

## Volkswagen Feedback to 2020 Appeals Process

Thank you for taking part in the CHRB Appeals Process.

Of the 10 appeals submitted to CHRB, 1 was accepted by the CHRB and research team and 9 were rejected on a technical basis, or on the basis that the evidence provided by the Company did not meet the indicators' requirements. None were submitted for a third review to the appeals committee panel made up of six members (Margaret Wachenfeld, Peter Webster, Daniel Neale, Lise Smit, Nadia Bernaz, Tara Van Ho).

**Engagement Status:** Formally engaged

**A summary of the appeal verdicts is set out below:**

Company	Indicator code	Indicator title	CHRB Score (pre-appeal)	Final Score (Post-appeal)	Appeal Committee involved? (Yes or No)	Change in Score (Yes or No)
<b>Volkswagen</b>	A.1.1	Commitment to respect human rights	0	0	N	N
<b>Volkswagen</b>	A.1.2	Commitment to respect the human rights of workers	0.5	0.5	N	N
<b>Volkswagen</b>	A.1.3.MO.a	Commitment to responsible sourcing of minerals	0.5	0.5	N	N
<b>Volkswagen</b>	A.2.1	Commitment from the top	0.5	1	N	Y
<b>Volkswagen</b>	D.5.5.d	Restrictions on workers (in the supply chain)	0	0	N	N
<b>Volkswagen</b>	B.1.4.b	Communication /dissemination of policy commitment(s) to business relationships	0.5	0.5	N	N

<b>Volkswagen</b>	B.1.5	Training on Human Rights	0.5	0.5	N	N
<b>Volkswagen</b>	D.5.2	Aligning purchasing decisions with human rights	0	0	N	N
<b>Volkswagen</b>	D.5.4.b	Prohibition on child labour: Age verification and corrective actions (in the supply chain)	0	0	N	N
<b>Volkswagen</b>	D.5.10.a	Responsible Mineral Sourcing: Arrangements with Suppliers and Smelters/Refiners in the Mineral Resource Supply Chains	0.5	0.5	N	N

**A summary is included below for the appeals that were rejected:**

<b>APPEAL NUMBER:</b> 001	<b>COMPANY:</b> Volkswagen
<b>Indicator:</b> A.1.1	<b>Indicator Title:</b> Commitment to respect human rights
<p>Excerpt from Methodology</p> <p>Score 1: The Company has a publicly available statement of policy committing it to respect human rights OR the ten principles of the UN Global Compact (as principles 1 and 2 include a commitment to respect human rights) OR the rights under the Universal Declaration of Human Rights (UDHR) OR the International Bill of Human Rights</p> <p>Score 2: The Company's policy commitment also commits it to: the UN Guiding Principles on Business and Human Rights OR the OECD Guidelines for Multinational Enterprises business relationship's own mechanisms or through collaborating with those business relationships on the development of third party non-judicial remedies.</p>	
<p><b>Scorecard Text:</b></p> <p>Score 1</p> <ul style="list-style-type: none"> <li>• Not met: General HRs commitment: The Company states in its Code of Conduct: 'We respect, protect and promote all regulations in force to protect human rights and children's rights (hereinafter called human rights) as a fundamental and general requirement throughout the world.' In addition, in its Sustainability Report: 'We want</li> </ul>	<p><b>2020 Scorecard Score:</b></p> <p><b>0</b></p>

to respect human rights and live up to our corporate responsibility in our business activities.' However, 'to want to respect' does not constitute a direct commitment to respect human rights. In addition, 'to respect regulations to protect' seems to commit of respect the law rather than any human rights irrespective if they are covered by a particular law. Moreover, on its website section 'Business and Human Rights', the Company states that it 'fully commits to its corporate human rights responsibility.'; and its MSA Statement reads: '[...] we recognise our global responsibility which includes the protection of human rights'. However, as the other cases indicated, 'recognise the responsibility' is not considered a commitment statement following CHRB wording criteria. No direct commitment to respect human rights found. [Slavery and Human Trafficking Statement FY 2019, 26/06/2020: volkswagenag.com & Business and Human Rights, N/A: volkswagenag.com]

- Not met: UNGC principles 1 & 2 Indicator Code Indicator name Score (out of 2)  
Explanation • Not met: UDHR: In its Sustainability Report: 'We want to respect human rights and live up to our corporate responsibility in our business activities. We are fundamentally guided by international requirements and standards, to which we are committed. [...] Relevant international standards for the business and human rights focus area by which we orient ourselves include in particular: The United Nations' Universal Declaration of Human Rights, [...]' However, 'to be oriented' is not consider a formal commitment statement following CHRB wording criteria. [Sustainability Report 2019, 03/2020: volkswagenag.com]

- Not met: International Bill of Rights

Score 2

- Not met: UNGPs: In its Sustainability Report, the Company indicates: 'Relevant international standards for the business and human rights focus area by which we orient ourselves include in particular: [...] The UN Guiding Principles on Business and Human Rights; The OECD Guidelines for Multinational Enterprises'. However 'to be oriented by' is not consider a formal commitment statement following CHRB wording criteria. [Sustainability Report 2019, 03/2020: volkswagenag.com]

- Not met: OECD: In its Sustainability Report, the Company indicates: 'Relevant international standards for the business and human rights focus area by which we orient ourselves include in particular: [...]; The OECD Guidelines for Multinational Enterprises'. However 'to be oriented by' is not consider a formal commitment statement following CHRB wording criteria. [Sustainability Report 2019, 03/2020: volkswagenag.com]

**Requested Score:**

1

**Justification from Company:**

*Appeal Reasoning:*

[We have published “Our understanding of the topic “Business and Human Rights”, it is online since December 2019; why don’t you take this into account ?\(https://www.volkswagenag.com/en/group/compliance-and-risk-management/business-and-human-rights.html\)](https://www.volkswagenag.com/en/group/compliance-and-risk-management/business-and-human-rights.html)

<b>Valid:</b>	<b>Sources from Company:</b>					
<b>1.Yes</b>	1. <a href="https://www.volkswagenag.com/en/group/compliance-and-risk-management/business-and-human-rights.html">https://www.volkswagenag.com/en/group/compliance-and-risk-management/business-and-human-rights.html</a>					
<b>Decision</b>	<b>Accepted</b>	<input type="checkbox"/>	<b>Partially Accepted</b>	<input type="checkbox"/>	<b>Rejected</b>	<input checked="" type="checkbox"/>
<b>Justification:</b>						
When considering the company request and the requirements of the indicator, the following determination was made:						
In Measurement Theme A <i>Governance and Policy Commitment</i> the CHRB focuses on a company's human rights related policy commitments. The indicators in this measurement theme aim to assess the extent to which a company acknowledges its responsibility to respect human rights, and how it formally incorporates this into publicly available statements of policy.						
Volkswagen states in its Code of Conduct: 'We respect, protect and promote all regulations in force to protect human rights and children's rights (hereinafter called human rights) as a fundamental and general requirement throughout the world.' This statement is insufficient to meet the requirements under A.1.1 because it does not address the issue of respecting human rights even where human rights are not incorporated into national law.						
Volkswagen's statement on its Business and Human Rights page is closer to the type of commitment the CHRB is looking for, 'fully commits to its corporate human rights responsibility.' However, it remains unclear what "its" responsibility means and more importantly, <b>a statement on a website is not the same as a formal policy commitment.</b>						
<b>The appeal was therefore rejected on the grounds that the CHRB did not identify a clear and unambiguous commitment to respect human rights in a formal policy document.</b>						
<b>Indicator:</b>	<b>Final Score:</b>		<b>Date: 11/04/2021</b>			
A.1.1	0					

<b>APPEAL NUMBER:</b>	<b>COMPANY:</b>
002	Volkswagen
<b>Indicator:</b>	<b>Indicator Title:</b>
A.1.2	Commitment to respect the human rights of workers
Excerpt from Methodology	
Score 1: The Company has a publicly available statement of policy committing it to respecting the human rights that the ILO has declared to be fundamental rights at work (ILO Core Labour Standards) OR the Company has a publicly available statement of policy committing it to respecting the ten principles of the UN Global Compact (principles 3 to 6 are based on the ILO Declaration on Fundamental Principles and Rights at Work). AND, in addition to one of the above, the Company's policy commitment(s) also states that it expects its suppliers to commit to respecting each of the ILO core labour standards and explicitly lists them in that commitment.	
Score 2: The Company's policy statement on the ILO Core Labour Standards includes explicit commitments to respect: freedom of association and the right to collective bargaining and the rights not to be subject to forced labour, child labour or discrimination in respect of employment	

and occupation AND the Company's publicly available statement of policy also commits it to respecting the ILO conventions on labour standards on working hours and the health and safety of its workers AND the Company's policy commitment(s) also states that it expects its suppliers to commit to respecting the ILO conventions on labour standards on working hours and the health and safety of their workers.

**Scorecard Text:**

Score 1

- Not met: ILO Core: In its Sustainability Report: 'We want to respect human rights and live up to our corporate responsibility in our business activities. We are fundamentally guided by international requirements and standards, to which we are committed. [...] Relevant international standards for the business and human rights focus area by which we orient ourselves include in particular: [...]; The Core Labor Standards of the International Labour Organization (ILO); [...].' In addition, in its MSA Statement, it states: '[...] we base our actions on the principles of the UN Global Compact, the OECD Guidelines for Multinational Enterprises and the requirements of the International Labour Organization (ILO).' However, 'to be oriented' or 'to base our actions' are not considered formal statements of commitment following CHRB wording criteria. [Sustainability Report 2019, 03/2020: volkswagenag.com & Slavery and Human Trafficking Statement FY 2019, 26/06/2020: volkswagenag.com]

- Not met: UNGC principles 3-6

- Not met: Explicitly list ALL four ILO for MO suppliers: The Company's Code of Business Partners reads: 'Business partners reject all conscious use of forced and compulsory labor as well as all forms of modern slavery and human trafficking. There is no bonded labor or involuntary prison labor. [...] Child labor is prohibited. [...] Business partners reject all forms of discrimination and harassment. [...] The basic right of all employees to form trade unions and employee representations and to join them is respected. In countries where this right is restricted by local laws, alternative legitimate options for employee participation shall be supported.' Although the Company reports about Employee participation and Codetermination in its Sustainability Report, no specific requirement to collective bargaining found. [Code of Business for Business Partners, 05/2019: volkswagenag.com & Sustainability Report 2019, 03/2020: volkswagenag.com]

Score 2

- Not met: Explicit commitment to All four ILO Core: According its Declaration on Social Rights, the Company establishes basic goals related to ILO Core: 'The basic right of all employees to establish and join unions and employee representations is acknowledged. Volkswagen, the unions and employee representatives respectively work together openly and in the spirit of constructive and co-operative conflict management. [...] Equal opportunity and treatment, regardless of race, [...] is assured. [...] Volkswagen rejects any knowing use of forced labour and indentured as well as debtor servitude or involuntary prison labour. [...] Child labour is prohibited.' However, to set out basic goals is not consider a formal commitment to respect each one of the ILO Core. [Declaration on social rights and industrial relations, 05/2012: volkswagenag.com]

**2020  
Scorecard  
Score:**

**0.5**

- Met: Respect H&S of workers: The Company's Code of Conduct reads: 'The Volkswagen Group is committed to its responsibility for the safety and health of its employees. We provide occupational safety and healthcare in line with the provisions of national regulations and with the occupational health and safety policy of the Company.' [Code of Conduct, 13/05/2020: volkswagenag.com]
- Met: H&S applies to MO suppliers: The Company indicates in its Code of Conduct for Business Partners: 'Volkswagen Group business partners must comply with the national occupational health, safety and fire safety legislation. All occupational health and safety measures shall not involve any expenditure for the employees (ILO Convention 155). Furthermore, a process enabling the continuous reduction of work-related health hazards and improvement of occupational health, safety and fire safety must be established.' [Code of Business for Business Partners, 05/2019: volkswagenag.com]
- Not met: Working hours for workers: The Company set as a basic goal that 'The work hours correspond at least to the respective national legal requirements or to the minimum standards of the respective economic sectors.' However, no commitment found to the standards set out in the ILO Convention, or including at least a commitment to a maximum working hours for regular working week (excluding overtime) and minimum breaks. [Declaration on social rights and industrial relations, 05/2012: volkswagenag.com]
- Not met: Working hours for MO suppliers: In addition, the Company's Code of Conduct for Business Partners indicates: 'The business partner must ensure that working hours correspond at least to the respective national legal requirements or the minimum standards of the respective national economic sectors. If there are no legal requirements or minimum standards, the international standard of the ILO of a maximum of 48 hours of work per week with a rest period of at least 24 consecutive hours every seven days shall apply. According to the ILO, a maximum of 12 hours of overtime, temporarily and in the case of emergencies, such as urgent repair work, may be completed per week'. [Code of Business for Business Partners, 05/2019: volkswagenag.com]

<b>Requested Score:</b>	<b>Justification from Company:</b>
1	<i>Appeal Reasoning:</i> <a href="https://www.volkswagenag.com/en/group/compliance-and-risk-management/business-and-human-rights.html">Commitment to the ILO in in the 1st sentence of “Our understanding of the topic “Business and Human Rights” : Why don’t you take this into account? https://www.volkswagenag.com/en/group/compliance-and-risk-management/business-and-human-rights.html)</a>

<b>Valid:</b>	<b>Sources from Company:</b>
1.No	1. <a href="https://www.volkswagenag.com/en/group/compliance-and-risk-management/business-and-human-rights.html">https://www.volkswagenag.com/en/group/compliance-and-risk-management/business-and-human-rights.html</a>

<b>Decision</b>	<b>Accepted</b>	<input type="checkbox"/>	<b>Partially Accepted</b>	<input type="checkbox"/>	<b>Rejected</b>	<input checked="" type="checkbox"/>
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**Justification:**

When considering the company request and the requirements of the indicator, the following determination was made:

While the Company did not formally engage with the CHRB during the engagement and feedback phases of the assessment providing feedback on A.1.2, Volkswagen's Business and Human Rights page was not included in the feedback received and was only cited in appeals evidence.

The claim did not meet the threshold test and the CHRB could not assess the claim's validity.

The appeal was therefore rejected on technical grounds. Please see the [CHRB scoring appeal process for the 2020 benchmark results](#)

In regard to the commitment available on the Company's Business and Human Rights page, while the company affirms its commitment to the core labour standards of the International Labour Organisation (ILO), it does not formally commit to respect *each one* of the core standards. In order to meet this requirement, companies need to *explicitly commit to all four ILO Core labour standards*.

See score 2 requirements for A.1.2 in the CHRB Methodology: "The Company's policy statement on the ILO Core Labour Standards includes explicit commitments to respect: freedom of association and the right to collective bargaining and the rights not to be subject to forced labour, child labour or discrimination in respect of employment and occupation"

<b>Indicator:</b> A.1.2	<b>Final Score:</b> 0.5	<b>Date:</b> 11/04/2021
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<b>APPEAL NUMBER:</b> 003	<b>COMPANY:</b> Volkswagen	
<b>Indicator:</b> A.1.3.MO.a	<b>Indicator Title:</b> Commitment to responsible sourcing of minerals	
Excerpt from Methodology		
<p>Score 1: The Company has a publicly available statement of policy committing it to the responsible sourcing of minerals AND the Company commit to follow the OECD Guidance at least in respect of 3TG AND the Company requires its suppliers to follow the company's responsible sourcing policy or the Company requires its suppliers to follow the OECD Guidance.</p> <p>Score 2: The Company's responsible sourcing policy commitment to following the OECD Guidance explicitly covers all minerals AND the Company expects its suppliers to include a similar requirement for their suppliers.</p>		
<b>Scorecard Text:</b>	<b>2020 Scorecard Score:</b>	
<p>Score 1</p> <ul style="list-style-type: none"> <li>• Not met: Responsible mineral sourcing in conflict areas: The Company states in its Policy on Sustainable Raw Materials: 'The Volkswagen Group is committed to responsible and transparent business conduct. [...] An essential component of this concept is the sustainability requirements of the Volkswagen Group, which comprise environmental protection, human and worker's rights, transparent business relations and fair competition as well as due diligence for supply chains of minerals from conflict-affected regions. These requirements are part of contracts with all business partners and have to be passed on to sub-suppliers in the supply chain. [...] To ensure due diligence in fostering responsible supply chains for minerals from conflict affected and high-risk areas, the</li> </ul>	0.5	

sustainability requirements have been extended in 2016. The requirements are part of integrating the “OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict Affected and High-Risk Areas” in Volkswagen Group processes.’ However, no formal commitment to the responsible sourcing of minerals found. [Policy on Sustainable Raw Materials, 2017: volkswagenag.com]

- Met: Based on OECD Guidance: The Company indicates in its Sustainability Report: 'The way we organize the responsible sourcing of raw materials is driven by the requirements of the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High- Risk Areas.' [Sustainability Report 2019, 03/2020: volkswagenag.com]

- Met: Requires responsible mineral sourcing from suppliers: The Company's Code of Conduct for Business Partners reads: 'Our suppliers are required to comply with their due diligence obligations with regard to relevant raw materials – in particular tin, tantalum, tungsten, gold, cobalt and mica. [...] We expect suppliers to avoid using raw materials from smelters or refineries that do not meet the requirements of the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas.' In addition, in its Policy on Sustainable Raw Materials, the Company states that it 'expects its suppliers to avoid all minerals from conflict affected smelters.' Minerals are categorized as conflict affected, if the mining, transport, trade, handling, processing or export supports armed, nonstate groups, directly or indirectly. These requirements are part of contracts with all business partners and have to be passed on to sub-suppliers in the supply chain'. [Code of Business for Business Partners, 05/2019: volkswagenag.com]

- Not met: Requires suppliers to follow the OECD Guidance: As indicated above, the Company requires its suppliers 'to comply with their due diligence obligations with regard to relevant raw materials – in particular tin, tantalum, tungsten, gold, cobalt and mica. [...] We expect suppliers to avoid using raw materials from smelters or refineries that do not meet the requirements of the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict Affected and High-Risk Areas.' Although the Company expects its suppliers to comply with their due diligence obligations the reference to the OECD Guidance is with respect the expectation for its suppliers to avoid smelter and refineries that do no apply this Guidance and not to apply it directly. [Code of Business for Business Partners, 05/2019: volkswagenag.com]

