

Policy statement according to the German Act on Corporate Due Diligence Obligations in Supply Chains (*Lieferkettensorgfaltspflichtengesetz*)

Preliminary remarks: for reasons of better readability, the simultaneous use of masculine, feminine and diverse language forms is avoided. All personal designations apply equally to all genders. The name AVAG Holding SE encompasses both the head office and respective automotive dealerships as well as other affiliated companies.

As a traditional family-owned business with a high degree of social responsibility, AVAG Holding SE has always been committed to respecting internationally recognised human rights, safeguarding the rights of workers and their representatives, taking the rights of vulnerable groups into consideration and protecting the environment.

This policy statement complements our existing values in terms of both our dealings with people and the environment and our collaboration with existing and new suppliers. We naturally reject the use of child and forced labour, and are committed to upholding equal opportunities and the right to health and safety in the workplace. We oppose all forms of discrimination, we pay fair wages and we protect the environment in that we avoid the excessive use of water, are against the harmful contamination of the soil, water and air, and store and dispose of waste in an environmentally friendly way in accordance with the POP Convention.

We have implemented measures on a systematic basis in order to effectively prevent and avoid infringements of human rights and environmental standards. This includes an appropriate and effective risk management which is anchored in all our relevant business processes:

- We have subjected our own area of business and our suppliers to an abstract risk analysis according to country and sector. An AI-supported media analysis simultaneously supplements our assessment.
- The risks identified during the analysis in our own area of business and at our direct suppliers are categorised and prioritised according to human rights and environmental factors. We derive the appropriate remedial and preventive measures from this.
 - The abstract risk analysis revealed almost no anomalies in our own area of business.
 - A limited number of potential risks in the areas of freedom of association and the environment were identified with regards to direct suppliers. We are working on appropriate remedial and preventive measures for these specific cases.

- In general, the following applies: in the event of serious or immediate risks to people and the environment, we shall work with the direct supplier to develop an action plan for the mitigation or elimination of the risk. If the action plans drawn up are not implemented or fail to lead to the agreed objective, we reserve the right to terminate the business relationship with the direct supplier.
- Our current Code of Conduct for our employees defines a wide range of expectations in terms of human rights and the protection of the environment. We also expect our suppliers to act in accordance with these requirements if they wish to enter into a business relationship with us. The requirements for suppliers are based, in particular, on the strict EU standards and the Supply Chain Due Diligence Act.
- Complaints about infringements of human rights or non-compliance with our environmental standards can be submitted on an open or anonymous basis at any time. The complaints mechanism is available to all employees, suppliers, business partners and third parties on our website, by post and by telephone. All the contact details are listed at www.avag.eu and are gradually being implemented on the websites of our companies. All complaints are forwarded to an external and independent review centre and processed according to our independent compliance process. Depending on the respective findings, we initiate the appropriate countermeasures for the minimisation or elimination of the complaint.
- As with the risk analysis, we initiate the appropriate preventive and corrective measures in accordance with the outcome of the complaint management process. This applies to internal complaints in our company, at our direct suppliers and throughout our supply chain.

Our Risk Management team was established to implement and monitor all measures, and is responsible for the overall process together with the responsible departments and the sustainability department at group level. The measures described are jointly reviewed for their relevance on an annual and ad-hoc basis and developed further where necessary.

The Executive Board of AVAG Holding SE is updated regularly by the Risk Management team and receives an annual report concerning risks, measures and their effectiveness. This report is published on our website, sent to the German Federal Office for Economic Affairs and Export Control (BAFA), is published in the form of extracts in our annual report, and is stored internally for seven years in accordance with the legal requirements.

No rights for individuals or third parties can be derived from this policy statement. This policy statement does not apply retroactively. It shall enter into effect upon being signed.



Albert C. Still



Roman Still



Ulf Pfeiffer



Markus Kruis

Executive Board of AVAG Holding SE