Code of Conduct for Suppliers of Virtual Vehicle Research GmbH (Virtual Vehicle)

Virtual Vehicle Research GmbH
Inffeldgasse 21A
8010 Graz, AUSTRIA
www.v2c2.at

Contents

1. Preamble 2
2. Compliance & responsible corporate governance 3
3. Social responsibility 3
4. Environmental protection and climate protection 5
5. Supply chain management 5
6. Reporting misconduct - whistleblowing 5
7. Cooperation and participation 6

1. Preamble

Entrepreneurial activity also entails the responsibility to pay particular attention to the basic rules of human coexistence. Therefore, compliance with applicable laws and regulations and, in particular, respect for the rights of all people is a fundamental principle of Virtual Vehicle's actions. However, we place this demand not only on ourselves, but also on our suppliers of goods and services as well as on business intermediaries, consultants and other business partners (hereinafter referred to as "business partners").

This Code of Conduct (CoC) defines Virtual Vehicle's principles and sustainability requirements for its business partners. It is intended to ensure that the business practices of business partners are in line with the values of Virtual Vehicle and the applicable laws and regulations.

The principles and sustainability requirements are based on the Business Conduct Guidelines (BCG) of Virtual Vehicle, taking into account national, European and international regulations as well as the UN Guiding Principles on Business and Human Rights, the principles of the UN Global Compact, the International Bill of Human Rights and the United Nations Convention against Corruption, among others.

2. Compliance & responsible corporate governance

Compliance with the law

Business partners undertake to comply with all applicable national, European and international regulations. Our business partners may not directly or indirectly participate in illegal activities.

Financial responsibility and disclosure of information

Business partners shall ensure that they adhere to the highest standards of integrity. It is essential that internal and external reports and documents prepared, published or made available to the authorities are complete, appropriate, accurate, timely and understandable. In addition, accurate records and reports of financial information are necessary to make responsible business decisions. All financial books, records and accounts must accurately reflect transactions and events and conform to generally accepted accounting principles.

Prohibition of active and passive corruption/prohibition of granting benefits (e.g. gifts) to employees

The business partners undertake not to tolerate any form of active corruption (offering and granting benefits, bribery) or passive corruption (demanding and accepting benefits) or to engage in any form of corruption.

The business partners undertake not to offer any gifts or other personal benefits (e.g. invitations) to employees or close relatives of employees of Virtual Vehicle if their total value and the specific circumstances give the impression that the recipient of the benefit is expected to behave in a certain way in return. Whether this is the case depends on the specific circumstances of the individual case.

Gifts of low value and hospitality within the scope of customary business practices are permitted.

Furthermore, the business partners undertake to offer Virtual Vehicle employees who purchase goods or services for their personal use at normal market prices or to grant discounts or other price reductions only if these are granted to all Virtual Vehicle employees.

Money laundering

The business partners expressly undertake to comply with the applicable legal provisions for the prevention of money laundering and not to participate in money laundering activities.

Free and fair competition

The business partners undertake not to restrict free competition and not to violate national, European or international antitrust regulations.

In particular, the business partners undertake in this context not to enter into any agreements on business matters that determine or influence the competitive behavior of companies (e.g. price agreements or allocation of markets or customers) and not to exchange information on confidential matters of Virtual Vehicle such as prices, terms of sale, costs, capacity utilization, inventories, etc. - not even unilaterally.

Protection of information, intellectual property and data

The business partners undertake to adequately protect all information owned by Virtual Vehicle and Virtual Vehicle's intellectual property. In particular, the business partners must ensure that Virtual Vehicle's confidential information is kept secret.

In addition, business partners must comply with all applicable legal provisions for the protection of intellectual property (e.g. patents, trademarks, copyrights) and, in particular, respect the intellectual property of third parties and avoid infringements of intellectual property rights (e.g. through plagiarism).

Personal data is subject to special protection, and the use of such data is only permitted under special conditions. Any processing of personal data of employees, customers and business partners of Virtual Vehicle (e.g. collection, use and storage) must in any case comply with the European General Data Protection Regulation (Regulation (EU) 2016/679) and the applicable data protection laws.

