

We move the world for the better through technology and engineering.

Sustainability Report 2019/20

automotive engineering **iauw**



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Preface

[102-14] For IAV, sustainability has continued to grow in importance over the past two years, in all its dimensions: ecological, economic and social. With our commitment to sustainable business, we are not only meeting the expectations of our customers, our fellow human beings and politicians. First and foremost, we are also fulfilling our own demand for responsible corporate action. IAV has developed its value system accordingly and firmly anchored the issue of sustainability in it. Our Purpose “We move the world for the better through technology and engineering” is the foundation of our joint efforts for a sustainable future that unites us not only in Germany but across all locations worldwide.

The European Commission’s goal of making Europe the first climate-neutral continent by 2050 is both an incentive and an opportunity for us. It is an incentive, in that we want to continuously reduce the CO₂ emissions of our business processes and thus make an important contribution towards climate and environmental protection. And it is an opportunity, in that we develop technologies and concepts for sustainable mobility. IAV is intensively involved with climate-friendly powertrains – both electric, hydrogen and gas drives as well as hybrid vehicles – and likewise with reducing the consumption and emissions of gasoline and diesel engines.

The German government’s National Hydrogen Strategy has given a boost to the pursuit of hydrogen: Hydrogen technologies are to be used as core elements of the



With our purpose, we are not preserving status, but confidently embracing change in our sector. **Our values serve as guard rails** to give our employees orientation in their daily work.

The aim of the 2019/20 Sustainability Report is to show readers how we fulfill our Purpose and Values. **Pages 16–18** and other chapters openly report on what this means for IAV.

Energiewende, decarbonizing production processes with them. IAV is active at all points along this value chain and has done preliminary work to help build a European hydrogen economy. We are helping to bring both the hydrogen combustion engine into series production and to strengthen fuel cell propulsion.

To ensure economic sustainability in challenging times during the coronavirus pandemic, we are systematically focusing our business on technological issues of the future. To this end, we take a look at the entire system – from the vehicle and the charging infrastructure to the

development of mobility platforms, the creation of conditions for autonomous driving and the integration of e-mobility into smart energy grids.

With this focus, we are actively shaping technological change in the automotive industry and linking it to the doctrine of lifelong learning. Wherever activities and job profiles are changing, we have a responsibility to take our employees along with us and support them in this transformation. We are pursuing this path together and across divisional boundaries.

At the same time, technological change brings with it an increasingly complex regulatory environment. Careful handling of the corresponding risks is therefore particularly important in our daily work. The IAV Group's enhanced management and control framework enables us to identify, assess, communicate and manage risks at an early stage, thus protecting ourselves and our clients.

As in the past, the management and the entire company are committed to sustainability in all its facets. The Sustainability Report is intended to show openly and transparently how we fulfill this commitment.



Matthias Kratzsch
Chief Executive Officer
IAV GmbH



Katja Ziegler
Chief Financial Officer
IAV GmbH



Dr Uwe Horn
Chief Human Resources Officer
IAV GmbH

1 Company profile

One of the automotive industry's leading engineering partners with **26** Sites



1 Company profile

The IAV Group has been developing innovative concepts and technologies for future vehicles since 1983.

Core competencies include production-ready solutions in all areas of electronics, powertrain and vehicle development as well as within the scope of mobility services. IAV got involved in electromobility and autonomous driving at an early stage and is now one of the leading development service providers in these fields.

The technological capability as well as the attitude of the employees make IAV a successful partner in the field of automotive engineering. This is why almost all renowned automotive manufacturers and suppliers worldwide are IAV customers today. They expect IAV to provide technological impetus for the future and development services of the very highest standard.

Sustainability is playing an ever greater role in this: In order to ensure the required environmental compatibility and meet customer demands, IAV is intensively involved in hybrid vehicles as well as electric, hydrogen and gas drives, but also in optimizing gasoline and diesel engines in terms of reducing consumption and emissions.



The IAV Group has been developing **innovative concepts and technologies** for future vehicles since 1983.

Other central topics in automotive development include maximum safety for passengers and other road users as well as comfort and driver assistance systems. The major trends of the future include vehicle networking and digitalization, affecting passenger cars and commercial vehicles alike. In the field of mobility, IAV is also working on the intelligent networking of modes of transport.

As an established automotive development partner, IAV deals with all facets of mobility. This includes new technologies for combustion engines as well as innovative conversion solutions to electric drive and autonomous shuttles for urban traffic. As part of its technology transfer activities, IAV's expertise is also increasingly in demand in other sectors, such as agricultural and energy systems as well as robotics.

In every contracting relationship, IAV strives for a work-contract-based cooperation with its customers and provides services primarily in its own development, testing and inspection facilities as well as workshops. The premium demand for results is also reflected in the quality of the office workplaces and technical facilities. Each employee has their own workstation so that they can perform the required activities in a targeted and successful manner.

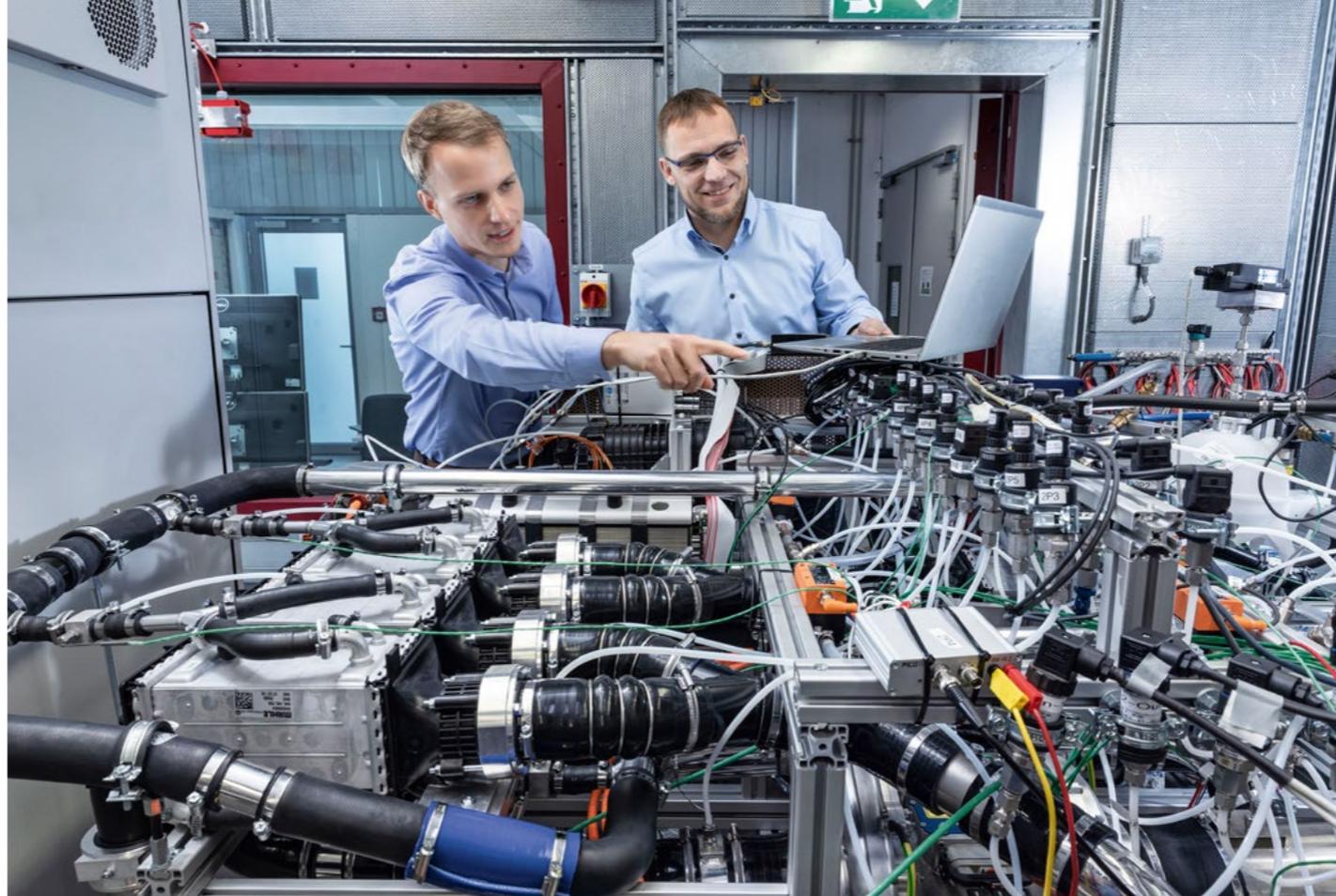
1.1 Corporate structure

[102-1] [102-3] [102-4] [102-6] [102-7] [102-8] [102-10] [102-45] With around 8,200 employees in the reporting years 2019 and 2020, the IAV Group is one of the leading engineering partners to the automotive and mobility industries. The Group's parent company is IAV GmbH Ingenieurgesellschaft Auto und Verkehr, headquartered in Berlin (IAV GmbH for short). It alone employed more than 7,700 people in 2019 and 7,500 in 2020. IAV is represented in eight countries worldwide via its six German and seven foreign subsidiaries in Europe, Asia and North and South America.

IAV GmbH is supported operationally in Germany primarily by its four subsidiaries IAV Fahrzeugsicherheit GmbH & Co. KG, consulting4drive GmbH, TRE GmbH and CPU24/7 GmbH, which specialize in vehicle safety issues, consulting services relating to new mobility concepts, chassis issues and IT solutions.

IAV provides development services at 16 locations in Germany for the automotive industry and its system suppliers as well as other innovation-oriented industries (e.g. energy supply, water management, agricultural engineering and robotics). The focus is on the three development centers in Berlin, Gifhorn and Chemnitz/Stollberg. In addition to development activities, these centers are characterized by extensive test bench facilities. IAV also operates two modern test centers for vehicle safety in Gifhorn and in Großmehring (near Ingolstadt).

Outside Germany, IAV has subsidiaries in France, Sweden, China, Japan and Korea as well as in the USA



and Brazil. IAV India Pvt. Ltd. has discontinued its operating activities as of the end of fiscal 2020.

As a group, IAV works for customers on site on international and complex projects within the scope of current future topics in the automotive industry. Strategic networking of the international locations is being consistently pursued within this context. Problem-solving for the customer and technological innovations are the cornerstones for successful action on the market. IAV stands for high innovative strength and quality of

With around 8,200 employees in the reporting years 2019 and 2020, the IAV Group is **one of the leading engineering partners to the automotive and mobility industries.**

technical solutions in automotive engineering. With passionate precision, an eye for the big picture and ingenuity, IAV develops convincing solutions: on-time, in-budget and in outstanding quality.

Of equal importance for securing the company's future is the high quality of its work processes and results. In agreement with the shareholders and the Supervisory Board, qualitative growth is the focus of all efforts made by IAV's management and employees. As the parent company of the Group, IAV GmbH ensures that the

company's objectives can be implemented not only in Germany but throughout the IAV Group. To this end, it defines the strategic orientation of the subsidiaries worldwide and monitors their implementation by local management.

IAV GmbH supports its subsidiaries by providing central services such as controlling, accounting, financing, legal, marketing, corporate communications and IT services across the Group. It is the Group's main service provider and contributes predominantly to consolidated earnings.

IAV stands for **high innovative strength and quality** of technical solutions in automotive engineering.

Key figures IAV GmbH (IFRS)

	Unit	2018	2019	2020
Total revenues	€ million	877.0	968.4	873.8
Material usage	€ million	113.1	123.7	71.2
Operating profit	€ million	26.0	55.3	8.4
Return on sales	%	2.8	5.4	0.3
Workforce ¹	Number	7278	7732	7573
Full-time employees	Number	6139	6463	6386
Part-time employees	Number	544	667	710
Students	Number	595	602	477

¹ At the end of the year under review (Dec. 31)





Corporate governance

[102-5] [102-18] [102-20] [102-22] [102-23] [102-24] [102-26] [102-29] IAV is structured as a group. All companies in the IAV Group are managed and represented locally by independent management teams in accordance with the relevant legal requirements. The shareholders of IAV GmbH are manufacturers and suppliers from the automotive sector.

IAV GmbH's shareholder structure changed slightly during the period under review and currently comprises the following shareholders:

Volkswagen AG	50 %
Schaeffler Technologies AG & Co. KG	10 %
SABIC Innovative Plastics B.V.	10 %
Continental Automotive GmbH	10 %
Vitesco Technologies GmbH	10 %
IAV GmbH	10 %

As a limited liability company under German law, IAV GmbH's number of employees means that it has a Supervisory Board with equal representation in addition to the General Meeting of Shareholders and the currently three-member Management Board. The General Meeting of Shareholders and the Management Board are also advised by a voluntarily formed Advisory Board.

There have been two changes to IAV GmbH's management in the last two years. At the end of fiscal 2019, Kai-Stefan Linnenkohl stepped down as Chief Human Resources Officer. Dr Uwe Horn was appointed to succeed him as of January 1, 2020. At the end of fiscal 2020, Dr Ulrich Eichhorn resigned from his position as Chief Executive Officer. Matthias Kratzsch, previously Managing Director Engineering, was appointed to the post of Chief Executive Officer as of January 1, 2021.

Accordingly, IAV GmbH's management is currently structured as follows:

Matthias Kratzsch
Chief Executive Officer (CEO)

Katja Ziegler
Chief Financial Officer (CFO)

Dr Uwe Horn
Chief Human Resources Officer (CHRO)

The Management Board ensures the company's ability to act by representing IAV GmbH externally and managing its business. To this end, it maintains regular contact with the company's Supervisory Board and Advisory Board. The Management Board informs the Supervisory Board and the Advisory Board comprehensively about the economic situation and the development of the company in quarterly reports and in the meetings held twice a year.

The Supervisory Board advises the Management Board and monitors its activities. In accordance with the provisions of the German Codetermination Act, the Supervisory Board consists of twelve members, six of whom are elected by the employees and six of whom are delegated by the shareholders. One member of the Supervisory Board is currently a woman. The current Chairman of the Supervisory Board is Dr Nikolai Ardey. He was elected as successor to Professor Stefan Gies in March 2020. The last Supervisory Board election took place in fiscal 2018.

IAV GmbH's Advisory Board consists exclusively of shareholder representatives and is set up in line with the structure of the shareholder structure. The Advisory Board advises the General Meeting of Shareholders and the Management Board. In particular, its task is to draw up recommendations for IAV's strategic orientation and budget planning.

The General Meeting of Shareholders is IAV GmbH's supreme decision-making body, at which the shareholders jointly take key structural and fundamental decisions.

The rights and duties of the aforementioned bodies and the Advisory Board are derived from statutory provisions, IAV GmbH's Articles of Association and the rules of procedure for the Management Board, the Supervisory Board and the Advisory Board.

IAV GmbH as a pioneer

The actions of the corporate bodies of IAV GmbH and its subsidiaries are shaped by recognized principles of good



corporate governance. Essential standards for sustainable development of the IAV Group are developed and exemplified at IAV GmbH. The management of the subsidiaries is called upon to implement these standards in their companies in compliance with the locally applicable legal framework.

With a view to safeguarding the company's success in the long term, the management and boards of all operating subsidiaries in which IAV GmbH holds at least 50 percent of the shares once again explicitly endorsed the implementation of Group-wide standards in the companies they manage in the summer of 2020.

The actions of the corporate bodies of IAV GmbH and its subsidiaries are shaped **by recognized principles of good corporate governance.**

Governance, Risk and Compliance (GRC)

[102-11] For effective risk management, IAV has established a systematic management and control framework based on the recognized Three Lines of Defense model.

The further development of internal structures was modeled on the construction of a house. This is why the result is also called the "GRC house". This house is underpinned by three pillars that act as lines of defense to minimize risks.

