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	Policy for reporting breaches (Whistleblower System)	Revision:	01
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Revision protocol

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	Name	Date/Signature
Prepared	B. Skofitsch	Digital released
Checked	O. Herschmann	Digital released
Checked	C. Koch	Digital released
Released	H. List	Digital released

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1. Purpose

This document describes the Whistleblower System at AVL List GmbH and the domestic and foreign AVL companies ("**AVL companies**") (together "**AVL**").

Integrity and compliance with laws and regulations have the highest priority at AVL. They provide the basis for our good reputation, the trust of our customers, the well-being of all employees and long-term financial success.

It is essential for a functioning compliance system to recognise and address breaches at an early stage so they can be remedied without delay and the current system can be adapted, if necessary. This requires that all employees are vigilant and willing to report suspicious circumstances. AVL has therefore revised its reporting system and implemented a modern Whistleblower System that provides confidential communication channels to report possible breaches and ensure that they are clarified in a transparent, efficient, and objective manner.

In order to fulfil our social responsibility for compliance with human rights and environmental protection, the Whistleblower System not only serves to uncover violations in AVL's own business but is also available for reports on human rights-related and environmental violations or risks that have arisen due to the actions of AVL or of a direct or indirect supplier of AVL. The Whistleblower System thus also serves as a complaints procedure in accordance with the Supply Chain Due Diligence Act ("**LkSG**"), which came into force in Germany on January 1, 2023.


This Whistleblower System is being introduced with the expectation that it will be used responsibly; it is not a general "suggestion box" and should only be used to report breaches or risks.

Reporting persons make an important contribution to detecting breaches at an early stage, to sanctioning them and, ultimately, to preventing breaches; their contribution is very important to ensure that the company is protected. Reporting persons do not have to fear any disadvantages because of making a report and are protected from retaliation or threats of retaliation.

This policy summarises the central rules of procedure of AVL's Whistleblower System and establishes binding provisions to protect reporting persons. In this respect, this policy supplements the AVL Code of Conduct and expands on the rules for reporting suspicious circumstances set out in the Code of Conduct. For deviating special regulations that only apply to certain local jurisdictions, see Appendix [6.1](#). This policy will be reviewed annually or on an ad hoc basis to ensure that it is up to date, efficient and effective.

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2. Scope

This document is valid for AVL List GmbH as well as for all organizational units that are allocated in the Document Master List, i.e., all AVL companies which have implemented the Whistleblower System. As far as the legal situation in the respective jurisdictions in which the AVL Whistleblower System is applied results in mandatory different or additional requirements to the principles described below, please refer to the Annex. The requirements set out therein must be observed in these jurisdictions with priority or additionally.

The possibility of reporting breaches is open not only to our employees but expressly also to employees of AVL's business partners and other persons associated with the company. The system described below applies equally to all reports received.

3. Terms and Abbreviations


Term/Abbreviation	Explanation/Description
<u>Breaches</u>	Breaches means all breaches of the applicable local laws, violations of human rights and environmental obligations in accordance with the LkSG ¹ which have arisen as a result of AVL's business activities in its own business or those of a direct or indirect supplier of AVL, and any significant breaches of AVL's internal rules and regulations (in particular the Code of Conduct, Guidelines on Gifts and Benefits (<i>Zuwendungsrichtlinie</i>) or other policies) in connection with or arising from AVL's activities which are illegal as such or improper because they are contrary to the objective or purpose of the respective rule or policy (see section 4.2).
<u>Risks</u>	Risks means human rights or environmental risks in accordance with the LkSG that have arisen as a result of AVL's own business activities or those of a direct or indirect supplier of AVL. ²
<u>Information</u>	Information on breaches is if there is knowledge of breaches or, in any case, if there are well-founded suspicions based on facts.

¹ The legal definitions of "violation of human rights-related and/or environmental obligations" referred to here are found in Section 2 (4) LkSG, "own business unit" in Section 2 (6) LkSG, "direct supplier" in Section 2 (7) LkSG and "indirect supplier" in Section 2 (8) LkSG.

² The legal definitions of "human rights risk" referred to here are found in Section 2 (2) No. 1 to No. 12 LkSG, for "environmental risk" in Section 2 (3) No. 1 to No. 8 LkSG, for "own business area" in Section 2 (6) LkSG, "direct supplier" in Section 2 (7) LkSG and "indirect supplier" in Section 2 (8) LkSG.

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Term/Abbreviation	Explanation/Description
<u>Reports</u>	Reports are reports of information about (possible) breaches to the contact points defined in section 4.3 .
<u>Reporting persons</u>	Reporting persons are all persons who have obtained information about breaches in connection with their work activities and who report them.
<u>Person concerned</u>	The person concerned is the individual implicated in the report.
<u>Retaliation</u>	Retaliation are actions / omissions related to work that are a reaction to a report and (may) entail an unjustified detriment to the reporting persons.