Trade and export control, sanctions and embargoes

In all countries in which they operate, the business partners ensure compliance with the applicable trade and export control regulations as well as the regulations on (economic) sanctions and embargoes, including no (re-)export of sanctioned goods and services to Russia or import of goods of Russian origin (e.g. iron and steel products).

3. Social responsibility

Respect for human rights & working conditions

Business partners undertake to respect and comply with human rights as fundamental values based on the International Bill of Human Rights, the UN Guiding Principles on Business and Human Rights and the principles of the UN Global Compact.

Ban on child labor

Business partners shall not tolerate child labor within their own operations or at direct suppliers under any circumstances and shall comply with the following requirements:

- Prohibition of the worst forms of child labor (ILO 182).
- The minimum age for taking up employment corresponds to the requirements of the national law of the supplier location and is at least 15 years (ILO 138).
- Persons under the age of 18 are minors and therefore in need of protection (ILO 182). They may not perform work which, by its nature or the circumstances in which it is performed, would endanger their safety, health or morals, e.g. by working overtime or night shifts (ILO 138).

Prohibition of forced and compulsory labor, human trafficking and modern slavery

Business partners must ensure that all employment is voluntary. Forced labor and any other form of modern slavery in the sense of servitude and forced labor or human trafficking are strictly prohibited. This includes:

- Work or service that is required of a person under threat of punishment and for which he or she has not volunteered (ILO 29) and
- all forms of slavery, slavery-like practices (e.g. demanding excessive fees and withholding documents), servitude or other forms of domination or oppression (e.g. debt bondage and use of violence) in the workplace environment, such as extreme economic or sexual exploitation or humiliation.

Collective bargaining and the right to freedom of association

Virtual Vehicle recognizes the right of workers to form employee representative bodies and to engage in collective bargaining to regulate working conditions. Business partners must uphold the right of employees to form trade unions in their companies. Forming, joining and being a member of a trade union must not be used as a reason for unjustified discrimination or retaliation. Trade unions must be allowed to operate freely and in accordance with the law of the place of employment. This includes the right to strike and the right to collective bargaining.

The business partners must rule out the use of security forces to restrict freedom of association.

Diversity, equal opportunities and the prohibition of discrimination

The business partners undertake to effectively prevent discrimination or harassment based on gender, marital status or parenthood, ethnic or national origin, age, disability, sexual orientation, religion or other personal characteristics. Regarding remuneration, the principle of equal pay for work of equal value regardless of gender must be observed (ILO110 and ILO111).

Remuneration and working hours

The remuneration of employees must comply with the applicable statutory and collective agreement regulations and cover the basic needs of employees and their families and enable an adequate standard of living.

The business partners undertake to set clear guidelines for employees' working hours. The regulations on working hours must comply with legal requirements and, among other things, counteract excessive physical and mental fatigue of employees.

Health and safety in the workplace

Virtual Vehicle requires all business partners to provide safe and healthy working conditions for all employees working for or under the supervision of a business partner. This also includes the provision of personal protective equipment. In any case, business partners must comply with the occupational health and safety obligations applicable under the law of the place of employment. In addition, Virtual Vehicle recommends the introduction of an occupational health and safety management system such as ISO 45001 or OHSAS 18001, unless there is already a corresponding legal obligation to do so.

Security personnel

Business partners who use private or public security personnel to protect their own operations must ensure that the security personnel respect human rights.

Local communities and indigenous peoples

Virtual Vehicle requires all business partners to support the local communities and indigenous peoples around their companies. In particular, negative impacts of business partners' operations on the health, safety and livelihoods of local communities and indigenous peoples are not to be tolerated. In this regard, business partners also undertake to respect the prohibition of unlawful forced evictions and not to contribute to the acquisition, development or other use of land, forests or waters in a way that deprives those indigenous peoples or local communities whose livelihoods they secure.

4. Environmental protection and climate protection

Business partners undertake to comply with all relevant national, European and international regulations (e.g. RoHS Directive 2011/65/EU on the restriction of the use of certain hazardous substances in electrical and electronic equipment; REACH Regulation No. 1907/2006 on chemical substances) and internationally recognized environmental protection standards. In particular, business partners must meet the requirements of the international conventions of Minamata (mercury), Stockholm (persistent organic pollutants) and Basel (hazardous waste).

