



## **Sustainability, Compliance and Social Responsibility, Health and safety, Code of conduct**

To All SEP D.O.O. Suppliers:

At SEP D.O.O. we are committed to running our business with integrity and in a socially responsible way. Protecting the health and safety of our employees, supporting organizations within our communities and safeguarding the environments where we do business is good for our communities and good for SEP D.O.O. Our customers expect this of us and we in turn expect no less from the members of SEP's supply chain.

To further these goals, SEP D.O.O. strives to adhere to the following principles and expects that you as a member of our supply chain will do likewise.

### **1. HUMAN RIGHTS AND WORKING CONDITIONS**

SEP D.O.O. is committed to respecting and complying with the Universal Declaration of Human Rights, United Nations Guiding Principles on Business and Human Rights, International Labour Organization conventions (ILO conventions no. 29, 87, 98, 100, 105, 111, 138 or 182) and the Organisation for Economic Cooperation and Development Guidelines for Multinational Enterprises, among other international standards and practices. We work to ensure that neither the company nor its Employees abuse any of these principles.

#### **Child labour and young workers conditions**

- Suppliers shall not allow any form of child labour in their business activities and in the activities of their supply chain, as described in article 3(d) of Worst Forms of Child Labour Convention, 1999 (No. 182).
- Supplier as well as all personnel supplied to Supplier by staffing agencies or any other similar third parties shall work in full compliance with all international and local child labour laws. In this sense, Supplier shall assure its compliance through the implementation of policies, procedures, providing all appropriate training to its HR personnel and Management personnel.

#### **No forced labour, modern slavery or human trafficking**

- Suppliers shall not resort to any form of forced, bonded or compulsory labour, including human trafficking.
- Suppliers shall implement appropriate policies, and control systems procedures as well as the appropriate awareness and training to its personnel to address forced labour, modern slavery and human trafficking and ensure legal compliance.
- Suppliers shall ensure that migrant workers are treated fairly and their rights are respected.

#### **Ethical Recruiting**



- Suppliers shall establish ethics, integrity and transparency in the recruitment, promotion and selection processes in accordance with international, regional and national legislation.
- Suppliers shall ensure that workers understand their rights. Workers must receive a written contract or employment notification at the start of their recruitment in a language well understood by them, stating in a truthful, clear manner their rights and responsibilities.
- Suppliers shall not mislead or defraud potential workers about the nature of the work, ask workers to pay recruitment fees, and/or confiscate, destroy, conceal, and/or deny access to worker passports and other government-issued identity documents.
- Suppliers shall pay particular attention in case workers are recruited by third parties, that they have not been charged any fees or commissions related to the recruitment and/or employment process.

### **Working Hours**

- Suppliers shall comply with applicable laws & regulations, collective bargaining agreements and international conventions, in relation to working hours (including overtime), as well as break times and periodic days off.
- Suppliers shall comply with the ILO Standards on Working Time, in the absence of relevant local regulations.

### **Fair Wages and Equal Remuneration (Payment)**

- Suppliers shall comply with applicable regulations in all relevant territories and industries in terms of salary and legally mandated benefits for their Employees and contract workers, including a minimum living wage and promoting wage equality in the workplace.

### **Women's Rights**

- Suppliers shall provide equal opportunity, specifically for the women, in employment and commit to equal pay for equal work.

### **Freedom of Association and Collective Bargaining**

- Suppliers shall allow workers to communicate openly with management regarding working conditions and management practices without fear of reprisal, intimidation or harassment.
- Suppliers shall respect the right of workers to associate freely, form, join and not to join workers organizations of their own choice, seek representation, and to bargain collectively, as permitted by and in accordance with the applicable laws and regulations.
- Suppliers shall ensure that representatives of such personnel are not subject to discrimination, fear of reprisal, intimidation or harassment.

**NOTE:** These will apply as long as those actions do not go against the local applicable law.



## Health & Safety

Suppliers shall provide workers a safe and healthy working environment that meets or exceeds applicable legal requirements and industry standards for occupational health and safety.