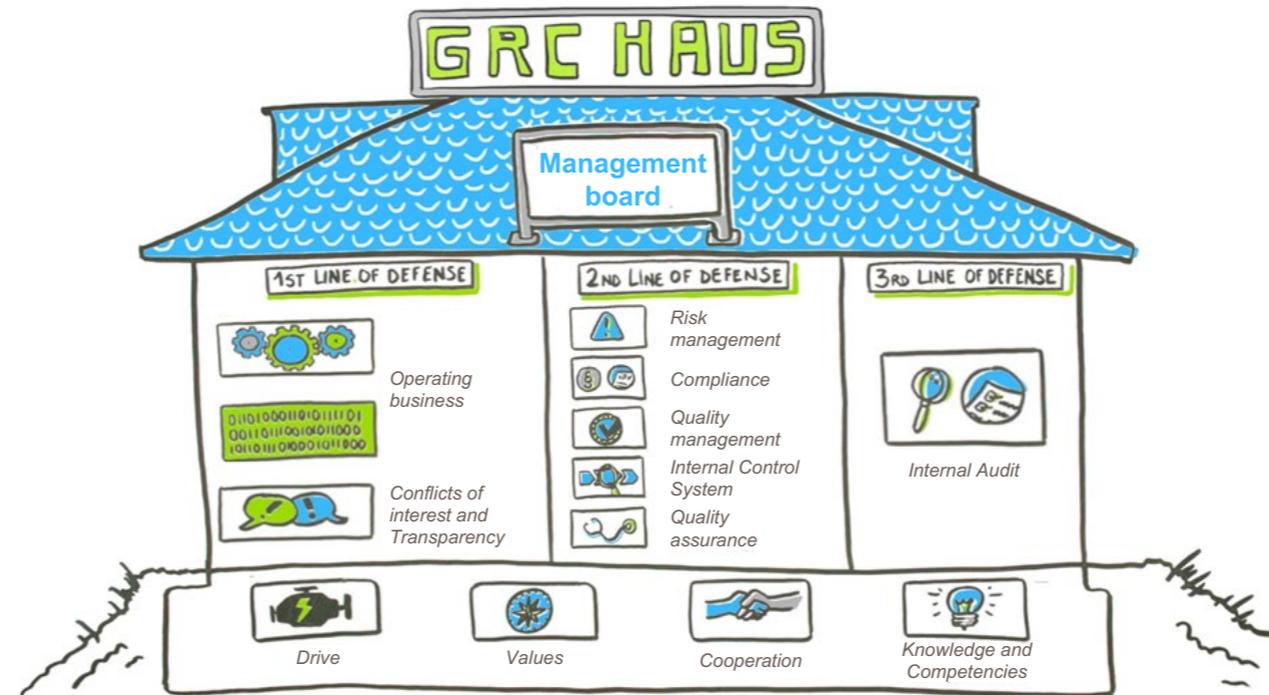
First and foremost, it is the operational business that takes place. Each organizational unit identifies and assesses risks as part of its day-to-day work and takes appropriate action.

For this purpose, they can draw on guidelines, manuals and methods that are developed in the second line of defense (e.g. through compliance and quality management). This line also supports and monitors compliance with defined standards.

The third line of defense consists of the new internal audit function. It operates independently of day-to-day business. Here, an independent and objective view of the entire company takes place in the form of audit inspections.

At the top of the "GRC house" is our management board. It is responsible for ensuring that the interplay between the three lines of defense works. And it is required to set an example of responsible behavior in dealing with risks. The management board is monitored in its work by the supervisory board in its role as the statutory supervisory and advisory body.

The further development of internal structures was modeled on the construction of a house. **This is why the result is also called the "GRC house".**



1.2 IAV's services

[102-2] For IAV as a globally recognized and established development service provider, development projects with and for customers from various industries are at the heart of the company's activities. The security and compliance of solutions are paramount. IAV takes account of legal and technical requirements and standards for product safety and conformity in all phases of value creation. In addition, IAV operates a customer-specific as well as technology-specific product business that fully exploits the practicality of the development processes.

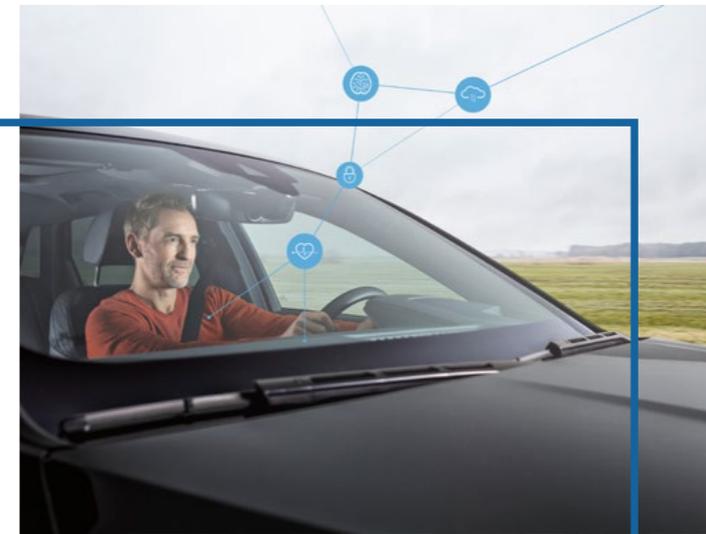
The four pillars of IAV's service portfolio consist of:



Engineering

IAV develops conventional and alternative powertrains, transmissions, interiors and exteriors, driver assistance systems as well as electrical and electronic components for passenger cars and commercial vehicles, among others. The dominant topics currently include combustion engines with optimum efficiency and minimum emissions. To achieve these goals, IAV relies, among other things, on innovative combustion processes (e.g. prechamber ignition) and state-of-the-art systems for exhaust gas aftertreatment, which are constantly being improved with the aid of simulations.

In addition to gasoline and diesel engines, hybrid and purely electric powertrains also play a key role at IAV, for example efficient energy management for hybrid vehicles and e-drives that sets standards in terms of efficiency and safety. In addition to fuel consumption and emissions, consideration of a vehicle's overall life cycle assessment is also gaining in importance. With detailed Lifecycle Assessments (LCA), IAV provides its customers with an objective basis for comparing different product alternatives.





Products

Customized solutions for you: This is the philosophy behind IAV's portfolio of services with its product range. The development tools have been tried and tested in numerous series and development projects and are always up to date. The tools not only support IAV's employees in carrying out their work, thus helping to increase efficiency, but also make the customer's engineering process faster, of better quality and safer.

IAV also supplies electronic components in series, for example display and control units for agricultural machinery and integrated on-board computer systems. The vehicle conversion product portfolio element is defined by the supply of specially developed parts sets that can be fully integrated.



Services

IAV's services can be divided into the categories of Mobility Services, Product Lifecycle Supervision, Support and Engineering Cloud. Within Mobility Services, customers are offered a comprehensive portfolio – from car sharing to fleet support, from updates to personalization, but also new services such as the car as a cloud service, the car as an entertainment platform, the car as a personal assistant. In product lifecycle support, IAV supports its customers from idea and technology evaluation, product development and variants, updates and maintenance to after-use and disposal. In the area of support, IAV offers assistance in supplier selection and support, among other things. But this also includes topics such as qualification and approval as well as new concepts in the field of aftersales.

With its Engineering Cloud, IAV is focusing on high-performance computing – because there is no other way of coping with today's data volumes, calculations and simulations as well as future development requirements. In all these services, IAV thinks not only in terms of individual systems, but beyond system boundaries.





Consulting

In an increasingly complex world, excellent consulting on engineering is essential. IAV has its own consulting company in the form of its subsidiary consulting4drive GmbH: It accelerates innovation by integrating market-relevant innovations and technologies into business models; it supports market development by analyzing and evaluating market potentials so that opportunities can be turned into measurable business success in a short time; it boosts its clients' performance by, for example, realizing up to 20 percent more projects and up to 25 percent time and/or cost savings with existing resources; and it optimizes costs in product development, procurement and manufacturing.



1.3 Purpose and values

[102-16] [102-26] How a company deals with the changes the automotive industry is currently experiencing is also determined by its culture. It needs clear guard rails to successfully navigate through the changes.

On behalf of its management, IAV therefore took a close look at its own purpose and values. This involved countless talks, discussions and surveys involving more than 300 employees across divisions and hierarchies. The result is not a reinvention, but what has characterized IAV as a company since it was spun off from the Technical University of Berlin.

IAV's value system is directly linked to its purpose. The values are signposts to ensure that we do not lose our way in fulfilling our purpose. They provide structure and define the space in which IAV can and will move.

Purpose and values are the basis of IAV's culture. Every single decision must be measured against whether it is in line with the goals, ideals and corporate culture.



Keeping an eye on IAV's values and purpose: the Culture team in the People and Culture department. From left: Clemens Beer, Ines Protschka, Angela Zimmermann, Florian Methner, Stefanie Handlbauer

The answer to the question of “how” is provided by our further developed corporate values:



FOCUS ON CUSTOMERS:
This is what we do. For our customers.



PASSION FOR TECHNOLOGY:
We embody (and breathe) technology and engineering.



EXCELLENCE:
We are best in class.



PARTNERSHIP:
We win together.



PERSONALITY:
We are all IAV.



RESPONSIBILITY:
We take responsibility.



INNOVATIVE POWER:
We design and implement ideas.



“But for us at IAV, purpose and values are much more than that. They are also a promise we make to ourselves and our customers.”

Dr Uwe Horn, Chief Human Resources Officer at IAV

Our purpose:
We move the world for the better through technology and engineering.



Read more at www.iav.com

Sustainability is deeply rooted in IAV's purpose. With technology and engineering, IAV has the opportunity to move the world. Based on science, research and first-class engineering craftsmanship, solutions are developed for intelligent and sustainable mobility that reconcile the demands of people and the environment. “For the better” for IAV means moving the world in a more sustainable direction.

The role of sustainability is also illustrated by the value of responsibility. IAV takes responsibility for its developments, services and products – worldwide. The company is committed to ecological, economic and social sustainability in order to preserve an environment worth

living in for future generations. Adherence to the Code of Conduct's behavioral guidelines of integrity and compliance with the rules forms the foundation for this. Talking about responsibility is not enough, however. This report therefore shows how IAV lives up to its responsibility.

In 2021, IAV will visibly anchor its purpose and values in the company. To this end, there will be numerous workshops with employees. The goal: Purpose and values should determine every action, every interaction with customers and colleagues. In this way, they will have a significant impact on work attitudes, employee satisfaction, and ultimately the overall corporate culture.



2 Sustainability management



22 Sustainability issues are a priority for IAV and its stakeholders in the foreground

2 Sustainability management

[102-20] [102-26] IAV's central objective is to champion economic, ecological and social values. Because: Sustainable value creation contributes towards the company's long-term development. For this reason, the continuous development of sustainability management has been incorporated into IAV's strategic framework.

Overall responsibility for sustainability at IAV lies with the Management Board. It follows the principle of responsible corporate governance in implementing and regularly adapting the management systems in place for the entire company.

The management is supported in the long-term planning and coordination of sustainability activities by the "Culture and Sustainability" department. The bundling of these two topics in the HR department ensures that sustainability is anchored holistically in the company. Central communication channels are used to create transparency about sustainability requirements so that they can be implemented on a decentralized basis in dialog with the organizational units.

The IAV Code of Conduct defines sustainability and environmental protection as essential behavioral guidelines for all employees. Sustainability is also integrated into other internal guidelines. The GRC organization, as an overarching management and control framework, ensures that it permeates the company.

2.1 External sustainability assessments

Clients and investors are increasingly incorporating sustainability as a key criterion in their decision-making. IAV actively participates in external ratings and rankings in order to present its sustainability performance in a transparent and comprehensible manner. The aim is not merely to meet necessary requirements but to live up to the claim to excellence within this context as well. In addition, the results achieved help to make comparisons with competitors, implement potential for improvement and identify sustainable trends.

In fiscal 2019 and 2020, IAV again successfully passed the EcoVadis assessment and confirmed its silver status with a score of 57 points. EcoVadis assesses the sustainability performance of suppliers in global supply chains based on four categories: Environment, Labor and Human Rights, Ethics and Supplier Management.

IAV was also named one of the most sustainable companies in Germany in December 2020 (87th place) by Stern magazine and the independent market and

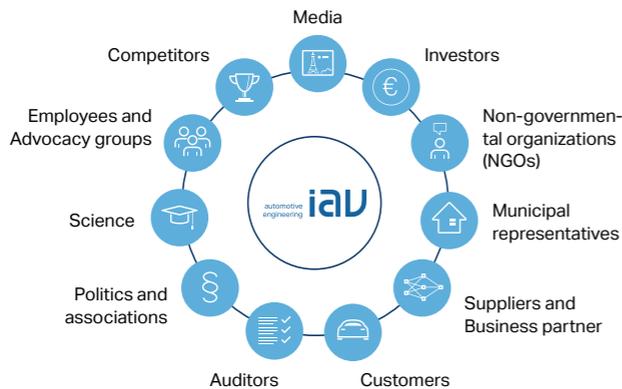
Sustainable value creation contributes towards the company's long-term development.



opinion research institute Statista. In an extensive study, more than 2,000 companies were analyzed and over 13,000 people were surveyed. The study highlighted those companies that excel in the areas of corporate responsibility – environmental, social and economic.

2.2 Stakeholder engagement

[102-13] [102-21] [102-40] [102-42] [102-43] [102-44]
 The requirements of internal and external stakeholders are key motivators and important impetus for continuous improvement at IAV. Stakeholders are all individuals, groups or institutions that influence or are influenced by IAV's business activities. Stakeholder identification and selection is guided by the principles of the stakeholder engagement standard AccountAbility 1000 (AA1000SES).



IAV is in direct and constant exchange with its environment and conscientiously maintains this dialog. An exchange takes place at all levels of the company:

- Key account management in customer projects
- Participation in research projects with government and private partners
- Membership in associations and initiatives

IAV receives a valuable contribution to its strategic, technological and social orientation through its intensive relationship with its advisory boards. To this end, regular strategy days are held with representatives of key customers and the company's management. Participation in leading technology trade fairs and conferences also provides valuable impetus.

IAV also organizes events itself: With the Berlin Powertrain Symposium, IAV has created an interdisciplinary dialog and networking platform. The event was held for the second time in 2019. In cooperation with the VDA, the topic of "Drivetrains of the Future" was discussed with experts from the fields of climate policy, economics and technology.

IAV attaches great importance to the active involvement of employees and their representatives in shaping and fulfilling the company's social responsibility. The participation of employees and works council members is part



In fiscal 2019 and 2020, IAV was a member of, among others in the following associations:

- BVL – Bundesvereinigung Logistik e. V.
- BVMW – Bundesverband mittelständische Wirtschaft Unternehmerverband Deutschlands e. V.
- Deutsches Verkehrsforum e. V.
- DIN Deutsches Institut für Normung e. V.
- Förderverein Technologiestiftung e. V. (TSB)
- Innovative Vehicle Drives Berlin-Brandenburg
- Mobility Transformation Center
- VBKI Verein Berliner Kaufleute und Industrieller e. V.
- VDA Verband der Automobilindustrie e. V.
- Verband Deutscher Maschinen und Anlagenbau e. V.

The requirements of internal and external stakeholders are **key motivators and important impetus** for continuous improvement at IAV.

of the corporate culture and provides valuable input. Management regularly informs employees about current developments and the economic situation. Communication takes place, among other things, via the bi-monthly internal newsletter "Driver's Seat" and continuously via the intranet. The management reports on the situation of the company and current challenges at the company meetings held regularly at all operating sites. On these occasions, employees can ask questions directly to the management.

2.3 Material topics

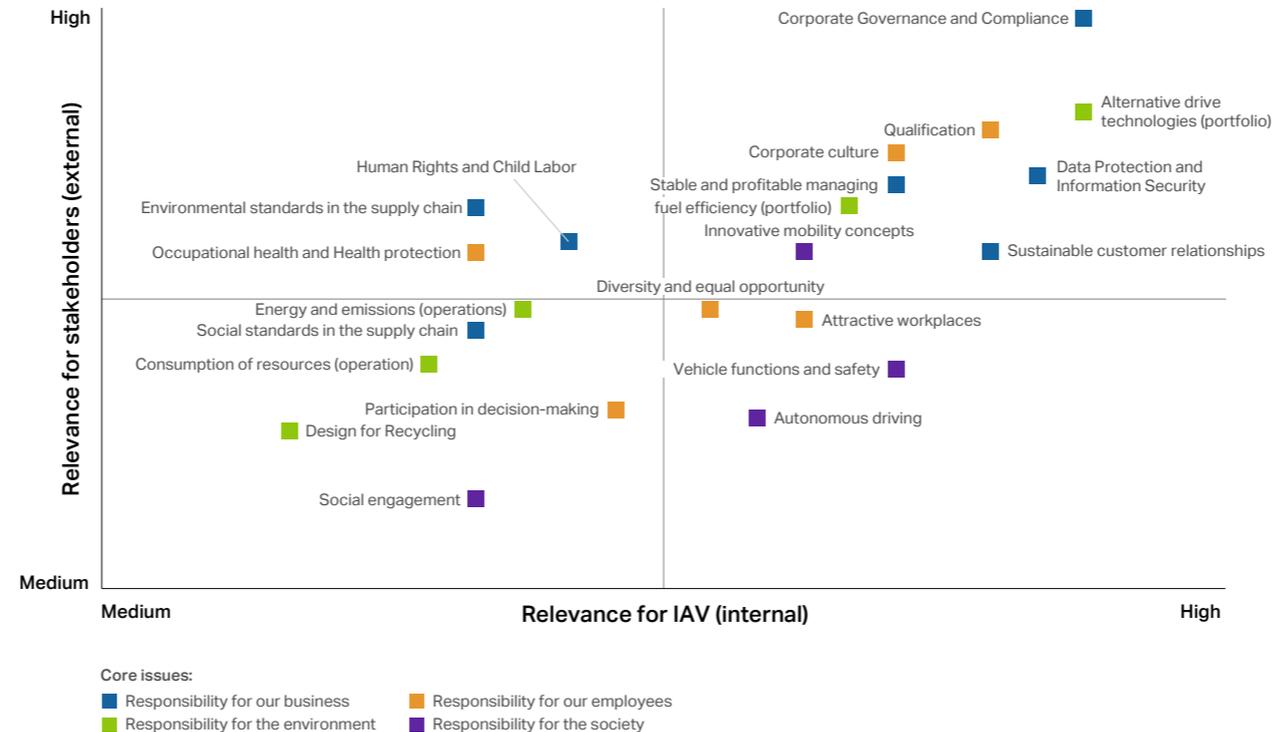
[102-46] [102-47] [102-49] IAV regularly conducts a materiality analysis to ensure that it always meets the most important challenges in an environment characterized by a high degree of dynamism. The materiality analysis is used as a strategic tool to form focal points for sustainability management.

