

Global Automotive Sustainability Practical Guidance

Privacy:

- Companies are expected to comply with privacy and information security laws and regulatory requirements in addition to the contracted terms & conditions. Companies are expected to ensure that they cascade these principles and contractual obligations in relation to data privacy to any sub-contractors or Tier 2 suppliers who will be processing the personal data.
- Companies are expected to refrain from using personal data for any purposes beyond the scope of the business arrangement.
- Companies are expected to put in place appropriate measures to respect privacy and to protect personal data against loss and unauthorized / unauthorised access or use, including confidential, proprietary and personal information.
 - Reasonable actions could be, but are not limited to: the implementation of policies prohibiting to forward personal data such as addresses, salary information or photos without permission of affected persons etc.

Financial Responsibility/Accurate Records:

- Companies are expected to accurately record, maintain, and report business documentation including, but not limited to, financial accounts, quality reports, time records, expense reports, and submissions to customers or regulatory authorities, when appropriate. Books and records are expected to be maintained in accordance with applicable law and generally accepted accounting principles.
- Companies are expected to act in accordance with generally accepted accounting practices, and the accounting records must show the nature of all transactions in a correct and non-misleading manner.

Disclosure of Information:

- Companies are expected to disclose financial and non-financial information in accordance with applicable regulations and prevailing industry practices and, when applicable, disclose information regarding their labor/labour force, health

and safety practices, environmental practices, business activities, financial situation and performance.

Fair Competition/Anti-Trust:

- Companies are expected to uphold standards of fair business and competition including, but not limited to, avoiding business practices that unlawfully restrain competition; improper exchange of competitive information; and price fixing, bid rigging, or improper market allocation.

Conflicts of Interest:

- Companies are expected to make decisions based on solid business judgment unclouded by favoritism / favouritism resulting from personal relations and opinions.

Counterfeit Parts:

- Companies are expected to develop, implement, and maintain methods and processes appropriate to their products and services to minimize / minimise the risk of introducing counterfeit parts and materials into deliverable products.
- Companies are expected to establish effective processes to detect counterfeit parts and materials and, if detected, quarantine the materials and notify the Original Equipment Manufacturer (OEM) customer and/or law enforcement as appropriate.
- Companies are expected to confirm that any sales to non-OEM customers are compliant with local laws and those products sold will be used in a lawful manner.

Export Controls and Economic Sanctions:

- Companies are expected to establish appropriate policies and procedures to ensure compliance with applicable export controls and economic sanctions laws and regulations of all relevant countries. These laws and regulations impose restrictions on the export or re-export of goods, software, services, and technology to certain destinations, as well as prohibitions on transactions involving certain restricted countries, regions, entities and individuals.

- Appropriate policies and procedures may include: a statement of management’s commitment to compliance; periodic training for relevant personnel; procedures for screening business partners (including suppliers, customers, service providers, and other relevant parties, as well as their beneficial owners) against applicable government lists of restricted parties; appropriate contractual provisions to ensure business partners comply with such applicable laws and regulations; an audit function; and policies and procedures for reporting and remediating potential violations.
- A comprehensive energy management strategy reduces greenhouse gas emissions occurring from raw materials extraction, product manufacturing, transportation, and end-of-life operations.
- An effective energy management program gains management commitment, identifies constraints, establishes a baseline, and sets goals and energy reduction projects. On a regular cadence, the project execution is evaluated, measured and verified against the performance to baseline and sets targets to close gaps or re-evaluates the process.

Protection of Identity and Non-Retaliation:

- Companies shall develop and implement grievance mechanisms.
- Companies shall assure that employees and business associates will not be subject to termination, threats, harassment or other adverse action by reason of making a grievance report. Companies shall also provide appropriate disciplinary action against those who seek to take retaliatory action against a person “blowing the whistle”.

Water Quality & Consumption:

- Companies are expected to preserve water resources through an assessment of water stress in operations and throughout the life-cycle and integrate water management into the business plan.
- Companies are expected to develop a water assessment and water balance for each operation and site, establish a baseline, set goals for reduction (e.g. cubic meters per unit), set objectives and methods to reduce with efficiency and conservation projects and measure and compare progress to goals to close gaps.

2. Environment

Companies are expected to ensure that all legally required permits, licenses, inspection and testing reports are in place, up to date and available for review at all times.

Energy Consumption & Greenhouse Gas Emissions:

- Companies are expected to track and document energy consumption and greenhouse gas emissions at the facility and/or corporate level. Companies are expected to look for cost effective methods to improve energy efficiency and to minimize their energy consumption and greenhouse gas emissions.

Air Quality:

- Companies are expected to routinely monitor air emissions, integrate air emissions controls into the business plan and establish an air emissions management plan that meets or exceeds regulatory requirements for each facility.
- Air emissions include, but are not limited to, volatile organic compounds (VOCs), corrosives, particulate matter (PM), ozone-depleting substances, air toxics and combustion by-products generated from business and manufacturing operations.

