

THE WORLD'S PREMIER PROVIDER OF
ON-HIGHWAY THERMAL MANAGEMENT SOLUTIONS.



Supplier Manual



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Legal notice

This document does not constitute a binding document and is intended solely to assist HORTON's suppliers in dealing with our quality requirements.

As there is also an English version, in case of doubt, the German version of this Supplier's Manual shall take precedence.

The supplier must take all the above documents into account when preparing its offer and, by submitting the offer, assures that they are aware of them, acknowledges them, complies with them and is responsible for implementing the requirements in its supply chain, including subcontracted value added (e.g. sub-suppliers, set suppliers, outsourced manufacturing processes, process steps through outsourcing, partial production at secondary locations, extended workbenches, subcontracted production).

The warranty provisions according to the contract or the terms and conditions of purchase for production material of the respective customer as well as any existing separately concluded warranty contracts shall remain unaffected and shall prevail in case of contradictions.

Information may be passed on to other works of HORTON which arise during the business relationship.

Confidential information (drawings, CAD data, specifications...) may only be passed on by the supplier to external third parties with the written consent of HORTON. The external third parties are to be bound to secrecy.



1. Objectives and scope

Horton Europe GmbH & Co. KG, hereinafter referred to as HORTON, produces fans and fan clutches for trucks, buses, construction, agricultural and mining machinery as well as generators and industrial compressors.

We promise our customers the highest quality in our products and take this responsibility very seriously. That is why we expect you, our partners, to make the same promise to us. Because it is only by working together that we can ensure that our products meet the highest standards.

To meet these, HORTON works closely with a worldwide network of suppliers to jointly meet the permanently increasing market requirements with regard to quality, flexibility, and competitiveness and thus to continuously improve processes.

For us, quality begins with the early binding and complete coordination with you, our supplier. And it is a priority throughout the entire product development process, right through to series production, so that we can ensure consistently high product quality.

This supplier manual lists the essential aspects for this and the resulting requirements in general. This provides a guideline for you as a supplier and a common basis for a good cooperation with HORTON. In case of contradictions in agreements and contracts to the Supplier Manual, the agreements and contracts take precedence.

In case of ambiguities, please do not hesitate to ask questions or suggest improvements.

We are looking forward to a successful and cooperative partnership!

A blue ink signature of Thomas Witha, consisting of stylized initials and a surname.

Thomas Witha, General Manager

A blue ink signature of Dietmar Ott, consisting of stylized initials and a surname.

i.V.

Dietmar Ott, Purchasing Manager

2. Cooperation and contact persons

Competent, efficient, and standardized communication between HORTON and its suppliers is indispensable for successful cooperation and the achievement of common goals. Elementary components of a good cooperation are the compliance with agreements made and immediate information in case of relevant changes.

The supplier must inform HORTON about the persons responsible for the support of the complete supply chain (contact person, representative, supervisor - each with e-mail and telephone).

3. Purchasing

3.1 Supplier selection

HORTON evaluates and selects potential suppliers according to their suitability and performance. These are based on how well the supplier can deliver goods in accordance with the applicable requirements. For this purpose, criteria for selection and evaluation have been defined. These are:

- company-specific key figures
- Price, delivery and payment conditions
- Shipping location
- Location / risk
- Depth of production / product range
- Dependency / customer distribution
- Creditworthiness
- Quality management
- Environmental management
- Supply behavior
- Supplier audit
- Initial / release samples

By goods, HORTON means all products and services that have a direct impact on customer requirements, such as components, assemblies, machining, coating, sorting, rework, and calibration. All goods to be purchased must comply with the appropriate applicable guidelines and laws.

Since HORTON is pursuing QMS development with the goal of having all suppliers certified to IATF 16949 (as amended), minimum certification to ISO 9001 (as amended) is a first step in achieving this goal. For this reason, an initial pre-selection is made by Purchasing during the supplier search and only suppliers with at least ISO 9001 certification are approached. If you have a development plan on how to achieve this certification, please contact us.

