



VC Automotive Group

*Innovative together*

## SUPPLIER CODE OF CONDUCT



Visscher-Caravelle

*Innovative car mats*



Vicim

*Innovative mouldings*



VANPROTECH

innovative car protection parts

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## INTRODUCTION

Visscher-Caravelle Automotive Group is a global tier one automotive supplier. ‘We are a family-owned business with a company culture characterized by trust-based relationships. Through meaningful connections, we strive for a positive impact in all our operations. We have a global presence with manufacturing facilities in Poland, Mexico, and China. Our core business is in car flooring and our product portfolio includes floor mats, both in textile (Visscher-Caravelle) and all-weather mats (Vicim), as well as protection panels (floors, walls) for minivans (Vanprotech).

At Visscher-Caravelle Automotive Group, we are committed to driving positive change in all business ecosystems in which we collaborate. Our corporate vision “Growth by Nature” illustrates our desire to contribute to a society with more natural, human, social, and financial capital. It is our belief and experience that such truly sustainable growth results in business ecosystems that are resilient and thriving. In other words, we aim to make sustainability, profitability, and human flourishing go hand in hand. As a leading manufacturer, we recognize our responsibility to minimize our environmental footprint and contribute to a more sustainable future.

To pursue our sustainability vision, we acknowledge the importance of a collaborative approach. Therefore, this Supplier Code of Conduct represents our expectation related to the conduct of parties doing business with Visscher-Caravelle Automotive Group (hereinafter referred to as VC) and concerns both our direct- and indirect suppliers. Suppliers are expected to understand and act in accordance with VC’s approach to integrity, responsible sourcing, and supply chain management. We expect that our suppliers will cascade similar expectations through their supply chains, comply with applicable laws and standards, and behave respectfully honoring VC’s values and principles of work throughout the entire supply chain. These principles are described in this Supplier Code of Conduct, as well as in VC’s Global Code of Conduct.

Suppliers are expected to actively contribute to achieving VC’s goals for Environmental, Social, and Governance (ESG). This requires transparency and reporting (e.g. on carbon footprint) as well as cooperation with suppliers audits.’

*This Supplier Code of Conduct has been reviewed and approved by the VC Group Board of Directors:*

**Revision date:** November 16<sup>th</sup>, 2023

**Approved by:** Tiemen van Dijk – CEO | VC Automotive Group

**Signature:**



# 1. HUMAN RIGHTS AND WORKING CONDITIONS

*The supplier is expected to adhere to the following standards related to (international) human rights and working conditions. These standards are used according to the UN Universal Declaration of human rights, the UN Global Compact, and the ILO International Labor Standards.*

## 1.1. Child labor

Suppliers will not use child labor. VC has a zero-tolerance policy regarding the employment of children where the age of employment is not in accordance with applicable laws.

## 1.2. Conditions of employment

The supplier will comply with local laws regulating work hours, wages, and benefits. Employees must be paid in a timely fashion that meets or exceeds minimum legal standards.

## 1.3. Forced labor

The supplier will not use slaves, prisoner, or any other form of forced or involuntary labor. Suppliers must take reasonable measures to ensure that all their employees understand the terms of their employment.

## 1.4. Freedom of association and collective bargaining

Suppliers will comply with applicable laws that recognize and respect the rights of employees to freedom of association and collective bargaining.

## 1.5. Harassment & discrimination

The supplier will not discriminate based on gender, color, race, national origin, religion, sexual orientation, age, veteran status, disability, or gender identity. Harassment or discrimination of any kind will not be tolerated.

## 1.6. Human trafficking

The supplier will not engage, directly or indirectly in human trafficking. VC prohibits human trafficking abuses.

## 1.7. Labor brokers

If necessary for a supplier to use a labor broker, the supplier will ensure the broker follows this code of conduct, employs ethical recruitment practices, complies with applicable laws, and does not withhold identity documents.

## 1.8. Workplace health & safety

The supplier will provide clean, healthy, and safe environments for its employees that meet or exceed legal standards. The supplier will have safety procedures for their employees and tracking tools that drive to a goal of zero workplace safety incidents. Employees will have the right to refuse work and report any conditions that do not meet these criteria.

