# SKF VERTEVO'S CODE OF CONDUCT FOR SUPPLIERS





SKF Vertevo develops, produces and markets products, solutions and services for automotive customers worldwide. Our aim is to create lasting value for our customers and society. We are committed to operating in an economically viable, environmentally sustainable, socially responsible and ethical way throughout our full value chain. To achieve this, we must transition from a value chain reliant on unabated fossil fuels to one that is carbon-free, highly efficient and circular. Throughout this transition, we will maintain high standards of ethical conduct, compliance and social responsibility.

Our Suppliers play an important role in this transition. They uphold the high quality standards associated with our brand, collaborate across borders, and pursue continuous innovation and improvement. Together, we create value for both people and the planet.

We expect our suppliers to maintain the same high standards of ethics, responsibility, and transparency as we do at SKF Vertevo. This Code of Conduct for Suppliers (the “Supplier Code of Conduct”) covers the main standards and minimum requirements we expect from our suppliers.

Our fundamental expectation is that all Suppliers always follow applicable local laws and regulations wherever they operate. They must also establish appropriate due diligence processes throughout their value chains. Suppliers are expected to apply this code of conduct or comparable standards appropriate to their respective industries, locations, and sizes. Meeting these standards is a shared responsibility. If local laws or regulations conflict with the requirements of this Supplier Code of Conduct, the stricter requirement applies.

For this document, the term “Supplier” includes all existing and potential Tier 1, Tier 2, and Tier 3 suppliers. This includes manufacturers, traders, and service providers of Direct Materials (DM) and Indirect Materials & Services (IDM&S) that do business with or for SKF Vertevo. Together, they form the Global Full Value Chain (GFVC).

This document shall be reviewed and updated (if required) at least once every three years.



## HUMAN RIGHTS AND LABOUR RIGHTS

SKF Vertevo expects its Suppliers to adhere to the most up-to-date applicable local laws, relevant industry norms, international standards, and guidelines. These include the United Nations Global Compact, International Bill of Human Rights, ILO Core Conventions, and the UN Guiding Principles on Business and Human Rights.

All Suppliers shall protect the inherent and universally recognized human rights within their own business operations and throughout their value chains. They shall immediately take appropriate action whenever they become aware of suspected, alleged or actual incidents relating to such human rights.

**1. No child labour**

Suppliers shall not engage in or tolerate the use of child labour. Child labour in any form (as set out in ILO Convention 182) is strictly prohibited. A child is defined as any person under the age of 15, unless applicable local law stipulates a higher minimum age for work or mandatory schooling, in which case the higher age shall apply. If, however, the local minimum working age is set at 14 years in accordance with developing country exceptions under ILO Convention 138, the lower age will apply.

**2. No forced labour**

SKF Vertevo does not accept engagement in or support of the use of forced labour and/or human trafficking, any form of slavery, or practices similar to slavery. This includes, but is not limited to:

- Requiring workers to pay a deposit or hand over their identity documents when starting employment.
- Any work or service that is required of a person under threat of punishment and for which he or she has not made himself or herself available voluntarily.
- The use of or threat of physical abuse or discipline.
- Any form of debt bondage and/or prison labour and/or trafficking in human beings.
- Restrictions on freedom of movement.
- Any other excessive means or other forms of intimidation.

Suppliers shall have controls that prevent risks of forced labour, torture and cruelty, threats to life or health, and inhumane or degrading treatment of their employees. These controls shall also apply throughout their supply chains.

**3. Anti-discrimination**

Suppliers shall treat all their employees equally, fairly and with respect regardless of race, gender, age, national origin, disability, caste, religion, sexual orientation, union membership or political affiliation. Local communities, minorities, and indigenous people shall be respected. All employees shall be provided with equal opportunities and remuneration for work of equal value without distinction.

**4. No harsh or inhumane treatment**

Suppliers shall ensure the prohibition of physical abuse or discipline, the threat of physical abuse, psychological, sexual or other harassment, and verbal abuse or other forms of intimidation in their operations and supply chain.

**5. Freedom of association**

Suppliers shall respect the right of all employees to form and join the trade unions of their choice and to bargain collectively, in accordance with the applicable local or national law. Official representatives of such trade unions shall have access to the union members, their workplace and must not be subject to discrimination. If the freedom of association or the right to collective bargaining is restricted by law, the Supplier shall allow other forms of employee representation and association for all employees to speak about their working conditions with the management in a safe environment.

