

European Automotive Working Group on Supply Chain Sustainability

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GROUP**

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With support from:



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

We 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

The basis for sustainable and successful business activity is to have integrity and transparent business practices. Companies are expected to operate honestly and equitably throughout the supply chain in accordance with local law, including those laws pertaining to:

- Anti-Corruption
- Anti-competitive Business Practices
- Protection of Intellectual Property
- Respect for Company and Personal Data
- Export Controls
- Conflicts of Interest

Environmental Standards

Companies are expected to pursue effective environmental protection throughout the supply chain in order to reduce the environmental footprint of our products through-out their life-cycle. All products manufactured within the supply chain, and the applied materials and substances used in the process are expected to meet environmental standards for design, development, distribution, use, disposal or recycling. Such a comprehensive approach includes but is not limited to:

- Reducing energy and water consumption
- Reducing greenhouse gas emissions
- Increasing use of renewable energies
- Enhancing appropriate waste management
- Training of employees

Businesses are expected to support a proactive approach to environmental challenges, and encourage the development and diffusion of environmentally friendly technologies.

Working Conditions and Human Rights

Child Labour and Young Workers

Child labour should not be tolerated and the age of employment must be in accordance with local labour law.

Wages and Benefits

Compensation and benefits should be competitive and comply with applicable local laws, including those relating to minimum wages, overtime compensation, and legally mandated benefits.

Working Hours

Working hours, including overtime, should comply with applicable local laws regulating hours of work.

Forced Labour

Any form of forced or compulsory labour, including human trafficking, should not be tolerated.

Freedom of Association

Workers should be able to communicate openly with management regarding working conditions without fear of reprisal, intimidation or harassment. Workers should have the right to associate freely, to join or not join labour unions, seek representation, and join workers' councils in accordance with local laws.

Health and Safety

Workers should have a safe and healthy working environment that meets or exceeds applicable standards for safety and occupational health.

Harassment and Discrimination

Harassment or discrimination against employees in any form is not acceptable.