## 2. ENVIRONMENT

*The supplier is expected to adhere to the following environmental standards. These standards are used according to the UN's Sustainable Development Goals, the EU Green Deal, and the CSRD regulations. The supplier is also expected to actively contribute to VC's environmental goals related to the following aspects: No waste, Footprint zero, Sustainable innovation, and Circular products and processes.*

### 2.1. Continuous improvement

The supplier will increase efficiency throughout its company and take measures to reduce their carbon footprint, energy use, water use, waste, and other emissions. Over time, VC expects that the supplier will establish targets and become transparent in their progress toward their targets.

### 2.2. Responsible stewardship

The supplier will look to conserve resources and protect the communities and environment that surrounds them. VC encourages the supplier to develop and diffuse environmentally friendly technologies and to increase the use of responsible and environmentally friendly resources.

### 2.3. Air quality

- The supplier takes the necessary permits for emission to air;
- The supplier complies with any other legal requirements on emissions to air (e.g. certain air pollution standards and limit values covering the specific type of production);
- The supplier provides documented information on levels and types of relevant emissions to air, including documentation of adequate training of employees responsible for air emissions;
- The supplier includes diffuse emissions from its activities in estimates of total emissions;
- The supplier has no visible signs of soot or other particles in and near the supplier's facilities because of their emissions into air;
- The supplier keeps emissions in closed systems before emitted into air;
- The supplier cleans emissions before emitted into air (e.g. by applying filters);
- The supplier attempts to reduce air emissions through production efficiencies.

### 2.4. Energy consumption & greenhouse gas emissions

- The supplier complies with regulations regarding the use of energy resources and emissions of the six greenhouse gasses; (GHG), (CO<sub>2</sub> - Carbon dioxide, CH<sub>4</sub> - Methane, N<sub>2</sub>O - Nitrous oxide, PFCs - Perfluorocarbons, HFCs - Hydrofluorocarbons, SF<sub>6</sub> - Sulphur hexafluoride) (e.g. European Emissions Trading Scheme or other national legislation regarding climate);
- The supplier measures and documents emissions from GHG and energy usage and has set targets for reduction;
- The supplier has set targets for the use of renewable energy resources to reduce reliance on fossil fuels;
- The supplier has an action program for meeting reduction targets on emissions of GHG and energy usage.

## 2.5. Waste management

- The supplier will make efforts to prevent and reduce waste to work towards the goal of 'Zero waste';
- The supplier has the necessary permits for the handling, storage, and disposal of hazardous and non-hazardous waste;
- The supplier complies with any other legal requirements for the handling, disposal, and storage of hazardous and non-hazardous waste (e.g. on-site by landfill or incineration, certain standards, or procedures);
- The supplier documents a list or register of hazardous and non-hazardous waste handled, stored, and disposed of, including type and quantity (e.g. over the past three years);
- The supplier provides information on safe handling, storage, and disposal of hazardous and non-hazardous waste - including documentation of adequate training of employees who handle hazardous and non-hazardous waste;
- The supplier provides necessary protective equipment for handling hazardous and non-hazardous waste;
- The supplier marks areas used for storage of hazardous and non-hazardous waste;
- The supplier labels all barrels and containers containing hazardous and non-hazardous waste e.g. including the type of waste and a relevant symbol of danger;
- The supplier attempts to prevent and reduce the production of hazardous and non-hazardous waste through production efficiencies and alternatives;
- The supplier documents disposal receipts from transport contractors;
- The supplier ensures that contractors are licensed for transport, storage, and final disposal of hazardous waste.

## 2.6. Natural resources management

- The supplier has the necessary permits for the cultivation, harvest, extraction, and/or production-related use of natural resources in production (renewable and non-renewable);
- The supplier complies with legal requirements regarding the cultivation, harvest, extraction, and/or production-related use of natural resources;
- The supplier documents a list or registers regarding the cultivation, harvest, extraction, and/or production-related use of natural resources;
- The supplier documents that employees involved in cultivation, harvest, extraction, and/or production-related use of natural resources are adequately trained and have the right competencies;
- The supplier attempts to prevent, minimize, and remedy significant impacts from the cultivation, harvest, extraction, and/or production-related use of natural resources through environmentally friendly methods, efficiencies, and alternative resource use;
- The supplier knows and can document the origin of all natural resources cultivated, harvested, extracted, and/or used in production;
- The supplier in case of cultivation, harvest, extraction, and/or production-related use of natural resources (e.g. water) does not negatively affect the surrounding natural environment or communities;

- The supplier in case of cultivation, harvest, and/or use of renewable resources does not negatively affect the sustainability of the resource;
- The supplier demonstrates efforts to substitute non-renewable resources used in production with renewable resources.