To guarantee the requirements for product safety or product conformity, the supplier must appoint a person responsible for this function within his organization for each production site (Product Safety & Conformity Representative - PSCR, according to IATF 16949, section 4.4.1.2). If no specific appointment is made, HORTON assumes that the supplier's quality manager/QM representative will perform this task.

In addition, it may also be that selected suppliers are audited in accordance with VDA 6.3 if the market or the customers demand this.

Purchasing also checks potential suppliers to see whether they are certified in accordance with DIN EN ISO 14001:2015 (or comparable). Evidence can be provided by an independent institution or an environmental auditor. If certification is not available, HORTON also requires a development plan to achieve certification. For the preparation of a quotation, the supplier is provided with all necessary information such as drawings, models, specifications, and customer requirements by HORTON.

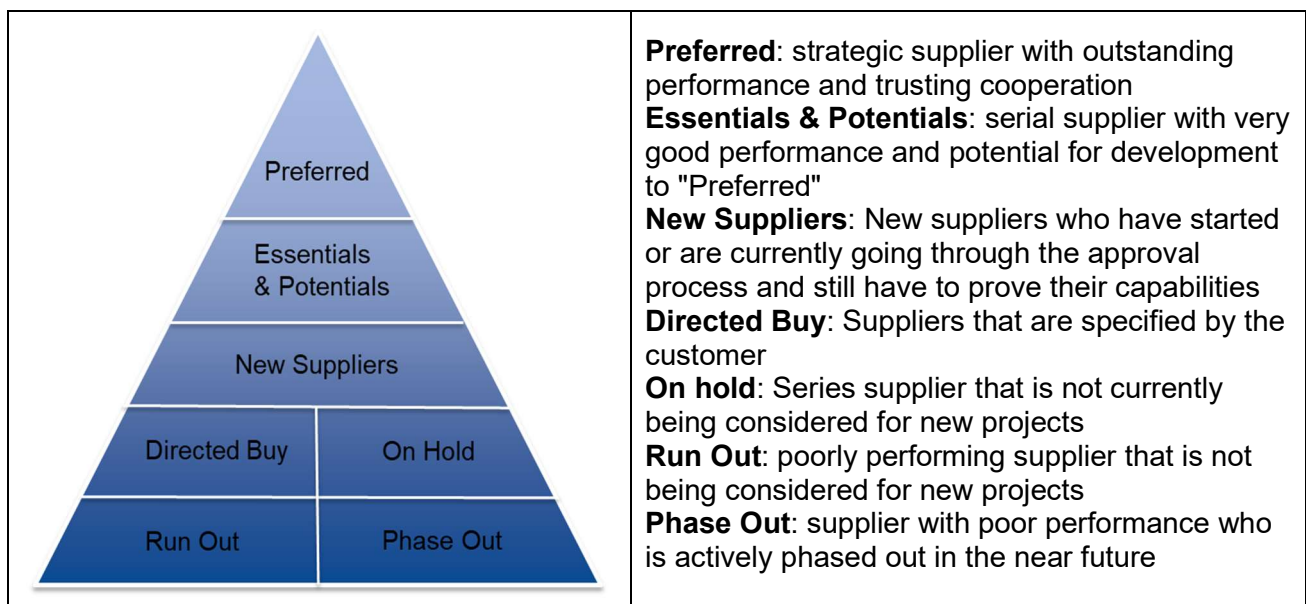
After sending specially marked initial / release samples, these are examined and evaluated at HORTON.

If the samples are found to be good and all other necessary information is also available, then the supplier is added to the list of approved suppliers in the event of a positive overall result and integrated into the supplier strategy in accordance with the supplier classification.

From then on, performance is monitored by our supplier management program.

3.2 Supplier classification

Horton classifies its suppliers into 7 categories. The classification is based on performance in the areas of purchasing, quality, logistics and technology. In addition, the general supplier strategy also plays a role. The following classifications are used:



The goal of every supplier must be to reach the "Preferred" category. To achieve this status, you must have demonstrated your performance in every aspect of the Supplier Management Program several times in a row and have achieved above-average results.

