



AVL Code of Conduct for Business Partners



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Preamble

As one of the world's leading mobility technology companies for development, simulation and testing in the automotive industry, and in other sector, AVL List GmbH and its affiliated entities (collectively: "AVL") wants to be perceived as a company that is part of sustainable, positive change. We do see it as our duty to contribute to help solving social, cultural and environmental issues – especially regarding human and labour rights, in particular the prohibition of child labour and forced labour, the handling of conflict minerals, compliance with environmental standards and guidelines, including precautionary environmental protection, as well as compliance with relevant product requirements, animal welfare regulations and global emissions.

We strive to build strong relationships with our suppliers and service providers (hereinafter referred to as "business partners") and work with them to improve their social and environmental performance. This is fundamental to securing a reliable, sustainable supply of high-quality materials, products and services.

The requirements and principles of this Code of Conduct for Business Partners ("Code of Conduct") are based on the AVL Code of Conduct and the General Purchasing Terms of AVL and integral to the collaboration of our business partners and AVL.

We look forward to building and expanding our business relationships with you based on these standards.

Graz, in December 2023

A handwritten signature in blue ink, appearing to read "Helmut List", is written over a solid black horizontal line.

Helmut List
CEO



A. Objective and scope

Our business partners comply with the following principles and provide regular and appropriate training to their workforce to this end. The business partners ensure that their business partners also comply with the obligations contained in this Code of Conduct and do everything possible and reasonable that corresponding requirements are passed on in the supply chain.

B. Reporting misconduct

Our business partners are requested to report suspected cases and violations of this Code of Conduct to AVL either directly via the AVL Whistleblower System (<https://avl.integrityline.com>) or by email (group-compliance@avl.com), not to take any actions that impede, block or complicate access to the AVL Whistleblower System and to take reasonable steps to ensure that such actions are refrained from in the supply chain. This includes that our business partners also set up an adequate complaint mechanism for their company and ensure, to the extent possible and reasonable, that a corresponding obligation is passed on in the supply chain. Doing so shall serve to mitigate the consequences of such violations and prevent future misconduct of this nature.

C. Responsible business conduct

I. Compliance with laws and regulations

It is a matter of course for us that our business partners comply with the laws and regulations applicable to them in their own business and business relationships with suppliers and other business partners at local, national, and international level. Our business partners must not actively engage or participate, directly or indirectly, in any kind of unlawful practices in any country and in any manner.

Should legal provisions or other regulations apply in individual countries in which our business partners are active that deviate from the requirements of this Code of Conduct, the stricter requirements in each case must be complied with.



II. Prohibition of corruption and other criminal conduct

We are convinced that our products and services can compete on their own merits, and we oppose any form of corruption. We expect the same from our business partners. Our business partners assure us that they will observe the applicable anti-bribery and corruption laws (e.g., UK Bribery Act, Sapin II Law) and international standards when engaging in business transactions and will not influence or distort competition at home or abroad by paying bribes. Our business partners must also not offer or promise any improper monetary payments, gifts, invitations, donations, or other benefits that may influence decision-making, or tolerate the granting of such benefits for the purpose of influencing decision-making of public officials or business partners.

Furthermore, our business partners assure that they do not commit any other criminal acts in connection with the business relationship with AVL.

III. Money laundering prevention and financial integrity

Our business partners ensure that they comply with the applicable legal provisions against money laundering, combating terrorist financing and duly fulfil their reporting obligations. They ensure transparency and openness about their payment flows and ensure that all financial information, including required taxes, fees and royalties related to business activities are disclosed in accordance with national and international regulations as well as industry expectations.

IV. Free and fair competition

AVL is committed to principles of integrity, honesty, and fairness. We expect our business partners to be guided by the rules of free and fair competition, to protect and promote fair competition and to comply with all applicable provisions of antitrust and competition law. This includes that our business partners neither enter into agreements that violate antitrust law (e.g., on prices, costs, market, or territory allocation) nor abuse a possibly existing dominant market position.

V. Avoidance of conflicts of interest

We maintain professional business relationships in which our daily actions are shaped not by our own personal interests, but by the interests of the company. This is linked to the



expectation that our business partners also make their decisions exclusively based on business considerations and are not guided by personal interests.

