Company Name: Volkswagen
Industry: Automotive (Own Operations and Supply Chain)
Overall Score: 22.8 out of 100

### Theme Score Out of For Theme
1.6 10  A. Governance and Policies
9.0 25  B. Embedding Respect and Human Rights Due Diligence
4.0 20  C. Remedies and Grievance Mechanisms
4.1 25  D. Performance: Company Human Rights Practices
4.2 20  E. Performance: Responses to Serious Allegations

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 2022 Methodology document for the sector concerned. 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)**

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<tr>
<th>Indicator Code</th>
<th>Indicator name</th>
<th>Score (out of 2)</th>
<th>Explanation</th>
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</table>
| A.1.1          | Commitment to respect human rights | 0                | The individual elements of the assessment are met or not as follows: Score 1
  * 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'. However, '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 or regulation. Moreover, the Company’s Declaration on Social Rights indicates: 'The Volkswagen Group is especially committed to its corporate human rights responsibilities'. However, no commitment to respect human rights in general found. In its feedback to CHRB, the Company indicates that it is a member of the UN Global Compact. However, the UN Global Compact is no longer a proxy for a commitment to respecting Human Rights according CHRB revised approach. Additionally, it made reference to a document in Spanish, however, CHRB only accepts documents written in English. [Code of Conduct, 05/2021: volkswagenag.com] & [Declaration on Social Rights and Industrial Relations and Business and Human Rights, 27/11/2020: volkswagenag.com]
  * Not Met: Universal Declaration of Human rights (UDHR): The Company’s Declaration on Social Rights indicates: 'The Volkswagen Group is especially committed to its corporate human rights responsibilities and acknowledges the following international conventions and declarations while also reaffirming its support for the associated contents and principles. These include: The Universal Declaration of Human Rights'. However, 'acknowledge' a convention/declaration is not considered a formal statement of commitment to the convention/declaration, according to CHRB wording criteria. [Declaration on Social Rights and Industrial Relations and Business and Human Rights, 27/11/2020: volkswagenag.com]
  * Not Met: International Bill of Human Rights |
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<thead>
<tr>
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<th>Explanation</th>
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<tbody>
<tr>
<td>A.1.2.a</td>
<td>Commitment to respect the human rights of workers: ILO Declaration on Fundamental Principles and Rights at Work</td>
<td>2</td>
<td>The individual elements of the assessment are met or not as follows: Score 2 • Met: Company has a commitment to the ILO Core: The Company’s Declaration on Social Rights covers each ILO Core area included in the fundamental rights: discrimination, forced labour, child labour, freedom of association and collective bargaining, as indicated below. [Declaration on Social Rights and Industrial Relations and Business and Human Rights, 27/11/2020: volkswagenag.com] • Met: Company has a explicit commitment to All four ILO Core: The Company’s Declaration on Social Rights has an explicit commitment to all four ILO Core: no forced labor, no discrimination and no harassment, no child labor. Regarding the rights to freedom of association and collective bargaining, it indicates: 'The Volkswagen Group recognizes the basic right of all employees to establish and join unions and employee representations. [...] If this basic right is constrained by local laws, alternative and lawful possibilities to establish employee representation shall be fostered. The Volkswagen Group recognizes the right to collective bargaining. The Volkswagen Group and unions and/or employee representations engage collectively in social dialog. Thereby collective bargaining is a special expression of this social dialog'. [Declaration on Social Rights and Industrial Relations and Business and Human Rights, 27/11/2020: volkswagenag.com] Score 1 • Met: Company has a commitment to the ILO Core: The Company’s Declaration on Social Rights covers each ILO Core area included in the fundamental rights: discrimination, forced labour, child labour, freedom of association and collective bargaining, as indicated below. [Declaration on Social Rights and Industrial Relations and Business and Human Rights, 27/11/2020: volkswagenag.com] • Met: Company has a explicit commitment to All four ILO Core: The Company’s Declaration on Social Rights has an explicit commitment to all four ILO Core: no forced labor, no discrimination and no harassment, no child labor. Regarding the rights to freedom of association and collective bargaining, it indicates: 'The Volkswagen Group recognizes the basic right of all employees to establish and join unions and employee representations. [...] If this basic right is constrained by local laws, alternative and lawful possibilities to establish employee representation shall be fostered. The Volkswagen Group recognizes the right to collective bargaining. The Volkswagen Group and unions and/or employee representations engage collectively in social dialog. Thereby collective bargaining is a special expression of this social dialog'. [Declaration on Social Rights and Industrial Relations and Business and Human Rights, 27/11/2020: volkswagenag.com]</td>
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</table>
| A.1.3.a.MO     | Commitment to respect human rights particularly relevant to the industry – responsible sourcing of minerals (MO) | 0.5 | The individual elements of the assessment are met or not as follows: Score 1  
• Not Met: Responsible mineral sourcing: 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, direct commitment to the responsible sourcing of minerals found. The 2021 Responsible Raw Materials Report indicates: ‘Over recent years, the Volkswagen Group has been making continual progress in advancing transparency and improving the responsible sourcing practices of suppliers and sub-suppliers. In order to standardize and systemize our approach throughout the Group, we implemented the Raw Materials Due Diligence Management System (RMDDMS). The RMDDMS underpins the Volkswagen Group Policy on Sustainable Raw Materials, which states our commitment to responsible and transparent business conduct along our raw material supply chains’. However, no publicly available policy statement committing it to the responsible sourcing of minerals found. Moreover, only policy commitments are considered a suitable source for this indicator under CHRB revised approach. [Policy on Sustainable Raw Materials, volkswagenag.com] |
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</table>
| A.1.3.b.MO     | Commitment to respect human rights particularly relevant to the industry – vulnerable groups (MO) | 0.5 | The individual elements of the assessment are met or not as follows:  
- **Score 1**  
  - **Met:** Migrant worker’s rights: The Company indicates that ‘The Volkswagen Group respects and protects the rights of vulnerable groups, such as (…) migrants’. The Company has provided comments to CHRB regarding this indicator. However, the content of it was already in use. [Declaration on Social Rights and Industrial Relations, 27/11/2020: volkswagenag.com]  
  - **Not Met:** Requires suppliers to respect human rights: 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 Responsible Raw Materials, 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. [Code of Business for Business Partners, 05/2019: volkswagenag.com]  


- **Met:** Based on OECD Guidance: The Company indicates: ‘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’. [Policy on Sustainable Raw Materials, 2017: volkswagenag.com]  
- **Met:** Requires suppliers to commit to responsible mineral sourcing: 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 Responsible Raw Materials, 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’. [Code of Business for Business Partners, 05/2019: volkswagenag.com]  

- **Score 2**  
  - **Not Met:** Commits to follow OECD Guidance for all minerals: The Policy on Sustainable Raw Materials indicates: ‘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. It follows that the Volkswagen Group expects its suppliers to avoid all minerals from conflict affected smelters’. However, it although the Company expects suppliers to avoid all minerals from conflict affected smelters, no evidence found of a responsible sourcing policy statement to follow the OECD Guidance explicitly covers all minerals for the Company itself. The 2021 Responsible Raw Materials Report indicates: ‘In line with the OECD Guidance, we are committed to establishing relationships and building supplier capacity for responsible sourcing. Through our RMDDMS, we have provided trainings for suppliers on OECD-aligned supply chain due diligence, reaching more than 7,000 suppliers in 2021’. However, no evidence of commitment found. Only policy commitments are considered a suitable source for this indicator under CHRB revised approach. [Policy on Sustainable Raw Materials, 2017: volkswagenag.com] & [2021 Responsible Raw Materials Report, 2022: volkswagenag.com]  
  - **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’. It also indicates that ‘we expect suppliers to avoid using raw materials from smelters or refiners 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’. Therefore, the requirement seems to go beyond ‘conflict affected smelters’ only. [Policy on Sustainable Raw Materials, 2017: volkswagenag.com] & [Code of Business for Business Partners, 05/2019: volkswagenag.com]
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</table>
| A.1.4 | Commitment to remedy | 0.5 | The individual elements of the assessment are met or not as follows:  
Score 1  
• Not Met: The Company commits to remedy  
• Met: Company expect suppliers to make this commitment: It indicates: 'The Group’s business partners [...] work towards ensuring that they only maintain business relations with appropriately checked business partners that act in compliance with rules and regulations. They take appropriate actions to remediate identified violations and prevent them in the future'. Also: 'Any identified non-compliance with the sustainability requirements in the supply chain of a supplier will be assessed by the supplier within a reasonable period of time; the supplier is responsible for remediating such non-compliance at no additional cost to the Volkswagen Group'. [Code of Conduct, 05/2021: volkswagenag.com]  
Score 2  
• Not Met: Collaborating with other remedy initiatives  
• Not Met: Work with suppliers to remedy impact |
| A.1.5 | Commitment to respect the rights of human rights defenders | 0 | The individual elements of the assessment are met or not as follows:  
Score 1  
• Not Met: Zero tolerance attacks on HRs Defenders (HRDs)  
• Not Met: Company expect suppliers to make this commitment: In its feedback to the CHRB, the Company indicates that it has a new Conduct for Business Partners which has not been published yet. However, only publicly available sources are accepted according to CHRB criterion. It has also made reference to the 2021 Responsible Raw Materials Report, however, no material evidence found in the report, moreover, only policy commitments are considered a suitable source for this indicator under CHRB revised approach.  
Score 2  
• Not Met: Work with HRD to create safe and enabling environment |