Score 2

- Not met: Responsible conflict mineral sourcing covers all minerals



<ul style="list-style-type: none"> <li>• Met: Suppliers expected to make similar requirements of their suppliers: See above requirement to responsible sourcing for suppliers. In addition The Company indicates that it 'expects its suppliers to avoid all minerals from conflict affected smelters. Minerals are categorized as conflict affected, if the mining, transport, trade, handling, processing or export supports armed, nonstate groups, directly or indirectly. These requirements are part of contracts with all business partners and have to be passed on to sub-suppliers in the supply chain'. [Policy on Sustainable Raw Materials, 2017: volkswagenag.com]</li> </ul>						
<b>Requested Score:</b>	<b>Justification from Company:</b>					
1.5	<p>You state in Score 1: “ However, no formal commitment to the responsible sourcing of minerals found. You do cite, however, our Policy on Sustainable Raw Materials. How is this not a formal commitment?</p> <p>We do not understand what else would make a commitment a “formal commitment.”</p>					
<b>Valid:</b>	<b>Sources from Company:</b>					
1.Yes	<p>1. <a href="https://www.volkswagenag.com/presence/nachhaltigkeit/documents/policy-intern/Policy%20sustainable%20raw%20materials.pdf">https://www.volkswagenag.com/presence/nachhaltigkeit/documents/policy-intern/Policy%20sustainable%20raw%20materials.pdf</a></p>					
<b>Decision</b>	<b>Accepted</b>	<input type="checkbox"/>	<b>Partially Accepted</b>	<input type="checkbox"/>	<b>Rejected</b>	<input checked="" type="checkbox"/>
<b>Justification:</b>						
<p>When considering the company request and the requirements of the indicator, the following determination was made:</p> <p>The Company did not formally engage with the CHRB during the engagement and feedback phases of the assessment providing feedback on A.1.3.MO.a. Companies that did not formally engage with the CHRB can only appeal formally in relation to manifest errors, not differences of opinion or interpretation. Therefore, the claim did not meet the threshold test and the CHRB could not assess the claim’s validity.</p> <p>The appeal was therefore rejected on technical grounds. Please see the <a href="#">CHRB scoring appeal process for the 2020 benchmark results</a>.</p> <p>Regarding Volkswagen’s Policy on Sustainable Raw Materials, the CHRB research team had already referenced it in the assessment and found that it did not meet all of the requirements in A.1.3 MO.a. For more information, please refer to <a href="#">the CHRB Automotive Methodology</a>.</p>						
<b>Indicator:</b>	<b>Final Score:</b>		<b>Date:</b>			
A.1.3.MO.a	0.5		11/04/2021			

<b>APPEAL NUMBER:</b> 004	<b>COMPANY:</b> Volkswagen
<b>Indicator:</b> D.5.5.d	<b>Indicator Title:</b>

	Prohibition on forced labour: Restrictions on workers (in the supply chain)
<p>Excerpt from Methodology</p> <p>Score 1: In its contractual arrangements with its suppliers or supplier code of conduct, the Company prohibits the supplier from restricting workers' mobility, including through the retention of passports or other personal documents against the workers will or the workers' means of accessing wages OR the Company describes how it works with suppliers to eliminate restrictions on worker's mobility, including through the retention of worker's documents.</p> <p>Score 2: The Company meets both of the requirements under Score 1 AND the Company provides an analysis of trends demonstrating progress.</p>	
<p><b>Scorecard Text:</b></p> <p>Score 1</p> <ul style="list-style-type: none"> <li>• Not met: Free movement rules in codes or contracts: The Company indicates in its Code of Conduct for Business Partners: 'Business partners reject all conscious use of forced and compulsory labor as well as all forms of modern slavery and human trafficking. There is no bonded labor or involuntary prison labor. Employment relationships are entered into on a voluntary basis and may be terminated by employees at their own discretion and within a reasonable notice period'. In addition, the Company sets the minimum requirements for suppliers, including: 'Suppliers need to have a policy in place regarding human rights and working conditions, including at least the topics [...], modern slavery'. However, no requirements found, including refraining from restricting workers' movement through the retention of passports or other personal documents or other measures to physically restrict movement. [Code of Business for Business Partners, 05/2019: volkswagenag.com &amp; Minimum requirements for suppliers, 07/02/2020: vwgroupsupply.com]</li> <li>• Not met: How these practices are implemented and monitored for agencies, labour brokers or recruiters: The Company reports in its MSA Statement: 'In addition to e-learning, we conduct subject-specific sustainability training courses and workshops with our suppliers at selected locations. During the reporting period, training events took place in Argentina, Brazil, Germany, Mexico, Poland, Sweden and South Africa. These training events raised awareness among a total of 1,500 employees from more than 1,100 of our suppliers on the topic of sustainability. In addition, we also work with industry initiatives and in cooperation with other companies to promote better sustainability management at our suppliers'. However, no further information found describing whether the training program covered freedom of movement issues. [Slavery and Human Trafficking Statement FY 2019, 26/06/2020: volkswagenag.com]</li> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>• Not met: Both requirements under score 1 met</li> <li>• Not met: Provide analysis of trends in progress made</li> </ul>	<p><b>2020 Scorecard Score:</b></p> <p>0</p>
<b>Requested Score:</b>	<b>Justification from Company:</b>

<b>1</b>	<p>It is not clear why this leads to 0 points.          You state: <i>However, no requirements found, including refraining from restricting workers' movement through the retention of passports or other personal documents or other measures to physically restrict movement.</i> The topic is part of the Code of Conduct and part of the minimum requirements: all suppliers need a policy on forced labor.</p>					
<b>Valid:</b>	<p><b>Sources from Company:</b>  Not provided</p>					
<b>Decision</b>	<b>Accepted</b>	<input type="checkbox"/>	<b>Partially Accepted</b>	<input type="checkbox"/>	<b>Rejected</b>	<input checked="" type="checkbox"/>
<b>Justification:</b>						
<p>When considering the company request and the requirements of the indicator, the following determination was made:</p> <p>The Company indicates in its Code of Conduct for Business Partners: 'Business partners reject all conscious use of forced and compulsory labor as well as all forms of modern slavery and human trafficking. There is no bonded labor or involuntary prison labor. Employment relationships are entered into on a voluntary basis and may be terminated by employees at their own discretion and within a reasonable notice period.'</p> <p>However, no requirements that specifically prohibit the supplier from restricting workers' mobility, including through the retention of passports or other personal documents against the workers will or the workers' means of accessing wages were found.</p> <p>Further, while Volkswagen conducts subject-specific sustainability training courses and workshops with their suppliers at selected locations, no information was found describing whether the training program covered freedom of movement issues.</p> <p><b>The appeal was therefore rejected on the grounds that no sufficient evidence relating to how the company requires that its suppliers refrain from restricting workers' mobility were identified to meet the requirements under D.5.5.d.</b></p>						
<b>Indicator:</b> D.5.5.d		<b>Final Score:</b> 0		<b>Date:</b> 11/04/2021		

<b>APPEAL NUMBER:</b> 005	<b>COMPANY:</b> Volkswagen
<b>Indicator:</b> B.1.4.b	<b>Indicator Title:</b> Communication /dissemination of policy commitment(s) to business relationships
Excerpt from Methodology	

Score 1: The Company describes the steps it takes to communicate its human rights policy down it supply chain itself OR The Company demonstrates that it requires its suppliers to do so

Score 2: The Company also describes how its human rights policy commitments are reflected within contractual or other binding arrangements with its suppliers AND The Company demonstrates that it requires its suppliers to cascade the contractual or other binding requirements down their supply chain.

<b>Scorecard Text:</b>	<b>2020 Scorecard Score:</b>
<p>Score 1</p> <ul style="list-style-type: none"> <li>• Not met: Commits to all 4 ILO core conventions for suppliers</li> <li>• Met: Requiring MO suppliers to communicate policy down the chain: The Company indicates in its Code of Conduct for Business Partners that 'business partners must take appropriate steps to also ensure compliance with these requirements by their own business partners and along the supply chain'. In addition the Company indicates in its Sustainability Report: 'Sustainability requirements are enshrined in contracts and specifications, particularly the Code of Conduct for Business Partners. Suppliers are trained and their awareness is raised'. [Code of Business for Business Partners, 05/2019: volkswagenag.com]</li> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>• Met: How HR commitments made binding/contractual: The Company indicates in its Sustainability Report: 'Sustainability requirements are enshrined in contracts and specifications, particularly the Code of Conduct for Business Partners. Suppliers are trained and their awareness is raised'. [Sustainability Report 2019, 03/2020: volkswagenag.com]</li> <li>• Not met: Including on MO suppliers</li> </ul>	<b>0.5</b>

<b>Requested Score:</b>	<b>Justification from Company:</b>
2	<p>You state in Score 1: Not met : Commits to all 4 ILO core conventions for suppliers. What exactly are we missing? Freedom of association, no forced labor, no child labor and no discrimination are all covered in our CoC.</p> <p>Score 2 says: Not Met: Including on MO suppliers What does that mean? Our suppliers are all included in the CoC and our respective expectations.</p>

<b>Valid:</b>	<b>Sources from Company:</b>
	Not provided

<b>Decision</b>	<b>Accepted</b> <input type="checkbox"/>	<b>Partially Accepted</b> <input type="checkbox"/>	<b>Rejected</b> <input checked="" type="checkbox"/>
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**Justification:**

When considering the company request and the requirements of the indicator, the following determination was made:

The company did not provide further evidence to support its claim. In appealing, the company must explain why it thinks there has been an error and must specify the indicator, relevant evidence provided and an explanation as to why the company is appealing for a rescore. See the [CHRB scoring appeal process for the 2020 benchmark results](#).

In addition, while the Company mentioned its Code of Conduct in its appeal claim, it did not reference it when providing feedback on B.1.4.b during the engagement and feedback phases of the assessment. Therefore, the appeal did not meet the threshold test and the CHRB could not assess the claim's validity.

The appeal was therefore rejected on technical grounds.

Regarding commitment to ILO Core Standards, in order to meet the first requirement under score 1 of B.1.4.b, companies need to *explicitly commit to all four ILO Core labour standards*.

<b>Indicator:</b> B.1.4.b	<b>Final Score:</b> 0.5	<b>Date:</b> 11/04/2021
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<b>APPEAL NUMBER:</b> 006	<b>COMPANY:</b> Volkswagen	
<b>Indicator:</b> B.1.5	<b>Indicator Title:</b> Training on Human Rights	
Excerpt from Methodology		
Score 1: The Company indicates that all its workers are trained on its human rights policy commitment(s) OR the Company describes how relevant managers and workers, including those working on procurement, receive specific human rights training relevant to their role.		
Score 2: The Company meets both of the requirements under Score 1.		
<b>Scorecard Text:</b>		<b>2020 Scorecard Score:</b>
Score 1		
<ul style="list-style-type: none"> <li>• Not met: Scores at least 1 on A.1.2</li> <li>• Met: Trains all workers on HR policy commitments: In its MSA Statement, the Company indicates: 'the mandatory Code of Conduct training program for all new hired employees was extended to all existing employees. The training courses are accompanied by comprehensive communication measures. The various internal communication channels were used for this purpose. This includes both online and offline media as well as event and training concepts.' The Company's Code of Conduct cover human rights. No new relevant evidence found in latest documents. [Slavery and Human Trafficking Statement FY 2018, 05/2019]</li> </ul>		0.5

- Met: Trains relevant MO managers including procurement: In addition, it states: 'As our procurement staff provide an essential interface to our business partners and thus to our supply chain, all new buyers are additionally briefed and trained on sustainability matters and potential risks. [...] We train certain employee groups separately on specific matters such as raw materials in electric mobility and related sustainability risks, such as human rights violations, in specially adapted training formats'. In addition, in its Slavery statement 2019, it reports: 'In total, more than 3,000 buyers globally were trained in this area in 2019'. [Slavery and Human Trafficking Statement FY 2018, 05/2019 & Slavery and Human Trafficking Statement FY 2019, 26/06/2020: volkswagenag.com]

Score 2

- Not met: Score of 2 on A.1.2

- Not met: Both requirements under score 1 met

<b>Requested Score:</b>  1	<b>Justification from Company:</b>  In our statement on the UKMSA we describe our trainings procedures, the statement is signed by our CEO and one further board member.
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<b>Valid:</b> 1. No	<b>Sources from Company:</b>  <a href="https://www.volkswagenag.com/presence/nachhaltigkeit/documents/policy-extern/2020_UKMSA_englisch.pdf">1. https://www.volkswagenag.com/presence/nachhaltigkeit/documents/policy-extern/2020_UKMSA_englisch.pdf</a>
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<b>Decision</b>	<b>Accepted</b> <input type="checkbox"/>	<b>Partially Accepted</b> <input type="checkbox"/>	<b>Rejected</b> <input checked="" type="checkbox"/>
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**Justification:**

When considering the company request and the requirements of the indicator, the following determination was made:

While the Company provided a link to its Modern Slavery Statement in its appeal claim, it did not reference it when providing feedback on B.1.5 during the engagement and feedback phases of the assessment. Therefore, the appeal did not meet the threshold test and the CHRB could not assess the claim's validity.

The appeal was therefore rejected on technical grounds.

Regarding why the company did not meet the requirements in this indicator, the CHRB Methodology states that in order to get a score of 1 on B.1.5, the Company needs to score at least 1 point under indicator A.1.2, and that in order to get a score of 2, the Company needs to score 2 points under indicator A.1.2. Please see indicator B.1.5 in the [CHRB Automotive Methodology](#).

The idea behind this is that in order for trainings to be meaningful, the Company's human rights policy commitments should include each of the four ILO Core Standards.

<b>Indicator:</b> B.1.5	<b>Final Score:</b> 0.5	<b>Date:</b> 11/04/2021
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<b>APPEAL NUMBER:</b> 007	<b>COMPANY:</b> Volkswagen	
<b>Indicator:</b> D.5.2	<b>Indicator Title:</b> Aligning purchasing decisions with human rights	
Excerpt from Methodology		
<p>Score 1: The Company describes the practices it adopts to avoid price or short notice requirements or other business considerations undermining human rights OR the Company describes the specific positive incentives it puts into place via its purchasing practices to encourage its suppliers to respect human rights (e.g. price premiums, repeat business, increased orders or longer contracts with good performers).</p> <p>Score 2: The Company meets both of the requirements under Score 1.</p>		
<b>Scorecard Text:</b> Score 1 <ul style="list-style-type: none"> <li>• Not met: Avoids business model pressure on HRs</li> <li>• Not met: Positive incentives to respect human rights: The Company reports: 'A sustainability rating (S rating) was introduced as a key measure in mid-2019 and has since been implemented across the Group. It is used to audit the sustainability performance of suppliers and show opportunities for continuous improvement. It assesses the environmental performance of suppliers and their social sustainability and integrity. The S rating is directly relevant to awarding contracts: if a supplier does not meet our requirements for compliance with sustainability standards, it is fundamentally not eligible for the award of contracts. There is thus a direct incentive for suppliers to improve their sustainability performance.' However, no details found about using the S rating system as a positive incentive, such as price premiums, increased orders or longer contracts with good performance. Current evidence seems to refer to penalisation of worse performers (linked to requirement of indicator B.1.7). [Sustainability Report 2019, 03/2020: volkswagenag.com &amp; Minimum requirements for suppliers, 07/02/2020: vwgroupsupply.com]</li> </ul> Score 2 <ul style="list-style-type: none"> <li>• Not met: Both requirements under score 1 met</li> </ul>		<b>2020 Scorecard Score:</b>  <p>0</p>
<b>Requested Score:</b>  2	<b>Justification from Company:</b>  You state in Score 1: "However, no details found about using the S rating system as a positive incentive, such as price premiums, increased orders or longer contracts with good performance. Current evidence seems to refer to penalisation of worse performers."  Incorrect. The S-Rating gives the most positive incentive a supplier can get: they are eligible for sourcing. But only if they can show to us that they respect human rights. In our view this is the best way to tie purchasing decisions to the human rights performance of suppliers. What else would you need?	
<b>Valid:</b> 1. No	<b>Sources from Company:</b> <a href="https://www.volkswagenag.com/presence/nachhaltigkeit/documents/policy-intern/Policy%20sustainable%20raw%20materials.pdf">1. https://www.volkswagenag.com/presence/nachhaltigkeit/documents/policy-intern/Policy%20sustainable%20raw%20materials.pdf</a>	

<b>Decision</b>	Accepted	<input type="checkbox"/>	Partially Accepted	<input type="checkbox"/>	Rejected	<input checked="" type="checkbox"/>
<b>Justification:</b>						
<p>The Volkswagen Group Policy on Sustainable Raw Materials was cited in appeals evidence but not included in the feedback on D.5.2 received during the engagement and feedback phases of the assessment. Therefore, the appeal did not meet the threshold test and the CHRB could not assess the claim's validity.</p> <p><b>The appeal was therefore rejected on technical grounds.</b></p> <p>In addition, looking at the Company's Policy on Sustainable Raw Materials, no further evidence on how the Company avoids business model pressure on human rights nor on how it uses the S rating system as a positive incentive, such as price premiums, increased orders or longer contracts with good performance was identified.</p> <p>For more information on the indicator's requirements please see indicator <a href="#">D.5.2 in the CHRB Automotive Methodology</a>.</p>						
<b>Indicator:</b> D.5.2	<b>Final Score:</b> 0	<b>Date:</b> 11/04/2021				

<b>APPEAL NUMBER:</b> 008	<b>COMPANY:</b> Volkswagen	
<b>Indicator:</b> D.5.4.b	<b>Indicator Title:</b> Prohibition on child labour: Age verification and corrective actions (in the supply chain)	
Excerpt from Methodology		
<p>Score 1: In its contractual arrangements with its suppliers or supplier code of conduct, the Company includes child labour requirements, including a prohibition on using child labour, verifying the age of job applicants and workers and remediation programmes, OR the Company describes how it works with suppliers to eliminate child labour and to improve working conditions for young workers where relevant.</p> <p>Score 2: The Company meets both of the requirements under Score 1 AND the Company provides an analysis of trends demonstrating progress</p>		
<b>Scorecard Text:</b>		<b>2020 Scorecard Score:</b>
<p>Score 1</p> <ul style="list-style-type: none"> <li>• Not met: Child Labour rules in codes or contracts: The Company indicates in its Code of Conduct for Business Partners: 'Child labor is prohibited. The minimum age for admission to employment in accordance with state regulations must be observed. Convention C138 of the International Labour Organisation (ILO) shall apply if no such state regulations exist. Under the terms of this Convention, no child under 15 years of age may be employed or work directly or indirectly, except in those cases set out in Articles 6 and 7 of the Convention. Business partners must ensure that young employees under 18 years of age do not work overtime or night shifts and are protected against working conditions that harm their health, safety, morale or development'. In addition, the Company sets the minimum requirements for suppliers, including: 'Suppliers need to have a policy in place regarding human rights</li> </ul>		0



and working conditions, including at least the topics child labor and young workers'. However, no further information on child labour requirements found, including verifying the age of job applicants and remediation programmes. [Code of Business for Business Partners, 05/2019: volkswagenag.com & Minimum requirements for suppliers, 07/02/2020: vwgroupsupply.com]

- Not met: How working with suppliers on child labour: The Company reports in its MSA Statement: 'In addition to e-learning, we conduct subject-specific sustainability training courses and workshops with our suppliers at selected locations. During the reporting period, training events took place in Argentina, Brazil, Germany, Mexico, Poland, Sweden and South Africa. These training events raised awareness among a total of 1,500 employees from more than 1,100 of our suppliers on the topic of sustainability. In addition, we also work with industry initiatives and in cooperation with other companies to promote better sustainability management at our suppliers.' However, no further information found, including whether training program covered child labor issues. [Slavery and Human Trafficking Statement FY 2019, 26/06/2020: volkswagenag.com]

Score 2

- Not met: Both requirements under score 1 met
- Not met: Provide analysis of trends demonstrating progress

<b>Requested Score:</b>  1	<b>Justification from Company:</b>  Appeal Reasoning:  <i>You state: However, no further information on child labour requirements found, including verifying the age of job applicants and remediation programmes. All our suppliers have to follow the CoC and the “no child labor” clause. The minimum requirements say that no supplier will be awarded if they do not have a policy on child labor.</i>  We do not understand how this leads to 0 points in the evaluation.
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<b>Valid: N/A</b>	<b>Sources from Company:</b> Not provided
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<b>Decision</b>	<b>Accepted</b>	<input type="checkbox"/>	<b>Partially Accepted</b>	<input type="checkbox"/>	<b>Rejected</b>	<input checked="" type="checkbox"/>
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**Justification:**

When considering the company request and the requirements of the indicator, the following determination was made:

Indicator D.5.4.b looks at whether the Company requires that its suppliers verify the age of job applicants and workers to ensure that they comply with the ILO requirements for minimum age for admission to employment and are therefore entitled to work.