### **2.7. Responsible sourcing of materials**

The supplier is expected to conduct due diligence to understand the source of the raw materials used in their products. The supplier is expected to not knowingly provide products containing raw materials that contribute to human rights abuses, bribery, and ethics violations, or negatively impact the environment. Specifically in terms of conflict minerals, the company is expected to use validated conflict-free smelters and refiners for procurement of tin, tungsten, tantalum, and gold contained in the products they produce.

### **2.8. Responsible chemical management**

- The supplier identifies and manages chemicals to ensure their safe handling, movement, storage, use, recycling or reuse, and disposal;
- The supplier provides Safety Data Sheets/Material Safety Data Sheets that comply with all applicable laws and regulatory requirements;
- The supplier works towards establishing programs (IMDS or equivalent) to collect data from material manufacturers for all components, identifying all process chemicals and intermediates that are identified as classified hazardous substances according to local law, or being considered for classified hazardous evaluation;
- The supplier measures data completeness against bill of materials (BOMs), identifies data shortages, and takes corrective measures to ensure data is traceable to the material manufacturers.

### **2.9. Water quality & consumption**

The supplier preserves water resources through an assessment of water stress in operations and throughout the life cycle and integrates water management into the business plan.

### **2.10. Land, forest, and water rights and forced eviction**

It is expected that the supplier is committed to upholding and respecting the rights of local communities, and all stakeholders in the regions where VC operates. The supplier must be dedicated to upholding and respecting the rights of local communities, indigenous people, and all stakeholders within the regions of its operation. Acknowledging the significance of land, forest, and water resources for both the environment and communities, the supplier commits to adhering to international human rights standards and preventing forced evictions resulting from its activities.

### **2.11. Use of private or public security forces policy**

The supplier will prioritize the safety and security of employees, communities, and assets. If the need arises to engage private or public security forces, VC will ensure that their actions align with our commitment to human rights, local laws, and international standards. Adequate training must be provided to security personnel including community engagement, conflict resolution, and the appropriate use of force. Any incidents involving security personnel will be thoroughly investigated, and appropriate actions will be taken.

### **2.12. Biodiversity, land use, and deforestation policy**

VC acknowledges the critical importance of biodiversity and the preservation of ecosystems. The operations of our supplier must be conducted with a comprehensive understanding of their potential impact on biodiversity and deforestation. The supplier must work to minimize footprint, promote sustainable land use practices, and implement reforestation and habitat restoration initiatives where needed.

### **2.13. Soil quality policy**

VC recognizes that soil is a vital natural resource that supports agriculture, ecosystems, and livelihoods. The supplier commits to preserving and enhancing soil quality in areas where they operate. Supplier practices will include erosion control, responsible land management, and the implementation of sustainable agricultural techniques.

### **2.14. Noise emissions policy**

VC understands the potential negative impacts of noise emissions on local communities and ecosystems. The supplier will proactively work to reduce noise emissions associated with their operations.

## **3. BUSINESS INTEGRITY**

*The supplier is expected to adhere to the following business integrity standards. These standards are aligned with VC's Global Code of Conduct and its Information Security policies, as well as the General Data Protection Regulation.*

### **3.1. Anti-corruption and anti-bribery**

The supplier will not tolerate corruption, bribery, embezzlement, or fraud in any form. This includes giving or receiving anything of value, including money, gifts, or unlawful incentives to improperly influence negotiations or any other dealings with governments and government officials, customers, or any other third parties.

### **3.2. Counterfeit parts**

The supplier is expected to develop, implement, and maintain methods and processes appropriate to their products and services to minimize the risk of introducing counterfeit parts and materials into deliverable products. The supplier is also expected to establish effective processes to detect counterfeit parts and materials and, if detected, quarantine the materials, and notify VC and/or law enforcement as appropriate.

