



CHARTER OF VALUES OF AVL Italia S.r.l.

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INTRODUCTION

AVL Italia s.r.l. (also referred to as only "Società") is the Italian subsidiary of the AVL Group.

The company primarily focuses on the development of innovative mobility systems (including hydrogen engines, hybrid powertrains, battery electric vehicles, and fuel cells), integration of systems into vehicles, advanced driver assistance systems, fully automated driving, technological consulting, and the development of applications for stationary energy.

The company and the resources included in the organization are convinced that gender equality, respect for diversity, inclusion and the fight against all forms of violence and discrimination are fundamental conditions for the achievement of the corporate objectives.

Given this, and with the agreement of its personnel, the company has decided to adopt this charter of values (also referred to simply as the "Charter"), which is intended to guide the company's objectives and to equip itself with the necessary tools to align with these values.

Lastly, the charter of values introduces and makes binding certain structural measures and behavioral norms to implement the set goals and principles.

The administration of AVL Italia s.r.l. has the power to implement, supplement and modify the charter of values and its implementing instruments as will be deemed appropriate during the company's life and development.

The charter of values is appropriately disseminated and applies to the corporate bodies, employees (individuals in a subordinate employment relationship, including executives), collaborators (such as interns, trainees, and temporary workers), external consultants, contractors, subcontractors, suppliers, customers, commercial partners, or any parties acting in the name and/or on behalf of the company based on a mandate or other contractual relationship. These will be collectively referred to as the "recipients".

1. RECIPIENTS

1.1. The content of the charter of values is binding for the "recipients"; its observance is required of all those who, in any capacity, cooperate in the exercise of company activities. Every one of the recipients is required to comply with what is stated in the charter, and to adapt their behavior and actions to the principles,

precepts and prescriptions expressed in it, as failure to comply constitutes a violation thereof.

1.2. AVL Italia S.r.l. will sanction behaviors that are inconsistent with and non-compliant with the values and principles of the charter, according to the severity of the infractions committed, in accordance with the law, the company's disciplinary system, and, with regard to its consultants, agents, representatives, commercial partners, customers, and suppliers, by taking measures deemed appropriate, such as, by way of example and not limitation, the immediate termination of the contractual relationship, requests for compensation for damages and/or indemnity agreements.

1.3 The company is committed to promoting the knowledge and respect of the charter of values at every organizational level, to monitoring compliance with the charter, and as mentioned, to sanctioning violations in accordance with applicable laws and disciplinary procedures.

1.4 The charter applies the values outlined in the charter to the staff at all operational and legal locations.

2. PRINCIPLES AND VALUES: GENDER EQUALITY, RESPECT FOR DIVERSITY, AND INCLUSION

2.1 Gender equality, respect for diversity, and inclusion and combating all forms of violence and discrimination are values for the company.

2.2. It is the goal of AVL Italia s.r.l. to create a work environment that fosters diversity and protects the mental and physical well-being of the employees.

2.3 The company condemns all form of discrimination based on gender.

2.4 The company intends to align its own activities with these values and to ensure their protection.

2.5 The company protects these values both through an environment and working conditions that are suitable and respectful of gender equality, and through initiatives against instances of discrimination (e.g., mobbing, stalking). Each collaborator can raise concerns with the designated body if they feel treated unfairly or inequitably, without facing any disadvantage as a result out of their complaint.

2.6. Recipients of the charter of values must be aware of the significance of their actions and must pursue corporate objectives in accordance with the principles, values and contents of the charter.

3. CULTURE AND STRATEGY

3.1 The vision, goals and values that characterize the business environment and activities of AVL Italia s.r.l. must be in line with the values and goals of gender equality, inclusion and attention to gender diversity.

3.2. To this end, internal procedures and training and awareness-raising activities are provided to implement the reference values and principles.

3.3. AVL Italia s.r.l. strategically sets the goals it aims to achieve in gender equality and will monitor the achievement of these goals.

3.4. Dialogues and discussions are valuable tools for the creation and development of an inclusive business environment.

Therefore, the company supports initiatives, projects and events that enable people to express their opinions and create an environment open to discussion and dialogue. Discussion is also solicited through surveys aimed at analyzing the perception of employees and collaborators with respect to equal opportunities in the corporate context.

