



Sustainability Special Terms and Conditions (SSTC)

Social Responsibility, Environmental Protection and Product Compliance

The following provisions define the standards and requirements on social responsibility, environmental protection and product compliance of MFTBC that MFTBC Suppliers must meet.

The provisions are based on MFTBC principles for social responsibility and human rights. MFTBC has acknowledged its responsibility in its company-wide “Declaration of Principles for Social Responsibility and Human Rights”. For the purpose of a common approach, these principles are reflected in the following provisions. They are also based on national laws and regulations, as well as international standards such as the International Bill of Human Rights, the 10 principles of the United Nations Global Compact (<http://www.unglobalcompact.org>), the United Nations Guiding Principles on Business and Human Rights (hereinafter referred to as “UN Guiding Principles”, (OHCHR | Guiding Principles on Business and Human Rights: Implementing the United Nations “Protect, Respect and Remedy” Framework), the OECD Guidelines for Organization for Economic Co-operation and Development (OECD.org) and the core labor standards of the International Labor Organization (ILO, <http://www.ILO.org>).

I. Standards on Human Rights and Good Working Conditions

1. Prevention of child labor

The Supplier is obliged to comply at least with the ILO Convention No. 138 on Minimum Age of Employment and No. 182 on the Prohibition of Worst Forms of Child Labor in its enterprise. In particular, the Supplier warrants for its enterprise that the products to be supplied are or were manufactured and processed without child labor within the meaning of ILO Conventions No. 138 and 182 and without violations of obligations arising from the implementation of these Conventions or any other applicable, national or international regulations combatting child labor.

2. Prohibition of forced labor and modern slavery

2.1 The Supplier assures for its enterprise that all its employer practices are at least in line with ILO Conventions No. 29 and No. 105. In particular, all employees must have the freedom to terminate the employment relationship subject to a reasonable period of notice. This shall also apply to the use of external workforce.

2.2 All forms of forced labor, in particular compulsory labor, debt bondage, human trafficking and any other form of modern slavery, as well as other forms of domination or oppression in the workplace, such as through extreme economic or sexual exploitation and humiliation, must be prohibited.

2.3 The Supplier may not restrict the freedom of movement of its employees by retaining ID documents or other measures against the will of the employees. Nor may any financial burden be imposed on employees by illegally withholding wages or imposing fees in the recruitment process.

3. Freedom of association, right to collective bargaining and the right to strike



The Supplier has to respect the right of its employees to establish or join organizations of their own choosing, to appoint a representation and be elected for such a representation. Employees must be able to communicate openly and regularly with the company management in employee representations about working conditions without having to fear reprisals in any form. Their organizations are free to operate in accordance with the applicable law of the place of employment. Depending on the law of the place of employment, this includes in particular the right to collective bargaining and the right to strike. In this regard, ILO Conventions No. 87 and No. 98 are relevant. When freedom of association and the right to collective bargaining are restricted by law, the Supplier must seek alternative ways to best respect the principles of ILO Conventions No. 87 and No. 98 in accordance with local laws.

4. Non-discrimination clause

The Supplier is obliged to take measures to avoid discrimination within the meaning of ILO Conventions No. 111 and No. 100. Discrimination of employees is prohibited in any form. In particular, unequal treatment in employment on the basis of sex, national and ethnic origin, social origin, disability, trade union membership, political conviction, religion or belief, health status, age, pregnancy or sexual orientation is prohibited, unless it is justified by the requirements of employment.

5. Health and Safety

As an employer, the Supplier shall ensure occupational safety and health at work in accordance with the ILO Conventions applicable at the place of employment, in particular ILO Convention No. 155, as well as the provisions of national law. This includes, in particular, the establishment and application of appropriate management systems for occupational health and safety ("management systems") in order to be able to take the necessary preventive measures against accidents and damage to health arising in connection with the work activity. The Supplier declares its willingness to continuously improve its management systems and to work towards the introduction of a recognized and certified occupational health and safety management system (e.g. ISO 45001) within a reasonable period of time. The Supplier must have health and safety guidelines in place, support the continuous development and improvement of working conditions and provide all employees with relevant training on a regular basis. The Supplier must ensure a safe workplace, the necessary work equipment and appropriate protective equipment as well as protect its employees from excessive physical and mental fatigue. Employees will also be given access to sufficient drinking water and clean sanitary facilities. Where applicable, this also applies to accommodation provided by the Supplier. If necessary, accommodation must also be dimensioned and equipped in such a way that accidents and damage to health are prevented as far as possible and appropriate accommodation is ensured.

