

Volkswagen Group Requirements regarding Sustainability in Its Relationships with Business Partners

The “Volkswagen Group Requirements regarding Sustainability in Its Relationships with Business Partners” (Code of Conduct) shall form part of a contract, in the format valid and applicable at the time of the signing of the contract.

If the terms of the contract, including the “Volkswagen Group Requirements regarding Sustainability in Its Relationships with Business Partners” (Code of Conduct), have not been incorporated in the request for bid or purchase order, they can be found at www.vwbank.pl and www.vwleasing.pl.

1. Introduction

The requirements applicable to business relationships with our partners contained herein define Volkswagen Group’s expectations regarding the way business partners act in their corporate activities. Those requirements are considered the basis for successful business relations between Volkswagen Group and its partners.

2. Co-operation

The requirements are based on national and international provisions and conventions and on Volkswagen Group’s internal standards and values. They are based on the principles of the United Nations Global Compact, the International Chamber of Commerce’s Business Charter for Sustainable Development, and the relevant conventions of the International Labour Organisation, and are supplemented by Volkswagen’s environmental policy, the environmental objectives and guidelines derived therefrom, the Group’s quality policy, and its declaration on social rights.

Our goal is to conduct successful and sustainable business activities, and the quality and value of our products and services offer us a competitive edge. Volkswagen’s business partners play an integral part in the success of the Group. Cooperative conduct results in enduring business relationships which are mutually beneficial. This is why Volkswagen sets great store by close cooperation with its business partners. The values underlying our collaboration are integrity, fairness, transparency and partnership.

Volkswagen brand stands for reputable and honest business dealings in the course of everyday business which comply with the relevant rules and regulations. This standard is also expected of our business partners, particularly where human rights, health and safety at work, environmental protection and combating corruption are concerned. Volkswagen therefore expects its business partners and their employees to act responsibly and to agree to comply with the requirements set out in this document. In addition, the Volkswagen Group expects its business partners to request their suppliers to comply with these requirements. No claims arising from these requirements may be made by third parties.

3. Scope of application

Our sustainability requirements apply to all business relationships between the Volkswagen Group and its partners.

The Volkswagen Group reserves the right to send experts to inspect the business premises of its partners for compliance with the requirements listed below. Advance warning will be given of such inspection, which will take place during normal business hours in the presence of a representative from the business partner and in compliance with applicable law, particularly regarding data protection.

4. Requirements

Environmental protection

Volkswagen develops, produces and sells vehicles throughout the world, thereby guaranteeing individual mobility. Volkswagen takes responsibility for continually improving the environmental compatibility of its products as well as for reducing the demands made on natural resources, whilst taking economic factors into account. It is therefore a matter of course for Volkswagen that its business partners comply with all applicable environmental legislation and regulations in all countries in which they operate. The following policies and standards are binding:

Volkswagen environmental policy

- Environmental objectives of the Technical Development division
- VW Standard 01155 (Vehicle Parts Supply)
- Sections 2.1 (Objectives of standard), 8 (Environmental compatibility), 9.1 (Material requirements and prohibitions) and 9.2 (Materials requirements) of VW Standard 99000 (General Requirements for the Performance of Component Development Contracts)
- Specifications in the standard component specifications catalogues
- In addition, Volkswagen expects its business partners to heed and comply with the following:

Creation and application of environmental management systems

Environment-oriented management is one of the main objectives of the corporate policy. Volkswagen therefore expects all business partners with production sites to have a suitable environmental management system. In addition, Volkswagen expects its main suppliers to have a certified environmental management system in accordance with international standard ISO 14001 or the EMAS Directive of the European Union.

Active approach to ecological challenges

Ecological challenges are tackled with due care and with foresight. Measures are taken to ensure that environmental issues are dealt with in a responsible manner. The objective is to develop and disseminate environmentally friendly technologies.

Avoidance of damage to health and the environment; products and processes which use few resources and have low greenhouse gas emissions

Negative impacts on the environment and the health of employees are avoided or kept to a minimum in all activities. Efficient use of energy and materials, minimization of greenhouse gas emissions, use of renewable resources and mitigation of damage to health and the environment are all considered in the development, manufacture and use of products and in other activities.

Waste and recycling

Avoiding waste, re-using resources and recycling, as well as the safe, environmentally friendly disposal of residual waste are taken into account during the development, production and service life of products, and during the development and execution of production processes and other activities.

Employee training

Employees are instructed and qualified in environmental protection according to their duties, and encouraged to act accordingly.

5. Employee rights

For Volkswagen, observance of internationally recognized human rights forms the basis of all business relations. In particular, the following regulations must be heeded alongside the labor law of the country in which the business partner operates.

Freedom of association

The basic right of all employees to form trade unions and employee representations and to join them is recognized. In the countries where this right is restricted by local laws, alternative legitimate options for employee participation are to be supported.

No discrimination

Equal opportunities and equal treatment irrespective of ethnic origin, skin color, sex, religion, nationality, sexual orientation, social origin or political view are guaranteed insofar as they are based on democratic principles and tolerance towards those of a different opinion. In general, employees are chosen, employed and supported on the basis of their qualifications and capabilities.

No forced labor

Volkswagen rejects the conscious use of forced or compulsory labor including bonded labor and involuntary prisoner labor.

No child labor

Child labor is forbidden. The minimum age for permission to work (according to national regulations) is observed.

Compensation and benefits

The compensation and benefits paid or received for a normal working week correspond at the very least to the legally valid and guaranteed minimum. Where legal or collective bargaining agreements do not exist, compensation and benefits are based on industry-specific collective agreements customary to the respective location that ensure an appropriate standard of living for the employees and their families.

Working hours

Working hours correspond at least to the respective national legal standards or the minimum standards of the respective national economic sectors.

Occupational health and safety

The partner complies at least with the respective national standards for a safe and hygienic working environment and takes appropriate measures to guarantee health and safety at the workplace so that good working conditions are ensured.

6. Transparent business relationships

Avoiding conflicts of interest

Volkswagen's business partners make decisions solely on the basis of objective criteria which are not influenced by personal interests or relationships.

Combating corruption

Volkswagen supports national and international efforts to protect competition from the distorting effects of corruption, and rejects all corrupt practices and forms of behavior which could damage the company. Volkswagen expects its business partners to reject and prevent all forms of corruption, including what are known as facilitation payments (payments to speed up the performance of routine tasks by officials). Business partners must ensure that their employees, subcontractors and representatives do not grant, offer or accept bribes, facilitation payments, inadmissible donations or other inadmissible payments or undue benefits to or from customers, officials or other third parties.

7. Fair market behavior

Free competition

Volkswagen expects its business partners to comply with valid and applicable competition and antitrust laws. In particular, they will not conclude anti-competitive agreements with competitors, suppliers, customers or other third parties and will not abuse a dominant market position.

Import and export controls

Business partners comply with all valid and applicable laws when importing and exporting goods and services.

Money laundering

Business partners only maintain business relationships with partners whose integrity they rely on. They should ensure that the relevant legal provisions regarding money laundering are not violated.

8. Legal consequences of violation of these requirements

Volkswagen considers compliance with the requirements set out in this document to be essential to its contractual relationships. Volkswagen reserves the right to end its relationship with a business partner by terminating the relevant contract for cause if the business partner does not comply with these requirements. The ultimate decision lies with Volkswagen as to whether it is willing to forgo such measures and instead to take alternative action if the business partner is able to prove to Volkswagen's satisfaction that it has implemented immediate countermeasures to prevent comparable violations occurring in future.