- **Workspace:** Suppliers shall provide a working environment that meets or exceeds local and national safety, occupational health and fire safety legislation, in addition to encouraging remote workers to understand and apply best practices.
- **Personal protective equipment and training:** Suppliers shall provide their workforce with necessary Personal Protective Equipment (PPE) for the activity they are developing and training to understand how and when it needs to be used and/or applied.
- **Emergency preparedness:** Suppliers shall reduce the risk of occupational hazards and develop an emergency preparedness and response plan.
- **Contractors:** Suppliers shall properly manage the health and safety of contractors as part of the company's extended supply chain. Suppliers should coordinate their procurement processes to identify hazards and to assess and control risks arising from the contractor's business activity that impacts the contractors' workers.
- **Incidents Management:** Suppliers shall implement hazard and risk analysis systems to minimize the potential for incidents at the workplace. An investigation system should drive to determine the root cause and a corrective action system should ensure all permanent measures have been taken to minimize the chance of recurrence.
- **Alcohol and drug policy:** Suppliers should define an alcohol and drug policy with the aim to prevent any incident and to preserve employee's health.

## Diversity, Equity, and Inclusion

- Suppliers shall develop and promote inclusive cultures where everyone is able to contribute fully and reach their full potential.
- Suppliers shall encourage diversity in all levels of their workforce and leadership, including boards of directors.
- Suppliers are expected to have a diversity program in place or other actions designed to advance diversity in their supply chain globally.

## Non-Discrimination and Harassment

- Suppliers shall not discriminate against any worker under any circumstance.
- Suppliers shall guarantee equal treatment and provide an inclusive working environment to all of their Employees.
- Suppliers shall ensure that there is no distinction, exclusion, restriction or preference, according to characteristics of an Employee: such as race, colour, national origin, gender, age, physical characteristics, social and cultural origin, disability, union membership, religion, family status, pregnancy, sexual orientation, gender identity, gender expression, political affiliation, union association or any unlawful criterion under applicable law.
- Suppliers shall provide a workplace free of any form of harassment.



### **Rights of Minorities, Indigenous Peoples and Vulnerable Groups**

- Suppliers shall respect the rights of minorities, local communities and indigenous people to developments if affected them and the lands, with particular consideration for the presence of vulnerable groups.

### **Land Rights and Forced Eviction**

- Suppliers should avoid forced eviction and the deprivation of land, forests and waters in the acquisition, development or other use of land, forests and waters.

### **Private or Public Security Forces**

- Suppliers shall not commission or use private or public security forces to protect the business in a way that may result in human rights violations due to lack of training or control by the company.

## **2. ENVIRONMENT**

SEP D.O.O. expects from its suppliers and their whole supply chain not only comply with all environmental laws and regulations, but also to adopt sustainable and responsible practices that promote conservation of resources and raw materials, contributing to the protection of the environment, and drive forward to achieve decarbonization by 2050 at the latest of the supply chain aligned with the goals of the Paris Agreement.

SEP D.O.O. is committed to continuously improve its environmental performance and support a proactive approach to environmental responsibility.

### **Carbon Net Zero**

- Suppliers should use renewable energy where possible and provide transparency and evidence upon SEP D.O.O.'s request.
- Suppliers should control and document their energy consumption.
- Suppliers shall strive to set targets to reduce their energy consumption while improving their energy efficiency based on their reduction plan.
- Suppliers should establish their process to create a Greenhouse Gas (GHG) inventory. Collect data and track their GHG emissions shall be based on GHG Protocol or any other globally accepted standard.
- Suppliers should set Scope 1, 2 and 3 absolute CO<sub>2</sub> emission reduction targets and time-bound emission reduction plan with the guidance from Science Based Targets initiative (SBTi), aligned with SEP D.O.O.'s targets.
- Suppliers must engage their suppliers in climate protection.



## **Air Quality & Noise pollution**

- Suppliers should monitor, disclose, and to the extent as possible, eliminate emissions contributing to air pollution as required by and in accordance with applicable law.
- Suppliers should create an air emissions management plan, that meets or exceeds regulatory requirements, to mitigate their pollution levels and assessing cumulative impacts of pollution sources.
- Suppliers should monitor and control the levels of industrial noise to avoid noise pollution.