6. Fair working conditions (remuneration, social benefits and working hours)

6.1 The Supplier must ensure appropriate remuneration and must guarantee the social benefits prescribed by applicable law. Remuneration must, at a minimum, be in line with the minimum wage under applicable law. Insofar as the applicable law does not provide for minimum wage regulations, the remuneration shall be calculated in accordance with the law of the place of employment. In any case, remuneration must enable employees to secure at least their livelihood. Thereby, respective local cost of living of the employee and his family members as well as the local social security



benefits and remuneration for full-time employment must be taken into account. Wages must be paid out in full and on a regular basis for services rendered and may not be retained illegally. The Supplier must ensure that employees receive clear, detailed and regular information on the composition of their remuneration in an appropriate form.

6.2 Supplier must ensure that working hours comply with applicable laws or, insofar as these ensure a higher level of protection, with industry standards, but at least with the ILO Conventions applicable at the place of employment, in particular ILO Conventions No. 1 and No. 30. Overtime should only be voluntary and employees should be granted day off after consecutive working days according to the applicable laws.

7. Use of public and private security forces

In case the Supplier deploys its own security forces to protect its operations or commissions security forces for this purpose, it must ensure that they comply with internationally recognized human rights. The Supplier must, in particular, refrain from commissioning or deploying security forces, if during deployment persons are treated inhumanly or degradingly, suffer damage to life or limb or if their right to organize and the freedom of association is impaired.

8. Rights of minorities, local communities and indigenous peoples

8.1 The Supplier may not unlawfully engage in forced eviction or unlawfully take land, forests or bodies of water, the use of which secures the livelihoods of a person.

8.2 The Supplier must refrain from causing any harmful soil change, water and air pollution, noise emissions or excessive water consumption that is damaging to the health of persons, significantly impairs the natural bases for the preservation and production of food, or denies or significantly impedes people's access to safe and clean drinking water or sanitary facilities.

II. Human Rights Due Diligence

1. Implementation of human rights due diligence

The Supplier is obliged to establish processes for human rights due diligence in its company (in particular a risk management system) within a reasonable time, provided that the Supplier supplies products or provides services to MFTBC that come with a risk of potential negative impacts on human rights in the value chain, and to take, systematic and appropriate due diligence measures in connection with human rights based on this process. Relevant in this regard are the national due diligence laws applicable to the Supplier as well as the provisions of the UN Guiding Principles and relevant OECD Guidelines and Principles. In accordance with the UN Guiding Principles and, where relevant, in accordance with applicable laws, the Supplier shall design the adequacy and scope of these measures according to the size and turnover of its enterprise, the nature and the origin of the product or service as well as the raw materials contained therein, and, in particular, according to the associated risks.