If you achieve this status, you will have the following benefits:

- Consideration for every request (RfQ)
- if your performance is equal, you will be given preferential treatment within the award process
- early involvement in the development process
- very intensive communication and cooperation with the aim of mutual improvement

In return, we expect you as a supplier to make regular proposals for cost reduction with corresponding implementation.

If the performance does not meet our expectations over a longer period, then the suppliers will be put on "On Hold" as a first step. It will not happen that a supplier is directly put on "Run Out" or "Phase Out". It is important to HORTON in a cooperative partnership that the supplier is given the chance to show his original potential in case of temporary poor performance.



3.3 Supplier Management Program

The HORTON Supplier Management Program is based on the fundamentals of quality, delivery performance and support. HORTON works with a limited and defined supplier base. The purpose of this program is to continuously measure, develop and, if necessary, improve the performance of our suppliers.

3.3.1 Targets

To meet and preferably exceed our customers' requirements in terms of quality and delivery reliability, HORTON relies on reliable suppliers in every respect. HORTON wants to ensure this through continuous improvements in the supply chain. The HORTON Supplier Management Program is designed to support us and our suppliers in this endeavor. We only work with suppliers who consistently and reliably meet or exceed the expectations placed on them.

3.3.2 How we measure success

As a rule, a maximum of 100 points per quarter can be achieved in the HORTON Supplier Management Program. However, it is possible to exceed this through outstanding performance. The criteria for this are described in the Flexibility section.

Each supplier is evaluated monthly. The results are communicated to the suppliers on a quarterly basis based on the number of points achieved in each case.

We expect serial suppliers to strive to reach the Top Performer category (target: 100 points). If they fall below 70 points in a quarter, it is necessary to develop an action plan and submit it to us. This must include individually appropriate corrective actions to bring them back into compliance with the minimum requirements. The proposals must be submitted to HORTON no later than 4 weeks after the last evaluation has been sent. Subsequently, they will be discussed with HORTON and a mutually acceptable course of action will be agreed upon. The implementation of these measures must be completed as quickly as possible to continue to ensure a safe and smooth supply of faultless products. If the measures introduced do not lead to any recognizable or measurable improvements, HORTON reserves the right not to consider this supplier for the awarding of new projects or to place it on "on hold" until the measures have been successfully completed. Should a supplier score below 70 points in 3 consecutive quarterly assessments, a new audit may occur.

3.3.3 Evaluation criteria and distribution of points

3.3.3.1 ppm rate (max. 50 points)

The PPM rate is made up of the components produced and those that have failed. PPM agreements are made with all suppliers to ensure consistent quality or to regulate exactly who bears the costs in the event of failures or defective components.

The ppm rate is calculated with the following formula:

$$ppm = \frac{\text{Failure per period under consideration}}{\text{Number of manufactured parts per period under consideration}} * 1.000.000$$



Based on the calculated ppm rate, points are awarded according to the table below:

ppm Rate	Score
0	50
1 – 25	40
26 – 50	30
51 – 100	25
101 – 200	20
201 – 300	15
> 300	0

For the (die) casting suppliers, the following key is applied for unmachined components based on the production processes available here:

ppm Rate	Score
0 – 500	50
501 – 1000	40
1001 – 2000	30
2001 – 3000	25
3001 – 4000	20
4001 – 5000	15
> 5000	0

3.3.3.2 SCAR - Rate (-50 - 0 points)

A deduction of 10 points is made for each (production) technical shutdown/corrective action (SCAR) that is not closed. The deduction is made every month as long as the measure is not closed.