**6. Fair wages and benefits**

Wages and other related benefits shall meet what is prescribed as a minimum by the local applicable law and meet the industry's minimum standard in the country.

**7. Working hours**

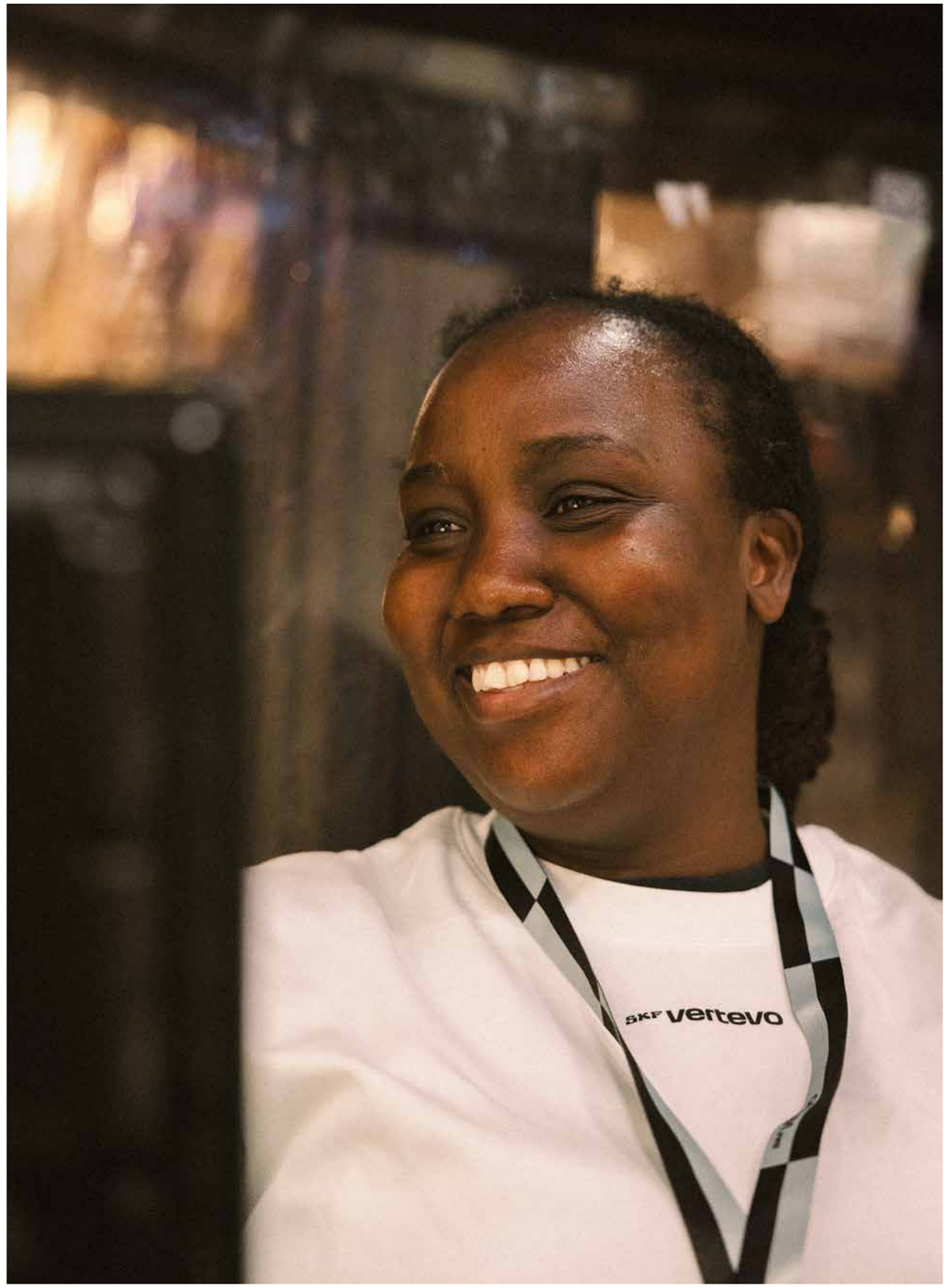
Suppliers shall implement systems to ensure that working hours comply with applicable laws and industry standards in each country.