2. Transparency, cooperation and participation



- 2.1 As a prerequisite for the implementation of human rights due diligence measures referred to in Section II.1 above, the Supplier shall establish adequate transparency in its supply chain through internal processes in order to identify human rights risks and, where necessary, to be able to take appropriate counter- and control measures.
- 2.2 Upon request of MFTBC, the Supplier is obliged to provide information about the processes established in its company for human rights due diligence and, on request, must in particular answer self-assessment questionnaires completely and truthfully by submitting corresponding documents, if a risk is identified as part of the risk analysis carried out by MFTBC.
- 2.3 Upon request and, if applicable, after the conclusion of a non-disclosure agreement of MFTBC the Supplier must inform MFTBC of identified risks and/or mitigating measures and must also provide MFTBC with respective documentation of its due diligence measures.
- 2.4 In addition, upon request, the Supplier must provide information on certain stages in the supply chain that maybe critical for human rights, environmental, geopolitical or supply stability reasons (e.g. on the company and production location of the stage). MFTBC warrants that it will only use the transmitted data for the purpose of risk analyses in the aforementioned areas.
- 2.5 The Supplier allows MFTBC to use the information obtained in accordance with this SSTC in the context of requests for information addressed to MFTBC or other self-assessments on a need-to-know basis.
- 2.6 If a breach of the standards on human rights and good working conditions listed in Section I cannot be remedied by a Supplier in the foreseeable future, the Supplier must notify MFTBC of this immediately in writing or in text form and, together with MFTBC and/or with relevant third parties, draw up a concept with a schedule for ending or minimizing the violation (corrective action plan). The Supplier shall support MFTBC to the best of its ability.
- 2.7 At the request of MFTBC, the Supplier undertakes to participate in trainings and further courses on the human rights standards and expectations of MFTBC and will confirm its participation to MFTBC upon request by providing appropriate documentation. The Contracting Parties shall find an appropriate agreement on the costs in individual cases.
- 2.8. The Supplier undertakes to pass on information received from MFTBC on the accessibility, responsibility and on the implementation of MFTBC's complaints procedure "SpeakUp!" (<https://www.mitsubishi-fuso.com/en/corporate-ethics/>) for reporting violations of human rights or legal and environmental obligations to its employees in a suitable manner and efforts for it to be passed on to the downstream supply chain. If the Supplier passes on corresponding information to its employees, the Supplier must ensure that the complaints procedure must be accessible to employees while maintaining confidentiality of identity and effective protection against disadvantage. Unless notified by MFTBC about a complaints procedure, the Supplier itself is responsible for setting up an effective complaints mechanism at enterprise level for individuals and communities whose human rights may be negatively impacted.

3. Inspection and auditing

- 3.1 MFTBC is entitled to inspect and audit the processes established by the Supplier for human rights due diligence and the creation of transparency, including the due diligence measures



taken by the Supplier in connection with human rights and environment, as well as the timely implementation of a corrective action plan, or to have them inspected or audited by a third party commissioned by MFTBC. The Supplier cooperates and contributes to an appropriate extent to ensure a successful audit.

3.2 As part of supplying the products or the provision of services, the Supplier must also ensure that MFTBC or a third party commissioned by MFTBC can also inspect and audit its suppliers and sub-suppliers in the event of a risk-based necessity.

3.3 MFTBC may use the information and findings from these inspections and audits to fulfill legal obligations, such as those arising e.g. from reporting requirements.

4. Responsible sourcing of conflict minerals

Supplier, who supply 3TG (tin, tantalum, tungsten and gold) and those who use these raw materials in their products must identify, disclose and evaluate all smelters and refineries within the supply chains and assess whether they have carried out a due diligence process in accordance with the OECD Due Diligence Principles for the Promotion of Responsible Supply Chains for Minerals from Conflict-Affected and High-Risk Areas. For this purpose, the affected Suppliers must implement at least established procedures, such as the Responsible Minerals Assurance Process (RMAP). The affected Suppliers shall ensure that, at the time of the start of production, these materials are procured exclusively from refineries and smelters that meet the requirements (status: conformant) of the RMAP of the Responsible Minerals Initiative (RMI). The affected Suppliers must submit corresponding proof (e.g. a Conflict Minerals Reporting Template – CMRT) to MFTBC on request. If a smelter or refinery used does not comply with this standard, MFTBC may require the Supplier to remove refineries and smelters that are not RMAP-compliant from the MFTBC supply chain in the long term.

III. Environment

1. General environmental responsibility, environmentally friendly production and products

1.1 The Supplier ensures that its production and products fully comply with the applicable environmental regulations.

1.2 Suppliers having production sites with more than 100 employees, are obliged to implement a certified environmental management system in accordance with ISO 14001, EMAS or comparable standards no later than two years after conclusion of the supply contract, to operate it for the entire term of the business relationship with MFTBC and to submit a corresponding certificate. The environmental management system takes into account the topics of hazardous substances, water, waste and air to an appropriate extent. Proof must be provided by means of certification by an accredited certification company. A renewed certificate must be submitted in good time before the expiry of the validity period.