## **Water Quality, consumption and management**

- Suppliers should preserve water resources through an assessment of water stress in operations and throughout the life cycle.
- Suppliers should reduce water consumption and reuse and recycle water with responsible treatment of wastewater discharges.
- Suppliers should prevent potential impacts from flooding as a consequence of rainwater run-off.

## **Circularity**

- Suppliers should encourage and support the use of sustainable, renewable natural resources in an efficient manner over the product's life cycle.
- Suppliers should reduce environmental impacts of their product solutions by using Life Cycle Assessment (LCA) to design for recycling-optimized vehicle during the entire life cycle of the goods. Suppliers should be able to provide LCA's upon SEP D.O.O.'s request.
- Suppliers should integrate recycled and/or renewable material solutions for their components.
- Suppliers should promote closed loop systems while reducing waste and increasing reuse and recycling.
- Suppliers should set targets for waste reduction and establish a waste management hierarchy in following priority order: prevention, reduction, reuse, recovery and recycling.
- Suppliers shall use the needful treatment and dispose safely all kinds of waste and hazardous substances generated.
- Suppliers should promote the reduction of single-use packaging.

## **Responsible Chemical Management**

- Suppliers shall identify and manage chemicals to ensure their safe handling, labelling, storage, use, recycling, transporting and disposal.
- Suppliers should reduce the material consumption through process optimization and use of alternative, less hazardous substances in their operations to maintain product and environmental stewardship.
- Suppliers should collect data from their material manufacturers for all chemicals and components classified as hazardous substances.



## **Soil Quality**

- Suppliers should monitor and control their impact on soil quality to prevent erosion, nutrient degradation, subsidence and contamination.

## **Biodiversity, Land Use and Deforestation**

- Suppliers shall protect ecosystems by developing and implementing a strategy and action plans to prevent, reduce and offset adverse impacts by their operations.
- Suppliers shall avoid any illegal deforestation in accordance with international biodiversity regulations, including the IUCN Resolutions and Recommendations on Biodiversity.

## **3. BUSINESS ETHICS**

SEP D.O.O. expects its Suppliers to maintain the highest standards of corporate ethics and lawful conduct, and requires that these standards be passed through to the supply chain. All business relationships and transactions by the companies in the supply chain must conform to local laws and be conducted with the utmost integrity and honesty; including in particular:

### **Sustainable Procurement**

- Suppliers should implement a formal management system/s – defined as a combination of policies, processes, functions, tools and internal controls – that help an organization/organisation to control its operations, reach objectives and ensure continuous improvement on business ethics, labour practices and human rights, environment, responsible sourcing and sustainable procurement.
- Supplier are expected to provide appropriate awareness and training in sustainable procurement to its personnel as well as to its suppliers, contractors and similar third parties related.
- Supplier should develop, apply, and maintain methods and processes to minimise the risk of introducing counterfeit and/or diverted parts and materials into deliverable products and adhere to relevant technical regulations in the product design process.
- Supplier shall avoid any form of economic action, aid or mediation that provides financial or any other type of support to the activities of terrorist elements or groups and other controversy considered activities.

### **Responsible sourcing of materials and minerals**

- Suppliers shall not provide products containing materials that contribute to human rights abuses, bribery, violation of ethics or negatively impact the environment.
- Suppliers should responsibly source raw materials and minerals used in their products by developing a management system that promotes supply chain traceability and transparency. Also, the implementation of due diligence measures in accordance with OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-



Affected and High-Risk Areas is recommended to understand the source of materials used in their products, identify risks and mitigate human rights breaches.

- Suppliers shall provide information regarding conflict minerals including but not limited to tin, tungsten, tantalum and gold contained in their manufacturing process, to verify the materials in the products supplied to SEP D.O.O. have been sourced responsibly in accordance with SEP D.O.O.'s Conflict Mineral Policy.
- Suppliers shall use validated conflict free smelters and refiners for procurement of Tin, Tungsten, Tantalum and Gold, and not limited to other minerals, contained in the products they produce.

