automotive engineering

Code of Conduct

Setting Standards – Taking Responsibility

The Code of Conduct is the overriding set of rules underlying IAV's Compliance Management System. It provides a framework by which every employee[1] throughout the world decides and acts in accordance with uniform standards. It aims to give direction and serves as an aid to avoid behavioral uncertainties.

Our conduct is invariably based on the same binding principles.

As the Management and General Works Council, we are committed to the following principles of conduct. Rule-compliant and ethically irreproachable conduct is a task for us all.

Matthias Kratzsch,
President and CEO/CTO

Katja Ziegler,
Chief Financial Officer

Dr. Uwe Horn,
Chief Human Resources Officer

Nadège Ericsson,
Chief Compliance Officer

Tanja Schneider,
General Works Council

Jörn Klenner,
General Works Council

[1] "Employee" in this Code of Conduct is gender-neutral and used to mean both male and female employees.

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Introduction

As an engineering partner for future technologies, our integrity, fairness and independence are of paramount importance. That is why we act responsibly towards our employees, customers, suppliers and business partners, and are mindful in dealing with nature and resources.

The Code of Conduct summarizes the behavioral guidelines under the following fields of responsibility:

- Responsibility for employees, IAV and business partners
- Corporate responsibility
- Social responsibility
- Macroeconomic responsibility

The Code of Conduct is supplemented by internal compliance policies, processes, rules, and applicable employment contracts.

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Responsibility for Employees, IAV and Business Partners

We bear responsibility for our colleagues, IAV and its business partners. Together, we represent IAV both internally and externally. We are committed to preserving IAV's good reputation. Our appearance, actions, and conduct define IAV's image worldwide. In going about our offcial duties, everyone must ensure that IAV is respected in the public eye and in the eyes of customers.

Management Culture

At IAV, we create an environment in which people work with enthusiasm. For this reason, executives must define with their staff a common understanding of the task in hand and lay down the necessary framework of action in line with our ethics and our rules and values. This is to enable our employees to work on their own initiative. As role models, executives assume a particular responsibility and keep their eye on our overall interests. They prevent violations through appropriate oversight.

Data Protection

IAV respects the right of each and every individual to have their personal data protected. We protect the personal data of employees and partners by complying with the provisions and requirements of data protection law when pro-cessing personal data. IAV is committed to the basic principles of data protection. These are legality, processing in good faith, transparency, purpose limitation, data minimization, accuracy, storage limitations, integrity, confidentiality, and the accountability of the person processing the data. The rights of the individuals concerned are protected by us. The Data Protection Team and IAV's Data Protection Officer will answer questions in this regard.

Handling Confidential Information

Our work with customers gives us insight into confidential expertise, ideas, concepts and plans as well as access to prototypes and test components. For us at IAV, the confidence and trust this demands is essential for doing business. The same applies to IAV's own internal information, such as new approaches to development, business ideas or business documents.

Information that comes to our knowledge in the course of our business activity must be treated in confidence and used solely within the scope permissible. It must only be passed on to third parties with the consent of the party providing the information. Internally, confidential information must only be given to persons who, by virtue of their job duties, need to have knowledge of such information. Your manager and the Management System Officer for Corporate Security will answer questions in this regard.

IT Security

Electronic data processing systems are indispensable. Tampering with these systems or system malfunctions can have serious consequences, such as loss of data, theft of personal data or violations of copyrights or intellectual property rights. For this reason, IAV has taken appropriate measures to ensure the confidentiality, integrity and availability of information stored electronically. Your manager and the Management System Officer for Corporate Security will answer questions in this regard.

Industrial Property Rights

We at IAV acknowledge the industrial property rights of our partners and also of our competitors. The terms and conditions of licenses for software used must be observed. IAV's own knowledge must be protected. The Patents Department must be notified of inventions without delay. The Patents Department and Legal Department will answer questions in this regard.

Protection of Corporate Property

IAV property serves a specific purpose. Unless private use is explicitly permitted, company property must only be employed for business purposes. It must be treated properly and carefully and protected from loss.

Responsibility for our Company's Image

The IAV brand with its brand core and brand values gives us a guide for clearly communicating our expertise, our high standards and our attitude. A strong IAV brand provides direction, creates trust and paves the way to long-term relations with our partners.

Corporate Responsibility

Every day our executives and employees create new assets with their commitment and performance. We make decisions in a professional manner on the basis of objective criteria. A reliable, binding, and customer-focused manner towards business partners secures the company's long-term success.

Conflicts of Interest and Shareholding

In reaching business decisions, conflicts between work-related duties and personal interests must be avoided. The 'multiple-eyes-principle' must be followed. Actual as well as merely apparent conflicts of interest must be disclosed to the relevant line management and the other parties involved in reaching the particular business decision. The decision must be reached without the party with whom a conflict of interest exists.