In addition, the business partners undertake to avoid any risks to people and the environment, to minimize the impact on the environment and to use resources sparingly.

Virtual Vehicle recommends the introduction of an environmental management system such as ISO 14001 or EMAS.

CO2 footprint

Virtual Vehicle is committed to the goals of the Paris Climate Agreement and is contributing to the reduction of CO2 emissions and climate neutrality through extensive research and development of new technologies. We also require our business partners to contribute to climate protection. Virtual Vehicle's business partners are therefore obliged to provide information on their carbon footprint in accordance with the European sustainability reporting requirements, to develop reduction targets for CO2 emissions in their own business area and along the supply chain (Scope 1, 2 and 3 of the Greenhouse Gas Protocol) and to take measures that are suitable for working towards achieving the goals of the Paris Climate Agreement.

Saving resources

As part of its research and development, Virtual Vehicle is also a driving force in resource conservation and the circular economy. Virtual Vehicle's business partners are also encouraged to focus on saving resources, especially water and electricity, and reducing waste. Virtual Vehicle's business partners are therefore encouraged to promote the use and production of recycled material, e.g. by reducing packaging quantities and using reusable packaging material.

5. Supply chain management

Virtual Vehicle requires all business partners to take suitable and appropriate measures to identify negative impacts on human rights or the environment that arise along the entire supply chain and to eliminate such negative impacts or, if this is not immediately possible, to minimize the extent of these impacts.

Business partners are also obliged to pass on the contents of this CoC for Virtual Vehicle business partners and in particular the contents of point 3 ("Social responsibility") and point 4 ("Environment and climate protection") to their own suppliers and subcontractors, to commit them accordingly and to check their compliance in the supply chain.

To facilitate compliance with the above obligations, Virtual Vehicle recommends setting up a risk management system for the supply chains and/or obtaining certification according to recognized initiatives, such as RMI (Responsible Mining Index), Responsible Steel or IRMA (Initiative for Responsible Mining Assurance) for raw materials.

Raw and source minerals

Business partners undertake to comply with all applicable laws and regulations on conflict minerals (tin, tantalum, tungsten and gold) and to be able to provide information on the origin and supply chain of conflict minerals.

Counterfeits & product plagiarism

Virtual Vehicle requires its business partners to implement and maintain effective measures and processes to identify and minimize the risk of introducing counterfeit parts and materials into our supply chain. If detected, business partners are expected to implement effective procedures to quarantine the product and inform the recipients of counterfeit products.

6. Reporting misconduct - whistleblowing

Virtual Vehicle has set up a web-based whistleblower system at https://v2c2.trusty.report/, which can be used by both its employees and external whistleblowers. Unless there is already a corresponding legal obligation, Virtual Vehicle recommends that its business partners set up a similar system in which violations relating to the above-mentioned topics can be reported both openly and anonymously. Business partners must ensure that whistleblowers are protected from retaliation.

In addition, business partners undertake to make their own employees and direct suppliers aware of the possibility of reporting via the Virtual Vehicle whistleblower system.

7. Cooperation and participation

Virtual Vehicle is entitled to inspect or audit the processes established by the business partners to comply with the principles and requirements of this Code of Conduct, including the due diligence measures and training taken in connection with human rights and the protection of the environment, as well as the timely implementation of any corrective action plan, or to have them inspected or audited by third parties commissioned by Virtual Vehicle. The business partners shall provide Virtual Vehicle, or the third parties commissioned by Virtual Vehicle with all requested information and documents for inspection and give them the opportunity to hold discussions or interviews with managers, executives and employees, insofar as this is reasonably necessary for these purposes.

Virtual Vehicle also reserves the right to take appropriate measures in the event of violations, which may ultimately lead to the suspension or termination of the supply relationship.

In addition, business partners undertake to participate in training courses on the principles and sustainability requirements set out in this Code of Conduct at the request of Virtual Vehicle and to confirm their participation in writing.