### **Due Diligence**

- Suppliers should conduct due diligence on their direct suppliers and contractors in accordance with the OECD Due Diligence Guidance for Responsible Business Conduct, promote transparency and traceability and use their best efforts to implement the ESG standards further along the supply chain, and cascade the Supplier Code of Conduct principles further along the supply chain.
- Suppliers should allow the work of inspection, auditing and supervisory staff, organizations or entities, if requested.

### **Anti-Corruption**

- Suppliers shall actively and consistently fight against any form of bribery, corruption, extortion or embezzlement, and comply with all applicable laws pertaining to these issues.
- SEP D.O.O.'s policy goes beyond these laws and prohibits improper payments in all its activities, both with governmental entities and in the private sector. Negotiations in which transactions are made using illicit means will not be tolerated and shall be informed through the proper channels, such as the ethic channel.

### **Information Security, Privacy and Confidentiality**

- Suppliers shall comply with all applicable laws concerning data protection and information security, ensure that privacy is safeguarded, personal data is protected, and all business information is kept secure. These principles shall be cascaded to all its supply chain, including subcontractors or Tier 2 Suppliers.
- Suppliers shall ensure that any confidential business information or trade secrets obtained under business activities with SEP D.O.O. are held in strict confidence and not improperly used or revealed to third parties.
- Suppliers should implement a formal management system to prevent, control and manage potential information security breaches.

### **Financial and Non-Financial Responsibility / Accurate Records**



- Suppliers should disclose financial and non-financial information in accordance with applicable regulations and prevailing industry practices. All records and reports, whether internal or external, must be accurate and truthful.
- SEP D.O.O. and its 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.

### **Fair Competition/Anti-Trust**

- Suppliers shall comply with all applicable antitrust laws, trade practice laws and any other competition laws, rules and regulations dealing with unfair competition and restraints of trade.
- Suppliers shall not enter into agreements with competitors or engage in other conducts that may unfairly impact competition, including, but not limited to, price fixing, bid rigging or improper market allocations.

### **Conflicts of Interest**

- Suppliers shall avoid any situation or activity in which their personal or financial interests could come into conflict with those of the Company and reveal an actual or potential risk of conflict of interests in association with SEP D.O.O. Employees or their relatives.
- Supplier should make decisions based on objective criteria, and not to obtain profit, directly or indirectly, as a result of a competing interest that interferes or could be perceived to interfere with our ability to make an objective business decision. No Employee may directly or indirectly obtain profit as a result of the awarding of a contract. Consequently, any benefit or gift offered or received which is meant to influence an independent decision or the behaviour of the parties involved may lead into a Due Diligence Process and have consequences.

### **Insider Trading**

- Suppliers shall not purchase, sell or trade SEP D.O.O. securities while in possession of non-public information regarding SEP D.O.O..
- Suppliers and/or its Employees shall never directly or indirectly disclose non-public information acquired by conducting business with SEP D.O.O..

### **Import/Export Controls and Economic Sanctions**

- Suppliers shall ensure that their business practices are in accordance with all applicable laws, directives and regulations governing the import / export of parts, components and technical data.
- Suppliers shall provide truthful and accurate information for reporting purposes when requested and obtain import and/or export licenses and/or consents where necessary.



- Suppliers shall comply with applicable restrictions on the export or import of goods, equipment/tools, software, services and technology, as well as with all applicable economic sanctions and restrictions on doing business with and trade involving certain countries, regions, companies or entities and individuals.

### **Animal Protection**

- Suppliers should respect the animal rights formalized by the World Organization for the Animal Health (OIE) concerning animal welfare and not raise and cruelly or unnecessarily cause injury to an animal for the single purpose of being used in automotive products.

### **Whistle blower Protection and Non-Retaliation**

- Suppliers should immediately form and report through the SEP D.O.O. whistleblowing line in case they have evidence, doubts or suspicions regarding any form of corruption, or other criminal or non-compliant conduct. SEP D.O.O. will not tolerate any form of retaliation against anyone who, in good faith, communicates facts that could constitute a breach of this Code.