2. Climate protection

Together with our Suppliers, we want to achieve CO₂E neutrality in our products and services in Europe, the USA and Japan by 2039 – and globally by 2050. Accordingly, the Supplier shall strive to work towards developing appropriate corporate targets for its Scope 1, 2 and 3 emissions and take measures to support MFTBC in achieving this objective. The Supplier shall regularly monitor



its progress and report to MFTBC upon request, in particular with regard to its CO2E footprint at product level.

3. Use and consumption of resources

The Supplier shall take appropriate measures to reduce the use and consumption of resources, in particular energy, water and raw materials, during production and in products and in its own supply chain to a minimum. The Supplier monitors and documents the energy consumption.

4. Handling of waste/Basel Convention

4.1 The Supplier is obliged to reduce or avoid the generation of waste of any kind.

4.2 The Supplier must comply with the prohibitions on the export of hazardous waste and the obligations in or from the Basel Convention as of 22 March 1989 in its current version. Section II. no. 1 to 3 shall apply accordingly.

5. Material Compliance

5.1 Material data sheets

The Supplier must provide in the sense of IMDS (International Material Data System) correct and complete IMDS material data sheets free of charge for all new and modified components or articles as well as for all substructure parts and/or service products contained in the spare parts. Within the course of new and change sampling, the material data sheets must be made available at the latest with the request for sampling. Incorrect material data sheets are rejected and must be corrected as soon as possible. Material data sheets not yet provided within the supplier relationship can be requested. Material data sheets shall also be provided for such articles that are to be used in new series and for which no sampling takes place. With regard to the delivery of plastic components, the Supplier is obliged to document the use of recycled materials in IMDS. The exact proportion of recycled material [mass %] must be specified in the "Recycled material" tab. The Supplier must report on further recycled material quotas beside plastic components in products upon request.

5.2 Prohibitions and restrictions on substances as well as declaration

The Supplier has to comply with prohibitions and restrictions as well as declaration regulations regarding substances, mixtures, products and materials. For substances and mixtures in articles, the Supplier must at least comply with the specifications of the Global Automotive Declarable Substance List ("GADSL"), insofar as no further requirements are regulated in this SSTC. For operating and process materials, the substance prohibitions in ES-W56901 must be complied with and an up-to-date safety data sheet must be supplied.

5.3 Minamata Convention and Stockholm Convention

The Supplier complies with the provisions of the Minamata Convention of 10 October 2013 on mercury and with the Stockholm Convention of 23 May 2001, on persistent organic pollutants, each, as amended from time to time. Section II. no. 1 to 3 shall apply accordingly.

5.4 REACH Regulation



- a) The Supplier ensures that substances, substances in preparations and substances in articles that require registration are only delivered to MFTBC if they are registered in accordance with Art. 5 and Art. 6 or Art. 7 Para. 1 of Regulation 1907/2006/EC (REACH-Regulation) for use at MFTBC. The Supplier also ensures that notification for substances in articles delivered, that are subject to notification according to Art. 7 Para. 2 REACH-Regulation, is performed by the Supplier or – if the product was not manufactured by the Supplier or imported – by a supplier or sub-supplier or, alternatively, the substance is registered for the intended use (Art. 7 Para. 6 REACH Regulation).
- b) In general, when developing a new component and/or article it must be abstained from using substances listed in Annex XIV of the REACH Regulation. If the use of such substances is unavoidable, this is only permitted if it has been approved in writing or in text form by the respective MFTBC component manager. The Supplier must provide evidence to MFTBC that the Supplier or one of its suppliers or its sub-suppliers has submitted an application for approval for the required use no later than reaching the “latest application date” according to REACH-Regulation (18 months before “sunset date” according to REACH-Regulation). Otherwise, the Supplier must take measures to ensure that the requirements of the REACH Regulation are complied with.
- c) As a precautionary measure for new developments it must also be abstained from using substances that the European Chemicals Agency ECHA has put on the list in Annex XIV (so-called “candidate list” in accordance with Art. No. 59 REACH-Regulation) if alternatives exist under technical and economic constraints. In case no alternatives exist, the use of the corresponding substance must be approved by the respective component manager.
- d) If substances subject to registration are not registered or substances listed in Annex XIV of the REACH Regulation are not permitted for the contractually intended uses at the time of delivery or a notification pursuant to Art. 7 Para. 2 REACH-Regulation is missing or if a component contains a substance listed in Annex XIV of the REACH-Regulation or on the candidate list, the Supplier is obliged to contact the respective component manager. in order to initiate remedial measures.
- e) Insofar as the delivered components, spare parts, attachments, accessories and/or packaging and/or articles contained therein, contain substances of very high concern (so-called SVHCs), which are published in the candidate list, to a proportion of more than 0.1% by weight, the Supplier is obliged to provide all information pursuant to Art. 33 Para. 1 REACH-Regulation. This also applies if such a substance is included on the candidate list during the ongoing supply relationship. The information shall be communicated in written form, preferably via IMDS.

