

## **Directive on the responsible procurement of materials, intangible goods and services**

### **Introduction / Short description**

Delcotex expects of its suppliers minimum Health and Safety requirements, the respect of the Human Rights, and the compliance with ethical and ecological standards.

Delcotex encourages cooperation with its subcontractors in order to continuously improve performance on establishing a responsible procurement management.

### **Fields of application**

The regulations apply to all suppliers and contractors of Delcotex as well as its subsidiaries and are relevant for all products and services obtained by Delcotex. Suppliers are explicitly asked to cooperate with Delcotex when assessing further possibilities for improvement in the areas of Health and Safety protection, of Human Rights issues, of ethical and ecological concerns in the supply chain.

Delcotex directive for a responsible procurement

### **1. Our guiding principle**

Delcotex is committed to the production of sustainable technical textiles. In order to achieve this goal, we cooperate with our suppliers under the following principles:

- The establishment of a lean supply chain which supports our Corporate Responsibility regulations
- The development of procurement solutions that harmonize the needs and expectations of our customers and other stakeholders and balances guidelines and regulations.
- The creation of long-term values and the reduction of risks to our company, our suppliers and other stakeholders. We shall achieve these objectives by defining the standards for responsible sourcing and by integrating and implementing these into our cooperative and innovative business processes.

### **2. Introduction**

The Code of Conduct for a responsible procurement as outlined by Delcotex describes how we choose to work with our suppliers and requests these to comply and ensure a minimum (basic!) adherence to the standards in the fields of Health and Safety, Human Rights, Ethics and Environmental Protection as explained below. We encourage our suppliers to cooperate with us so we can permanently identify and develop improvement of our agenda and the Responsible Sourcing Programme. We hope that this Code of Conduct promotes the execution of sustainable business procedures of our suppliers. Delcotex defines its supply chain namely as those goods and services which are acquired and used for its business activities. These include primary raw materials, yarns of any kind, chemicals as well as building services and investment expenses (capex), industrial and other services, distribution and logistics. Responsible Sourcing reflects the fundamental principle of the Delcotex procurement strategy and is pursued systematically alongside different factors like for instance price and quality aspects.

### **3. Fields of practice**

Our Code of Conduct concerns all of our suppliers and contractors and their respective businesses. This Code of Conduct also applies to all products and services that Delcotex purchases. We appeal to our suppliers to translate these requirements into their own supply chains. Delcotex shall particularly recognize and appreciate these suppliers.

### **4. Our commitment to our suppliers**

For the implementation of this Code of Conduct, Delcotex shall act as follows:

- **Cooperation:** collaborating with our suppliers in order to improve social standards (including Health and Safety protection at the workplace and Human Rights concerns), and to boost environmental and ethical standards. This incorporates mutual evaluations, e. g. location inspections to assess the implementation of the Code of Conduct.
- **Support:** encouraging our suppliers to name those measures that fall behind the specifications of the Code of Conduct so improvement can be generated within a reasonable time frame.
- **Priorities:** focussing on such areas of the supply chain that run a high risk of not fulfilling the requirements of the Code of Conduct or bear the chance of maximum improvements.
- **Respect:** sharing business relations with our suppliers in a fair, objective, transparent and professional way. This means that the employees of our suppliers who work on our business premises are treated equally and on the same terms as our own staff.
  - **Support:** promoting responsible supply chain practices within our line of business.
  - **Communication and training:** ensuring that all our staff are aware of the Code of Conduct and that the colleagues of the purchasing department are well trained
  - **Improvement:** regularly revising the programme and its implementation in order to guarantee that each contributes to our vision of responsible sourcing.

### **5. What we expect from our suppliers**

We ask our suppliers to collaborate with Delcotex to investigate further possibilities of improving responsible business practices within the supply chain in the fields of Health and Safety protection, Human Rights, Ethics and the protection of the Environment.

- 5.1 Health and Safety protection

Delcotex aspires to avoid accidents and injuries in the workplace in their quest for a 'Journey to Zero'. On top of that, for its staff, Delcotex endeavors to achieve general wellbeing at the workplace and outside. Delcotex demands from all its suppliers to enforce all necessary measures to avoid work-related injuries of its personnel and on their premises.

- 5.2 Human Rights

Delcotex respects all Human Rights for its workforce and local community and commits itself to promoting these principles with its suppliers too. Delcotex calls on its suppliers to develop guidelines and procedures and to activate them in order to guarantee the Human Rights within their business practices and as well as those among their respective suppliers. Our suppliers will always have to adhere to the strictest requirements regardless of whether this implicates binding statutory regulations, the guideline on the Human Rights Policy or our code of conduct. If laws in particular countries forbid our suppliers to comply with certain aspects of the Code of Conduct or the guideline on the Human Rights Policy, the suppliers must act in compliance with the law and should respect the Human Rights at the same time.

