rights, Health and Safety and Environment.

#### 2.2 Compliance

We will respect and comply with the laws and regulations of the countries in which we are doing business. In particular, we will abide by all applicable laws, rules and regulations regarding

- intellectual property,
- data protection and management,
- corruption and bribery,
- tax, customs, duties and social contributions,
- environment, health and safety.

See further details in the section Business Ethics.

#### 2.3 Environmental sustainability

Setrab will use a proactive approach with regards to environmental responsibility by protecting the environment, conserving natural resources, and reducing the environmental footprint of our production, products and services throughout their life cycle.

See further details in the section Environment.

### 3 Working conditions and Human rights

#### 3.1 Human rights

Setrab respects human rights and will take responsibility to make sure no harm is done. UN Guiding Principles will be upheld.

#### 3.2 Child labour and young workers

Setrab rejects any form of child labour. Underage employees must not be brought into contact with any dangerous, unsafe, or unhealthy situations. The rights of children and young people are observed. No exploitation of children and young people is tolerated.

#### 3.3 Wages and benefits

Financial compensation including fringe benefits will be based on applicable legal and company regulations.

## 3.4 Working hours

Setrab will follow all applicable legal regulations and company agreements with regards to working hours, paid holidays and regular bank holidays. Relevant ILO conventions will be upheld.

## 3.5 Modern slavery and forced labour

Setrab rejects any form of human trafficking and slavery, as well as any forced labour.

Employment relationships will be entered into on a voluntary basis and may be terminated by employees at their own discretion within a reasonable notice period.

## 3.6 Freedom of association and right to collective bargaining

The basic right of freedom of association, and the right of collective bargaining within the framework of national laws will be observed. Employees active in this field will not face any negative consequences. An open and truthful cooperation will be offered to the elected representatives of the employees. A fair balance of interests is sought.

## 3.7 Harassment

Setrab employees are expected to act in a fair, respectful, and cooperative manner towards one another. Any form of bullying, including verbal, physical, sexual harassment, use of force and/or annoyance of any kind will not be tolerated.

## 3.8 Equal opportunity / Non-discrimination

Setrab promotes the diversity in its staff and rejects any form of discrimination. We will not accept any form of differentiation, exclusion or preference based on

- ethnic affiliation
- national and social origin
- colour of skin
- gender
- age
- religion and ideology
- disabilities
- sexual orientation
- or any other personal traits.

The respective legal regulations are applicable.

## 4 Health and Safety

Setrab will strive to prevent accidents and illnesses in the workplace, with a goal of 'zero accidents'. A safe, healthy, and hygienic work environment will be made available to all employees. To achieve this, suitable measures will be taken to prevent accidents and health issues that may arise from carrying out work activities. The work environment is continuously improved.

Employees are expected to take responsibility to maintain their own health. Setrab supports its employees to sustain or to develop a healthy lifestyle.

All employees are informed on a regular basis – in relation to their position – about current standards for health protection and safety as well as measures for security and they are requested to follow the specified protection measures.

These activities include:

- Training on the use of personal protective equipment,
- Training on company Health and Safety policy,
- Work environment inspections,
- Regular risk assessments and safety rounds,
- Risk, incident, and accident management,
- Training on emergency preparedness, including fire protection procedures,
- Training on work with hazardous materials and handling of chemicals,
- Information for workers on health and safety procedures specific to the site and area of work including workplace ergonomics.

The requirements of ISO 45001 are integrated in our management system and is verified through third party certificate.

## 5 Business ethics

### 5.1 Corruption, money laundering, extortion, and bribery

Setrab does not accept bribery, corruption, extortion, embezzlement, or money laundering in any form throughout its organization or in its relationship with stakeholders.

### 5.2 Privacy and data protection

Setrab will safeguard all confidential information relating to all stakeholders, including customers, suppliers, and employees, and all applicable laws concerning data protection will be upheld.

Confidential information will only be revealed externally, when to do so becomes mandatory due to legal requirements, or when necessitated by an order from a court of law or entities of the government. The commitment for secrecy continues, even after the contract with Setrab will be concluded.

At Setrab any personal data relating to employees, or third parties is only collected, processed and/or used when the individuals have consented to this, or where there is a legal basis for this. The requirements of GDPR apply accordingly.

### 5.3 Financial responsibility

Setrab will strive to accurately record, maintain, and report business documentation, including financial accounts, quality reports, time records, expense reports, and submissions to customers or regulatory authorities, in accordance with applicable law and generally accepted accounting principles.

### 5.4 Disclosure of information

Setrab will disclose financial and non-financial information in accordance with applicable regulations and prevailing industry practices.

### 5.5 Fair competition and anti-trust

Setrab will uphold standards of fair business and competition, including avoiding business practices that unlawfully restrain competition, improper exchange of competitive information, and price fixing, bid rigging, or improper market allocation

## 5.6 Conflict of interest

We respect the personal interests and the private lives of our colleagues. However, it is important to us to avoid conflicts between private and business interests, or even the appearance of such a conflict. All our decisions are made exclusively on the basis of objective criteria and we do not allow ourselves to be swayed by personal interests or relations.