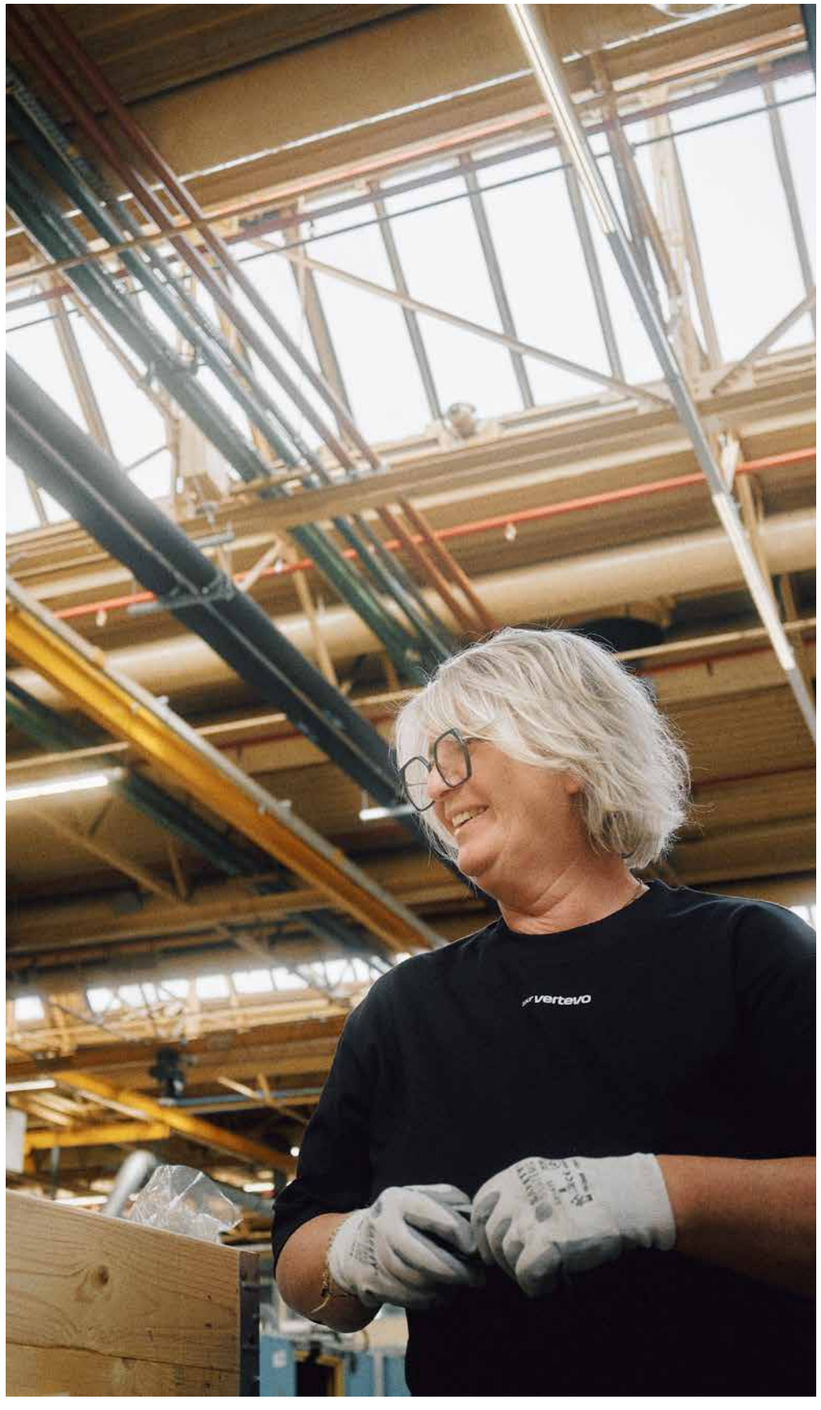
**8. Land rights**

Suppliers shall ensure that there is no unlawful eviction and no unlawful taking of land, forests and waters in connection with the acquisition, development or other use of land, forests and waters.

**9. Grievance System**

Suppliers are expected to provide a grievance mechanism to their employees that allows ethical concerns to be reported in a secure, confidential manner and with the possibility to be anonymous, where such anonymity is permitted according to applicable laws.





## HEALTH AND SAFETY

Healthy and safe workplaces shall be provided for all employees of SKF Vertevo's Suppliers.

This includes:

- Upholding adequate safety standards in the provision and maintenance of workplaces, workstations, and work equipment.
- Providing appropriate protective measures to prevent exposure to chemical, physical, or biological substances.
- Taking measures to prevent excessive physical and mental fatigue caused by inappropriate work organization, including working hours and rest breaks.
- Providing employees with adequate, documented training and instructions.
- Providing all employees with access to adequate food, clothing, potable water, and sanitation in the workplace.
- Providing all employees with access to adequate housing if housing is provided by the employer.