3.3.3.3 Warranty cases / field complaints (field ppm)

The ppm rate for field complaints is calculated as follows:

$$\text{Field ppm} = \frac{\text{Failure parts per period under consideration}}{\text{Number of parts supplied per period under review}} * 1.000.000$$

Field ppm rate	Deduction in points
< 500	- 5
≥ 500	- 10

3.3.3.4 Key figures delivery behavior

The key performance indicator to delivery behavior of series suppliers is made up of delivery reliability (OTD), delivery time and special freight. A maximum of 50 points can be achieved here.



3.3.3.5 Delivery reliability (OTD, max. 40 points)

All orders must be delivered 100% within the specified time. If an order is delayed, we must be informed in advance. All costs incurred due to late deliveries (e.g., special freight charges) will be borne by the supplier.

Delivery reliability is calculated as a percentage according to the following formula:

$$\text{Delivery reliability} = \frac{\text{Number of delivered parts outside the time window per observation period}}{\text{Number of parts supplied per period under review}} * 100$$

The time window for "timely delivery" is max. 3 days early or 1 day late. HORTON understands the delivery date to be the date of receipt of goods by HORTON at the factory.

Calculation basis:

- actual goods receipt date (= posting date) at HORTON and
- delivery date confirmed by the supplier (if accepted by HORTON)
- if no date confirmation is available, the desired delivery date according to the order applies

The percentage delivery reliability then determined is converted into the corresponding score using the table below:

Delivery reliability	Achieved score
100%	40
≥ 95%	35
≥ 90%	30
≥ 85%	25
≥ 80%	20
≥ 75%	15
≥ 70%	10
≥ 65%	5
< 65%	0

If no delivery is made in a month, the supplier receives 0 points. However, the value relevant for the (quarterly) evaluation is calculated using the above formula with the observation period "quarter". Thus, a month without a delivery has no negative influence on the key figure.

3.3.3.6 Delivery time (max. 10 points)

HORTON is focused on short and reliable delivery times from customer order to product delivery.

The delivery time is determined as follows:

$$\text{Delivery time} = \frac{\text{Sum of delivery times of all items purchased from the supplier}}{\text{Number of serial items purchased from the supplier}}$$



The points for delivery time are awarded according to the table below.

Delivery time	Achieved score
0 – 15 days	10
16 – 35 days	8
36 – 45 days	6
46 – 55 days	4
≥ 55 days	0

3.3.3.7 Special Freights

Special freight is defined as special trips for material transports from the supplier to HORTON to close a supply gap due to disruptions in a supplier's supply chain. The supplier is responsible for organizing the special trip. The supplier shall bear the costs for the special trips. At the beginning of each new quarter, the supplier shall notify HORTON of the number of special runs for series parts within the last 3 months. A deduction of 5 points shall be made for each special freight/special trip notified to HORTON.

3.3.3.8 Incidents causing disruption to the customer

A deduction of 10 points will be made for each disruption to HORTON customers caused by supplier errors. Supplier errors include, but are not limited to, late deliveries, material defects / parts failure, or other incidents that directly impact HORTON customers (up to and including delivery stoppages) and are reported by them. Deduction will be made each month until the failure is corrected.

3.3.3.9 Flexibility

In addition, up to 5 additional points can be temporarily awarded after internal agreement between QM, Purchasing and Material Procurement. Reasons for this can be:

- special flexibility in critical situations
- consignment programs
- exceptional support
- ...

This theoretically gives the possibility to achieve more than 100 points.

3.3.3.10 Total score

Based on the total number of points determined, the classification is made according to the following table:

Total score	Classification	Category
86 – 100	A	top Performer
70 – 85	B	potential for improvement
< 70	C	need for action

Suppliers must aim to achieve a minimum of 86 -100 points (Top Performer) per assessment, as HORTON gives preference to awarding new business to suppliers in this category.



3.4 Price increases

Should price increases occur, the supplier undertakes to inform HORTON 90 days in advance. This must include a justification and detailed cost breakdown of materials, wages, overhead, etc. Furthermore, we expect proposals for reducing the total costs between our companies.

3.5 Cost reductions

We expect you as a supplier to look for, identify and implement cost reduction potentials to generate annual savings. However, this must not result in any cutbacks in quality. Furthermore, we expect you to inform HORTON about this.

