

Compliance Rules

Sustainability Policy & Code of Conduct



We have a clear and binding Code of Conduct for all company employees

We pledge to fulfill our social responsibility in all business activities. The applicable laws and other relevant provisions of the countries in which we operate must be observed in all business activities and decisions. Each employee is obligated to observe the relevant legal system. Business partners shall be treated fairly, contractual agreements shall be upheld.

Rules of conduct that apply for all company employees

All company employees contribute to a corporate culture characterized by fair and cooperative collaboration. Tolerance as well as respectful and trustworthy conduct in daily interaction are among the basic convictions of our management and our employees.

In addition, every employee pledges to behave responsibly and with integrity. The personality and dignity of every single person shall be respected. Mutual appreciation is based on inner conviction and willingness to act.

This also includes addressing problems at the workplace and working together to find solutions for them. This is the only way to cultivate an environment characterized by openness, tolerance and fairness.

Code of Conduct for employees

We expect our employees to contribute to a positive working atmosphere through their behavior towards each other. The opportunity to learn about other cultures and ways of thinking while working together is an invaluable experience for all employees. It also promotes motivation among employees and is the basis for the long-term success of the company.

Code of Conduct for management

By implementing value-based leadership and the leadership actions and practices that inevitably result from it, managers support tolerant and fair conduct. Through their conduct, our managers help to ensure respect for the personality and dignity of all employees.

By adopting an open-minded attitude toward their employees, managers create a working atmosphere that facilitates an open exchange of ideas. They cultivate respectful interaction with each other through courtesy, kindness and mutual consideration. Managers prevent unacceptable behavior as part of their leadership role. They act as mediators when conflicts arise.

Code of Conduct in dealing with third parties

All employees, especially those in management, are aware that the manner in which they behave represents the company and that they consequently shape its reputation externally and its culture internally. All employees treat others the way that they want to be treated by them. This results in fair and respectful interactions with customers and other partners who have a business relationship with the company. This naturally also applies to all employees of external companies who work for the company. Fairness and appreciation also apply to the way the company presents itself to the public.

Data protection, confidentiality and protection of third-party rights

We obligate our employees to secure and preserve company and/or business secrets of both our organization and our

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business partners. Company and/or business secrets may not be shared with unauthorized persons or made accessible in any way, unless express authorization has been granted to do so or the information is publicly available.

Employees must maintain strict confidentiality about all company and business secrets both during the term of employment and after its termination. Guidelines for the use, access to, and security of software, information technology, e-mail, internet, intranet and voice mail systems must be followed. Compliance with all data protection regulations, including those internal to the company, is mandatory.

Personal data may only be collected, processed or used to the extent necessary for specified, explicit and legitimate purposes. A high standard of data quality and technical protection against unauthorized access must be guaranteed. The use of data must be transparent for the relevant individuals, and their rights to disclosure and correction and, if applicable, to objection, blocking and deletion must be upheld.

Patents, inventions and other know-how are of existential importance for the success and future of our company. As a result, no employee has permission to share new insight or company secrets in any form with third parties; official documents and data carriers must always be protected from access by unauthorized persons.

Every employee must respect the valid property rights of third parties and refrain from their unauthorized use. No employee may obtain or use secrets of a third party without authorization.

Company property may only be used for business purposes.

Human rights and working conditions

In accordance with national and international regulations, we perceive human rights as inviolable and control working conditions accordingly so that no impairment of human dignity shall be expected at the workplace. Company employees shall be considered equal regardless of any attributes, which will be presented in the following subsections.

Working time

The hours to be worked shall be agreed upon together with the employee during the hiring process and comply fully with the German Working Hours Act.

Seasonal work peaks may require an increase in the amount of working hours to be performed. These additional working hours are voluntary and employees may either choose to have them remunerated or, once the order volume has decreased, they may make a request to take time off instead in the near future. In the case of executives, this principle can be deviated from on the basis of individual contractual agreements. Working time is recorded transparently by the company's digital clocking system.

Flexible working hours to support work-life balance are provided wherever possible. Sufficient rest time for regeneration between work days is ensured by the core working time. In addition, weekends shall be considered work-free time, may however be used to work off high order volumes, if the employee expressly requests to do so. This additional working time on days off will be counted as overtime. Break times during work are defined by the individual departments, and employees are required to take them accordingly.

Salaries and benefits

Compensation must be paid to employees on a regular, timely and full basis in accordance with individual employment contracts and must be in compliance with applicable national laws on compensation. The compensation and other benefits should provide employees and their families with an adequate standard of living.

Occupational safety, personal protective equipment

In the field of occupational safety, we are supported by a specialized external consultant. In this way, we ensure that all relevant topics are addressed in full and in accordance with the applicable standards and laws.

Group meetings are held at regular intervals to discuss topics relevant to occupational health and safety. In addition, the operational safety is ensured by regular inspections and written reviews of all departments. This also includes workplace ergonomics as a preventive measure to protect employee health.