### **3.3. Disclosure of information**

The supplier is required to disclose financial and non-financial information in accordance with applicable regulations and prevailing industry practices and, when applicable, disclose information regarding their labor force, health and safety practices, environmental practices, business activities, financial situation, and performance. No exchange of confidential or sensitive information must be made, even if it is carried out via third parties. Sensitive information includes things, such as prices, timing of price changes, magnitude of price changes, costs, profit margins, sales forecasts, sales plans, sales territories, distribution practices, terms offered to customers, capacity utilization and intentions, competitive bidding plans or



strategy, pricing and marketing strategies, product plans and market shares. This also applies when participating in fairs or trade association meetings.

### **3.4. Ethical behavior**

The supplier is expected to disclose to VC whenever a situation arises in which there appears to be a conflict of interest involving or affecting VC. The supplier will operate honestly and ethically throughout the supply chain, and in accordance with applicable law, including those laws pertaining to; anti-competitive business practices, respect for and protection of intellectual property, company and personal data, export controls, and economic sanctions.

### **3.5. Fair competition**

The supplier must support fair business and fully comply with all applicable fair trade, advertising, competition, and antitrust laws. The supplier is expected to compete fairly and to never enter into any understanding or agreements that hinder competition. Accordingly, this means that as a business partner, you should not undertake in any way with any competitor to; fix prices, discounts, or terms of sale or divide markets, market shares, customers, or territories.

### **3.6. Financial responsibility**

The supplier is expected to accurately record, maintain, and report business documentation including, but not limited to; financial accounts, quality reports, time records, expense reports, and submissions to customers or regulatory authorities, when appropriate. Books and records are expected to be maintained in accordance with applicable law and generally accepted accounting principles.

### **3.7. Privacy**

The supplier is expected to follow applicable laws and rules governing privacy and data protection in all countries where VC operates. The privacy of VC, its employees, and its customers must be respected.

### **3.8. Protecting information and intellectual property**

The supplier must respect intellectual property rights and protect confidential information by safeguarding it against misuse, theft, fraud, or improper disclosure.

### **3.9. Reporting and non-retaliation**

The supplier will provide an adequate mechanism for their employees to report integrity concerns, safety issues, and misconduct without fear of retaliation. The supplier will also appropriately investigate reports and take corrective action if needed. Suppliers will prohibit retaliation.

### **3.10. Stakeholder engagement**

The supplier will communicate this Supplier Code of Conduct or substantially similar codes to their suppliers and subcontractors. The supplier will continuously improve their sustainability and stakeholder engagement progress. VC also encourages the supplier to work closely with local communities to implement projects and strategies that improve the community and those who live there.

### **3.11. Conflicts of interest**

The supplier is expected to make decisions based on solid business judgment unclouded by favoritism resulting from personal relations and opinions.

### **3.12. Export controls and economic sanctions**

The supplier will establish appropriate policies and procedures to ensure compliance with applicable export controls and economic sanctions laws and regulations of all relevant countries. These laws and regulations impose restrictions on the export or re-export of goods, software, services, and technology to certain destinations, as well as prohibitions on transactions involving certain restricted countries, regions, entities, and individuals.

Appropriate policies and procedures may include a statement of management's commitment to compliance; periodic training for relevant personnel; procedures for screening business partners (including suppliers, customers, service providers, and other relevant parties, as well as their beneficial owners) against applicable government lists of restricted parties; appropriate contractual provisions to ensure business partners comply with such applicable laws and regulations; an audit function; and policies and procedures for reporting and remediating potential violations.

## **4. CONCERNS**

Subject to any restriction posed by law, the supplier will promptly inform VC of any concern related to issues governed by this Supplier Code of Conduct. VC policy prohibits retaliation against any person reporting such a concern. To report a concern, the supplier can always speak directly to their VC Contracting and Procurement and Supply Chain representative. Individuals can report an issue 24 hours a day, 7 days a week by phone, email, post, or fax. Individuals reporting concerns can remain anonymous, as permitted by law. VC has a Global Grievance Mechanism Policy that provides a guideline for employees and stakeholders to report any form of grievance and therefore ensures protection as permitted.

## **DECLARATION OF COMPLIANCE**

The supplier, including all its subsidiaries if applicable, will develop and implement appropriate internal business processes and policies to ensure full compliance with this Supplier Code of Conduct as well as related applicable laws, regulations, standards, and contracts. The supplier will be able to demonstrate compliance upon request and will take any action to correct any non-compliance. Failures or violations against this Supplier Code of Conduct might result in enforcements, restrictions, or sanctions depending on the nature of the problem.