



Declaration of principles on the German Supply Chain Act

Novem Group

Novem Group S.A.
19, rue Edmond Reuter
5326 Contern
Luxembourg
www.novem.com

Table of Contents

	Page
1 Foreword	4
2 Scope of application	5
3 Our values and principles	5
3.1 Labour conditions and human rights	5
3.1.1 Child labour.....	5
3.1.2 Working hours.....	6
3.1.3 Wages and social benefits.....	6
3.1.4 Humane treatment.....	6
3.1.5 No discrimination/harassment	6
3.1.6 Freedom of association	6
3.2 Health and safety	7
3.2.1 Safety in the workplace	7
3.2.2 Emergency prevention.....	7
3.2.3 Occupational accidents and illnesses	7
3.2.4 Occupational hygiene	8
3.2.5 Physically demanding work	8
3.2.6 Machine safety	8
3.2.7 Sanitary facilities.....	8
3.2.8 Health and safety information, training	8
3.3 Environmental protection	9
3.3.1 Environmental authorisations and reporting.....	9
3.3.2 Prevention of pollution and reduction of resources used	9
3.4 Ethics	10
3.4.1 Business integrity	10
3.4.2 Protection of intellectual property	10
3.4.3 Data protection and data security.....	10
4 Organisational structure	11
4.1 Corporate culture of the Novem Group.....	11
4.2 Working with suppliers	11
5 Risk analysis, assessment and weighting	12
6 Our measures	13
6.1 Control.....	13
6.2 Prevention	13
6.3 Remedial measures	14

7	Complaints procedure	14
8	Monitoring effectiveness and appropriateness	15
9	Reporting	15
10	About this declaration of principles.....	16
11	Information and contact persons	16

1 Foreword

The corporate culture of the Novem Group is based on core values. These values include openness, appreciation, trust, transparency and responsibility. In keeping with these values, we organise our corporate management according to ethical principles. The Novem Group is committed to the principles of the UN Guiding Principles on Business and Human Rights, the International Labour Organization's Declaration on Fundamental Principles and Rights at Work and the International Bill of Human Rights. This means that the company takes a clear position with regard to human rights and high environmental and social standards. All employees¹, managers and managing directors working for the Novem Group – as well as the supervisory and advisory boards elected for the respective companies – are obliged to comply with these standards in their global business activities. We also expect these high standards from our business partners and suppliers. This is achieved within the framework of trusting business relationships that are continuously improved together and include appropriate control mechanisms. New suppliers and business partners are integrated into our standards and obliged to demand compliance with human rights and environmental and social standards from their business partners. This is an important aspect of our credibility.

Our business model focuses on high-quality trim elements and decorative functional elements in vehicle interiors. We are working on the sustainability of our business model throughout our supply chain with clearly defined milestones and global climate targets. Our approach is long-term and holistic. Our commitment to unrivalled quality, technology and innovation in our products must be based on respect for people and our environment. This is our self-image of sustainable and exemplary corporate management and the guiding principle and aspiration of our management and all our employees.

For us, sustainable, continuous growth and economic success are inseparably linked to our commitment to social responsibility and our reputation as a trustworthy and reliable business partner. The decisive factor in this is that each individual makes their own contribution through their daily work in compliance with our values and principles so that we can continue on this path successfully.

Markus Wittmann
Member of the Board
and Chairman

Dr Johannes Burtscher
Member of the Board

Stefan Lehmeier
Vice President Legal
and Compliance

¹ For the sake of readability, only the generic masculine is used in the following text. This includes and addresses all persons of female, male and diverse genders equally. The abbreviated form of language does not imply any judgement beyond purely editorial reasons.

2 Scope of application

Our corporate due diligence extends to the Novem Group's internal business operations as well as to employees, business partners and suppliers or their employees along the entire supply chain.

3 Our values and principles

3.1 Labour conditions and human rights

Novem Group rejects all forms of forced and child labour, bonded labour, indentured labour, involuntary or exploitative prison labour, slave labour or labour based on human trafficking. This includes the transportation, harbouring, employment, placement or recruitment of persons for the provision of labour or services through the use of threats, force, coercion, abduction or deception. We do not tolerate child labour and observe the minimum age for employees in accordance with the respective country-specific legal systems. The free choice of employment is a fundamental principle that we support without reservation.