3.5. Similarly, AVL Italia s.r.l. supports internal communication and awareness-raising activities to promote behaviors and language that ensure an inclusive work environment, respectful of gender diversity and all other forms of diversity.

3.6. The company provides or sponsors training activities on gender equality, stereotypes and unconscious biases at all levels, including top management.

3.7. AVL Italia s.r.l. ensures that genders are equally represented in the conduct of business activities, particularly in relations with clients, suppliers, and commercial partners, as well as in round tables, events, and conferences that the Company chooses to participate in.

3.8. The company is committed to implementing initiatives aimed at promoting equal opportunities also outside the corporate context, through activities aimed at engaging on issues of inclusion, gender equality, and combating discrimination.

4. GOVERNANCE

4.1. The governance model of AVL Italia s.r.l. is focused on defining appropriate organizational safeguards that ensure the presence of the minority gender in the direction and control bodies of the organization.

4.2. The objectives related to gender equality and inclusion are shared among all individuals in the company's organizational chart, and in

particular, their implementation is subject to evaluation by the company's management.

4.3. Procedures are identified aimed at identifying, investigating and managing any form of non-inclusiveness.

4.4. A budget is set for the development of activities to support gender equality and inclusiveness.

5. HUMAN RESOURCE MANAGEMENT (HR)

5.1. The staff of AVL Italia s.r.l. is hired and employed in accordance with the values of gender equality and inclusion that underpin the company's vision.

No form of hiring or collaboration based on gender discrimination is tolerated.

5.2. The selection of personnel to be hired based on company needs is carried out in accordance with the company's policy. Candidates for employment must be selected and evaluated objectively based on their professional skills and personal characteristics, regardless of their gender.

5.3. The management and development processes of human resources are defined in favor of gender equality and inclusion.

5.4. AVL Italia s.r.l. requires identical behaviors from all employees and collaborators, as well as contractors and subcontractors working for, on behalf of, or at the company, regardless of gender.

5.5. Equal and fair participation in training and career development programs is guaranteed, including those focused on leadership. Policies for mobility and succession to managerial positions are in place, aligned with the professionalism of the resources employed within the company and with the principles of an inclusive organization that respects gender equality.

5.6. Mechanisms for analyzing turnover based on gender are established.

6. OPPORTUNITIES FOR GROWTH AND INCLUSION OF WOMEN IN THE COMPANY

6.1 AVL Italia s.r.l. is convinced of the importance of ensuring gender-neutral access to career paths and internal growth opportunities.

6.2 To this end, the company sets as its goal the achievement of gender employment equality, progressively increasing the percentage of women in the organization relative to the total workforce.

6.3. The company believes in the value of female leadership and promotes the attainment

of managerial positions for all genders. Everyone within the organization can, based on their professional growth path, assume the managerial role of organizational units and be assigned a budget for expenses/investments

7. GENDER PAY EQUITY

7.1. The professional development and the promotions are based solely on skills and professional levels to ensure non-discrimination and equal opportunities.

7.2. Career opportunities and personal development programs are equally available to all individuals within the organization.

7.3. AVL Italia s.r.l. ensures equal compensation for all individuals employed within the organization – for the same role, responsibilities, and competencies –regardless of gender.

Payments related to additional or different services (e.g., overtime, allowances, and reimbursements) are excluded from this calculation.

7.4. AVL Italia s.r.l. is committed to disclose the procedures and criteria followed in the implementation of the compensation policies regarding the variable portion of the salary.

8. PROTECTION OF PARENTHOOD AND WORK-LIFE BALANCE

8.1. AVL Italia s.r.l. wants to ensure measures for all employees to promote work-life balance. A review of employees' flexibility needs is periodically carried out.

8.2. The company seeks to ensure policies supporting parenthood in its various forms and the adoption of procedures that facilitate and support the presence of women with preschool-aged children in the organization.

8.3. Parenthood is considered a moment for acquiring new skills that benefit both the individual and the organization.

Therefore, it is essential to protect the relationship between the individual and the company before, during, and after maternity/paternity.