In 2020, IAV updated the material topics with the help of internal and external stakeholder perspectives. Since the 2017 reporting year, the multi-stage process has been carried out in accordance with the requirements of the Global Reporting Initiative (GRI). The principles of stakeholder engagement, sustainability context, materiality and completeness are observed. The result is presented in the form of a matrix.

In a first step, internal and external sources were evaluated as part of an environment analysis and significant sustainability topics were defined. The topics were then prioritized on the basis of two dimensions: Relevance for external stakeholders and relevance for internal stakeholders. The prioritization was carried out by means of a survey of internal experts from all functional areas who are in contact with relevant stakeholders. Finally, the final results were validated by the management.

The results are used to derive strategic initiatives and also shape the structure of this sustainability report.

In 2020, IAV updated the key topics **with the help of internal and external stakeholders' perspectives.**



3 Responsibility for our business

To **365**

Days of the year, IAV's
"SpeakUp" system is
available for use



3 Responsibility for our business



Customer satisfaction therefore plays **a central role** for IAV and is essential for the strategic planning of all activities.

role for IAV and is essential for the strategic planning of all activities. For this reason, regular reporting is also made to the management in order to use the findings for IAV's orientation in the market and in competition.

3.1 Working in partnership

Focus on client satisfaction

IAV maintains sustainable and long-term business relationships that have been based on mutual trust for decades. Appreciation and cooperation in a spirit of partnership are top priorities. All employees work in cross-divisional collaboration to sustainably strengthen clients' position in the market. The technological capability as well as the attitude of the employees make IAV a successful partner in the field of automotive engineering.

To ensure that these services are provided over the long

term, IAV consistently gears its portfolio to its customers. The central sales organization supports and advises all employees throughout the entire sales process – from initial contact with the customer and preparation of the offer through to negotiation and successful conclusion. In addition, key account managers act as central and well-known contact persons for decision-makers and stakeholders at the customer. They ensure trusting cooperation and pool all activities for the assigned customer – also internationally in coordination with the local sales organization.

IAV solves its clients' most pressing and complex problems. This claim is firmly anchored in the corporate strategy. Customer satisfaction therefore plays a central

Customer satisfaction is evaluated several times a year in a standardized process. Criteria such as adherence to deadlines, quality, value for money, customer care, depth of expertise, innovativeness and cooperation are queried and recorded. IAV uses the Customer Relation Management System (CRM system) for this purpose. In the CRM system, all customers are stored together with all sales activities in a central customer database. This platform forms the basis for a standardized sales process that enables customer inquiries to be processed quickly.

Quality management at IAV

With its quality management system, IAV sustainably promotes the quality of its services and products as well

as its capacity for innovation, the continuous further development of its service and product portfolio and its focus on customer needs. This enables the company to address all challenges, such as ever faster development cycles or cross-industry digitalization.

IAV's quality policy takes customer expectations into account and includes the commitment of all levels of the company to meeting the specified requirements and to continuous improvement. IAV's quality policy takes customer expectations into account and includes the commitment of all levels of the company to meeting the specified requirements and to continuous improvement. IAV's quality management system is certified to DIN EN ISO 9001 and is regularly reviewed for effectiveness.

Sustainability in supplier relations

[102-9] IAV procures work services from business partners that are largely based on services provided by professionally qualified employees. Business partners are all third parties who work for, on behalf of or together with IAV. These include in particular suppliers, subcontractors, consultants, brokers, agents, sales representatives, contractors and freelancers. The vast majority of suppliers are from Germany and Europe.

In 2019, a Supplier Code of Conduct was issued for business partners. The aim is to enforce IAV's understanding of values and sustainability in the supply chains. To this end, IAV has started various activities and is working on their realization.

For example, the provisions of the Supplier Code of Conduct have been integrated into the General Terms and Conditions of Purchase. They are binding for all suppliers and form the basis for business relationships with IAV. Suppliers are also required to pass on the standards of the Code of Conduct to their business partners and to oblige them to comply accordingly.

Procurement is carried out on the basis of defined processes and role-based decision-making powers. Supplier management is an integral part of procurement policy and an operational tool for successfully shaping the relationship between suppliers and IAV.

Suppliers with a direct influence on performance processes are carefully selected. The first step is to evaluate the supplier on the basis of a supplier self-assessment and other evidence (e.g. VDA questionnaire, certificates). Suppliers are only approved if they conform to all requirements.



“Even with difficult and complex challenges, we turn ideas into series-ready market success for our customers.”

Karsten Suckow,
Account Management

Focus on customers:
This is what we do.
For our customers.



Read more at www.iav.com

IAV Supplier Code of Conduct

Responsibility for employees, business partners and society

- Data protection
- Confidential information
- IT Security
- Intellectual property
- Protection of assets and property
- Anlagenbau e. V.



Corporate responsibility

- Conflicts of interest
- Anti-corruption
- Insider trading



Social responsibility

- Sustainability and environmental protection
- Human rights
- Prohibition of child and forced labor
- Equal opportunities and respect
- Health and safety at the workplace
- Fair working conditions
- Product conformity and safety
- Quality assurance
- Research and development



Macroeconomic responsibility

- Fair competition
- Accounting and financial reporting
- Customs and export control



Human rights and child labor

IAV treats all people with respect and fairness and ensures compliance with human rights within the company. With the Supplier Code of Conduct, this is also required of business partners.

In line with the company's values, all fundamental human rights are respected, such as those enshrined in the Universal Declaration of Human Rights, the United Nations Global Compact, the United Nations Guiding Principles on Business and Human Rights and the core labor standards of the International Labor Organization.

Child labor in any form is not tolerated by IAV. In addition, forced labor, i.e. the performance of work against the will of the person doing the work and under threat of punishment, is not tolerated. This prohibition includes modern forms of slavery as well as human trafficking.

3.2 Compliance at IAV

[102-12] Just as it goes without saying that IAV provides top engineering services for its customers, it is also a matter of course that IAV consistently complies with statutory and other regulatory requirements and always acts with integrity. IAV stands for responsible corporate

management in the sense of corporate governance and compliance. Both the German Corporate Governance Code (GCGC), most recently in the version dated December 16, 2019, and the UN Global Compact guide IAV's actions. This standard is an integral part of the corporate strategy and is firmly anchored in the business processes.

IAV stands for **responsible corporate management** in the sense of corporate governance and compliance.



Compliance Management System

Compliance encompasses adherence to legal requirements, internal guidelines and self-imposed obligations in all corporate divisions and processes. This is the legal and factual regulatory framework for managing and monitoring the company.

In order to meet its responsibilities in terms of legality and organization under the GCGC, management has set

up steering and controlling instruments in line with the Three Lines of Defense model in the GRC House and maintains a compliance management system (CMS). IAV GmbH, the subsidiaries and the majority-owned companies are integrated into this system. The CMS is continuously developed and monitored. The CMS is designed to minimize compliance risks in order to protect the company and its employees and to avoid the negative consequences of breaches of the rules for the company and its employees.

IAV's compliance approach is based on an analysis of compliance risks – i.e. IAV first identifies potential triggers for breaches of rules and then aligns its CMS in such a way that these are pursued in the best possible way.

Based on national and international standards, the company goes through the three levels of prevention, detection and response.



Prevention

IAV has implemented various measures to prevent violations. In addition to the Code of Conduct, various compliance policies, processes and training courses support and raise awareness among employees of the need to behave in a compliant manner. Contact points for advice or control instruments help to promote the effectiveness of compliance measures.



Detection

Prevention should protect against liability. IAV's governance framework and control mechanisms support the compliance organization in mitigating compliance risks through the risk and control measures implemented there. In addition, IAV's SpeakUp system is an important tool for identifying violations and thus further compliance risks.



Reaction

Any indications of violations are examined professionally and independently, and any necessary measures are initiated immediately. Weaknesses discovered in the compliance program are closed. An appropriate root cause analysis leads to findings that enable IAV as a company to evaluate and derive the right measures. This strengthens the overall management and control framework at IAV and provides further insights for risk analysis.

Compliance Organization

[102-17] Compliance is a top priority at IAV. The Chief Compliance Officer (CCO) reports directly to the Chief Human Resources Officer (CHRO). The CCO is supported by the Compliance Officer (Corporate Compliance) and the Lead Coordinator tCompliance (Technical Compliance).

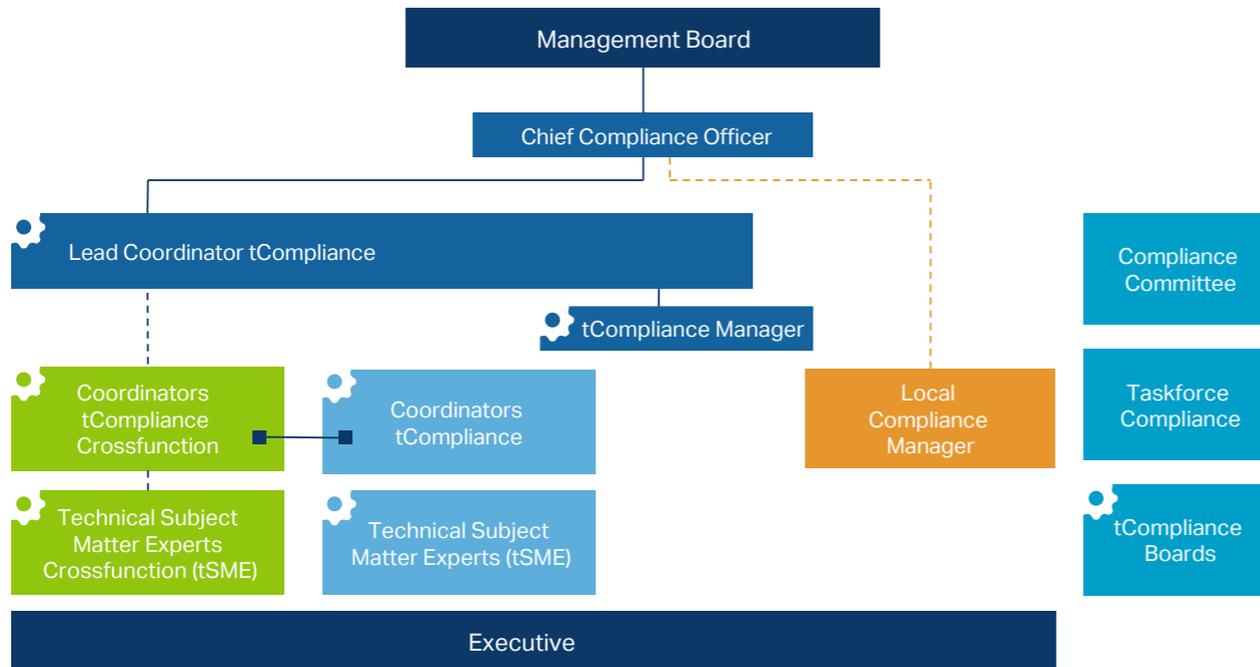
A combination of centralized and decentralized organizational structures was chosen to implement all compliance measures in the CMS. The most important point about the Compliance Organization is that IAV works with

a central unit that is supplemented by decentralized units – and this before the aspect of Technical Compliance. Technical Compliance is very diverse and complex and requires close cooperation between lawyers and experienced engineers with in-depth technical knowledge.

For this reason, the central unit has contact persons in the tCoordinators and Technical Subject Matter Experts of IAV's individual technical divisions who can provide support both in advising and in investigating indications of violations. Escalation mechanisms for clarifying and involving experts have been installed. With local contact

persons at the subsidiaries as well as central and decentralized units, IAV covers the entire portfolio of compliance issues.

IAV is also organized into committees and has issued specific rules of procedure for this purpose. The Compliance Committee is a strategic, cross-divisional board that evaluates risks and coordinates strategic objectives and the compliance program throughout the company. It meets four times a year to discuss corporate and technical Compliance issues and their further development within the framework of the CMS. IAV sets up a task force to deal with reports if they involve a significant risk or have to be dealt with by a team of experts due to their specialist expertise.



With local contact persons at the subsidiaries as well as central and decentralized units, IAV covers the **entire portfolio of compliance issues**.

Holistic implementation of compliance

[102-16] The starting point for the CMS is the compliance program, which ensures the implementation and further development of IAV's compliance standards.

Compliance measures at IAV cover both corporate compliance and technical compliance issues. Corporate compliance includes classic compliance topics from the commercial area. Technical compliance is about compliance within the scope of what IAV does at its core: top-class engineering for its clients.

The focal points of compliance measures are:

- Respecting and protecting human rights
- Preventing discrimination
- Ensuring compliance with anti-corruption regulations and avoiding conflicts of interest
- Ensuring compliance with Industrial Property Rights
- Protecting corporate property
- Ensuring compliance with competition and antitrust laws
- Protecting know-how
- Ensuring compliance with legal and regulatory requirements for Research and Development
- Fulfilling our commitment to sustainability and environmental protection

To ensure that all relevant laws and regulations are known and that employees act in accordance with them, "Regulatory Risk Assessments" are carried out on a regular basis. This provides IAV with a comprehensive overview of the regulatory landscape in which the



company operates and evaluates new or amended regulations on the basis of their relevance to the provision of services. The results of this risk analysis are incorporated into the overarching compliance risk assessment by evaluating compliance risks as a whole and taking countermeasures.

Based on the identified compliance risks, the Code of Conduct sets a binding framework for all employees worldwide to decide and act in accordance with uniform legal and ethical standards. It is supplemented and deepened by internal compliance guidelines as well as internal processes, requirements and contractual agreements. The content regulated in the policies is based on the results of the compliance risk analysis and the topics of the Code of Conduct. The compliance policies and processes are reviewed and, if necessary, updated on a regular basis, at least once a year or if required on an ad hoc basis.

"Taking responsibility means taking responsibility for actions. Each person in turn thus supports the compliance culture in the long term."

Nicole Ruff, Compliance Management

Responsibility:
We take responsibility.



Read more at www.iav.com

In addition to compliance policies and processes, employees are informed about relevant compliance topics through training courses and communication measures. In 2020, the training program was massively expanded and even tripled. The compliance organization divides the training program into different levels and prepares this for the respective target groups. The training is aimed at four target groups: all employees, special risk groups, employees in the compliance organization and managers.

Training on the Code of Conduct and the SpeakUp system is mandatory for all employees. The compliance organization also offers separate training on technical compliance. In addition, all employees receive training on specialist topics such as anti-corruption and competition law.

Training courses on open source software and emissions regulations are offered specifically for risk groups such as software developers.

Managers receive further training on their role in the compliance organization and are continuously made aware of the liability risks associated with compliance.

IAV SpeakUp system

[102-17] The "IAV SpeakUp system" is one of the most relevant measures at IAV for identifying compliance risks at an early stage. Employees and third parties can use various reporting channels to anonymously report potential breaches of regulations in numerous languages 24 hours a day, 365 days a year.

The IAV compliance organization professionally and independently examines the information reported and takes any necessary action. Confidentiality is the top priority. IAV prohibits the sanctioning of reports made in good faith. IAV protects reporting persons and people close to them against any form of reprisals that they may

learn or be exposed to as a result of the information provided. Other persons who contribute towards the clarification of suspected cases are also protected by IAV against any form of reprisal. In both cases, this includes both the threat and the attempt to inflict reprisals. Violations of the principle of protection of reporting persons are themselves regarded as violations or misconduct and punishable by appropriate measures.

Any intentionally false or misleading information will be legally prosecuted as required and in accordance with its severity. IAV's corporate culture is based on collegial cooperation and mutual trust. These values must be preserved. Denunciation has no place at IAV.





Anti-competitive behavior and antitrust violations

IAV sets itself the standard of acting fairly and transparently in economic competition.

Competition and antitrust law must be complied with. Agreements with competitors that could lead to a restriction or prevention of competition are prohibited. This applies in particular to agreements with competitors on prices, pricing, offers, capacities, business conditions, market shares or technologies.

There are no pending proceedings against the company on the grounds of anti-competitive behavior or infringements of antitrust and monopoly law.

Furthermore, IAV was not the addressee of any fines or non-monetary sanctions in 2019 and 2020 due to non-compliance with laws and regulations in the social and economic sphere.

3.3 Protection of data and information

Data protection management

To ensure ongoing compliance with data protection requirements and their verifiability, IAV has established a data protection management system that is continuously expanded, improved and adapted to constantly changing requirements.