While Volkswagen sets the minimum requirements for suppliers, including: 'Suppliers need to have a policy in place regarding human rights and working conditions, including at least the topics

child labor and young workers'. No further information on child labour requirements found, including verifying the age of job applicants and remediation programmes.

Further, while the Company conducts subject-specific sustainability training courses and workshops with our suppliers at selected locations, no further information found, including whether training program covered child labor issues.

The company did not provide further evidence to support its claim.

**Therefore, the appeal is rejected on the grounds that no sufficient information relating to Age verification and corrective actions was identified in order to meet the requirements under D.5.4.b.**

<b>Indicator:</b> D.5.4.b	<b>Final Score:</b> 0	<b>Date:</b> 11/04/2021
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<b>APPEAL NUMBER:</b> 009	<b>COMPANY:</b> Volkswagen	
<b>Indicator:</b> D.5.10.a	<b>Indicator Title:</b> Arrangements with Suppliers and Smelters/Refiners in the Mineral Resource Supply Chains	
Excerpt from Methodology		
<p>Score 1: The Company indicates that it incorporates into commercial contracts/written agreements with suppliers requirements to conduct due diligence in accordance with the OECD Guidance for at least 3TG AND the Company describes how it works with smelters/ refiners and with suppliers to contribute to building their capacity in risk assessment and improving their due diligence performance (including through industry-wide initiatives)</p> <p>Score 2: The Company also indicates that it incorporates into commercial contracts/written agreements with suppliers requirements to disclose to the Company (as necessary on a confidential basis) updated smelter/refiner information for any 3TG mineral used in the production of its parts, materials, components and products AND the Company indicates that these requirements cover all minerals.</p>		
<b>Scorecard Text:</b>		<b>2020 Scorecard Score:</b>
<p>Score 1</p> <ul style="list-style-type: none"> <li>• Met: Due diligence in accordance with OECD Guidance in supplier contracts: The Company's Policy on Sustainable Raw Materials reads: 'the sustainability requirements [...] comprise environmental protection, human and worker's rights, transparent business relations and fair competition as well as due diligence for supply chains of minerals from conflict-affected regions. These requirements are part of contracts with all business partners and have to be passed on to subsuppliers in the supply chain'. In addition, the Company requires its suppliers 'to comply with their due diligence obligations with regard to relevant raw materials – in particular tin, tantalum, tungsten, gold, cobalt and mica. [...] We expect suppliers to avoid using raw materials from smelters or refineries that do not meet the requirements of the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas.' Finally, the Company indicates on its website: 'As a Volkswagen Group (sub-)supplier, you are expected to abide by the good practice obligations set out in the Code of Conduct for Business Partners and further</li> </ul>		0.5

parts specific requirements for the use of responsibly sourced raw materials like in the case of battery cell production [...]. A summary of (sub-)supplier expectations is as follows: [...] Implement a human rights (based on the above mentioned OECD guidance) due diligence system appropriate to your own commercial activities'. [Policy on Sustainable Raw Materials, 2017: volkswagenag.com & Code of Business for Business Partners, 05/2019: volkswagenag.com]

- Not met: Works with smelters/refiners and suppliers to build capacity: In its Policy on Sustainable Raw Materials, the Company states that it 'uses e-learning as well as worldwide face-to-face trainings to enable the sensitization and development of its suppliers for sustainability. Thus, with this concept, the Volkswagen Group assumes environmental, economic and social responsibility, together with its business partners, along the supply chain.' However, no further information found to confirm that it works with smelters/refiners and suppliers to contribute to building their capacity in risk assessment and improving their due diligence performance in relation to conflict minerals. [Policy on Sustainable Raw Materials, 2017: volkswagenag.com]

Score 2

- Met: Contractual requirement to disclosure smelter/refiner information: In addition, its Policy indicates: 'Information regarding the smelters and refineries used by their suppliers or sub-suppliers for minerals, e.g. tin, tantalum, tungsten or gold, must be disclosed to the Volkswagen Group upon request'. As indicated above, this is part of contractual requirements. [Policy on Sustainable Raw Materials, 2017: volkswagenag.com]

- Met: Contractual requirement covers all minerals: The Company also indicates that it 'expects its suppliers to avoid all minerals from conflict affected smelters. Minerals are categorized as conflict affected, if the mining, transport, trade, handling, processing or export supports armed, nonstate groups, directly or indirectly. [...] Additionally, in cases of suspicion, the Volkswagen Group expects its suppliers to disclose the origin of materials, which are connected to potential human rights violations such as, for example, child labor, compulsory or forced labor and any kind of modern slavery and human trafficking. These expectations especially apply to raw material mining and extraction, for example cobalt or mica'. [Policy on Sustainable Raw Materials, 2017: volkswagenag.com]

<b>Requested Score:</b>  1.5	<b>Justification from Company:</b>  3 out of 4 indicators are met – why does this lead to 0.5 points only?
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<b>Valid: N/A</b>	<b>Sources from Company:</b>  Not provided
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<b>Decision</b>	<b>Accepted</b>	<input type="checkbox"/>	<b>Partially Accepted</b>	<input type="checkbox"/>	<b>Rejected</b>	<input checked="" type="checkbox"/>
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**Justification:**  
  
When considering the company request and the requirements of the indicator, the following determination was made:

The company did not provide further evidence to support its claim. In appealing, the company must explain why it thinks there has been an error and must specify the indicator, relevant evidence provided and an explanation as to why the company is appealing for a rescore. See the [CHRB scoring appeal process for the 2020 benchmark results](#).

The appeal was therefore rejected on technical grounds.

In regard to the Company's question on scoring, 0.5 is the highest score a company can get for D.5.10.a if some or all of score 2 is met but not all of score 1. The idea behind this rule is that companies need to meet the more basic requirements (Score 1) before receiving points on the more advanced ones (Score 2).

<b>Indicator:</b> D.5.10.a	<b>Final Score:</b> 0.5	<b>Date:</b> 11/04/2021
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As a result of the appeals, **Volkswagen's** score increased by 0.8 points:

<b>Volkswagen Group</b>	<b>Theme A</b>	<b>Theme B</b>	<b>Theme C</b>	<b>Theme D</b>	<b>Theme E</b>	<b>Theme F</b>	<b>Total</b>	<b>Change Band?</b>
2020 Score	1	5.9	3.8	3.5	4.4	3.6	22.2	No
After Appeal	1.5	5.9	3.8	3.5	4.4	3.6	23	
Change	0.5	0	0	0	0	0	23	

Once CHRB has replied in detail to all companies we will update the table online as well as the downloadable data sheets.



**Company Name** Volkswagen  
**Industry** Automobiles  
**Overall Score (\*)** 22.2 out of 100

Theme Score	Out of	For Theme
1.0	10	A. Governance and Policies
5.9	25	B. Embedding Respect and Human Rights Due Diligence
3.8	15	C. Remedies and Grievance Mechanisms
3.5	20	D. Performance: Company Human Rights Practices
4.4	20	E. Performance: Responses to Serious Allegations
3.6	10	F. Transparency

(\*) While other sectors are being measured against a reduced set of CHRB Core UNGP Indicators this year the Automotive Manufacturing sector is being measured against the full CHRB Methodology as it is the first year that the sector has been analysed.

Please note that any small differences between the Overall Score and the added total of Measurement Theme scores are due to rounding the numbers at different stages of the score calculation process.

Please note also that the "Not met" labels in the Explanation boxes below do not necessarily mean that the company does not meet the requirements as they are described in the bullet point short text. Rather, it means that the analysts could not find information *in public sources* that met the requirements *as described in full* in the CHRB 2020 Methodology document. For example, a "Not met" under "General HRs Commitment", which is the first bullet point for indicator A.1.1, does not necessarily mean that the company does not have a general commitment to human rights. Rather, it means that the CHRB could not identify a public statement of policy in which the company commits to respecting human rights.

## Detailed assessment

### A. Governance and Policies (10% of Total)

#### A.1 Policy Commitments (5% of Total)

Indicator Code	Indicator name	Score (out of 2)	Explanation
A.1.1	Commitment to respect human rights	0	<p>The individual elements of the assessment are met or not as follows: Score 1</p> <ul style="list-style-type: none"> <li>Not met: General HRs commitment: The Company states in its Code of Conduct: 'We respect, protect and promote all regulations in force to protect human rights and children's rights (hereinafter called human rights) as a fundamental and general requirement throughout the world.' In addition, in its Sustainability Report: 'We want to respect human rights and live up to our corporate responsibility in our business activities.' However, 'to want to respect' does not constitute a direct commitment to respect human rights. In addition, 'to respect regulations to protect' seems to commit of respect the law rather than any human rights irrespective if they are covered by a particular law. Moreover, on its website section 'Business and Human Rights', the Company states that it 'fully commits to its corporate human rights responsibility.'; and its MSA Statement reads: '[...] we recognise our global responsibility which includes the protection of human rights'. However, as the other cases indicated, 'recognise the responsibility' is not considered a commitment statement following CHRB wording criteria. No direct commitment to respect human rights found. [Slavery and Human Trafficking Statement FY 2019, 26/06/2020: <a href="http://volkswagenag.com">volkswagenag.com</a> &amp; Business and Human Rights, N/A: <a href="http://volkswagenag.com">volkswagenag.com</a>]</li> <li>Not met: UNGC principles 1 &amp; 2</li> </ul>

Indicator Code	Indicator name	Score (out of 2)	Explanation
			<ul style="list-style-type: none"> <li>• Not met: UDHR: In its Sustainability Report: 'We want to respect human rights and live up to our corporate responsibility in our business activities. We are fundamentally guided by international requirements and standards, to which we are committed. [...] Relevant international standards for the business and human rights focus area by which we orient ourselves include in particular: The United Nations' Universal Declaration of Human Rights, [...]' However, 'to be oriented' is not consider a formal commitment statement following CHRB wording criteria. [Sustainability Report 2019, 03/2020: <a href="http://volkswagenag.com">volkswagenag.com</a>]</li> <li>• Not met: International Bill of Rights Score 2</li> <li>• Not met: UNGPs: In its Sustainability Report, the Company indicates: 'Relevant international standards for the business and human rights focus area by which we orient ourselves include in particular: [...] The UN Guiding Principles on Business and Human Rights; The OECD Guidelines for Multinational Enterprises'. However 'to be oriented by' is not consider a formal commitment statement following CHRB wording criteria. [Sustainability Report 2019, 03/2020: <a href="http://volkswagenag.com">volkswagenag.com</a>]</li> <li>• Not met: OECD: In its Sustainability Report, the Company indicates: 'Relevant international standards for the business and human rights focus area by which we orient ourselves include in particular: [...]; The OECD Guidelines for Multinational Enterprises'. However 'to be oriented by' is not consider a formal commitment statement following CHRB wording criteria. [Sustainability Report 2019, 03/2020: <a href="http://volkswagenag.com">volkswagenag.com</a>]</li> </ul>
A.1.2	Commitment to respect the human rights of workers	0.5	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> <li>• Not met: ILO Core: In its Sustainability Report: 'We want to respect human rights and live up to our corporate responsibility in our business activities. We are fundamentally guided by international requirements and standards, to which we are committed. [...] Relevant international standards for the business and human rights focus area by which we orient ourselves include in particular: [...]; The Core Labor Standards of the International Labour Organization (ILO); [...]' In addition, in its MSA Statement, it states: '[...] we base our actions on the principles of the UN Global Compact, the OECD Guidelines for Multinational Enterprises and the requirements of the International Labour Organization (ILO).' However, 'to be oriented' or 'to base our actions' are not considered formal statements of commitment following CHRB wording criteria. [Sustainability Report 2019, 03/2020: <a href="http://volkswagenag.com">volkswagenag.com</a> &amp; Slavery and Human Trafficking Statement FY 2019, 26/06/2020: <a href="http://volkswagenag.com">volkswagenag.com</a>]</li> <li>• Not met: UNGC principles 3-6</li> <li>• Not met: Explicitly list ALL four ILO for MO suppliers: The Company's Code of Business Partners reads: 'Business partners reject all conscious use of forced and compulsory labor as well as all forms of modern slavery and human trafficking. There is no bonded labor or involuntary prison labor. [...] Child labor is prohibited. [...] Business partners reject all forms of discrimination and harassment. [...] The basic right of all employees to form trade unions and employee representations and to join them is respected. In countries where this right is restricted by local laws, alternative legitimate options for employee participation shall be supported.' Although the Company reports about Employee participation and Codetermination in its Sustainability Report, no specific requirement to collective bargaining found. [Code of Business for Business Partners, 05/2019: <a href="http://volkswagenag.com">volkswagenag.com</a> &amp; Sustainability Report 2019, 03/2020: <a href="http://volkswagenag.com">volkswagenag.com</a>]</li> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>• Not met: Explicit commitment to All four ILO Core: According its Declaration on Social Rights, the Company establishes basic goals related to ILO Core: 'The basic right of all employees to establish and join unions and employee representations is acknowledged. Volkswagen, the unions and employee representatives respectively work together openly and in the spirit of constructive and co-operative conflict management. [...] Equal opportunity and treatment, regardless of race, [...] is assured. [...] Volkswagen rejects any knowing use of forced labour and indentured as well as debtor servitude or involuntary prison labour. [...] Child labour is prohibited.' However, to set out basic goals is not consider a formal commitment to respect each one of the ILO Core. [Declaration on social rights and industrial relations, 05/2012: <a href="http://volkswagenag.com">volkswagenag.com</a>]</li> <li>• Met: Respect H&amp;S of workers: The Company's Code of Conduct reads: 'The Volkswagen Group is committed to its responsibility for the safety and health of its employees. We provide occupational safety and healthcare in line with the provisions of national regulations and with the occupational health and safety policy of the Company.' [Code of Conduct, 13/05/2020: <a href="http://volkswagenag.com">volkswagenag.com</a>]</li> </ul>

Indicator Code	Indicator name	Score (out of 2)	Explanation
			<ul style="list-style-type: none"> <li>• Met: H&amp;S applies to MO suppliers: The Company indicates in its Code of Conduct for Business Partners: 'Volkswagen Group business partners must comply with the national occupational health, safety and fire safety legislation. All occupational health and safety measures shall not involve any expenditure for the employees (ILO Convention 155). Furthermore, a process enabling the continuous reduction of work-related health hazards and improvement of occupational health, safety and fire safety must be established.' [Code of Business for Business Partners, 05/2019: <a href="http://volkswagenag.com">volkswagenag.com</a>]</li> <li>• Not met: Working hours for workers: The Company set as a basic goal that 'The work hours correspond at least to the respective national legal requirements or to the minimum standards of the respective economic sectors.' However, no commitment found to the standards set out in the ILO Convention, or including at least a commitment to a maximum working hours for regular working week (excluding overtime) and minimum breaks. [Declaration on social rights and industrial relations, 05/2012: <a href="http://volkswagenag.com">volkswagenag.com</a>]</li> <li>• Not met: Working hours for MO suppliers: In addition, the Company's Code of Conduct for Business Partners indicates: 'The business partner must ensure that working hours correspond at least to the respective national legal requirements or the minimum standards of the respective national economic sectors. If there are no legal requirements or minimum standards, the international standard of the ILO of a maximum of 48 hours of work per week with a rest period of at least 24 consecutive hours every seven days shall apply. According to the ILO, a maximum of 12 hours of overtime, temporarily and in the case of emergencies, such as urgent repair work, may be completed per week'. [Code of Business for Business Partners, 05/2019: <a href="http://volkswagenag.com">volkswagenag.com</a>]</li> </ul>
A.1.3.MO.a	Commitment to responsible sourcing of minerals	0.5	<p>The individual elements of the assessment are met or not as follows: Score 1</p> <ul style="list-style-type: none"> <li>• Not met: Responsible mineral sourcing in conflict areas: The Company states in its Policy on Sustainable Raw Materials: 'The Volkswagen Group is committed to responsible and transparent business conduct. [...] An essential component of this concept is the sustainability requirements of the Volkswagen Group, which comprise environmental protection, human and worker's rights, transparent business relations and fair competition as well as due diligence for supply chains of minerals from conflict-affected regions. These requirements are part of contracts with all business partners and have to be passed on to sub-suppliers in the supply chain. [...] To ensure due diligence in fostering responsible supply chains for minerals from conflict affected and high risk areas, the sustainability requirements have been extended in 2016. The requirements are part of integrating the "OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict Affected and High Risk Areas" in Volkswagen Group processes.' However, no formal commitment to the responsible sourcing of minerals found. [Policy on Sustainable Raw Materials, 2017: <a href="http://volkswagenag.com">volkswagenag.com</a>]</li> <li>• Met: Based on OECD Guidance: The Company indicates in its Sustainability Report: 'The way we organize the responsible sourcing of raw materials is driven by the requirements of the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High- Risk Areas.' [Sustainability Report 2019, 03/2020: <a href="http://volkswagenag.com">volkswagenag.com</a>]</li> <li>• Met: Requires responsible mineral sourcing from suppliers: The Company's Code of Conduct for Business Partners reads: 'Our suppliers are required to comply with their due diligence obligations with regard to relevant raw materials – in particular tin, tantalum, tungsten, gold, cobalt and mica. [...] We expect suppliers to avoid using raw materials from smelters or refineries that do not meet the requirements of the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas.' In addition, in its Policy on Sustainable Raw Materials, the Company states that it 'expects its suppliers to avoid all minerals from conflict affected smelters.' Minerals are categorized as conflict affected, if the mining, transport, trade, handling, processing or export supports armed, nonstate groups, directly or indirectly. These requirements are part of contracts with all business partners and have to be passed on to sub-suppliers in the supply chain'. [Code of Business for Business Partners, 05/2019: <a href="http://volkswagenag.com">volkswagenag.com</a>]</li> <li>• Not met: Requires suppliers to follow the OECD Guidance: As indicated above, the Company requires its suppliers 'to comply with their due diligence obligations with regard to relevant raw materials – in particular tin, tantalum, tungsten, gold, cobalt and mica. [...] We expect suppliers to avoid using raw materials from smelters or refineries that do not meet the requirements of the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas.' Although the Company expects its suppliers to</li> </ul>