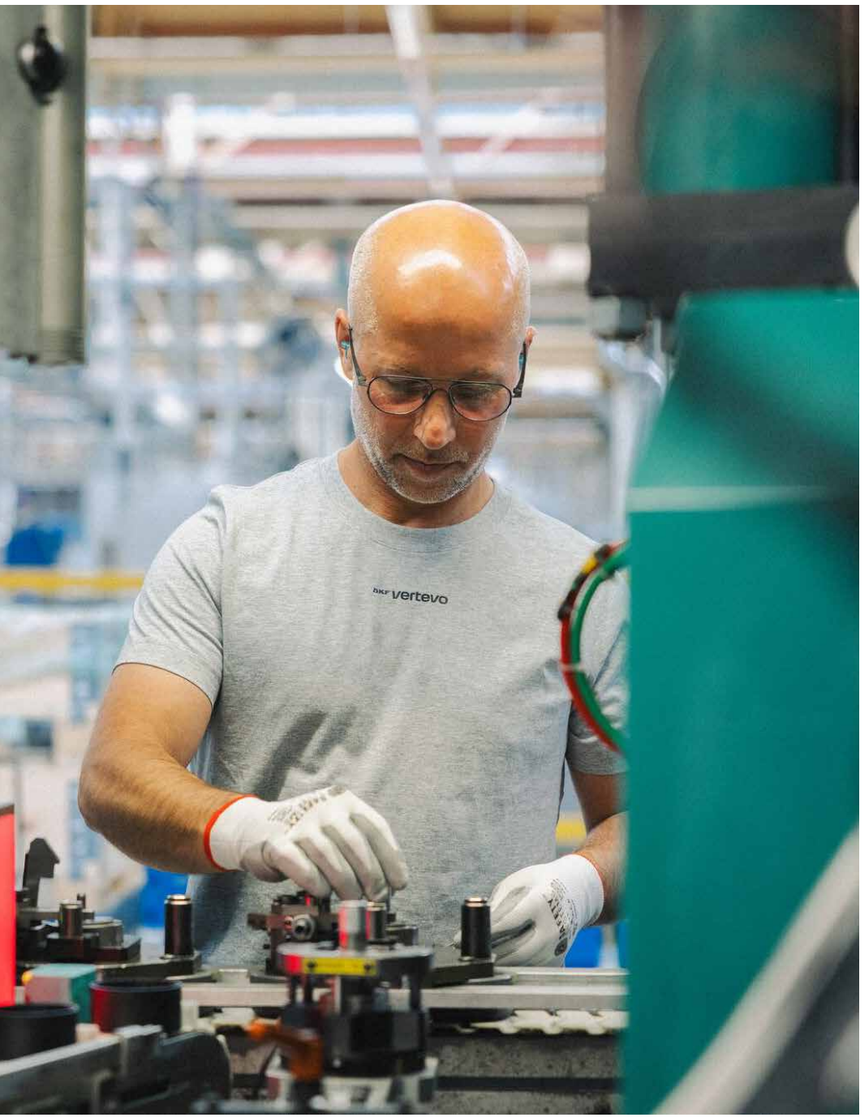
Suppliers are required to ensure compliance with applicable occupational health and safety legislation and regulations, and to establish plans and procedures regarding emergency preparedness and response. The responsibility of health and safety shall be clearly defined and managed by qualified personnel.



## ENVIRONMENT

Suppliers are expected to contribute to ecologically sustainable development by continually reducing the environmental impact of their own operations, including their impact on biodiversity.






**1. Permits**

Suppliers shall obtain and maintain all required environmental permits and other approvals for their own operations.

**2. Environmental impact**

SKF Vertevo expects its Suppliers to systematically assess, measure, track and report environmental impacts, including materials, energy, water, land use, emissions, and waste. SKF Vertevo expects continual improvement to reduce negative environmental impact over time including impacts related to natural resource use, soil degradation, water pollution, air pollution, harmful noise emissions, loss of biodiversity, and excessive water consumption resulting from Suppliers' operations.

Suppliers shall strive to improve circularity in their business models, product design and operations, including using recyclable material and designing products to be recycled or repaired.