Among other things, the achievement of these goals is tracked with the aid of key performance indicators and annual risk assessments.



IAV's data protection pursues the following goals:

- Compliance with contractual data protection requirements,
- Protecting the rights and freedoms of data subjects from unacceptable risks,
- Compliance with the principles governing the processing of personal data, i.e. legality, principles, transparency, purpose limitation, data minimization, accuracy, storage limitations, integrity and confidentiality,
- The ability to demonstrate that IAV complies with data protection requirements.
- The avoidance of fines, claims and reputational damage.

An external data protection officer has been appointed for IAV GmbH and the German subsidiaries. There is also a central internal IAV data protection team. This team provides IAV with comprehensive support in complying with data protection requirements and maintains a regular exchange with relevant stakeholders within the company. IAV data protection coordinators have been appointed to ensure effective implementation of data protection requirements in the organizational units and subsidiaries.

IAV's management is informed on an ad hoc basis and in regular reports about the implementation of data protection at IAV and about current risks, developments and issues.

Data protection processes, guidelines and templates are published in IAV's internal process tool for all employees to see. They are reviewed and updated regularly and as required.

Awareness measures such as general mandatory training for all employees and function-specific mandatory training as well as publications on the intranet are used to communicate the relevant requirements within IAV.

During the period under review, IAV implemented a new system for the central documentation of processing activities within the company, data protection incidents, data subject inquiries and general data protection inquiries brought to the attention of the data protection team by employees or business partners.

The number of data subject inquiries remained at a consistently low double-digit level in the reporting period. The majority of data subject inquiries related to deletion requests from applicants and requests for information from employees.

Two data privacy incidents were reported to the Berlin data privacy officer during the reporting period. The risk posed to the data subjects by these incidents was assessed as low and was mitigated by appropriate measures. These data protection incidents were not related to customer data.

IAV proactively coordinated with the Berlin data protection officer on individual issues. There are no known complaints from affected parties to the regulatory authorities.

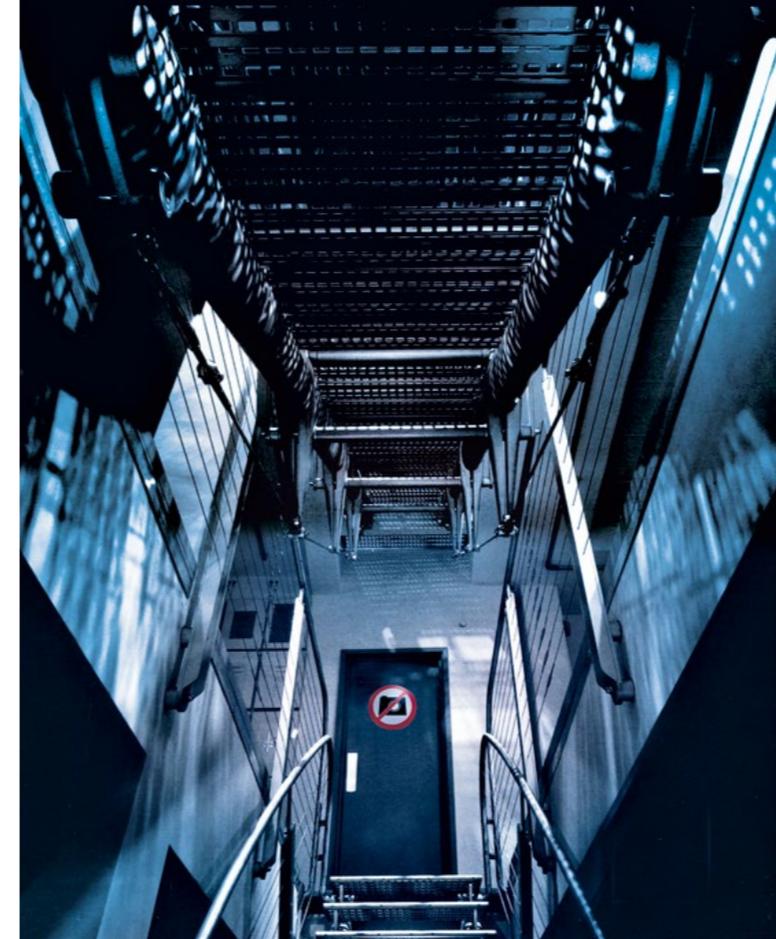
Information security and prototype protection

Protecting the know-how of customers, business partners and end customers as well as protecting its own know-how is an integral part of IAV's business processes.

In 2019 and 2020, for example, the company again successfully demonstrated the effectiveness of its information security management system in surveillance audits and holds an ISO 27001 certificate for IAV GmbH and other subsidiaries. In addition, IAV has had an unrestricted release for TISAX (Trusted Information Security Assessment Exchange) for almost all sites in Germany for "very high protection needs (AL3)" in accordance with the Simplified Group Assessment since 2019.

The detailed guidelines for information protection, IT security and prototype protection, for which the Corporate Security organizational unit is responsible, were derived from these guiding objectives of the information security policy. This is headed by the management representative for corporate security. Information Security and Prototype Protection Managers and IT Security Managers have been appointed to provide support.

In the reporting period, there were no incidents due to information security breaches that resulted in large fines or the loss of delivery commitments. There were also no cyber attacks on the IT infrastructure. Nevertheless, a cybersecurity program was set up and cybersecurity insurance was taken out to increase IAV's cybersecurity resilience on the one hand and to reduce financial damage in the event of an attack that can never be ruled out on the other.



Protecting the know-how
of customers, business partners and end customers as well as protecting its own know-how is an integral part of IAV's business processes.

IAV was able to quickly and comprehensively mitigate operational constraints caused by the coronavirus pandemic. On the one hand, the relevant system resources were increased at short notice and, on the other, agreements were reached with business partners to deploy employees in the projects on a mobile basis so that they were fully capable of working.



As part of the management system, the following strategic guiding objectives have been formulated:

- Compliance with the framework requirements applicable to IAV under laws, contracts and regulations,
- Protection of critical information and investments made by means of appropriate organizational and technical requirements,
- Identifying, assessing and dealing with existentially threatening hazards and risks at project, process and company level,
- Restricting access to information to the minimum necessary ,
- Maintaining IAV's business operations by taking appropriate emergency precautions in handling information assets.

3.4 Opportunities and risks

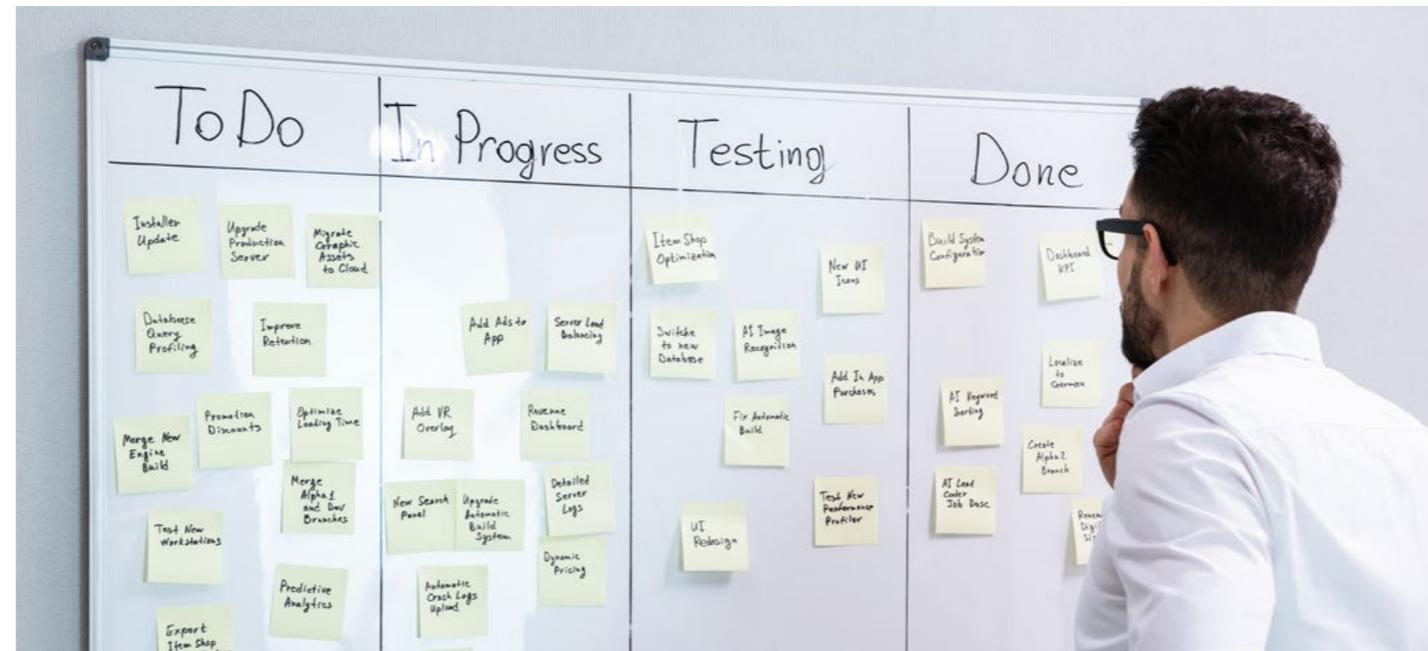
[102-15] [102-30] As a globally active company, IAV is exposed to a large number of risks in the course of its business activities which are inextricably linked to entrepreneurial activity. At IAV, risk management is therefore an integral part of corporate management. It takes place at various levels of the company, coordinated in the GRC House on the basis of the Three Lines of Defense model.

The GRC functions operate on the basis of documented, cyclical processes with clear roles, responsibilities and interfaces that are subject to a continuous improvement process. Depending on the focus of the respective GRC function, risks are identified, assessed, correlated and

assigned measures, the implementation of which is regularly monitored.

IAV also aims to include its majority-owned subsidiaries in its risk management activities. These processes are currently being rolled out to the various subsidiaries, starting with IAV GmbH.

At IAV, risk management is an integral part of corporate management.

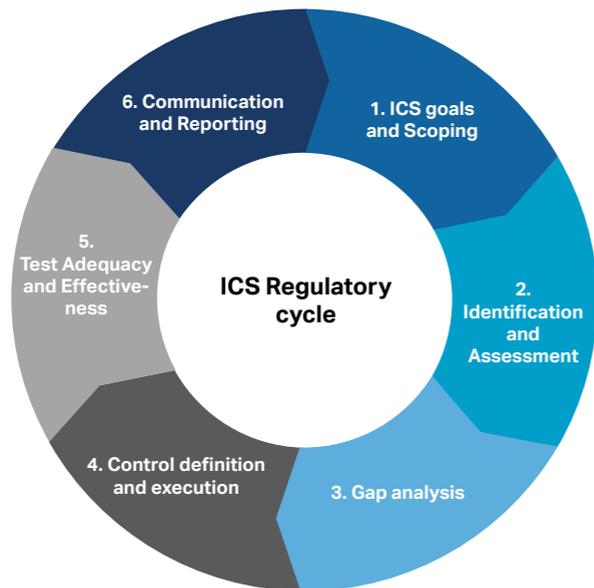


Systematic recording and management of risks

[102-31] [102-33] Risk management at company level considers the main risks in terms of management's expected short- and medium-term corporate objectives. This includes both the possibility of a negative deviation and the possibility of a positive deviation in the sense of an opportunity.

The aim of risk management at company level is not only to ensure that corresponding risks to IAV are identified in good time, but also that measures are taken promptly.

To this end, the objectives and associated risks of all key organizational units, management systems and GRC functions as well as of the subsidiaries are surveyed or updated every six months from the perspective of the



management (top-down) and the respective line managers (bottom-up). The respective cause-and-effect relationships are worked out and controlling measures are defined by the risk owners in the specialist areas. The overriding findings of each reporting cycle are critically appraised by the representative Risk Committee before a comprehensive report is prepared for the Management Board at the end of each half-year.

Control activities in business processes

The Internal Control System (ICS) has been established at IAV since spring 2020. The starting point for the ICS was the numerous control activities already in place, which were supplemented by additional, risk-oriented controls. The total inventory of environment and transaction controls that has now been built up in this way is managed centrally in the form of uniform, process-specific risk control matrices using a uniform methodology.

An annually repeated ICS control process with clear roles and responsibilities ensures that existing risks, control objectives and control roles are regularly updated on the basis of risk-oriented ICS scoping. Identified control gaps are provided with measures in this process in order to adequately mitigate the corresponding risks through new or modified controls after implementation. An annual

An annually repeated ICS rule process with clear roles and responsibilities ensures that existing risks, control objectives and controls are regularly updated.

self-assessment regularly provides a picture of the adequacy and effectiveness of IAV's control landscape. It is carried out by the departments and quality assured by the central ICS function. On this basis, an annual report is prepared for the Management Board, which includes a proposal for scoping the next ICS control process.

In 2021, the focus will be on dovetailing the ICS function even more closely with other GRC activities, establishing the ICS in IAV's subsidiaries and expanding transaction controls in particular in the company's high-risk service and support processes.

4 Responsibility for our employees

During the transformation, around

2000

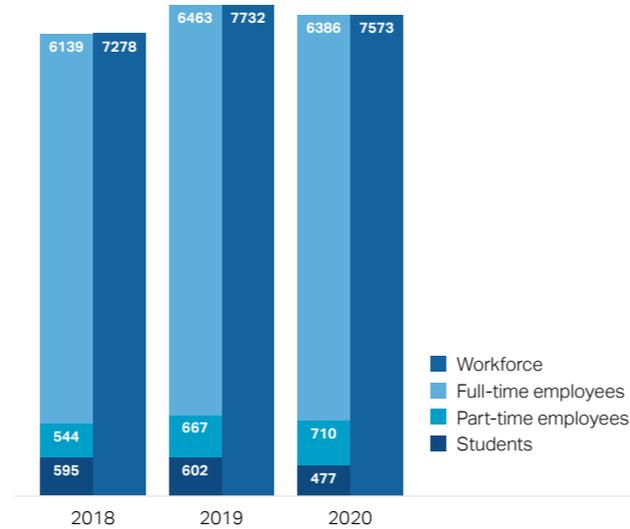
employees are assigned to new areas of responsibility at IAV.

4 Responsibility for our employees

Number of employees¹

	2018	2019	2020
Workforce	7278	7732	7573
Full-time employees	6139	6463	6386
› Female	696	764	768
› Male	5443	5699	5.618
Part-time employees	544	667	710
› Female	324	371	399
› Male	220	296	311
Students	595	602	477
› Female	159	156	125
› Male	436	446	352

¹ At the end of the year under review (Dec. 31)



4.1 Attractive working conditions

As an employer of more than 7,500 employees in Germany, IAV bears responsibility for a large workforce. Employees are to be provided with an activating environment in which they can realize ideas in a spirit of partnership in a future-oriented range of tasks. In particular, the long-term nature of employment relationships is of key importance in times of digital transformation.

During the transformation process in the automotive industry, employees must be offered both prospects and security. The reliability of employment relationships at IAV is demonstrated, among other things, by a high average length of service of over eight years and a low fluctuation rate in 2020.

Reliable employment relationships form the basis for continuous learning. Only with highly qualified employees can IAV develop into the software and technology

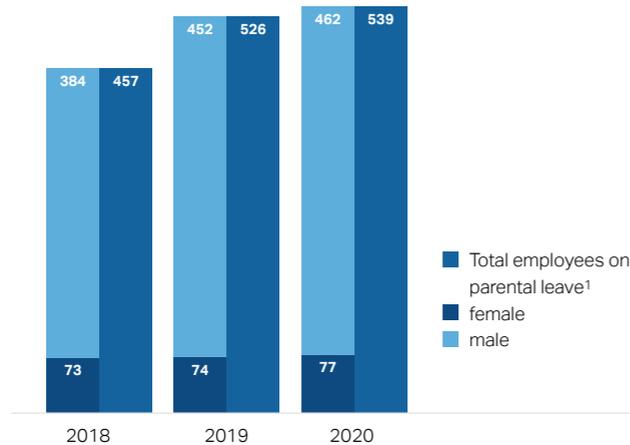


engineering partner of the future. The aim is therefore to attract the best talent by offering an attractive working environment and to retain them within the company. For this reason, IAV is driving cultural change, ensuring flexibility and using modern tools in human resources work.

Flexible work arrangements

Depending on their life situation, employees may have different ideas regarding the organization of their working hours and place of work. With binding company agreements, IAV has created a solid foundation to enable employees to balance their professional and private lives individually and at short notice.

Number of employees on parental leave



¹ Number of employees who took parental leave in the reporting year

The “flexible working hours” works agreement, for example, ensures that employees have the opportunity to influence their own working hours. Separate arrangements have been made for employees with on-call, shift or service times.

Through the company agreement on “mobile working,” management and the General Works Council clearly commit to the goal of sustainably changing IAV’s working and management culture and promoting a culture of trust within the company. Mobile working allows employees to work outside IAV’s premises and thus to flexibly organize their working hours and location. This gives employees greater scope for creative and productive phases and improves work processes, all of which adds value for the company and its employees.

