

AVL United Kingdom – Anti-Slavery and Human Trafficking Statement

Modern slavery is a crime and a violation of fundamental human rights.

AVL UK Limited ("AVL UK") is committed to acting ethically and with integrity in all our business dealings and relationships and we are considering what sort of checks and procedures we can introduce to ensure modern slavery is not taking place anywhere in our own business or in any of our supply chains.

Organisation and operations

AVL UK is an affiliate of AVL GmbH which is based in Graz, Austria. AVL is a global acting company and a market leader with a first class reputation. It is the world's largest independent company for the development, simulation and testing technology of powertrains (hybrid, combustion engines, transmissions, electric motors, batteries and software) for passenger cars, trucks and large engines. You can find out more about our UK business at <https://www.avl.com/web/avl-uk/avl-united-kingdom>.

Code of conduct and policies

AVL UK is committed to the principles of integrity, honesty and fairness. These principles are set-out in a Code of Conduct which is binding on all employees and sets out the standards expected of them.

We are also committed to ensuring there is no modern slavery or human trafficking in our supply chains or in any part of our business and have put in place an Anti-Slavery and Human Trafficking Policy. This policy applies to all AVL UK employees and those working on our behalf in any capacity, including agency workers, seconded workers, interns, contractors, external consultants, third-party representatives and business partners. Amongst other things, this policy requires our employees to:

- notify their manager if they become aware of any issue or have a suspicion of modern slavery in any part of our business or supply chains; and
- communicate AVL UK's stance on modern slavery to all suppliers, contractors and business partners at the outset of a business relationship with them.

By implementing this policy we hope to raise awareness of modern slavery which will help us combat such practices if they arise within our business and/or supply chains.

Our supply chains

We have clearly defined supply chains through which we source, although a significant number of the AVL products supplied to the UK market are provided by our parent company. Nevertheless, we do source some products and services directly from third parties, for example electronic components, fabrications and facility installation works. Where we source from third parties we tend to work with a small number of medium sized entities who provide an end-to-end service to us in order to help us complete a project, rather than using a complex and fragmented network of suppliers and service providers.

Due diligence and supplier adherence

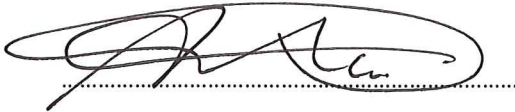
We do not carry out any specific due diligence on our supply chains from a modern slavery perspective. However, our suppliers are made aware of our stance on modern slavery and human trafficking and we are currently considering what processes we can implement to receive assurances from our supply chain in relation to compliance with the Modern Slavery Act 2015.

In our standard terms and conditions of purchase we seek contractual assurances from our suppliers that they are not engaged, whether directly or indirectly, in any violations of human rights, the use of child labour or any other conduct which is prohibited under the Modern Slavery Act 2015. We also seek signed declarations from our suppliers that they can comply with such terms, and will ensure that they are equally applicable to any of their subcontractors in order to drive higher standards throughout the supply chain.

Effectiveness

In order to ensure the effectiveness of AVL UK's stance on combating modern slavery, we monitor the number of suppliers who have returned signed declarations of compliance to us, and where a response has not been presented we will consider what sanctions it may be appropriate for us to impose on those suppliers as a result.

This statement is made pursuant to section 54(1) of the Modern Slavery Act 2015 and sets out the steps taken by AVL UK during its financial year ending 31 December 2016 to prevent slavery and human trafficking from taking place in any of its supply chains or in any part of its business.

A handwritten signature in black ink, appearing to read 'Antonio Ciriello', written over a horizontal dotted line.

Antonio Ciriello. Managing Director, AVL UK Limited

Date 25 July 2017