



Supplier Guideline

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Preamble

Since its foundation in 1986, IBS FILTRAN supplies filtration systems for automatic transmissions to all major automotive and transmission manufacturers worldwide.

In this regard, purchasing is becoming increasingly important as a major key to the company's economic success.

Due to this fact, IBS FILTRAN is facing constantly increasing demands on procurement in international competition.

The present Supplier Guideline globally applies to all suppliers and contractors of products and/or services affecting the product quality, products and/or services to be manufactured, and/or occupational safety, environment and energy. Hereinafter the term SUPPLIER is used to simplify matters. The Supplier Guideline is intended to help standardize the relationship between a SUPPLIER and IBS FILTRAN in order to establish a mutual understanding for processes, thus avoiding misunderstandings.

This Supplier Guideline explains the demands IBS FILTRAN – as well as any subsidiaries and other affiliated companies - makes on its suppliers and provides a basis for a sustainable cooperation. As a binding document it is an integral part of all contractual agreements. **In general, our requirements have to be implemented within the downstream supply chain (indirect suppliers).**



Figure 1: IBS FILTRAN GmbH company site

1. Communication SUPPLIER - IBS FILTRAN

1.1. Contacts and Availability

The SUPPLIER appoints a competent contact as customer support, as well as a person substituting the main contact if need be. Contact person, substitute and their supervisor have to be named giving e-mail addresses, telephone and fax numbers.

The contact person has a good knowledge of German or – for locations abroad – speaks English.

The contact person (or substitute) nominated by the SUPPLIER has to be available every working day from 8:00 a.m. to 4:00 p.m.

Outside the above mentioned time frame (or during factory closures), a qualified emergency contact is available by mobile phone.

1.2. Publication

The present Supplier Guideline can be downloaded from IBS FILTRAN's homepage.

1.3. Applicability of the German Version

This Supplier Guideline is published in German and English. In case of deviations, only the German version shall be binding.

2. Information Exchange

2.1. Electronic Data Interchange

Data is generally exchanged electronically between the SUPPLIER and IBS FILTRAN in order to ensure efficient and reliable processing. For this purpose:

- E-mail or
- Fax

will be used.

As an exception, data may also be exchanged by post.

2.2. Design Data

Design data has to be created, modified, used and transmitted utilizing software complying with the relevant requirements agreed, and permitting further use and processing of the data for commercial purposes. IBS FILTRAN usually uses the following data formats for design data: iges, step, etc. The SUPPLIER is responsible for installing a suitable interface for data transmission.

Having received information and/ or data by IBS Filtran, the SUPPLIER is - with immediate effect to the extent possible in accordance with the current state of the art - obligated to protect it against access by unauthorized third parties and particularly against theft, loss, manipulation, damage or duplication. In case the SUPPLIER is informed that an unauthorized third party might have obtained knowledge of the information and data, IBS FILTRAN has to be informed immediately, and all necessary steps to clarify the facts and, if necessary, prevent future access have to be agreed . If the

SUPPLIER stores, edits or processes information and data in its data processing systems (IT systems), it has to be ensured that unauthorized third parties cannot access this data.

2.3. Purchasing and Blanket Orders

Purchasing Orders for prototype parts, as well as for parts, respectively materials that are ordered in small quantities are sent by e-mail, fax or mail. Blanket orders are sent by e-mail or fax. It is expected to receive a confirmation in writing for every purchasing and/ or blanket order.

2.4. Confidentiality / Data Protection

The SUPPLIER is obliged to comply with and observe all data protection regulations in the currently valid version. The SUPPLIER instructs all his employees in accordance with the applicable data protection regulations and commits them to data secrecy. Appropriate statements shall be submitted to IBS FILTRAN's Data Protection Officer on request.

Every infringement of one of these provisions results in the SUPPLIER's obligation to pay a contractual penalty within the framework and scope of the applicable legal regulations. Any entitlement to liquidated damages resulting from the above shall be added to possible claims for indemnity IBS FILTRAN may have for breach of confidentiality.

3. Code of Conduct for SUPPLIERS

3.1. Legal and Statutory Obligations

The SUPPLIER is obligated to comply with all regional, national and international laws.

3.2. Confidentiality

Each of the contracting parties undertakes to keep all information received from the other contracting party, as well as the content of this agreement secret from third parties and not to use it for any purpose other than the cooperation based on the present agreement.

In the event of termination of this agreement, the contracting parties undertake to return any documents provided upon request. The above secrecy obligation shall also apply for the period after termination of this agreement.

Insofar as the contracting parties have concluded a separate confidentiality agreement, the provisions of the confidentiality agreement precede the above provisions.

The confidentiality agreement, however also applies to knowledge acquired during the quotation phase, irrespective of the conclusion of a contract.