Indicator Code	Indicator name	Score (out of 2)	Explanation
			<p>comply with their due diligence obligations the reference to the OECD Guidance is with respect the expectation for its suppliers to avoid smelter and refineries that do not apply this Guidance and not to apply it directly. [Code of Business for Business Partners, 05/2019: <a href="http://volkswagenag.com">volkswagenag.com</a>]</p> <p>Score 2</p> <ul style="list-style-type: none"> <li>• Not met: Responsible conflict mineral sourcing covers all minerals</li> <li>• Met: Suppliers expected to make similar requirements of their suppliers: See above requirement to responsible sourcing for suppliers. In addition The Company indicates that it 'expects its suppliers to avoid all minerals from conflict affected smelters. Minerals are categorized as conflict affected, if the mining, transport, trade, handling, processing or export supports armed, nonstate groups, directly or indirectly. These requirements are part of contracts with all business partners and have to be passed on to sub-suppliers in the supply chain'. [Policy on Sustainable Raw Materials, 2017: <a href="http://volkswagenag.com">volkswagenag.com</a>]</li> </ul>
A.1.3.MO.b	Commitment to respect human rights particularly relevant to the industry (ICT)	0	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> <li>• Not met: Women's Rights: Although the Company is conducting actions to improve women's position in its workforce (Diversity Index, increasing proportion of women, signatory of the Diversity Charter), no evidence found of a formal statement committing to Women's Rights. The Company has provided comments to CHRB regarding this indicator. However, evidence was not material. [Sustainability Report 2019, 03/2020: <a href="http://volkswagenag.com">volkswagenag.com</a> &amp; Diversity Charter - Signatory status, N/A: <a href="http://charta-der-vielfalt.de">charta-der-vielfalt.de</a>]</li> <li>• Not met: Children's Rights: The Company's Code of Conduct reads: 'We respect, protect and promote all regulations in force to protect human rights and children's rights (hereinafter called human rights) as a fundamental and general requirement throughout the world'. However, this statement seems to commit in the context of regulations in force. No formal statement of commitment found to respect children's rights generally. [Code of Conduct, 13/05/2020: <a href="http://volkswagenag.com">volkswagenag.com</a>]</li> <li>• Not met: Migrant worker's rights</li> <li>• Not met: Expecting suppliers to respect these rights: The Company has provided comments to CHRB regarding this indicator. However, evidence was not material.</li> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>• Not met: CEDAW/Women's Empowerment Principles</li> <li>• Not met: Child Rights Convention/Business principles</li> <li>• Not met: Convention on migrant workers</li> <li>• Not met: Respecting the right to water</li> <li>• Not met: Expecting suppliers to respect these rights</li> </ul>
A.1.4	Commitment to engage with stakeholders	1	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> <li>• Met: Regular stakeholder engagement: In its Sustainability Report, the Company indicates: 'Our stakeholders are individuals, groups, or organizations who have a material influence on or are materially influenced by the way in which the Group reaches its corporate decisions and the implications of those decisions.[...]Our customers and our employees represent the innermost ring of the external stakeholder network. Around this core, we have identified eight further groups [including Business partners and suppliers, and Residents and local authorities]. [...] For us, stakeholder management means interacting with key stakeholder groups systematically, continuously and in line with our TOGETHER 2025+ Group strategy.[...] In June 2019, we launched the Volkswagen Group Stakeholder Dialog Series in Wolfsburg as a Group-wide dialog series in the conference format. The aims were the open-ended recording of stakeholder ideas and the transparent provision of information on current sustainability topics, such as electrification, decarbonization, cultural change and sustainable supply chains. By cooperating with initiatives, we continuously expand our collaboration with external partners. For example, the Volkswagen Group became the first automotive manufacturer to be an official member of the Global Business Initiative on Human Rights (GBI) in September 2019.' [Sustainability Report 2019, 03/2020: <a href="http://volkswagenag.com">volkswagenag.com</a>]</li> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>• Not met: Commits to engage stakeholders in design</li> <li>• Not met: Regular stakeholder design engagement: Also in its Sustainability Report: 'Stakeholder management aims to systematically record expectations and use feedback from our stakeholders to critically reflect on strategic planning processes. From now on, it will be an integral component of the new Group policies on environmental and sustainability management. The reputation KPI, as a nonfinancial performance indicator of the Group, also makes a decisive contribution to anchoring stakeholder management in the strategy. [...] The indicator is based on the responses by external stakeholders to the question in the</li> </ul>

Indicator Code	Indicator name	Score (out of 2)	Explanation
			annual Group reputation survey about the degree to which they trust the Volkswagen Group. The survey data is based on personal telephone interviews that are conducted annually [...] with selected representatives from the fields of politics and associations, scientific bodies, NGOs, investors, analysts and business partners in the three key markets (Germany, the USA, China). <sup>1</sup> However, it is not clear whether affected or potentially affected stakeholders are engaged in this survey (including suppliers' workers and local communities). The Company has provided comments to CHRB regarding this indicator. However, evidence was not material (comment related to sustainable mobility. [Sustainability Report 2019, 03/2020: <a href="http://volkswagenag.com">volkswagenag.com</a> ]
A.1.5	Commitment to remedy	0	The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> <li>• Not met: Commits to remedy: The Company states on its website: 'Working standards based on human rights are of the utmost importance to us: In the Volkswagen Group, social sustainability builds on a long tradition, including in exchange with employees and social partners. [...] The human rights documents mentioned above form an international standard for preventing and remedying potential violations of human rights in connection with our business activities.' However, no evidence found of a formal statement of commitment to remedy the adverse impacts on individuals, workers and communities that it has caused or contributed to. [Business and Human Rights, N/A: <a href="http://volkswagenag.com">volkswagenag.com</a>]</li> </ul> Score 2 <ul style="list-style-type: none"> <li>• Not met: Not obstructing access to other remedies</li> <li>• Not met: Collaborating with other remedy initiatives</li> <li>• Not met: Work with MO suppliers to remedy impacts</li> </ul>
A.1.6	Commitment to respect the rights of human rights defenders	0	The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> <li>• Not met: Zero tolerance attacks on HRs Defenders (HRDs): The Company has provided comments to CHRB regarding this indicator. However, evidence was not material.</li> </ul> Score 2 <ul style="list-style-type: none"> <li>• Not met: Expects MO suppliers to reflect company HRD commitments</li> </ul>

## A.2 Policy Commitments (5% of Total)

Indicator Code	Indicator name	Score (out of 2)	Explanation
A.2.1	Commitment from the top	0.5	The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> <li>• Met: CEO or Board approves policy: The Code of Conduct is presented by the Board of Management. [Code of Conduct, 13/05/2020: <a href="http://volkswagenag.com">volkswagenag.com</a>]</li> <li>• Not met: Board level oversight for HRs: The Company states in its Sustainability Report that 'The core elements of realignment include the establishment of the Chairman of the Group Board of Management's cross-functional overall responsibility for sustainability, the responsibility of the members of the Board of Management responsible for different areas for specific management systems related to sustainability.' Although human rights is one of the 16 areas of the Company's sustainability program, no further description found of governance oversight responsibility, for a Supervisory Board Member or committee, on one or more areas of respect for human rights (CEO alone wouldn't be sufficient). In addition, the Company indicates in its MSA: 'Within the framework of the established risk management processes, represented by elements including the quarterly risk process and the annual regular GRC process, risk assessments on the subject of human rights are also carried out by the main Group divisions and companies and the countermeasures taken are reported on. [...] Reports are submitted to the Brand Board of Management, the Group Board of Management and the Audit Committee on a quarterly or annual basis, as well as when required.' <sup>1</sup> However, no further information found describing the role of the Audit Committee or other Board level Committee in human rights oversight. [Sustainability Report 2019, 03/2020: <a href="http://volkswagenag.com">volkswagenag.com</a> &amp; Slavery and Human Trafficking Statement FY 2019, 26/06/2020: <a href="http://volkswagenag.com">volkswagenag.com</a>]</li> </ul> Score 2 <ul style="list-style-type: none"> <li>• Not met: Speeches/letters by Board members or CEO: The Company has provided comments to CHRB regarding this indicator. However, evidence was not material (not operational link).</li> </ul>
A.2.2	Board discussions	0	The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> <li>• Not met: Board/Committee review of salient HRs</li> <li>• Not met: Examples or trends re HR discussion: According the Company's website the Supervisory Board 'must also take diversity into account when considering</li> </ul>

Indicator Code	Indicator name	Score (out of 2)	Explanation
			<p>who would be the best persons to appoint to the Board of Management as a body. [following German Commercial Code] [...] The Supervisory Board understands diversity, as an assessment criterion, to mean in particular different yet complementary specialist profiles and professional and general experience, also in the international domain, with both genders being appropriately represented'. However, this seem to refer to board appointments. This indicator looks for evidence of issues or trends related to human right salient issues/impacts affecting the Company and its operations. [Diversity concept for the Board of Management, N/A: <a href="http://volkswagenag.com">volkswagenag.com</a>]</p> <p>Score 2</p> <ul style="list-style-type: none"> <li>• Not met: Both examples and process</li> </ul>
A.2.3	Incentives and performance management	0	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> <li>• Not met: Incentives for at least one board member</li> <li>• Not met: At least one key MO HR risk, beyond employee H&amp;S</li> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>• Not met: Performance criteria made public</li> </ul>

## B. Embedding Respect and Human Rights Due Diligence (25% of Total)

### B.1 Embedding Respect for Human Rights in Company Culture and Management Systems (10% of Total)

Indicator Code	Indicator name	Score (out of 2)	Explanation
B.1.1	Responsibility and resources for day-to-day human rights functions	0.5	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> <li>• Not met: Commits to ILO core conventions: See indicator A.1.2</li> <li>• Met: Senior responsibility for HR: The Company indicates in its Sustainability Report: 'The members of [the Steering Committee for Sustainability] include executives from central Board of Management business areas and representatives of the brands and the Group Works Council. The Group Steering Committee for Sustainability defines concrete strategic targets and programs, sets out measures for uniform cross-business-area, cross-brand and cross-regional development of sustainability management and makes decisions on sustainability-related basic issues and positions in the Volkswagen Group. It also handles the further development of Group-wide sustainability management. The Group Steering Committee's office is located in the Group's sustainability function (Group Sustainability). [...] Group Sustainability coordinates all sustainability-related activities within the Group. Working together with Board of Management business areas, brands and regions, it defines and is responsible for so-called core processes of sustainability and sustainability programs (e.g. the decarbonization program). The core processes of sustainability encompass the sustainability strategy, the materiality analysis, stakeholder management, ratings and rankings, sustainability policies and sustainability reporting (including the nonfinancial report)'. The Sustainability program includes a human rights area. [Sustainability Report 2019, 03/2020: <a href="http://volkswagenag.com">volkswagenag.com</a>] <p>Score 2</p> <ul style="list-style-type: none"> <li>• Not met: Day-to-day responsibility</li> <li>• Not met: Day-to-day responsibility for MO in supply chain</li> </ul> </li></ul>
B.1.2	Incentives and performance management	0	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> <li>• Not met: Senior manager incentives for human rights</li> <li>• Not met: At least one key MO HR risk, beyond employee H&amp;S</li> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>• Not met: Performance criteria made public</li> </ul>
B.1.3	Integration with enterprise risk management	0	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> <li>• Not met: HR risks is integrated as part of enterprise risk system: The Company summarizes its risks in its Annual Report, including: 'The image of the Volkswagen Group and its brands is one of the most important assets and forms the basis for long-term business success. Our policy and strategic orientation on issues such as integrity, ethics and sustainability is in the public focus. One of the basic principles of running our business is therefore to pay particular attention to compliance with legal requirements and ethical principles'. No explicit evidence found of human rights aspects included. Social risks include personnel-related risks, but no evidence found of labour rights included. Although the Company has in place a monitoring process to check sustainability in its supply chain, and a due diligence process for a responsible sourcing of raw materials and conflict minerals, no evidence found that human rights aspects are integrated as part of the enterprise risk management</li> </ul>

Indicator Code	Indicator name	Score (out of 2)	Explanation
			<p>system. [Annual Report 2019, 03/2020: <a href="http://volkswagenag.com">volkswagenag.com</a> &amp; Sustainability Report 2019, 03/2020: <a href="http://volkswagenag.com">volkswagenag.com</a>]</p> <p>Score 2</p> <ul style="list-style-type: none"> <li>• Not met: Audit Ctte or independent risk assessment</li> </ul>
B.1.4.a	Communication /dissemination of policy commitment(s) within Company's own operations	0.5	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> <li>• Not met: Commits to ILO core conventions</li> <li>• Met: Communicates its policy to all workers in own operations: The Company states in its MSA that its Code of Conduct 'is available to all employees on the intranet and to third parties on the Internet at any time, and is continuously communicated in digital and print media as well as at internal company events.' In addition, in its MSA 2018, it indicates: 'Generally, all Volkswagen AG employees received a personal copy of the Code of Conduct by the end of the first quarter of 2018. In addition, the mandatory Code of Conduct training program for all new hired employees was extended to all existing employees. The training courses are accompanied by comprehensive communication measures. The various internal communication channels were used for this purpose. This includes both online and offline media as well as event and training concepts'. Training to all employees is assumed to include local languages. [Slavery and Human Trafficking Statement FY 2018, 05/2019 &amp; Slavery and Human Trafficking Statement FY 2019, 26/06/2020: <a href="http://volkswagenag.com">volkswagenag.com</a>] <p>Score 2</p> <ul style="list-style-type: none"> <li>• Not met: Commits to all 4 ILO core conventions</li> <li>• Not met: Communication of policy commitments to stakeholder: The Company indicates in its Modern Slavery statement that its Code of Conduct, that cover human rights its modern slavery commitments, 'is available to all employees on the intranet and to third parties on the Internet at any time, and is continuously communicated in digital and print media as well as at internal company events'. The Company published its documents and policies related to human rights on its website. However no further information found describing proactive activities to communicate the Company's human rights commitments to affected stakeholders. [Slavery and Human Trafficking Statement FY 2019, 26/06/2020: <a href="http://volkswagenag.com">volkswagenag.com</a> &amp; Business and Human Rights, N/A: <a href="http://volkswagenag.com">volkswagenag.com</a>]</li> <li>• Not met: How policy commitments are made accessible to audience</li> </ul> </li></ul>
B.1.4.b	Communication /dissemination of policy commitment(s) to business relationships	0.5	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> <li>• Not met: Commits to all 4 ILO core conventions for suppliers</li> <li>• Met: Requiring MO suppliers to communicate policy down the chain: The Company indicates in its Code of Conduct for Business Partners that 'business partners must take appropriate steps to also ensure compliance with these requirements by their own business partners and along the supply chain'. In addition the Company indicates in its Sustainability Report: 'Sustainability requirements are enshrined in contracts and specifications, particularly the Code of Conduct for Business Partners. Suppliers are trained and their awareness is raised'. [Code of Business for Business Partners, 05/2019: <a href="http://volkswagenag.com">volkswagenag.com</a>] <p>Score 2</p> <ul style="list-style-type: none"> <li>• Met: How HR commitments made binding/contractual: The Company indicates in its Sustainability Report: 'Sustainability requirements are enshrined in contracts and specifications, particularly the Code of Conduct for Business Partners. Suppliers are trained and their awareness is raised'. [Sustainability Report 2019, 03/2020: <a href="http://volkswagenag.com">volkswagenag.com</a>]</li> <li>• Not met: Including on MO suppliers</li> </ul> </li></ul>
B.1.5	Training on Human Rights	0.5	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> <li>• Not met: Scores at least 1 on A.1.2</li> <li>• Met: Trains all workers on HR policy commitments: In its MSA Statement, the Company indicates: 'the mandatory Code of Conduct training program for all new hired employees was extended to all existing employees. The training courses are accompanied by comprehensive communication measures. The various internal communication channels were used for this purpose. This includes both online and offline media as well as event and training concepts.' The Company's Code of Conduct cover human rights. No new relevant evidence found in latest documents. [Slavery and Human Trafficking Statement FY 2018, 05/2019]</li> <li>• Met: Trains relevant MO managers including procurement: In addition, it states: 'As our procurement staff provide an essential interface to our business partners and thus to our supply chain, all new buyers are additionally briefed and trained on sustainability matters and potential risks. [...] We train certain employee groups separately on specific matters such as raw materials in electric mobility and related</li> </ul>

Indicator Code	Indicator name	Score (out of 2)	Explanation
			<p>sustainability risks, such as human rights violations, in specially adapted training formats'. In addition, in its Slavery statement 2019, it reports: 'In total, more than 3,000 buyers globally were trained in this area in 2019'. [Slavery and Human Trafficking Statement FY 2018, 05/2019 &amp; Slavery and Human Trafficking Statement FY 2019, 26/06/2020: <a href="http://volkswagenag.com">volkswagenag.com</a>]</p> <p>Score 2</p> <ul style="list-style-type: none"> <li>• Not met: Score of 2 on A.1.2</li> <li>• Not met: Both requirements under score 1 met</li> </ul>
B.1.6	Monitoring and corrective actions	0.5	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> <li>• Not met: Scores at least 1 on A.1.2</li> <li>• Not met: Monitoring implementation of HR policy commitments: In its Annual Report, the Company states: 'The global compliance organization at the Volkswagen Group comprises divisional and regional compliance offices. [...] They [...] help companies to identify, evaluate, manage and monitor potential compliance risks. [...] Compliance work in the Volkswagen Group is based on a systematic process of risk identification and reporting in accordance with the IDW standards AsS 980.' However, it is not clear whether human rights compliance are monitored as part of compliance actions. [Annual Report 2019, 03/2020: <a href="http://volkswagenag.com">volkswagenag.com</a>]</li> <li>• Met: Monitoring MO suppliers: The Code Conduct for Business Partners indicates that 'verification may take the form of questionnaires or involve the deployment of experts on-site. An on-site audit of this nature is only carried out following prior notification and in the presence of representatives of the business partner during regular working hours and in accordance with applicable laws, in particular with regard to data protection'. See below description of supplier audits. In addition, the Company indicates in its Sustainability Report: 'A sustainability rating (S rating) was introduced as a key measure in mid-2019 and has since been implemented across the Group. It is used to audit the sustainability performance of suppliers and show opportunities for continuous improvement. It assesses the environmental performance of suppliers and their social sustainability and integrity'. [Code of Business for Business Partners, 05/2019: <a href="http://volkswagenag.com">volkswagenag.com</a> &amp; Sustainability Report 2019, 03/2020: <a href="http://volkswagenag.com">volkswagenag.com</a>]</li> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>• Not met: Score of 2 on A.1.2</li> <li>• Not met: Describes corrective action process: In its slavery statement 2018, the Company reports: 'In this reporting period, we again significantly extended the monitoring of our suppliers' sustainability performance. An external service provider conducted on-site sustainability audits of 947 suppliers. In 551 cases, the audit results led to an action plan the implementation of which is monitored. In addition to on-site audits of our suppliers, more than 28,000 supplier sites within the Volkswagen Group had submitted self assessment questionnaires on sustainability matters by the end of 2018'. Moreover, in its 2019 statement, it indicates that 'If the results of the check show severe deficits in the implementation of our sustainability requirements, the supplier will receive a negative rating. This means that no contract can generally be awarded. A range of measures are available in order to react to risks determined in the supply chain and specific violations by suppliers as well as to actively effect improvements. [...] In serious cases or if measures are refused, we reserve the right to terminate the current business relationship. In 2019, the collaboration with 17 suppliers was terminated or these suppliers were blacklisted for new contract awards due to activities in procurement and internal audit'. However, no description found of the corrective action process. [Slavery and Human Trafficking Statement FY 2018, 05/2019 &amp; Slavery and Human Trafficking Statement FY 2019, 26/06/2020: <a href="http://volkswagenag.com">volkswagenag.com</a>]</li> <li>• Not met: Example of corrective action</li> <li>• Not met: Discloses % of MO supply chain monitored: Although the Company discloses some information about the number of audits conducted by an external service provider (947 suppliers received on-site sustainability audits), no details found regarding the proportion of the supply chain that was monitored. No new evidence found in latest statement. [Slavery and Human Trafficking Statement FY 2018, 05/2019]</li> </ul>
B.1.7	Engaging business relationships	2	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> <li>• Met: HR affects MO selection of suppliers: The Company indicates that 'A sustainability rating (S rating) was introduced as a key measure in mid-2019 and has since been implemented across the Group [...]. It assesses the environmental performance of suppliers and their social sustainability and integrity. The S rating is directly relevant to awarding contracts: if a supplier does not meet our</li> </ul>