In addition, employees throughout Germany have the opportunity to take advantage of the services offered by a family service. These family support services are open to all employees and offer a wide range of services from childcare, emergency and vacation care to nursing support and housing assistance.

Attracting new talent

IAV is also rated by external students and professionals as one of the most attractive employers in the industry. In the ranking of the Trendence – Absolventenbarometer 2020, IAV improved by six places to 46th place. More than 30,000 applications per year additionally underline the correctness of the measures and communication

Retention of employees¹

	Unit	2018	2019	2020
Average length of service	Year	8.5	8.6	9.3
Staff turnover rate	%	4.2	5.9	4.9

¹ Excl. students

channels taken. For example, the “Doing instead of talking” campaign emphasizes the future and innovative power of all IAV projects and topics on which STEM specialists can shape the mobility of the day after tomorrow.

IAV is closely networked with the research community thanks to a large number of university collaborations and support for numerous student projects such as Formula Student Germany, the Software Campus, IT events and hackathons. In addition, IAV uses these projects to give students the chance to apply and expand their knowledge in a concrete way – alongside internships, bachelor’s and master’s theses, and activities to accompany

In 2019 and 2020, a total of **602 male and 477 female students** were employed by IAV, respectively.

their studies. In 2019 and 2020, a total of 602 and 477 students were employed by IAV, respectively (2018: 595).

IAV participated in more than 80 career fairs at universities in 2019 and 2020 and gave students deep insights into its work as a development partner during field trips. Due to the coronavirus pandemic, the offerings have shifted to the virtual space, but were still taken up by the target groups with high numbers of participants and enthusiasm.

Focus on employee satisfaction

The annual “employee survey” has proven to be an effective tool for actively involving employees in decision-making and change processes. The employee survey uses targeted questions to gauge the satisfaction, motivation and loyalty of the workforce.

The results of the employee survey are used to identify potential for improvement and to inform managers about the need for action in their organizational units. In the defined follow-up process, managers take appropriate measures in dialog with their employees and are supported by a specially appointed project team, which provides various tools for this purpose.

Since the 2019 employee survey, improvement measures have been documented and tracked centrally in a database. This increases the sustainability and binding nature of the follow-up process.

The 2020 employee survey covers all employees of the IAV Group, including its subsidiaries in Germany and abroad. Of the 8,073 employees at the companies covered, 6,028 took part. This corresponds to a quota of



Employee satisfaction

75 %. The overall index – a key indicator of the employee survey, obtained from the sum of all responses to the standard questions – was a pleasing 75.2 out of a possible 100 index points in 2020, up on the level of the previous year (2019: 72.1 index points). No data is available for the 2018 reporting year, as the employee survey was conducted every two years prior to 2019.

Measures to promote loyalty, such as the recognition of employees celebrating anniversaries, team and sports events, or a “Lunch Roulette,” contribute towards employee networking, a good working atmosphere, and a strong team spirit. Due to the coronavirus pandemic, all events also take place virtually.

4.2 Social partnership and employee participation

[102-41] In 1989, IAV was the first development service provider to conclude a collective wage agreement with



“Real team players work at IAV. Interdisciplinary and cross-functional collaboration is a top priority.”

Dorothee Reuter, Employer Branding and HR Marketing

Partnership:
We win together.



Read more at www.iav.com

IG Metall, thus achieving collective bargaining coverage via an in-house agreement. In subsequent years, further collective bargaining agreements were reached in partnership with IG Metall, e.g. the framework collective agreement for employees with specialist or management functions, the collective agreement on deferred compensation and the collective agreement on part-time work for older employees.

A works council represents the interests of employees at all IAV GmbH plants. Cross-company issues are handled by the General Works Council. Works councils and the General Works Council organize themselves into committees and working groups. Co-determination at IAV is practiced in a spirit of partnership and cooperation. Issues such as working hours or order and conduct in the company are discussed and negotiated with the relevant bodies and, if necessary, concluded by means of a works agreement or general works agreement. It is IAV's policy to inform employees and their elected representatives as early and comprehensively as possible about operational changes.

In the period under review, general works agreements were concluded on compliance talk, the introduction of a functional role model and the use of a learning management system, among other things.

In 2020, the coronavirus pandemic and the transformation and realignment of the company shaped the cooperation between the social and operational partners – for example, in the switch to mobile working, the introduction of short-time working and the implementation of occupational health and safety, environmental protection and employee qualification measures.

Remuneration and collective agreement

In the 2018 collective bargaining round, IG Metall and IAV agreed on a 2.3 % pay increase effective January 1, 2019. Negotiations on the 2020 collective bargaining round were overshadowed by the coronavirus pandemic and the resulting tense economic situation. In addition to short-term elements to manage the pandemic, such as an increased subsidy for short-time allowance and making framework working hours more flexible, the social partners agreed to press ahead with the process of transforming the company and modernizing the collective agreement.

Collective agreement for students

In 2015, the company became the first company in Germany to conclude a collective agreement for students with IG Metall. This forms the framework for working and training conditions for students in all phases of their academic training. The collective agreement also applies equally to doctoral students, dual students, interns and trainees. With this collective agreement, IAV promotes young talent and strengthens students' loyalty to the company by creating career prospects.

4.3 Qualification

For IAV as a technology and innovation-driven company, employee qualification and lifelong learning are an embodied practice. IAV accompanies employees' individual career and professional paths with the appropriate qualification programs and offers employees a wide range of advanced and further training measures so

that they can learn the specific competencies and skills they need.

While the average time spent participating in qualification and training measures was around 17 hours in 2019, it was around nine hours in 2020 (2018: around 16 hours). The decrease is due to the impact of the coronavirus pandemic, as qualification and training measures were suspended for a period of three months. Subsequently, the program was resumed in stages, starting with mandatory project- and safety-related seminars.

In 2015, the company became the **first company in Germany** to conclude a collective agreement for students with the IG Metall trade union.



Qualification of employees

	Unit	2018	2019	2020
Qualifications	Number	9725	13313	8304
Average qualification time per employee	Hours	15.9	17.1	9.2
› Technical further training	Hours	10.5	11.5	6.4
› Interdisciplinary training	Hours	5.4	5.6	2.8

A total of 65,240 hours were invested in employee development in 2020. Of these, 45,414 hours were spent on specialist training and development measures such as training in software or systems engineering. Cross-disciplinary training and education programs accounted for 19,826 hours. Career training accounted for the largest share of this total. A wide range of soft skills seminars are also offered, such as interviewing skills, personality development and time management. Seminars on intercultural skills and language training round off the range of courses on offer.

Talent and competence development

The annual employee orientation meetings focus in particular on the development of employees' skills. The talks are offered to all employees at IAV covered by collective bargaining agreements. The discussions are also used to jointly define tasks and goals and to reflect on what has been achieved.

With the career qualifications, IAV offers its employees the opportunity to further develop their potential within the framework of a management, specialist or project career. The career model forms the basis for individual and targeted career planning. The comprehensive qualification programs prepare employees for the challenges and responsibilities in their future roles. The program is rounded off by a range of seminars that can be planned individually and are tailored to the respective role, with the aim of enhancing the social and methodological skills of future function holders.

The program is preceded by a potential assessment, which examines the suitability, skills and interests of each candidate for a specific career role.

Personnel transformation

The automotive industry is facing a major transformation. The decline from internal combustion vehicles to electromobility coupled with the speed of digitalization poses major challenges for the industry. This not only necessitates a transformation of IAV's business. It also means that the fields of work for an estimated 2,000 employees will change over the next few years, while many new areas of activity – especially in the field of data analysis and systems engineering – will emerge.

IAV has decided to take all its employees with it on this journey and to support them in their transformation to new areas of responsibility within the company. An important basis for this is the spirited cooperation of the

entire workforce and an overall sense of responsibility that transcends divisional boundaries.

With the aid of extensive, targeted and high-quality qualification measures, IAV is doing everything in its power to prepare its employees for performing tasks in future business fields and to equip them with the skills and knowledge needed to do so. In 2020, a number of qualification programs have been created to train the

“Qualification forms the basis for the development of outstanding competencies. This is how we ensure the best results for our customers.”

Stefanie Handbauer,
Learning and Development

Excellence:
We are best in class



Read more at www.iav.com

workforce, particularly in the future topics of software, systems engineering and electromobility. In doing so, the company always has the experience and skills of the respective employee groups in mind to ensure the best possible deployment of labor.

The training programs are designed in close cooperation with the departments and the works council to ensure that the training is optimally tailored to requirements. Cooperation with universities and colleges also promotes a high standard of quality in further training measures.

“Appreciation and equality start with language. That’s why this report uses gender-equitable terms.”

Ines Protschka, Culture and Sustainability

Personality:
We are all IAV.



Read more at www.iav.com

4.4 Diversity

IAV’s innovative strength depends to a large extent on the ideas and creativity of its employees. The more individual the employees and their backgrounds, the more diverse the ideas. IAV is therefore convinced that an intercultural workforce with an appealing gender and age balance makes a decisive contribution towards the competitiveness of a development services provider.

IAV treats all employees equally, regardless of nationality, citizenship, marital status, sexual orientation, skin color, gender, handicap, veteran status, religion or belief, age, race, social/ethical origin or political views, provided the latter are based on democratic principles. Dignity and personal rights, including privacy, are respected by all. Interaction with each other is honest and characterized by respect and responsibility.

IAV has anchored equal opportunities and respect as key behavioral guidelines in its Group-wide Code of Conduct. In December 2020, a general works agreement was also concluded on partnership-based behavior in the workplace and respectful cooperation, which is intended to support employees in pointing out behavior that does not yet fully comply with the principles.

Promoting diversity and equal opportunities

IAV has established various measures to ensure equal opportunities and equal pay for its employees. The main basis for this is the company’s existing collective wage



The workforce is characterized by cultural diversity: **More than 70 nationalities** are represented at IAV.

agreement, under which all employees are classified equally on the basis of job requirements.

For IAV, a gender-equitable human resources policy is an important feature of its attractiveness as an employer. In order to get more women into management positions, an overall concept has been drawn up that uses current measures and perspective ideas to pursue the goal of equal opportunities in management.

Developments on the Supervisory Board have been encouraging. With two women (16.66 %) on the Supervi-

sory Board in 2020, the most recently adopted target of one woman was more than met. A target of two women has now been agreed again for the supervisory body for the period up to December 31, 2023. The proportion of women on the management board has also remained stable. It was also stipulated that at least one position on the management board should be held by a woman by the end of 2023. In 2020, we will have achieved this goal with a quota of 25 %.

In accordance with Section 36 of the German Limited Liability Companies Act (GmbHG), the Board of Management resolved in June 2017 to set a target of 6.25 % (one woman) for the first management level and 2 % (two women) for the second management level for the period up to June 30, 2022. Neither target is currently being met. Nevertheless, we are sticking to our targets. Although men still predominate in IAV's field of business, IAV also has women with leadership qualities and great commitment to the company. Overall, the proportion of women in all management positions was 5.5 % in 2019

Proportion of women

	Unit	2018	2019	2020
Proportion of women in the workforce	%	16.2	16.7	17.1
Proportion of women in management positions	%	5.9	5.5	5.7

and 5.7 % in 2020 (2018: 5.9 %). In the workforce, women accounted for 16.7 % in 2019 and 17.1 % in 2020 (2018: 16.2 %).

One initiative that promotes more diversity in teams is IAV's Women@Chassis event, which took place for the fourth time in the 2020 reporting year. With this offering, IAV aims to stimulate, inspire and encourage female employees to follow their path to top positions. Under the event motto "Hungry for more!", the focus was on knowledge sharing, learning and networking to strengthen communicative skills even during mobile work. The participants exchanged views on the separability of work and private life, appreciation when working from home and personal development.

To counter demographic change in society, IAV relies on a mix of different generations in the company. Since 2018, the proportion of employees aged between 30 and 39 has been at its highest. At the same time, the proportions of employees aged between 40 and 49 and over 50 are growing. Individual working time models and health measures are designed to maintain the performance of all employees in the long term.

4.5 Safety and health at the workplace

Health protection and occupational safety have top priority. All employees at IAV have a right to a safe and healthy working environment. In line with this principle, IAV observes the applicable occupational healthy standards and specifications. Furthermore, these standards and specifications form the basis for a company-wide management of occupational safety and health protection.

Age structure¹

	Unit	2018	2019	2020
< 30	%	13.0	13.1	10.3
30 – 39	%	45.8	44.6	44.5
40 – 49	%	24.2	24.2	25.2
> 50	%	17.0	18.1	20.0

¹ At the end of the reporting year (Dec. 31) in each case

Every measure is aimed at maintaining or improving employees' health, performance, resilience, motivation and satisfaction. To this end, the specialist areas of occupational health management and occupational safety management have been merged in terms of organization and personnel in order to make cooperation more efficient.

Occupational health management

Health management at IAV encompasses measures to improve work organization, preventive measures, ergonomics in the workplace, employee integration and rehabilitation, and the development of management culture.

Company medical care is continuously improved as part of occupational health management. The aim is to create the same standards and offerings for all employees at all sites.

A large part of the activities of occupational health management is focused on prevention. In addition to focusing on the prevention of company-related illnesses, a holistic approach is taken to improve the health of

employees in their private lives as well.

- Workplace integration management after illnesses
- Design of a safe and healthy workplace
- Ergonomic equipment of workplaces
- Regularly changing health and theme days at all sites

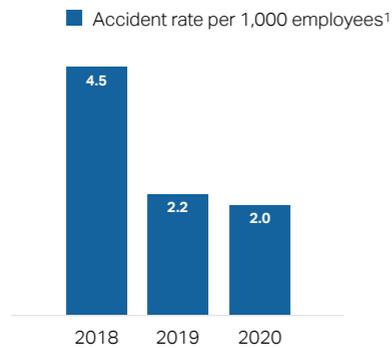
Occupational health and safety management

In implementing company-wide occupational health and safety management, IAV adheres to the applicable, specific standards.

IAV has been successfully certified in accordance with ISO 45001 since June 2019 and is aiming for recertification in 2021.

Occupational health and safety requirements are integrated into the organizational structure and processes and are implemented at the sites. Hazards are thus systematically identified, assessed and minimized at the point of origin.

Occupational health



¹ Number of occupational accidents with at least 3 lost days per 1,000 full-time employees

Safety and occupational health measures such as training courses continuously reduce occupational accidents, occupational illnesses and work-related health risks. All employees at IAV are required to undergo occupational safety training once a year. Managers are required to cooperate actively and responsibly in implementing occupational health and safety management. By pursuing an active policy of information and dialog between operational supervisors, occupational health, employee representatives, company physicians and external companies, IAV creates the conditions for establishing safe processes and ensuring a high level of occupational safety. At all IAV's development centers and office locations, occupational health and safety committees with representatives from the employer and employee sides work on constantly improving safety and health at the workplace.

Risk assessments are drawn up and regularly reviewed for all workplaces, in particular for all activities, equipment and facilities that pose a risk. IAV employees receive the necessary safety and company medical care on the basis of the risk assessment. Test drivers, for example, can choose the scope of examinations they require from a comprehensive catalog of preventive examinations. Occupational safety supports and advises employees and supervisors in the selection of appropriate programs of measures.

IAV has been **successfully certified in accordance with ISO 45001** since June 2019 and is aiming for re-certification in 2021.

Accidents at work

An important key figure in the area of occupational health is the accident rate. Here, the reportable occupational accidents with at least three lost days per 1,000 full-time employees are related to the calendar year. The basis for calculation corresponds to Specification 2 of the German Social Accident Insurance (DGUV V2).

In 2020, IAV GmbH had an accident rate of 2.0 occupational accidents per 1,000 full-time employees. In 2019, this figure was still 2.2 occupational accidents per 1,000 full-time employees (2018: 4.5 occupational accidents per 1,000 full-time employees). IAV is thus well below the average number of insured persons at the Verwaltungsberufsgenossenschaft [Administrative Professional Association] (15.43 reportable occupational accidents per 1,000 full-time employees, as of: 2019). In addition, no IAV GmbH employees suffered a fatal accident at work during the period under review.

Occupational health and safety in the coronavirus pandemic

Since the spring of 2020, an interdisciplinary task force has been working closely with management and the works council to draw up concrete measures to protect health and safeguard operations during the coronavirus pandemic.

Thanks to modern working methods and a high-performance IT infrastructure, the majority of the workforce could be made mobile and ready for work within a few days and the risk of infection on site could be minimized.

The central tasks of occupational health and safety at IAV during the pandemic are to provide employees with protective equipment, to track chains of infection and to advise employees and managers in advance of business trips.

To this end, IAV procured mouth/nose coverings and disinfectants at an early stage and made them available to employees without red tape. In addition, analytical equipment was provided for carrying out PCR tests and

rapid tests. In addition, the company medical service at all IAV sites supports the protective measures and hygiene rules ordered by the authorities and laid down within the company.