3.3. Responsibility for Employees

The SUPPLIER respects and adheres to internationally applicable human rights and makes sure that they are not violated. The SUPPLIER acts in accordance with the relevant requirements of the International Labor Organization (ILO) and the principles of UN Global Compact. The SUPPLIER refrains from the use of child labor, underage employee as well as forced and bonded labor (modern slavery) and makes sure that the legal age for employment of the relevant state is observed.

In accordance with the relevant laws the SUPPLIER prohibits discrimination of employees because of race, color, gender, sexual orientation, gender identity, religion, descent or disability.

Salaries paid and/or benefits provided for the normal working week at least have to meet the national statutory minimum wages, respectively those of the economic sector concerned. Wages have to be paid

regularly using a statutory means of payment. Wage deductions as a disciplinary measure are not permitted. The SUPPLIER ensures compliance with fair working hours, in accordance with the respective nationally applicable standards and guidelines.

The SUPPLIER acknowledges the constitutional right of all employees to establish trade unions and employee representations (i.a. freedom of association, incl. collective bargaining).

3.4. Health and Safety

The SUPPLIER is obligated to comply with all applicable health and safety provisions. To prevent workplace accidents the SUPPLIER sees to appropriate controls, safe processes, preventive maintenance and the necessary technical protective actions to reduce health and safety risks at the workplace. If occupational safety cannot be adequately guaranteed by taking the above measures, the SUPPLIER shall fit his employees with suitable protective clothing.

3.5. Environmental Protection

The SUPPLIER takes responsibility for continuously improving the environmental sustainability of his products and processes, as well as for reducing the use of natural resources, considering taking into account economic aspects. The SUPPLIER uses natural resources ecologically and economically and makes sure his activities have as little effect as possible on the environment. Materials, energy, compressed air and water are to be used effectively and the negative environmental impact has to be minimized, especially with regard to waste, wastewater, air and noise pollution. This also applies to the logistics and transport effort. The above requirements are based on IBS FILTRAN's [corporate policy](#), its valid version can be downloaded from IBS FILTRAN's homepage.

3.6. Energy Management

IBS FILTRAN is interested in improving energy efficiency when designing machines, systems, and products, or planning services and facilities. Therefore, the energy efficiency of products and services supplied is a selection criteria for our purchasing decisions.

3.7. Fight against Corruption and Conflict of Interests

The SUPPLIER supports national and international efforts not to influence or distort competition through bribery and rejects any behavior that is corrupt or damaging to the company. Prohibited in particular are corruption, the payment of bribes and extortion in order to exert influence on representatives of business partners, politics, administration, the course of justice or the public.

SUPPLIER has to avoid all conflicts of interest while acting for IBS FILTRAN. A conflict of interest exists, when a representative of the SUPPLIER attempts to positively influence his personal interests or those of an acquaintance or relative, by virtue of his position as a representative of the SUPPLIER. The SUPPLIER has to report any situation of potential or apparent conflict between its personal interests and the interests of IBS FILTRAN.

3.8. Implementation

On request, the SUPPLIER will provide a self-assessment giving all information necessary for a correct and comprehensive initial assessment. Furthermore information proving compliance with this code of conduct will be given. IBS FILTRAN reserves the right to monitor the implementation of this code of conduct.

The SUPPLIER has to inform IBS FILTRAN of incidents conflicting with the principles of the code of conduct.

IBS FILTRAN reserves the right to demand corrective actions and, if necessary, to terminate cooperation in case the code of conduct is not observed.

The present code of conduct is based on Filtration Group Corporation's business and ethics code in its valid version.

3.9. Complaint Procedure - Announcing Concerns and Suspect Conduct

To announce suspect conduct or a possible violation of the Code of Business Conduct and Ethics, SUPPLIERS are asked to work with their primary contact at IBS FILTRAN in resolving their concern. If this approach is not feasible or appropriate for SUPPLIER, SUPPLIER has the option to contact IBS FILTRAN at the following contact address.

Email: beschwerde@ibs-filtran.com

IBS FILTRAN will maintain confidentiality to the maximum extent possible and will not tolerate retaliation against SUPPLIERS and individuals who, in good faith, have reported questionable conduct or a possible violation of the Code of Conduct.

4. Supplier Selection

4.1. Supplier Search and Selection

When looking for a new supplier, the IBS FILTRAN purchasing department finds out whether a SUPPLIER meets the basic requirements. To prove this, depending on the order type, the following information is gathered:

- Credit rating
- Supplier self-assessment
- Confidentiality agreement incl. annex (information security)
- Quality assurance agreement
- Guideline for contractors (health and safety measures/ environmental protection etc.)

A supplier is selected (and approved) based on multidisciplinary decision-making with the help of internally defined selection criteria, approvals and – depending on the order type – a risk assessment.

4.1.1. Supplier Information

A basic requirement for the selection/release of a SUPPLIER is to provide IBS Filtran with the completed supplier information as well as the signed confidentiality agreement.