**Promotion of Standards in the Supply Chain.** We expect our suppliers to respect and strive to achieve our sustainability goals and principles, and we reserve the right to monitor and audit compliance with sustainability objectives in our supply chains.

Kindly indicate that you as a member of the SEP D.O.O. supply chain will subscribe to this statement of SEP D.O.O. principals in all dealings with SEP D.O.O. and in your operations and that you will ensure that your sub-suppliers do likewise.

\_\_\_\_\_  
Company name:

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_



#### 4. REFERENCES

1) International Labour Organization, specifically the documents listed below: <http://www.ilo.org>

**International Labour Organisation (ILO) Convention n° 138 and n° 182 – Child labour**

<http://www.ilo.org/ipec/facts/ILOconventionsonchildlabour/lang--en/index.htm>

**International Labour Organisation (ILO) Conventions n° 29 and 105 – Forced labour**

<http://www.ilo.org/global/standards/subjects-covered-by-international-labour-standards/forced-labour/lang--en/index.htm>

**International Labour Organisation (ILO) Convention n° 100 – Equal remuneration**

[http://www.ilo.org/declaration/info/factsheets/WCMS\\_DECL\\_FS\\_84\\_EN/lang--en/index.htm](http://www.ilo.org/declaration/info/factsheets/WCMS_DECL_FS_84_EN/lang--en/index.htm)

**International Labour Organisation (ILO) Convention n° 111 – Discrimination**

[http://www.ilo.org/wcmsp5/groups/public/---ed\\_norm/---declaration/documents/publication/wcms\\_decl\\_fs\\_85\\_en.pdf](http://www.ilo.org/wcmsp5/groups/public/---ed_norm/---declaration/documents/publication/wcms_decl_fs_85_en.pdf)

**International Labour Organisation (ILO) Convention n° 98 and 87 – Freedom of Association**

<http://www.ilo.org/global/standards/subjects-covered-by-international-labour-standards/freedom-of-association/lang--en/index.htm>

**ILO Declaration on Fundamental Principles and Rights at Work**

[https://www.ilo.org/wcmsp5/groups/public/---ed\\_norm/-declaration/documents/normativeinstrument/wcms\\_716594.pdf](https://www.ilo.org/wcmsp5/groups/public/---ed_norm/-declaration/documents/normativeinstrument/wcms_716594.pdf)

2) The 2030 Agenda for Sustainable Development: Sustainable Development Goals

<https://sdgs.un.org/2030agenda>

3) United Nations Global Compact

<https://www.unglobalcompact.org/what-is-gc/mission/principles>

4) Conflict minerals legislation – US Security and Exchange Commission

<http://www.gpo.gov/fdsys/pkg/FR-2012-09-12/pdf/2012-21153.pdf>

EU 2017/821 Conflict Minerals Regulation

[https://policy.trade.ec.europa.eu/development-and-sustainability/conflict-minerals-regulation\\_en](https://policy.trade.ec.europa.eu/development-and-sustainability/conflict-minerals-regulation_en)

5) Responsible Business alliance (RBA). Responsible sourcing.

<https://www.responsiblebusiness.org/>

6) The United Nations Convention on the Rights of the Child.

<https://www.ohchr.org/en/instruments-mechanisms/instruments/convention-rights-child>

<https://www.unicef.org.uk/wp-content/uploads/2016/08/unicef-convention-rights-child-uncrc.pdf>

7) Children's Rights and Business Principles

<http://www2.ohchr.org/english/bodies/crc/docs/CRC.C.GC.16.pdf>

8) 1948 Universal Declaration of Human Rights (UDHR)

<https://www.un.org/en/about-us/universal-declaration-of-human-rights>

9) United Nations guiding principles on Business and Human Rights

[http://www.ohchr.org/Documents/Publications/GuidingPrinciplesBusinessHR\\_EN.pdf](http://www.ohchr.org/Documents/Publications/GuidingPrinciplesBusinessHR_EN.pdf)



**10) International Bill of Human Rights. ICCPR. ICESCR**

<https://www.ohchr.org/en/what-are-human-rights/international-bill-human-rights>

**International Covenant on Economic Social and Cultural Rights (ICESCR)**

<https://www.ohchr.org/en/instrumentsmechanisms/instruments/international-covenant-economic-social-and-cultural-rights>