In general, the implementation of occupational health and safety regulations is included as part of quality management in the form of processes. Emergency plans have been defined and fire safety officers and first aiders trained to cope with acute situations in the company. The necessary personal protection equipment will be provided to the employees by the employer.

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The topic of occupational safety is documented in a formal and instructed occupational health and safety directive, which complies with national laws, industry regulations and international standards. Key points of our occupational health and safety directive are:

- Personal protective equipment
- Machine safety
- Emergency precautions
- Incident and accident management
- Workplace ergonomics
- Handling of chemicals and hazardous materials
- Fire safety

Forced labor and modern slavery

In our organization any form of forced labor and modern slavery (i.e. slavery, servitude and forced or coerced labor and human trafficking) is prevented by transparently communicating the activities expected of the employee.

Already in the planning stage, the activities of the position to be filled are defined in a job profile and any resulting requirements are published in the job advertisement. In this process, possible psychological factors resulting from insufficient or excessive demands are taken into account and the task scope is adapted accordingly to the level of education and the abilities of a potential, future employee.

The applicant will be informed about these at the job interview by the managing director, who is always present during such matters. It is therefore up to the employee to assess a position and its relevant tasks for personal suitability and ultimately to agree.

During the term of employment, each employee is free to refer to their employment contract and the defined scope of activities. If this should happen, human resources and the management decide whether a contested task does not comply with the contract.

Freedom of assembly and collective bargaining

General freedom of assembly under the German Constitution means that within the company, employees are entitled to assemble in a peaceful manner for common, work-related purposes.

The results of these meetings should serve to promote the work-related and economic situation of our company. They can be communicated to management as part of the continuous improvement process.

An assembly of all employees to discuss internal matters takes place within the framework of a regular all-hands meeting. In this meeting, everyone is given the opportunity to present work-related issues to the management.

Child labor and underage employees

We reject child labor in our supply chain. Suppliers must avoid any type of child labor in their company. Employees who have not reached the legal minimum age shall not be employed.

Harassment

The company has a zero-tolerance policy for inhumane treatment, such as physical abuse or sexual harassment and abuse. In any case, all conspicuous acts, even the threat of harassment, will be punished up to and including termination without notice. This also includes insult, psychological and physical duress, as well as any form of corporal punishment.

Non-discrimination

The zero-tolerance strategy also applies to the discrimination of employees due to their skin color, religion, gender, sexual preference, ethnic or social background, language, age and social status. Equal treatment of all persons in the company is mandatory.

Social acceptance

The social acceptance of our diverse activities is the prerequisite for our sustainable long-term corporate success.

We are aware that our reputation is shaped by the appearance, actions and behavior of each individual in our company.

Every employee respects the reputation of our company in society and is guided by this principle in the performance of their work.

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Sustainability and environmental protection

We are committed to the principles of sustainability. We are aware of the scarcity of resources and our responsibility towards future generations and therefore ensure that our products and manufacturing processes meet the requirements for sustainable development with regard to the three elements of ecology, economy and social issues. Every employee acts with this in mind at their workplace.

We are committed to the goal of protecting the environment for current and future generations. Laws that have been enacted to protect the environment shall be observed.

The company expects and supports environmentally conscious actions of its employees. This particularly applies to the use and development of new product and manufacturing technologies that conserve natural resources, enable recycling, reduce pollution as much as possible and preserve the natural environment.

Waste prevention

Our everyday responsible behavior must ensure safety and compliance with regulations for handling, storage, transport, disposal, recycling and reuse of waste, exhaust gases and wastewater. Activities that may have a negative impact on human health or the environment must be appropriately managed, monitored and controlled. The release of hazardous substances must be minimized.

Resource consumption and greenhouse gas emissions

We must use natural resources (e.g. water, energy sources, raw materials) sparingly and preserve them. To do this, we rely on the application of generally recognized sustainability standards. We are committed to using fewer raw materials in general and place greater emphasis on efficiency, recycling and substitution. Negative impacts on the environment and climate caused by us or our suppliers themselves or within their supply chain must be minimized or better avoided at the point of origin.

Our practices comply with recycling economy principles, for instance material reduction and substitution along with return, shared use, maintenance, reuse, remanufacturing, revision, and recycling.

We are committed to the development and use of environmentally and climate-friendly products, processes and technologies.

We pledge to minimize greenhouse gas emissions.

Financial responsibility

We document all significant business processes comprehensively and in a timely manner.

Both internal and external reports (for example, financial accounts, quality reports, time records, expense reports, or other types of submissions) must be correct and complete so that the recipient can form an accurate picture. We thereby adhere to the presentation of facts and a professional manner of expression. Hasty conclusions should be avoided.

