German Railway Industry Association (VDB)

Code of Conduct

Social Responsibility and Future-Oriented Action

(Translation of the German original, for convenience only)

Preamble

The German Railway Industry Association (hereinafter called "VDB") unites under its roof the manufacturers of all products for the railway operation – i.e. manufacturers of vehicles, control and safety technologies, infrastructure as well as their suppliers and service providers – VDB is engaged in a fair and cooperative business relation, also between the system houses and the supplying industry. The association spends particular commitment to create a common basis for responsible, corporate transactions. By providing this CoC, VDB supports its members in responding to different surrounding conditions in a global market and in facing the challenges of social responsibility that come from intensified collaboration within the value chain. The contents of the CoC have been created based on the Code of Conduct of Zentralverband Elektrotechnik und Elektronikindustrie (ZVEI) e.V.[1]. They should emphasize the interests of both VDB and its members in fair, sustainable, responsible and ethical principles.

The CoC is designed as a voluntary commitment, which may be signed by the members, but which does not create third party rights. VDB recommends its members to subscribe to the voluntary commitment.

1. Basic Understanding of Corporate Management

This CoC is based on a mutual basic understanding of social responsibility in corporate management. This means that the subscribing company assumes responsibility by considering the consequences of its business decisions and actions with regard to economic, technological, social and environmental aspects and by

[1] Central association of the German electrical and electronics industry. The usage of ZVEI-CoC wording (as of 27.12.2008) has been authorized by ZVEI

mediating an appropriate balance of interests. The subscribing company voluntarily contributes to welfare and sustainable development of the society at every place, where it conducts business. It is geared towards universally held ethical values and principles, in particular integrity, honesty, and respect for human dignity.

2. Scope

This CoC is valid for all countries, in which the subscribing company has branches and business units. The subscribing company commits, within its means and scope, to promote adherence to the contents of this CoC by its suppliers and to request them to act in the same way towards their supply chain.

3. Fundamental Principles

The subscribing company proactively works towards sustainable observation of and adherence to the values and principles mentioned below.

3.1 Adherence to Laws

The subscribing company abides by the laws and other regulations in effect in the countries where it conducts business. For countries with a weak institutional framework, it will carefully examine which good business practices from its home country should be applied to support responsible corporate management.

3.2 Integrity and Corporate Governance

The subscribing company orients its activities towards universally held ethical values and principles, in particular to integrity, transparency, honesty, respect of human dignity, openness and non-discrimination of race, ethnicity, gender, religion, or ideology, disability, age or sexual identity.

The subscribing company rejects corruption and bribery as stated in the relevant UN Convention[2]. It promotes integrity, responsible leadership as well as company accountability and takes appropriate steps to prevent direct and indirect commitment of criminal acts, and in particular the following law infringements:

[2] UN Convention against corruption in 2003, in force since 2005

a) theft, fraudulent appropriation, fraud, disloyalty, forgery of an instrument, anticompetitive agreement in public tenders and betrayal of trade secrets and industrial secrets and unauthorized utilization of templates or instructions of technical nature, corruptibility and bribery in business operations, granting of an undue advantage and grant of allowance or other benefits to employees of contractual partners respectively acceptance of such allowances or benefits.

The subscribing company pursues reputable and recognized business practices and fair competition, in particular in compliance with antitrust and competition law requirements.

3.3 Consumer Interests

To the extent consumer interests are affected, the subscribing company abides by the applicable regulations for consumer protection.

3.4 Communication

The subscribing company communicates openly and conversational about the requirements of this CoC and its implementation with employees, clients, suppliers and other stakeholders.

Every document and all information will be duly produced. They will not be unfairly changed or destroyed. They will be stored properly. Trade secrets and industry secrets of business partners are handled sensitively and confidentially; they are neither disseminated nor made accessible to third parties without authorization.

3.5 Human Rights and Labor Conditions

The subscribing company is committed to promoting human rights. It respects human rights as stated in the Human Rights Charter of the United Nations[3]. The subscribing company abides by the following ILO[4] core work standards, to the extent referenced herein below.

[3] General explanation of human rights, UN Resolution 217 A (III) form 1948
[4] ILO = International Labour Organization

3.5.1 Privacy and Data Protection

Privacy including personal data is protected.

3.5.2 Health and Safety

Health and safety at work are protected, especially by granting a safe and health beneficial work environment, in order to avoid accidents and injuries.

3.5.3 Protection against Harassment

Employees are protected from bodily punishment and physical, sexual, psychological or verbal harassment or abuse.

3.5.4 Freedom of Opinion

Freedom of opinion and freedom of expression of opinion are granted and protected.

3.5.5 Ban on Child Labor

The ban on child labor, i.e. employment of persons younger than 15 years, is observed, as long as the local legal requirements do not specify a higher age limit or no exceptions are permitted[5].

3.5.6 Ban on Forced Labor

The ban on forced labor of any kind is observed[6].

3.5.7 Remuneration

Work standards concerning remuneration, especially in regard to the level of remuneration according to applicable laws and regulations are observed[7].

3.5.8 Employee Rights

Employees rights of freedom of association, freedom of assembly and collective bargaining are respected to the extent this is legally permitted and possible in the respective country[8].

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[5] ILO Convention No. 138 from 1973 and ILO Convention No. 182 from 1999
[6] ILO Convention No. 29 from 1930 and ILO Convention No. 105 from 1957
[7] ILO Convention No. 100 from 1951

3.5.9 Ban on Discrimination

Employees of both genders are treated in a non-discriminatory way[9].

3.5.10 Working Hours

The subscribing company abides by work standards concerning the maximum permitted time of work.

3.6 Environment Protection

The subscribing company fulfills the regulations and standards for protection of the environment that apply to their business and acts in an environmentally conscious way at all business sites. Based on the principles of the Rio Declaration[10], it handles natural resources in a responsible way.

3.7 Community Service

The subscribing company contributes to the social and economic development of the countries and regions where it conducts business and promotes appropriate, volunteer activities of its employees.

3.8 Implementation and Enforcement

The subscribing company makes every appropriate and reasonable effort to implement and to continuously apply the principles and values described in this CoC. Contractual partners will be informed upon request and on the basis of reciprocity about essential measures, so it becomes comprehensible how their observance is guaranteed in principle. Disclosure of industrial or trade secrets or any other information related to competition or otherwise deserving protection may not be claimed.

Köln, den 11.12.09

[8] ILO Convention No. 87 from 1948 and ILO Convention No. 98 from 1949
[9] ILO Convention No. 111 from 1958
[10] The 27 principles of the "Rio Declaration on Environment and Development" from 1992 as the result of the UN Conference on Environment and Development in Rio de Janeiro