

# Our Mission Statement

## Vision + Guiding Principles

Pushing the boundaries to find solutions for the mobility of tomorrow – that is a distinguishing feature of FKFS. We link science and industry, we bring different fields together, we optimize in detail or rethink things fundamentally.

This is how we see ourselves:

We research the mobility of tomorrow. We stand for research in motion. That is our vision and our motivation.

We can only achieve this by valuing our staff, our customers and business partners and behaving responsibly towards them; by respecting laws and regulations; by acting with transparency and fairness in the market; by protecting the environment and conserving resources.

With this in mind, we have formulated the following fundamental principles:

## Code of Conduct

- (1) Respecting the human rights and labor rights of our staff**
- (2) Environmental protection**
- (3) Transparent business relationships**
- (4) Fair commercial conduct**
- (5) Duty of care to promote responsible raw material supply chains**
- (6) Quality management, information security, data protection**
- (7) Integration of sustainability requirements into organizations and processes**

## Code of Conduct of the Research Institute of Automotive Engineering and Vehicle Engines Stuttgart

### Introduction

As a scientific-technical company, FKFS is aware of its responsibilities towards society, its staff and business partners, the market and the environment. Responsibility and integrity are a fixed component of our corporate culture. These form the foundation for the trust our customers, cooperation partners, business partners and the public place in us. We expect our staff to respect these values and to integrate the fundamental principles defined here into their daily work.

We also expect our suppliers to adhere to the standards defined here.

**The FKFS Code of Conduct is based on the following generally-recognized guidelines:**

- United Nations Universal Declaration of Human Rights
- United Nations Global Compact
- ILO Declaration on Fundamental Principles and Rights at Work
- Drive Sustainability Initiative guidelines to improve the sustainability of supply chains
- Internal standards and values
- Declaration of compliance with the legal, official, normative and contractual requirements applicable to FKFS

**1. Respecting the human rights and labor rights of our staff**

**No slavery, no human trafficking, no child labor and protection of young employees**

In our organization, adherence to internationally-recognized human rights has the highest priority. Therefore we ensure that none of our associated business partners use forced labor, compulsory labor, debt bondage or prison labor. We believe that the minimum age in line with government regulations or the ILO (no direct or indirect employees under 15 years of age) and appropriate working conditions are extremely important. Child labor is not permitted.

**No discrimination or harassment**

All the employees in our organization have been selected on the basis of their qualifications and skills. We reject every kind of discrimination and harassment in the workplace (whether on the basis of ethnic or social background, gender, religion or nationality, tolerant political views, age, physical or mental capability, sexual orientation, marital status or pregnancy) and promote and support a positive and respectful working environment.

**Remuneration, performance and working times**

Remuneration and working times correspond to the legal and industry-specific standards, ensuring that all staff involved in the organization are guaranteed an appropriate lifestyle, fair working times and sufficient breaks.

**Occupational health and safety and fire protection**

For all workplaces, we make sure we adhere to all the applicable legal and official fire, occupational safety and health protection regulations and, furthermore, that we continuously improve upon them. We expect the same from our business partners.

Here the organization guarantees the use of protective measures such as fire protection systems and monitoring potential hazards, such as the storage of chemicals and emergency supplies. The organization's employees will receive easily-comprehensible information and training on all potential hazards in the workplace. Protective equipment will be made available free of charge.

### Freedom of association

The organization subscribes to communication with its employees and employee representatives which is open, constructive and based on mutual trust. It recognizes the rights of employees to associate freely, to join trade unions, to appoint an employee representative and to form a Workers' Council. Employees who are active as employee representatives will not be disadvantaged.

## **2. Environmental protection**

Environmentally-oriented management is one of the primary objectives of our corporate policy. This puts the focus onto the environmentally-friendly deployment of all resources, and is essential to guarantee the sustainability requirements of our customers.

This is why we are integrating the environmental management requirements in line with ISO 14001 into our existing management system.

### An active approach to environmental challenges, avoiding damage to health and the environment

It is particularly important to us that our business partners also handle ecological challenges with caution and foresight. Both for the health of our staff and the environment, potential negative impacts must be prevented or kept to a minimum. The organization is continuously monitoring the status and continuous improvement of environmental indicators, such as overall energy consumption and greenhouse gas emissions.