Financial records must be prepared in accordance with applicable law and generally accepted accounting principles. We also comply with commercial, tax and special legal retention periods for documents (original or electronic) and structure the relevant documents in a comprehensible manner.

Documents needed for ongoing or anticipated internal investigations or regulatory inquiries must not be destroyed, removed or altered.

Export controls and economic sanctions

We operate in compliance with export control criteria and with existing economic sanctions to ensure secure trade. We reject doing business outside of these regulations.

Fairness in global supply and value chains

Human rights, social standards and environmental protection are monitored by us along the supply chain and controlled to the greatest possible extent.

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We ensure that no products are used whose source materials or minerals originate from a conflict region where they directly or indirectly contribute to the financing or support of armed groups or cause or promote human rights violations.

Prevention of conflicts of interest

A conflict of interest is a situation, where a risk exists that primary interests are jeopardized by secondary interests of a personal or institutional nature. Our business partners decide on doing business with us exclusively on the basis of objective criteria.

Corruption and bribery

We expect our suppliers to not tolerate corruption and to ensure compliance in their companies with the conventions of the United Nations (UN) and the Organization for Economic Cooperation and Development (OECD) to fight corruption and to observe the relevant anti-corruption laws. In particular, they shall ensure that their employees, subcontractors or representatives do not offer, promise or grant any advantages to employees of VOLK Fahrzeugbau GmbH or related third parties with the aim of obtaining an order or any other preferential treatment in business dealings.

Counterfeit parts, piracy and intellectual property

The market success of our products is inextricably linked to their quality. As a result, the use of plagiarized products or counterfeit materials are prohibited. By sourcing our raw materials from official and in some cases certified sources and suppliers, we minimize the likelihood of introducing counterfeit materials and imitations into our products.

If counterfeit materials or plagiarized products are nevertheless detected during one of the regularly performed quality assurance measures, they will be isolated immediately and the original parts manufacturer and/or the relevant law enforcement agencies will be notified.

To the extent possible, we ensure that products sold are used in compliance with the law. We also respect intellectual property, such as inventions, literary and artistic works, designs, as well as symbols, names and images used in commerce, and will not use or publish them without authorization. This particularly applies to intellectual property, which is protected by patents, copyrights or trademarks.

Whistleblowing and protection against retaliation

Protection against retaliation is especially important to us along with safeguarding the identity of employees, business partners or other third parties who report alleged misconduct or violations. Reporting violations or suspected violations shall in no case result in negative or repressive measures for the person reporting.

We therefore prohibit any direct or indirect action or retaliation against any person who reports an actual or suspected violation in good faith and/or participates in an investigation.

It is mandatory, however, that all reports be submitted truthfully. Reports can be made, for example, to the management, to the data protection officer (in the case of data protection violations) or to external bodies via various whistleblower systems.

Management culture

Each of our executives holds responsibility for our company employees.

Executives must earn their recognition through exemplary personal behavior, performance, openness and social competence.

Executives place trust in their employees and agree on clear, ambitious and realistic goals and give their employees as much personal responsibility and freedom as possible.

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Fair competition and antitrust

We ensure fair competition and comply with valid and applicable competition and antitrust laws. We do not enter into any anti-competitive agreements with competitors, suppliers, customers or other third parties.

Employee advancement

We owe our success to the knowledge, experience and dedication of every single employee. We therefore invest in the qualification and competence of our employees. Commitment and performance are particularly encouraged. In this way, we ensure that the company is fit for the future.

Specification within the framework of individual directives

In addition to this general Code of Conduct, the management can introduce specific rules of conduct on individual compliance topics. These individual guidelines and the resulting obligations will be announced.

Information

We work to ensure that this Code of Conduct and, if applicable, additional individual guidelines are observed by the management and all employees. Every employee shall be given this Code of Conduct. It is the responsibility of every manager of VOLK Fahrzeugbau GmbH, to ensure that their assigned employees are familiar with this Code of Conduct.

Prevention and questions

Every employee of our company is obligated to contact their direct superiors or the managing director if they are unsure of the proper conduct.

Enforcing the Code of Conduct

The management checks to ensure compliance with the Code of Conduct in its audits and includes its regulations in its audit criteria. Every employee is obligated to immediately report detected violations of the Code of Conduct to the management.

Violations and sanctions

Violation of this Code of Conduct or other company policies and regulations may result not only in disciplinary action, but also in civil and/or criminal penalties, which may include fines and/or imprisonment.

Sustainability requirements for suppliers

The standards that we have made mandatory for ourselves also apply to our suppliers and partners.

We require that our suppliers and business partners fulfill their social responsibility in all business activities.

Suppliers must comply with the principles of this Code of Conduct by providing appropriate resources within their companies and incorporating all relevant principles into policies and procedures.

The relevant sustainability requirements are documented in a specific Supplier Code of Conduct and in the Sustainability Policy for Suppliers of VOLK Fahrzeugbau GmbH.



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