8.4. The company believes in the importance of services dedicated to the return to work after maternity/paternity leave.

8.5. The ratio between the actual number of beneficiaries and the potential number of beneficiaries of paternity leave will be monitored, as well as the ratio between the average number of days of mandatory paternity leave taken and the total number of days potentially provided by law.

8.6. AVL Italia s.r.l. considers it essential to have policies and measures dedicated to maternity/paternity, as well as services to support the reconciliation of personal and work life, beyond and regardless of what is provided by the applicable CCNL.

9. GENERAL PRINCIPLES IN RELATIONS WITH CUSTOMERS, SUPPLIERS AND BUSINESS PARTNERS

9.1. Business partners and contractual counterparties are also required to respect the charter of values.

9.2. This implies that in the conduct of business activities: with employees, commercial partners, customers, and suppliers, there must be respect for these values, as well as for the laws that protect the rights and personal dignity of all individuals professionally involved with the company, whether they are linked to it by a subordinate or independent relationship.

9.3. The company's resources, in the case of negotiations or relationships, including commercial ones, with third parties, must:

- adhere to the principles and values contained in the charter of values;
- verify, in the process of selection of clients, professionals, and commercial partners, the respect for the principles and values expressed in the charter of values;
- ensure that the principles and values contained in the charter of values are respected in purchase, supply, and commercial relationships in general.

9.4. In general, AVL Italia s.r.l. will base its internal and external communication in accordance with its commitment to gender equality.

A periodic review of communication materials and strategies will be carried out: the company is committed to promoting a positive image of the minority gender and using language that respects gender differences.

10. DONATIONS AND SPONSORSHIPS

10.1. AVL Italia s.r.l. reserves the right to respond to requests for donations and sponsorships for activities related to gender equality, respect for diversity, and inclusion from entities and organizations with social or educational purposes, foundations, and associations, for the case that they are all non-profit, in accordance with the company's internal rules and in accordance with administrative and accounting regulations.

10.2. Sponsorship activities can only be carried out after defining appropriate agreements and

verifying the reputation of the beneficiary organization and the event/initiative being promoted. The decision regarding the granting of donations and sponsorships rests with the administrative body or the individual delegated by it.

11. COMBATING HARASSMENT IN THE WORKPLACE

11.1. AVL Italia s.r.l. is fully committed to implementing measures to combat discrimination and harassment in the workplace.

11.2. The risk of any form of physical, verbal, or digital abuse is continuously assessed, and specific measures are identified for the prevention and management of harassment in the workplace.

11.3. The company condemns all forms of violence against employees, including sexual harassment in all its forms.

11.4. A procedure is planned for the anonymous reporting of such incidents and for the protection of employees who make such reports.

11.5. The company reserves the right to take any appropriate measure, including disciplinary action, following the verification of discriminatory events or harassment.

12. DISSEMINATION OF THE CHARTER OF VALUES AND REPORTING VIOLATIONS

12.1. AVL Italia s.r.l. is committed to promoting and ensuring adequate awareness of the charter of values, disseminating it to the recipients through appropriate communication activities. The company is also committed to publishing the charter of values and any subsequent updates/changes on the company website for easier and immediate access.

12.2. The company designates the body responsible for the implementation, monitoring, and oversight of compliance with this charter of values.

12.3. The individual company functions are responsible for ensuring that within the company and among all those interacting with it, the charter of values is respected, reporting any violations and/or taking the appropriate actions.

12.4. The body responsible for monitoring and oversight will ensure that:

- the awareness and actual application of the charter of values are being monitored;

- any clarification related to the interpretation or application of the charter of values is being provided;
- reports of violations of the charter of values are being received and analyzed;
- proposals regarding the possible adoption of disciplinary measures in cases of confirmed violations of the charter of values are being made;
- any modifications, updates, and additions to the text of the charter of values are being proposed.

The email address: <https://avl.integrityline.com/> is available for reporting violations or suspicions of violations of the charter of values.

12.5. Such reports must be sufficiently detailed and specific. The body responsible for monitoring and oversight guarantees confidentiality to the individuals making the reports.

12.6 The company will avoid any form of retaliation, discrimination, or penalization against the reporter and will intervene to protect them in this regard.

12.7. This charter of values will be reviewed or confirmed based on periodic monitoring, changes, and the results of monitoring and checks.