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

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<tr>
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<th>Score (out of 2)</th>
<th>Explanation</th>
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</table>
| A.2.1 | Commitment from the top | 0.5 | The individual elements of the assessment are met or not as follows:  
Score 1  
• Met: Board level responsibility for HRs: The 2021 Annual Report indicates: ‘To underline the importance of [...] social responsibility and good corporate governance, the Supervisory Board has appointed an ESG officer. This role is currently performed by Mr. Hans Dieter Pötsch’. The website section Executive bodies indicates that ‘Hans Dieter Pötsch [Chairman] has been a member of the Supervisory Board of Volkswagen AG since October 7, 2015’. Also, ‘he is particularly experienced in interacting and working with government and authorities, industry associations, and trade unions. Given his knowledge and experience the Supervisory Board of Volkswagen AG has appointed Mr. Pötsch as its ESG (environmental, social and governance) officer’. [2021 Annual Report, 15/03/2022: volkswagenag.com]  
• Not Met: Describe HR expertise of Board member: The website section Executive bodies indicates that ‘he [Hans Dieter Pötsch] is particularly experienced in interacting and working with government and authorities, industry associations, and trade unions. Given his knowledge and experience the Supervisory Board of Volkswagen AG has appointed Mr. Pötsch as its ESG (environmental, social and governance) officer’. However, although the webpage indicates Mr. Pötsch’s ESG expertise, no further description found of expertise specifically related to Human Rights.
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<tr>
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<th>Explanation</th>
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</thead>
<tbody>
<tr>
<td>A.2.2</td>
<td>Board responsibility</td>
<td>0</td>
<td>The individual elements of the assessment are met or not as follows:</td>
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<td><strong>Score 1</strong></td>
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<td></td>
<td></td>
<td></td>
<td>• Not Met: Board/Committee review HRs strategy</td>
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<td>• Not Met: Examples/trends re HR discussion in the last reporting period</td>
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<td><strong>Score 2</strong></td>
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<td></td>
<td>• Not Met: Meets both requirements under score 1</td>
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<td></td>
<td></td>
<td>• Not Met: How affected stakeholders/HR experts informed discussions</td>
</tr>
<tr>
<td>A.2.3</td>
<td>Incentives and performance management</td>
<td>0</td>
<td>The individual elements of the assessment are met or not as follows:</td>
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<td><strong>Score 1</strong></td>
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<td></td>
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<td></td>
<td>• Not Met: Incentives for at least one board member</td>
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<td>• Not Met: At least one key HR risk, beyond employee H&amp;S</td>
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<td></td>
<td></td>
<td><strong>Score 2</strong></td>
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<tr>
<td></td>
<td></td>
<td></td>
<td>• Not Met: Performance criteria made public</td>
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<tr>
<td></td>
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<td></td>
<td>• Not Met: Review of other board performance criteria</td>
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<tr>
<td>A.2.4</td>
<td>Business model strategy and risks</td>
<td>0</td>
<td>The individual elements of the assessment are met or not as follows:</td>
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<td></td>
<td><strong>Score 1</strong></td>
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<td>• Not Met: Board process to review business model and strategy: The Company has provided a source to CHRB regarding this indicator. However, no evidence found of the process it has in place to discuss and review its business model and strategy for inherent risks to human rights at board level or a board committee.</td>
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<td>• Not Met: Describe frequency and triggers for reviewing</td>
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<td></td>
<td><strong>Score 2</strong></td>
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<td>• Not Met: Meets both requirements under score 1</td>
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<td>• Not Met: Example of actions decided</td>
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**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)**

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<thead>
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<tbody>
<tr>
<td>B.1.1</td>
<td>Responsibility and resources for day-to-day human rights functions</td>
<td>1.5</td>
<td>The individual elements of the assessment are met or not as follows:</td>
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<td><strong>Score 1</strong></td>
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<td>• Met: Score of 1 on A.1.2.a: See indicator A.1.2.</td>
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<td>• Met: Senior responsibility for HR implementation and decision making: 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. Additionally, the 2021 Annual Report indicates: 'in 2019, the Volkswagen Group Board of Management established a coordination function for the topic of business and human rights within the Volkswagen Group, which also coordinates the collaboration with the brands and regions'. [Sustainability Report 2019, 03/2020: volkswagenag.com] &amp; [2021 Annual Report, 15/03/2022: volkswagenag.com]</td>
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<tr>
<td>Indicator Code</td>
<td>Indicator name</td>
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| B.1.2         | Incentives and performance management            | 0               | The individual elements of the assessment are met or not as follows:  
|               |                                                  |                 | Score 0  
|               |                                                  |                 | • Not Met: Senior manager incentives for human rights: The Company indicates that 'Integration of the sustainability targets takes the importance of ESG factors into Account' is part of Board of Management variable remuneration components. ESG factors include: 'Subtargets of 50 % each for the Environment (decarbonization index) and Social (sentiment rating and diversity index) as well as the Governance factor between 0.9 and 1.1 (compliance & integrity, standard value of 1.0). The Supervisory Board defines minimum, target, and maximum values for the Environment and Social subtargets for each fiscal year'. It explain that: 'The sentiment rating is an important parameter of the opinion survey – an employee poll with which the Group regularly gathers information regarding employee satisfaction. The diversity index is used worldwide to determine the development of the proportion of women in management and the internationalization of top management'. However, although the Company indicates it has a scheme linked to ESG, it is not clear it is linked to its human rights commitments beyond the ratio of women in management and worker satisfaction. [Remuneration Report 2021, 2022: volkswagenag.com]  
|               |                                                  |                 | • Not Met: At least one key HR risk, beyond employee H&S  
|               |                                                  |                 | Score 2  
|               |                                                  |                 | • Not Met: Performance criteria made public  
|               |                                                  |                 | • Not Met: Review of other senior management performance |
| B.1.3         | Integration with enterprise risk management      | 1               | The individual elements of the assessment are met or not as follows:  
|               |                                                  |                 | Score 1  
|               |                                                  |                 | • Met: HR risks is integrated as part of enterprise risk system: The 2021 Annual Report indicates: 'The internal compliance risk assessment (ICRA) identifies and addresses compliance risks in the Group, in particular those risks involving [...] and Human Rights. Compliance measures are defined for each company based on its risk profile'. This is part of 'Together4Integrity (T4I) program to anchor integrity and compliance throughout the group'. [2021 Annual Report, 15/03/2022: volkswagenag.com]  
|               |                                                  |                 | • Met: Provides an example: The Company discloses its risks and opportunities. Among them is 'Risk and opportunities for Purchasing and Technology'. It includes: 'risks in the supply chain may also arise in relation to the non-fulfilment of human rights (...) related legal due diligence obligations, which may lead to supply chain shortages. Requirements are compared with existing processes with the help of gap analyses, and process are developed and implemented to fill in any gaps. In 2021, we introduced a human rights due diligence management system to reduce human rights risks throughout our entire supply chain'. [2021 Annual Report, 15/03/2022: volkswagenag.com]  
|               |                                                  |                 | Score 2  
|               |                                                  |                 | • Not Met: Audit Ctte or independent risk assessment |
| B.1.4.a       | Communication /dissemination of policy commitment(s) to workers and external stakeholders | 1               | The individual elements of the assessment are met or not as follows:  
|               |                                                  |                 | Score 1  
|               |                                                  |                 | • Met: Score of 1 on A.1.2.a: See indicator A1.2.  
|               |                                                  |                 | • 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 (dated 2019), 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
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<tr>
<td>B.1.5</td>
<td>Training on Human Rights</td>
<td>1</td>
<td>The individual elements of the assessment are met or not as follows: Score 1  • Met: Scores at least 1 on A.1.2.a: See indicator A.1.2.a  • Met: How workers are trained 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. [Slavery and Human Trafficking Statement FY 2018, 05/2019] &amp; [Slavery and Human Trafficking Statement FY 2019, 26/06/2020: volkswagen-poznan.pl] Score 2  • Met: How Met trains relevant managers including procurement: In addition, it states: 'As our procurement staff provide an essential interface to our business partners and thus 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] &amp; [Slavery and Human Trafficking Statement FY 2019, 26/06/2020: volkswagen-poznan.pl]</td>
</tr>
<tr>
<td>B.1.4.b</td>
<td>Communication /dissemination of policy commitment(s) to business relationships</td>
<td>1.5</td>
<td>The individual elements of the assessment are met or not as follows: Score 1  • Met: Meets ILO requirement for suppliers on A.1.2.a: See indicator A.1.2.a  • Met: How policy commitments are made accessible to audience: The Company indicates in its Modern Slavery Act Statement, Sustainability Report, Raw Materials Report and other documents are available on their website. However, it is not clear how it actively communicates its policy commitments to affected stakeholders, including local communities.  • Not Met: How policy commitments are made accessible to audience: 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: volkswagen-poznan.pl] &amp; [Business and Human Rights (web), N/A: volkswagenag.com] Score 2  • Met: How Met trains relevant managers including procurement: In addition, it states: 'As our procurement staff provide an essential interface to our business partners and thus 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] &amp; [Slavery and Human Trafficking Statement FY 2019, 26/06/2020: volkswagen-poznan.pl]</td>
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<td>The Code of Conduct for Business Partners contains the Company’s human rights requirements. It also indicates: ‘to enable continuous supplier development, we usually conduct issue-specific sustainability training courses and workshops with our selected sites. (…) As part of the DRIVE Sustainability initiative, online training was also provided for suppliers in India, Argentina France and Russia, involving 84 participants. In addition to the trainings, we make an e-learning module on sustainability available to current suppliers in the nine languages of defined country risks’. However, although the Company indicates it has training that covers Code of Conduct for Business Partners and sustainability in general, no further description found of the training it provides to suppliers to help them meet its human rights policy commitments. [2021 Sustainability Report, 03/2022: volkswagenag.com]</td>
</tr>
<tr>
<td>B.1.6</td>
<td>Monitoring and corrective actions</td>
<td>0.5</td>
<td>The individual elements of the assessment are met or not as follows: Score 1 • Met: Scores at least 1 on A.1.2.a: See indicator A.1.2. • Met: Monitoring implementation of HR policy commitments across global ops and supply chain: On its website section Business and Human Rights, the Company indicates: ‘We enshrine our human rights duty of care by integrating the focus area “business and human rights” into our existing Compliance Management System (CMS). (…) In compliance a risk-based approach is applied to categorised corporate human rights risks, to make these transparent and to minimise these risks: The company sites are regularly categorised. This may result in more detailed on-site analyses if indications with potential human rights impacts necessitate this’. Preventative measures add to this approach, such as training for employees and contractors to adapt or raise awareness for the management systems’. 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 2021 Sustainability Report: ‘A sustainability rating (S rating) was introduced as a key measure for all relevant companies and suppliers in 2019, and its implementation was completed by the end of 2021’. [Business and Human Rights (web), N/A: volkswagenag.com] &amp; [Code of Business for Business Partners, 05/2019: volkswagenag.com] • Not Met: Proportion of supply chain monitored: The Company has provided comments to CHRB regarding this indicator. However, its content has not been found in publicly available sources. • Not Met: Describe how workers are involved in monitoring Score 2 • Met: Score of 2 on A.1.2.a: See indicator A.1.2. • Not Met: Describes corrective action process: In its 2021 Slavery and Human Trafficking 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 the reporting period, the Procurement division dealt with 111 cases. These were suppliers where conduct in violation of regulations or contracts had been identified as a result information received or through audits. In total, collaboration with 4 suppliers was terminated or they were excluded from new contract awards following the activities of the Procurement division’. However, no description found of the corrective action process. [Slavery and Human Trafficking Statement 2021, 2022: volkswagenag.com] • Not Met: Disclose findings and number of corrective action</td>
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| B.1.7         | Engaging and terminating business relationships | 2               | The individual elements of the assessment are met or not as follows:  
Score 1  
• Met: HR affects 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 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'. Minimum requirements include: 'Suppliers need to have a policy in place regarding human rights and working conditions, including at least the topics child labor and young workers, wages and benefits, working hours, modern slavery, freedom of association and collective bargaining as well as harassment and non-discrimination'. [2021 Sustainability Report, 03/2022: volkswagenag.com] & [Minimum requirements for suppliers, 09/10/2022: vwgroupsupply.com]  
• Met: HR affects on-going 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: volkswagenag.com]  
Score 2  
• Not Met: Describe positive incentives offered 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. [Sustainability Report 2019, 03/2020: volkswagenag.com]  
• Met: Working with suppliers to meet HR requirements: 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 workers/communities in the last two years: In its 2019 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...'}