A key factor in the success of the protective measures is the communication and information provided to employees. In addition to event-related communication on the intranet, a newsletter provides regular updates on the current status of coronavirus protection measures at IAV.

A key factor in the success of the protective measures is **communication and information to employees.**



5 Responsibility for the environment

Reduction in total CO₂ emissions since 2018 by approx.

45 %

5 Responsibility for the environment



“Sustainability does not have to mean doing without. New technologies can enable sustainability without restrictions.”

Robert Kasprowicz,
Trendscouting and Innovation

Passion for technology:
We embody (and breathe)
technology and engineering.



Read more at www.iav.com

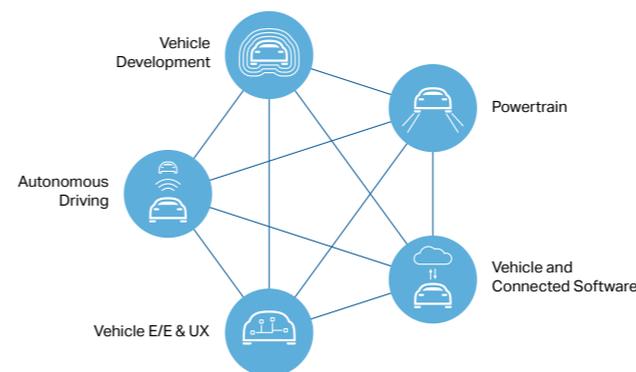
5.1 Sustainability through technology and engineering

IAV uses its expertise and innovative strength to work on developing resource-saving technologies. Portfolio management is an essential tool for developing the company in promising markets, business segments and technologies with a view to sustainability. It ensures greater transparency and intensive communication across divisions. In addition, portfolio management creates the conditions for identifying and addressing adaptation and transformation needs at an early stage. It is therefore essential to identify trends and innovations quickly and to respond to volatile market developments. The aim is to future-proof IAV from the specialist units through to the entire company and to shape mobility sustainably.

Portfolio management structures IAV's core business into five portfolios on the basis of the range of services offered in the mobility sector. In line with the corporate strategy, the portfolio is constantly being developed and maps the most relevant customer challenges so that technologies, methods and tools are developed in a targeted manner. In addition, IAV is pushing ahead with activities in new business segments such as the energy sector and water management via so-called Market Development Boards and is expanding internationalization strategies.

On this basis, IAV is addressing sustainability through technologies and engineering and driving forward projects in the individual portfolios. New competitors, customers and technologies that are continuously evolving create a constantly changing business environment. Sustainable and flexible innovation strategies are essential. IAV uses various formats to regularly identify trends, technologies and needs, validate the opportunities and risks and align the structure of the portfolio accordingly.

Involving employees plays a crucial role here – only with their input is it possible to keep a finger on the pulse of trendscouting. One example of this is the NEXT+ platform: Here, employees can submit ideas and thus jointly shape the future of the company. Another format is the Trend and Technology Forum: Participants exchange



ideas on new trends and technologies at a virtual conference. In 2020, the focus was on topics such as life cycle analyses of batteries, approaches to circular economy, and fleet scenarios for achieving CO₂ neutrality. In addition, future trends are being investigated as part of a future report based on analyses and expert discussions to provide insight into possible developments at IAV.

So-called tipping points have been defined as an aid to strategic control. These are the result of regular analyses of the environment and show how IAV's environment will

change fundamentally and what needs to be addressed. Within the context of sustainability, for example, the following picture emerges for the Powertrain portfolio: Fossil fuels are becoming more expensive, while the competitiveness of low-emission alternatives – also by means of subsidies or CO₂ taxes – is increasing. To meet climate targets, CO₂ emissions will have to be significantly reduced further. Vehicle manufacturers (OEMs) must develop strategies to achieve this, not least because of the increasingly stringent fleet emission limits. At the same time, end customer demand is shifting

toward sustainability in mobility, with younger generations in particular demanding appropriate products.

IAV supports vehicle manufacturers and suppliers in this process and offers solutions that combine sustainability with innovative technologies. Political requirements, such as the EU hydrogen strategy and the European Green Deal, are also driving the development towards sustainable, climate-neutral mobility. For IAV, sustainability does not end with the engineering of alternative drive options, but is considered over the entire life cycle.



CO₂ regulations are also the most important technological driver in the development of future commercial vehicles. **Learn more about what is currently driving IAV on the topic of commercial vehicles and work machines.**

Read more at www.iav.com

Focus on electromobility: modular e-module

The success of electromobility depends crucially on customer acceptance. Various aspects such as cost, comfort, performance or sustainability play an important role. With its modular platform for battery electric vehicles (BEV), IAV shows how electric drive solutions can be developed cost-effectively for an entire fleet and consistently aligned with the respective technical and market-specific wishes of vehicle manufacturers and suppliers. The modular principle allows the use of modules of identical design – with increasing drive diversity and vehicle derivatives.

As a starting point for the development of the BEV platform, IAV has defined the characteristics and performance features of six specific e-vehicles. These

include a small car, a mid-sized sedan and a light commercial vehicle with different weights and speeds. A total of around 24 million possible powertrain configurations were examined. With the resulting modular kit, the requirements of the entire defined BEV fleet can be covered.

With the modular BEV platform, IAV has defined a basic structure and at the same time created the basis for further developments. As part of the development process, sub-platforms were created for the battery, power electronics, e-machine and transmission, which are coordinated with each other and ready for use across the entire fleet. A spectrum of drive systems for 400 V and 800 V with system outputs from 100 kW to 440 kW is used. Based on these basic structures, experts are working on new solutions to meet the diverse requirements of the e-vehicles of tomorrow and beyond.

Focus on battery concepts: planar Bipolar Battery Technology (EMBATT)

One of the biggest shortcomings of electric cars at present is their short range. IAV is seeking to remedy this with a new battery concept that should make a range of significantly more than 500 kilometers possible. To this end, IAV is collaborating on research projects with Daimler AG, the Fraunhofer Institute for Ceramic Technologies and Systems (IKTS) and thyssenkrupp System Engineering GmbH. The basis is a planar, bipolar battery technology in which the battery cells – as in a fuel cell – consist of stacked electrodes connected in series.



Furthermore, the battery is integrated directly into the vehicle's platform (chassis-embedded). IAV is responsible for the cell/stack design and the integration of the batteries into the electric vehicles. The advantage lies in the more compact design, so that freed-up space in the vehicle can be filled with additional active material. This increases the storage capacity of the battery and extends the range of the vehicle.

The aim is to double the energy density of traction batteries from the current level of around 250 watt hours per liter (Wh/l) to 500 Wh/l, while at the same time significantly reducing manufacturing costs. During development, IAV also keeps an eye on the life cycle as well as the ecological footprint of the battery. All material decisions are always made with an assessment of the associated emissions and the cost per energy content. For example, the energy density was systematically increased by swapping the anode and cathode materials and a significant reduction was achieved by the planned dry coating.





Focus on CO₂-neutral fuels: The IAV “Metamax” study

Biomethane (CH₄), which is obtained from organic waste and agricultural residues, can make an important contribution towards climate-neutral mobility. In the internal combustion engine, it reduces CO₂ emissions as well as primary energy requirements over the entire life cycle. To date, methane-powered vehicles have a typical range of just 450 kilometers. This is due to the unfavorable installation space required for the gas tank and the small gasoline tank that is also needed. This is where IAV comes in: In the “Metamax” study, a highly efficient and close-to-production hybrid with a stoichiometrically powered internal combustion engine (VKM) was designed for use with methane. This pure methane-powered vehicle can travel more than 900 kilometers. Efficiency of the biomethane-fueled spark-ignited engine in a hybrid powertrain has been increased to over 45 percent, while maintaining low pollutant and greenhouse gas emissions.

Comparisons with technologies such as fully electric (BEV), partially electric (PHEV), hydrogen fuel cell (FCEV),

and synthetic fuels, and in terms of lifecycle energy efficiency (cradle-to-grave), showed that a biomethane-powered VKM on the road offers the best combination of low CO₂ emissions and primary energy demand. The reasons for this are the few energy-intensive conversion steps in the production of biomethane and the positive effects of the combustion properties of the green gas. This has resulted in a vehicle concept with a long range that is suitable for everyday use and runs only on methane.

Focus on hydrogen: Saarland model region

In developing hydrogen and fuel cell solutions, IAV does not limit itself to the mobility sector but covers other stages along the value chain. Expertise, for instance, in the generation of green electricity, the production of hydrogen by electrolysis, the planning and optimization of plants, storage and transport make IAV a competent

partner for many industries. Together with its management and strategy consultancy consulting4drive GmbH and the Reiner Lemoine Institute (RLI), for example, IAV is developing a strategy for the use of hydrogen in the H₂ model region of Saarland on behalf of the Ministry of Economic Affairs, Labor, Energy and Transport. This involves the mobility of trucks, vans, buses and passenger cars as well as rail operations. With partners from industry, the energy sector and the mobility sector, IAV is evaluating where and in what quantities hydrogen should be produced or procured, how it should be transported and at which locations refueling stations should be installed. In addition, the use of hydrogen for the heating sector by means of H₂ combined heat and power plants as well as stationary fuel cells is being investigated, for example in residential neighborhood management. Specific recommendations for action for the period 2022 to 2030 will be derived from the strategy.



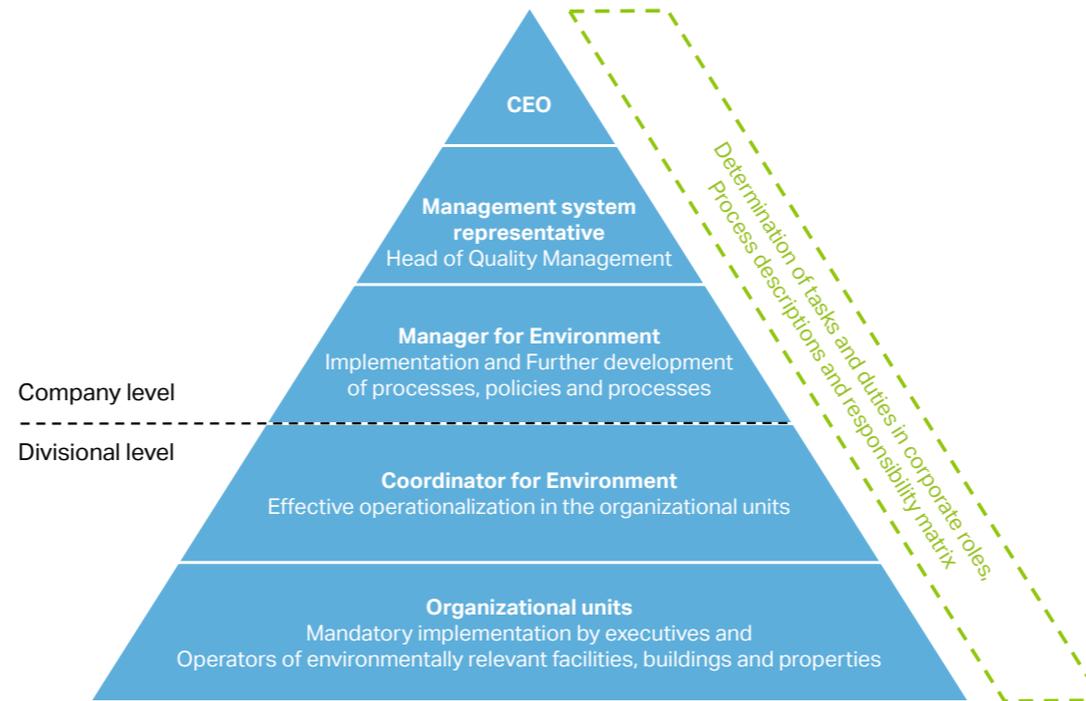
5.2 Environmental management at IAV

At IAV, the careful use of resources with as little waste as possible and the avoidance of environmental pollution are in line with economic success. All employees bear responsibility for this and receive the necessary information and training, e.g. as part of the basic sensitization to the environmental management system, so that they can meet their task-specific obligations to protect the environment.

IAV's aspiration is to use innovative and environmentally friendly methods throughout the company when providing services and to identify and exploit potential for saving resources and improving energy efficiency in the operation of buildings, plant and vehicles throughout their life cycle. Relevant environmental aspects and potential environmental impacts are therefore taken into account at an early stage in investment decisions.

To lend weight to these efforts and continuously manage and improve their results, IAV has been operating an environmental management system in accordance with DIN EN ISO 14001:2015 as part of its integrated management system since 2018. The system was certified for the first time in 2019 at IAV GmbH and IAV Fahrzeug-sicherheit GmbH & Co. KG and has since been externally monitored annually as part of surveillance and recertification audits. Environmentally conscious action is thus an integral part of IAV's corporate philosophy.

Compliance is monitored by an independent and accredited certification company and additionally by IAV's internal audit management with the help of equally independent internal auditors. Compliance and on-site



audits are further tools used to verify compliance with environmental requirements.

Separate IAV guidelines and procedures exist for waste management, hazardous substances management and the handling of substances hazardous to water. In addition to the main statutory requirements, these also contain internal regulations going beyond these and concrete specifications for implementing the requirements. These documents are anchored in the central environmental management system process and are reviewed at least once a year together with the process to ensure that they are up to date, complete and appropriate and, if necessary, adapted. The process and the

guidelines are valid according to the respective scope of the certification. Requirements that are not directly addressed in the management system process are implemented in the relevant processes in the IAV process landscape (e.g. procurement, storage of hazardous substances, etc.), which are also subject to the mandatory annual review cycle.

Environmental targets

On the basis of the corporate strategy and the analysis of the main environmental aspects of its business activities, IAV defines environmental targets which are confirmed at the management review held at least once

a year and the achievement of which is monitored. If necessary, any necessary adjustments are initiated.

Since 2018, IAV has been pursuing a target within the scope of certification of the environmental management system to cover all electricity consumption exclusively with renewable energies. The original target date was initially set for the end of 2025 and most recently brought forward considerably to the end of 2022. Here, IAV is taking a key step toward decarbonizing its own business processes while at the same time making an important contribution towards global environmental and climate protection. In order to drive these efforts forward, IAV intends to continuously reduce the CO₂ emissions of its own business processes. As part of the pursuit of these goals, there are plans to initiate measures in the field of building efficiency and to increase the use of renewable energy sources.

Another environmental goal pursued since the introduction of the environmental management system is the zero-accident strategy, under which the damage caused by such incidents and for which IAV is responsible is to amount to zero euros in any given year. This target was achieved in each of the years 2018 to 2020. In addition, there are further environmental targets relating to the qualification of certain groups of employees on the subject of environmental management and the assessment of IAV by customers with regard to environmental and sustainability issues.

The overarching goals are supplemented by site-specific goals for which the responsible site managers are responsible and which are monitored by central environmental management. The site-specific targets supplement and support the company-wide environmental targets.

5.3 Continuous environmental aspect analysis

IAV operates a wide range of testing facilities, computer capacities and vehicles and manages several 10,000 square meters of office and workshop space. The environmental influences and impacts to be taken into account are examined on a risk basis as part of a continuous environmental aspect analysis. For particularly relevant environmental aspects, IAV defines appropriate measures to avoid or reduce risk and monitors their effectiveness with the help of suitable key figures. Risk assessment is determined on the basis of a weighted evaluation of the four dimensions of probability of occurrence, potential extent of damage, legal relevance and influenceability. The environmental aspect analysis is updated at least once a year and as required.

The indicators are documented by the central environmental management department. The figures for this report cover the environmental performance of IAV GmbH and IAV Fahrzeugsicherheit GmbH & Co. KG and were determined as of March 31 of the following year.



IAV is taking a key step toward **decarbonizing its own business processes** while at the same time making an important contribution towards global environmental and climate protection.