3.6 Continuous improvement

HORTON expects continuous improvement from its suppliers in all areas. Depending on the supplier's performance evaluation (score card result), specific short- and medium-term action plans are required to show how quality, cost and delivery targets will be met.

3.7 Handling of parts to be provided (OSP process)

Procurement of these components takes place through HORTON. They remain the property of HORTON throughout the process and are provided to the supplier free of charge. These components are then to be further processed according to the specifications and drawings. To avoid unnecessarily high costs due to rejects at the supplier, a reject tolerance is agreed in advance. If this is exceeded, the supplier shall bear the costs for the components provided.

3.8 Handling of tools (provision of tools)

Tools which have been paid for by HORTON, but which remain with the supplier so that he can produce with them, require a tool transfer agreement. This contract regulates the tool life, tool marking, maintenance and servicing and the right of sole use. When the end of the tool life is reached, HORTON expects timely information from the supplier to be able to procure a new tool.

3.9 General conditions of purchase

These will be made available to you with the contract or can be downloaded under Supplier Information on our homepage www.hortonww.com.



4. Supplier quality

4.1 Quality and environmental management

HORTON is committed to best quality and continuous improvement and is certified to ISO 9001, IATF 16949 as well as ISO 14001 as amended from time to time. Our suppliers should aim for and maintain zero defect performance, and thus fulfill the deliveries of the products according to our requirements. The definition of quality should not only be limited to the requirements but should also include improvement processes. Therefore, HORTON only works with suppliers that are certified to ISO 9001 (as amended) or higher and have an active environmental management program (ISO 14001 if possible). HORTON encourages all suppliers certified to ISO 9001 (as amended) to seek certification to IATF 16949 (as amended).

4.2 Audits

If the audit result of one of the selected production sites of the supplier is "C", we expect immediate measures on how the result can be raised again to a higher level. In addition, alternatives must be identified and implemented to ensure continued supply at the specified quality.

4.3 Advanced Product Quality Planning (APQP)

In this process, HORTON aims to ensure that quality is defined and assured during the planning and development of a product. The aim is to significantly reduce the error rate through structured processes with standardized methods.

During the request for quotation process, HORTON provides the supplier with all documents required for a quotation (including drawings, 3D models, specifications, etc.). By submitting an offer, the supplier agrees to have understood all product requirements and appropriately to attach all documents requested by HORTON (including cost breakdown, feasibility study, control plan, etc.) to the offer or to sign them in advance (NDA, Code of Conduct).

Under certain circumstances, HORTON requires initial sampling/re-sampling of components. These must take place in each case under series conditions in accordance with the Production Part Approval Process (PPAP). The criteria for this are:

- new parts
- product changes
- change in design affecting drawing, specification or material
- correction of a defect in a previously submitted part
- change in inspection or test methods (including introduction of new methods)
- upon changes in the production process
- after relocation of the production site or use of new or relocated machinery and / or equipment
- after the use of new / changed tools (including casting, stamping, rolling, pressing tools, in the case of several molds or multiple molds each nest)
- series production with existing, overhauled, or modified tools
- change of a sub-supplier
- after a delivery stop

Further information or process details can be found in our quality assurance agreement.



4.4 Problem solving process (8D report)

Should there be deliveries involving defective products, then depending on the severity of the error, an 8D report is sent to you as the supplier. This is used for structured error analysis and processing within a specified framework. The aim is to eliminate the problem and prevent its recurrence. It is also important to have the right mindset. You as the supplier should feel responsible for the correction. You should understand the problem and the cause of the error and want to solve the problem once and for all. The rule of thumb is 1 - 7 - 14 - 30.