Indicator Code	Indicator name	Score (out of 2)	Explanation
			<p>requirements for compliance with sustainability standards, it is fundamentally not eligible for the award of contracts'. In addition, the Company published its Minimum requirements for suppliers document, where it indicates: 'The extent to which our suppliers meet these requirements is measured by the Sustainability Rating (S-Rating), which is a prerequisite for awarding since July 2019. As part of the S-Rating, Volkswagen Group has determined minimum requirements based on the Code of Conduct for Business Partners that must be met by all suppliers'. [Sustainability Report 2019, 03/2020: <a href="http://volkswagenag.com">volkswagenag.com</a> &amp; Minimum requirements for suppliers, 07/02/2020: <a href="http://vwgroupsupply.com">vwgroupsupply.com</a>]</p> <ul style="list-style-type: none"> <li>• Met: HR affects on-going MO supplier relationships: The Company indicates that 'During the reporting period, Group Internal Audit agreed measures with suppliers in addition to 27 ad-hoc cases that were processed by Procurement. This concerned suppliers where behavior contravening the rules or contracts was identified as a result of information provided or audits carried out. The collaboration was ended or suppliers were blocked for new awards of contracts in the case of a total of 17 suppliers due to the activities of Procurement and Internal Audit.' [Sustainability Report 2019, 03/2020: <a href="http://volkswagenag.com">volkswagenag.com</a>]</li> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>• Met: Both requirement under score 1 met</li> <li>• Met: Working with MO suppliers to improve performance: The Company reports in its MSA Statement: 'In addition to audits of our suppliers' sustainability performance, our activities focus on continuous dialogue with and further development of our suppliers. This ensures that our business partners understand our requirements and are aware of new challenges. [...] we provide an e-learning module on sustainability to permit continuous supplier development. As of the end of 2018, more than 31,000 supplier sites had made use of our online qualification offerings. In addition to e-learning, we also conduct sustainability training and workshops on specific aspects at selected locations together with our suppliers. Furthermore, in South America, Asia and Europe, we have briefed more than 900 employees from approx. 550 suppliers in face-to-face trainings on sustainability matters and specific regional challenges'. The Company provides evidence of training in the latest statement, although no examples of specific human rights training found in this last document. [Slavery and Human Trafficking Statement FY 2019, 26/06/2020: <a href="http://volkswagenag.com">volkswagenag.com</a> &amp; Slavery and Human Trafficking Statement FY 2018, 05/2019]</li> </ul>
B.1.8	Approach to engagement with potentially affected stakeholders	0.5	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> <li>• Met: Stakeholder process or systems: In its Sustainability Report, the Company indicates: 'Our stakeholders are individuals, groups, or organizations who have a material influence on or are materially influenced by the way in which the Group reaches its corporate decisions and the implications of those decisions. We have identified ten stakeholder groups of equal value in our environment. Our customers and our employees represent the innermost ring of the external stakeholder network. Around this core, we have identified eight further groups [including Business partners and suppliers, and Residents and local authorities]. [...] For us, stakeholder management means interacting with key stakeholder groups systematically, continuously and in line with our TOGETHER 2025+ Group strategy.' [Sustainability Report 2019, 03/2020: <a href="http://volkswagenag.com">volkswagenag.com</a>]</li> <li>• Met: Frequency and triggers for engagement: In its 'Dialog and Interaction Opportunities 2019, the Company summarizes some examples of opportunities for engagement by stakeholder group and their frequency. For instance, for 'Employees', the Company indicates some activities that the Company conducts 'During the year and continuously' and other that are conducted 'Once a year', such as: 'Group-wide "Opinion Survey" staff survey; Works Council dialog with employees (for example with apprentices, doctoral students); Internal conferences; "Shift" magazine; Group Sustainability Summit'. In addition, the Company indicates in its Sustainability Report: 'We enter into dialogs with our stakeholders whenever possible and where necessary take measures to live up to our corporate responsibility for human rights and effectively protect these.' [Dialog and interactions opportunities 2019, N/A: <a href="http://volkswagenag.com">volkswagenag.com</a> &amp; Sustainability Report 2019, 03/2020: <a href="http://volkswagenag.com">volkswagenag.com</a>]</li> <li>• Not met: Workers in MO SC engaged: The Company has provided comments to CHRB regarding this indicator. However, evidence was not material.</li> <li>• Not met: Communities in the MO SC engaged</li> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>• Met: Analysis of stakeholder views and company's actions on them: The Company discloses the document 'Stakeholder Expectations 2019', where it summarizes its stakeholders' expectation and feedbacks and the Company's response and actions</li> </ul>

Indicator Code	Indicator name	Score (out of 2)	Explanation
			taken by action area. For instance, in the 'Sustainability management and supplier management' area, the Company identifies the following expectations: 'Professionalization of the international Group sustainability management; Optimization of the coordination between Group & brands; CO2 as mandatory contract award criterion for human processes; Compliance with due diligence duty with regard to human rights along the entire supply chain'; and the Company's response: Improvement of the sustainability organization through the Best Sustainability Governance project; Since July 2018, commitment of suppliers to new minimum standards in the fields of the environment, social matters, compliance and anti-corruption; Sustainability rating for the assessment of suppliers' sustainability performance; Revised Code of Conduct for Business Partners incl. training formats; Implementation of a compliance management system for human rights'. [Stakeholder Expectation 2019, N/A: <a href="http://volkswagenag.com">volkswagenag.com</a> ]

## B.2 Human Rights Due Diligence (15% of Total)

Indicator Code	Indicator name	Score (out of 2)	Explanation
B.2.1	Identifying: Processes and triggers for identifying human rights risks and impacts	0	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> <li>• Not met: Identifying risks in own operations: The Company indicates in its Sustainability Report: 'It is particularly important for the Volkswagen Group to identify which risks for human rights violations may result from its activities as early as possible. We want to respect human rights and live up to our corporate responsibility in our business activities. We are fundamentally guided by international requirements and standards, to which we are committed. This applies both to processes within our Group and to collaboration with our business partners and suppliers – i.e. at all levels of the value chain and the supply chain. We are currently implementing this concept in the Group. We implement our management approach throughout the Group: controlled companies are included, for example within standardized risk management processes.' However, no further information found, including description of the process to identify its human rights risks and impacts in specific locations or activities. [Sustainability Report 2019, 03/2020: <a href="http://volkswagenag.com">volkswagenag.com</a>]</li> <li>• Not met: Identifying risks in MO suppliers: The Company indicates in its Sustainability Report: 'As part of our sustainable supplier management measures, we pay particular attention to protecting those groups of people who, along our supply chain, are at particularly high risk of human rights abuses. In this context, we are guided by the implementation of processes of due diligence with regard to human rights, as required in the UN Guiding Principles on Business and Human Rights and the OECD Guidelines for Multinational Enterprises. In line with the requirements of a risk-based approach, we concentrate our measures on the supply chains that are associated with particularly high risks for negative impacts according to our analyses'. However, no further details found, including description of risk identification process. On the other hand, the Company indicates on its website that it 'implemented a Raw Materials Human Rights Due Diligence Management System'. However, Raw Material due diligence is evaluated in its specific indicator. [Sustainability Report 2019, 03/2020: <a href="http://volkswagenag.com">volkswagenag.com</a>]</li> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>• Not met: Ongoing global risk identification</li> <li>• Not met: In consultation with stakeholders</li> <li>• Not met: In consultation with HR experts</li> <li>• Not met: Triggered by new circumstances</li> </ul>
B.2.2	Assessing: Assessment of risks and impacts identified (salient risks and key industry risks)	1	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> <li>• Not met: Salient risk assessment (and context)</li> <li>• Met: Public disclosure of salient risks: The Company summed up its work priorities or 'salient business &amp; human rights issues' on its website section 'Business and Human Rights' and in its Sustainability Report: 'Freedom of association and the right to collective bargaining; No forced labor; No child labor; Good working conditions; No involvement in any unlawful activities; Guarantee of the security of people; Tolerance towards different – ideological and religious – opinions and respectful expression of them; No discrimination; Diversity, protection of disadvantaged, particularly indigenous groups'. [Sustainability Report 2019, 03/2020: <a href="http://volkswagenag.com">volkswagenag.com</a> &amp; Business and Human Rights, N/A: <a href="http://volkswagenag.com">volkswagenag.com</a>]</li> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>• Not met: Both requirements under score 1 met</li> </ul>

Indicator Code	Indicator name	Score (out of 2)	Explanation
B.2.3	Integrating and Acting: Integrating assessment findings internally and taking appropriate action	0	The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> <li>Not met: Action Plans to mitigate risks: According to the Company's MSA Statement: 'risk assessments on the subject of human rights are also carried out by the main Group divisions and companies and the countermeasures taken are reported on.' However, no further information found, describing the global system / Action Plans put in place to prevent, mitigate or remediate the different salient human rights issues that the Company faces. The Company provided additional comments to CHRB regarding this indicator. However, evidence couldn't be accessed. [Slavery and Human Trafficking Statement FY 2019, 26/06/2020: <a href="http://volkswagenag.com">volkswagenag.com</a>]</li> <li>Not met: Including in MO supply chain</li> <li>Not met: Example of Actions decided</li> </ul> Score 2 <ul style="list-style-type: none"> <li>Not met: Both requirements under score 1 met</li> </ul>
B.2.4	Tracking: Monitoring and evaluating the effectiveness of actions to respond to human rights risks and impacts	0	The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> <li>Not met: System to check if Actions are effective</li> <li>Not met: Lessons learnt from checking effectiveness</li> </ul> Score 2 <ul style="list-style-type: none"> <li>Not met: Both requirement under score 1 met</li> </ul>
B.2.5	Communicating : Accounting for how human rights impacts are addressed	0	The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> <li>Not met: Comms plan re identifying risks: See indicator B.2.1</li> <li>Not met: Comms plan re assessing risks: See indicator B.2.2</li> <li>Not met: Comms plan re action plans for risks: See indicator B.2.3</li> <li>Not met: Comms plan re reviewing action plans: See indicator B.2.4</li> <li>Not met: Including MO suppliers</li> </ul> Score 2 <ul style="list-style-type: none"> <li>Not met: Responding to affected stakeholders concerns: Although the Company puts in place a grievance mechanism to report serious violations, no evidence found in relation to how it has responded, in communication terms to affected stakeholders for specific concerns raised. [Code of Conduct, 13/05/2020: <a href="http://volkswagenag.com">volkswagenag.com</a> &amp; Whistleblower, N/A: <a href="http://volkswagenag.com">volkswagenag.com</a>]</li> <li>Not met: Ensuring affected stakeholders can access communications</li> </ul>

### C. Remedies and Grievance Mechanisms (15% of Total)

Indicator Code	Indicator name	Score (out of 2)	Explanation
C.1	Grievance channel(s)/mechanism(s) to receive complaints or concerns from workers	1.5	The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> <li>Met: Channel accessible to all workers: The Company states that 'Our employees, business partners and other third parties may use various channels in the whistleblower system to report possible serious regulatory violations of group employees. These channels include the online reporting channel, telephone hotline, email inbox and personal contact with the Investigation Office, as well as contact via ombudspersons'. [Slavery and Human Trafficking Statement FY 2018, 05/2019 &amp; Whistleblower, N/A: <a href="http://volkswagenag.com">volkswagenag.com</a>]</li> </ul> Score 2 <ul style="list-style-type: none"> <li>Not met: Number grievances filed, addressed or resolved: The Company indicates in its Sustainability Report: 'In 2019, 3,174 pieces of whistleblower information were registered across the Group (excluding China) at the four investigation offices (2018: 1,560).' However, no further details found, including the number of human rights reports received and how many were addressed or closed during the year. [Sustainability Report 2019, 03/2020: <a href="http://volkswagenag.com">volkswagenag.com</a>]</li> <li>Met: Channel is available in all appropriate languages: In addition, the Company indicates: 'Employees and business partners as well as customers throughout the world have the opportunity of reporting information in all the major Group languages 365 days a year, 24 hours a day.' The Reporting Channel is available in 19 languages. [Slavery and Human Trafficking Statement FY 2019, 26/06/2020: <a href="http://volkswagenag.com">volkswagenag.com</a> &amp; Reporting Channel, N/A: <a href="http://bkms-system.com">bkms-system.com</a>]</li> </ul>



Indicator Code	Indicator name	Score (out of 2)	Explanation
			<ul style="list-style-type: none"> <li>• Met: Opens own system to MO supplier workers: The Company states: 'The Whistleblower System is used to report serious rule violations. The violation of human rights is an example of an issue that involves a serious regulatory violation. Our employees and external persons can report regulatory violations via the notification channels of telephone, e-mail, mail and Internet tool, verbal notification and to ombudsmen, also anonymously, on request.' The Code for business partners also states that 'if there is Reasonable Suspicion of potential misconduct on the part of Volkswagen Group employees or partner employees when collaborating with the Volkswagen Group, please report this to the Volkswagen Whistleblower System'. [Slavery and Human Trafficking Statement FY 2019, 26/06/2020: <a href="http://volkswagenag.com">volkswagenag.com</a> &amp; Code of Business for Business Partners, 05/2019: <a href="http://volkswagenag.com">volkswagenag.com</a>]</li> </ul>
C.2	Grievance channel(s)/mechanism(s) to receive complaints or concerns from external individuals and communities	1.5	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> <li>• Met: Grievance mechanism for community: The Company states in its MSA Statement: 'The Whistleblower System is used to report serious rule violations. The violation of human rights is an example of an issue that involves a serious regulatory violation. Our employees and external persons can report regulatory violations via the notification channels of telephone, e-mail, mail and Internet tool, verbal notification and to ombudsmen, also anonymously, on request'. [Slavery and Human Trafficking Statement FY 2019, 26/06/2020: <a href="http://volkswagenag.com">volkswagenag.com</a> &amp; Whistleblower, N/A: <a href="http://volkswagenag.com">volkswagenag.com</a>]</li> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>• Met: Describes accessibility and local languages: In addition, the Company indicates: 'Employees and business partners as well as customers throughout the world have the opportunity of reporting information in all the major Group languages 365 days a year, 24 hours a day.' The Reporting Channel is available in 19 languages. [Slavery and Human Trafficking Statement FY 2019, 26/06/2020: <a href="http://volkswagenag.com">volkswagenag.com</a> &amp; Reporting Channel, N/A: <a href="http://bkms-system.com">bkms-system.com</a>]</li> <li>• Not met: Expects MO supplier to have community grievance systems</li> <li>• Not met: MO supplier communities use global system: The Company states in its MSA Statement: 'The Whistleblower System is used to report serious rule violations. The violation of human rights is an example of an issue that involves a serious regulatory violation. Our employees and external persons can report regulatory violations via the notification channels of telephone, e-mail, mail and Internet tool, verbal notification and to ombudsmen, also anonymously, on request.' However, it is not clear whether external stakeholders can report to a violation made by suppliers. [Slavery and Human Trafficking Statement FY 2019, 26/06/2020: <a href="http://volkswagenag.com">volkswagenag.com</a>]</li> </ul>
C.3	Users are involved in the design and performance of the channel(s)/mechanism(s)	0	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> <li>• Not met: Engages users to create or assess system: The Company provided comments to CHRB regarding this indicator. However, evidence was not material (sustainable mobility)</li> <li>• Not met: Example of how they do this</li> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>• Not met: Engages with users on system performance</li> <li>• Not met: Provides user engagement example on performance</li> <li>• Not met: MO suppliers consult users in creation or assessment</li> </ul>
C.4	Procedures related to the mechanism(s)/channel(s) are publicly available and explained	0.5	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> <li>• Not met: Response timescales</li> <li>• Met: How complainants will be informed: On its Reporting Channel, the Company indicates: 'When setting up your secured mailbox, you select your own pseudonym/user name and password. Your report is anonymised using encryption and other special security measures. At no point in the reporting process you will be asked for personal details. Do not enter any data that may reveal your identity. Please do not use a PC provided by your employer to submit a report. An examiner will provide feedback via the secured mailbox as to what is happening with your information, or will ask questions if any details are still unclear. You also remain anonymous during the dialogue. We are interested in reports which help us to avert damage, not in your identity as a whistleblower'. [Reporting Channel, N/A: <a href="http://bkms-system.com">bkms-system.com</a> &amp; Whistleblower, N/A: <a href="http://volkswagenag.com">volkswagenag.com</a>]</li> <li>• Met: Who is handling the complaint: 'The whistleblower system is coordinated by the Central Investigation Office [...]. This office is also responsible for dealing with reports concerning Volkswagen AG and its subsidiaries. AUDI AG, Dr. Ing. H.c. F. Porsche AG and TRATON SE operate their own investigation office that also covers</li> </ul>

