

These terms and conditions of purchase apply to the following companies:

- hofer Consulting GmbH
- hofer powerTec GmbH
- hofer driveTec GmbH
- hofer SafetyTech GmbH
- hofer forschungs- und entwicklungs GmbH
- hofer mechatronik GmbH

I. General

1. Our terms and conditions of purchase form an integral part of the contract and apply exclusively. We do not recognise any general terms and conditions of the supplier that conflict with or deviate from our terms and conditions of purchase, unless we have agreed to their validity in writing. We also do not recognise deviating terms and conditions if we place the order without reservation in the knowledge of conflicting or deviating terms and conditions of the supplier. The acceptance of goods or services from the supplier (hereinafter referred to as the subject matter of the contract) or payment for them does not constitute consent, even if the acceptance or payment is made in the knowledge of conflicting or supplementary contractual terms and conditions of the supplier. Similarly, any previously agreed contractual terms and conditions of the supplier that conflict with or supplement these Terms and Conditions of Purchase will no longer be recognised. Our Terms and Conditions of Purchase shall also apply to all future transactions with the supplier, provided that both parties are engaged in a commercial transaction. The version valid at the time of conclusion of the contract shall be decisive.
2. Verbal agreements are only binding if we have confirmed them in writing.

II. Conclusion of contracts and contract amendments

1. Orders, contracts and delivery schedules, as well as any amendments and additions thereto, must be made in writing. The written form requirement is also fulfilled by fax, remote data transmission or e-mail.
2. Cost estimates are binding and not subject to remuneration unless expressly agreed otherwise.
3. The supplier is required to confirm our orders in writing within one week of the order date, stating the order number and order date (acceptance).
4. If the supplier does not accept the order within two weeks of receipt, we are entitled to revoke it.
5. Delivery calls within the framework of order and call planning become binding if the supplier does not object within two working days of receipt.

III. Delivery time and delay in delivery

1. Agreed dates and deadlines are binding. The date of receipt of the goods by us shall be decisive for compliance with the delivery date or delivery period.
2. If the supplier has undertaken installation or assembly, the supplier shall bear all necessary expenses, such as travel costs, provision of tools and allowances.
3. If the supplier anticipates difficulties with regard to production, the supply of raw materials, compliance with the delivery date or similar circumstances that could prevent them from delivering on time or in the agreed quality, the supplier must notify us immediately and at the same time inform us of the new delivery date. Early deliveries require our express consent.
4. If the supplier fails to perform or does not perform within the agreed delivery times or to the agreed quality, they shall be in default and our rights shall be determined in accordance with the statutory provisions.
5. If the supplier is in default, we may demand a contractual penalty of 1% of the net price per completed calendar week, but not more than 5% of the net price of the goods delivered late. We shall be entitled to demand the contractual penalty in addition to performance and as a minimum amount of damages owed by the supplier in accordance with the statutory provisions. The assertion of further damages remains unaffected. If we accept a delayed performance, we shall assert the contractual penalty at the latest with the final payment.
6. The unconditional acceptance of the delayed delivery or service does not constitute a waiver of our claims for compensation due to the delayed delivery or service.
7. Partial deliveries are generally not permitted unless we have expressly agreed to them or they are reasonable for us.

8. Unless otherwise proven, the values determined by us during the incoming goods inspection shall be decisive for quantities, weights and dimensions.
9. Software that is included in the scope of delivery of the product shall be accompanied by simple rights of use that are unlimited in terms of time and location. Our permissible use includes, in particular, the reproduction, loading and running of the software. This also includes sublicensing, renting or any other form of transfer of the software to companies affiliated with us within the meaning of Section 15 of the German Stock Corporation Act (AktG).
10. We also have the right to use such software, including documentation, with the agreed performance characteristics and to the extent necessary for the contractual use of the product. We may make a reasonable number of backup copies.