| B.1.8         | Approach to engagement with affected stakeholders | 0.5              | The individual elements of the assessment are met or not as follows:  
Score 1  
• Not Met: Stakeholder process or systems to identify and engage with workers/communities in the last two years: In its 2019 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...'}
For us, stakeholder management means interacting with key stakeholder groups systematically, continuously and in line with our TOGETHER 2025+ Group strategy. Additionally, the 2021 Sustainability Report indicates the Company has established a Stakeholder Panel, which has overseen the Group sustainability activities for over 20 years. The whole panel [...] currently comprises more than 200 institutions and organizations. It also indicates: ‘we cooperate with the relevant trade unions all over the world’. The Company provides examples where this dialogue takes place. However, it is not clear it includes workers or local communities in its supply chain, and the how it has identified specific affected stakeholders with whom to engage, including human/labour rights consideration in the last two years. The Company has provided additional comments to CHRB regarding this indicator. However, evidence was not material. [Sustainability Report 2019, 03/2020: volkswagenag.com] & [2021 Sustainability Report, 03/2022: volkswagenag.com]

- Not Met: Discloses stakeholders that HRs may be affected
- Not Met: Provides two examples of engagement with stakeholders
- Met: Analysis of stakeholder views on company’s HR issues: The Company discloses the document ‘Stakeholder Expectations 2019’, where it summarizes its stakeholders’ expectation and feedbacks and the Company’s response and actions 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, 2019: volkswagenag.com]

- Not Met: Describe how views influenced company’s HR approach

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

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| B.2.1          | Identifying human rights risks and impacts | 1                | The individual elements of the assessment are met or not as follows: Score 1

- Met: Identifying risks in own operations: It indicates: ‘Our controlled companies are included using the standardized internal compliance risk management process (ICRA). (...) This human rights assessment is largely based on a correlation of country and business-area risks. The country risks reference the Maplecroft index (...) the UN or the Business & Human Rights Resource Centre. The specific business-area risks are based on corresponding publicly available, relevant, well-known information. The completion of this analysis means that we have assessed out business unit’s gross human-rights risks and can allocate it to the low, medium and high categories. (...) We have had the companies audit and confirm the results. (...) In the next step, the companies with a high gross risk are to be assessed in respect of their net risks. To this end, we developed a self-assessment questionnaire in the reporting year’. [2021 Sustainability Report, 03/2022: volkswagenag.com]

- Met: Identifying risks through relevant business relationships: It indicates: ‘we piloted a human rights due diligence management system in 2021, which we use to systematically analyse, prioritize and reduce our supply chain’s human rights risks. The management system is based on two process steps. First, aggregated assessments are performed for risk analysis based on the S rating data. Through this quantitative approach, we identified 15 high-risk countries for negative impacts on human rights (...). In the second step, in addition to the data from the S rating, aggregated data from our grievance mechanism and information from studies, NGO reports and stakeholder conversations are evaluated to determine focus activities’. The Company has provided an additional source to this indicator, however key information was already in use. [2021 Sustainability Report, 03/2022: volkswagenag.com]
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|                |                | 1                | Score 2  
|                |                | Not Met: Describe ongoing global risk identification in consultation with stakeholder/HR experts: As it is mentioned above, for its own operations: ‘The country risks reference the Maplecroft index (…) the UN or the Business & Human Rights Resource Centre. The specific business-area risks are based on corresponding publicly available, relevant, well-known information. The completion of this analysis means that we have assessed out business unit’s gross human-rights risks and can allocate it to the low, medium and high categories. (…). Also, ‘continuous dialog between those involved about principles and implementation issues is needed in differentiating between the state’s duty to protect human rights and corporate human rights responsibility. (…) we also seek cooperation with international organizations. For example, we are continuously in written and personal dialog with NGOs and human rights institutions’. However, it is not clear whether it involves consultation with affected stakeholders. As for its supply chain: ‘we piloted a human rights due diligence management system in 2021, which we use to systematically analyse, prioritize and reduce our supply chain’s human rights risks. The management system is based on two process steps. First, aggregated assessments are performed for risk analysis based on the S rating data. Through this quantitative approach, we identified 15 high-risk countries for negative impacts on human rights (…). In the second step, in addition to the data from the S rating, aggregated data from our grievance mechanism and information from studies, NGO reports and stakeholder conversations are evaluated to determine focus activities’. However, it is not clear it involves consultation with affected stakeholders. [2021 Sustainability Report, 03/2022: volkswagenag.com]  
|                |                | Not Met: Describe risks identified  
| B.2.2          | Assessing human rights risks and impacts | 1 | The individual elements of the assessment are met or not as follows:  
|                |                | Score 1  
|                |                | Met: Describe process for assessment of HR risks and discloses salient HR issues: The 2021 Sustainability Report indicates: ‘Our controlled companies are included using the standardized internal compliance risk management process (ICRA). (…) This human rights assessment is largely based on a correlation of country and business-area risks. The country risks reference the Maplecroft index (…) the UN or the Business & Human Rights Resource Centre. The specific business-area risks are based on corresponding publicly available, relevant, well-known information. The completion of this analysis means that we have assessed out business unit’s gross human-rights risks and can allocate it to the low, medium and high categories. (…) In the next step, the companies with a high gross risk are to be assessed in respect of their net risks. To this end, we developed a self-assessment questionnaire in the reporting year’. Also, ‘continuous dialog between those involved about principles and implementation issues is needed in differentiating between the state’s duty to protect human rights and corporate human rights responsibility. (…) we also seek cooperation with international organizations. For example, we are continuously in written and personal dialog with NGOs and human rights institutions’. The webpage section Business and Human Rights discloses salient business and human rights issues: freedom of association and collective bargaining; no forced labours; no child labour; good working conditions; no discrimination; diversity, protection of vulnerable groups and especially indigenous people; tolerance of different viewpoints and their expression; safeguarding security and non-complicity with any unlawful action. [2021 Sustainability Report, 03/2022: volkswagenag.com] & [Business and Human Rights (web), N/A: volkswagenag.com]  
|                |                | Not Met: Process for assessment of HR risks and discloses salient HR issues:  
|                |                | Met: How process applies to supply chain: As mentioned before: ‘we piloted a human rights due diligence management system in 2021, which we use to systematically analyse, prioritize and reduce our supply chain’s human rights risks. The management system is based on two process steps. First, aggregated assessments are performed for risk analysis based on the S rating data. Through this quantitative approach, we identified 15 high-risk countries for negative impacts on human rights (…). In the second step, in addition to the data from the S rating, aggregated data from our grievance mechanism and information from studies, NGO reports and stakeholder conversations are evaluated to determine focus activities’. [2021 Sustainability Report, 03/2022: volkswagenag.com]  
|                |                | Met: Public disclosure of the results of HR assessment: The webpage section Business and Human Rights discloses salient business and human rights issues: freedom of association and collective bargaining; no forced labours; no child labour; good working conditions; no discrimination; diversity, protection of vulnerable groups and especially indigenous people; tolerance of different viewpoints and their expression; safeguarding security and non-complicity with any unlawful action. [2021 Sustainability Report, 03/2022: volkswagenag.com]  

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<td>B.2.3</td>
<td>Integrating and acting on human rights risks and impact assessments</td>
<td>0</td>
<td>The individual elements of the assessment are met or not as follows: Score 1 • Not Met: Action Plans to mitigate risks: The 2021 Sustainability Report indicates that after confirming risks: ‘these companies were given risk-specific measures to be implemented by the end of 2021’. Also, ‘In procurement, we follow a three-pronged approach. This step requires transparency about the supply relationships that go beyond the first tier[…]’. Prevent: sustainability requirements are enshrined in contracts and specifications, particularly the Code of Conduct for Business Partners. Suppliers’ awareness is raised and they receive training. […] react: various measures are available to react to the risks and impacts identified. These include a process for reviewing breaches by individual suppliers and action plans derived form on-site audits. Implementation of this management approach is mandatory worldwide’. However, no description of its global system to prevent, mitigate or remediate its salient human rights issues was found. [2021 Sustainability Report, 03/2022: volkswagenag.com] • Not Met: Description of how global system applies to supply chain: As for its suppliers, the 2021 Sustainability Report notes: ‘prevent: requirement for our suppliers. The Core element of our supplier management is the […] Code of Conduct for Business Partners. […] Before submitting a quote, our suppliers must confirm that they acknowledge our sustainability requirements in the Code of Conduct. […] React: make improvements on site. A series of measures are available to react to risks identified in the supply chain and concrete breaches by suppliers, and thus to actively bring about improvements’. It then explains its grievance mechanisms. However, no description found of its global system to prevent, mitigate or remediate its salient human rights issues in its supply chain. Current evidence seems to focus in individual supplier compliance monitoring. [2021 Sustainability Report, 03/2022: volkswagenag.com] • Not Met: Example of actions decided on at least 1 salient HR issues: It indicates: ‘We identified 15 high-risk countries for negative impacts on human rights and implemented prevention and mitigation measures with our brands and regions. To this end, a total of 575 employees of suppliers were trained in the implementation of human rights-related due diligence in these 15 countries in 2021’. However, no specific evidence found of actions taken or to be taken on at least one of its salient human rights issues as a result of assessment processes. [2021 Sustainability Report, 03/2022: volkswagenag.com] Score 2 • Not Met: Meets all requirements under score 1 • Not Met: Involve stakeholders in decisions about actions</td>
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<tr>
<td>B.2.4</td>
<td>Tracking the effectiveness of actions to respond to human rights risks and impacts</td>
<td>0</td>
<td>The individual elements of the assessment are met or not as follows: Score 1 • Not Met: System for tracking or monitor if actions taken are effective • Not Met: Lessons learnt from checking system effectiveness Score 2 • Not Met: Meets both requirements under score 1 • Not Met: Involve stakeholders in evaluation of actions taken</td>
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<tr>
<td>B.2.5</td>
<td>Communicating on human rights impacts</td>
<td>0</td>
<td>The individual elements of the assessment are met or not as follows: Score 1 • Not Met: Provides two examples of comms with stakeholders: The Company has webpage section where it discloses different ESG controversies, it includes human rights-related ones. However, no examples found of how it communicates with affected stakeholders regarding specific human rights impacts raised by them or on their behalf. [ESG Controversies (web), N/A: volkswagenag.com]</td>
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|                |                | 2               | Score 2
|                |                |                 | • Not Met: Describe challenges to effective comms and how it is working to address them |