Indicator Code	Indicator name	Score (out of 2)	Explanation
			their subsidiaries.' [Annual Report 2019, 03/2020: <a href="http://volkswagenag.com">volkswagenag.com</a> & Whistleblower, N/A: <a href="http://volkswagenag.com">volkswagenag.com</a> ] Score 2 • Not met: Escalation to senior/independent level
C.5	Commitment to non-retaliation over complaints or concerns made	1	The individual elements of the assessment are met or not as follows: Score 1 • Met: Public statement prohibiting retaliation: The Company states in its Code of Conduct: 'we do not tolerate retaliation or discrimination against whistleblowers. This, too, is a serious regulatory violation and disciplinary sanctions are imposed'. [Code of Conduct, 13/05/2020: <a href="http://volkswagenag.com">volkswagenag.com</a> ] • Met: Practical measures to prevent retaliation: As indicated above, the Company states that it does 'not tolerate retaliation or discrimination against whistleblowers. This, too, is a serious regulatory violation and disciplinary sanctions are imposed.' In addition, it indicates on its Reporting Channel website: 'We respect your decision if you do not wish to provide your name. If this is the case, you can set up a special secured postbox in order to communicate with us.' And finally, on its Whistleblower System website, it states: 'The Whistleblower System guarantees the greatest possible protection for whistleblowers and persons implicated. An investigation is only initiated after very careful examination of the facts and reasonable suspicion of a regulatory violation. There will be strict confidentiality and secrecy throughout the investigative process. Information will be reviewed fairly, promptly and in a sensitive manner'. See indicator C.4 in relation to encryption and anonymity. [Code of Conduct, 13/05/2020: <a href="http://volkswagenag.com">volkswagenag.com</a> & Whistleblower, N/A: <a href="http://volkswagenag.com">volkswagenag.com</a> ] Score 2 • Not met: Has not retaliated in practice • Not met: Expects MO suppliers to prohibit retaliation
C.6	Company involvement with State-based judicial and non-judicial grievance mechanisms	0	The individual elements of the assessment are met or not as follows: Score 1 • Not met: Won't impede state based mechanisms • Not met: Complainants not asked to waive rights Score 2 • Not met: Will work with state based or non judicial mechanisms • Not met: Example of issue resolved (if applicable)
C.7	Remedying adverse impacts and incorporating lessons learned	0	The individual elements of the assessment are met or not as follows: Score 1 • Not met: Describes how remedy has been provided • Not met: Says how it would remedy key sector risks Score 2 • Not met: Changes introduced to stop repetition • Not met: Approach to learning from incident to prevent future impacts • Not met: Evaluation of the channel/mechanism

## D. Performance: Company Human Rights Practices (20% of Total)

### D.5 Automotive Manufacturing

Indicator Code	Indicator name	Score (out of 2)	Explanation
D.5.1.a	Living wage (in own production or manufacturing operations)	0	The individual elements of the assessment are met or not as follows: Score 1 • Not met: Living wage target timeframe: The Company indicates in its Social Charter: 'The compensation and benefits paid or received for a normal work week correspond at least to the legally valid and guaranteed minimum. In case legal or collective bargaining regulations are not existent, branch specific tariff compensation and benefits are used as an orientation that are customary to the respective location and ensure an appropriate standard of living for the employees and their families.' However, it is not clear whether living wage applies everywhere, even where legal minimum wage is in place and it is lower than a living wage that takes into account discretionary expenses for employees and their families. [Declaration on social rights and industrial relations, 05/2012: <a href="http://volkswagenag.com">volkswagenag.com</a> ] • Not met: Describes how living wage determined Score 2 • Not met: Achieved payment of living wage • Not met: Regularly review definition of living wage with unions

Indicator Code	Indicator name	Score (out of 2)	Explanation
D.5.1.b	Living wage (in the supply chain)	0	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> <li>• Not met: Living wage in supplier code or contracts: The Company's Code of Conduct for Business Partners indicates: 'The compensation and benefits paid or received for a normal working week correspond at the very least to the legally valid and guaranteed minimum. Where statutory provisions or collective bargaining agreements do not exist, they are based on industry-specific, customary local compensation and benefits that ensure an appropriate standard of living for the employees and their families'. However, it is not clear whether living wage is requirement for all suppliers. Living wage is considered the one that covers basic need for employee and his/her family or dependents, and provides some discretionary income. [Code of Business for Business Partners, 05/2019: <a href="http://volkswagenag.com">volkswagenag.com</a>]</li> <li>• Not met: Improving living wage practices of suppliers</li> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>• Not met: Both requirements under score 1 met</li> <li>• Not met: Provide analysis of trends demonstrating progress</li> </ul>
D.5.2	Aligning purchasing decisions with human rights	0	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> <li>• Not met: Avoids business model pressure on HRs</li> <li>• Not met: Positive incentives to respect human rights: The Company reports: 'A sustainability rating (S rating) was introduced as a key measure in mid-2019 and has since been implemented across the Group. It is used to audit the sustainability performance of suppliers and show opportunities for continuous improvement. It assesses the environmental performance of suppliers and their social sustainability and integrity. The S rating is directly relevant to awarding contracts: if a supplier does not meet our requirements for compliance with sustainability standards, it is fundamentally not eligible for the award of contracts. There is thus a direct incentive for suppliers to improve their sustainability performance.' However, no details found about using the S rating system as a positive incentive, such as price premiums, increased orders or longer contracts with good performance. Current evidence seems to refer to penalisation of worse performers (linked to requirement of indicator B.1.7). [Sustainability Report 2019, 03/2020: <a href="http://volkswagenag.com">volkswagenag.com</a> &amp; Minimum requirements for suppliers, 07/02/2020: <a href="http://vwgroupsupply.com">vwgroupsupply.com</a>]</li> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>• Not met: Both requirements under score 1 met</li> </ul>
D.5.3	Mapping and disclosing the supply chain	0	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> <li>• Not met: Identifies suppliers back to product source: The Company reports: 'Our current focus of action is battery materials, particularly cobalt. In close collaboration with our battery cell suppliers, we are pursuing the objective of creating complete supply chain transparency from mining the raw materials to manufacturing the finished product. This is the only way in which we can effectively prevent negative impacts. One component of our strategy in this context is also working directly with the mine operators, because the risk of violations, particularly of human rights, is highest at the start of the supply chain and this can consequently be countered the most effectively.' However, it is not clear whether this covers all suppliers (direct and indirect), as it seems to focus in minerals-related supply chain. [Sustainability Report 2019, 03/2020: <a href="http://volkswagenag.com">volkswagenag.com</a>]</li> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>• Not met: Discloses significant parts of supply chain and why</li> </ul>
D.5.4.a	Prohibition on child labour: Age verification and corrective actions (in own production or manufacturing operations)	0.5	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> <li>• Met: Does not use child labour: The Company states in its Code of Conduct: 'We respect, protect and promote all regulations in force to protect human rights and children's rights (hereinafter called human rights) as a fundamental and general requirement throughout the world. We reject all use of child labor [...]'. In addition, its Social Charter reads: 'Child labour is prohibited. The minimum age for acceptance for employment in accordance with governmental regulations will be observed.' [Code of Conduct, 13/05/2020: <a href="http://volkswagenag.com">volkswagenag.com</a> &amp; Declaration on social rights and industrial relations, 05/2012: <a href="http://volkswagenag.com">volkswagenag.com</a>]</li> <li>• Not met: Age verification of job applicants and workers</li> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>• Not met: Remediation if children identified</li> </ul>

Indicator Code	Indicator name	Score (out of 2)	Explanation
D.5.4.b	Prohibition on child labour: Age verification and corrective actions (in the supply chain)	0	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> <li>• Not met: Child Labour rules in codes or contracts: The Company indicates in its Code of Conduct for Business Partners: 'Child labor is prohibited. The minimum age for admission to employment in accordance with state regulations must be observed. Convention C138 of the International Labour Organisation (ILO) shall apply if no such state regulations exist. Under the terms of this Convention, no child under 15 years of age may be employed or work directly or indirectly, except in those cases set out in Articles 6 and 7 of the Convention. Business partners must ensure that young employees under 18 years of age do not work overtime or night shifts and are protected against working conditions that harm their health, safety, morale or development'. In addition, the Company sets the minimum requirements for suppliers, including: 'Suppliers need to have a policy in place regarding human rights and working conditions, including at least the topics child labor and young workers'. However, no further information on child labour requirements found, including verifying the age of job applicants and remediation programmes. [Code of Business for Business Partners, 05/2019: <a href="http://volkswagenag.com">volkswagenag.com</a> &amp; Minimum requirements for suppliers, 07/02/2020: <a href="http://vwgroupsupply.com">vwgroupsupply.com</a>]</li> <li>• Not met: How working with suppliers on child labour: The Company reports in its MSA Statement: 'In addition to e-learning, we conduct subject-specific sustainability training courses and workshops with our suppliers at selected locations. During the reporting period, training events took place in Argentina, Brazil, Germany, Mexico, Poland, Sweden and South Africa. These training events raised awareness among a total of 1,500 employees from more than 1,100 of our suppliers on the topic of sustainability. In addition, we also work with industry initiatives and in cooperation with other companies to promote better sustainability management at our suppliers.' However, no further information found, including whether training program covered child labor issues. [Slavery and Human Trafficking Statement FY 2019, 26/06/2020: <a href="http://volkswagenag.com">volkswagenag.com</a>]</li> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>• Not met: Both requirements under score 1 met</li> <li>• Not met: Provide analysis of trends demonstrating progress</li> </ul>
D.5.5.a	Prohibition on forced labour: Debt bondage and other unacceptable financial costs (in own production or manufacturing operations)	0	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> <li>• Not met: Pays workers in full and on time: The Company has provided comments to CHRB regarding this indicator. However, evidence was not material.</li> <li>• Not met: Payslips show any legitimate deductions</li> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>• Not met: How these practices are implemented and monitored for agencies, labour brokers or recruiters</li> </ul>
D.5.5.b	Prohibition on forced labour: Debt bondage and other unacceptable financial costs (in the supply chain)	0	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> <li>• Not met: Debt and fees rules in codes or contracts: The Company indicates in its Code of Conduct for Business Partners: 'Business partners reject all conscious use of forced and compulsory labor as well as all forms of modern slavery and human trafficking. There is no bonded labor or involuntary prison labor. Employment relationships are entered into on a voluntary basis and may be terminated by employees at their own discretion and within a reasonable notice period.' In addition, the Company sets the minimum requirements for suppliers, including: 'Suppliers need to have a policy in place regarding human rights and working conditions, including at least the topics [...], modern slavery'. However, no further requirements found, including prohibit suppliers from imposing financial burdens on workers by withholding wages or expenses, or from charging workers with recruitment costs. [Code of Business for Business Partners, 05/2019: <a href="http://volkswagenag.com">volkswagenag.com</a> &amp; Minimum requirements for suppliers, 07/02/2020: <a href="http://vwgroupsupply.com">vwgroupsupply.com</a>]</li> </ul>

Indicator Code	Indicator name	Score (out of 2)	Explanation
			<ul style="list-style-type: none"> <li>• Not met: How working with suppliers on debt &amp; fees: The Company reports in its MSA Statement: 'In addition to e-learning, we conduct subject-specific sustainability training courses and workshops with our suppliers at selected locations. During the reporting period, training events took place in Argentina, Brazil, Germany, Mexico, Poland, Sweden and South Africa. These training events raised awareness among a total of 1,500 employees from more than 1,100 of our suppliers on the topic of sustainability. In addition, we also work with industry initiatives and in cooperation with other companies to promote better sustainability management at our suppliers.' However, no further information found, describing whether the training program covered debt bondage, fees rules or ethical recruitment. [Slavery and Human Trafficking Statement FY 2019, 26/06/2020: <a href="http://volkswagenag.com">volkswagenag.com</a>]</li> </ul> Score 2 <ul style="list-style-type: none"> <li>• Not met: Both requirements under score 1 met</li> <li>• Not met: Provide analysis of trends in progress made</li> </ul>
D.5.5.c	Prohibition on forced labour: Restrictions on workers (in own production or manufacturing operations)	0	The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> <li>• Not met: Does not retain documents or restrict movement: The Company's Social Charter reads: 'Volkswagen rejects any knowing use of forced labour and indentured as well as debtor servitude or involuntary prison labour'. However, no specific provisions found related to freedom of movement. [Declaration on social rights and industrial relations, 05/2012: <a href="http://volkswagenag.com">volkswagenag.com</a>]</li> </ul> Score 2 <ul style="list-style-type: none"> <li>• Not met: How sure about agencies or brokers</li> </ul>
D.5.5.d	Prohibition on forced labour: Restrictions on workers (in the supply chain)	0	The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> <li>• Not met: Free movement rules in codes or contracts: The Company indicates in its Code of Conduct for Business Partners: 'Business partners reject all conscious use of forced and compulsory labor as well as all forms of modern slavery and human trafficking. There is no bonded labor or involuntary prison labor. Employment relationships are entered into on a voluntary basis and may be terminated by employees at their own discretion and within a reasonable notice period'. In addition, the Company sets the minimum requirements for suppliers, including: 'Suppliers need to have a policy in place regarding human rights and working conditions, including at least the topics [...], modern slavery'. However, no requirements found, including refraining from restricting workers' movement through the retention of passports or other personal documents or other measures to physically restrict movement. [Code of Business for Business Partners, 05/2019: <a href="http://volkswagenag.com">volkswagenag.com</a> &amp; Minimum requirements for suppliers, 07/02/2020: <a href="http://vwgroupsupply.com">vwgroupsupply.com</a>]</li> </ul> <ul style="list-style-type: none"> <li>• Not met: How these practices are implemented and monitored for agencies, labour brokers or recruiters: The Company reports in its MSA Statement: 'In addition to e-learning, we conduct subject-specific sustainability training courses and workshops with our suppliers at selected locations. During the reporting period, training events took place in Argentina, Brazil, Germany, Mexico, Poland, Sweden and South Africa. These training events raised awareness among a total of 1,500 employees from more than 1,100 of our suppliers on the topic of sustainability. In addition, we also work with industry initiatives and in cooperation with other companies to promote better sustainability management at our suppliers'. However, no further information found describing whether the training program covered freedom of movement issues. [Slavery and Human Trafficking Statement FY 2019, 26/06/2020: <a href="http://volkswagenag.com">volkswagenag.com</a>]</li> </ul> Score 2 <ul style="list-style-type: none"> <li>• Not met: Both requirements under score 1 met</li> <li>• Not met: Provide analysis of trends in progress made</li> </ul>

Indicator Code	Indicator name	Score (out of 2)	Explanation
D.5.6.a	Freedom of association and collective bargaining (in own production or manufacturing operations)	0	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> <li>• Not met: Commits not to interfere with union rights and collective bargaining and prohibits intimidation and retaliation: The Company states in its Code of Conduct: 'We recognize the basic right of all employees to establish trade unions and employee representations. We are committed to working with employee representatives in candor and trust, to conducting a constructive and cooperative dialogue, and to striving for a fair balance of interests'. In addition, its Social Charter reads: 'The basic right of all employees to establish and join unions and employee representation is acknowledged. Volkswagen, the unions and employee representatives respectively work together openly and in the spirit of constructive and co-operative conflict management.' Although the Company sets measures to prevent discrimination and harassment in its 'Co-Operative Conduct at the Workplace' document, no evidence found of specific measures to prohibit harassment or retaliation against workers seeking to exercise their rights to freedom of association and collective bargaining. [Declaration on social rights and industrial relations, 05/2012: <a href="http://volkswagenag.com">volkswagenag.com</a> &amp; Co-Operative Conduct at the Workplace, 07/2019: <a href="http://volkswagenag.com">volkswagenag.com</a>]</li> <li>• Not met: Discloses % covered by collective bargaining: In its Sustainability Report, the Company indicates: 'We want to enable the most comprehensive representation of employee interests possible in our Group. There is a high level of trade union organization in our Group and the German model of codetermination is also practiced outside of Germany. For example, at many sites employees are represented in two ways: firstly, by a trade union, and secondly, by representatives elected to a works council at many sites. Many companies in the Group have a supervisory board on which the workforce is represented. The Charter on Labor Relations allows employee representatives around the world to conclude agreements with local management on specific rights to information, consultation and codetermination.' However, no evidence found in relation to the total percentage of the Company workforce that is covered by a collective bargaining agreement. [Sustainability Report 2019, 03/2020: <a href="http://volkswagenag.com">volkswagenag.com</a>]</li> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>• Not met: Both requirement under score 1 met</li> </ul>
D.5.6.b	Freedom of association and collective bargaining (in the supply chain)	1	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> <li>• Met: FoA &amp; CB rules in codes or contracts: The Code for Partners states: 'The basic right of all employees to form trade unions and employee representations and to join them is respected. In countries where this right is restricted by local laws, alternative legitimate options for employee participation shall be supported.[...] Business partners reject all forms of discrimination and harassment. Business partners must not discriminate against any employees, for example on the grounds of ethnic origin, [...], membership in a trade union, [...]. Business partners undertake to ensure a working environment free from harassment. They shall promote a social environment that fosters respect for the individual. Business partners shall ensure that employees are not subjected to physically or psychologically inhuman treatment, physical punishment or threats.' In addition, the Company sets the minimum requirements for suppliers, including: 'Suppliers need to have a policy in place regarding human rights and working conditions, including at least the topics [...], freedom of association and collective bargaining'. [Code of Business for Business Partners, 05/2019: <a href="http://volkswagenag.com">volkswagenag.com</a> &amp; Minimum requirements for suppliers, 07/02/2020: <a href="http://vwgroupsupply.com">vwgroupsupply.com</a>]</li> <li>• Not met: How working with suppliers on FoA and CB: The Company reports in its MSA Statement: 'In addition to e-learning, we conduct subject-specific sustainability training courses and workshops with our suppliers at selected locations. During the reporting period, training events took place in Argentina, Brazil, Germany, Mexico, Poland, Sweden and South Africa. These training events raised awareness among a total of 1,500 employees from more than 1,100 of our suppliers on the topic of sustainability. In addition, we also work with industry initiatives and in cooperation with other companies to promote better sustainability management at our suppliers.' However, no further information found describing whether the training program covered freedom of association and collective bargaining issues. [Slavery and Human Trafficking Statement FY 2019, 26/06/2020: <a href="http://volkswagenag.com">volkswagenag.com</a>]</li> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>• Not met: Both requirements under score 1 met</li> <li>• Not met: Provide analysis of trends in progress made</li> </ul>