IV. Delivery and packaging

1. Delivery shall be made in accordance with DDP as per Incoterms ® 2010, including packaging, to the location specified in the order. If otherwise agreed, the supplier shall make the goods available in good time, taking into account the time for loading and dispatch to be agreed with the carrier.
2. The supplier shall bear the risk of damage to the goods until they are accepted by us or our agent at the location to which the goods are to be delivered in accordance with the order.
3. The supplier shall choose the most cost-effective and fastest solution for hofer in terms of transport and delivery time.
4. All shipping documents and all documents relating to the order must contain our order number, order date, order quantities and type of packaging in addition to the item description. The supplier shall be liable for the consequences of incorrect waybill declarations.
5. The supplier bears the risk of accidental loss and accidental deterioration. This risk is only transferred to us upon delivery to the place of performance.
6. The supplier must observe the relevant legal provisions, in particular the Packaging Ordinance, when packaging. If the supplier requests the return of packaging materials, this must be clearly indicated on the delivery documents. In the absence of such information, we are entitled to dispose of the empty packaging at the supplier's expense. The same applies to disposable packaging.

V. Force majeure

1. Force majeure, operational disruptions through no fault of our own, unrest, official measures and other unavoidable events shall release us from our obligation to accept delivery on time for the duration of their occurrence. During such events and within two weeks of their end, we shall be entitled – without prejudice to our other rights – to withdraw from the contract in whole or in part, provided that these events are not of insignificant duration and our requirements are significantly reduced due to the need to procure elsewhere as a result.
2. The above provision shall also apply in the event of industrial disputes.

VI. Prices and terms of payment

1. The prices stated in the order are fixed prices. Unless otherwise agreed in writing, the fixed price includes all services and ancillary services provided by the supplier (e.g. assembly, installation) as well as all ancillary costs (e.g. proper packaging, transport including any transport and liability insurance, customs clearance for imports).
2. The invoice must state the order number, item name, item description, item price, quantity, invoice amount, agreed note on the consumer, contact person at the supplier and terms of payment. The invoice must be sent in a single copy to the address printed on the invoice and must not be enclosed with the shipment.
3. Unless otherwise agreed, the invoice shall be paid after complete delivery or performance, either within 20 days with a 3% discount or within 30 days without discount from the due date of the payment claim and receipt of both the invoice and the goods or performance of the service. Payment shall be made subject to invoice verification.
4. Advance payments without performance shall only be made against a bank guarantee.
5. We do not owe any interest on arrears. The statutory provisions apply to the occurrence of our default, whereby, in deviation from this, a written reminder is required in all cases.
6. We are entitled to set-off and retention rights as well as the defence of non-performance of the contract to the extent permitted by law. In particular, we are entitled to withhold due payments as long as we still have claims against the supplier for incomplete or defective performance. The supplier shall only have a right of set-off or retention for legally established or undisputed counterclaims.
7. The supplier is not entitled to assign its claims against us to third parties without our prior written consent.

VII. Notification of defects

1. Upon receipt of goods, we shall only inspect the goods for obvious damage, in particular transport damage, and deviations in the identity and quantity of the delivery, unless otherwise agreed with the supplier in a quality assurance agreement.
2. We shall notify the supplier of any defects immediately upon discovery.
3. In this respect, the supplier waives the objection of late notification of defects.

VIII. Claims for defects

1. The statutory provisions on material defects and defects of title shall apply unless otherwise specified below.
2. We shall be entitled to choose the type of subsequent performance. The supplier may refuse the type of subsequent performance chosen by us if it is only possible at disproportionate cost.
3. If the supplier does not begin to remedy the defect immediately after our request to do so, we shall be entitled, in urgent cases, in particular to avert acute dangers or avoid major damage, to remedy the defect ourselves or have it remedied by a third party at the supplier's expense.
4. The supplier guarantees that the goods are free from legal defects and indemnifies us against any claims by third parties.
5. Claims for defects shall become time-barred after 3 years, except in cases of fraudulent intent, unless the item has been used for a building in accordance with its normal use and has caused its defectiveness. The limitation period shall commence upon delivery of the contractual item (transfer of risk).
6. If the supplier fulfils its obligation to remedy the defect by means of a replacement delivery, the limitation period for the replacement goods shall commence anew upon delivery, unless the supplier has expressly and correctly reserved the right to make the replacement delivery only as a gesture of goodwill, to avoid disputes or in the interest of maintaining the supply relationship.
7. If we incur costs as a result of the defective delivery of the contractual item, in particular transport, travel, labour, installation, removal, material costs or costs for an incoming inspection exceeding the usual scope, the supplier shall bear these costs.
8. The supplier shall be responsible for the fault of its sub-suppliers as if it were its own fault.