Days	Degree of processing	Description
1	D1 – D3	define problem solving team, problem description and immediate actions to protect the customer.
7	D4	cause-effect analysis
14	D5	determine parking measures
30	D8	completing the 8D

4.5 REACH Regulation (Registration, Evaluation, Authorization and Restriction of Chemicals)

The REACH Regulation is a European Union regulation that was enacted to improve the protection of human health and the environment from the risks that can be posed by chemicals. This includes the registration, evaluation, authorization, and restriction of chemical substances. HORTON expects its suppliers to comply with all obligations contained in this regulation.

4.6 RoHS- Directive (Restriction of certain Hazardous Substances)

This directive regulates certain requirements for placing electrical and electronic equipment on the market. Its purpose is to ban certain hazardous substances from electrical and electronic equipment. For this purpose, the RoHS Directive restricts the use of certain substances in electrical and electronic equipment. HORTON expects you as a supplier to fully comply with this directive as well.

4.7 IMDS (International Material Data System)

The International Material Data System, IMDS, is an internet-based database for archiving, exchange, and management purposes of materials. It facilitates the recycling and reuse of end-of-life vehicles and their components. The IMDS was developed on behalf of the automotive industry to comply with the End-of-Life Vehicle Directive (ELV Directive) and to transmit material data in a secure and fast way. Therefore, as a supplier, you must also register your parts in the system at www.mdsystem.com. HORTON has the conformity and material confirmation requested by iPoint Systems via the "Material Compliance" application. In this context, you will be contacted via the mail address horton.compliance@ipoint-systems.com.



5. Logistics and packing

5.1 Incoterms

The goods must be shipped by the supplier in accordance with the agreed Incoterms.

5.2 Packing

Before transportation, the goods must be packed in accordance with the previously agreed requirements in an environmentally friendly manner to protect them against damage, corrosion, and dirt. The goods must always be delivered in the same packaging.

The handling of shuttle or empty packaging is agreed individually in each case.

5.3 Label on the packaging

The goods must be marked by the supplier in such a way that, among other things, the HORTON material number, part designation, quantity and HORTON order number are clearly recognizable. The same information must also be found on the delivery papers.

5.4 Order confirmation

HORTON expects an order confirmation (AB) for each order. This must be sent to the appropriate addressee within 5 working days, quoting the part number, price, date, and quantity.

Invoices and the ABs are to be sent by e-mail only:

Order confirmations: einkauf@hortonww.com

Invoices: accounting.schweinfurt@hortonww.com

5.5 Supplier declaration with preferential origin / certificate of origin

To comply with all customs and commercial law requirements, HORTON expects from its series suppliers at the beginning of each year a long-term supplier declaration with preferential origin for the then valid year (January 1 to December 31) for all products supplied by the respective supplier.



6. General

6.1 Code of Conduct

Introduction

At HORTON, we believe that the only way to be successful is to adhere to the highest possible standards of integrity and ethical behavior. In our procurement activities, we pay attention not only to process-related, economic, and technical criteria, but also to social and ecological aspects such as human rights, working conditions, corruption prevention and environmental protection.

We also expect this behavior from our suppliers. This Supplier Code of Conduct is intended to serve as a guideline and highlights some important laws and regulations that HORTON expects its suppliers to comply with. Our suppliers should take reasonable steps to ensure that their suppliers and subcontractors act in accordance with this Supplier Code of Conduct.

Compliance with applicable laws, regulations, and practices

Our suppliers agree to act in accordance with all applicable national and international laws and regulations.

Legal requirements and government regulations

Export Control Laws

Import, export or domestic trade of goods, technology or services, the handling of certain products, and capital and payment transactions are regulated by national and international laws. HORTON expects its suppliers to take reasonable steps to ensure that transactions with third parties do not violate applicable economic embargoes or trade, import and export control or anti-terrorist financing regulations.

Bribery and Corruption

HORTON expects its suppliers to ensure compliance in their businesses with United Nations and Organisation for Economic Co-operation and Development (OECD) conventions on anti-bribery and anti-corruption laws. HORTON expects that its suppliers do not misuse gratuities to influence and therefore refrain from doing so in any way.