VI. Protection of confidential information and intellectual property

Innovation and technical advancement are decisive factors in our success. We expect our business partners to handle business correspondence, especially documents exchanged, with confidence, to protect confidential information and any type of data worthy of protection (e.g., trade and business secrets) to the best of their ability in accordance with the applicable legal requirements and not to infringe AVL's intellectual property rights or the property rights of third parties. In particular, the business partners must ensure that they have all the necessary rights of use to avoid plagiarism or any other infringements of intellectual property rights.

VII. Data protection and data security

We also ensure the protection of personal data of employees, customers and third parties by taking the necessary measures in accordance with the applicable data protection regulations. Our business partners support us in this by ensuring compliance with all applicable laws and regulations (including, without limitation, the General Data Protection Regulation – GDPR) on data protection and data security. They take the appropriate and necessary measures according to the current state of the art to adequately protect personal data of our employees, customers and third parties.

Personal data may only be collected, processed, or used for specified, unambiguous and legitimate purposes and stored or transferred securely. The use of data is transparent for the data subjects and safeguards their rights to information, objection, blocking or deletion.

D. Human rights, labour and social conditions

I. Human rights

As an internationally operating company, we ensure that human rights and applicable labour and social standards as well as the conventions by the United Nations (UN) and the International Labour Organisation (ILO) are respected in the course of our business activities. We expect our business partners to undertake appropriate human rights due diligence measures in compliance with the UN Guiding Principles on Business and Human Rights and the OECD Due Diligence Guidance on Responsible Business Conduct. The



appropriateness and scope of the measures are to be designed in accordance with the UN Guiding Principles according to the size and turnover of the company, the type and origin of the product and the raw materials it contains.

II. Protection of livelihoods, (local) minorities, and indigenous peoples

We do not tolerate the involvement of our business partners in the unlawful taking of land, forests, and waters and in unlawful forced resettlement or forced eviction, nor do we tolerate the potentially harmful effects of our business partners' operations on the health, safety, and livelihoods of affected people, such as (local) minorities or indigenous people.

III. Commissioning or use of private or public security forces

Our business partners ensure that no human rights violations (e.g., injury to life and limb, torture) occur through the commissioning or use of private or public security forces.

IV. Working hours and wages

All respective national minimum wage regulations and the applicable laws on working hours must be complied with.

V. No illegal employment; timely payment of all taxes and (social) contributions

We do not condone any form of illegal employment or undeclared work. We expect our business partners to fully and timely pay all taxes, social security contributions and other levies and to submit the relevant evidence upon request.

VI. No forced labour and safe working conditions

All employment is voluntary. Forced labour, prison labour and human trafficking are strictly prohibited. Our business partners ensure safe working conditions. It is a matter of course for us that the applicable work, accident prevention and health regulations are complied with to prevent accidents, injuries, and work-related illnesses.



VII. Prohibition of child labour and the exploitation of children and young people

We do not tolerate any form of child labour or the exploitation of children or young people. Our business partners ensure that child labour is not used under any circumstances within their operations or by their subcontractors.

VIII. No discrimination and inclusive working environment

As with our employees, we expect our business partners to treat colleagues and third parties with respect, to provide for an inclusive working environment and to promote and support diversity and equality as well as women's rights. We do not tolerate any form of discrimination – whether psychological, physical, sexual or verbal, or based on gender, age, disability, religion, skin colour, origin, culture, ideology or sexual identity - or any form of harassment.

IX. Freedom of association

The fundamental right of all workers to form trade unions and worker representation shall be recognised. If local laws restrict freedom of association, our business partners are required to promote alternative means of worker representation.

E. Responsible sourcing of raw materials

Due to significant impact on people and the planet, especially in the case of mining of and trade in tin, tungsten, tantalum, and gold, all our business partners are required to source their raw materials from conflict-free sources and, where possible, from certified smelters. This also applies to our business partners' upstream suppliers. AVL provides support as needed to create a consistent, sustainable awareness of this sensitive issue.