IX. Product and producer liability, recall, insurance

1. In the event that claims are made against us on the basis of product liability, the supplier shall be obliged to indemnify us against such claims if and to the extent that the damage was caused by a defect in the contractual item delivered by the supplier. In cases of fault-based liability, however, this shall only apply if the supplier is at fault. If the cause of the damage lies within the supplier's area of responsibility, the supplier must prove that it is not at fault. In such cases, the supplier shall bear all costs and expenses, including the costs of any legal action.
2. In all other respects, the statutory provisions shall apply.

3. Prior to a recall campaign that is wholly or partly the result of a defect in the contractual item delivered by the supplier, we shall inform the supplier, give him the opportunity to participate and consult with him on efficient implementation, unless it is not possible to inform or involve the supplier due to particular urgency. If a recall is the result of a defect in the contractual item delivered by the supplier, the supplier shall bear the costs of the recall.
4. Unless otherwise agreed with us in writing, the supplier shall take out business, product and environmental liability insurance with a flat-rate coverage of at least EUR 5 million per personal injury/property damage. In addition, the supplier shall maintain financial loss coverage of at least EUR 1 million. Upon request, the supplier shall provide us with written proof of the existing insurance cover.

X. Rights of withdrawal and termination

1. We shall be entitled to withdraw from the contract beyond the statutory rights of withdrawal if there is a significant deterioration in the supplier's financial circumstances or if such a deterioration is imminent and this jeopardises the fulfilment of a delivery obligation towards us.
2. We shall also be entitled to withdraw from the contract if (1) the supplier becomes insolvent, (2) the supplier suspends payments, (3) the supplier becomes threatened with insolvency in accordance with Section 18 of the German Insolvency Act (InsO), (4) the supplier appears to be over-indebted, (5) insolvency proceedings or comparable debt settlement proceedings are initiated against the supplier's assets or business, or (6) if the initiation of insolvency proceedings against the supplier's assets is rejected due to lack of assets.
3. In the case of a continuing obligation, the above two clauses shall apply mutatis mutandis, with the proviso that the right of withdrawal shall be replaced by an extraordinary right of termination without notice.
4. If the supplier has performed part of the service, we shall only be entitled to withdraw from the entire contract if we have no interest in the partial service.
5. If we withdraw from or terminate the contract on the basis of the above contractual rights of withdrawal or termination, the supplier shall compensate us for any damages incurred as a result, unless he is not responsible for the occurrence of the rights of withdrawal or termination.
6. Statutory rights and claims are not restricted by the provisions contained in this Section X.

XI. Performance of work

Persons who carry out work on the factory premises in fulfilment of the contract must observe the provisions of the respective operating regulations. Liability for accidents that occur to these persons on the factory premises is excluded, unless they were caused by intentional or grossly negligent breach of duty by our legal representatives or vicarious agents.

XII. Provision

Materials, parts, containers and special packaging provided by us against payment or free of charge ("provisions") remain our property. These may only be used for their intended purpose. The processing and assembly of the provisions shall be carried out on our behalf. It is agreed that, in proportion to the value of the materials provided to the value of the total product, we are co-owners of the products manufactured using our materials and parts, which are stored for us by the supplier in this respect. We reserve co-ownership of the products manufactured using our materials provided until our claims arising from the provision of these materials have been fulfilled in full. ely, the supplier is entitled to resell the products manufactured using our materials in the ordinary course of business under retention of title. The supplier hereby assigns to us in full all claims and ancillary rights to which it is entitled from the resale of these products. The assigned claims serve to secure our claims arising from the provision of materials. The supplier is entitled to collect the assigned claims. We may revoke the supplier's rights under this Section XIII if the supplier fails to properly fulfil its obligations to us, defaults on payment, suspends payment, or if the supplier applies for the opening of insolvency proceedings or comparable proceedings for the settlement of debts relating to its assets. We may also revoke the supplier's rights under this Section XIII if there is a significant deterioration in the supplier's financial circumstances or if there is a threat of such a deterioration, or if the supplier is insolvent or over-indebted. If the value of the securities existing for us exceeds the value of our claims by more than 10%, we shall release securities of our choice at the supplier's request.

