

Sustainability Policy Guideline

The management hereby adopts the following Sustainability Policy Guideline as part of their strategy:

Explanations regarding our corporate principles

Environmental **sustainability** refers to operational activities and processes having a long-term impact on the quality of the environment. Examples include: recycling programs, measures to reduce CO2 emissions, waste management, etc.

Social sustainability refers to operational activities potentially affecting and influencing the quality of employees in the company and having an effect on the community.

Examples of social topics include: working conditions, non-discrimination, freedom of association, collective bargaining, occupational health and safety, etc.

Corporate responsibility and compliance refer to principles concerning business practices with regard to business partners and customers.

Examples of unethical business practices include corruption, bribery and blackmail.

Environmental report

According to the EU Directive on disclosure of non-financial information and diversity information, the companies concerned are required to disclose information on policies, strategies, risks and outcomes with regard to environmental, social and employee-related issues, respect for human rights, fight against corruption and corruption-related issues.

The Directive applies to IDEAL AUTOMOTIVE as the company meets the following criteria:

- Balance sheet total of more than EUR 20 million or net sales of more than EUR 40 million
- Headquartered in the EU
- Average number of employees of more than 500 per fiscal year

The **Code of Conduct** is a set of guidelines on the responsible and correct conduct of employees and of IDEAL AUTOMOTIVE.

It covers social, ethical and environmental aspects.

Corporate Social Responsibility (CSR) is a goal for IDEAL AUTOMOTIVE, which is achieved step by step by integrating social, environmental and ethical aspects in close coordination with the operational processes.

European Commission, EU Strategy for CSR 2011-2014

Human rights are valid for all people regardless of nationality, place of residence, gender, nationality or ethnic origin, skin colour, religion and any other criteria.

Examples of **forced labour** include compulsory overtime, withholding of identity papers.

Source: European Commission, Guide for SME. -

Source: International Trade Union Confederation.

Child labour: Young people are allowed to work if their working conditions are appropriate for their age, if they are not exploited, if the work does not endanger their safety, health, physical, mental, moral or social development and education and does not prevent them from compulsory schooling.

Source: The EU Charter of Fundamental Rights.

Working conditions include health, safety and well-being; maximum working hours per day and per week, including statutory minimum leave, paid leave, etc.

Examples of **pay** include paid sick leave, family leave and rehabilitation leave, paid overtime, etc.

Source: The EU Charter of Fundamental Rights.

Source: ILO-UNGC.

Non-discrimination means tolerating every human being, regardless of gender, skin colour, ethnic or social background, genetic traits, language, religion, political opinion, membership of a national minority, wealth, birth, disability, age and sexual orientation.

Source: The EU Charter of Fundamental Rights.

Freedom of association relates to political, trade union and civil society areas as well as to the right to form a union and to join one in order to protect one's own interests.

Source: The EU Charter of Fundamental Rights.

Collective bargaining is intended to come to agreements with regard to working terms and conditions.

Source: The EU Charter of Fundamental Rights.

Health and safety refers to a person's right to life, freedom, safety and health. It is based on the standards and general principles listed in:

- *ISO 45001 (former OHSAS 18001)*
- *Universal Declaration of Human Rights (1948), Article 25*
- *International Covenant on Economic, Social and Cultural Rights (1966), Articles 7 (b) and 12 (2b)*
- *Convention on the Elimination of All Forms of Discrimination against Women (1979), Article 11 (1f)*
- *ILO Hygiene (Commerce and Offices) Recommendation (C120,1964)*
- *ILO Occupational Health Services Convention (C161,1985), Article 5 (b)*
- *Tripartite Declaration of Principles concerning Multinational Enterprises (1977), Article 38.*

The following are examples of **specifically safety- and health-related measures**:

- Training on using personal protective equipment
- First aid course
- Training on working with hazardous substances and hazardous manufacturing equipment
- Distribution of health and safety information materials
- Information campaign on staff health and safety measures for each site

Corruption may take many forms, from seemingly harmless bribery to massive corruption. Corruption is the abuse of entrusted power to obtain personal benefits to which the recipient is not entitled.

Source: UN Global Compact and Transparency International.

Extortion takes place when people enrich themselves through force or threats.

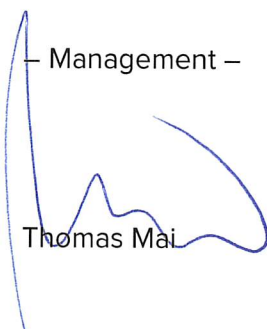
Source: OECD Guidelines for Multinational Enterprises.

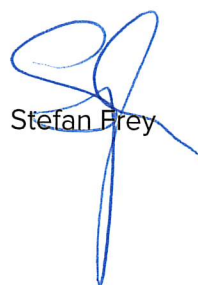
Bribery is a type of corruption. Accepting a gift, loan, fee, reward or other to commit an illegal act is considered bribery.

Source: The EU Charter of Fundamental Rights.

Source: UN Global Compact and Transparency International.

Bamberg, 29/05/2018

— Management —

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