### Products and processes with low consumption of resources

The economical use of energy, water and raw materials while minimizing damage to the environment and health is a prerequisite for all our products and processes.

### Registration, evaluation and restriction of substances and materials

The organization also requires its business partners to use substances and materials which are non-hazardous to the environment and to health in the long-term. For this purpose, we expect them to keep a list of all the substances used in compliance with the legal stipulations.

### Waste and recycling

We recycle all the recyclable materials arising in the organization and dispose of the waste resulting from manufacturing processes safely and in an environmentally-friendly way.

### Quality and safety

Upon delivery, all products and services must fulfil the contractually-defined criteria for quality and safety, and it must be possible to use them safely for their intended purpose.

## **3. Transparent business relationships**

### Commissioning business partners and avoiding conflicts of interest

Transparent business relationships and partners who have convinced us solely on the grounds of quality, integrity and legally-compliant behavior are essential for our corporate policy. Financial or personal interests, or personal relationships are not deciding factors.

Our business relationships may only be initiated or discussed in line with factual criteria, such as with a view to quality, price, technical or environmental standards, and the reliability of the business partner.

Commercial and personal decisions or recommendations from employees must not be influenced by private interests and relationships, or motivated by material or immaterial advantage. Even the appearance of extraneous considerations must be avoided. We demand that our business partners reject and prevent every form of corruption.

#### **4. Fair commercial conduct**

##### **Free competition, money-laundering and protection of confidential information**

The organization is committed to fair commercial conduct, and also expects all our business partners to adhere to fair and free competition in their arrangements and agreements – as well as not undertaking illegal anticompetitive measures. As a consequence, we pursue our corporate targets in compliance with the applicable rules of competition. We also expect this from our suppliers and other business partners.

From the perspective of the right to determine the disclosure and use of one's own personal data, respect for our employees' character also includes the protection of their personal data. We therefore expect the collection, use, deletion and protection of all information to be in line with the stipulations of the German Federal Data Protection Act and the EU GDPR, particularly for confidential content. Furthermore, strict adherence to all applicable laws for import, export and money-laundering is irrefutable.

When cooperating with suppliers, customers and other business partners, the protection of confidential information, expertise and corporate secrets is especially important. All employees are obliged to use the data and information to which they have access as part of their role only to the extent permitted. When passing on information within or outside the organization, they must check whether the recipient has a right to the information. Depending on the significance of the information, additional security measures must be agreed such as, for example, obligations of confidentiality. In turn, the organization takes care of and protects the confidential information of other organizations. External knowledge and information not generated within the organization may only be used if it has been acquired legally or is available from generally-accessible sources.

#### **5. Duty of care to promote responsible raw material supply chains**

Our organization commits to upholding its duty of care when sourcing the relevant raw materials and, if necessary, to undertake measures against the infringement of human rights, child labor or forced labor or the promotion of armed conflicts.

## **6. Quality management, information security, data protection**

### **Quality management / quality principles at FKFS**

We want delighted customers and motivated staff.

Customer requirements regarding progress, reliability, adherence to deadlines and the price of products and services must be fulfilled. In this respect, every employee is both a supplier and a customer. Customer perception is critical for the evaluation of products and services.

As a matter of principle, the quality target is "zero errors" or "100% correct". Quality is a joint responsibility for all employees. Every employee must do their best to perform their work without errors.

Errors should be detected early on by checks in all project phases. Errors should be prevented from occurring in the future with the help of the PDCA cycle and the continuous improvement process. Management must ensure that a process of continuous improvement takes place.

The quality of our work also depends on the quality of our suppliers. Therefore the highest quality or the best value for money must be demanded from our suppliers as well. We are committed to environmentally-friendly trade and using resources sparingly.

### **Information security**

Information security is an integral component of our organization's strategy. All employees, as well as internal and external service providers, must be strongly committed to keeping information processing risks – e.g. data leaks, data manipulation, technical disruptions or sabotage – controllable, and to reduce them to an appropriate level.

We have installed and operate an Information Security Management System (ISMS) to achieve our information security objectives. This includes defined responsibilities, documented processes and regulations, as well as further organizational and technical measures.