XIII. Documents and confidentiality

1. All business or technical information made available by us (including features that can be gleaned from any items, documents or software provided, and other knowledge or experience) shall, as long as and to the extent that it is not demonstrably in the public domain, and may only be made available within the supplier's own business to those persons who are necessarily involved in their use for the purpose of delivery to us and who are also bound

to secrecy; they shall remain our exclusive property. Without our prior written consent, such information may not be reproduced or used commercially, except for deliveries to us. At our request, all information originating from us (including any copies or records made) and items provided on loan must be returned to us immediately and in full or destroyed. We reserve all rights to such information (including copyrights and the right to register industrial property rights such as patents, utility models, semiconductor protection, etc.). Insofar as this information has been made available to us by third parties, this reservation of rights also applies in favour of these third parties.

2. Products manufactured according to documents designed by us, such as drawings, models and the like, or according to our confidential information or with our tools or replica tools, may not be used by the supplier itself or offered or delivered to third parties. This also applies mutatis mutandis to our print orders.

XIV. Export control and customs

1. The supplier is obliged to inform us in its business documents of any licensing requirements or restrictions on (re-)exports of its goods in accordance with German, European and US export and customs regulations as well as the export and customs regulations of the country of origin of its goods, and to provide us with the necessary information.
2. The supplier is obliged to inform us immediately of any changes to the licensing requirements for the goods delivered to us due to technical or legal changes or official findings.

XV. Compliance

1. The Code of Conduct for Suppliers and Business Partners (Supplier Code of Conduct) applies; see appendix.
2. The supplier undertakes not to offer, grant, demand or accept any advantages in its business relationship with us, either in business transactions or in dealings with public officials, that violate applicable anti-corruption regulations.
3. The supplier undertakes not to enter into any agreements or concerted practices with other companies within the scope of the business relationship with us that have the purpose or effect of preventing, restricting or distorting competition in accordance with the applicable antitrust laws.
4. The supplier undertakes to comply with the applicable laws governing the general minimum wage and to impose the same obligations on any subcontractors it commissions. Upon request, the supplier shall provide with evidence of compliance with the above assurance. In the event of a breach of the above assurance, the supplier shall indemnify us against any claims by third parties and shall be obliged to reimburse us for any fines imposed on us in this connection.
5. The supplier undertakes to comply with all applicable import and export control laws, sanctions and embargoes, restrictions on the export or re-export of goods, software, services and technology to certain countries of destination, and prohibitions on transactions involving certain countries, regions, organisations and individuals subject to restrictions.
6. In the event of violations of the provisions in this Section XV, we reserve the right to withdraw from existing contracts or terminate them without notice.

XVI. General provisions

1. The place of performance is the registered office of our company.
2. The exclusive place of jurisdiction for all claims arising from the business relationship with merchants is our registered office. The same place of jurisdiction applies if the supplier does not have a general place of jurisdiction in the United Kingdom. We are also entitled to sue the supplier at its place of business or at another competent court.
3. German law applies exclusively to all legal relationships. The UN Convention on the International Sale of Goods of 1980 and all other conflict of law rules do not apply.
4. Should any provision of the contractual relationship with the supplier be or become invalid in whole or in part, this shall not affect the validity of the remaining provisions, unless the execution of the contract represents an unreasonable hardship for one of the parties, taking into account the following provision. The parties are aware of the case law of the Federal Court of Justice, according to which a severability clause merely reverses the burden of proof. However, it is the express intention of the parties to maintain the validity of the remaining



contractual provisions under all circumstances and thus to waive § 139 BGB in its entirety. The same applies to any gaps in the contractual relationship. The invalid or unenforceable provision shall be replaced by an appropriate provision that comes closest to what these parties intended or would have intended if they had considered the matter when concluding the contract or when subsequently including a provision.