5.5 Safety Data Sheets (SDS)

Supplier shall, upon request and in accordance with the Act on Promotion of the Improvement of the Management of Chemical Substances, the Industrial Safety and Health Act, the Poisonous and Deleterious Substances Control Act, and any other applicable laws and regulations, submit Safety Data Sheets (SDS) for the delivered parts and their components through the system designated by MFTBC.

6 Interior emissions



Interior emissions must be minimized. The limits listed in ES-W62237 must be complied with.

7 End-of-life vehicles, Recyclability and labeling standard

7.1 In case the components and/or articles to be supplied by the Supplier are subject to the Directive 2000/53/EC of the European Parliament and of the Council of 18 September 2000 (the End-of-Life Vehicles Directive) or are intended for vehicles that are subject to the End-of-Life Vehicles Directive, the Supplier undertakes to provide information on disassembly, information on the design and manufacture in a manner suitable for reutilization and recycling, as well as a concept for drying and offloading pollutants. A utilization concept must be provided for selected components in consultation with MFTBC.

7.2 If components or products to be delivered are not subject to the End-of-Life Vehicle Directive, information on the recyclability of the components or products to be delivered must be provided at MFTBC's request in a data format specified by MFTBC.

7.3 The Supplier must also comply with the VDA Labelling Standard 260 and MSF1-1118 for materials and components.

8. Holistic accounting for continuous improvement of products and production

8.1 MFTBC conducts life cycle assessments based on ISO 14040 et seq. to determine the holistic accounting of their products.

8.2 The Supplier shall therefore provide MFTBC with information on the relevant products, materials and processes upon request. MFTBC guarantees that this information will be treated strictly confidential and will only be used for the purpose of holistic accounting.

8.3 MFTBC obliges the Supplier to communicate and disclose its CO₂ and environmental footprint of products. MFTBC uses LCA as a holistic tool and provides a guideline that provides information on standards and methods to be complied with (please refer to the supplier portal).

8.4 Data must be provided in a defined documentation format (VDA data collection format for life cycle assessments). The period and data quality must be agreed between MFTBC and the Supplier.

9. Deforestation

9.1 The Supplier that supplies products that are in scope of Regulation (EU) 2023/1115 on deforestation-free products (EUDR) shall supply only those products that meet the requirements of the EUDR.

9.2 The Supplier has to provide the information specified in Article 9 EUDR correctly and completely in a data format specified by MFTBC. If the Supplier itself is obliged to fulfill the due diligence obligations under the EUDR, it must provide MFTBC with the reference number of the corresponding due diligence statement. The Supplier is responsible for the correctness and completeness of the data provided. In the event of non-fulfillment of this obligation under Clause 9.2, the Supplier shall be liable for any resulting damages and costs, including any fines or penalties incurred by MFTBC due to incomplete or incorrect data.



