AVL Italia S.pA. – Anti-Slavery and Human Trafficking Statement

In accordance with Section 54(1) of the Modern Slavery Act 2015 (the "**Act**"), this statement sets out our actions to understand the potential modern slavery and human trafficking risks related to our business and what steps have been put in place that are aimed at ensuring that there is no modern slavery or human trafficking in our own business and our supply chains and to demonstrate our commitment to preventing modern slavery and human trafficking. This statement covers our actions in the areas of structure and supply chains, policies, risk assessment and management, due diligence, training as well as monitoring and effectiveness and relates to actions and activities during the financial year from 1 January 2025 to 31 December 2025.

Overview

The Act requires commercial organisations supplying goods or services and carrying on all or part of their business in the UK with an annual global turnover of more than GBP 36 million to prepare and publish an annual statement detailing what steps that organisation has taken to reduce the risk of modern slavery and human trafficking taking place in its own business or its supply chain. This statement will be published on the AVL website and uploaded to the UK government's Modern Slavery Statement Registry.

What is modern slavery?

Modern slavery is a growing global problem that refers to situations where individuals are exploited and coerced into labour or services under condition akin to slavery, such as through force, fraud, or deception. It can include various forms of exploitation, such as debt, bondage, human trafficking, and forced marriage. Unfortunately, vulnerable people are affected in many different sectors including agriculture, construction, hospitality, retail, manufacturing and more.

Our organisational structure and supply chains

AVL Italy S.p.A. is part of the AVL Group and an affiliate of AVL List GmbH which is based in Graz, Austria. AVL List GmbH is a market leader with a first-class reputation. It is the world's largest independent company for the development, simulation, and testing technology of powertrains (hybrid, ICE, transmissions, electric motors, batteries, and software) for passenger cars, trucks, and large engines. The AVL Group employs more than 12.000 people and mainly serves customers in Austria, Germany, USA, the UK, France, Italy, Spain and other European countries. Other core markets include China, Japan, India and Korea. The AVL Group's main suppliers are located in Germany, Austria and Switzerland. You can find out more about our business at www.avl.com..

Our policies

We are committed to the principles of integrity, honesty and fairness. 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. We have set out these principles in various policies that are binding on the relevant stakeholders in the organisation. The following policies describe our approach to identifying risks of modern slavery and human trafficking, and the steps we are taking to prevent modern slavery and human trafficking in our operations:

- **Code of Conduct for Employees:** Our internal Code of Conduct is binding on all our employees and makes clear to them the actions and behaviour expected of them when representing our organisation. The Code of Conduct has been revised in 2025 and expressly states that we reject any form of forced labour as well as all forms of modern slavery, exploitation and human trafficking. The Code of Conduct can be found on our website (AVL Code of Conduct). We strive to maintain the highest standards of employee conduct and ethical behaviour when operating locally or abroad and managing our supply chain.
- **Code of Conduct for Business Partners:** With our Code of Conduct for Business Partners, we are committed to ensuring that our suppliers adhere to the highest standards of ethics. Suppliers are required to provide safe working conditions where necessary, treat workers with dignity and respect, and act ethically and within the law in their use of labour. This includes, without limitation, prohibition of forced or child labour and discrimination as well as granting freedom of association. Suppliers are obliged to acknowledge and accept the Code of Conduct for Business Partners when entering into agreements with us. Compliance with these obligations will be monitored and violations will lead to adequate remedies, including termination of contracts as last resort. The Code of Conduct for Business Partners can be found on our website (Code of Conduct for Business Partners).
- **AVL Whistleblower Policy:** We encourage all our employees, customers, and other business partners to report any concerns they may have relating to our organisation's direct operations or supply chains. This includes any circumstances that may give rise to an enhanced risk of modern slavery or human trafficking. The AVL Whistleblower System is designed to make it easy to make disclosures, without fear of retaliation. Employees, customers, or others who have concerns can contact the organisation's digital whistleblowing tool Integrity Line which is available in 21 languages. The AVL Whistleblower System has been expanded to all AVL Group companies worldwide in 2025.
- **Standard Terms and Conditions for Purchasing (T&Cs)**: In our standard terms and conditions for purchasing, we seek contractual assurance from our suppliers that they are not engaging (directly or indirectly) in any violation of human rights, use of child labour or any other conduct which is prohibited by our Code of Conduct for Business Partners.
- **Recruitment Policy:** We only use specified, reputable employment agencies to source labour and always verify the practices of any new agency we are using before accepting workers from that agency.

You can find out more about our commitment to human rights and ethical behaviour and how it is embedded in our business principles in our group-wide statement on human rights, ethical behaviour and working conditions ("Human Resources Statement").

Our due diligence processes and risk assessment

The application of our policies and procedures includes due diligence on the suppliers we work with in accordance with our internal processes. Prior to the commencement of business during the supplier release process, we ask our external suppliers to confirm that they comply with our terms and conditions (T&Cs) and the standards contained therein as well as the Code of Conduct for Business Partners and that they request similar standards from their own suppliers and subcontractors.

The AVL Supplier Risk Management System covers all active suppliers. As part of the risk-based due diligence process, the local supply chain organisation conducts an assessment of external suppliers, which includes the use of questionnaires and the analysis of available information. Suppliers are rated at the conclusion of major projects, as defined in the Supplier Rating Document, through the ad-hoc vendor rating procedure. In critical cases, the local supply chain organisation decides on the next steps, which may include further assessments, corrective actions, supplier audits, or termination of the business relationship as a last resort. The global rollout of this process is ongoing.

Our processes for assessing and managing our effectiveness in preventing (modern) slavery and human trafficking

As described above in detail, to ensure the effectiveness of our implemented measures against modern slavery and human trafficking, we monitor the number of external suppliers who have provided declarations of compliance to us. In the event the declarations are not provided, or suppliers are found to be in violation of our Code of Conduct for Business Partners, appropriate measures will be taken.

In view of the fact that compliance violations can never be completely ruled out, no matter how sophisticated the compliance management, the AVL Whistleblower System is open to potential reporting persons along our entire supply chain. In addition, the AVL Whistleblower System is also intended to help recognise and eliminate compliance violations as early as possible.

Our training on modern slavery and human trafficking

Topics as human rights and ethical behaviour, including modern slavery and human trafficking, are part of AVL's global Compliance Management System (CMS) which is based on the AVL Code of Conduct. The Code of Conduct is trained worldwide as part of the mandatory compliance training for each AVL employee.

Furthermore, AVL has developed its own training program especially for new employees – Welcome Newcomer – in which general knowledge about the AVL organization, processes, and structures but also topics such as compliance, occupational health and safety, labour law and working conditions are trained and where explicit reference is made to the rights and obligations of every worker. In 2025, AVL implemented several new training programs covering topics related to modern slavery and human trafficking, including training on human rights, the history of women's rights, and due diligence in the supply chain. Further training

programs are currently being developed and will be introduced in 2026. All training courses are made available via AVL's learning management system and are administered by the AVL training department.

For managers there are in-depth training courses on leadership, compliance and our ethical standards.

Director approval

This statement was approved by our Managing Director, and it is reviewed and updated annually.



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Domenico Dino Brancale
Managing Director – AVL Italia S.p.A.