**3. Material compliance**

SKF Vertevo is committed to ensuring that all products it produces and procures comply with related legal obligations and relevant international guidelines and standards. Suppliers shall ensure that all raw materials and components delivered to SKF Vertevo comply with the latest applicable international and local regulations governing the prohibition and restriction of substances. They shall also comply with industry standards such as the Global Automotive Declarable Substance List (GADSL) and the International Material Data System (IMDS).

Suppliers shall promptly inform SKF Vertevo of any changes in material composition, the introduction of new substances or updates to regulatory requirements that may affect the raw materials, components, products and/or services supplied.

Additionally, SKF Vertevo requires that any "Conflict Minerals" used by the Suppliers in their products are responsibly sourced (as defined by the Responsible Minerals Initiative). Suppliers shall provide due diligence documentation confirming their sourcing practices (including no contribution to human rights violations, conflicts, or environmental damage).

**4. Greenhouse gas reduction**

SKF Vertevo commits to measure and reduce the greenhouse gas (GHG) impact along its entire value chain. SKF Vertevo has a net-zero objective for GHG from its own operations by 2030 and for the full upstream value chain by 2050.

SKF Vertevo expects Suppliers to measure and report the GHG impact of their own operations (Scope 1 and 2) and subsequently the GHG impact of their respective suppliers (Scope 3) and other significant activities.

SKF Vertevo expects Suppliers to implement plans to systematically reduce these impacts over time and to set equally or more ambitious public targets (Scope 1 and 2 Target 2030 and Scope 3 Target 2050) as SKF Vertevo, as it is a shared responsibility.

## ETHICS AND COMPLIANCE

SKF Vertevo requires Suppliers to comply with all applicable laws, conduct their business with transparency and integrity, and uphold high ethical standards.

**1. Anti-corruption and anti-bribery**

Suppliers shall abide by all applicable anti-corruption laws and regulations of the countries in which they operate. All forms of corruption, bribes, kickbacks, and facilitation payments are strictly prohibited. All forms of compensation from Suppliers to SKF Vertevo shall refer only to justified products or services and be transparently documented.

Situations that may create a conflict of interest, or the appearance of a conflict of interest with SKF Vertevo, shall be avoided, or promptly reported to SKF Vertevo where they occur.

Gifts and other favours as elements of expected hospitality shall adhere to local laws and must not exceed local customs and norms. Gifts and hospitality must always be in line with both the Supplier's and SKF Vertevo's internal Code of Conduct, Anti-Corruption Policy and any other similar document on gifts and hospitality.

**2. Anti-fraud**

SKF Vertevo has zero tolerance for any type of fraudulent or dishonest behavior. This includes, but is not limited to, falsified or tampered declarations, certificates, and other relevant documents or information relating to business with SKF Vertevo.

**3. Anti-money laundering**

Suppliers shall comply with all applicable laws and regulations concerning the prevention of money laundering in their countries of operation.

**4. Antitrust / competition laws**

SKF Vertevo is an advocate for free and fair trade, striving for an open market and ethical conditions within the rules of the legal framework. Suppliers shall comply with all applicable fair trade, competition and antitrust laws and regulations.

**5. Personal data**

Suppliers' processing of personal data, including collecting, storing, using, disclosing and transferring personal data, shall adhere to applicable data protection and privacy legislation. Any personal data received from or processed on behalf of SKF Vertevo (including personal data relating to SKF Vertevo's employees, customers or other SKF Vertevo stakeholders) shall be processed in accordance with such legislation as well as any applicable data processing agreement entered into with SKF Vertevo.

**6. Export control and sanctions**

SKF Vertevo's Suppliers shall comply with all applicable export control laws and regulations, sanctions, embargoes, and other trade restrictions.

SKF Vertevo requires its Suppliers to obtain and ensure that all necessary authorizations are in place when exporting goods and technology to SKF Vertevo, and that all relevant information in this regard is provided to SKF Vertevo.

**7. Intellectual property rights and confidential information**

Suppliers shall respect the intellectual property rights of SKF Vertevo and others. Suppliers shall also ensure that any confidential, protected or proprietary information of SKF Vertevo is adequately protected and not disclosed to any third party without the consent of SKF Vertevo.

**8. Counterfeit parts**

SKF Vertevo's Suppliers must take measures to reduce the risk of counterfeit or diverted components and materials entering the final products. They must also strictly adhere to the applicable technical standards during the manufacturing, product development, and trading processes.