4. Procedure and Process flow

4.1 Protecting reporting persons

Persons who report breaches honestly and in good faith will be protected. For this purpose, the following protective mechanisms are implemented:

- **Confidentiality**

The identity of the reporting person will be kept confidential. The same applies to the identity of the person(s) concerned or other persons named in the report. Their identity may only become known to the persons responsible for receiving reports or taking follow-up measures.


The obligation to maintain confidentiality does not apply to reporting persons who report incorrect information about breaches intentionally or in a grossly negligent manner. The obligation to maintain confidentiality also does not apply if authorities or courts demand the disclosure of certain information; the reporting person will be informed in advance of the disclosure of their identity unless the respective authority or court has informed AVL that the information would jeopardise the relevant investigations, enquiries, or court proceedings.

- **Protection from retaliation**

Reporting persons will be protected from retaliation. Discrimination, hostility, and other disadvantages for reporting persons are prohibited, as are threats or attempts in this respect, and such actions, threats or attempts can be sanctioned under

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employment law. If a reporting person contacts the reporting office or investigation office responsible for them or the Group Compliance Officer in relation to such adverse effects, they will be given immediate assistance.

This does not apply to reporting persons who submit incorrect reports intentionally or with gross negligence; sanctions under employment law and possibly criminal law can be taken against them and claims for damages can be asserted.

- **Not held responsible for obtaining, accessing, and disclosing the information**

AVL will not hold the reporting person responsible for obtaining or accessing the reported information, unless obtaining or accessing it constitutes a criminal offence in itself (e.g., trespassing, data espionage). Similarly, the reporting person will not be held responsible for disclosure, provided that they understandably considered such disclosure to be necessary to reveal the breach.

4.2 Reports


The Whistleblower System is not a general "suggestion box" (e.g., for dissatisfaction, everyday problems with colleagues or superiors, etc.). Only actual or suspected breaches of applicable laws and significant breaches of the Code of Conduct or other internal rules of AVL are to be reported through the Whistleblower System. A breach is significant if it could entail safety risks, liability risks or reputational risks for AVL.

Accordingly, breaches are to be reported in particular in the following cases:

- Corruption / bribery
- Breaches of cartel laws and competition laws, in particular procurement rules
- Conflicts of interest
- Fraud, e.g.: embezzlement, breach of trust
- Theft, damage or embezzlement or misuse of company assets.
- Breaches of proper bookkeeping, accounting, and financial reporting
- Breaches of product safety regulations or other product-related regulations
- Infringement of intellectual property laws
- Breaches of data protection regulations, breach of company secrets, business secrets or other confidential information
- Breaches of environmental regulations or waste of natural resources

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- Cases of verbal, non-verbal, physical, or sexual harassment, bullying, discrimination, or violence at work
- Breaches of occupational safety and health regulations and violations of human rights
- Other serious breaches of applicable law or the Code of Conduct

In addition, the Whistleblower System can also be used to report human rights and environmental violations or risks in accordance with the LkSG that have arisen as a result of AVL's own business activities or those of a direct or indirect supplier of AVL. It is thus also available to potential reporting persons along the supply chain as a complaint's procedure within the meaning of Section 8 of the LkSG.

4.3 Reporting options

Reporting persons can submit reports either via the internal reporting office set up for each AVL company or to the competent authority in their country, which acts as an external reporting office.

AVL encourages all employees to submit reports to their internal reporting office as a general rule to ensure that they are addressed as quickly as possible and any breaches can be rectified without delay.

Internal reports can be submitted in writing with the Integrity Line web application used at AVL which can be reached under


<https://avl.integrityline.com>.

At the reporting person's request, a personal meeting with the responsible employee from the reporting office ("**Reporting Office Coordinator**") can also be arranged through Integrity Line. This will be made possible for the reporting person within a reasonable period of time, usually after seven days at the latest.

An overview of the respective competent authorities acting as external reporting office can be found on the Internet on the AVL website in the section "Compliance and Business Ethics" and on the AVL Intranet on the page "AVL Compliance Management" (<https://desktop.avl.com/compliance>).

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4.4 Processing reports



4.4.1 Responsibility

The reporting office designated for the respective AVL company is responsible for receiving and processing the report. The responsible reporting office is displayed in **Integrity Line** when submitting a report. All reports submitted through **Integrity Line** are automatically forwarded to the correct reporting office. All reports that are not made to the reporting office responsible for the respective AVL company will be forwarded by their recipient to the responsible reporting office without undue delay in compliance with the confidentiality requirement.