Upon recruitment, all workers receive a written employment contract in their native language, which contains detailed terms and conditions of employment. Work is always on a voluntary basis and employees are free to leave work at any time or terminate their employment without penalty, provided reasonable notice is given in accordance with the employment contract.

3.1.1 Child labour

The use of child labour is expressly prohibited at all stages of the manufacturing process. The term "child" refers to persons under the age of 15 or persons of school age or persons who have not yet reached the minimum age for employment in their respective countries, whereby the highest of these age criteria is decisive. We encourage the use of recognised workplace training programmes that comply with all laws and regulations.

Workers under the age of 18 (young workers) must not perform hazardous work that could jeopardise their health and safety, including night shifts and overtime. Business partners in our supply chain must ensure that student workers are properly supervised by rigorously screening training partners and protecting students' rights in accordance with applicable laws and regulations. If child labour is identified, immediate action will be taken to assist and correct it.

3.1.2 Working hours

The Novem Group attaches great importance to principles of working hours that take into account both company and individual concerns and ensure a good work-life balance. We are guided by the core labour standards of the ILO and ensure that working hours at least comply with the respective national legal requirements or the minimum standards of the respective national industry regulations, including compensation for overtime worked, whether in the form of time off or appropriate remuneration.

3.1.3 Wages and social benefits

Workers must be remunerated in accordance with all relevant legal provisions on pay, including regulations on minimum wages, overtime and statutory social benefits. Disciplinary wage reductions are not permitted. Clear statements of wages are provided to workers each payroll period, with sufficient detail to ensure that the work performed is correctly remunerated.

3.1.4 Humane treatment

Workers must not be subjected to brutal or inhumane treatment. This includes violence, gender-based violence, sexual harassment, sexual abuse, corporal punishment, mental or physical pressure, bullying, public humiliation and verbal abuse and threats thereof. To support these requirements, clear disciplinary principles and procedures are defined and clearly communicated.

3.1.5 No discrimination/harassment

We do not tolerate harassment or unlawful discrimination. We support a working environment that fosters individual development. We ensure and promote equal opportunities and equal treatment (including equal pay), personal development and professional training. Recruitment and employment practices, such as remuneration, promotions, awards and access to further training opportunities, are implemented regardless of ethnicity and national origin, skin colour, gender identity and expression, age, disability, pregnancy, ideology, political beliefs, religion, trade union membership, previous military service, protected genetic information, marital status, nationality, sexual orientation or social origin. Discrimination, harassment or intimidation of any kind contradict our basic principles of fair treatment and are prohibited. In particular, any kind of mental or physical violence in the form of discrimination, harassment, corporal punishment, bullying, etc. is strictly rejected.

3.1.6 Freedom of association

All workers have the right to organise themselves into trade unions or similar associations in accordance with local laws and agreements, to join trade unions of their choice, to negotiate and establish collective bargaining agreements with Novem companies and to hold peaceful assemblies or refrain from such activities.

Workers and/or their representatives are allowed to communicate openly with management without fear of discrimination, reprisal, intimidation or harassment. The Novem Group works with employees and employee representatives in a trusting, constructive and goal-orientated manner.

3.2 Health and safety

3.2.1 Safety in the workplace

Risks in the workplace, including hazards from chemical substances, electricity, other energy sources, fire, vehicles and fall hazards, must be identified and assessed. Subsequently, measures should be taken to minimise these risks using the hierarchy of controls. This can be accomplished by eliminating hazards, replacing processes or materials, proper planning, implementing engineering and administrative controls, preventive maintenance and implementing safe work procedures (including lockout and tagout). In addition, ongoing health and safety training is required.

If the hazards cannot be adequately monitored despite these measures, workers must be provided with appropriate, well-maintained personal protective equipment. Appropriate measures are also taken to ensure that pregnant women and nursing mothers do not work in high-risk working conditions. Health and safety risks in the workplace for pregnant women and breastfeeding mothers are minimised, and appropriate rooms for breastfeeding mothers provided.

3.2.2 Emergency prevention

Emergency plans and emergency response procedures are established to identify potential emergency situations and events and assess their impact, including emergency notification, worker notification, evacuation procedures, training and drills.