Indicator Code	Indicator name	Score (out of 2)	Explanation
D.5.7.a	Health and safety: Fatalities, lost days, injury rates (in own production of manufacturing operations)	1	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> <li>• Met: Injury Rate disclosures: The Company discloses its Accident frequency rate for the last three years (2019: 3.7) [Sustainability Report 2019, 03/2020: <a href="http://volkswagenag.com">volkswagenag.com</a>]</li> <li>• Met: Lost days or near miss disclosure: The Company discloses its Accident severity rate and its Working days lost for the last three years (2019: 5.3 and 42,021 respectively). [Sustainability Report 2019, 03/2020: <a href="http://volkswagenag.com">volkswagenag.com</a>]</li> <li>• Met: Fatalities disclosures: It also discloses information about fatalities: 'There were three fatal accidents affecting Porsche AG and FAW-VW Changchun in the reporting year.' [Sustainability Report 2019, 03/2020: <a href="http://volkswagenag.com">volkswagenag.com</a>]</li> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>• Not met: Set targets for H&amp;S performance: The Company states in its Occupational Safety Policy that 'The group's Board of Directors has the possibility of using management reviews to obtain information on whether occupational safety goals are met, [...]'. However, no evidence found about specific targets for health and safety performance. [Occupational Safety Policy, 12/2010: <a href="http://volkswagenag.com">volkswagenag.com</a>]</li> <li>• Not met: Met targets or explains why not</li> </ul>
D.5.7.b	Health and safety: Fatalities, lost days, injury rates (in the supply chain)	0.5	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> <li>• Met: Sets out clear Health and Safety requirements: The Company's Code of Conduct for Business Partners indicates that suppliers 'must comply with the national occupational health, safety and fire safety legislation. All occupational health and safety measures shall not involve any expenditure for the employees (ILO Convention 155). Furthermore, a process enabling the continuous reduction of work-related health hazards and improvement of occupational health, safety and fire safety must be established. To that end, business partners must in particular: Inform employees of identified hazards and the associated preventive and corrective measures put in place to minimize hazards. [...]; Conduct sufficient employee training [...]; Provide suitable protective equipment and protective clothing free of charge; Install appropriate fire protection equipment [...]; Monitor and control work-related health hazards and the resulting protective measures; Label the chemicals used [...]. Chemicals must be stored in line with national regulations'. In addition, the Company sets the minimum requirements for suppliers, including: 'Suppliers need to have a policy in place regarding health and safety, including at least the topics emergency preparedness, incident and accident management, workplace ergonomics and fire protection'. [Code of Business for Business Partners, 05/2019: <a href="http://volkswagenag.com">volkswagenag.com</a> &amp; Minimum requirements for suppliers, 07/02/2020: <a href="http://vwgroupsupply.com">vwgroupsupply.com</a>]</li> <li>• Not met: Injury rate disclosures</li> <li>• Not met: Lost days or near miss disclosures</li> <li>• Not met: Fatalities disclosures</li> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>• Not met: How working with suppliers on H&amp;S: The Company reports in its MSA Statement: 'In addition to e-learning, we conduct subject-specific sustainability training courses and workshops with our suppliers at selected locations. During the reporting period, training events took place in Argentina, Brazil, Germany, Mexico, Poland, Sweden and South Africa. These training events raised awareness among a total of 1,500 employees from more than 1,100 of our suppliers on the topic of sustainability. In addition, we also work with industry initiatives and in cooperation with other companies to promote better sustainability management at our suppliers.' However, no further details found. Not clear that health and safety issues are included. [Slavery and Human Trafficking Statement FY 2019, 26/06/2020: <a href="http://volkswagenag.com">volkswagenag.com</a>]</li> <li>• Not met: Provide analysis of trends in progress made</li> </ul>
D.5.8.a	Women's rights (in own production or manufacturing operations)	1	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> <li>• Not met: Process to stop harassment and violence: Although the Company sets measures to prevent discrimination and harassment in its 'Co-Operative Conduct at the Workplace' document, no specific measures found, or a process to stop harassment and violence against women. [Co-Operative Conduct at the Workplace, 07/2019: <a href="http://volkswagenag.com">volkswagenag.com</a>]</li> <li>• Not met: Working conditions take account of gender</li> </ul>

Indicator Code	Indicator name	Score (out of 2)	Explanation
			<ul style="list-style-type: none"> <li>• Met: Equality of opportunity at all levels: The Company indicates in its Sustainability Report: 'Our diversity approach centers around quotas for women in managerial positions and targets for the internationality of our top management. [...]. At 14.3% in 2019, the proportion of women in management was at the previous year's level. We want to increase the proportion of women in management to 20.2% by 2025.[...] In line with Germany's law on equal participation for women and men in executive positions, Volkswagen AG has set itself targets for increasing the proportion of women in management by the end of 2021: 13% on the first level of management and 16.9% on the second level within the active workforce. [...] In addition to meeting the statutory requirements for the proportion of women in management in Germany, we want to increase the proportion of women in all areas of the Volkswagen Group and are paving the way for this at an early stage. In Germany, for instance, we are specifically seeking to attract female talent, for example by arranging special work experience and orientation days for young women. Our aim is to increase the proportion of female trainees in industrial and technical trades from 18.5% in 2019 to 30% in 2020. By recruiting female academics, we also lay the foundation for a higher proportion of female managers and pursue the goal of achieving a proportion of women of 30% when recruiting from university graduates.' [Sustainability Report 2019, 03/2020: <a href="http://volkswagenag.com">volkswagenag.com</a>]</li> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>• Not met: Meets all of the requirements under score 1</li> </ul>
D.5.8.b	Women's rights (in the supply chain)	0	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> <li>• Not met: Women's rights in codes or contracts</li> <li>• Not met: How working with suppliers on women's rights</li> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>• Not met: Both requirement under score 1 met</li> <li>• Not met: Provide analysis of trends in progress made</li> </ul>
D.5.9.a	Working hours (in own production or manufacturing operations)	0	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> <li>• Not met: Respects max hours, min breaks and rest periods in its own operations: The Company set as a basic goal that 'The work hours correspond at least to the respective national legal requirements or to the minimum standards of the respective economic sectors.' However, no evidence found of a commitment to the standards set out in the ILO Convention, or explicitly committing to a maximum of 48 hours for regular working week (excluding overtime) and minimum breaks. [Declaration on social rights and industrial relations, 05/2012: <a href="http://volkswagenag.com">volkswagenag.com</a>]</li> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>• Not met: How it implements and checks this</li> </ul>
D.5.9.b	Working hours (in the supply chain)	1	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> <li>• Met: Working hours in codes or contracts: The Company's Code of Conduct for Business Partners indicates: 'The business partner must ensure that working hours correspond at least to the respective national legal requirements or the minimum standards of the respective national economic sectors. If there are no legal requirements or minimum standards, the international standard of the ILO of a maximum of 48 hours of work per week with a rest period of at least 24 consecutive hours every seven days shall apply. According to the ILO, a maximum of 12 hours of overtime, temporarily and in the case of emergencies, such as urgent repair work, may be completed per week'. In addition, the Company sets the minimum requirements for suppliers, including: 'Suppliers need to have a policy in place regarding human rights and working conditions, including at least the topics [...], working hours'. [Code of Business for Business Partners, 05/2019: <a href="http://volkswagenag.com">volkswagenag.com</a> &amp; Minimum requirements for suppliers, 07/02/2020: <a href="http://vwgroupsupply.com">vwgroupsupply.com</a>]</li> </ul> <ul style="list-style-type: none"> <li>• Not met: How working with suppliers on working hours: The Company reports in its MSA Statement: 'In addition to e-learning, we conduct subject-specific sustainability training courses and workshops with our suppliers at selected locations. During the reporting period, training events took place in Argentina, Brazil, Germany, Mexico, Poland, Sweden and South Africa. These training events raised awareness among a total of 1,500 employees from more than 1,100 of our suppliers on the topic of sustainability. In addition, we also work with industry initiatives and in cooperation with other companies to promote better sustainability management at our suppliers.' However, no further information found describing whether the training program covered working hours issues. [Slavery and Human Trafficking Statement FY 2019, 26/06/2020: <a href="http://volkswagenag.com">volkswagenag.com</a>]</li> </ul>



Indicator Code	Indicator name	Score (out of 2)	Explanation
			<p>Score 2</p> <ul style="list-style-type: none"> <li>• Not met: Both requirements under score 1 met</li> <li>• Not met: Provide analysis of trends in progress made</li> </ul>
D.5.10.a	Responsible Mineral Sourcing: Arrangements with Suppliers and Smelters/Refiners in the Mineral Resource Supply Chains	0.5	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> <li>• Met: Due diligence in accordance with OECD Guidance in supplier contracts: The Company's Policy on Sustainable Raw Materials reads: 'the sustainability requirements [...] comprise environmental protection, human and worker's rights, transparent business relations and fair competition as well as due diligence for supply chains of minerals from conflict-affected regions. These requirements are part of contracts with all business partners and have to be passed on to sub-suppliers in the supply chain'. In addition, the Company requires its suppliers 'to comply with their due diligence obligations with regard to relevant raw materials – in particular tin, tantalum, tungsten, gold, cobalt and mica. [...] We expect suppliers to avoid using raw materials from smelters or refineries that do not meet the requirements of the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas.' Finally, the Company indicates on its website: 'As a Volkswagen Group (sub-)supplier, you are expected to abide by the good practice obligations set out in the Code of Conduct for Business Partners and further parts specific requirements for the use of responsibly sourced raw materials like in the case of battery cell production [...]. A summary of (sub-)supplier expectations is as follows: [...] Implement a human rights (based on the above mentioned OECD guidance) due diligence system appropriate to your own commercial activities'. [Policy on Sustainable Raw Materials, 2017: <a href="http://volkswagenag.com">volkswagenag.com</a> &amp; Code of Business for Business Partners, 05/2019: <a href="http://volkswagenag.com">volkswagenag.com</a>]</li> <li>• Not met: Works with smelters/refiners and suppliers to build capacity: In its Policy on Sustainable Raw Materials, the Company states that it 'uses e-learning as well as worldwide face-to-face trainings to enable the sensitization and development of its suppliers for sustainability. Thus, with this concept, the Volkswagen Group assumes environmental, economic and social responsibility, together with its business partners, along the supply chain.' However, no further information found to confirm that it works with smelters/refiners and suppliers to contribute to building their capacity in risk assessment and improving their due diligence performance in relation to conflict minerals. [Policy on Sustainable Raw Materials, 2017: <a href="http://volkswagenag.com">volkswagenag.com</a>]</li> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>• Met: Contractual requirement to disclosure smelter/refiner information: In addition, its Policy indicates: 'Information regarding the smelters and refineries used by their suppliers or sub-suppliers for minerals, e.g. tin, tantalum, tungsten or gold, must be disclosed to the Volkswagen Group upon request'. As indicated above, this is part of contractual requirements. [Policy on Sustainable Raw Materials, 2017: <a href="http://volkswagenag.com">volkswagenag.com</a>]</li> <li>• Met: Contractual requirement covers all minerals: The Company also indicates that it 'expects its suppliers to avoid all minerals from conflict affected smelters. Minerals are categorized as conflict affected, if the mining, transport, trade, handling, processing or export supports armed, nonstate groups, directly or indirectly. [...] Additionally, in cases of suspicion, the Volkswagen Group expects its suppliers to disclose the origin of materials, which are connected to potential human rights violations such as, for example, child labor, compulsory or forced labor and any kind of modern slavery and human trafficking. These expectations especially apply to raw material mining and extraction, for example cobalt or mica'. [Policy on Sustainable Raw Materials, 2017: <a href="http://volkswagenag.com">volkswagenag.com</a>]</li> </ul>

Indicator Code	Indicator name	Score (out of 2)	Explanation
D.5.10.b	Responsible Mineral Sourcing: Risk Identification in Mineral Supply Chain	0.5	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> <li>• Not met: Risk identification and disclosure in line with OECD Guidance: The Company indicates in its Sustainability Report: 'The way we organize the responsible sourcing of raw materials is driven by the requirements of the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High- Risk Areas. This contains guidelines for management approaches, for risk identification and prevention, for checking smelters and for communication and reporting instruments.' In addition, on its website, it states: 'we implemented a Raw Materials Human Rights Due Diligence Management System (RM HR DDMS). This management system covers strategic and high-risk raw materials supply chains and supports the identification, assessment, and mitigation of human rights risks in these supply chain. [...] The management system integrates and firmly anchors the OECD Due Diligence Guidance for Responsible Business Conduct into our responsible procurement strategy, and particularly considers [...] the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas . The RM HR DDMS enables regular systematic risk management, that will necessarily entail more engagement with our suppliers and sub-suppliers. [...] The DDMS is coordinated by a Group-wide working group (Raw Materials Human Rights Due Diligence Working Group) and implemented through activities performed at both the Volkswagen Group headquarter and brand levels'. With regard to 3TG 'we require our suppliers' management systems to exclude the use of minerals from smelters not certified in accordance with International Standards. We check these by obtaining reports about all smelters in our upstream supply chain through the [...] Conflict Minerals Reporting Template and evaluating the results'. No further details found including the risks identified. [Sustainability Report 2019, 03/2020: <a href="http://volkswagenag.com">volkswagenag.com</a> &amp; Human Rights and Responsible Sourcing, N/A: <a href="http://vwgroupsupply.com">vwgroupsupply.com</a>]</li> <li>• Met: Identification of smelter/refiners and OECD Guidance: See above: 'we require our suppliers' management systems to exclude the use of minerals from smelters not certified in accordance with international standards. We check these by obtaining reports about all smelters in our upstream supply chain through the Responsible Minerals Initiative's internationally recognized Conflict Mineral Reporting Template and evaluating the results. In the reporting year, 473 groups of companies supplied components that also contained tin, tantalum, tungsten or gold. We have clearly identified 327 smelters of tin, tantalum, tungsten and gold in their supply chains. If we identify non-certified smelters in our supply chain, we take steps to certify these smelters'. [Sustainability Report 2019, 03/2020: <a href="http://volkswagenag.com">volkswagenag.com</a>]</li> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>• Not met: Discloses smelters/refiners judged in line with OECD Guidance</li> <li>• Not met: Risk identification and disclosure covers all minerals: According to its Sustainability Report the Company also work in other raw material supply chains 'within the framework of our human rights due diligence obligations [...]. To this end, we closely cooperate with our direct suppliers and in suspected cases of noncompliance require our suppliers to disclose the sources of materials that may have some connection with human rights violations, such as child, forced or compulsory labor as well as any other forms of modern slavery or human trafficking. This also applies to labor conditions in the extraction of raw materials such as cobalt, mica, or natural rubber. Because these processes are very time consuming as a result of the complexity of supply chains with up to eight tiers, we proceed on the basis of risk. In order to work systematically and in line with the OECD Due Diligence Guidance for this, we are currently developing an enterprise risk management system for the issue of raw materials.' However, no further information found describing the process for identifying risks and impacts. [Sustainability Report 2019, 03/2020: <a href="http://volkswagenag.com">volkswagenag.com</a>]</li> </ul>

Indicator Code	Indicator name	Score (out of 2)	Explanation
D.5.10.c	Responsible Mineral Sourcing: Risk Management in the Mineral Supply Chain	0	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> <li>• Not met: Describes mineral risk management plan for supply chain: In its Sustainability Report, the Company states that it 'is working in developing an enterprise risk management system for the issue of raw materials.[...] the Volkswagen Group is currently piloting the use of blockchain technology in global and complex supply chains'. In addition, on its website, it states: 'we implemented a Raw Materials Human Rights Due Diligence Management System (RM HR DDMS). This management system covers strategic and high-risk raw materials supply chains and supports the identification, assessment, and mitigation of human rights risks in these supply chain. [...] The management system integrates and firmly anchors the OECD Due Diligence Guidance for Responsible Business Conduct into our responsible procurement strategy, and particularly considers [...] the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas . The RM HR DDMS enables regular systematic risk management, that will necessarily entail more engagement with our suppliers and sub-suppliers. [...] The DDMS is coordinated by a Group-wide working group (Raw Materials Human Rights Due Diligence Working Group) and implemented through activities performed at both the Volkswagen Group headquarter and brand levels.' However, no further information found describing the actual steps taken to manage and respond to risks in its mineral supply chain. [Sustainability Report 2019, 03/2020: <a href="http://volkswagenag.com">volkswagenag.com</a> &amp; Human Rights and Responsible Sourcing, N/A: <a href="http://vwgroupsupply.com">vwgroupsupply.com</a>]</li> <li>• Not met: Monitoring, tracking and whether better risk prevention/mitigation over time</li> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>• Not met: Disclose better risk prevention/mitigation over time</li> <li>• Not met: Suppliers and stakeholders engaged in risk management strategy</li> <li>• Not met: Risk management and response processes cover all minerals: The Company reports that it is working in 'developing an enterprise risk management system for the issue of raw materials. [...] Our current focus of action is battery materials, particularly cobalt. In close collaboration with our battery cell suppliers, we are pursuing the objective of creating complete supply chain transparency from mining the raw materials to manufacturing the finished product. This is the only way in which we can effectively prevent negative impacts. One component of our strategy in this context is also working directly with the mine operators, because the risk of violations, particularly of human rights, is highest at the start of the supply chain and this can consequently be countered the most effectively'. However, despite it seems to cover all minerals (all materials), no details found on the process and steps taken to manage risks, the process to monitor risk prevention/management measures, and whether there has been improvement. [Sustainability Report 2019, 03/2020: <a href="http://volkswagenag.com">volkswagenag.com</a>]</li> </ul>
D.5.11	Responsible Materials Sourcing	[SD.5.10]	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> <li>• Met: Due diligence for raw materials in supplier code/contracts: The Company's Code of Conduct for Business Partners states: 'Our suppliers are required to comply with their due diligence obligations with regard to relevant raw materials – in particular tin, tantalum, tungsten, gold, cobalt and mica. This includes the implementation of measures aimed at identifying risks – inter alia in relation to the direct or indirect financing of armed conflicts and serious violations of human rights, including child labor, forced labor and slavery – and taking appropriate measures to minimize such risks. This also includes continuous efforts by suppliers to enhance transparency along the upstream supply chain extending back to raw material extraction.' The Code of Business Partners is part of the contractual agreement with suppliers. [Code of Business for Business Partners, 05/2019: <a href="http://volkswagenag.com">volkswagenag.com</a>]</li> </ul>

Indicator Code	Indicator name	Score (out of 2)	Explanation
			<ul style="list-style-type: none"> <li>• Not met: Works with suppliers to build capacity in risk assessment and due diligence: The Company indicates in its Sustainability Report: 'within the framework of our human rights due diligence obligations we also work in other raw material supply chains. To this end, we closely cooperate with our direct suppliers and in suspected cases of noncompliance require our suppliers to disclose the sources of materials that may have some connection with human rights violations, such as child, forced or compulsory labor as well as any other forms of modern slavery or human trafficking. This also applies to labor conditions in the extraction of raw materials such as cobalt, mica, or natural rubber. [...] we also conduct issue-specific sustainability training courses and workshops with our suppliers at selected locations. During the reporting period, events were held in countries including Argentina, Brazil, Germany, Mexico, Poland, Sweden and South Africa. In total, the awareness of around 1,500 personnel employed by some 1,100 of our suppliers was raised on sustainability issues at these events.' However, no further information found describing how the Company works to build suppliers' capacity in risk assessment and improving their due diligence performance (no clear content of training). [Sustainability Report 2019, 03/2020: <a href="http://volkswagenag.com">volkswagenag.com</a>]</li> <li>Score 2</li> <li>• Not met: Meets all requirements under score 1</li> <li>• Not met: Identify the sources of high-risk raw materials in its supply chain: The Company states on its website: 'we implemented a Raw Materials Human Rights Due Diligence Management System (RM HR DDMS). This management system covers strategic and high-risk raw materials supply chains and supports the identification, assessment, and mitigation of human rights risks in these supply chain. Thereby, the DDMS ensures a standardised and systematic approach that should reduce potential and actual negative human rights impacts throughout our supply chains and ensure that sourcing practices in these supply chains conform to international good practice. The management system integrates and firmly anchors the OECD Due Diligence Guidance for Responsible Business Conduct into our responsible procurement strategy [...] the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas . The RM HR DDMS enables regular systematic risk management, that will necessarily entail more engagement with our suppliers and sub-suppliers. The Volkswagen Group recognises that reducing risk, addressing negative impacts and improving sustainability along supply chains can only be achieved together with committed business partners involved in those supply chains. The DDMS is coordinated by a Group-wide working group (Raw Materials Human Rights Due Diligence Working Group) and implemented through activities performed at both the Volkswagen Group headquarter and brand levels. However, it is not clear if it identifies the sources back to farm, ranch, mine, etc. [Human Rights and Responsible Sourcing, N/A: <a href="http://wvgrouppsupply.com">wvgrouppsupply.com</a>]</li> </ul>