## C. Remedies and Grievance Mechanisms (20% of Total)

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| C.1            | Grievance channel(s)/mechanism(s) to receive complaints or concerns from workers | 2 | The individual elements of the assessment are met or not as follows: Score 1
|                |                |                 | • Met: Channel accessible to all workers: It indicates: ‘The whistleblower system is intended to avert damage to the Group, the workplace and other stakeholders with biding principles and clearly regulated procedures. Employees, business partners and their employees, customers and other third parties can report information on potential breaches of the rules’. [2021 Sustainability Report, 03/2022: volkswagenag.com] |
|                |                |                 | • Met: Channel is available in all appropriate languages and workers aware: The company indicates ‘written information can be submitted in any language using a specially protected online reporting channel. An international 24-hour telephone hotline is available for reporting information in a total of 15 languages. Information can also be submitted via commissioned external lawyers (ombudspersons). The reports can be made anonymously on all channels, if desired.’ The Code makes reference to the whistleblower system. [Slavery and Human Trafficking Statement 2021, 2022: volkswagenag.com] |
|                |                |                 | • Met: Describe how workers in the supply chain have access to grievance mechanism: It indicates: ‘The whistleblower system is intended to avert damage to the Group, the workplace and other stakeholders with biding principles and clearly regulated procedures. Employees, business partners and their employees, customers and other third parties can report information on potential breaches of the rules’. [2021 Sustainability Report, 03/2022: volkswagenag.com] |
|                |                |                 | • Met: Expect Suppliers to convey expectation to their own suppliers: The Company indicates in its Code of Conduct for Business Partners that ‘If there is Reasonable Suspicion of potential misconduct on the part of Volkswagen Group employees or business partner employees when collaborating with the Volkswagen Group, please report this to the Volkswagen Whistleblower System’. It also notes: ‘business partners must take appropriate steps to also ensure compliance with these requirements by their own business partners and along the supply chain’. The Company has provided an additional source to this indicator, however key information was already in use. [Code of Business for Business Partners, 05/2019: volkswagenag.com] |
| C.2            | Grievance channel(s)/mechanism(s) to receive complaints or concerns from external individuals and communities | 1 | The individual elements of the assessment are met or not as follows: Score 1
|                |                |                 | • Met: Grievance mechanism for community: It indicates: ‘The whistleblower system is intended to avert damage to the Group, the workplace and other stakeholders with biding principles and clearly regulated procedures. Employees, business partners and their employees, customers and other third parties can report information on potential breaches of the rules’. [2021 Sustainability Report, 03/2022: volkswagenag.com] |
|                |                |                 | Score 2
<p>|                |                |                 | • Not Met: Describes accessibility and local languages and stakeholder awareness: The Reporting Channel is online available in 19 languages. However it is not clear how affected external stakeholders at its own operations are made aware of it. [Reporting Channel__, N/A: bkms-system.com] &amp; [Reporting Channel__, N/A: bkms-system.com] |
|                |                |                 | • Not Met: Communities access mechanism direct or through suppliers: Regarding its supply chain grievance mechanism, the 2021 Sustainability Report indicates: ‘the corresponding channel is accessible via our website, an email address and an anonymized channel and is open to anyone potentially affected and stakeholders, e.g. employees of suppliers, civil society players or representatives of communities in the immediate vicinity of our production locations’. However, it is not clear that suppliers’ external individuals and communities have access to it, in order to raise Complaints or concerns about human rights issues, since communities seem to refer to the Company’s production locations. [2021 Sustainability Report, 03/2022: volkswagenag.com] |
|                |                |                 | • Not Met: Expect supplier to convey expectation to their own suppliers |</p>
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| C.3           | Users are involved in the design and performance of the channel(s)/mechanism(s) | 0 | The individual elements of the assessment are met or not as follows:  
  **Score 1**  
  • Not Met: Engages users to create or assess system: The webpage section Whistleblower System indicates: ‘If you have any questions or inquiries regarding your new or old vehicle, feedback or complaints about services provided by the Volkswagen Group or our business partners (e.g. car dealerships, workshops), please contact Volkswagen Customer Care […]’. The Company then provides two channels for this purpose. Additionally, the 2021 Sustainability Report states: ‘An external independent auditor regularly audits the effectiveness and functionality of the Whistleblower System’. However, it is not clear how it engages with potential or actual users on the design and performance of the mechanism(s) (such as on scope, methods of raising grievances, etc). Additionally, it made reference to a document in German, however, CHRB only accepts documents written in English. \[Whistleblower (web), N/A: volkswagenag.com\] & \[2021 Sustainability Report, 03/2022: volkswagenag.com\]  
  • Not Met: Examples (at least two) of how they do this  
  • Not Met: Engages with potential or actual users on the improvement of the mechanism  
  • Not Met: Provides user engagement example (at least two) on improvement |
| C.4           | Procedures related to the mechanism(s)/channel(s) are equitable, publicly available and explained | 0 | The individual elements of the assessment are met or not as follows:  
  **Score 1**  
  • Not Met: Response timescales how complainants will be informed: The Company’s website, under the heading ‘What is the process of submitting a report? How do I set up a postbox?’, indicates: ‘After sending your report, you will receive a reference number as confirmation that the report has been submitted. Finally, please set up your own secured postbox. This is where you will receive responses from us, answer questions, and be kept up-to-date about the progress of your report. [...] We kindly ask you to check your postbox regularly. Via this postbox, we will send you the confirmation for the report and, if necessary, ask questions that are important to solve the case’. Additionally, under the heading ‘How do I receive feedback and remain anonymous at the same time?’, it notes: ‘An examiner will provide feedback via the secured postbox 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’. Additional information is found in the 2021 Sustainability Report and the webpage section Whistleblower System, however, no description timescales for addressing the complaints or concerns were found. \[Submit a Report (web), N/A: bksys-system.com\]  
  • Not Met: Describe support (technical, financial, etc) available for equal access by complainants  
  • Not Met: Describe types of outcome to complainant through use of mechanism  
  • Not Met: Escalation to senior/independent level: The 2021 Sustainability Report notes: ‘In the event of the investigation of the operational case, the investigation office is supported by Group Internal Audit, Group Security and Groups Legal. [...] In addition, the investigation office can also arrange for an investigation by independent and external third parties, such as law firms or auditors’. However, it is not clear how complaints or concerns for workers and all external individuals and communities may be escalated to more senior levels or independent third party adjudicators or mediators to challenge the process or outcome at the complainant’s discretion. \[2021 Sustainability Report, 03/2022: volkswagenag.com\]  
  • Not Met: Engages with potential or actual users on the design and performance of the mechanism(s) (such as on scope, methods of raising grievances, etc). Additionally, it made reference to a document in German, however, CHRB only accepts documents written in English. |
| C.5           | Prohibition of retaliation for raising complaints or concerns | 1 | The individual elements of the assessment are met or not as follows:  
  **Score 1**  
  • Met: Public statement prohibiting retaliation: It indicates: ‘Retaliation of whistleblowers and all employees who contribute to promoting correct behavior at Volkswagen will not be tolerated’. \[Whistleblower (web), N/A: volkswagenag.com\]  
  • Met: Practical measures to prevent retaliation: It also notes: ‘We also guarantee the greatest possible protection for whistleblowers, persons implicated and employees contributing to the investigation of reported misconduct. This also includes offering opportunities for anonymous reporting and communication’. \[Whistleblower (web), N/A: volkswagenag.com\]  
  **Score 2**  
  • Not Met: Company indicate it will not retaliate against workers/stakeholders: The webpage section Whistleblower System indicates: ‘Retaliation of whistleblowers and all employees who contribute to promoting correct behavior at Volkswagen will not be tolerated’. Moreover, in a different webpage section, under the heading ‘What does protection of the whistleblower and affected parties entail?’, the
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<tr>
<td>C.6</td>
<td>Company involvement with state-based judicial and non-judicial grievance mechanisms</td>
<td>0</td>
<td>The individual elements of the assessment are met or not as follows: Score 1  • Not Met: Complainants not asked to waive rights: The 2021 Sustainability Report indicates: ‘Strict confidentiality and secrecy apply throughout the investigation process’. The webpage indicates: ‘Whistleblowers are protected. Statements made by the whistleblower are handled confidentially’. However, although whistleblowers are protected, it is not clear it does not require affected individuals or communities participating in a grievance process to permanently waive their legal rights to bring a claim through a judicial or non-judicial process as a condition of participating in the grievance process. The Company is expected to explicitly indicate it. [2021 Sustainability Report, 03/2022: volkswagenag.com] &amp; [Submit a Report (web), N/A: bkms-system.com]  • Not Met: Company does not require confidentiality provisions: As indicated above, the 2021 Sustainability Report notes: ‘Strict confidentiality and secrecy apply throughout the investigation process’. The webpage indicates: ‘Whistleblowers are protected. Statements made by the whistleblower are handled confidentially’. However, although whistleblowers are protected, it is not clear it does not require confidentiality provisions (e.g., non-disclosure agreements) with respect to human rights grievances. The Company is expected to explicitly indicate it. [2021 Sustainability Report, 03/2022: volkswagenag.com] &amp; [Submit a Report (web), N/A: bkms-system.com]  Score 2  • Not Met: Will work with state based non judicial mechanisms: The 2021 Sustainability Report indicates: ‘In Germany, we also actively participate in the German automotive industry’s sector dialog in the context of the National Action Plan for Business and Human Rights, in which manufacturers, suppliers, trade unions, NGOs and the German federal government are involved’. However, no further evidence found that it has set out a process by which it cooperates with state-based non-judicial grievance mechanism on complaints brought against it. [2021 Sustainability Report, 03/2022: volkswagenag.com]  • Not Met: Example of issue resolved (if applicable)</td>
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<tr>
<td>C.7</td>
<td>Remedy adverse impacts</td>
<td>0</td>
<td>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 provide remedy for victims if no adverse impact identified: The Slavery and Human Trafficking Statement 2021 indicates: ‘In procurement, we pursue a three-pronged approach. The basic prerequisite for these steps is transparency in supplier relationships that go beyond the first level (Tier 1): (…) React: various measures are provided in order to respond to the identified risks and effects. These include a standardised process for dealing with violations by individual suppliers and action plans from on-site inspections’. However, no further description of this ‘standardised process’ was found.</td>
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</table>
Regarding misconducts found through the grievance mechanism, the 2021 Sustainability Report notes: 'Sanctions and applied where misconduct is proven. This can comprise a warning, a reprimand or termination'. Additionally, 'The presumption of innocence is applied to those concerned. Their response is heard as soon as possible, and, if necessary, their names are cleared if they have been wrongly accused'. However, it is not clear the approach it would take to provide or enable timely remedy for victims. [Slavery and Human Trafficking Statement 2021, 2022: volkswagenag.com] & [2021 Sustainability Report, 03/2022: volkswagenag.com]

