

Supplier Sustainability Policy

Volburg's and Accilator Automotive Volburg's vision "Our customers are our partners: their success is our success", indicates the long-term focus of our work. At Volburg and AVA we consider sustainability to be an essential part in all our business operations. Volburg is committed to a Code of Conduct (available at www.volburg.lv) which describes how we do business. At Volburg, we believe that means investing into our future and at the same time it forms the basis of our commercial success today. It opens up new business opportunities and allows us to minimize risks and find timely solutions to environmental, social and business challenges - for us and our stakeholders.

Our supplier network makes a contribution to value creation and hence to our success. Therefore, it is essential that our business partners meet the same environmental, social and governance standards we set for ourselves.

To this end, Volburg has implemented certain governing principles for our suppliers. These principles are based on the UN's Global Compact principles. The purpose of these principles is to ensure that we collaborate with suppliers who share our values regarding sustainability. We expect that our suppliers, as a minimum, follow our sustainability principles when conducting their own business, including protecting the environment and respecting human rights in line with international expectations. In addition, Volburg expects the supplier to monitor its own suppliers in order to ensure commitment to environmental and social responsibility. This is the starting point for entering into and maintaining a business relationship with Volburg. These principles are included in this Supplier Sustainability Policy.

APPLICABILITY

The Supplier Sustainability Policy applies to all suppliers providing products and/or services to Volburg. Workers/employees are considered to be all people who are working for the supplier, whether directly employed, subcontracted or employed by other agency.

COMPLIANCE

Volburg has a process in place to follow-up compliance of suppliers' sustainability work. Suppliers may be asked to answer a self-assessment questionnaire regarding their social and environmental performance. Volburg reserves the right to conduct reviews and/or on-site audits of his suppliers to ensure compliance with this Supplier Sustainability Policy. Supplier agrees to cooperate in order to facilitate such reviews or audits.

SUSTAINABLE PRINCIPLES FOR OUR SUPPLIERS

General

The supplier shall comply with applicable legislative and regulatory requirements.

For Volburg and Accilator Volburg Automotive (hereinafter AVA), it is extremely important that suppliers share its values.

SOCIAL RESPONSIBILITY

Human Rights and Working Conditions

It is crucially important to Volburg, that all business activities take into account the company's social responsibility towards its own employees and society. Therefore, all suppliers are called upon to observe the principles and rights set forth in the guidelines of the UN Initiative 'Global Compact' and the 'ILO Declaration on Fundamental Principles and Rights at Work and its Follow-up' and to align their due diligence process with the requirements of the 'Guiding Principles on Business and Human Rights' by the United Nations.

Of particular importance are the respect for human dignity and internationally recognized human rights like:

- **the prohibition of child labor**

No person shall be employed who is below the minimum legal age for employment. It is forbidden to use children under the minimum legal working age or fifteen (15) years old; whichever is higher, as labor. Employees under eighteen (18) years of age shall not carry out hazardous work.

- **the prohibition of modern slavery** (i.e. slavery, servitude and forced or compulsory labor and human trafficking)

The Supplier shall not engage in or support the use of any form of forced, compulsory or illegal labor. Work must take place on a voluntary basis, and personal documents and possessions must not be confiscated in order to force somebody to work.

- **the prohibition of harassment and discrimination**

No employee shall be discriminated on grounds of their gender, marital or parental status, ethnic or national origin, sexual orientation, religious belief, political affiliation, age, or disability.

- **ensuring the right to freedom of association and collective bargaining**

Employees shall be free to form and join, or not to join, trade unions and to bargain collectively. and

- **compliance with all applicable labor regulations e.g. regarding working hours, wages and benefits and work safety**

As a minimum, statutory wages must be paid and applicable working time legislation must be followed.

Health & Safety

The suppliers shall provide a safe and healthy working environment and take all practicable steps to prevent incidents and injuries. Occupational hazards and injuries shall be documented and necessary measures shall be taken to prevent accidents from reoccurring.

The suppliers shall ensure that all employees are provided with necessary instructions, training and personal protective equipment free of charge necessary for facilitating safe work methods.