10. CBAM-VO

10.1 The Supplier provides MFTBC with all data and information required to fulfill MFTBC's obligations under Regulation (EU) 2023/956 (CBAM Regulation) with regard to goods that are subject to the CBAM Regulation. The Supplier provides these data and information without further notice in good time and completely. This includes in particular, but not exclusively, data on the gray emissions pro ton of the relevant goods. Customs tariffs for the import of goods by MFTBC are decisive.

10.2 The data must be provided in a format specified by MFTBC that complies with the requirements of the CBAM Regulation and the corresponding European Commission guides. The Supplier shall ensure that the data is timely, complete and up-to-date and complies with the requirements of the CBAM Regulation. The Supplier is responsible for the correctness and completeness of the data provided. In the event of non-fulfillment of this obligation, the Supplier shall be liable for any resulting damages and costs, including any fines or penalties incurred by MFTBC due to incomplete or incorrect CBAM reports.

IV. Product Compliance

The Supplier shall ensure within its area of responsibility that its scope of services fulfills all product requirements resulting from applicable regulations, policies, directives, laws, technical standards (e.g. IATF 16949) or other applicable provisions. In doing so, the Supplier must in particular take into account the spirit of the respective provision as well as the scientific and technical state-of-the-art. Furthermore, the Supplier has to establish adequate structures within its organization to ensure the adherence to these product requirements and the corresponding documentation.

V. Forwarding of standards in the supply chain

The Supplier will make his best effort to forward the contents of this SSTC, Section I, II, III. no. 4. and III. no. 5.3 and IV, or a comparable standard to its suppliers, placing them under corresponding obligations, and will monitor and check compliance with the standards in the supply chain. In particular, the Supplier is responsible for ensuring and controlling to an appropriate extent that his suppliers and their sub-suppliers also act in accordance with these standards. In case the Supplier has any suspicions with regard to a violation of these standards in the supply chain, the Supplier is obliged to investigate these and to inform MFTBC upon request about the identified violations and risks as well as the measures taken.

VI. Consequences of a breach by the Supplier

Should MFTBC determine a violation of the obligations arising from this SSTC by the Supplier, MFTBC will inform the Supplier of this immediately in writing or in text form and set a reasonable grace period for the Supplier to remedy the breach. In the event that a violation can foreseeably not be remedied by the Supplier within the grace period, the Supplier must notify MFTBC of this immediately in writing or in text form and, together with MFTBC and/or with relevant third parties, draw up a concept with a schedule for ending or minimizing the violation (corrective action plan). In case of fruitless expiration of the grace period or the implementation of the corrective action plan does not remedy the situation within the agreed schedule and a continuation of the business relationship is unacceptable for MFTBC and no milder means are available, MFTBC may terminate all existing legal transactions with the Supplier without further notice and terminate all negotiations. The statutory right to extraordinary termination without a grace period, in particular



in the event of very serious violations, remains unaffected, as does the right to compensation for damages.

VII. Consequences of a breach by the Supplier

To guarantee security of supply in consideration of financial risks, upon request, the Supplier agrees to provide to MFTBC its latest audited financial statements including balance sheet, profit & loss statement and cash flow statement. If the Supplier is affiliated to a group, the Supplier agrees to also provide the group's consolidated financial statements as well as a legal entity chart (showing relations to the parent company and group companies as well as ownership structures). The Supplier grants MFTBC limited to the term of the business relationship and only for internal purposes on such data the non-exclusive, unrestricted (in place, content or function) and irrevocable right for all known and unknown types of usage.

damages.

VII. Financial Performance

To guarantee security of supply in consideration of financial risks, upon request, the Supplier agrees to provide to MFTBC its latest audited financial statements including balance sheet, profit & loss statement and cash flow statement. If the Supplier is affiliated to a group, the Supplier agrees to also provide the group's consolidated financial statements as well as a legal entity chart (showing relations to the parent company and group companies as well as ownership structures). The Supplier grants MFTBC limited to the term of the business relationship and only for internal purposes on such data the non-exclusive, unrestricted (in place, content or function) and irrevocable right for all known and unknown types of usage.