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<td>0</td>
<td>The individual elements of the assessment are met or not as follows: Score 1 • Not Met: Number grievances filed, addressed or resolved and outcome achieved: The Company indicates in its 2021 Sustainability Report: 'In 2021, 3,219 pieces of Whistleblower information were registered with the aforementioned investigation offices'. The 2021 Slavery and Human Trafficking Statement notes: 'In the reporting period, the Procurement division dealt with 111 cases. These were suppliers where conduct in violation of regulations or contracts had been identified as a result information received or through audits. In total, collaboration with 4 suppliers was terminated or they were excluded from new contract awards following the activities of the Procurement division'. However, no further details found, including the number of human/labor-related reports issues filed, addressed or resolved and outcomes achieved for its own workers, for external individuals that may be adversely impacted by the Company. In its feedback to CHRB regarding this indicator, the Company makes reference to the number of grievances raised in its supply chain in the last reporting year, however, this piece of information could not be found in publicly available sources. [2021 Sustainability Report, 03/2022: volkswagenag.com] &amp; [Slavery and Human Trafficking Statement 2021, 2022: volkswagenag.com] • Not Met: How lessons from mechanism improve management system Score 2 • Not Met: Evaluation of the channel/mechanism and changes made as result: The 2021 Sustainability Report states: 'An external independent auditor regularly audits the effectiveness and functionality of the Whistleblower System'. However, although the Company indicates how it reviews the effectiveness of the grievance mechanism, no examples of any changes made to improve it based on the review found. [2021 Sustainability Report, 03/2022: volkswagenag.com] • Not Met: Describes procedures to address delays of outcomes agreed with stakeholders</td>
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<tr>
<td>D.5.1.a</td>
<td>Living wage (in own production or manufacturing operations)</td>
<td>0</td>
<td>The individual elements of the assessment are met or not as follows: Score 1 • Not Met: Pays living wage or sets target date: The Declaration on Social Rights and Industrial Relations and Business and Human Rights states: ‘The compensation and benefits paid or received for a normal work week correspond at least to the legally valid and guaranteed national minimum. In case legal or collective bargaining regulations do not exist, 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’. The 2021 Sustainability Report indicates: ‘A fair and transparent pay system and payment of fair remuneration make a significant contribution to employees’ job satisfaction. In accordance with our Social Charter, the remuneration and fringe benefits for our employees correspond at least to the legally required minimum level which is to be guaranteed in the particular country. As they are collectively agreed with trade unions, our rates of pay are usually higher than the prevailing minimum levels. […] Employees of Group companies enjoy further Company benefits. Depending on location, these may include subsidized transport and meals, employee terms at cooperation partners and discounts on certain leisure activities. Additional healthcare or supplementary pension benefits may round off the range of company benefits at specific sites. By offering occupational pension schemes, Volkswagen AG and many of its brands and subsidiaries make an important contribution towards securing their employees’ income in old age’. However, it is not clear whether the Company has a time bound target for paying all workers a living wage or that it pays all workers a living wage. A living wage should include basic needs plus some discretionary for employees and his/her family and/or depends, covering all the workforce. [Declaration on Social Rights and Industrial Relations and Business and Human Rights, 27/11/2020: volkswagenag.com] &amp; [2021 Sustainability Report, 03/2022: volkswagenag.com] • Not Met: Describes how living wage determined Score 2 • Not Met: Paying living wage • Not Met: Definition of living wage reviewed with unions</td>
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<tr>
<td>D.5.1.b</td>
<td>Living wage (in the supply chain)</td>
<td>0</td>
<td>The individual elements of the assessment are met or not as follows: Score 1 • Not Met: Discloses living wage requirements 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. In its feedback to the CHRB, the Company indicates that it has a new Conduct for Business Partners which has not been published yet. However, only publicly available sources are accepted according to CHRB criterion. [Code of Business for Business Partners, 05/2019: volkswagenag.com] • Not Met: Improving living wage practices of suppliers Score 2 • Not Met: Assessment of number affected by payment below living wage • Not Met: Provides analysis of trends demonstrating progress</td>
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<td>D.5.2</td>
<td>Aligning purchasing decisions with human rights</td>
<td>0</td>
<td>The individual elements of the assessment are met or not as follows: Score 1 • Not Met: Avoids business model pressure on HRs (purchasing practices): The Company has provided comments to CHRB regarding this indicator. However, its content has not been found in publicly available sources. • Not Met: Practices adopted to pay suppliers in line with agreed timeframes • Not Met: Review own operations to mitigate negative impact Score 2 • Not Met: Meets all requirements under score 1 • Not Met: Examples of how it assessed, addressed and change purchasing practices</td>
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<td>D.5.3</td>
<td>Mapping and disclosing the supply chain</td>
<td>0</td>
<td>The individual elements of the assessment are met or not as follows: Score 1  • Not Met: Identifies direct and indirect suppliers back to manufacturing sites (factories or fields): 2021 Responsible Raw Materials Report indicates it 'covers 16 high-risk raw materials, of which raw materials for batteries in our electric vehicles (EVs) remain the priority'. However, it is not clear it identifies its suppliers, including direct and indirect suppliers. This needs to include the product source. [2021 Responsible Raw Materials Report, 2022: volkswagenag.com] Score 2  • Not Met: Discloses names and locations of significant parts of SP and why  • Not Met: Discloses which direct or indirect suppliers is involved in higher-risk activities</td>
</tr>
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<td>D.5.4.a</td>
<td>Prohibition of child labour: Age verification and corrective actions (in own production or manufacturing operations)</td>
<td>0.5</td>
<td>The individual elements of the assessment are met or not as follows: Score 1  • Met: Does not use child labour: The Declaration on Social Rights and Industrial Relations and Business and Human Rights indicates: 'Child labor is prohibited'. [Declaration on Social Rights and Industrial Relations and Business and Human Rights, 27/11/2020: volkswagenag.com]  • Not Met: Age verification of workers recruited: It also notes: 'The minimum age for acceptance for employment is determined according to the standards of the International Labor Organization and the requirements for prohibition of hazardous child labor'. However, it is not clear it verifies the age of workers recruited in its own operations to ensure that they are not engaged in child labour. The Company has provided additional comments to CHRB regarding this indicator. However, evidence was not material. [Declaration on Social Rights and Industrial Relations and Business and Human Rights, 27/11/2020: volkswagenag.com] Score 2  • Not Met: Remediation if children identified</td>
</tr>
<tr>
<td>D.5.4.b</td>
<td>Prohibition of child labour: Age verification and corrective actions (in the supply chain)</td>
<td>0</td>
<td>The individual elements of the assessment are met or not as follows: Score 1  • Not Met: Child Labour rules in codes or contracts: The Code of Conduct for Business Partners indicates: '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. [...] 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 evidence found, including verifying the age of workers recruited, and remediation programmes. The Company is expected to explicitly indicate in its contractual arrangements with its suppliers or supplier code of conduct that it expects suppliers to verify the age of workers recruited, and to have remediation programmes. [Code of Business for Business Partners, 05/2019: volkswagenag.com] &amp; [Minimum requirements for suppliers, 09/10/2022: vwgroupproducts.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. In its 2021 Sustainability Report, the Company indicates that it has 'in-depth Human Rights training' available for procurement employees. However, it is not clear how the Company works with suppliers to eliminate child labour and to improve working conditions for young workers where relevant. [Slavery and Human Trafficking Statement FY 2019, 26/06/2020: volkswagen-poznan.pl] &amp; [2021 Sustainability Report, 03/2022: volkswagenag.com]</td>
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<tr>
<td>D.5.5.a</td>
<td>Prohibition of forced labour: Recruitment fees and costs (in own production or manufacturing operations)</td>
<td>0</td>
<td>The individual elements of the assessment are met or not as follows:</td>
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|                |                                                                                 |                  | Score 1  
• Not Met: Job seekers and workers do not pay recruitment fee: The Declaration on Social Rights and Industrial Relations and Business and Human Rights indicates: 'The Volkswagen Group rejects forced labor and all forms of modern slavery including human trafficking. This includes, in particular, work carried out involuntarily by people due to intimidation, penalty or threat of being disadvantaged (e.g. debt slavery or involuntary prison labor). Employment relationships are based on voluntary participation and can be terminated at any time by the employees of their own free will and within a reasonable period of notice'. However, no evidence found indicating that job seekers and workers do not pay any recruitment fees or related costs to secure a job (The Employer Pays Principle). [Declaration on Social Rights and Industrial Relations and Business and Human Rights, 27/11/2020: volkswagenag.com]  
• Not Met: How practices are implemented and monitored for agencies, labour brokers or recruiters: The Declaration on Social Rights and Industrial Relations and Business and Human Rights indicates: 'The observance and realization of the principles and objectives set out in this declaration are tracked by using the existing and risk-exposure-driven compliance management systems, which are benchmarked in regard to recognized standards'. However, it is not clear how it implements and monitors the practice of not paying any recruitment fees or related costs to secure a job and to fully reimbursing them if they have been required to pay any fees or related costs during recruitment in its own operations, particularly with employment agencies/labour brokers/recruitment intermediaries. [Declaration on Social Rights and Industrial Relations and Business and Human Rights, 27/11/2020: volkswagenag.com]  
• Not Met: Commits to fully reimbursing if they have paid |
|                |                                                                                 |                  | Score 2  
• 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 prohibiting suppliers and any third-party recruitment intermediaries from imposing financial burdens on workers by withholding wages or expenses, or from charging workers with recruitment costs. In its feedback to the CHRB, the Company indicates that it has a new Conduct for Business Partners which has not been published yet. However, only publicly available sources are accepted according to CHRB criterion. [Code of Business for Business Partners, 05/2019: volkswagenag.com] & [Minimum requirements for suppliers, 09/10/2022: vwgroupsupply.com] |