Anti-Corruption

All forms of corruption and bribery are unacceptable. Supplier should work against corruption and bribery in all its forms, including but not limited to extortion, fraud, money laundering and facilitation payments.

Whistleblower protection

Suppliers should encourage employees to report any violations or suspected integrity violations. They should have a whistleblower policy in place creating a safe and confidential environment for

employees to make such report. Retaliation against any employee who in good faith reports a concern to the company about illegal or unethical conduct cannot be tolerated and should be subject to disciplinary actions.

Conflict of interest

Suppliers should enforce a conflict of interest policy covering professional or business related conflicts such as personal financial interest and outside business activities; personal relationships and public mandates.

Fair competition and antitrust

Suppliers should define and pursue their commercial activity in total autonomy with respects to competitors. Suppliers should not engage in any illicit behavior, involving:

- (a) understandings, whether horizontal (between competitors) or vertical (between parties operating at a different level of the supply chain), consisting of agreements, agreed practices or decisions by an association of businesses in which two or more businesses adhere to a common strategy to limit their autonomous conduct in the marketplace.
- (b) acts of abusive use of a dominant position,
- (c) operations of concentration without having obtained legal authorization.
- (d) exchanges of confidential information with its competitors except within the limits of what is permitted by the applicable regulations.

Privacy and data protection

- **Confidential information**

The supplier have to explain to its employees that they must not use of confidential information obtained through their employment for personal gain. The disclosure of confidential information to any third party during or after employment is not permitted unless the disclosure has been appropriately authorised, is for a legitimate business reason and the information is being communicated securely. 'Confidential information' is either information that has been described specifically as being confidential or is otherwise obviously confidential from the surrounding circumstances. The use of USB (mass storage devices), file sharing on unapproved systems or private networks, and leaving company's devices (such as laptops) unprotected, is not permitted.

The term 'confidential information' does not include information in the public domain or information which the individual concerned is required by law to disclose.

- **Data Protection**

Due to respect for the privacy of others, suppliers should always exercise great care when processing personal data. The right of employees and business partners to self-determination regarding information should always be guaranteed.

Unauthorized collection, processing and transfer of personal data related to employees and business partners is prohibited.

- **IT security**

Due to the intensive use of IT systems, the activities of suppliers depend to a great extent on the correct functioning and availability of such systems. Furthermore, there is a high risk of loss, theft or unnoticed alteration of information.

For information on limiting this general risk and risks due to technical failure and human error, the Information Security must be observed.

ENVIRONMENTAL RESPONSIBILITY

Suppliers must comply with all local laws and regulations in respect of the environment and local resources. Suppliers shall endeavor to ensure that all activities are conducted in a manner that is responsible and minimizes its impact on the environment, including pollution prevention, waste minimization and CO2 reduction, and conserves resources, while maintaining appropriate commitments to quality. Suppliers should, where applicable, ensure quality control and consumption of water, as well as air quality. The business must be run in such a way that serious discharges and emissions to the ground, water and air are systematically prevented.

Suppliers shall have processes and policies in place to (i) actively improve the efficient use of finite resources (energy, water, raw materials); (ii) minimize the release of harmful emissions in the air and the impact of products and services on the environment; (iii) ensure all waste materials are disposed of properly in an environmentally responsible manner and (iiii) manage responsibly all chemicals.

Material Restrictions

Our suppliers shall comply with all applicable laws and regarding the restriction and registration and where necessary, authorization or notification of chemical substances contained in the end product or production process according to the statutory requirements that apply to the corresponding market (e.g. REACH).

Responsible Sourcing of Raw Materials

We aim to use only raw materials in our products, whose extraction, production, transport, trade, processing and export neither directly nor indirectly contribute to human rights abuses, health & safety issues, environmental pollution or compliance breaches.

This regards to raw materials, such as tin, tungsten, tantalum and gold (3TG) from conflict-affected and high-risk areas (CAHRAs) like the Democratic Republic of the Congo (DRC), as well as cobalt. Smelters without adequate, audited due diligence processes in place shall be avoided. Upon request, suppliers shall disclose their supply chain including information on the origin of the material via the RMI.

Viktors Kononovs
Management Director

12.01. 2022