Emergency drills are conducted at least annually or in accordance with applicable local laws – whichever is more stringent. Emergency plans also include adequate fire detection and fire-fighting equipment, well-marked and easily accessible emergency exits, suitable emergency exit facilities, contact details for emergency responders and recovery plans to minimise harm to human life, the environment and property.

3.2.3 Occupational accidents and illnesses

The establishment of procedures and systems for the prevention, treatment, monitoring and reporting of occupational accidents and illnesses is ensured. This includes various aspects such as:

- Encouraging workers to report accidents and illnesses to promote an open reporting system
- Classifying and documenting accidents and illnesses to keep accurate records
- Providing necessary medical care to workers affected
- Investigating incidents to determine the causes and implementing measures to address these causes
- Assisting affected workers to return to work after an accident or illness

These measures help to ensure the health and safety of workers and minimise the risks of occupational accidents and illnesses.

3.2.4 Occupational hygiene

The exposure of workers to chemical, biological or physical agents is identified, assessed and monitored as part of the hierarchy of control measures. Once potential hazards have been identified, ways are sought to eliminate or at least reduce these hazards. If the complete elimination or reduction of hazards is not possible, appropriate measures – particularly technical and administrative control mechanisms – are taken to keep potential hazards under control. Additionally, the health of the workforce must be ensured through the free provision of suitable, well-maintained personal protective equipment as well as training and teaching materials.

3.2.5 Physically demanding work

When workers are exposed to the hazards of physically demanding work, it is necessary to identify, assess and monitor this work. This includes activities such as manual material handling, lifting heavy loads, prolonged standing and repetitive assembly work that requires a high level of force.

3.2.6 Machine safety

Production facilities and other machines must be regularly checked for safety risks. If these machines pose a risk of injury to workers, physical guards, interlocks and barriers are installed and maintained accordingly.

3.2.7 Sanitary facilities

It is of the utmost importance that workers have access to clean sanitary facilities and drinking water at all times. Facilities are also provided for the hygienic preparation, storage and consumption of meals.

3.2.8 Health and safety information, training

Business partners in our supply chain are required to provide workers with appropriate information and training on workplace health and safety in the local language or in a language they understand so that workers are adequately informed about workplace hazards, including mechanical, electrical, chemical, physical and fire hazards.

Information on health and safety issues must be prominently displayed and easily accessible to workers. Before work commences and at regular intervals thereafter, all workers must receive appropriate training. Workers are also encouraged to raise health and safety concerns without fear of retaliation.

3.3 Environmental protection

We consider the protection of the environment to be an essential part of our social responsibility. We recognise that responsible treatment of the environment is an essential component in the manufacture of first-class products. It is our duty to identify environmental impacts and to take measures to minimise adverse effects on the community, the environment and natural resources in our production operations. At the same time, we must ensure that the health and safety of the public is guaranteed.

We take into account the economical use of energy, water and renewable raw materials, the use of renewable energy sources and the minimisation of damage to the environment and health in the development, extraction of raw materials and manufacture of our products through to recycling. This also includes the reduction of emissions of all kinds (particularly with regard to air and water quality, greenhouse gas emissions, etc.), the avoidance and reduction of waste and responsible chemicals management.

The continuous improvement of ecological efficiency and energy efficiency is our declared goal. Every employee is required to support the achievement of this goal through their own actions and to use natural resources as efficiently and sparingly as possible.

3.3.1 Environmental authorisations and reporting

All necessary environmental licences, approvals and registrations must be obtained, maintained and regularly updated. The specific operational requirements and reporting obligations must be observed.

3.3.2 Prevention of pollution and reduction of resources used

Emissions and the discharge of pollutants must be reduced, whether through measures at the source or through the use of emission-reducing equipment, modified production, maintenance and manufacturing processes or other suitable means. Natural resources such as water, fossil fuels, minerals and products from virgin forests must be protected and utilised sustainably. This can be achieved by adapting production, maintenance and manufacturing processes, substituting materials, reuse, conservation, recycling or other sustainable measures.

Potentially hazardous substances must be identified and monitored. All legal and other requirements regarding labelling, disposal and recycling must be observed.