We expect our business partners in particular to comply with the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas, as amended from time to time, to establish policies and procedures to ensure conflict minerals free sourcing, and to ensure their own suppliers to do so. Industry initiatives to improve the traceability of conflict minerals are to be used intensively.

Upon request, our business partners are obliged to provide AVL with information about their supply chain in this respect. Where appropriate, AVL uses the "Conflict Minerals Reporting



Template" (CMRT&EMRT) or the "Responsible Minerals Assurance Process" (RMAP) of the Responsible Mineral Initiative.

F. Environmental protection and sustainability

I. Environmental and sustainability-related diligence

Environmental protection and sustainability are central components of our corporate philosophy. Therefore, on the one hand, we expect our business partners to ensure that their products and production processes comply with the applicable national and international environmental standards. On the other hand, we expect them to make efficient use of resources, especially materials, energy and water, and to minimise the environmental impact in terms of hazardous substances, waste, wastewater as well as air, soil and water pollution.

II. Biodiversity

The activities of our business partners shall protect natural ecosystems and must not contribute to the illegal conversion of natural ecosystems (e.g., logging, deforestation). If there are risks for the conversion of natural ecosystems in the supply chain, for example due to land use, appropriate due diligence measures must be taken to contribute to the long-term protection of these natural ecosystems.

III. Hazardous substances and waste

We expect our business partners to align their actions with the protection of the environment and to take all necessary measures to prevent the pollution or endangerment of air, water and soil by waste, chemicals or other hazardous substances. By means of suitable technical precautions and waste management systems, we expect our business partners to ensure that hazardous substances and waste are properly stored and disposed of in accordance with the applicable regulations. At the same time, we expect them to reduce the use of chemicals and other hazardous substances as far as possible and, if economically justifiable, to replace hazardous substances by substitutes.

IV. Climate protection and renewable energies

We are committed to the Paris Climate Agreement. Therefore, we expect our business partners to take effective measures in line with the Paris Climate Agreement to reduce their



direct and indirect CO₂ emissions (decarbonisation) and switch to renewable energies where possible and economically viable.

V. Reporting resource efficiency

For the qualitative assessment of their resource efficiency and inquiries from our customers, our business partners provide AVL on request with, among other things, the required information on CO₂ footprint, total energy expenditure, emissions, water consumption and waste in relation to their total annual order volume with AVL.

G. Embargoes and temporary restrictions

Governments and international organizations may impose temporary restrictions such as embargoes or economic sanctions, which affect certain business transactions, countries or individuals. We respect the international regulations and do not engage in transactions or business involving goods or technologies that are affected by such restrictions. Accordingly, we also expect our business partners to comply with the applicable regulations on import and export controls as well as the regulations on (economic) sanctions and embargoes.

H. Monitoring, sanctions and right of termination

To fulfil our self-imposed due diligence obligations, legal requirements (e.g. reporting obligations) and the expectations of our customers, we will monitor our business partners' compliance with the obligations set forth in this Code of Conduct in an appropriate manner.

For this purpose, AVL is entitled to inspect and audit the processes established by the business partner to follow the obligations of this Code of Conduct. Upon request, the business partner shall provide AVL or a third party commissioned by AVL with all requested information and documents for inspection and give them the opportunity to conduct discussions or interviews with the managing directors, managers, and employees, insofar as this is reasonably necessary for the respective purpose. The business partner shall allow AVL or the third party to make copies and extracts. Insofar as there is a reasonable suspicion that obligations of this Code of Conduct are not being complied with, AVL has the right to request a suitable auditing, investigation, certification, or screening procedure from the business partner to verify compliance with the obligations imposed on him.



Violations of this Code of Conduct must be remedied within a reasonable period, latest within a reasonable period set by AVL, on the business partner's own responsibility and free of charge for AVL. In those cases, in which the business partner repeatedly breaches obligations despite appropriate notices and does not prove that the respective breach occurred through no fault of its own or does not take appropriate precautions within a reasonable period to avoid breaches in the future, AVL may withdraw from individual or all contracts with the business partner or terminate them without notice. In the event of a serious breach, AVL is entitled to immediate withdrawal or immediate termination without notice unless the business partner proves the respective breach occurred through no fault of its own.