IAV must be informed of any major interests held in companies that cultivate ongoing business relations with or compete with IAV. This also applies to major interests held by third parties on the shareholder's behalf.

Your manager or Compliance will answer questions in this regard.

Preventing Corruption

Business connections must not be exploited for personal or third-party benefit, nor used to IAV's detriment. In particular, this applies to accepting or demanding, offering or giving for personal gain. The ban on accepting or giving a benefit not only covers direct handouts in the form of payments but also extends to other privileges, such as invitations and gifts if these exceed the customary level and appropriateness. The relevant superior or Compliance will answer questions in this regard.

Donations, Sponsoring and Charity Work

IAV makes donations and sponsors selected charitable organizations and causes. Donating and sponsoring only takes place after passing an approval process. This ensures transparency and rules out conflicts of interest. IAV does not give donations or provide sponsorships that may damage IAV's reputation. Donations and sponsorships for the purpose of benefitting IAV, for example, getting a contract from a customer, or for political, religious or ideological purposes, are prohibited. Please address any queries to the Communications Department.

Secondary Employment

Secondary employment activities capable of impairing work performance are not permitted. In particular, employees must not serve on the board of directors, in the management or on the supervisory board or advisory board of another company unless expressly permitted. Any secondary employment activity at IAV's business partners or competitors is generally forbidden.

Handling Insider Information

Insider information is confidential information that can have a significant effect on the share price of a listed company, such as one of IAV's customers. Employees are prohibited from using such information for his or her own gain and are prohibited from communicating such information to third parties. Employees in possession of insider information must refrain from engaging in private securities transactions using the insider information. Compliance will answer questions in this regard.

Social Responsibility

IAV wants to be a respected member of society. For us, responsibility means conserving natural resources and protecting our environment. It goes without saying that this objective also means respecting and complying with legislation and IAV's behavioral principles. Executives and employees are required to carefully consider social and ecological consequences our decisions and actions might have.

Sustainability and Environmental Protection

IAV is aware of its responsibility towards the environment and society. Sustainability is the goal and basis of our research and development and our actions. Our work is geared towards developing state-of-the-art economical and environmentally friendly products: Solutions for the entire mobility ecosystem.

We support our customers in achieving their goals of protecting human health, natural resources and the environment, especially climate protection. Compliance with applicable environmental laws and international standards is a matter of course for us. We also act in a legally compliant manner in our work processes and are constantly looking for ways to improve our climate and resource consumption balances. We are committed to limiting energy and resource consumption (especially water, raw materials) and the resulting impacts (in particular emissions, pollutants, waste) by taking suitable and appropriate measures. IAV publishes an annual sustainability report in which resource consumption is disclosed.

Human Rights

Human rights form the basis for living together in a responsible manner. IAV promotes respect for human rights. In particular, IAV does not tolerate child or forced labor. IAV also demands the same from business partners.

Equal Opportunities and Respect

IAV fosters an attitude of respect and appreciation for each other as well as openness to people from different countries and cultures. Discrimination on the grounds of nationality, citizenship, pregnancy or parenthood, marital status, sexual orientation, skin color, gender, disability, veteran status, religion or belief, age, race, social/ethnical origin, political opinions (insofar as the latter is based on democratic principles and tolerance), or other legally protected reasons must be ruled out. Any type of discrimination is prohibited. Everybody must be treated fairly and respectfully. IAV's aim is to give equal opportunities to women and men.

Health and Safety at the Workplace

IAV respects the right of every employee to a safe and healthy working environment and complies with the applicable standards and specifications on health and safety at work. Occupational accidents, occupational illnesses and work-related health risks are prevented through training and through safety and occupational health measures (e.g. the safe handling of technical equipment). Questions on this will be answered by the occupational safety and employee representatives.

Employee Representatives

IAV acknowledges the right of all employees to safeguard their interests through employee representatives. The company management and executives cooperate with them in an open and trusting manner and engage in constructive dialog. The participation and advisory rights of employee representatives are respected. Employee representatives must be included in decisions that are subject to employee participation.

Product Conformity and Safety

As a leading engineering provider, IAV is expected to produce results of the highest standard. The safety and conformity of our products and solutions and those of our customers with the standards are our top priority. IAV takes into account the legal and technical provisions and standards for product safety and conformity in each phase of value creation. Your superiors, coordinators or experts appointed by IAV, the Quality Management and Product Control as well as Compliance will answer questions in this regard.