| D.5.5.b        | Prohibition of forced labour: Recruitment fees and costs (in the supply chain)   | 0                | The individual elements of the assessment are met or not as follows:                                                                                                                                                                                                                                                                                                  |
|                |                                                                                 |                  | Score 1  
• 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 prohibiting suppliers and any third-party recruitment intermediaries from imposing financial burdens on workers by withholding wages or expenses, or from charging workers with recruitment costs. In its feedback to the CHRB, the Company indicates that it has a new Conduct for Business Partners which has not been published yet. However, only publicly available sources are accepted according to CHRB criterion. [Code of Business for Business Partners, 05/2019: volkswagenag.com] & [Minimum requirements for suppliers, 09/10/2022: vwgroupsupply.com] |
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<td>D.5.5.c</td>
<td>Prohibition of forced labour: Wage practices (in own production or manufacturing operations)</td>
<td>0</td>
<td>The individual elements of the assessment are met or not as follows: Score 1 • Not Met: Pays workers in full and on time: The Declaration on Social Rights and Industrial Relations and Business and Human Rights indicates: ‘The observance and realization of the principles and objectives set out in this declaration are tracked by using the existing and risk-exposure-driven compliance management systems, which are benchmarked in regard to recognized standards’. However, it is not clear how it implements and monitors this practice [ensuring workers are paid regularly, in full and on time and that all workers receive a payslip] in its own operations, particularly with employment agencies/labour brokers/recruitment intermediaries. [Declaration on Social Rights and Industrial Relations and Business and Human Rights, 27/11/2020: volkswagenag.com] • Not Met: Payslips show any legitimate deductions Score 2 • Not Met: How these practices are monitored for agencies, labour brokers or recruiters: The Declaration on Social Rights and Industrial Relations and Business and Human Rights indicates: ‘The observance and realization of the principles and objectives set out in this declaration are tracked by using the existing and risk-exposure-driven compliance management systems, which are benchmarked in regard to recognized standards’. However, it is not clear how it implements and monitors this practice [ensuring workers are paid regularly, in full and on time and that all workers receive a payslip] in its own operations, particularly with employment agencies/labour brokers/recruitment intermediaries. [Declaration on Social Rights and Industrial Relations and Business and Human Rights, 27/11/2020: volkswagenag.com]</td>
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<td>D.5.5.d</td>
<td>Prohibition of forced labour: Wage practices (in the supply chain)</td>
<td>0</td>
<td>The individual elements of the assessment are met or not as follows: Score 1 • Not Met: Requirement for suppliers to pay workers in full and on time in codes or contracts: The Code of Business 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 national minimum’. However, no further evidence found indicating it pays workers in full and on time. The Company has provided comments to CHRB regarding this indicator. However, the content of it was already in use. [Declaration on Social Rights and Industrial Relations and Business and Human Rights, 27/11/2020: volkswagenag.com] • Not Met: Does not retain documents or restrict movement: It indicates: ´The observance and realization of the principles and objectives set out in this declaration are tracked by using the existing and risk-exposure-driven compliance management systems, which are benchmarked in regard to recognized standards’. However, it is not clear how it implements and monitors this practice [ensuring workers are paid regularly, in full and on time and that all workers receive a payslip] in its own operations, particularly with employment agencies/labour brokers/recruitment intermediaries. [Declaration on Social Rights and Industrial Relations and Business and Human Rights, 27/11/2020: volkswagenag.com]</td>
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<tr>
<td>D.5.5.e</td>
<td>Prohibition of forced labour: Restrictions on workers (in own production or manufacturing operations)</td>
<td>0</td>
<td>The individual elements of the assessment are met or not as follows: Score 1 • Not Met: Does not retain documents or restrict movement: It indicates: ´The observance and realization of the principles and objectives set out in this declaration are tracked by using the existing and risk-exposure-driven compliance management systems, which are benchmarked in regard to recognized standards’. However, it is not clear how it implements and monitors this practice [ensuring workers are paid regularly, in full and on time and that all workers receive a payslip] in its own operations, particularly with employment agencies/labour brokers/recruitment intermediaries. [Declaration on Social Rights and Industrial Relations and Business and Human Rights, 27/11/2020: volkswagenag.com]</td>
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<td>• Not Met: Analysis of trends in progress made</td>
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<tr>
<td>D.5.5.f</td>
<td>Prohibition of forced labour: Restrictions on workers (in the supply chain)</td>
<td>0</td>
<td>The individual elements of the assessment are met or not as follows:</td>
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<td>• 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. In its feedback to the CHRB, the Company indicates that it has a new Conduct for Business Partners which has not been published yet. However, only publicly available sources are accepted according to CHRB criterion. [Code of Business for Business Partners, 05/2019: volkswagenag.com] &amp; [Minimum requirements for suppliers, 09/10/2022: vwgroupsupply.com]</td>
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<td>• Not Met: Assessment of the number affected by retaining docs or restricting movement</td>
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<td>• Not Met: Provides analysis of trends demonstrating progress</td>
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Score 2
• Not Met: How these practices are monitored for agencies, labour brokers or recruiters: The Declaration on Social Rights and Industrial Relations and Business and Human Rights indicates: 'The observance and realization of the principles and objectives set out in this declaration are tracked by using the existing and risk-exposure-driven compliance management systems, which are benchmarked in regard to recognized standards'. However, it is not clear how it implements and checks the practice of not imposing restrictions on workers in its operations, particularly with employment agencies/labour brokers/recruitment intermediaries. [Declaration on Social Rights and Industrial Relations and Business and Human Rights, 27/11/2020: volkswagenag.com]
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| D.5.6.a        | Freedom of association and collective bargaining (in own production or manufacturing operations) | 1 | The individual elements of the assessment are met or not as follows: Score 1  
  • Met: Commits not to interfere with union rights / Steps to avoid intimidation or retaliation: The Declaration on Social Rights and Industrial Relations and Business and Human Rights indicates: ‘The Volkswagen Group recognizes the basic right of all employees to establish and join unions and employee representations. In this context, the Volkswagen Group commits itself to safeguarding neutrality. This precludes any form of discrimination based on union activities. If this basic right is constrained by local laws, alternative and lawful possibilities to establish employee representation shall be fostered. The Volkswagen Group recognizes the right to collective bargaining. The Volkswagen Group and unions and/or employee representations engage collectively in social dialog. Thereby collective bargaining is a special expression of this social dialog’. The 2021 Sustainability Report notes: ‘Cases of discrimination due to membership of a trade union can be reported in the Volkswagen Group’s whistleblower system’. It also notes ‘The form of our global working relationships is also managed through a number of charters and declarations that we have agreed with the Group European Works Council and Global Group Works Council. These give our employees security with regard to their collective rights at the workplace and set out the principles of the Volkswagen Group’s labor policy. Together with the codetermination committees or the employee representatives, we implement these agreements at the respective sites. [...] These fundamental standards and agreements underpin the rights of employees and their elected representatives at Group level in the Group European Works Council and the Global Group Works Council. Executive managers and employee representatives meet regularly to consult on relevant issues. All members of the Group European Works Council and the Global Group Works Council attend at least one joint session of the two works councils every year’. [Declaration on Social Rights and Industrial Relations and Business and Human Rights, 27/11/2020: volkswagenag.com] & [2021 Sustainability Report, 03/2022: volkswagenag.com]  
  • Not Met: Discloses % total direct operations covered by collective CB agreements: The 2021 Sustainability Report notes: ‘The form of our global working relationships is also managed through a number of charters and declarations that we have agreed with the Group European Works Council and Global Group Works Council. These give our employees security with regard to their collective rights at the workplace and set out the principles of the Volkswagen Group’s labor policy. Together with the codetermination committees or the employee representatives, we implement these agreements at the respective sites. [...] These fundamental standards and agreements underpin the rights of employees and their elected representatives at Group level in the Group European Works Council and the Global Group Works Council. Executive managers and employee representatives meet regularly to consult on relevant issues. All members of the Group European Works Council and the Global Group Works Council attend at least one joint session of the two works councils every year’. However, the proportion of its total workforce covered by collective bargaining agreements could not be found. [2021 Sustainability Report, 03/2022: volkswagenag.com] | |
| D.5.6.b        | Freedom of association and collective bargaining (in the supply chain) | 0.5 | The individual elements of the assessment are met or not as follows: Score 1  
  • Met: FoA & 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: volkswagenag.com] & [Minimum requirements for suppliers, 09/10/2022: vwgroupsupply.com] | |
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| D.5.7.a        | Health and safety: Fatalities, lost days, injury, occupational disease rates (in own production of manufacturing operations) | 0.5 | The individual elements of the assessment are met or not as follows:  
Score 1  
• Met: Describes process to identify H&S risks and impacts: It indicates: 'Volkswagen’s Health department focuses to a large extent on preventive approaches. Employees are therefore offered regular checkups’. It explains the role of the Safety First strategy: ‘The vision of this strategy is to anchor “safety first” as a guiding principle in the actions of all managers and employees. All occupational safety processes are to be known and to be applied reliably. Workplaces are to be safe and Occupational Safety department is to be involved in shaping them. (...) The strategy requires all Volkswagen Group production sites to comply with the standards of ISO 45001 occupational health and safety management systems and more specific Group requirements’. [2021 Sustainability Report, 03/2022: volkswagenag.com]  
• Met: Injury Rate or Lost days or Near Miss disclosures for last reporting period: The Company discloses its Accident frequency rate for the Volkswagen Group in 2021: 3.6. [2021 Sustainability Report, 03/2022: volkswagenag.com]  
• Met: Discloses Fatalities for last reporting period: It also ‘recorded one fatal accident involving our own employees in the reporting year’. [2021 Sustainability Report, 03/2022: volkswagenag.com]  
• Not Met: Occupational disease rate for last reporting period  
Score 2  
• Not Met: Set targets for H&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, including injury rates or lost days (or near miss frequency rate) and fatalities and occupational disease rates for the last reporting period. The Company has provided comments to CHRB regarding this indicator. However, no further evidence found. [Occupational Safety Policy, 31/12/2010: cw.volkswagenag.com]  
• Not Met: Met targets or explain why not or what is doing to improve management systems |
The individual elements of the assessment are met or not as follows:

**Score 1**
- **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: volkswagenag.com] & [Minimum requirements for suppliers, 09/10/2022: vwgroupsupply.com]
- **Not Met:** Injury rate disclosures and lost days (or near miss disclosures) for the last reporting period: The Company has provided comments to CHRB regarding this indicator. However, no further evidence found.
- **Not Met:** Fatalities disclosures for lasting reporting period
- **Not Met:** Occupational disease rates for the last reporting period

**Score 2**
- **Met:** How working with suppliers on H&S: The 2021 Sustainability Report indicates: ‘In the case of battery raw material cobalt, the Volkswagen Group is working together with other partners in the Cobalt for Development project for improved working and living conditions for small-scale cobalt miners and their communities in the Democratic Republic of Congo. The pilot project aims to strengthen compliance with laws and improve health and safety conditions (…)’. The webpage of the project explains: ‘In cooperation with the government authority SAEMAPE, C4D created interactive training materials and methods that underpin the project’s capacity development approach. Trainings are accompanied by continuous on-site coaching, during which the project provides mining cooperatives and artisanal miners with technical assistance and material support. The project’s flexible, modular approach is designed to be replicated and scaled across mining sites and communities to sparking engagement with responsible mining practices and ensure that cobalt mining contributes to communal development’. [2021 Sustainability Report, 03/2022: volkswagenag.com] & [Cobalt for Development (web), N/A: cobalt4development.com]
- **Not Met:** Assessment of the number affected by H&S issues in the SP
- **Not Met:** Provide analysis of trends in progress made
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| D.5.8.a | Women’s rights (in own production or manufacturing operations) | 0 | The individual elements of the assessment are met or not as follows:  
Score 1  
• Not Met: Process to stop harassment and violence against women: The Declaration on Social Rights and Industrial Relations and Business and Human Rights indicates: ‘The Volkswagen Group rejects all forms of discrimination, harassment or unwarranted disadvantage. This applies, in particular, to discrimination due to ethnic or social origin, skin color, gender, nationality, language, religion, physical or mental limitations, gender identity, sexual orientation, health status, age, marital status, pregnancy / parenthood (...). The Volkswagen Group does not tolerate any form of harassment, either sexual or moral. This applies, in particular, to violence and harassment in the working environment, which occurs during, in relation to or as a result of work being carried out. The signatories are therefore of the opinion that preventing and prohibiting such behavior using suitable measures is imperative and a prerequisite for ensuring well-being at work’. The 2021 Sustainability Report notes: ‘under the code, every employee and manager is responsible for ensuring that colleagues work together in partnership and for taking action if rules are breached’. The Company indicates in its feedback to CHRB regarding this indicator that ‘violations of the cited Code of Conduct are deemed to be whistleblower cases’. The Code of Conduct indicates: ‘Any deliberate use of the Whistleblower System will not be tolerated and will be disciplined accordingly’. No specific provision addressing violence against women found in the Code. No description of its process to prohibit and address harassment, intimidation and violence against women found (i.e specific whistleblowing procedure for these cases, specific training, etc) [Declaration on Social Rights and Industrial Relations and Business and Human Rights, 27/11/2020: volkswagenag.com] & [2021 Sustainability Report, 03/2022: volkswagenag.com]  
• Not Met: Working conditions take account of gender  
• Not Met: Measures and steps to address gender pay gap at all levels of employment: The Declaration on Social Rights and Industrial Relations and Business and Human Rights indicates: ‘work of equal value, especially between different genders’. The 2021 Sustainability Report notes that is has a diversity index: ‘this strategic indicator expresses the development of the proportion of women in management (... worldwade’). However, no further description found of how it measures and takes steps to address any gender pay gap throughout all levels of employment. [Declaration on Social Rights and Industrial Relations and Business and Human Rights, 27/11/2020: volkswagenag.com] & [2021 Sustainability Report, 03/2022: volkswagenag.com] |
| D.5.8.b | Women’s rights (in the supply chain) | 0 | The individual elements of the assessment are met or not as follows:  
Score 1  
• Not Met: Women’s rights in codes or contracts: The Code of Business for Business Partners indicates: ‘Business partners reject all forms of discrimination and harassment. Business partners must not discriminate against any employees, for example on the grounds of (...) gender, (...) pregnancy, (...’). However, no further evidence found indicating it requires suppliers to provide equal pay for equal work, introduce measures to ensure equal opportunities throughout all levels of employment and to eliminate health and safety concerns that are particularly prevalent among women workers. In its feedback to the CHRB, the Company indicates that it has a new Conduct for Business Partners which has not been published yet. However, only publicly available sources are accepted according to CHRB criterion. [Code of Business for Business Partners, 05/2019: volkswagenag.com]  
• Not Met: How working with suppliers on women’s rights  
Score 2  
• Not Met: Assessment on the number affected by discrimination or unsafe working conditions  
• Not Met: Provide analysis of trends in progress made |
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| D.5.9.a       | Working hours (in own production or manufacturing operations) | 0 | The individual elements of the assessment are met or not as follows: Score 1  
  - **Not Met:** Respects max hours, min breaks and rest periods in its own operations: The Declaration on Social Rights and Industrial Relations and Business and Human Rights indicates: 'The Volkswagen Group recognizes the principle that work hours must correspond at least to the respective national legal requirements or to the minimum standards of the respective national economic sectors. The Volkswagen Group promotes social and societal dialog where possible based on collective bargaining in order to ensure that work hours are humane and compatible with health'. However, no reference to respecting applicable international standards concerning maximum hours and minimum breaks and rest periods in its own operations found. [Declaration on Social Rights and Industrial Relations and Business and Human Rights, 27/11/2020: volkswagenag.com]  
  - **Not Met:** Assesses ability to comply with its commitments when allocating work/targets  
  - **Score 2:**  
    - **Not Met:** Meets both requirements under score 1  
    - **Not Met:** How it implements and checks this in its operations |
| D.5.9.b       | Working hours (in the supply chain) | 0.5 | The individual elements of the assessment are met or not as follows:  
  - **Score 1:**  
    - **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: volkswagenag.com] & [Minimum requirements for suppliers, 09/10/2022: vwgroupsupply.com]  
    - **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. Additionally, in its 2021 Sustainability Report, the Company indicates that it has 'in-depth Human Rights training' available for procurement employees. However, it is not clear how the Company works with suppliers specifically to improve their practices in relation to working hours. [Slavery and Human Trafficking Statement FY 2019, 26/06/2020: volkswagen-pozenan.pl] & [2021 Sustainability Report, 03/2022: volkswagenag.com]  
  - **Score 2:**  
    - **Not Met:** Assessment of number affected by excessive working hours  
    - **Not Met:** Provide analysis of trends in progress made |
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| D.5.10.a       | Responsible Mineral Sourcing: Arrangements with suppliers and smelters/refiners in the mineral resource supply chains | 0.5 | The individual elements of the assessment are met or not as follows:
  * Score 1
    - 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: 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’. The 2021 Responsible Raw Materials Report notes: ‘In line with the recommendation of the OECD Minerals Guidance, Volkswagen Group takes a risk-based approach to raw material supply chain due diligence. Our products can include thousands of parts made from several hundred raw materials, and we work with over 60,000 suppliers annually to build our products’. Specifically, regarding its 3TG suppliers: ‘In 2021, Volkswagen Group conducted trainings with 72 suppliers on regulatory frameworks, international standards and our responsible sourcing commitments regarding Conflict Minerals’. In its feedback to CHRB, the Company indicates the following: ‘We do not have direct business relationships with smelters/refiners of conflict minerals’. However, although the Company indicates it works with suppliers, this indicator looks for evidence of work done with smelters/refiners as well as with suppliers specifically to contribute to building their capacity in risk assessment and improving their due diligence performance in relation to conflict minerals (including through industry-wide initiatives). [Policy on Sustainable Raw Materials, 2017: volkswagenag.com] & [2021 Responsible Raw Materials Report, 2022: volkswagenag.com]
  * Score 2
    - Met: Contractual requirement to disclose 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]|
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<td>D.5.10.b</td>
<td>Responsible Mineral Sourcing: Risk identification in mineral supply chain</td>
<td>1.5</td>
<td>The individual elements of the assessment are met or not as follows: Score 1 • Met: Risk identification and disclosure in line with OECD Guidance: The Company indicates: 'Volkswagen Group due diligence management system in accordance with OECD. (…) In 2020, Volkswagen Group implemented different approaches for the identification of risks in different raw material supply chains. Approaches included: Audits up to the upstream level: Supply chain mappings, Analysis of suppliers’ and sub-suppliers’ self-disclosures, Examination of risk analyses from industry initiatives, Analysis of returned Volkswagen Group questionnaire and survey results, Monitoring of media reports, Stakeholder engagement (including civil society, investors and government organizations), A review of grievances received through the Volkswagen, Group Grievance Mechanism, In-country investigation. This is in line with Volkswagen Group’s due diligence approach of selecting activities based on specific supply chain characteristics. ‘Risks identified in general’ pertain to risks identified as generally present in international raw material supply chains and known to the Volkswagen Group for example through publically available reports rather than risks that are confirmed to be present in Volkswagen Group’s particular supply ‘chains’. Also, risks identified in general, in its 3TGs suppliers: ‘Child labour; Systematic or widespread human rights abuses associated with the extraction, transport or trade of the raw material; Human rights abuses committed by public or private security forces; Direct or indirect support to non-state armed; groups or public or private security forces; Adverse environmental impacts; Infringement on labour rights; Discrimination and harassment, including against vulnerable groups; Risks to workers’ occupational health and safety (OHS); Threats to indigenous people and communities’. [2020 Responsible Raw Materials Report, 06/2021: volkswagenag.com] &amp; [Human Rights and Responsible Sourcing, N/A: wvgroupsupply.com] • Met: Identification of smelter/refiners and OECD Guidance: It indicates: ‘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: volkswagenag.com] Score 2 • Met: Discloses smelters/refiners judged in line with OECD Guidance: The 2021 Responsible Raw Materials Report notes: ‘we are pleased to be able to disclose the lists of smelters and refiners in our 3TG supply chains’. Also, ‘Volkswagen Group conducted supplier data collection using the Responsible Minerals Initiative’s (RMI) Conflict Minerals Reporting Templates (CMRTs). […] As a result of this campaign, we determined 340 smelters. Nearly 69% of which were RMAP-conformant as of 2021. Through a collective of industry outreach, we have identified Country of Origin data for over 80% of our total smelters’. Lists identifying metal, smelters and ‘RMI Smelter Id’ can be found in the annex. [2021 Responsible Raw Materials Report, 2022: volkswagenag.com] • Not Met: Risk identification and disclosure covers all minerals: See above. Also, the 2020 Responsible Raw Materials Report notes ‘Given 2020 was the first year Volkswagen Group implemented the newly developed RMDDMS [raw material human rights due diligence management system] and the extreme complexity and opaqueness of some of the supply chains, risk identification was undertaken for all priority raw materials, the risk assessment - defined as the assessment of the presence of risks in Volkswagen Group’s particular supply chain and their severity - was finalized only for a number of priority raw materials’. The disclosures cover: 3TGs, Aluminium, Cobalt, Copper, Lithium, Mica, Nickel, PGMs, Steel. The 2021 Responsible Raw Materials Report indicates that: ‘The report covers 16 high-risk raw materials, of which raw materials for batteries in our electric vehicles (EVs) remain the priority.’ It includes the following materials: Lithium Cobalt, Nickel, Graphite, Tin, Tantalum, Tungsten, Gold, Aluminium, Copper, Mica, Platinum Group Metals (PGMs), Rare Earth Elements (REEs), Steel. [2021 Responsible Raw Materials Report, 06/2021: volkswagenag.com] &amp; [2021 Responsible Raw Materials Report, 2022: volkswagenag.com]</td>
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| D.5.10.c       | Responsible Mineral Sourcing: Risk management in the mineral supply chain | 0.5             | The individual elements of the assessment are met or not as follows: Score 1  
  • Met: Describes mineral risk management plan for supply chain: In the 2021 Responsible Raw Materials Report, the Company indicates risk mitigation and actions taken for Tungsten, Tantalum, Tin and Gold (3TG): ‘Based on the risk assessment results to date, the Group selected direct supplier engagement and capacity building as the most suitable mitigation measure at this stage. [...] In 2021, Volkswagen Group conducted trainings with 72 suppliers on regulatory frameworks, international standards and our responsible sourcing commitments regarding Conflict Minerals. [...] The training also included practical guidance on conducting supplier due diligence and using the CMRT. [...] While we have made headway in collecting supply chain information and identifying critical smelters in Volkswagen Group’s supply chain, more time and resources are needed to achieve better traceability in the highly complex 3TG supply chain. The task becomes even more complicated considering the high number of affected automotive parts. [...] By engaging in industry initiatives, such as the Responsible Minerals Initiative (RMI), Drive Sustainability and the Responsible Supply Chain Initiative (RSCI), Volkswagen Group promotes meaningful exchange and cooperation among the stakeholders to ultimately tackle these challenges and foster responsible sourcing practices globally’. Also, ‘Part of our RMDDMS [Raw Materials Due Diligence Management System] includes regular monitoring and evaluation of the performance of our RMDDMS to ensure it remains strong and effective. In 2021, we took several key steps to further develop the system. First, we set key performance indicators (KPIs) for the RMDDMS spanning to 2025, which are regularly reported to the steering committee. [...] we also set KPIs for a majority of our priority raw materials that we aim to achieve by 2025. [...] In a major step forward for the RMDDMS, we developed internal software system that now enables us to coordinate and centrally manage all RMDDMS activities across the entire Volkswagen Group. The system allows for a more structured approach to manage reporting, record-keeping, and impact measurement of our due diligence efforts’. It includes the following materials: Lithium Cobalt, Nickel, Graphite, Tin, Tantalum, Tungsten, Gold, Aluminium, Copper, Mica, Platinum Group Metals (PGMs), Rare Earth Elements (REEs), Steel. [Human Rights and Responsible Sourcing, N/A: vwgroupsupply.com]  
  • Met: Monitoring, tracking and whether better risk prevention/mitigation over time: The 2021 Responsible Raw Materials Report indicates: ‘Part of our RMDDMS [Raw Materials Due Diligence Management System] includes regular monitoring and evaluation of the performance of our RMDDMS to ensure it remains strong and effective. In 2021, we took several key steps to further develop the system. First, we set key performance indicators (KPIs) for the RMDDMS spanning to 2025, which are regularly reported to the steering committee. [...] we also set KPIs for a majority of our priority raw materials that we aim to achieve by 2025. [...] In a major step forward for the RMDDMS, we developed internal software system that now enables us to coordinate and centrally manage all RMDDMS activities across the entire Volkswagen Group. The system allows for a more structured approach to manage reporting, record-keeping, and impact measurement of our due diligence efforts’. 3TGs are in ‘in scope for the RMDDMS’. [2021 Responsible Raw Materials Report, 2022: volkswagenag.com]  
  • Not Met: Disclose better risk prevention/mitigation over time: The 2021 Responsible Raw Materials Report indicates: ‘In 2022, we will continue working on increasing transparency along the 3TG value chain. Once sufficient data is collected, we will begin direct engagement with the most critical tier-1 suppliers based on the smelter risk profile and/or the quantity of 3TG materials used in their products’. However, no evidence found of whether there has been significant improvement in risk prevention/mitigation over time with respect to at least 3TG. [2021 Responsible Raw Materials Report, 2022: volkswagenag.com] |
Score 2