## E. Performance: Responses to Serious Allegations (20% of Total)

Indicator Code	Indicator name	Score (out of 2)	Explanation
E(1).0	Serious allegation No 1		<ul style="list-style-type: none"> <li>• Headline: Fujikura plant supplying electrical equipment to Volkswagen allegedly linked to human rights abuses</li> <li>• Area: FoA and CB, discrimination</li> <li>• Story: A Fujikura plant in Pidryasne, a village in the Lviv region of Ukraine has had several alleged human rights violations since its opening in 2016. The plant makes electric equipment for automobiles, including Volkswagen. The alleged violations include lack of proper medical care; lack of technical breaks; no fixed lunch; excess of production norms; unsanitary conditions; excess room temperature; sexual harassment; opaque payroll; closed accounting, etc. At least one worker complained of discrimination and threats against pregnant women, and another complained of extended working hours (12 hours a day) because of lack of transport from the facility. When the workers tried to form a union, the union leaders were fired.</li> <li>• Sources: [BHRRRC - 29/4/2019: <a href="http://business-humanrights.org">business-humanrights.org</a>][Hmarochos - 15/03/2019: <a href="http://hmarochos.kiev.ua">hmarochos.kiev.ua</a>]</li> </ul>
E(1).1	The Company has responded publicly to the allegation	0	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> <li>• Not met: Public response available: The Company provided a response to the incident, however, this response does not acknowledge the allegation and instead offers general explanations of policy. [Response to allegations in Ukraine, 29/4/2019: <a href="http://business-humanrights.org">business-humanrights.org</a>]</li> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>• Not met: Response goes into detail</li> </ul>

Indicator Code	Indicator name	Score (out of 2)	Explanation
E(1).2	The Company has appropriate policies in place	1	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> <li>• Met: Company policies address the general issues raised: The Company states in its Code of Conduct that it 'the basic right of all employees to establish trade unions and employee representations. We are committed to working with employee representatives in candor and trust, to conducting a constructive and cooperative dialogue, and to striving for a fair balance of interests. Professional dealings with employee representatives that do not allow either privilege or discrimination are part of our corporate culture.' Additionally, it states it does not tolerate discrimination. [Code of Conduct, 04/2019]</li> <li>• Met: Policies apply to the type of business relationships involved: The Code of Conduct for Business Partners includes requirements for freedom of association and non-discrimination. [Code of Business for Business Partners, 05/2019: <a href="http://volkswagenag.com">volkswagenag.com</a>]</li> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>• Not met: Policies address the specific rights in question: No evidence found that the company has measures in place which prohibit any form of intimidation of or retaliation against trade unionists. Although the Company sets measures to prevent discrimination and harassment in its 'Co-Operative Conduct at the Workplace' document, no evidence found of specific measures to prohibit any form of intimidation, harassment, retaliation or violence against workers seeking to exercise their rights to freedom of association and collective bargaining. [Co-Operative Conduct at the Workplace, 07/2019: <a href="http://volkswagenag.com">volkswagenag.com</a> &amp; Charter on Labour Relations within the Volkswagen Group, 2009: <a href="http://volkswagenag.com">volkswagenag.com</a>]</li> </ul>
E(1).3	The Company has taken appropriate action	0	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> <li>• Not met: Engages with affected stakeholders</li> <li>• Not met: Encourages linked business to engage affected stakeholders</li> <li>• Not met: Provides remedies to affected stakeholders</li> <li>• Not met: Has reviewed management systems to prevent recurrence</li> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>• Not met: Remedies are satisfactory to the victims</li> <li>• Not met: Has improved systems and engaged affected stakeholders</li> </ul>
E(2).0	Serious allegation No 2		<ul style="list-style-type: none"> <li>• Headline: IndustriALL announces the suspension of global agreement with Volkswagen</li> <li>• Area: FoA and CB</li> <li>• Story: On January 21, 2019, IndustriALL Global Union announced the suspension of its "long-standing global agreement" with Volkswagen following the alleged continuous refusal of the carmaker to grant the same rights to its workers in Chattanooga, Tennessee, US.</li> </ul> <p>Previously in December 2018, IndustriALL called on Volkswagen to immediately enter into bargaining negotiation with workers at its Chattanooga plant in order to respect the December 2015 skilled workers' vote to join US union United Auto Workers (UAW). However, IndustriALL alleged that Volkswagen persisted in not recognizing its workers vote, and actively tried to fight it in court in order to stop the workers from joining the union, including an appeal against the ruling of the National Labour Relations Board (NLRB) from August 2016, which ruled in favour of the UAW.</p> <p>Additionally, IndustriALL general secretary Valter Sanches considered that by refusing to respect its workers' decision to join the UAW, Volkswagen contravenes its "good practices elsewhere around the world with regards to workers' rights and social dialogue.</p> <p>IndustiALL reported that VW Chattanooga is defying a court ruling and continues to deny workers their legal right to organise by refusing to bargain with union UAW Local 42, even after the US government ordered the company to enter into negotiations. The IndustriALL General Secretary said that Volkswagen violates workers' fundamental rights, and violated the Global Framework Agreement it signed with IndustriALL in 2002.</p> <p>In June 2019, another vote to form a union was held, this time including all blue-collar workers of the factory. The union lost, 833 to 776 against aligning with the union. According to IndustriALL, this was achieved through anti-union propoganda: 'For nine weeks, VW employees were told that a yes vote meant not only a severe threat of job losses, but also economic decline for the state of Tennessee and the</p>

Indicator Code	Indicator name	Score (out of 2)	Explanation
			entire US South.' IndustriALL continues to stand by its decision to suspend the Global Framework Agreement. <ul style="list-style-type: none"> <li>Sources: [IndustriALL - 11/12/2018: <a href="http://industrial-union.org">industrial-union.org</a>][IndustriALL - 21/01/2019: <a href="http://industrial-union.org">industrial-union.org</a>][Chattanooga Times Free Press - 21/01/2019: <a href="http://timesfreepress.com">timesfreepress.com</a>][IndustriALL - 18/06/2019: <a href="http://industrial-union.org">industrial-union.org</a>]</li> </ul>
E(2).1	The Company has responded publicly to the allegation	0	The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> <li>Not met: Public response available</li> </ul> Score 2 <ul style="list-style-type: none"> <li>Not met: Response goes into detail</li> </ul>
E(2).2	The Company has appropriate policies in place	1	The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> <li>Met: Company policies address the general issues raised: The Company states in its Code of Conduct that it 'the basic right of all employees to establish trade unions and employee representations. We are committed to working with employee representatives in candor and trust, to conducting a constructive and cooperative dialogue, and to striving for a fair balance of interests.' [Code of Conduct, 04/2019]</li> <li>Met: Policies apply to the type of business relationships involved: The Code of Conduct for Business Partners includes policy on freedom of association. [Code of Business for Business Partners, 05/2019: <a href="http://volkswagenag.com">volkswagenag.com</a>]</li> </ul> Score 2 <ul style="list-style-type: none"> <li>Not met: Policies address the specific rights in question: No evidence found that the company has measures in place which prohibit any form of intimidation of or retaliation against trade unionists</li> </ul>
E(2).3	The Company has taken appropriate action	0	The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> <li>Not met: Engages with affected stakeholders</li> <li>Not met: Encourages linked business to engage affected stakeholders</li> <li>Not met: Provides remedies to affected stakeholders</li> <li>Not met: Has reviewed management systems to prevent recurrence</li> </ul> Score 2 <ul style="list-style-type: none"> <li>Not met: Remedies are satisfactory to the victims</li> <li>Not met: Has improved systems and engaged affected stakeholders</li> </ul>
E(3).0	Serious allegation No 3		<ul style="list-style-type: none"> <li>Headline: Brazil Truth Commission investigates Volkswagen ties with dictatorship</li> <li>Area: freedom from torture, cruel inhumane or degrading treatment</li> <li>Story: In February 2015, the leader of a truth commission investigating abuses against human rights during Brazil's 1964-1985 military dictatorship lambasted Volkswagen AG at a hearing for providing what he called "unsatisfactory" testimony regarding its alleged ties with the regime. Documents uncovered during 2014 suggest that Volkswagen and dozens of other companies gave the dictatorship names, home addresses and other sensitive information regarding union activists on their payrolls in the 1980s. The workers appeared on a so-called "black list" compiled by police. A Reuters investigation found that some were then fired, detained or harassed by security forces and were unable to get new jobs for long periods afterwards. Volkswagen, which had more workers on the list than any other company, was one of three companies called to testify before the Sao Paulo state commission. A manager of legal affairs for Volkswagen, said the company respected the work conducted by various truth commissions across Brazil, but it was still reviewing internal files to see whether allegations of collaboration were true. He added that there's no document in any archive that has been uncovered that places the institution of Volkswagen in collaboration with any violation of human rights. In 2017, a study commissioned by VW has found that some staff at the German carmaker cooperated with Brazil's former military regime. On September 22, 2015, a civil lawsuit was filed in Sao Paulo against Volkswagen accusing the company of allowing the torture and detention of employees who were opposed to Brazil's military dictatorship during 1964-1985. The complaint claims that 12 former employees were arrested and tortured in the Volkswagen factory in Sao Bernardo do Campo and that dozens of workers were placed on a blacklist. In September 2020, news agencies reported that the prosecutors and the company reached an agreement in which the company agreed to pay compensation to workers.</li> <li>Sources: [The Sunday Independent- 01/03/2015: <a href="http://pressreader.com">pressreader.com</a>][Deutsche Welle - 15/12/2017: <a href="http://dw.com">dw.com</a>][BBC - 25/09/2020: <a href="http://bbc.co.uk">bbc.co.uk</a>][</li> </ul>
E(3).1	The Company has responded publicly to the allegation	1	The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> <li>Met: Public response available: The Company hired a university professor to conduct a study on its actions in Brazil during the period of the military regime.</li> </ul>

Indicator Code	Indicator name	Score (out of 2)	Explanation
			<p>The independent study concluded that 'there was cooperation between individuals of site security at Volkswagen do Brasil and the former military regime. But there is also no clear evidence found, that the cooperation was institutionalized by the company.' In September 2020, VW executive Hiltrud Werner said in a statement.: "We regret the violations that occurred in the past. For Volkswagen, it is important to deal responsibly with this negative chapter in Brazil's history and promote transparency" [Volkswagen comes to terms with its past in Brazil, 14/12/2017: <a href="http://volkswagenag.com">volkswagenag.com</a> &amp; Compensation to victims of the dictatorship in Brazil: <a href="http://dw.com">dw.com</a>]</p> <p>Score 2</p> <ul style="list-style-type: none"> <li>• Not met: Response goes into detail: Despite the quote above, there is no detailed response from the company</li> </ul>
E(3).2	The Company has appropriate policies in place	0	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> <li>• Not met: Company policies address the general issues raised</li> <li>• Not met: Policies apply to the type of business relationships involved</li> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>• Not met: Policies address the specific rights in question</li> </ul>
E(3).3	The Company has taken appropriate action	0.5	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> <li>• Not met: Engages with affected stakeholders: Though the company has reached an agreement with prosecutors, there is no evidence that it engaged with the stakeholders. In fact, according to DW, a 'representative of the victims, Sebastiao Neto, criticised the agreement saying that VW had only talked to the judiciary and not to the affected workers themselves, he told KNA.' [Volkswagen says staff collaborated with Brazil's military dictatorship, 15/12/2017: <a href="http://dw.com">dw.com</a> &amp; Compensation to victims of the dictatorship in Brazil: <a href="http://dw.com">dw.com</a>]</li> <li>• Not met: Encourages linked business to engage affected stakeholders</li> <li>• Met: Provides remedies to affected stakeholders: Volkswagen agreed to pay out €5.5 million, \$6.4 million in compensation to the workers and their families, as well as various projects including a memorial to victims of the regime. [Compensation to victims of the dictatorship in Brazil: <a href="http://dw.com">dw.com</a>]</li> <li>• Not met: Has reviewed management systems to prevent recurrence</li> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>• Not met: Remedies are satisfactory to the victims: Though the company reached an agreement with the prosecutors, it is not satisfactory to victims. 'According to the victims' representatives 'it was too late for the worst affected, including Lucio Bellentani who was tortured on the factory premises and died in 2019, age 74. "Volkswagen is concerned with its image and marketing. The donations to be made are presented by the company as charity and not as compensation for its complicity with the dictatorship. Seen in this light, Volkswagen is getting out of this mess in a clean way," said the victims' representative in a press statement. [Compensation to victims of the dictatorship in Brazil: <a href="http://dw.com">dw.com</a>]</li> <li>• Not met: Has improved systems and engaged affected stakeholders</li> </ul>
E(4).0	Serious allegation No 4		<ul style="list-style-type: none"> <li>• <b>Headline:</b> VW faces child labour claims in its supply chain in the Democratic Republic of Congo</li> <li>• <b>Area:</b> Child labour, forced labour, health &amp; safety, environmental damage</li> <li>• <b>Story:</b> On November 15, 2017, Amnesty International, a Human Rights NGO, released a report which reveals that electronic and electric vehicle companies, including BMW, are still not doing enough to stop human rights abuses entering their cobalt supply chains.</li> </ul> <p>The report assessed the policies and practices of 29 companies and how much their cobalt-sourcing practices have improved since its previous report published in January 2016. More than half of the world's cobalt, a key element in lithium-ion batteries, is from the Democratic Republic of Congo (DRC), where Amnesty has found human rights abuses. Amnesty International stated that about a fifth of the country's cobalt production is mined by informal miners including children, often in dangerous condition.s</p> <p>The electronics companies and the automobile manufacturers included in the report are: Apple, Samsung SDI, Dell, HP, BMW, Tesla, LG Chem, Sony, Samsung Electronics, General Motors, Volkswagen, Fiat-Chrysler, Daimler, Hunan, Shanshan, Amperex Technology, Tianjin Lishen, Microsoft, Lenovo, Renault, Vodafone, Huawei, L&amp;F, Tianjin B&amp;M, BYD, Coslight, Shenzhan BAK and ZTE.</p> <p>The new event does not change our opinion on the severity of the case.</p> <ul style="list-style-type: none"> <li>• Sources: [Amnesty International — 15/11/2017: <a href="http://amnesty.org">amnesty.org</a>][Reuters — 15/11/2017: <a href="http://reuters.com">reuters.com</a>][Amnesty International - 15/11/2017: <a href="http://amnesty.org">amnesty.org</a>]</li> </ul>

Indicator Code	Indicator name	Score (out of 2)	Explanation
E(4).1	The Company has responded publicly to the allegation	1	The individual elements of the assessment are met or not as follows: Score 1 • Met: Public response available: The Company responded to Amnesty International. [Company responses to Amnesty International, 15/11/2017: <a href="https://www.amnesty.org">amnesty.org</a> ] Score 2 • Not met: Response goes into detail
E(4).2	The Company has appropriate policies in place	1	The individual elements of the assessment are met or not as follows: Score 1 • Met: Company policies address the general issues raised: The Declaration on Social Rights and Industrial Relations includes policy against child and forced labour. [Declaration on social rights and industrial relations, 05/2012: <a href="https://www.volkswagenag.com">volkswagenag.com</a> ] • Met: Policies apply to the type of business relationships involved: The Code of Conduct for Business Partners includes similar policy for suppliers. [Code of Business for Business Partners, 05/2019: <a href="https://www.volkswagenag.com">volkswagenag.com</a> ] Score 2 • Not met: Policies address the specific rights in question: No measures on freedom of movement or age verification were found
E(4).3	The Company has taken appropriate action	0.5	The individual elements of the assessment are met or not as follows: Score 1 • Not met: Engages with affected stakeholders: In its response, there is no indication that they engaged with the affected stakeholders [Company responses to Amnesty International, 15/11/2017: <a href="https://www.amnesty.org">amnesty.org</a> ] • Not met: Provides remedies to affected stakeholders: In its response, VW does not state that it provided any remedy to stakeholders [Company responses to Amnesty International, 15/11/2017: <a href="https://www.amnesty.org">amnesty.org</a> ] • Met: Has reviewed management systems to prevent recurrence: The company stated that 'Our relevant battery suppliers each undertook a thorough investigation of the allegations made and informed us about which steps were included in their investigation, which included independent 3rd party CSR Audits. This has led to the temporary suspension of purchases in some supply chains until further due diligence efforts have been put in place'. In addition it also stated that 'After your study was published, we participated in a sector-wide human rights risk assessment ran by the DGCN (German Global Compact Network) in the second half of 2016, which focused on raw materials for batteries. We have already begun to implement the learnings from this assessment and will continue to do this in the course of 2107, such as an optimized in-depth analysis of Cobalt supply chains.' [Company responses to Amnesty International, 15/11/2017: <a href="https://www.amnesty.org">amnesty.org</a> ] Score 2 • Not met: Remedies are satisfactory to the victims • Not met: Has improved systems and engaged affected stakeholders

## F. Transparency (10% of Total)

Indicator Code	Indicator name	Score	Explanation
F.1	Company willingness to publish information	1.6 out of 4	Out of a total of 60 indicators assessed under sections A-D of the benchmark, Volkswagen made data public that met one or more elements of the methodology in 24 cases, leading to a disclosure score of 1.6 out of 4 points.
F.2	Recognised Reporting Initiatives	2 out of 2	The individual elements of the assessment are met or not as follows: Score 2 • Met: Company reports on GRI: The Company reports with the GRI Standards, applying the "core" option. Includes GRI index [GRI Index 2019, 03/2020: <a href="https://www.volkswagenag.com">volkswagenag.com</a> & Sustainability Report 2019, 03/2020: <a href="https://www.volkswagenag.com">volkswagenag.com</a> ]
F.3	Key, High Quality Disclosures	0 out of 4	Volkswagen met 0 of the 10 thresholds listed below and therefore gets 0 out of 4 points for the high quality disclosure indicator. Specificity and use of concrete examples • Not met: Score 2 for A.2.2 : Board discussions • Not met: Score 2 for B.1.6 : Monitoring and corrective actions • Not met: Score 2 for C.1 : Grievance channel(s)/mechanism(s) to receive complaints or concerns from workers • Not met: Score 2 for C.3 : Users are involved in the design and performance of the channel(s)/mechanism(s) Discussing challenges openly



Indicator Code	Indicator name	Score	Explanation
			<ul style="list-style-type: none"> <li>• Not met: Score 2 for B.2.4 : Tracking: Monitoring and evaluating the effectiveness of actions to respond to human rights risks and impacts</li> <li>• Not met: Score 2 for C.7 : Remedying adverse impacts and incorporating lessons learned</li> </ul> Demonstrating a forward focus <ul style="list-style-type: none"> <li>• Not met: Score 2 for A.2.3 : Incentives and performance management</li> <li>• Not met: Score 2 for B.1.2 : Incentives and performance management</li> <li>• Not met: Score 1 for D.5.1.a: Living wage (in own production or manufacturing operations)</li> <li>• Not met: Score 2 for D.5.7.a: Health and safety: Fatalities, lost days, injury rates (in own production of manufacturing operations)</li> </ul>

## Disclaimer

A score of zero for a particular indicator does not mean that bad practices are present. Rather it means that we have been unable to identify the required information in public documentation.

See the 2020 Key Findings report and the 2019 technical annex for more details of the research process.

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