



## SUSTAINABLE PURCHASING POLICY

Sustainability is an integral part of our identity. Harmonizing our corporate success with the health and well-being of both people and the environment is one of our most important tasks.

At MAHLE, we strongly believe that, together with our business partners, we can make a crucial contribution to safeguarding our sustainable future.

As a global company, we embrace our legal, social and environmental responsibility and espouse these principles. MAHLE is committed to continuously enhancing the efficiency of its products and processes through creative solutions aiming for a circular economy approach by prioritizing the use of recycled, renewable and bio-based materials, respecting human rights, ensuring compliance with internationally recognized labor standards and the sustainable use of resources and energy. MAHLE expects the same of its suppliers.

Our Supplier Code of Conduct forms the basis for the responsible design of our supply chain. Suppliers must enforce our guidelines within their own supply chain.

MAHLE also ensures the achievement of its sustainability objectives by making sustainability aspects an integral part of sourcing decisions, with an emphasis on environmental and human rights aspects, as well as other social and ethical criteria.

We rely on state-of-the-art technology for tracking and monitoring human rights compliance, labor practices and environmental issues with the aim of identifying potential risks at an early stage in our supply chain. This enables us to take decisions in line with the Principles of Social Responsibility of the MAHLE Group and forms the basis for our sustainability rating. Sustainability rating plays an essential role in the definition of our supplier panel e.g. when approving new suppliers or during the contract award process. In addition to the supplier's sustainability rating (including human rights and environmental aspects), financial stability and other governance criteria are also considered.

### Main Sustainable Purchasing Principles:

#### **Environment and climate protection:**

- We are committed to reducing our environmental impact in every respect. This also applies to our purchasing actions, including the commitment not to source raw material from critical countries and we expect our business partners to do the same.
- We are committed to reduce absolute scope 3 GHG, Cat. 1 emission from purchased goods and services by 28% by 2030 from a 2019 base year and have implemented processes and tools to support and monitor progress in this respect. We expect our suppliers to implement effective measures to reduce their

direct and indirect CO2 emissions (including their upstream supply chain) in line with the Paris Agreement.

- We aim to reduce water consumption and the production of wastewater and water pollutants in the supply chain.

**Social:**

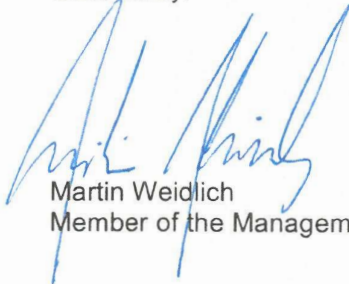
- We are committed to our MAHLE principles of social responsibility supporting adherence to International Labour Organisation core conventions on labor standards in our supply chain.
- Among others we refuse to accept the use of child labor in the supply chain. And we do not tolerate any form of forced labor or modern slavery.
- Occupational health and safety is a top priority, we do not accept unsafe working conditions in our plants or those of our suppliers.

**Governance:**


- We will respect all applicable laws and regulations in our procurement activities.
- We do not tolerate the seeking, acceptance, offering or granting of unfair advantages by employees or with a view to obtaining or retaining business.
- We are committed to establishing a governance structure and processes to ensure compliance with the MAHLE Supplier Code of Conduct and the principles laid out in this MAHLE Sustainable Purchasing Policy in our supply chain.

Grievance Mechanism:

Our employees and our suppliers can raise any concerns anonymously. Violations of our Supplier Code of Conduct or this sustainable purchasing policy must be reported immediately.



Martin Weidlich  
Member of the Management Board



Stefan Maier  
Vice President Corporate  
Purchasing