

Social Policy

Fundamental principles regarding social rights and commercial relationships at the Research Institute of Automotive Engineering and Vehicle Engines Stuttgart

The following describes the fundamental social rights and principles which the independent Research Institute of Automotive Engineering and Vehicle Engines Stuttgart FKFS feels a duty to uphold. This is the basis for our understanding of our FKFS corporate policy. The social rights and principles stated in this agreement are essentially based on the conventions of the International Labor Organization. FKFS upholds the rights of its employees and is committed to treating them fairly and with respect.

The working relationship between the Board of Management, the Workers' Council and the employees is conducted within the boundaries of cooperative conflict resolution and social obligation – while allowing for sustainable commercial and technical competitiveness. This especially against the backdrop of a significant social obligation to secure and develop employment.

Objectives and fundamental principles

1. Safeguarding human rights

FKFS is committed to internationally-recognized human rights. It aligns its conduct with the guiding principles of the United Nations for business and human rights, as well as the core labor standards of the International Labor Organization (ILO).

2. No discrimination

FKFS values the diversity of its employees. It ensures its employees are treated equally and will not tolerate any discrimination with regard to

- Gender, ethnicity and nationality
- Religion and world view
- Sexual identity and orientation
- Physical and/or mental impairments
- Age
- Social background
- Political, social or religious activity. These would however be limited if the employee's behavior
 is directed against democratic principles and tolerance of those who think differently.

The employee selection process at FKFS primarily considers the qualifications and skills of potential staff. During their employment at FKFS, employees are promoted in line with these two criteria.



Should they feel discriminated against, every employee can complain to the HR Department and the Workers' Council. The regulations for the Works Constitution Act regarding the general right to appeal remain unaffected. The affected employee's complaint will not result in the employee being disadvantaged.

Anonymous complaints are not considered as a matter of principle, due to the lack of opportunity to address them.

3. No slavery, forced labor or compulsory labor

FKFS rejects every form of slavery, forced labor or compulsory labor and respects the fundamental principle of freely-chosen employment.

4. No child labor

Child labor is forbidden and is rejected by FKFS. We adhere to the minimum age for admission to employment; in line with government regulations.

5. Remuneration and working times

FKFS recognizes the right of its employees to appropriate remuneration. At the very least, the remuneration and social contributions at FKFS meet the legal standards.

If there are no legal requirements, the remuneration is aligned with the industry-specific and locally-accepted remuneration and benefits which represent an appropriate standard of living for FKFS employees.

At the very least, the working time meets the legal requirements of the economic sectors.

Implementation and application

1. Publicity

The employees at FKFS will be informed about this agreement. In line with relevant corporate practices, the Workers' Council will be given the opportunity to carry out this briefing together with representatives of FKFS.

2. Cooperation through fundamental principles

If these objectives and fundamental principles are also anchored in the corporate policy of its business partners, FKFS would regard that as highly positive. This can significantly support the development of an excellent business relationship.

3. Rights of third parties

No third parties can make any claims arising from this declaration.



4. Commencement

The declaration comes into effect once it has been signed and does not apply retroactively.

5. Contacts

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

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