Fair Competition and Compliance with Antitrust Law

The supplier is obliged to behave in a fair manner in competition and to comply with the applicable competition law regulations. Abuse of a dominant market position as well as agreements or concerted practices with other companies which have the purpose or effect of preventing, restricting or distorting competition in accordance with the applicable antitrust legislation shall not be tolerated.



Money Laundering

The supplier shall observe the relevant statutory provisions on the prevention of money laundering and shall comply with its reporting obligations.

Social responsibility

Respect and Dignity

HORTON expects its suppliers to take appropriate measures to provide workplaces for their employees free of harassment, harsh treatment, threats of violence, chastisement, or other forms of coercion. Furthermore, they actively respect, protect and promote internationally recognized human rights and ensure that these are not violated along their supply chain. This is based on the UN Guiding Principles on Business and Human Rights.

Forced Labor

The supplier commits to exclude any kind of forced or compulsory labor as well as any form of slavery. All work must be voluntary and without threat of punishment (see ILO Convention No. 29). This means that any form of work based on physical, psychological, sexual, or verbal violence and/or abuse or economic exploitation must be avoided (see ILO indicators on forced labor).

Child Labor

The supplier respects and protects the dignity and rights of children. The supplier commits to employ only persons who have reached the minimum age required to perform work in accordance with the applicable national legislation and not to tolerate child labor. ILO Convention No. 138 on the Minimum Age for Employment and No. 182 on the Elimination of the Worst Forms of Child Labor shall be complied with.

Remuneration and working hours

HORTON expects its suppliers to comply with applicable regulations on working hours and to provide their employees with compensation that is in accordance with applicable laws and ensures an adequate standard of living. Wage reductions as disciplinary measures shall only be permissible in accordance with the applicable national law. This is without prejudice to a possible claim for damages on a contractual or legal basis. Suppliers are expected to pay their employees on time. It is recommended that suppliers offer their employees appropriate training and development opportunities.

Occupational Health and Safety

The supplier shall provide a safe and healthful work environment to prevent accidents and injuries and, if necessary, provide safe and healthful living accommodations. The minimum standard here is the applicable local laws. HORTON recommends establishing and applying an occupational safety and health management system in accordance with ISO 45001 or a system suitable for the relevant industry. In this case, employees shall receive appropriate training.



Commitment to freedom of association

As suppliers, you shall maintain open and constructive communication with your employees and employee representatives. In accordance with local laws, suppliers shall respect the right of employees to associate freely, join unions, appoint employee representation, form a works council, and engage in collective bargaining. Suppliers are expected not to discriminate against employees who engage in employee representation.

Discrimination

HORTON expects its suppliers to promote equal treatment and equal opportunity and to prohibit discrimination of any kind in hiring and in promoting or granting training and development. No employee shall be discriminated against based on sex, age, nationality, color, ethnic origin, culture, sexual orientation, disability, religious affiliation, belief, or trade union activity (ILO Convention 100).

Conflict minerals

In 2012, the U.S. Securities and Exchange Commission enacted a law stating that companies must report and disclose if they use "conflict minerals" such as tin, tantalum, tungsten, and gold in their products. In 2021, the corresponding EU regulation on this came into force.

Horton Europe supports this initiative and is committed to sourcing only materials from proven conflict-free origins. All suppliers of materials covered by this initiative must confirm and prove the conflict-free origin of the materials.

Compliance with environmental protection requirements

Responsibility for the environment

HORTON's suppliers are committed to making every effort to protect the environment and to comply with all applicable laws and regulations. By this we mean minimizing environmental impact, continuously improving environmental protection, and using resources sparingly. HORTON encourages its suppliers to commit to registration under the international environmental standard ISO 14001 or an environmental management system appropriate to the relevant industry.

Preservation of the natural basis of life

The supplier undertakes to protect the natural basis of life as much as possible; in particular, they shall take care to refrain from harmful soil changes, water and air pollution, noise emissions and excessive water consumption. Particularly in areas of water scarcity, water extraction shall be minimized and access to drinking water and sanitary facilities shall be provided. Wastewater quality standards are to be defined and monitored within the framework of applicable legal and regulatory requirements.