3.4 Ethics

3.4.1 Business integrity

We pursue a zero-tolerance policy with regard to all forms of bribery, corruption, extortion and embezzlement. All business processes are transparent and properly documented in the account books and records.

Promising, offering, authorising, paying/using or accepting bribes or other means of obtaining improper or inappropriate advantages will not be tolerated. This prohibition extends to promises, offers, authorisations, grants or acceptance of monetary benefits, both directly and indirectly through third parties, with the aim of obtaining or maintaining business, brokering business to third parties or otherwise obtaining improper advantages. Procedures for monitoring, documenting and enforcing these standards must be implemented to ensure compliance with anti-corruption laws.

3.4.2 Protection of intellectual property

Safeguarding our own and third-party intellectual property (such as patents, brands, copyrights, designs, samples, vehicle concepts, models or expertise) is of key importance to us. For this reason, all business partners in our supply chain are required to take suitable and effective measures to protect intellectual property as well as the tangible and intangible assets of the Novem Group and its business partners and not to use these for non-business purposes.

3.4.3 Data protection and data security

Our corporate principles include the protection of confidential, secret and personal data, as well as safeguarding the privacy and personal rights of our employees, customers and all other business partners when handling their personal data.

We observe the relevant laws and regulations when collecting, storing, processing and transferring personal data and information in order to ensure the protection of personal rights throughout the Group. Every employee is obliged to comply with data protection regulations and all other IT and information security regulations.

We provide a modern technical standard for the security of information processing. All components of information processing must guarantee the confidentiality, integrity and availability of information worthy of protection. Unauthorised external and internal use is prohibited and must be prevented in advance.

This is how we are committed to safeguarding the rights and freedoms of every individual, including the right to access, rectify, block or erase their personal data.

4 Organisational structure

4.1 Corporate culture of the Novem Group

The ongoing development of its human rights and environmental due diligence processes is of key importance to the Novem Group. Compliance with human rights and environmental standards in its business activities and supply chain is a top priority for the management of the Novem Group. The management is informed regularly and as necessary about the measures taken to ensure compliance with the law.

It is a matter of course for us to comply with all relevant applicable laws and regulations at local, national and international level. Individual countries, markets, etc. may have more stringent legal requirements than those set out in this declaration of principles. In such cases, the more stringent requirements must always be observed.

The responsibilities for the effective implementation of these measures are clearly defined throughout the company and lie with the respective operating units of the Novem Group and their business partners, who in turn must implement the necessary due diligence measures.

In December 2023, the Vice President Legal and Compliance was appointed Human Rights Officer to support and monitor the implementation of and compliance with human rights.

Within the Compliance function, there are clear responsibilities for the formulation of human rights and environmental protection guidelines and for the guidance of due diligence processes within the company and by external business partners. The Purchasing and Supplier Network division is responsible for guiding the due diligence processes in the supplier network. Other departments such as Occupational Safety and Environmental Protection report regularly and as required to the Human Rights Officer in the context of the German Supply Chain Act.

4.2 Working with suppliers

For us, the willingness of our suppliers and other business partners to fulfil their social responsibility is a fundamental prerequisite for any collaboration. Our Supplier Manual forms the basis for our relationships with suppliers and contains fundamental principles, standards and sustainability requirements. It forms an integral part of the tender documents for new suppliers and our contractual terms and conditions.

Our Supplier Manual, our General Terms and Conditions and the Code of Conduct of the Novem Group require suppliers to comply with human rights and environmental standards. They are also required to enforce these requirements with their own suppliers, for example by agreeing sustainability principles with their suppliers.

Our human rights and environmental due diligence requirements are firmly anchored in all contracts with our business partners.

5 Risk analysis, assessment and weighting

A comprehensive risk analysis forms the basis of our measures as part of our corporate due diligence. We conduct annual and, if necessary, ad hoc analyses to assess the human rights and environmental risks and the potential impact of our business activities. An update of the risk analysis may be necessary if our business activities change or if we receive relevant information that indicates new risks.

When preparing the risk analysis, we take into account the nature and scope of the business activities of the Novem Group, which operates as a complex organisation with global supply chains. We use digital risk data and analysis processes in addition to information from business partners and selected stakeholders.

