

Statement on Human Rights, Ethical Behavior and Working Conditions

Human rights are universal values. They guide our behavior in everything we do. At AVL, we firmly distance ourselves from unethical behavior and issues such as slavery, forced labor, human trafficking, child labor, discrimination or harassment. We implement this in all of our business activities. We respect human rights and treat all people with dignity in line with the United Nations' "Universal Declaration of Human Rights."

Preamble

Although governments are the institutions primarily responsible for protecting human rights, we also respect human rights in all of our business activities, with customers and suppliers. Moreover, we support the implementation of human rights around the globe and strongly believe in accompanying compliance measures.

A commitment to human rights and ethical behavior is embedded in our business principles. This commitment is part of our comprehensive, global Compliance Management System (CMS), which is based on our AVL Code of Conduct.

We use this Code of Conduct as part as part of our mandatory compliance training for every employee worldwide. Our guiding principles are integrity, honesty and fairness. We expect all of our suppliers and our subcontractors to adhere to local laws and regulations dealing with the protection of internationally recognized human rights. This expectation is reflected in our supplier management and purchasing procedures.

Regarding working conditions, we strictly comply with Austrian labor law. In Austria, working conditions are legally regulated by laws, collective bargaining agreements, work agreements, work regulations and/or employment contracts.

The chambers of labor and various trade unions represent the interests of workers in Austria.

Both of these are pillars of Austria's economic and social partnership. They are responsible for negotiating wages and prices with the Austrian Federal Chamber of Commerce and Agriculture. Like many other Austrian companies, we have a works council. The council has the power to conclude company agreements and to participate in dismissals, transfers and supervisory board meetings.

Commitment to the UN's Guiding Principles on Business and Human Rights

We are fully committed to the UN's "Guiding Principles for Business and Human Rights." We respect and support the implementation of human rights around the globe as they are defined in the UN's "General Declaration of Human Rights" and in internationally recognized treaties.

Member of the Austrian Business Council for Sustainable Development

We have been a proud member of the Austrian Business Council for Sustainable Development (respACT; www.respect.at) for many years. respACT has been the coordinating body for the Global Compact network in Austria since 2004. The multi-stakeholder platform now unites over 100 organizations, and it has more than 13,000 signatories worldwide. It promotes the ten principles of the United Nations' "Global Compact" in the areas of human rights, labor standards, environmental protection and the fight against corruption.

Ethical Behavior and Respect for All People

Respecting all people's human dignity is of the utmost importance to us. We do not tolerate any illegal or unethical behavior on the part of our employees, and we are committed to the principles of respectful, fair and loyal cooperation.

As stated in our Code of Conduct, we do not tolerate any form of employment discrimination. All employees have the same opportunities in terms of their commitment and further personal development, regardless of worker or applicant characteristics such as race, color, age, gender, sexual orientation, gender identity, ethnicity, national origin, disability, pregnancy, religion, political affiliation, union association, covered veteran status, genetic information or marital status.

We expect all of our employees to contribute to a positive corporate working environment through tolerant, polite and considerate interaction with each other.

We firmly distance ourselves from issues such as slavery, forced or compulsory labor, human trafficking, child labor, discrimination or harassment in all of our business activities. In our supplier management practices, we also ensure that all subcontractors, suppliers and partner companies provide evidence of compliance with our standards.

Labor Law and Working Conditions

Austrian labor law offers significant protections to the rights of employees in Austria.

We act strictly according to these laws, which regulate all legal questions regarding employment relationships and the rights and obligations between employers and employees. These include, but are not limited to, topics such as the regulation of working hours, wages and benefits (minimum wages, overtime compensation, etc.), employment contracts, employment for young workers/apprentices/students/interns, part-time employment, vacation entitlements, maternity/paternal leave, protection against dismissal, equal treatment and various work agreements.

In Austria, the basis for employment is a valid employment contract. An employment contract explains all of the rights and obligations of employees and employers that go beyond the applicable statutory collective agreement. The employer is obliged to pay the wages, while employees are obliged provide the work.

We have also concluded our own internal company agreements with our works council for special topics such as flextime and shift work. These, in accordance with the graduated structure of the Austrian legal system, are always an improvement over the law and current collective agreement.

The labor inspectorate in Austria (<https://www.arbeitsinspektion.gv.at/>) or the Austrian Health

Insurance authorities check compliance with the law and collective bargaining agreements on a regular basis. Regular checks occur on an annual basis or whenever deemed necessary (e.g., a work accident).

The AVL Works Council and Freedom of Association

In Austria, the works council is a body for co-determination and representation of employee interests in a company. The works council also participates in company decisions.

The tasks of the works council include, but are not limited to, negotiating with the employer, submitting proposals for resolving differences of opinion and submitting measures to the employer that could serve both the company and the workforce.

Open and honest communication between management and the works council is of great importance to us. Topics such as working conditions and management practices can be openly discussed, without fear of reprisals or intimidation. We respect the right of employees to freely associate, join (or not join) unions and to negotiate together.

Occupational Health and Safety

The health of employees is a valuable asset with the highest priority. Due to its importance, occupational health and safety is also part of our mission, vision and company values.

Goals, approaches and activities regarding health and safety are described in two of our documents: the "Policy for Safety and Health at Work at AVL" and in the QES-document for the "Implementation of Employee Safety Regulations." Both are fully based on applicable national laws and industry standards for safety and occupational health.

Training on and Implementation of Human Rights, Ethical Behavior and Working Conditions

Topics such as human rights, ethical behavior and general working conditions are part of our global Compliance Management System (CMS), which is based on our Code of Conduct. The

Code of Conduct is used as part of the mandatory compliance training for all of our employees worldwide.

We have also developed our own training program tailored for new employees – “Welcome Newcomer” – in which general knowledge about the company and our processes and structures are presented. Other topics, such as occupational health and safety, labor law and working conditions, are also explained to each employee, and explicit reference is made to the rights and obligations of every employee.

For managers, there are in-depth training courses on leadership. These include, but are not limited to, how to conduct staff appraisals, resolve conflicts and manage stress and burn-out on a team.