**International Covenant on Civil and Political Rights (ICCPR)**

<https://www.ohchr.org/en/instrumentsmechanisms/instruments/international-covenant-civil-and-political-rights>

**11) Free, Prior and Informed Consent of Indigenous Peoples (FPIC)**

<https://www.ohchr.org/en/indigenous-peoples/consultation-and-free-prior-and-informed-consent-fpic>

**12) World Organization for Animal Health (OIE)**

<https://www.woah.org/en/what-we-do/animal-health-and-welfare/animal-welfare/>

**13) United Nations Convention against Corruption**

[https://www.unodc.org/documents/brussels/UN\\_Convention\\_Against\\_Corruption.pdf](https://www.unodc.org/documents/brussels/UN_Convention_Against_Corruption.pdf)

**14) The Foreign Corrupt Practices Act (FCPA)**

<https://www.justice.gov/criminal-fraud/file/1292051/download>

**15) OECD Guidelines for Multinational Enterprises**

<http://www.oecd.org/daf/inv/mne/48004323.pdf>  
<https://mneguidelines.oecd.org/mneguidelines/OECD-MNE-Guidelines-2023-Presentation.pptx>

**16) OECD due diligence guidance for responsible business conduct**

<http://mneguidelines.oecd.org/OECD-Due-Diligence-Guidance-for-Responsible-Business-Conduct.pdf>

**17) OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas**

<http://www.oecd.org/daf/inv/mne/GuidanceEdition2.pdf>

**18) DRIVE SUSTAINABILITY&AIAG. The Automotive Industry Guiding Principles to Enhance Sustainability**

**Performance in the Supply Chain.**

<https://www.drivesustainability.org/guiding-principles-4-0-translations/>  
<https://www.aiag.org/corporate-responsibility/environmental-social-governance?hsLang=en-us>

**19) Science-Based Targets Initiative**

<https://sciencebasedtargets.org/>

**20) European Green Deal**

[https://commission.europa.eu/strategy-and-policy/priorities-2019-2024/european-green-deal\\_en](https://commission.europa.eu/strategy-and-policy/priorities-2019-2024/european-green-deal_en)



**21) The Paris Agreement**

[http://unfccc.int/files/essential\\_background/convention/application/pdf/english\\_paris\\_agreement.pdf](http://unfccc.int/files/essential_background/convention/application/pdf/english_paris_agreement.pdf)

**22) Persistent Organic Pollutants – POPs Regulation**

<https://www.epa.ie/our-services/monitoring--assessment/waste/chemicals/pops/>

**23) Global Automotive Declarable Substance List (GADSL)**

<https://www.gadsl.org/>

**24) GHG Protocol Standards**

<https://ghgprotocol.org/standards>

**25) General Data Protection Regulation (GDPR)**

<https://gdpr-info.eu/>

**26) Management systems and standards:**

**GRI Standards.** <https://www.globalreporting.org/standards/download-the-standards/>

**Carbon Disclosure Project (CDP).** <https://www.cdp.net/en/companies>

**Environmental and Social Management System Implementation Handbook & Toolkit.**

[https://www.ifc.org/wps/wcm/connect/topics\\_ext\\_content/ifc\\_external\\_corporate\\_site/sustainability-atifc/](https://www.ifc.org/wps/wcm/connect/topics_ext_content/ifc_external_corporate_site/sustainability-atifc/publications/publications_handbook_esms-general)

[publications/publications\\_handbook\\_esms-general](https://www.ifc.org/wps/wcm/connect/topics_ext_content/ifc_external_corporate_site/sustainability-atifc/publications/publications_handbook_esms-general)

**ISO 14001. Environmental management systems:** <https://www.iso.org/standard/60857.html>

**ISO 50001. Energy Management Source:** <https://www.iso.org/iso-50001-energy-management.html>

**ISO 45001. Occupational health and safety** <https://www.iso.org/iso-45001-occupational-health-and-safety.html>

**ISO 37301. Compliance management systems.** <https://www.iso.org/standard/75080.html>