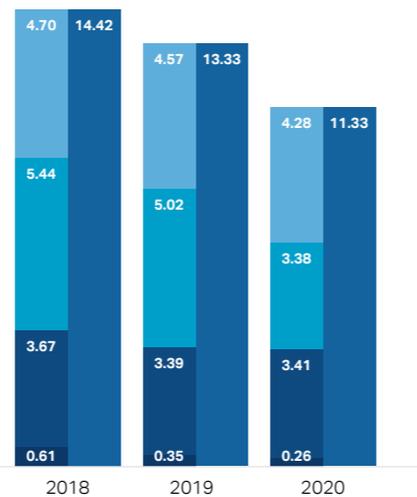
Energy

	Unit	2018	2019	2020
Total energy consumption	MWh	107189	105339	88326
	MWh/employee	14.42	13.33	11.33
Total electricity consumption	MWh	34905	36090	33140
	MWh/employee	4.70	4.57	4.28
› Electricity consumption from renewable sources ¹	MWh	17149	19922	27090
› Electricity consumption from non-renewable sources	MWh	17756	16168	6050
Total fuel consumption	MWh	40444	39657	26149
	MWh/employee	5.44	5.02	3.38
› Fuel consumption from renewable sources	MWh	414	238	158
› Fuel consumption from non-renewable sources	MWh/employee	40030	39420	25991
Total heating energy consumption/gas consumption	MWh	27268	26800	27007
	MWh/employee	3.67	3.39	3.41
Energy used from regenerative energy ²	MWh	4571	2792	2029
	MWh/employee	0.61	0.35	0.26

Energy efficiency

For 2019 and 2020, total energy consumption amounts to around 105,339 MWh and 88,326 MWh respectively (2018: 107,189 MWh) through the business processes of IAV GmbH and IAV Fahrzeugsicherheit GmbH & Co. KG. The largest share of this is accounted for by fuels used to operate fleet, departmental and project vehicles, company cars and engine test rigs, which will account for around 37 % in 2019 and 30 % in 2020 (2018: 37 %), followed by electric power at around 34 % and 38 % (2018: 33 %). Around 25 percent and 31 percent, respectively (2018: 25 %) are accounted for by heating

■ Total energy consumption, MWh per employee
 ■ Electricity consumption, MWh per employee
 ■ Fuel consumption, MWh per employee
 ■ Heating energy consumption/gas consumption, MWh per employee
 ■ Energy used from energy recovery, MWh per employee



For 2019 and 2020, total energy consumption amounts to around 105,339 MWh and 88,326 MWh respectively.

energy requirements for air conditioning of buildings and conditioning of test benches. Feeding back into IAV's internal grid from the engine test benches enabled a total of almost 3 % in 2019 and 2 % in 2020 (2018: 4 %) of the total energy demand and about 8 % and 6 % (2018: 10 %) of the total electricity demand to be covered. Based on IAV's workforce, this results in a specific total energy consumption of 13.33 MWh/employee for 2019 and 11.33 MWh/employee for 2020 (2018: 14.42 MWh/employee). Cooling energy and steam energy requirements are not currently calculated separately and are included in the previously mentioned values. No energy was sold or fed back into the public grid during the reporting period.

The development of energy consumption, particularly in the comparison between 2018 and 2019, can be explained on the one hand by the general development of the workforce, which is indicated in particular by the specific energy quantities. On the other hand, measures to increase energy efficiency in the operation of buildings and plant technology are taking effect here – for example, the renewal of the chillers for the engine test beds in Berlin, the replacement of inefficient pump technology with significantly more effective equipment, and the renewal of the central heating system in a building at the

¹ Electricity from own generation (solar plants) and external procurement, based on supply contracts and certificates of origin

² Energy is fed back through recuperation at the brakes of the roller and engine test stands. The regenerated energy always remains in the IAV grid. As a rule, energy is not fed back into the public grid.

Gifhorn site. The significant decrease in energy consumption compared with 2019 and 2020 is due to the change in market and business development, largely caused by the coronavirus pandemic. The shift of many employees to mobile work has had a particular impact on electricity consumption. In contrast, no similar effect can be seen in the area of heating energy.

Reduction of emissions

The accounting of CO₂ emissions currently covers Scope 1 and 2 as well as the topic area “business travel” from Scope 3 in accordance with the Greenhouse Gas Protocol.

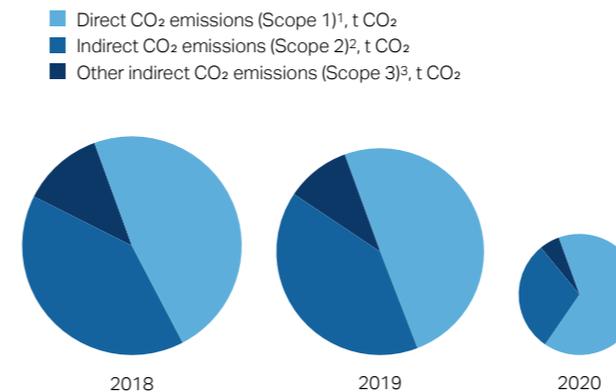
In Scope 1, emissions are mainly caused by the operation of engine test benches, the vehicle fleet and natural gas consumption for the generation of heating and process energy. The vehicle fleet includes fleet, service, departmental and project vehicles, provided that the corresponding consumption is recorded using fuel cards. Scope 2 emissions result from the purchase of district heating and electrical energy, provided that the corresponding tariffs are not green electricity tariffs. Only the “business travel” dimension is currently taken into account when determining scope 3 emissions.

Overall, IAV generated emissions of approximately 30,506 t CO₂ and 17,862 t CO₂ in 2019 and 2020, respectively, as a result of its own business processes in the aforementioned accounting scope. In the previous 2018 Sustainability Report, CO₂ emissions were not reported. The corresponding figure for 2018 is around 32,262 t CO₂. Based on the workforce, this results in specific CO₂ emissions of 4.34 t/employee for 2018, 3.86 t/employee for 2019 and 2.31 t/employee for 2020.



CO₂ emissions

	Unit	2018	2019	2020
Total CO ₂ emissions	t CO ₂	32262	30506	17862
	t CO ₂ /employee	4.34	3.86	2.31
Direct CO ₂ emissions (Scope 1) ¹	t CO ₂	15453	15164	11633
Indirect CO ₂ emissions (Scope 2) ²	t CO ₂	12932	12276	5268
Other indirect CO ₂ emissions (Scope 3) ³	t CO ₂	3877	3066	961



¹ The following emission factors were used to calculate direct CO₂ emissions from combustibles and fuels: Data from the German Federal Motor Transport Authority and the Forschungsstelle für Energiewirtschaft e. V. [Research Center for Energy Economics].
² The following emission factors were used to calculate indirect CO₂ emissions: District heating (data provided by network operators or the most recent figures from the German Energy Agency); electricity (legally required electricity labeling of energy supply companies); auto electricity (latest available figures from the federal electricity mix).
³ The figure includes business travel by air, rental car, and local and long-distance Deutsche Bahn AG transport. Business trips made using IAV vehicles are included in Scope 1.

In 2019 and 2020, the emissions are distributed 50 % and 65 % (2018: 48 %) to Scope 1, 40 % and 29 % (2018: 40 %) to Scope 2 and 10 % and 6 % (2018: 12 %) to Scope 3.

The significant reduction in CO₂ emissions in Scope 1 in 2020 is attributable to the reduced consumption of fuels and heating materials. CO₂ emissions in Scope 2 were reduced significantly in 2020 specifically by changing the electricity supply contracts for the properties in Berlin and Saxony. The switch was made from conventional energy mixes to exclusively renewable energies. The decrease in emissions in Scope 3 in 2020 is due to the restricted business travel during the coronavirus pandemic. In accordance with an operational directive, business trips were only undertaken if absolutely necessary and in compliance with all relevant safety precautions.

Water and sewage

	Unit	2018	2019	2020
Total fresh water consumption	m ³	97642 ¹	112490	98951
	m ³ /employee	13.13	14.24	12.77
› In-house production (well water)	m ³	1623	1696	1154
› External procurement (drinking water)	m ³	96019	110794	97797
Total volume of wastewater	m ³	97642 ¹	112490	98951
	m ³ /employee	13.13	14.24	12.77

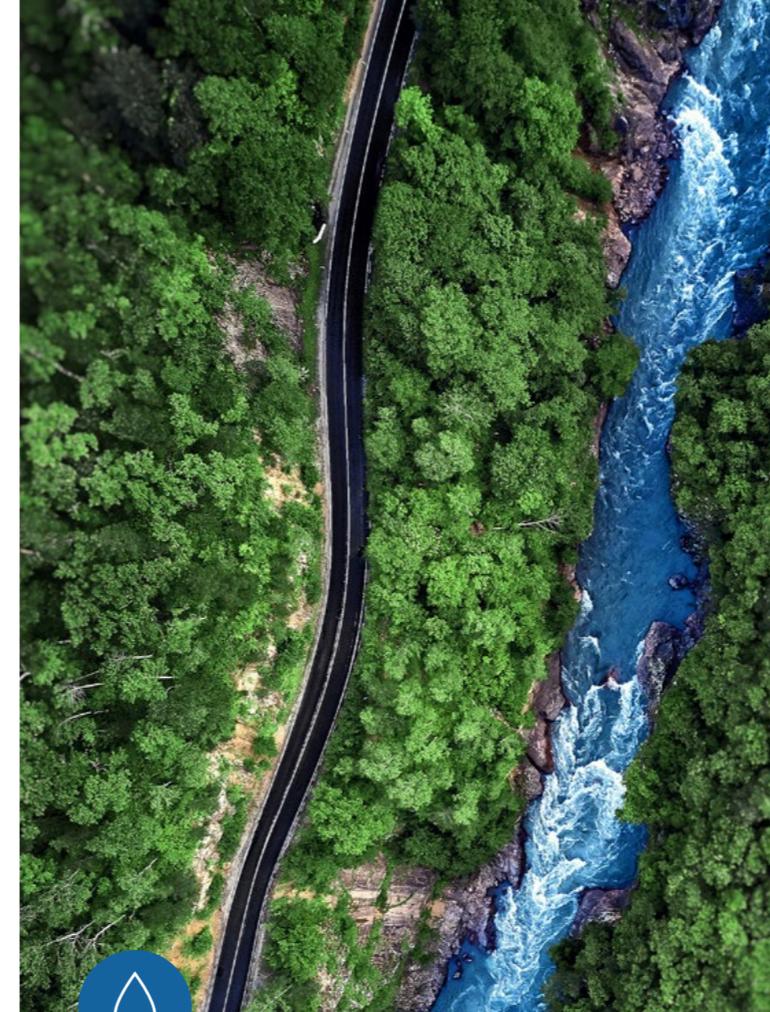
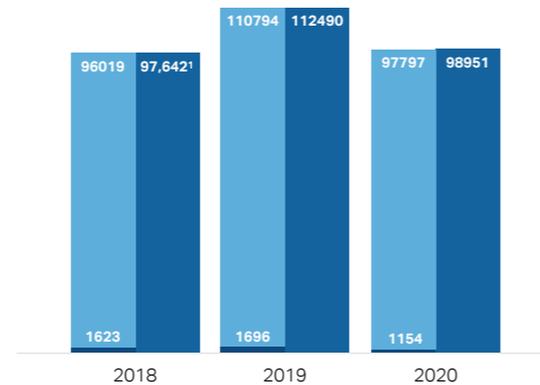
¹ Adjustment of the value due to subsequent reports

Water and sewage

IAV's business model is characterized overall by low water requirements. None of the properties is located in an area of water stress.

For 2019 and 2020, total water consumption amounts to approximately 112,490 m³ and 106,726 (2018: 97,642 m³). Based on IAV's workforce, this results in a specific total water consumption of 14.24 m³/employee for 2019 and 12.77 m³/employee for 2020 (2018: 13.13 MWh/employee). Most of the water was purchased from the municipal waterworks. Only about one to two percent of the demand was covered by wells from groundwater. There was no use of surface water, rainwater or wastewater. The water discharged to the atmosphere via the cooling towers, wet separators and evaporative cooling systems is currently not delimited. Therefore, the values for fresh water withdrawal and wastewater recirculation are the same.

- Total fresh water consumption in m³
- Own production (well water) in m³
- External procurement (drinking water) in m³



Based on IAV's workforce, this results in a specific **total water consumption of 14.24 m³/employee for 2019 and 12.77 m³/employee for 2020.**



Waste

As a matter of principle, waste is collected separately in compliance with statutory requirements (Closed Substance Cycle Waste Management Act, Ordinance on Waste Recovery and Disposal, Commercial Waste Ordinance) wherever this is technically and economically feasible and then disposed of properly. IAV GmbH and IAV Fahrzeugsicherheit GmbH & Co. KG have appointed a waste management officer. It informs management, site managers and other employees involved in waste management about existing, amended and new waste legislation requirements, consults with them on the need for and options for separating, collecting and disposing of waste generated and prepares an annual report. In

accordance with the waste hierarchy laid down in the Closed Substance Cycle Waste Management Act, reuse, processing for reuse and material recycling are given preference over thermal recycling or disposal. Transport and disposal are carried out by certified disposal companies. The actual implementation of disposal is documented by appropriate evidence. Waste requiring verification was disposed of exclusively in the collective disposal procedure in 2019 and 2020.

For the years 2019 and 2020, total waste volumes amount to approximately 947 t and 825 t, respectively (2018: 788 t). Here, just under 87 % and 86 % (2018: 84 %) is attributable to non-detectable waste and correspondingly 13 % and 14 % (2018: 16 %) to waste

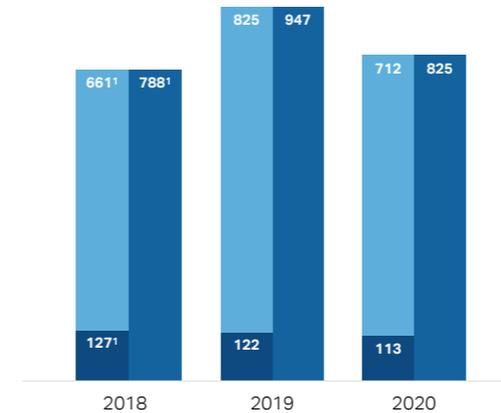
Based on the IAV workforce, this results in a specific **total waste volume of 0.12 t/employee for 2019 and 0.11 t/employee for 2020.**

Waste

	Unit	2018	2019	2020
Total waste generation	t	788 ¹	947	825
	t/employee	0.11	0.12	0.11
Total hazardous waste	t	127 ¹	122	113
› Hazardous waste for disposal	t	17	51	44
› Hazardous waste for recycling	t	110	71	68
Total non-hazardous waste	t	661 ¹	825	712
› Non-hazardous waste for disposal	t	2	5	0
› Non-hazardous waste for recovery	t	659	820	712

¹ Adjustment of the value due to subsequent reports

■ Total waste volume in t
 ■ Total hazardous waste in t
 ■ Total non-hazardous waste in t



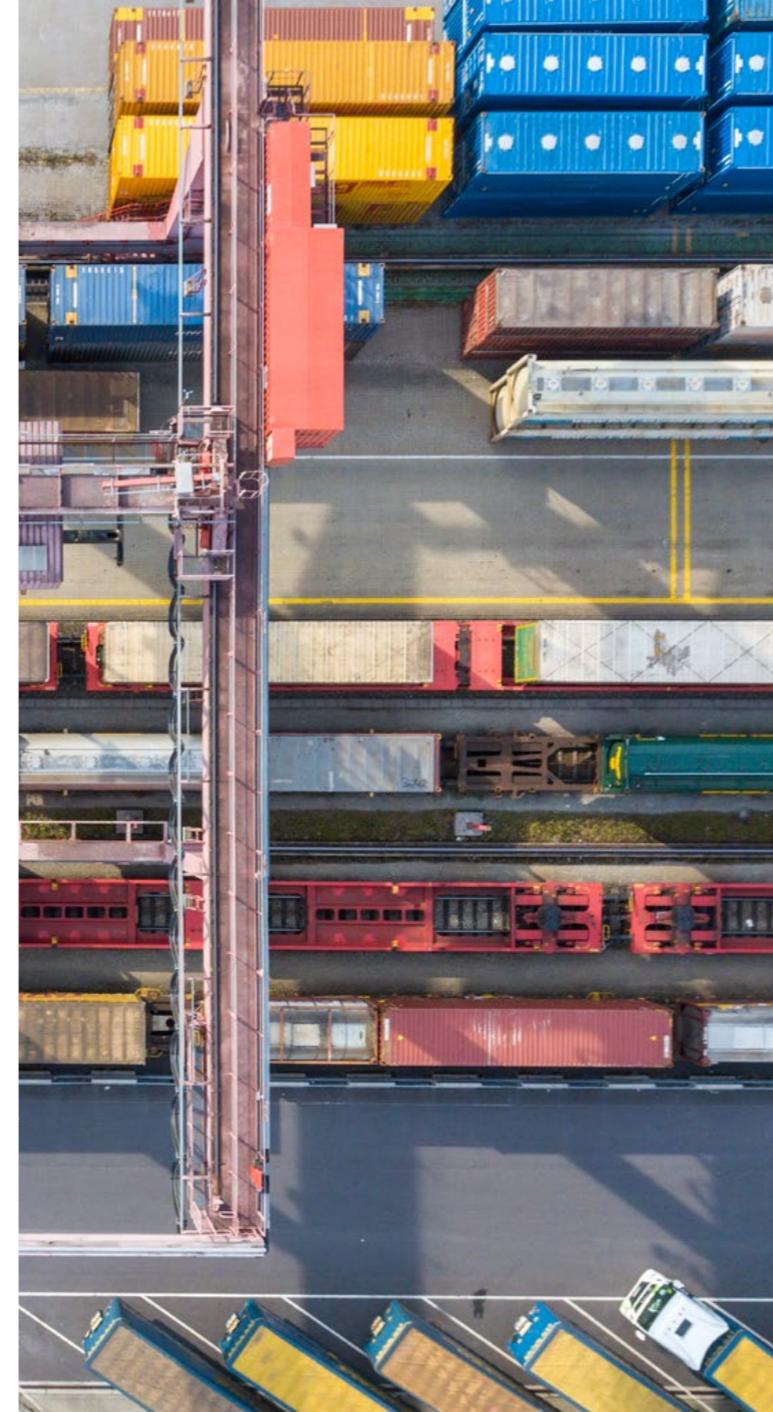
requiring verification. In 2019 and 2020, almost all non-detectable waste and about 58 % and 60 % (2018: 86 %) of hazardous waste could be recycled or incinerated as defined by the Closed Substance Cycle Waste Management Act. This does not take into account the proportion of waste that was collected in mixed form, sorted in a waste pretreatment facility and subsequently assessed as non-recyclable, as no suitable data is available for this. Based on the IAV workforce, this results in a specific total waste volume of 0.12 t/employee for 2019 and 0.11 t/employee for 2020 (2018: 0.11 t/employee).