Climate protection

The supplier undertakes to protect the climate actively and sustainably, for example by increasing energy efficiency, generating, or purchasing energy from renewable sources, and taking other measures to reduce CO2 emissions.

Prohibition of substances of concern

The supplier is obligated to comply with the statutory bans on ingredients, restrictions and declaration regulations, and applicable standards on the ban and declaration of ingredients.

Environmentally sound handling of waste

The prohibition of non-environmentally sound handling, collection, storage, disposal of waste in accordance with the regulations in force in the applicable legal system in accordance with the requirements of Article 6 (1) (d) (I), (II) of the POPs Convention, as well as the prohibition of export of hazardous waste in accordance with the Basel Convention, shall be observed by all suppliers and service providers.

Supply chain and implementation

Supply Chain

To comply with the principles of this Code of Conduct as best as possible along the entire supply chain, the Supplier undertakes to commit its suppliers and service providers, which it uses to fulfill its performance obligations, to the principles of this Code of Conduct to the best of its ability and to encourage them to pass on the principles to their suppliers and service providers.

Checks

HORTON is entitled to check compliance with the obligations arising from this Code of Conduct in an appropriate manner. The supplier shall actively support HORTON in the verification process. In particular, inquiries from HORTON will be answered promptly and adequately, and any on-site inspections will be made possible.

Remedial action

Violations in the supplier's own business or in its supply chain, in particular, violations of human rights-related or environmental obligations, shall be stopped immediately. If this is not possible in the foreseeable future, the supplier shall immediately prepare and implement a corrective action to end or minimize the violations. The corrective action must contain a concrete time schedule and must be submitted to HORTON. Furthermore, in the event of a suspicion, the supplier shall immediately clarify possible violations and inform HORTON of the clarification measures taken and their results.



Consequences of violations

A violation of the obligations described in this Code of Conduct constitutes a breach of contract towards HORTON as well as a material impairment of the business relationship between HORTON and the supplier. The supplier shall initiate suitable improvement measures within a reasonable period to prevent future violations and inform HORTON of the measures initiated. If the supplier fails to comply with these obligations or if a violation is so serious that a continuation of the business relationship becomes unreasonable for HORTON, HORTON reserves the right, without prejudice to further rights, to terminate the contractual relationship concerned without notice or to withdraw from the contract concerned.

Technology, Information, and Intellectual Property

Duty of confidentiality, data protection and data security

The secure use and sharing of information and data in the workplace is critical to HORTON and our supplier base in today's competitive marketplace. Both parties must maintain physical and electronic security and keep all information confidential, such as business processes, personal data, and all business information. When confidential information is involved between HORTON and the supplier or the supplier and a third party, the parties must first ensure that a confidentiality or non-disclosure agreement has been signed or is in place.

6.2 Confidentiality agreement

Before internal company information (including projects, negotiations, their results, and documents of any kind) is exchanged with you as a supplier, you must sign a non-disclosure agreement. This prohibits you from discussing this information with external third parties and obligates you to maintain confidentiality.

6.3 Supplier self-disclosure

HORTON requires a supplier self-disclosure from all potential suppliers. This helps us to assess how well you are positioned as a supplier, what your most important key figures are or what certifications you have. This gives us a first insight into your company and your performance and allows us to check a potential cooperation. Thus, in order to cooperate with HORTON, please fill it out and send it to Purchasing.

6.4 Abbreviations

ILO – International Labour Organization
POP – Persistent Organic Pollutants
SCAR – supplier corrective action request



Confirmation

Supplier Manual HORTON Europe GmbH & Co. KG

We hereby confirm receipt and acknowledgement of this Supplier Manual. This represents the basis for all purchasing processes of HORTON Europe GmbH & Co. KG.

Company _____

Address _____

Place, date _____

Signature _____

Please complete this page, sign it, and return it to your purchasing contact.