The following fundamental principles have been taken into account in the creation of information security guidelines and concepts, and for the implementation of measures:

#### **Appropriateness**

The objectives of the security measures and the effort required are in reasonable proportion to one another. In addition to their compliance with legally-stipulated security requirements, security measures are also always subjected to an 'appropriateness check' to see if they are proportionate with regard to the protective purpose.

#### **Resources**

Sufficient financial, staffing and time resources are provided in order to achieve and maintain an appropriate level of security.

#### **Involving the employees**

Information security affects every employee. Every individual must help to avoid damage by behaving in a responsible and security-conscious way.

### **Information classification**

All information processed as part of business processes must be classified according to its protection requirement. This is a precondition for risk analysis and the implementation of appropriate protective measures.

### **Data protection**

The constitution of the Federal Republic of Germany gives citizens the fundamental right to determine for themselves how their personal data is used. The task of data protection is, according to the GDPR and the updated German Federal Data Protection Act (*BDSG neu*), "to protect the personal rights of the individual from being compromised by the use of his or her personal data".

All the data protection legislation is only related to personal data. This includes "individual entries regarding the personal or factual circumstances of an identified or identifiable natural person (data subject)." Legal entities are not covered.

This directive is used to define the fundamental data protection principles at FKFS.

### **Objective and purpose**

Protection of the individual; so that his or her personal rights are not compromised in any way by the use of his or her personal data.

Basis for the integrated data protection process at FKFS, as well as for all data protection sub-processes.

## **7. Integration of sustainability requirements into organizations and processes**

### **Company declaration and documentation**

Our organization is conscious of the need for transparent and sustainable processes and business relationships. This means that we and our business partners are committed to a Code of Conduct. We are able to collect and present the appropriate documents and recordings in order to prove we have fulfilled our duty of care.

### **Training**

We run a training program to develop our staff in their relevant roles, in order to improve the specification of guidelines, the implementation of processes and the communication of expectations to our staff.

### **Adhering to the Code of Conduct**

The organization reserves the right to check adherence to the standards specified here in an appropriate way, e.g. during audits, and adapt it if necessary. If laws are violated or the standards defined here are breached, we will take decisive action, including taking disciplinary action or ending business relationships.

Legal violations result in serious disadvantages for the organization, for example, in the form of fines or claims for damages. Additionally there is potential damage to our reputation – which, as an established and well-regarded development and research service provider, would weaken our organization

considerably. In many cases, even the mere appearance of a legal violation can negatively influence the attitude of the public and the behavior of our renowned customers, suppliers and other business partners. So by complying with applicable legislation, every member of staff is acting in the corporate interests of FKFS. Legal prohibitions and obligations must be complied with, even if they appear impractical or commercially unfavorable from the perspective of the individual or the organization. When in doubt, lawful conduct always has priority. Every member of staff can rely on this principle. This even applies to contradictory instructions from management or the management board.

To protect our own employees and those of our business partners, we therefore pay special attention to early recognition and eradication of misconduct. In the organization, great value is placed on internal or external information regarding potential non-compliance with regulations or requirements. We request appropriate notification in order to deal with the issue as quickly as possible – so we can ensure damage to people or the organization's interests is prevented.

#### Implementation and supportive measures as part of the Code of Conduct

Within the function for which they are responsible, the organization's managers are required to inform and instruct all employees working in their area of responsibility in a suitable way about the content and meaning of this Code of Conduct – including its relevant accompanying guidelines. The management will support their staff in acting lawfully to the best of their ability. This is the only way to ensure that the fundamental principles set down in this Code of Conduct are an integral part of our daily business, and remain firmly anchored in our corporate culture.

Managers reporting directly to the board must report existing infringements to the board immediately, as well as informing them about appropriate preventative measures. All employees are obliged to be actively involved in the reporting process, if required.

#### Contact

If you have questions about sustainability or the Code of Conduct, you can reach our Sustainability Contact via **Sustainability@fkfs.de** at any time.

Stuttgart, October 01, 2022

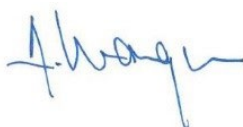
The FKFS Management Board



Prof. Dr.-Ing. André Casal Kulzer



Prof. Dr.-Ing. Hans-Christian Reuss



Prof. Dr.-Ing. Andreas Wagner