The reporting offices and the Reporting Office Coordinators who work there work independently. If they also perform other tasks, it is ensured that such tasks do not lead to a conflict of interests.

4.4.2 Submitting reports

Reports can be made at any time to the contact points specified in section [4.3](#).

Reports must always be truthful, objective, and unbiased, and contain sufficient information to allow verification and initiate an investigation.


Reports can also be submitted **anonymously**. When submitting reports, special care must be taken to ensure that the type and scope of the information reported makes it possible to verify and clarify the subject matter of the reports. In particular, the report must be sufficiently detailed, specific, comprehensible, and plausible so that it is possible to initiate investigative measures. Otherwise, it is not possible to follow up on the report. Integrity Line offers every reporting person the opportunity to voluntarily set up an electronic mailbox for further protected communication. It is recommended to set up such a mailbox to enable any necessary enquiries about reports received.

Reporting persons will receive confirmation of receipt of the report from the reporting office they contacted in seven days at the latest.

All reports submitted are documented by the reporting office that was contacted in a permanently retrievable manner, while at the same time observing confidentiality. The case is documented in written form as part of Integrity Line's case management system. If the reporting person requests a personal meeting with the responsible Reporting Office Coordinator, the meeting will be documented either in an audio recording (e.g., by using a

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dictation device) or by writing down the wording as precisely as possible in form of detailed interview minutes, provided the reporting person agrees to this. With the consent of the reporting person, the meeting may also take place by means of video or audio transmission. Where possible, after it has been prepared the note or minutes will be provided to the reporting person for review so that the reporting person can make any comments or corrections. When it is finished, the reporting person confirms that it is complete and correct by signing the document. This documentation of the report is always deleted as soon as the procedure is completed.

4.4.3 Verifying reports

First, the Reporting Office Coordinator assesses whether the report is conclusive. The Reporting Office Coordinator assesses whether the facts described in the report are plausible in purely factual terms (plausibility check) and whether there are sufficient concrete factual indications of a (possible) breach on which an investigation can be based (substantiation).

If the reporting person has set up an electronic mailbox in **Integrity Line**, queries can be addressed to the reporting person and further information on the facts which were reported can be obtained, if necessary.

- No plausibility or substantiation: If it is determined that the report lacks plausibility or substantiation, verification must be completed by the reporting office which was contacted, and the result must be documented.
- Plausibility and substantiation: If the report is plausible and substantiated, the Reporting Office Coordinator will forward the verified report to the competent investigation office.


4.4.4 Investigating the facts

If the report is plausible and substantiated, the investigation office is responsible for further clarification of the facts and will take the necessary steps. If necessary, it also discusses the facts of the matter with the reporting person regarding human rights and environmental violations or risks in accordance with the LkSG.

To the extent permissible under the applicable law the reporting person can choose whether the competent investigation office is the central investigation office at AVL List GmbH or the investigation office otherwise responsible for the AVL company concerned. The central investigation office at AVL List GmbH is headed by the Group Compliance Officer. The responsible investigation office is displayed in Integrity Line when submitting a report. Before submitting the report, the reporting person will be asked to consent to their report being investigated by the central investigation office at AVL List GmbH. If the reporting person agrees to an investigation by the central investigation office, the facts of the case will be

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forwarded to the central investigation office after a plausibility check has been carried out. If the reporting person does not give their consent, the investigation will be carried out by the investigation office responsible for the AVL group company concerned.

The aim of the investigation is to determine whether the (possible) breaches addressed by a report exist.

For this purpose, the person in charge of the investigation office ("**Investigation Office Coordinator**") is entitled to contact the persons concerned and – if necessary – conduct interviews with them and request and inspect necessary documents.

All investigative measures will adhere to the framework of the investigation mandate, which is defined by the report and the circumstances described therein. No investigations will be conducted without a specific focus.

Investigations are conducted neutrally and objectively under the presumption of innocence. The Investigation Office Coordinator follows up on both incriminating and exculpatory evidence, provided it serves to further clarify the facts.

The person(s) concerned will be informed in advance that they are the subject of an investigation and of their rights under data protection laws unless it jeopardises the purpose of the investigation. The person(s) concerned will also be given the opportunity to comment on the suspicions involving them and to state their position (principle of the right to be heard). The findings obtained in this process will be taken into account by the Investigation Office Coordinator when assessing the facts of the case and deciding on follow-up measures.

The Investigation Office Coordinator can obtain external support (e.g., by lawyers, auditors, other experts) if it seems appropriate and necessary to adequately clarify the facts.