Appendix: Code of Conduct for Suppliers and Business Partners (Supplier Code of Conduct)

Appendix – Code of Conduct for Suppliers and Business Partners:

Introduction

As a globally operating company, the hofer Group is committed to complying with applicable law, observing social, environmental and ethical standards, and acting sustainably. This is part of our corporate culture, which is based on shared values such as trust, transparency, reliability and fairness in our dealings with customers, suppliers, business partners, employees and the public.

It is our responsibility to ensure that our services are provided in a value chain that complies with international standards and principles of corporate activity. We have therefore summarised our expectations of our suppliers and business partners with regard to sustainability, working conditions, health and safety, the environment and business ethics in this hofer Supplier Code of Conduct.

We expect all companies in our supply chain from which we purchase products or services to comply in their activities with the applicable national laws, the principles of the United Nations Global Compact and the sustainability requirements of the hofer Group contained in this hofer Supplier Code of Conduct.

The hofer Group strives to establish close and trusting business relationships with its suppliers. In addition to market-dominating factors such as performance, region, quality, costs, innovation and reliability, compliance with the requirements set out in this Code of Conduct also plays a decisive role for us. Compliance with this hofer Supplier Code of Conduct is therefore regarded as an essential basis and indispensable prerequisite for a lasting and successful business relationship with hofer powertrain.

The hofer Group therefore provides its suppliers with the Code of Conduct for Suppliers with the aim of promoting a common understanding of how these principles should be implemented in everyday business. This also includes increased efforts to improve human health and protect our planet. In the event of a conflict between the provisions set out herein and contractual agreements between a supplier and the hofer Group or the hofer Group's General Terms and Conditions of Purchase, the contractual agreements or the General Terms and Conditions of Purchase shall prevail.

No employee may be discriminated against on the basis of gender, age, skin colour, culture, ethnic or social origin, sexual identity, physical or mental disability, religious affiliation or worldview, nationality, marital status, pregnancy, trade union membership or political views, provided these are based on tolerance towards those who think differently. Equal treatment of women and men is a matter of course at hofer powertrain, which is why this principle must also apply to our suppliers.

We expect our suppliers to promote diversity within their sphere of influence and to identify vulnerable groups among their employees in order to prevent unequal treatment and discrimination of any kind in recruitment and employment. This includes respect for the rights of minorities and indigenous peoples.

In particular, our suppliers must comply with the prohibition on hiring or using private or public security forces if the use of these security forces violates the prohibition on torture and cruel, inhuman or degrading treatment or otherwise harms life and limb.

Scope

This Supplier Code of Conduct applies to all natural or legal persons who sell or provide goods or services to hofer powertrain and its companies, either themselves or through third parties, e.g. affiliated companies, distributors, subcontractors, agents (hereinafter referred to as "suppliers"). hofers powertrain suppliers must act in accordance with the ethical and legal principles set out in this Supplier Code of Conduct. Our suppliers are also expected to ensure that these requirements are met in their supply chain.

A – Social responsibility

Treatment of employees

We expect our suppliers to comply with the fundamental labour rights of the applicable national legislation. In addition, we expect them to recognise the core labour standards of the International Labour Organisation (ILO), taking into account the laws and legal norms applicable in the various countries and locations.

Child labour

We expect our suppliers to prohibit and refrain from any form of child labour in their companies. Our suppliers must ensure that government regulations on the minimum age for employment are observed. If there are no government regulations in the country of operation, the International Labour Organisation (ILO) convention applies. According to this, no children under the age of 15 may work directly or indirectly, unless exceptions apply. Suppliers must ensure that young workers under the age of 18 do not work overtime or at night and are protected from working conditions that are harmful to their health, safety, morals or development.