Our method for identifying human rights and environmental risks is based on systematic data collection and processing. We use external data sources to identify country risks and risks in product groups (particularly for the Purchasing division) as well as business purpose-specific risks (for our own division and other business partners). In addition, findings from measures and complaints mechanisms are incorporated into the process to enable continuous improvements.

The collected data is analysed and weighted, taking into account the legally defined criteria for appropriateness, i.e. severity and probability of occurrence, as a moderating factor. This leads to an abstract assessment of risk exposure. If risks are identified during this assessment, we carry out a detailed risk analysis. We use control measures such as questionnaires or audits to concretise the risk exposure and identify actual negative effects on people and the environment.

The risks are then prioritised according to their severity and our level of responsibility. We determine our responsibility based on the criteria of influence and causal contribution. The knowledge we gain about human rights and environmental risks and their impact forms the basis for our corporate decision-making processes. This applies to the selection and evaluation of suppliers and business partners, corporate transactions and considerations regarding market entry or exit decisions. The management of the Novem Group regularly discusses conflicts of interest between business activities and respect for human rights as well as relevant findings from our due diligence processes.

The results are also used to adapt internal regulations, processes and training to meet changing requirements for our due diligence processes. This is done as part of our annual adjustment process.

6 Our measures

6.1 Control

We have introduced standardised processes and developed a range of measures to systematically implement these goals. These measures are implemented both regularly and as required to ensure that our activities are always in line with the principles of human rights and environmental protection. This approach ensures continuous monitoring, control and improvement of our business practices to ensure that we fulfil our responsibilities and adhere to sustainable and ethical standards.

At the Novem Group, we use standardised questionnaires at a predetermined risk threshold in our own division and with our direct suppliers. These questionnaires are based on the identified risks and contain subject-specific questions. Some of this information may also be collected using standardised questionnaires commonly used in the industry and checked for accuracy and completeness by independent organisations. Should the risk profile change or a defined risk threshold be exceeded, we implement additional control measures to investigate risks in relation to violations. These include risk-based expert audits and internal audits.

In cases of particularly high risk, complex risk factors or violations that have already occurred, we implement individual measures to understand and remedy the risk situation.

6.2 Prevention

We implement a combination of measures to fulfil our responsibility to respect human rights. Our main objective is to improve the situation of people potentially affected by our activities.

Our Code of Conduct describes the requirements for ethical and compliant behaviour in our company. Ethical behaviour is an integral part of our corporate culture, and we expect all employees of the Novem Group to behave in accordance with these principles.

In addition, our suppliers, service providers and other subcontractors are contractually obliged to respect international and national laws. This includes respecting human rights, ensuring occupational safety and environmental protection and taking appropriate account of risks in relation to their own business partners. These obligations are set out in our General Terms and Conditions of Purchase and our Supplier Manual, which form an integral part of our contracts.

We invest in internal training to ensure that our employees are regularly sensitised, are aware of the due diligence obligations and understand and observe them. Our suppliers are also trained to understand their responsibility to comply with due diligence and to fulfil the Novem Group's clear expectations. Each manager ensures that employees in their area are aware of and comply with this declaration of principles.

We assess the global distribution of our risks as part of our risk analysis. This enables us to take more targeted preventive measures and to improve the overall risk situation in our supplier base.

6.3 Remedial measures

When implementing remedial measures, we distinguish between breaches that occur in our own division and breaches involving our direct or indirect suppliers. The Novem Group companies take action as soon as they gain substantial knowledge of violations, particularly in the case of indirect suppliers in our supply chain. If there are reasonable grounds for suspicion, concrete indications of violations that have already occurred or imminent violations of human and environmental rights, we first carry out an incident-related risk analysis. If we determine that the Novem Group or our direct or indirect suppliers have violated human rights or environmental rights or that such violations are imminent, we take immediate remedial measures to prevent, end or minimise the violations. If the behaviour of our employees leads to human rights violations or violations of environmental rights, we will counteract this and impose appropriate sanctions. When implementing remedial measures, we always observe the principle of proportionality and examine which consequences are suitable, necessary and appropriate in each individual case.