Quality Assurance

In our engineering and manufacturing activities, we work according to the highest principles of quality and follow applicable legal requirements, technical rules, regulations, and always comply with approval processes for design, testing, use and disposal of products. In evaluating products and services, we act according to the standards of an independent technical expert; this applies in particular to our laboratory and testing facilities. We ensure that every in-house and external testing and authorization procedure as well as our quality assurance measures are carried out.

Research and Development

As an engineering partner, we analyze which long-term impact our innovations, developments and future technologies have on our environment. There are possibly no legal regulations yet for tomorrow's technologies or solutions – so it is all the more important for us to abide by ethical principles for our decisions and actions.

Political Lobbying

IAV defends the company's interests as part of the social opinion-forming process. This must take place openly and transparently in observance of statutory provisions.

RADIO
MEDIA
PHONE
NAV
TP
SETUP
Customers
Guidelines
Protection
Responsibility
Transparency
Staff
Legislation

Macroeconomic Responsibility

IAV is committed to social market economy principles. We leave no margin of doubt by excelling with our cutting-edge engineering tools and in the way we perform, complying with the rules of law and following our society's code of ethics.

Fair Competition

We are committed to fair and open competition. Competition and antitrust law must be observed. Agreements with competitors that may restrict or prevent competition are prohibited. In particular, this applies to entering agreements with competitors on prices, pricing policy, tendering, capacities, terms of business, market shares or technologies. The Legal Department and Compliance will answer any questions on competition and antitrust law.

Purchasing

IAV works with qualified suppliers and service providers. Suppliers and service providers must be selected carefully and on the basis of objective criteria. Before approving a supplier or service provider, information must be obtained on the market it operates in, and on alternative suppliers. Orders worth a substantial value must only be placed after obtaining and comparing quotes. IAV's Purchasing Department assists with questions on procurement matters.

Deploying Consultants

In the careful selection and deployment of external consultants, we ensure in particular that the remuneration is proportionate with the service provided. We adhere to our purchasing guidelines and statutory regulations. Contact persons for questions are the Purchasing department and the Legal department.

Accounting and Financial Reporting

Trust and confidence on the part of shareholders and business partners are essential for the company to grow and prosper. IAV follows the legal provisions on proper accounting and financial reporting.

Customs and Export Control

As an enterprise with operations spanning the globe, IAV meets all the regulations on importing and exporting goods, services, information and technology. Questions on the issue are answered by the Customs Affairs Manager.

Questions, Reporting and Contact Details

This Code of Conduct is an integral part of the IAV Compliance Management System. The system comprises measures that strengthen our values, and it demands and promotes a high standard of integrity in our dealings with one another and with our business partners. Moreover, the system includes compliance to fulfill legal provisions and requirements of government authorities. It integrates every compliance issue, including technical compliance.

The first contact in the event of uncertainty or queries about our rules of conduct and principles are the superiors. Employees and managers may also contact the persons responsible for the compliance organization at IAV directly or the relevant specialist department or the appointed expert at IAV at any time.

Our employees are called upon to be alert, observant and to express concerns if they suspect that internal or external rules are being violated. In the case of major

violations, they are even obliged to do so, provided that they do not incriminate themselves by submitting a report. In doing so, they help us prevent mistakes and enable us to eliminate potential abuses.

Information can be given to supervisors, those responsible for compliance or, in the case of special confidentiality, to the external ombudsman or the electronic whistleblower portal "SpeakUp". External parties can also contact our compliance officers or our ombudsperson or the electronic portal "SpeakUp". Details can be found in the "Submitting reports" compliance policy.

Reports and questions are processed and answered in any national and working language of IAV employees.

IAV protects reporting persons and persons close to them (e. g. colleagues and relatives) who submit a report in good faith against any form of coercion, intimidation or harassment and against other disadvantages (hereinafter

referred to as reprisals) that they experience or could experience as a result of submitting a report (see “Submitting reports” compliance policy). Other persons who help to clarify suspected cases are also protected by IAV against any form of reprisal. In both cases, the threat and attempt to inflict reprisals is included.

Violations of the principle of protection of reporting persons are themselves regarded as breaches of the rules or misconduct and punishable by disciplinary measures, up to and including termination of employment. If a reporting person or other person believes that reprisals are or have been taken against them because they have submitted a report or assisted in the clarification of a matter, we expressly request that this be reported via IAV’s SpeakUp system (see “Submitting reports” compliance policy).

In the event that it should transpire that a reporting person has deliberately submitted a false or misleading report or if a person deliberately provides false or misleading information, IAV reserves the right to take legal action. IAV’s corporate culture is based on collegial cooperation and mutual trust. These values must be preserved. Denunciation has no place at IAV.

For questions and reports please contact:

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For notices via our electronic SpeakUp portal:

https://www.speakupfeedback.eu/web/iavsuppliers

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