

Supplier Sustainability Codex

PREAMBLE

The following **Supplier Code** defines our maxims for the fulfilment of human rights and environmental protection standards, whose compliance is expected from all our suppliers.

It is our concern and the demand in ourselves to manage AVL SET responsibly about people and the environment. This also includes the responsible selection of business relationships to be able to manifest our principles along the entire value chain of our products.

The **Supplier Code** is part of our contractual conditions with our suppliers worldwide. They are encouraged to integrate these requirements into their own business operations, to pass them on to their employees and suppliers, and to audit their compliance.

The maxims refer to national and international laws and conventions, as well as the United Nations Global Compact, the OECD Guidelines for Multinational Enterprises, the Universal Declaration of Human Rights, the UN Guiding Principles on Business and Human Rights and the conventions of the International Labour Organization (ILO).

AVL SET reserves the right to verify compliance and to terminate the business relationship if the supplier does not comply with these maxims or applicable law.

This document is also available in German language on our website <http://avl-set.com>.

I. Human Rights Standards

1. Complying nationally and internationally recognized human rights standards

Human dignity and respect for the individual are of paramount importance to AVL SET.

It is essential that the suppliers respect and comply human rights. In all their business activities, they must ensure that they themselves and their suppliers do not commit or participate in any human rights violations.

2. Protection of Minors

Suppliers must disapprove of child labour to protect minors. At least they shall comply the requirements of the ILO Convention on the Minimum Age for Admission to Employment. ,

3. Disapproval of forced labour

AVL SET expects its suppliers to reject any form of forced labour. Any work or service performed by employees of suppliers must be voluntary.

4. Interdiction of unequal treatment

AVL SET does not tolerate discrimination based on race, ethnic origin, gender, religion or belief, disability, age, nationality, pregnancy, sexual identity or political or trade union activity by its suppliers. In addition, suppliers must prevent such discrimination among their employees.

5. Reasonable compensation and working hours

AVL SET requires its suppliers to be aware of their social responsibility towards their employees. They must ensure that they receive fair and appropriate compensation. This also includes an

appropriate working time agreement which must be based on legal requirements or trade union agreements.

6. Freedom of association

Suppliers must guarantee their employees their freedom of association and their right to collective bargaining in accordance with applicable laws.

II. Security

1. Complying nationally applicable occupational health and safety obligations

The goods to be supplied must comply with the applicable national and foreign regulations (the safety, accident preventions and environmental regulations, the relevant ordinances and directives of the VDE regulations, the REACH Regulation [EC] No. 1907/2006) and the recognized latest ruled and standards of technology.

2. Health Protection

Suppliers are committed to the protection and safety of employees and to compliance with all applicable health and safety regulations. They are committed to actively taking reasonable precautions and measures to help improve the working environment on an ongoing basis.

III. Compliance

1. Compliance

AVL SET expects the highest level of integrity, honesty and fairness from its suppliers.

Suppliers shall avoid any form of corruption or unfair acts that constitute national or international criminal offences. Each supplier shall comply with all applicable laws and regulations relating to AVL SET.

2. Fair Competition

Suppliers shall refrain any action that restricts fair competition. They shall comply with all applicable antitrust and competition laws, as well as all other laws against unfair competition.

3. Data Protection and Confidentiality

Personal data, business secrets and confidential information of all kinds concerning AVL SET must be kept secret. This duty of confidentiality shall also apply after termination of the business relationship.

4. Prevention of conflicts of interests

AVL SET expects its suppliers not to allow their own personal and financial interests to influence their business decisions.

IV. Environmental Protection

1. Environmentally friendly production

AVL SET encourages its suppliers to work towards climate neutral business activities. This includes the creation of production facilities that use resources and energy efficiently, thus reducing overall negative impacts on the environment such as harmful soil changes, water and air pollution and harmful noise emissions.

2. Environmentally friendly products

Suppliers are obliged not to use materials and processes that pose a risk to the environment and health. Their products must not contain substances that do not comply with our list of declarable and prohibited substances, REACH Regulation [EC] No 1907/2006 or ROHS Directive 2011/65/EU. Mercury and mercury compounds according to the Minamata Convention, or chemicals according to Article 3(1)(a) and Annex A of the Stockholm Convention on Persistent Organic Substances are not allowed be used for AVL SET deliveries.

3. Sustainable disposal of pollutants

The Supplier shall ensure that the handling, collection, storage, and disposal of waste from its production is carried out in an environmentally sound manner, in accordance with the rules of the applicable law.

4. Product safety and quality

All products and services must comply with the contractually agreed quality and safety so that they can be used for their intended purpose in accordance with the safety standard.