Our business partners are contractually bound to cooperate appropriately in the implementation of these measures so that the situation can be clarified quickly or the infringement can be prevented, minimised or eliminated. We reserve the right, depending on the extent of the infringement, to require our business partners to remedy the problem immediately, to take legal action, to temporarily suspend the business relationship or to terminate it as a last resort. We expect our suppliers not only to commit to remedial measures, but also to actively support us in implementing these measures.

7 Complaints procedure

To effectively protect against negative impacts on human rights and the environment and to take remedial measures, we have integrated an appropriate grievance management system into our due diligence processes. We have established a whistleblower system that is available in several languages and through which confidential or anonymous reports can be made. This system is active worldwide and can be accessed on the website <https://www.novem.com> under the menu item "Reporting system" or directly at <https://novem.integrityline.com>. The Corporate Legal and Compliance department (see contact below) can also send queries and status reports to the whistleblower via a secure mailbox. Anonymity is guaranteed by encryption provided that the input device used is not connected or logged into the Novem Group company network or intranet.

We systematically investigate all indications and well-founded suspicions of human rights or environmental violations. Any questions, concerns and reports in this context are always taken seriously and

treated confidentially and promptly. No whistleblower need fear any disadvantages if specific information and concerns are submitted in good faith. We guarantee anonymity and confidentiality for whistleblowers to ensure that they are not at risk of reprisals, as they could run the risk of being threatened or repressed. The information provided by whistleblowers also helps us to continuously improve our due diligence processes regarding human rights and the environment. We review the effectiveness of our existing whistleblower system annually and whenever necessary.

8 Monitoring effectiveness and appropriateness

We conduct a review at least once a year and additionally as required to ensure that our due diligence process and our measures to prevent or mitigate negative human rights and environmental impacts are effective and that the specific and procedural requirements are met. To this end, the Novem Group carries out audits and queries as part of the annual compliance report for all Novem Group units. We also review all indications of human rights violations and monitor the effectiveness of our training and further education measures in this area. The implementation and review of compliance with the principles of this declaration are also monitored and supported by the compliance organisation set up by the management and by the specialist departments.

The effectiveness of our measures in our supply chain is reviewed on the basis of the results of our continuous human rights risk analysis. To validate the effectiveness of our measures, we carry out risk-based reviews of environmental and social standards. We use various risk assessment tools and procedures, including document reviews, on-site inspections and employee surveys in our own division and with direct suppliers and business partners. We make every effort to involve potentially affected parties or their representatives in these processes.

9 Reporting

Starting in the 2023/24 financial year, we will report annually on significant human rights and environmental risks that we have identified and on the impact of our business activities in our supply chain. This report will be published on our website. It will also explain what measures we have taken to prevent and remedy risks, how we evaluate their effectiveness and what conclusions we draw in terms of the continuous improvement of our due diligence process. In addition, we provide the public with information each year on our voluntary commitments in the area of human rights and environmental impact, as well as on the established due diligence processes and their effectiveness.

10 About this declaration of principles

Given the continuous changes and challenges in the area of respect for human rights and environmental impacts for companies, we will regularly review our position on human rights and their implementation to ensure that it is up to date and effective. Significant changes in the immediate environment of the Novem Group may influence our considerations and internal processes will be adapted accordingly.

This declaration of principles comes into force on January 1, 2024 and has no retroactive effect. It does not confer any special rights on individuals or third parties. We will review this declaration of principles at least once a year and update it immediately if we identify any changed or expanded risks.

11 Information and contact persons

Employees who have questions or comments about this declaration of principles or other topics relating to human rights or environmental risks, or who wish to report a possible violation of these, can contact their line manager or the Corporate Legal and Compliance department with their concerns at any time.

The contact details are as follows:

Ms Christine Knörnschild, Compliance and Corporate Manager | Tel. +49 9205 18 1807

or

Mr Stefan Lehmeier, Vice President Legal and Compliance | Tel. +49 9205 18 1117

E-mail: compliance@novem.com

Business partners, suppliers or external third parties who wish to report a specific violation, have questions or comments about this declaration of principles or other topics related to human rights or environmental risks can also use these contact details.

Complaints or reports of non-compliance with this declaration of principles can also be directed to compliance@novem.com or reported through our whistleblower system.

For more information on the topics described in this statement, please visit <https://novem.integrityline.com>.