## CERTIFICATION TO INTERNATIONAL STANDARDS

SKF Vertevo is committed to continual improvement in the areas covered by this Supplier Code of Conduct. SKF Vertevo is certified by an accredited third party to international standards, including the management of environment, energy, and health and safety.

SKF Vertevo may require that certain Suppliers are certified to the following international standards relevant to this Supplier Code of Conduct:

- ISO 14001: Environmental Management System
- ISO 50001: Energy Management System
- ISO 45001: Occupational Health and Safety Management System.

## TRAINING AND COMMUNICATION

Suppliers shall communicate this Supplier Code of Conduct, or comparable standards that are reasonable and related to their respective industry sector, location, and size, to all their employees. Suppliers are also expected to have training and awareness programs, monitoring mechanisms, and controls in place to demonstrate responsible business practices. These measures should include business continuity plans for appropriately managing legal and compliance risks, ensuring effective implementation over time for continuous improvement.





## MONITORING OF ADHERENCE AND DUE DILIGENCE

SKF Vertevo uses various methods to monitor and assess its Suppliers' alignment with the principles of SKF Vertevo this Supplier Code of Conduct. The adherence is based on mutual trust. However, SKF Vertevo or an appointed third party may perform audits announced or unannounced, request Supplier self-assessments and request regular submission of information or data related to a Supplier's performance. Suppliers shall establish or implement a due diligence process with adequate and appropriate measures to ensure its value chain also meets the standards set out in this document.

All Suppliers shall maintain accurate business records across all elements of their business operations (this includes obligations to make required disclosures of financial and non-financial information in accordance with the applicable laws and prevailing industry practices).





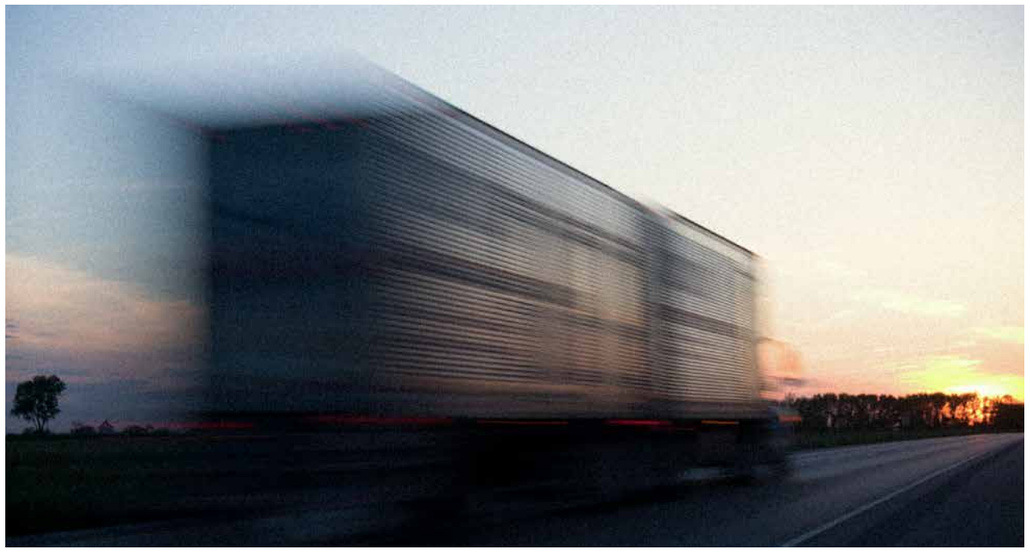

## NON-COMPLIANCE

SKF Vertevo may investigate ethical concerns and suspected violations of this Supplier Code of Conduct and take appropriate actions. Such actions may include termination of the business relationship with those Suppliers that violate the requirements set out herein, or that refuse to implement actions necessary for compliance. A breach of this Supplier Code of Conduct shall be considered a material breach.

## WE WANT TO DO THE RIGHT THING

This Supplier Code of Conduct can help in doing the right thing. This document provides the overall framework for SKF Vertevo's Suppliers. More specific and detailed requirements can be found in the SKF Vertevo Supplier Sustainability Standard.

Visit www.skfvertevo.com/supplierportal to read the standards and check for continuous updates.






## SPEAK UP

Speak-up when you suspect, see or hear anything that goes against the code. Report your concern using our confidential helpline, reporting, or whistleblowing channel. You can be anonymous.

Click here or scan the QR code to visit the SKF Vertevo Ethics and Compliance Reporting Line.