## 5.7 Counterfeit parts

Setrab will strive to develop, implement, and maintain methods and processes appropriate to their products and services to minimise the risk of introducing counterfeit parts and materials into deliverable products.

## 5.8 Handling of company property

The assets of the Setrab Group will be handled sensibly, appropriately and with care. All property of the Setrab Group will only be used for business purposes, i.e., only in connection with the job assigned. Assets of the company also include communication equipment and intangible assets like for example know-how and patents.

## 5.9 Export controls and economic sanctions

Compliance with trade regulations and restrictions as well as foreign trade laws is a matter of course for the Setrab Group. This applies, in particular, to anti-terrorism regulations, compliance with embargoes, as well as prohibitions and licensing obligations in connection with the movement of goods, the use of technologies, and the procurement of services.

## 6 Environment

The processes are created in an environmentally sensitive manner. Applicable laws and the minimum regulations for climate and environmental protection will be followed. Specifically, employees are expected to use resources sensibly (e.g., electrical power, heating, water as well as raw and auxiliary materials and consumables) while avoiding or reducing waste. Employees are expected to suggest ideas for the improvement of environmental protection.

Chemicals and other materials that pose a risk to the environment will be handled responsibly and safely during processing, storage, transport, and disposal.

The main document describing our environmental risk and impact analysis, LCA, environmental process flow and aspects is HSE-0652.

We regularly follow up on:

- emissions to air and water,
- consumption of raw materials, energy, and water,
- amount of hazardous and non-hazardous waste,
- recycling.

Based on energy reviews we are working continuously to reduce the use of energy as per separate energy efficiency program.

Parts of the requirements stated in ISO 50001 are integrated in our management system.

The requirements of ISO 14001 are integrated in our management system and is verified through third party certificate.

## 7 Supplier management

The rules set out in this document also apply for our suppliers and they are also expected to forward and follow up on these requirements throughout their supply chain.

Requirements are forwarded using the “Automotive Sustainability Practical Guidance” and “Automotive Industry Guiding Principles to Enhance Sustainability Performance in the Supply Chain”. Suppliers are required to complete “Self-Assessment Questionnaire on CSR/Sustainability for Automotive Sector Suppliers” (SAQ form as provided by Drive Sustainability).

These requirements are part of the contractual agreement and is included in the Terms and Conditions.

## 8 Responsible sourcing of raw materials

Setrab will conduct due diligence to understand the source of the raw materials used in their products. Sub-suppliers are required to confirm this using the CMRT template.

Setrab does not knowingly provide products containing raw materials that contribute to human rights abuses, bribery and ethics violations, or negatively impact the environment.

## Section B

### Enforcement

Every breach of the Code of Conduct has the potential to harm our company and its reputation. Behavior that complies with laws, regulations and norms not only helps to avoid potentially high costs to our company, but also strengthens our good reputation and contributes to our long-term success. For these reasons we expect all employees and board members in the Setrab Group to abide by this Code of Conduct and all other Setrab Directives.

Local laws may in some instances be less restrictive than our own internal policies, guidelines and procedures. In those situations, you must comply with our own internal policies, guidelines and procedures, even if the conduct would otherwise be legal under applicable laws. On the other hand, if local laws are more restrictive than the Code, you must always, at a minimum, comply with the applicable laws.

Irrespective of penalties provided for by criminal law, any violation of the Principles of Conduct and other Setrab Directives may be subject to disciplinary proceedings, up to and including dismissal.

Those who manage or supervise others have additional responsibilities for ensuring that this Code of Conduct is upheld in all our activities. Managers and supervisors are responsible for

- showing by their behavior what it means to act with integrity,
- making sure that those who report to them understand the Code’s requirements and have the resources, means, tools and knowledge to comply with them,
- monitoring the compliance and ethics of the people they supervise,
- training, supporting and providing guidance to employees who raise questions or concerns.

## Section C

### Reporting Violations / Allegations of Misconduct / Whistleblowing / Grievance reporting

Any conduct that you reasonably believe may be a violation of Setrab's Code of Conduct or other Setrab Regulations should be reported. You should also report any other activities that could affect Setrab's or its employees' compliance with legal and ethical obligations.

Employees are encouraged to report instances of violation to their direct superiors or, anonymously through the link below or by letter. In the latter case your report and your identity will be kept confidential to the greatest extent possible.

Customers, suppliers and other external stakeholders are encouraged to report instances of violation directly to the CEO Axel Wramell (+46 707 158031 / [axel.wramell@setrab.com](mailto:axel.wramell@setrab.com)), or alternatively, to the Chairman of the Board, Wang Ning (+49 160 808 1970 / [wangning@yinlun.cn](mailto:wangning@yinlun.cn)) or use the link below.

Setrab is following the law requirements connected to whistleblowing.

No complainant or witness will suffer retaliation because of a report made in good faith.

Anonymous reporting can be done by using this link;

[Simplify & frankly - Whistleblower](#)

Approved by the Setrab Board of Directors on 2023-06-22