4.4.5 Closing the investigation and, if necessary, initiating follow-up measures


The Investigation Office Coordinator will close the investigation when

- (1) there is either sufficient knowledge of the facts to be able to reliably assess that the (possible) breach addressed by a report does not exist, or
- (2) there is sufficient knowledge of the facts to be able to reliably assess that the (possible) breach addressed by a report exists, or
- (3) further clarification of the facts by reasonable means seems impossible or unreasonable.

After the investigation is closed, the Investigation Office Coordinator will draw up a written investigation report which contains a description of the facts of the case and the (substantiated) result of the investigation, whether or not the suspicion was confirmed and why, or why the facts were not investigated further.

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After the final evaluation of the report, the reporting person will be informed of the result of the investigation, provided that there are no objective reasons not to do so. The investigation report will not be provided to the reporting person. The reporting person will receive feedback on the initiation of an investigation or other possible follow-up measures **at the latest three months** after receipt of the report.

The person concerned will also be informed of the results of the investigation unless there are objective reasons not to do so or this is not possible due to the nature of the report according to the LkSG . If the (possible) breach addressed in the report is not confirmed in the course of the investigation, this will also be reported to the person concerned superior or to their close colleagues at the request of the person concerned and existing suspicions will be cleared up (vindication).

If the suspicion expressed in the report is confirmed, the written investigation report will be forwarded to the head of personnel responsible for the person concerned. The head of personnel will then examine together with the Investigation Office Coordinator, whether and, if so, which individual measures, or measures under liability law or employment law should be taken in the specific case. The (reasoned) decision on this will also be documented in the investigation report.

The investigation report will also be submitted to the management of the company concerned, provided that there are no special circumstances, in particular conflicts of interest, that prevent this. In case of such a conflict of interest, depending on the circumstances, the investigation report must be submitted to the responsible managing director of the parent company or the responsible body of AVL List GmbH. The Investigation Office Coordinator and the management of the AVL company concerned will discuss the further course of action on the basis of the investigation report, in particular whether a report to the authorities or the public prosecutor's office is necessary. This decision must also be documented in the investigation report.

4.4.6 Analysis


After the investigation has been completed, the Investigation Office Coordinator in charge will check whether the report or the information obtained in the course of the investigation has revealed deficits or weaknesses in any procedures, processes or in the Compliance Management System. If it has and the deficits / weaknesses continue to exist, the necessary remedial measures must be taken.

4.4.7 Data protection

If personal data are processed in the course of processing the reports, this will be done in compliance with the provisions of data protection law. In the European Union, AVL is required to provide information on the legal basis for processing personal data when handling reports:

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- Where reporting breaches of the law is concerned, AVL is obliged to process in accordance with Art. 6 (1) c) EU General Data Protection Regulation ("GDPR") in conjunction with the national laws transposing the Whistleblower Directive EU 2019/1937.
- Where processing other reports is concerned, the legal basis is Art. 6 (1) f) GDPR; AVL has a legitimate interest in maintaining integrity and compliant behaviour (compliance) as described in section [1](#) above.

5. Applicable documents


QES Document no.	Title	Location
112477	Code of Conduct of AVL List GmbH	Intranet

Title*	Location

*Documents with decentralized location

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6. Appendix

6.1 Deviating requirements of local jurisdictions

Jurisdiction	Process stage	Regulation
Spain	4.3 Reporting options	<p>Deadline for personal meeting with reporting person:</p> <p>At their request, reporting persons will be offered a personal meeting with the competent employee of the reporting office no later than seven days after their report.</p>
Czech Republic	4.4.5 Closing the investigation and, if necessary, initiating follow-up measures	<p>Shorter feedback period:</p> <p>Reporting persons shall be given feedback no later than 30 days after receipt of their report, in particular with regard to the initiation of an investigation or other possible follow-up measures. In difficult cases, the deadline may be extended twice by a maximum of 30 days, provided that appropriate justification is given.</p>
Hungary	4.4.2 Submitting reports	<p>Obligation to disclose the reporting person's personal data in the event of a deliberate false report:</p> <p>If it turns out that the reporting person did not make a report in good faith ("bad faith") and there is reasonable grounds to believe that the reporting person caused unlawful harm or other damage to another person as a result of the report in bad faith, the competent investigation office must – if known – disclose the reporting person's personal data to the other person upon the other person's request.</p>

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	<p>4.4.5 Closing the investigation and, if necessary, initiating follow-up measures</p>	<p>Shorter feedback period:</p> <p>Reporting persons shall be given feedback no later than 30 days after receipt of the report, in particular with regard to the initiation of an investigation or other possible follow-up measures. In difficult cases, the deadline may be extended to three months, provided that appropriate justification is given.</p>
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