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Automotive Industry Guiding Principles to Enhance Sustainability Performance in the Supply Chain

We endeavor/endeavour to achieve excellence, innovation and performance in a sustainable manner. People and the environment are the automotive industry's most important resources. For this reason, we are working together to attain the highest standard in business integrity and in the social and environmental performance of our supply chain.

The automotive industry supply chain has a high degree of complexity, therefore we believe in the benefits of a common approach and message. The following guidelines clearly describe our minimum expectations towards business ethics, working conditions, human rights, and environmental leadership; for our suppliers as well as their subcontractors and suppliers. We expect that suppliers will uphold these standards and cascade them down their supply chain.

These guidelines are based on fundamental principles of social and environmental responsibility that are compliant with local law, consistent with international expectations and are supported by the sponsoring Auto Manufacturers. Individual manufacturers may have their own standards, codes and policies that supersede these guidelines.

Business Ethics

Companies are expected to uphold the highest standards of integrity and to operate honestly and equitably throughout the supply chain in accordance with local laws.

- **Responsible Sourcing of Materials:** Companies are expected to responsibly source raw materials used in their products.
- **Anti-Corruption:** Companies are expected to work against corruption in all its forms, including extortion and bribery
- **Privacy:** Companies are expected to put in place appropriate measures to respect privacy, to protect personal data against loss and unauthorized/unauthorised access or use, and to comply with relevant privacy and information security laws and regulations.
- **Financial Responsibility/Accurate Records:** All business dealings are expected to be transparently performed and accurately reflected on the company's financial reports and filings.
- **Disclosure of Information:** Companies are expected to disclose financial and non-financial information in accordance with applicable regulations and prevailing industry practices.
- **Fair Competition/Anti-Trust:** Companies are expected to uphold standards of fair business and conduct business in accordance with all applicable anti-trust or anti-competition laws and regulations.
- **Conflicts of Interest:** Companies are expected to conduct business in a manner that avoids any appearance of impropriety.
- **Counterfeit Parts:** Companies are expected to minimize the risk of introducing counterfeit and/or diverted parts and materials into deliverable products.
- **Intellectual Property:** Companies are expected to respect valid intellectual property rights and use commercially reasonable practices to protect the transfer of confidential technology and know-how.
- **Export Controls and Economic Sanctions:** Companies are expected to comply with applicable restrictions on the export or re-export of goods, software, services and technology, as well as with applicable restrictions on trade involving certain countries, regions, companies or entities and individuals.
- **Protection of Identity and Non-Retaliation:** Companies are expected to establish processes that allow concerns to be raised anonymously with confidentiality and without retaliation.



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Environment

Companies are expected to support a proactive approach to environmental responsibility by protecting the environment, conserving natural resources and reducing the environmental footprint of their production, products and services throughout their life-cycle.

A comprehensive approach includes but is not limited to:

- **Energy Consumption & Greenhouse Gas Emissions:** Companies are expected to implement a comprehensive energy reduction strategy and management program while increasing use of renewable energy.
- **Water Quality & Consumption:** Companies are expected to effectively reduce, reuse, and recycle water with responsible treatment of wastewater discharges to protect the environment and improve overall water quality.
- **Air Quality:** Companies are expected to routinely monitor, appropriately control, minimize/minimise, and to the extent possible, eliminate emissions contributing to local air pollution.
- **Natural Resources Management and Waste Reduction:** Companies are expected to encourage and support the use of sustainable, renewable natural resources while reducing waste and increasing reuse and recycling.
- **Responsible Chemical Management:** Companies are expected to identify, minimize/minimise or eliminate the use of restricted substances in manufacturing processes and finished products to ensure regulatory compliance. Companies should also be aware of any use of reportable substances in processes and finished products, and actively investigate suitable substitutes.

For further details please refer to the
Global Automotive Sustainability Practical Guidance
located at

AIAG: <http://aiag.org/corporate-responsibility> and
Drive Sustainability: www.drivesustainability.org

Human Rights and Working Conditions

Companies should respect the human rights of workers, and treat all people with dignity as recognized by the international community.

- **Child Labor/Labour and Young Workers:** Companies must ensure that child labor is not tolerated in any form. The age of employment for young workers must meet or exceed company guidelines, legal regulations and local labor laws.
- **Wages and Benefits:** Companies should provide compensation and benefits that comply with applicable local laws, including those relating to minimum wages, overtime compensation, and legally mandated benefits.
- **Working Hours:** Companies should comply with local law regarding working hours, including overtime
- **Forced Labor/Labour:** Companies must prohibit any forms of forced, (bonded) or compulsory labor/labour, including human trafficking.
- **Freedom of Association:** Companies should allow workers to communicate openly with management regarding working conditions and management practices without fear of reprisal, intimidation or harassment. Companies should respect employee rights to associate freely, to join or not join labor/labour unions, bargain collectively, seek representation, and join workers' councils in accordance with local law.
- **Health & Safety:** Companies should provide workers a safe and healthy working environment that meets or exceeds applicable local laws and industry standards for safety and occupational health.
- **Harassment:** Companies should provide a work place free of harassment against workers in any form.
- **Non-Discrimination:** Companies should not tolerate any form of discrimination in respect of employment and occupation and should provide equal employment opportunities regardless of worker or applicant characteristics such as race, color/colour, age, gender, sexual orientation, gender identity, ethnicity or national origin, disability, pregnancy, religion, political affiliation, union association, covered veteran status, genetic information or marital status.