**BMW
GROUP**

DAIMLER

FCA
FIAT CHRYSLER AUTOMOBILES



HONDA



NISSAN

SCANIA

TOYOTA

VOLKSWAGEN
AKTIENGESELLSCHAFT

VOLVO
Volvo Car Corporation

VOLVO
Volvo Group

Natural Resources Management & Waste Reduction:

- Companies are expected to set targets for waste reduction and establish a waste management hierarchy that considers in priority order: prevention, reduction, reuse, recovery, recycling, removal and finally disposal of wastes.
 - Companies are expected to encourage and support the use of sustainable, renewable natural resources in an efficient manner such that waste and residual products are minimized over the product's life cycle.
 - Companies are expected to handle and dispose of all waste generated through safe and responsible methods that protect the environment and the health and safety of employees and the local communities.
- The Core conventions of the International Labour Organization/Organisation: conventions numbers 29, 87, 98, 100, 105, 111, 138 and 182
 - International Labour Organization/Declaration on Fundamental Principles and Rights at work
 - Article 32 of the UN Convention on the Rights of the Child
 - OECD Guidelines for Multinational Enterprises
 - UNGC Guiding Principles on Business and Human Rights

Responsible Chemical Management

- Companies are expected to identify and manage chemicals to ensure their safe handling, movement, storage, use, recycling or reuse and disposal.
- Companies should provide Safety Data Sheets/ Material Safety Data Sheets that comply with all applicable laws and regulatory requirements.
- Companies are expected to work towards establishing programs (IMDS or equivalent) to collect data from material manufacturers for all components, identifying all process chemicals and intermediates that are identified as classified hazardous substances according to local law, or being considered for classified hazardous evaluation.
- Companies are expected to measure data completeness against bill of materials (BOMs), identify data shortages, and take corrective measures to assure data is traceable to the material manufacturers.

- Companies should have policies and management systems in place to support compliance with laws, regulations, and industry expectations.
- Companies should work to reduce the risk of potential human rights violations in their operations and through their business relationships by identifying risks and remediating any non-conformance in a timely manner.
- This includes all workers: full and part time employees, temporary, migrant, student, contract, and any other type of worker

Child Labor/labour and Young Workers:

- Child labor/labour is not tolerated. The age of employment for young workers must meet or exceed company guidelines and local labor/labour laws.
- The use of legitimate workplace apprenticeship and student learning programs, which comply with all applicable laws and regulations, are supported.
- To ensure proper management of student workers, companies should maintain accurate student records and protect students' rights in accordance with applicable laws and regulations.
- Companies must not employ young workers for any hazardous work, nighttime or overtime work, or work that is inconsistent with the young worker's personal development. Personal development includes a young worker's health or physi-

3. Human Rights and Working Conditions

- Companies should respect internationally proclaimed human rights such as, but not limited to
 - The International Bill of Human Rights

Global Automotive Sustainability Practical Guidance

cal, mental, or social development. Young workers should, at all times, be protected from violence and abuse. Where a young worker is employed, the best interest of the young worker shall be primary consideration.

Wages and Benefits:

- Companies should compensate workers for overtime in accordance with applicable local laws and regulations, including those relating to minimum wages, overtime hours and legally mandated benefits.
- Companies should provide workers a wage statement that includes adequate information to verify compensation for work performed for each pay period.
- The use of temporary, outsourced labor/labour should be in accordance with applicable local laws and regulations.

Working Hours:

- Companies should comply with all applicable local laws regulating working and resting hours and maximum consecutive days of work.
- Companies should make sure that hours worked beyond the normal work week are voluntary, unless a collective bargaining agreement allows for required time under certain conditions and /or, if lawful in exceptional circumstances.

Forced Labor/labour:

- All work should be voluntary on the part of the employee.

- Companies and agents should not hold, destroy, conceal, confiscate or deny access to employee identity documents unless required by applicable law.
- Companies should ensure that workers are not required to pay recruitment fees or related fees of any type for employment.
- Companies should ensure all workers receive a written contract or ensure they understand the terms of employment in a language well understood by the worker.
- Human Trafficking: Forced, bonded (including debt bondage) or indentured labor/labour, involuntary prison labor/labour, and slavery or trafficking of persons should not be used by any company. This includes, but is not limited to transporting, harboring, recruiting, transferring or receiving persons by means of threat, force, coercion, deception, abduction or fraud for labor/labour or services.

Health & Safety:

- Health and safety related information such as emergency procedures and potential safety hazards should be made known to the worker and should be posted within the facility in a language well understood by the worker.
- Required personal protective equipment should be provided by the company and made easily accessible.
- Companies should ensure that all required permits, licenses, inspection and testing reports are in place, up to date and available as required by law.
- Companies should ensure that emergency exits as well as fire detection, alarm and suppression

**BMW
GROUP**

DAIMLER

FCA
FIAT CHRYSLER AUTOMOBILES



HONDA



NISSAN

SCANIA

TOYOTA

VOLKSWAGEN
AKTIENGESELLSCHAFT

VOLVO
Volvo Car Corporation

VOLVO
Volvo Group

systems are in place and operational at all times. Fire and evacuation drills should be performed according to local law.

- Companies should implement a machine-safeguarding program including adequate training for workers.

Harassment:

- Companies should ensure that there is no harsh and inhumane treatment including any sexual harassment, sexual abuse, corporal punishment, mental or physical coercion or verbal abuse of workers; nor is there to be the threat of any such treatment. Disciplinary policies and procedures in support of these requirements should be clearly defined and communicated to workers.

Non-Discrimination:

- Medical testing or physical examination of any worker or potential worker for the purpose of discrimination should not be permitted in any situation.
- Companies should make reasonable accommodations for the religious practices of workers.

**BMW
GROUP**

DAIMLER

FCA
FIAT CHRYSLER AUTOMOBILES



HONDA



NISSAN

SCANIA

TOYOTA

VOLKSWAGEN
AKTIENGESELLSCHAFT

VOLVO
Volvo Car Corporation

VOLVO
Volvo Group