Discrimination

We expect our suppliers to promote equal opportunities and equal treatment and to prevent discrimination in the recruitment of employees and in the promotion or provision of training and further education measures, always acting in accordance with internationally recognised ethical principles.

Fair remuneration

We expect our suppliers to pay their employees remuneration that is in line with the applicable national laws (statutory minimum wage). If there are no statutory or collective agreement regulations, they shall be guided by industry-specific, locally customary remuneration and benefits that ensure an adequate standard of living for employees and their families. In addition, it must be ensured that employees can claim social benefits in accordance with applicable law (e.g. continued payment of wages in the event of illness). Suppliers are also obliged to pay contributions to existing statutory social insurance schemes in full and on time.

Working hours

We expect our suppliers to comply with the applicable national legislation on working hours. If there are no legal requirements or minimum standards, the international standard of the ILO shall apply.

Forced labour

We expect our suppliers to prohibit any form of forced labour in their companies. Furthermore, suppliers reject any knowing use of forced or compulsory labour and any form of modern slavery and human trafficking. Employment relationships with employees are always based on voluntary participation and can be terminated at will and with reasonable notice.

Freedom of association

We expect our suppliers to respect the rights of employees to form employee representatives and conduct collective bargaining in accordance with national legislation. Our suppliers must also uphold the right of employees to join trade unions in their companies. The establishment of, or membership in, a trade union or employee representative body must not be used as a reason for discrimination or unjustified retaliatory measures. Trade unions and employee representatives must be allowed to operate freely and in accordance with the law of the place of employment. This includes the right to strike and the right to collective bargaining.

Working hours

We expect our suppliers to comply with the applicable national legislation on working hours. If there are no legal requirements or minimum standards, the international standard of the ILO shall apply.

Health and safety

Protecting and promoting the health of the people who work for them is a top priority for hofer powertrain. hofer powertrain therefore expects our suppliers to comply with the applicable national and international laws on occupational health and safety. Furthermore, our suppliers are expected to establish and implement an appropriate occupational



safety management system. This includes both mitigating actual and potential occupational safety risks and training employees to prevent accidents and occupational illnesses as far as possible.

B – Environmental responsibility

Environmental protection

We expect our suppliers to comply with applicable national environmental laws, regulations and standards. Suppliers are also expected to establish and implement an appropriate environmental management system (e.g. in accordance with ISO 14001) in order to minimise environmental impact and hazards and improve environmental protection in their daily business operations.

This includes, in particular, reducing greenhouse gas emissions, working in an energy-efficient manner, using renewable energies, improving air and water quality, reducing water consumption and complying with applicable water rights. In addition, we expect

that our suppliers use resources sustainably, use chemicals responsibly, reduce waste, take appropriate measures to reduce noise emissions, and ensure the preservation and protection of soil quality.

Our suppliers ensure compliance with these environmental requirements in particular through transparent reporting of their energy consumption and greenhouse gas emissions.

Recycling

We expect our suppliers to pursue the goal of economical and careful use of resources in all processes, i.e. from development to recycling. We also expect our suppliers to proactively seek methods to improve their carbon footprint and reduce resource consumption at all times.

The economical use of energy, water and raw materials, the use of renewable resources and the minimisation of environmental and health damage must be taken into account in development, raw material extraction, manufacturing, the use phase of products, recycling and all other business activities.

Biodiversity

hofer powertrain is committed to halting deforestation and the conversion of natural ecosystems in its supply chains. We expect our suppliers to protect natural ecosystems and not to contribute to change, deforestation, including forced evictions, and damage to natural forests and other natural ecosystems. Where applicable, the guidelines of the High Conservation Value Resource Network (HCV) and the High Carbon Stock Approach (HCSA) should be applied.

Decarbonisation

We expect our suppliers to make a clear commitment to the Paris Climate Agreement (COP 21).