4.1.2. Bases for Agreement

Depending on the order type, an agreement including the following documents is the basis for the supplier approval process:

- Confidentiality agreement incl. annex (information security)
- Quality assurance agreement
- Warranty agreement
- Purchasing conditions
- Supplier Guideline
- Logistics Guideline

Originals of documents received during the supplier selection process will be signed by the SUPPLIER – after having agreed upon the details if necessary – and sent back to IBS Filtran's purchasing department. The procurement process can only be started by IBS Filtran's purchasing department on receipt of these documents. Any deviation from the procedure needs to be approved by IBS Filtran's management.

4.2. Supplier Nomination

A decision to award an order to an approved supplier is made based on recommendations given by IBS FILTRAN's appropriate departments.

4.3. Supplier Assignment

IBS FILTRAN's purchasing department sends out requests for quotations to and receives quotes from the SUPPLIER. Orders are placed by IBS FILTRAN's purchasing and supply chain management departments exclusively.

After placing the order it will be processed. The SUPPLIER makes sure that the order documentation includes all necessary information.

For delivery notes this is:

- IBS FILTRAN order number
- Order date
- Supplier number
- Shipping address
- Item/service description
- IBS FILTRAN material number (if specified in the order)
- Batch size and quantity unit
- Quantity and type of load units
- Shipping weight (gross, net)

Invoices may be provided as a hardcopy or alternatively a PDF file. To send a PDF file the SUPPLIER needs IBS Filtran's written consent beforehand.

Invoice details have to comply with currently valid legal and commercial requirements and include all necessary invoice information:

- Statutory mandatory information
- IBS FILTRAN P.O. number
- Order date
- Supplier number
- Billing address
- Article description and – if specified – IBS FILTRAN material number
- delivery note number and date

Invoices will only be accepted if there is a distinct assignment by IBS FILTRAN's purchasing department, the complete documents called for in the purchasing or blanket order are available and the requirements listed above are met.

4.4. Filtran as Reference Customer

In case the SUPPLIER wants to list IBS Filtran as a reference customer or disclose the business relationship to a third party, our written consent is needed beforehand.

5. Contingency plan

The SUPPLIER develops a contingency plan to guarantee deliveries even if there are any sudden and unexpected incidents in the manufacturing and delivery processes. In such a case IBS Filtran is notified immediately, and necessary remedial actions are coordinated and implemented.

6. Supplier Monitoring and Rating

At least once a year IBS FILTRAN carries out an assessment of SUPPLIERS of production material and external services. The SUPPLIER will be informed of the result. It is the declared goal to cooperate preferentially with A-suppliers. In case the assessment does not result in an A-supplier rating, measures have to be taken (e.g. preparation and implementation of an action plan) to achieve the A delivery performance required by IBS FILTRAN.

7. Supplier Development and Qualification

Basis for a supplier qualification is the supplier assessment. In case the supplier assessment for a given period is unsatisfactory, based on the collected data, the current state will be checked in detail, e.g. by performing a supplier audit. The objective is to achieve a systematic and long-term improvement of the delivery performance by taking efficient measures.

8. Logistics

IBS Filtran's logistics requirements are described in detail in the supply chain manual. The currently valid version of the supply chain manual is part of the contract documents and can be downloaded from IBS FILTRAN's homepage.

9. Final Provisions

Changes and amendments to the Supplier Guideline need to be made in writing. In case a provision of the present Supplier Guideline should be entirely or partially invalid, the remaining provisions shall remain unaffected. In this case, both parties shall undertake to agree to a provision that comes closest to the economical purpose and objective of the invalid provision. The same applies to an omission in the agreement. The present Supplier Guideline is subject to German law, without giving effect to the principles of conflict of laws.

10. Distribution, Archiving, Changes and Releases

10.1. Distribution and Archiving

Distribution and archiving of the present guideline is effected in accordance with V410 Data Management and is stipulated in our [matrix of documents](#) (German: Dokumentenmatrix).

10.2. Changes and releases

Release of this guideline is subject to V410 Data Management and is stipulated in our [matrix of documents](#) (German: Dokumentenmatrix). Verification of release is filed and archived by GSM (Global Standards Manager).

Index	Date	Section	Change description and reason	Created/edited by	Examined and released by
01	2017-10-20	-	Initial version	Purchasing	Dirk Althoff
02	14.04.2021	3.3 / 3.7	Additions of requirements for sustainability	Procurement	Dirk Althoff
03	10.08.2021	Preamble, 3.5 / 3.9	Additions to the protection of the environment and the complaints procedure	Procurement	Dirk Althoff
04	27.08.2024	3.5	Addendum to preamble, Correction into corporate policy	Procurement	Dirk Althoff <i>i.v. Althoff</i>

Future revisions of the Supplier Guideline will be documented individually under 10.2 "Revisions and releases" and will trigger an allocation of a new index number for the entire document.