The development in total waste volumes can basically be explained by the general workforce trend. The specific waste volumes in particular suggest this. The significantly increased quantities in 2019 compared with 2018 can be explained by a singular construction measure at the Berlin site as part of extensive remodeling measures, as a result of which considerable quantities of construction and demolition waste were generated. The considerable discrepancy in the proportions of waste requiring verification that was recycled can be explained by an incorrect allocation of the disposal procedures for this waste for 2018. The corresponding misallocations have been corrected starting in 2019. Starting this year, the underlying collective disposal records will be reviewed and the type of disposal documented there and confirmed by the authorities will form the basis of the evaluation.

Information requirements

As a result of consistently carried out planning, operation and maintenance and inspection of operational facilities with a focus on safety and environmental protection, there were no significant and reportable leaks of hazardous or water-polluting substances in the reporting period from January 1, 2019 to December 31, 2020.

There were also no reportable incidents within the meaning of Annex 2 to the Dangerous Goods Officer Ordinance in the period under review. IAV has defined processes for transporting hazardous goods. To ensure and review compliance with applicable internal and external regulations as well as for further development, IAV GmbH and IAV Fahrzeugsicherheit GmbH & Co. KG have a hazardous goods officer. Employees involved in the transport of dangerous goods are instructed in accordance with their tasks and activities, supervised by the dangerous goods officer and supported in carrying out dangerous goods transports.



6 Responsibility for society



**EUR 3.1
million**

**Public funding for
research projects in
2020**

6 Responsibility for society



“With our innovative strength, we not only solve technical problems, but also social challenges.”

Hans-Christian Winter,
Business Development Mobility

Innovative power:
We design and
implement ideas.



Read more at www.iav.com

6.1 The future of mobility

Societal developments such as environmental and climate protection, the conflict between urbanization and the demand for basic subsistence in rural areas, demographic change and the government’s desire to regulate will determine the future of mobility.

Changes in mobility are already being felt by operators of fleets in local public transport (LPT) and logistics as well as infrastructure sectors. Fleets must be operated in a climate-neutral and locally emission-free manner in order to meet increasingly demanding environmental targets worldwide. Due to demographic change, the availability of qualified drivers is limited. Comfort expectations are increasing with high cost sensitivity. The demand for mobility is growing while the transport infrastructure is shrinking. Despite the difficult framework conditions, the mobility offer in urban and municipal areas must be ensured.

To meet these challenges, IAV is developing an understanding of the entire value chain of mobility concepts and is building a partner network to cover this chain in its entirety. The goal is clearly defined: IAV offers clients solutions for the entire mobility ecosystem. As part of a mobility strategy, the mobility portfolio is continuously expanded and professional framework conditions are created for sustainable success. The Corporate Development department manages and coordinates activities in close cooperation with the organizational units. To this end, mobility officers have been appointed to help shape

the implementation plans in their cross-divisional function.

IAV derives three mobility initiatives from its mobility strategy: autonomous driving, multimodal mobility platform, grid-serving charging.

Autonomous driving

Connected autonomous vehicles are a promising solution to address the driver shortage and increased traffic volumes in the mobility ecosystem. For example, IAV has developed an autonomous minibus for the last mile of future urban mobility in the HEAT (Hamburg Electric Autonomous Transportation) research and development project, which is unique in Germany and interacts with the infrastructure and control center. The vehicle is five meters long, electrically powered and can accommodate up to ten passengers for the trip through Hamburg’s Hafencity. On its way, the minibus communicates with the sensor system on the test track and the central control center of Hamburger Hochbahn. The sensor technology and information from the infrastructure allow the vehicle to see further than previous automated systems – and thus achieve a new level of traffic safety.

With HEAT, IAV is developing benchmark technologies for automated and autonomous driving and laying the foundations for solutions suitable for series production. The practical test will take place in three phases: In 2019, HEAT started on a test track without passengers at 15 km/h. In phase 2 in 2020, passengers were on board,

Together with partners from science and industry, IAV develops solutions in many projects that will shape the mobility of tomorrow and beyond.

Such projects for the future are co-financed with public funds from the federal government and the EU. In total, IAV projects were supported with €4.9 million in 2019 and €3.1 million in 2020 (2018: 4.6 million euros).

Publicly funded research and development projects make a significant contribution to society's technological progress, strengthen existing industries and support the development of new future industries. IAV uses these projects to expand its expertise in order to secure its lead in know-how for the future. Research and development is currently focusing on the future fields of digitalization, automated driving and electromobility.

Find out more about which research projects [IAV](#) is currently involved in.

Read more at www.iav.com

In total, IAV projects were supported with **€4.9 million** in 2019 and **€3.1 million** in 2020.

the minibus drove up to 25 km/h and stopped at fixed stops. In 2021, operation will continue on an extended test route of 1.8 km. Together with project partners, IAV is thus demonstrating that even continuously running minibuses can be fully integrated into road traffic and public transport. The HEAT project also provides important insights into the future mobility value chain – IAV thus acquires the expertise to develop and, if necessary, operate autonomous vehicles.

From 2015 to 2019, IAV was also involved in the “Synchronous Mobility 2023” initiative. The vision: a perfectly synchronized and thus more efficient traffic network with automated vehicles and traffic light-free intersections. IAV sent the test vehicles Hugo and Alice to the “Digital Test Field” for automated and connected driving in Dresden. Using cameras and sensors from Alice, IAV tested self-developed driving functions that enable the car to drive automatically and cooperatively with other road users in urban areas. Hugo demonstrated how vehicles can be charged fully automatically without a charging cable. IAV developed all the functions of the automated positioning and charging process for this and integrated an underfloor solution. The autonomous parking and charging function will greatly increase the convenience of electromobility and thus improve its acceptance.

Since January 2020, IAV has been dedicated to the perception of autonomous vehicles and their interaction with the infrastructure in the “Shuttles & Co” research project. The state of Berlin and partners are testing concepts and technologies of highly automated and connected driving. For this purpose, three highly auto-



ated shuttles are on the road in Berlin's Alt-Tegel district at speeds of up to 18 km/h. IAV's focus is on developing and integrating new networked perception functions in highly automated vehicles and optimizing communication between networked vehicles and between vehicles and infrastructure. Another focus is on the fusion and integration of vehicle and infrastructure information into a highly up-to-date, dynamic map. Using this “Local Dynamic Map,” information on the traffic situation, the speed of road users as well as roads and road works will be made available from within the vehicle.

Multimodal mobility platform

As a systems integrator, IAV develops multimodal mobility platforms for urban areas that enable access to various mobility services. Multimodal mobility platforms combine high-performance public transport with

individualized services, are geared to users' needs and are intended to develop as an alternative to private motorized transport in the long term.

IAV tests mobility platforms including booking platforms and user applications. The focus is on the functionality and usability of the user interface. At the same time, various mobility options are being tested in practice, such as ride sharing (private carpooling) and flexible, demand-oriented public transport. Cab and shared bus rides by private local companies can also be integrated.

IAV is also working on networked services for mobility platforms. Using the example of the smart Cargobike, the company is demonstrating a solution for transport in urban areas that reconciles the high traffic density and limited transport space with the increasing demand for mobility. The networked range of services around the Cargobike supports the entire logistics chain: Fleet management with dispatching and route optimization can be integrated, as can the securing of goods. During delivery, the messengers benefit from the camera-based follow-me function: The bike recognizes the messenger independently and follows them automatically. As an end-to-end application, the Cargobike platform includes a smartphone app that allows the messenger to view their route as well as vehicle information.

Grid-friendly charging

Mobility transformation and energy transformation are strongly intertwined: In terms of climate neutrality, electric vehicles are only environmentally friendly when powered by electricity from renewable sources. IAV links the two areas with software that intelligently combines the power requirements of electrified fleets with the generation of renewable energy and helps stabilize the power grids.

In the pilot project "Netz_eLOG" (Intelligent Grid Integration of Electrified Logistics), IAV is developing software for controlling charging processes that integrates the requirements of the grid operator in addition to the logistical criteria of the fleet operator. At a Deutsche Post DHL Group distribution center near Berlin, the software was tested in a large-scale trial involving 63 Street-

scooter Work XL vehicles. In addition, various scenarios were simulated – such as the use of local renewable energies or stationary battery storage.

As a systems integrator, IAV develops **multimodal mobility platforms for urban areas** that enable access to various mobility services.



6.2 Regional commitment

Sponsorship and donations

Donations and sponsoring are an integral part of IAV's corporate culture. The company therefore also takes its value proposition "We take responsibility" seriously in social terms and supports projects, groups, organizations and events in the form of cash, non-cash contributions and services.

The donations and sponsoring concept provides clear guidelines regarding the goals IAV pursues with donations and sponsoring. To ensure that these are met, each request is evaluated and decided on by an independent board within the company. This ensures transparency and rules out conflicts of interest. IAV does not initiate any donations or sponsoring measures that could damage IAV's reputation. Donations and sponsorship to bring about a specific decision, for example commissioning by a client or for political, religious or ideological purposes, are explicitly prohibited.

IAV's annual budget for supporting social projects amounted to 5,000 euros in 2020.

In IAV's understanding, donations are not sponsoring, as the donation is given without direct (contractual) consideration, usually for social purposes, disaster relief, etc. The allocation of donations is regulated in IAV's sponsoring concept and goes through the same process. Membership contributions do not come under the heading of sponsoring and are managed in a separate decision-making process.

Examples of sponsoring

IAV sponsors a wide range of events and activities. Sponsoring focuses on enthusiasm for technology and mobility. The main target group is students, whom IAV supports in projects that help them advance research and development while giving them the opportunity to gain practical experience.

Examples of donations

IAV has an annually defined budget to support social projects. In 2019 and 2020, the total amount has been 10,000 euros and 5,000 euros, respectively (2018: 10,000 euros). Since 2018, the defined amount has been divided equally among the five most important regions for IAV: Berlin, Gifhorn, Chemnitz/Stollberg, Munich/Ingolstadt and Sindelfingen/Stuttgart. The selection of projects supported by IAV was made by the respective works council in consultation with management. In 2019, the focus was on organizations that care for the homeless and the needy and sick. These included an emer-

gency overnight shelter, hospices and nursing care, a street ambulance, and an organization that cares for homeless mothers and children. In 2020, the total amount of the donations benefited the German Children's Fund, which supports local projects for children's education in the aforementioned regions and is committed to combating child poverty.



University projects:

- **Formula Student:** Teams of students build a race car and compete once a year at the Hockenheimring.
- **Carolo Cup:** Students build an autonomous vehicle that is as inexpensive and energy-efficient as possible and that can be navigated through a course as error-free as possible.
- **RoboCup German Open:** Scientists and students pit their teams against each other in a robot soccer competition.
- **ExperimentalRaumfahrt-InteressenGemeinschaft (ERIG) e. V.:** Students develop a Mars rover demonstrator to compete in the European Rover Challenge.
- **Sponsoring student-organized symposia or student council evenings.**

7 About this report

39 of 52

main topic-specific disclosures of the GRI standards are covered in this report



7 About this report

[102-32] [102-50] [102-51] [102-52] IAV's 2019/2020 Sustainability Report provides information on its activities and progress within the context of sustainable development. The reporting period begins on January 1, 2019 and ends on December 31, 2020. This means that the 2019/20 Sustainability Report covers two reporting years for the first time. The editorial deadline was June 15, 2021.

The core statements in this report refer to IAV GmbH; deviating observations are indicated at the appropriate point.

The Sustainability Report 2019/20 was prepared on behalf of the IAV Group's Management Board. After careful review by all responsible parties, the contents of the report were approved by the Management Board.

IAV has been publishing a sustainability report since 2017. The latest report relates to fiscal 2018 and was published in June 2019. All reports are available online as PDFs in German and English (www.iav.com).

Reporting standard and assurance

[102-54] [102-56] The Sustainability Report 2019/20 was prepared in accordance with the GRI Standards in the "Core" option.

Both IAV GmbH and the IAV Group were not subject to the reporting obligation pursuant to Section 289b of the German Commercial Code (HGB) on non-financial reporting in fiscal 2019 and 2020.

There was no external assurance of the report. In fiscal 2019 and 2020, the report is not a mandatory reporting format and is not part of the annual financial statements.

Provisions of the report content

[102-46] [102-48] The report content was determined in accordance with the GRI standards on the basis of a materiality analysis. Information on how this was carried out can be found on page 22. A management approach is presented for each material topic and its effectiveness is assessed using relevant performance indicators and examples of implementation. The reporting is based on the structure and indicators of existing reports.

Legal notes

The information and data contained in this report were collected with the greatest care and verified by those responsible. Nevertheless, we cannot exclude the possibility of errors. The report is therefore not a basis for liability claims of any kind.

Insofar as statements are made about IAV's future development, these are based on information and forecasts available at the time of publication. These statements are subject to known and unknown risks and uncertainties, so that actual developments may differ from expectations. This report is published on June 30, 2021 and is entitled "IAV Sustainability Report 2019/20".



GRI content index [102-55]

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102-4	Location of operations	7	
102-5	Ownership and legal form	9	
102-6	Markets served	7	
102-7	Scale of the organization	7 – 8	
102-8	Information on employees and other workers	8, 37	No complete differentiation by all categories: Information is not material.
102-9	Supply chain	25	
102-10	Significant changes to the organization and its supply chain	7 – 9	
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Ethics and integrity			
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GRI Standard	Description	Page	Comment
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102-22	Composition of the highest governance body and its committees	9 – 10	
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102-24	Nominating and selecting the highest governance body	9 – 10	
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103-3	Evaluation of the management approach	7 – 8	
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201-4	Financial assistance received from government	60	
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103-2	The management approach and its components	27 – 29	
103-3	Evaluation of the management approach	30 – 31	
205-1	Operations assessed for risks related to corruption	30 – 31	No indication of the risks identified: Information is confidential.
205-2	Communication and training about anti-corruption policies and procedures	31	Training on the Code of Conduct and the SpeakUp system is mandatory for all employees.
GRI 206	Anti-competitive Behavior 2016		
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103-2	The management approach and its components	27 – 29	
103-3	Evaluation of the management approach	30 – 32	
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GRI Standard	Description	Page	Comment
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308-1	New suppliers that were screened using environmental criteria	25	No indication of a percentage: Data collection currently not possible due to complexity of supply chain.

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103-2	The management approach and its components	37 – 39	
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401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	37 – 38	
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GRI 402	Labor/Management Relations 2016		
103-1	Explanation of the material topic and its boundary	22	
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103-3	Evaluation of the management approach	40 – 42	
404-1	Average hours of training and training per year per employee	41	No differentiation by category: Data not currently available.
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GRI 412	Human Rights Assessment 2016		
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103-2	The management approach and its components	27 – 29	
103-3	Evaluation of the management approach	30 – 31	

GRI Standard	Description	Page	Comment
412-2	Employee training on human rights policies or procedures	31	Training on the Code of Conduct and the SpeakUp system is mandatory for all employees.
GRI 414 Supplier Social Assessment 2016			
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103-2	The management approach and its components	25 – 26	
103-3	Evaluation of the management approach	25	
414-1	New suppliers that were screened using social criteria	25	No indication of a percentage: Data collection currently not possible due to complexity of supply chain.
GRI 416 Customer Health and Safety 2016			
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Abbreviations

Abbreviation	Explanation
BEV	Battery Electric Vehicle
CMS	Compliance Management System
CRM	Customer Relation Management
DCGK	German Corporate Governance Code
FCEV	Fuel Cell Electric Vehicle
ICS	Internal Control System
IKTS	Fraunhofer Institute for Ceramic Technologies and Systems
GRC	Governance, Risk and Compliance
GRI	Global Reporting Initiative
HEAT	Hamburg Electric Autonomous Transportation
LCA	Lifecycle Assessment
Employee	Employee
MWAEV	Ministry of Economy, Labor, Energy and Transport
PHEV	Plug-in Hybrid Electric Vehicle
RLI	Reiner Lemoine Institute
tSME	Technical Subject Matter Experts
VKM	Internal combustion engine

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[102-53]

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Numerous IAV employees have contributed to this Sustainability Report 2019/20. We will be happy to answer your questions and, if necessary, forward them to the relevant specialist departments.

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