This includes taking measures to reduce their direct and indirect CO2 emissions (including their upstream value chain) as part of the award process. These include, for example, the use of green electricity and the use of secondary or biomaterials. Compliance with these requirements and proof of measures to reduce CO2 emissions may be a deciding factor in the nomination of hofer powertrain suppliers. We expect suppliers to provide transparency regarding their own emissions and those of their upstream supply chains upon request and to set reduction targets that include their supply chain.

Animal welfare

We expect our suppliers who process animal products to consider animal welfare and therefore implement standards and best practice methods for compliance with animal welfare throughout the entire supply chain. Furthermore, hofer powertrain expects suppliers to give preference to alternative methods that do not involve animal testing, unless animal testing is mandatory by law. In any case, suppliers must comply with national and international regulations on animal welfare and animal testing, such as the German Animal Welfare Act or Directive 2010/63 of the European Union (known as the Laboratory Animals Directive).

C - Responsible business relationships

FA40416	Version:2.0	Area: Compliance	Approval: 26.01.2026	Confidentiality: public	Page9 / 10
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Anti-corruption

We expect our suppliers to not tolerate corruption and to ensure compliance with the conventions of the United Nations (UN) and the Organisation for Economic Co-operation and Development (OECD) on combating corruption and the relevant anti-corruption laws in their companies.

In particular, suppliers must ensure that their employees, subcontractors or representatives do not offer, promise or grant any advantages to hofer powertrain employees or persons close to them with the aim of obtaining an order or other preferential treatment in business transactions.

hofer powertrain expects its suppliers not to misuse invitations and gifts to exert influence. Invitations and gifts to hofer powertrain employees or persons closely associated with them are only granted if the occasion and scope are appropriate, i.e. they are of low value and can be considered an expression of locally accepted business practice. Similarly, suppliers do not demand any inappropriate benefits from hofer powertrain employees.

Money laundering

We expect our suppliers to comply with all applicable laws and regulations on money laundering prevention in the countries in which they operate and not to engage in money laundering activities, either directly or indirectly.

Avoiding conflicts of interest

We expect our suppliers to make decisions relating to their business activities with hofer powertrain based solely on objective criteria. Conflicts of interest with private interests or other economic or other activities, including those of relatives or other related persons or organisations, must be avoided from the outset.

Free competition

We expect our suppliers to behave fairly in competition and to comply with applicable antitrust laws and other applicable competition law requirements. Our suppliers shall not participate in any anti-trust agreements or arrangements with competitors, suppliers, customers or other third parties, nor shall they abuse any dominant market position they may have. Our suppliers shall ensure that there is no exchange of information that is sensitive under competition law or any other behaviour that restricts or may restrict competition in an impermissible manner.

Information security

Our suppliers must use and protect all information in an appropriate manner. In addition, data must be handled in accordance with its classification. Suppliers must ensure that sensitive data is collected, processed, secured and deleted in an appropriate manner. Our suppliers require their employees to maintain business secrets. Confidential content may not be published without authorisation, passed on to third parties or made available in any other form. Any processing of personal data of employees, customers and business partners (e.g. collection, storage, gathering, use, provision) must be carried out in accordance with the applicable legal requirements for data protection.

Financial responsibility

We expect our suppliers to comply with the applicable national laws for proper accounting and financial reporting at all times. This includes, in particular, suppliers documenting their business transactions, assets and liabilities in accordance with the legal requirements in the specified manner. Suppliers shall refrain from any form of balance sheet manipulation.

Export control and sanctions

Our suppliers comply with all applicable customs and foreign trade laws, in particular current economic sanctions, embargoes and other regulations relating to the transport of goods, technologies, services and information, as well as the fight against terrorist financing. In addition, suppliers shall take appropriate measures to ensure that transactions with third parties do not violate applicable customs and foreign trade laws.

Intellectual property

We expect the services provided by our suppliers to be state of the art and not to infringe the rights of third parties (IPO). In order to meet this requirement, suppliers shall observe existing property rights at all times and undertake to take appropriate measures to identify counterfeit and other falsified products and materials and to prevent their distribution.

Subcontractors

We expect our suppliers to pass on all the principles and requirements described here to their subcontractors and suppliers to an appropriate extent.