- 5.3 Ethics

Delcotex is committed to abiding by fair, ethical and transparent business practices. Delcotex is committed to using raw materials originating from statutory and sustainable sources and to not resorting to conflict minerals' which would contribute to financing armed insurrection or violate Human Rights. Delcotex maintains conscientious examination processes in order to meet those commitments and asks its respective suppliers to support Delcotex in every aspect of these issues. Delcotex demands from its suppliers to comply with and enforce their own business guidelines.

- 5.4 Environmental protection

Delcotex aims to produce technical fabric sustainably. In order to achieve this objective, Delcotex uses its specialized knowledge in the fields of weaving and outfitting to develop clean production processes and to minimize environmental damage. We value working together with suppliers pursuing the same goals and adhering to Best Practices in the management of the environment. Energy and resource efficiency, biodiversity, waste disposal reduction and recycling are part of this category. Delcotex requests of its suppliers to implement effective guidelines, processes and practices for the management of the environment and to harmonize their entrepreneurial activities with the Delcotex environmental guidelines.

## **6. Documentation and control**

On request, we may ask the following of our suppliers:

- to answer a questionnaire and complete a self-assessment form on the basis of the Code of Conduct.

- to submit copies to Delcotex of all relevant information, to cooperate and endeavour to ensure that their own subcontractors abide by the Code of Conduct
- to disclose the efforts in order to meet the requirements of the Code of Conduct. The Code of Conduct is the essential ingredient of the relations between the suppliers. We follow the concept of risk evaluation to judge whether suppliers comply with the Code of Conduct. This may be checked by self-assessment, visits to the locations and follow-up measures seeking improvement. Delcotex works together with its suppliers to identify loopholes. Delcotex reserves the right to sever links with those suppliers who do not comply with the Code of Conduct and those who do not strive for improvement and implementation.

## **7. Data protection**

We create trust among our employees, business partners and customers by respecting data protection as a personal right. To secure this trust, our partners are instructed to observe the following regulations.

### **7.1 Obligation to data secrecy and confidentiality**

The partners of DELCOTEX Delius Techtex GmbH & Co. KG have to commit their employees to the to data secrecy and confidentiality.

### **7.2 Dealing with data protection violations**

In order that DELCOTEX Delius Techtex GmbH & Co. KG can comply with its data protection obligations, our partners are instructed to immediately report any data data breaches in the context of order processing to the project manager, the data protection officer or the information security officer of DELCOTEX Delius Techtex GmbH & Co. KG without delay.

### **7.3 Data subject rights and information security**

The General Data Protection Regulation multiplies the obligations to be taken into account with regard to the information of data subjects. The affected persons should know who collects what data about them and for what purpose, and they should be entitled to check the data collection and processing or use. The affected persons of a data processing have all the rights they are entitled to according to Art. 7 DSGVO and Art. 12-22 DSGVO. The partners of DELCOTEX Delius Techtex GmbH & Co. KG are required to support the processing of corresponding requests from affected persons in accordance with the agreement on commissioned processing.

## **8. Information Security**

### **8.1 Security guidelines and TISAX**

Information security means the adequate protection of applications, data, systems and necessary resources. DELCOTEX Delius Techtex GmbH & Co. KG follows the information security standard ISO 27001 and the automotive industry standard TISAX. In order to guarantee these standards, we require our partners to observe the following points:

- Ensure availability, integrity, confidentiality and authenticity of information. In order to guarantee these requirements, DELCO TEX Delius Techtex GmbH & Co. KG requires suppliers to implement guidelines to ensure the availability, integrity, confidentiality and authenticity of information as well as compliance with legal regulations and customer requirements.
- Ensure compliance with legal regulations and customer requirements.
- Ensure a continuous improvement process under the supervision of an information security officer.
- Comply with the information security rules of this policy and notify in case of anomalies.
- Providing a secure IT environment and trouble-free operation.
- Ensuring secure data exchange with each other, with our customers and with our suppliers.
- The provisions of this policy and the requirements for an appropriate level of information security and data protection are contractually passed on to the supplier's subcontractors.

## 8.2 Cloud services

If a new cloud service is to be used in the activities for DELCO TEX Delius Techtex GmbH & Co. KG, the project officer and the information security officer as well as, in particular in the case of the processing of personal data, the data protection officer must be involved in the planning.

## 8.3 Cryptography

Cryptography is a method of protecting information and communications by using code so that only those who are cleared to do so can read and process the information. The partners of DELCO TEX Delius Techtex GmbH & Co. KG are prohibited from using cryptography developed in-house, either in the form of algorithms, communication protocols or as random number generators. Instead, established standard libraries, functions and protocols are to be used for encryption.

## 9. Screening

Delcotex will be screening the Code of Conduct and vetting the conversion programme regularly in order to check suitability and effectiveness.



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