- Not Met: Suppliers and stakeholders engaged in risk management strategy: The 2020 Responsible Raw Materials Report notes: ‘The Volkswagen Group also intensified its direct supplier and sub-supplier engagement on supply chain risks and mitigation measures in 2020. An estimate of over 100 virtual and in-person bilateral meetings were conducted with suppliers and sub-suppliers in addition to engagement in multi-stakeholder forums. Highlights in this regard were the presentation and discussion with stakeholders of Volkswagens’ due diligence approach to battery raw materials in the “National Action Plan for the Implementation of the UN Guiding Principles on Business and Human Rights” (NAP), Sector Dialogue Automotive, Working Group 2 “Respecting Human Rights in Natural Resource Value Chains and Supply Networks” on 19.5.2020, as well as taking on a seat on the board of directors at the Responsible Mica Initiative in November 2020’. Additionally, the 2021 Responsible Raw Materials Report indicates: ‘In early 2021, Volkswagen Group partnered with BASF, Daimler AG and Fairphone to launch the Responsible Lithium Partnership, a project to support sustainable use of resources in Salar de Atacama, a major lithium-producing region in Chile. This cross-industry partnership commissioned the Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) to coordinate the project, which seeks to find common ground by building a multi-stakeholder platform among relevant actors in the Salar watershed, including civil society groups, indigenous communities, government institutions, mining companies and others. […] our first step was to initiate a participatory process that would foster dialogue among local stakeholders, review scientific research data and begin discussing possible solutions. In 2021, we launched the multi-stakeholder platform and established a governance structure for its ongoing activities. The project for the first time brought together various local stakeholder groups, allowing them to engage in a constructive dialogue, set common objectives and agree on a joint work plan. The partnership continues to facilitate cooperation amongst local actors with the aim to develop a shared vision for a sustainable future of the Salar de Atacama watershed’. However, although the Company indicates it has engaged with lithium stakeholders, it is not clear how it engages with suppliers and affected stakeholders specifically to agree on its strategy for risk management in its 3TG supply chain. [2020 Responsible Raw Materials Report, 06/2021: volkswagenag.com] & [2021 Responsible Raw Materials Report, 2022: volkswagenag.com]

- Not Met: Risk management and response processes cover all minerals: The 2021 Responsible Raw Materials Report indicates: ‘Part of our RMDDMS [Raw Materials Due Diligence Management System] includes regular monitoring and evaluation of the performance of our RMDDMS to ensure it remains strong and effective. In 2021, we took several key steps to further develop the system. First, we set key performance indicators (KPIs) for the RMDDMS spanning to 2025, which are regularly reported to the steering committee. […] we also set KPIs for a majority of our priority raw materials that we aim to achieve by 2025. […] In a major step forward for the RMDDMS, we developed internal software system that now enables us to coordinate and centrally manage all RMDDMS activities across the entire Volkswagen Group. The system allows for a more structured approach to manage reporting, record-keeping, and impact measurement of our due diligence efforts’. It includes the following materials: Lithium Cobalt, Nickel, Graphite, Tin, Tantalum, Tungsten, Gold, Aluminium, Copper, Mica, Platinum Group Metals (PGMs), Rare Earth Elements (REEs), Steel. Also, ‘Drive Sustainability is an automotive industry initiative of responsible automakers with the shared goal to promote a sustainable, responsible and circular automotive value chain. […] we co-chair the Raw Material Working Group, through which we contributed to the development and launch of the Raw Material Outlook platform (RAW MATERIAL OUTLOOK PLATFORM), launched late in 2021. […] The Raw Material Outlook is a platform that collects and analyses information on raw material risks in the automotive value chain, including an in-depth assessment of human rights risks across 10 critical materials: aluminium/bauxite, graphite, iron ore, magnesium, manganese, molybdenum, nickel, RREs, tantalum and zinc. […] The Raw Material Outlook features across several of our raw material-specific approaches to due diligence, as seen in the next section of this report. The data provided through the platform plays an important role in our approach to risk identification and assessment. Furthermore, it provides a channel for engagement with other companies and stakeholders to identify collaborative actions for managing and mitigating risks in these supply chains’. However, it is not clear these risk management and response processes cover all minerals and whether there has been improvement. [2021 Responsible Raw Materials Report, 2022: volkswagenag.com]
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| D.5.11         | Responsible Materials  | 1               | The individual elements of the assessment are met or not as follows: Score 1 • 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: volkswagenag.com] • 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.’ Regarding its natural rubber suppliers, the 2020 Responsible Raw Materials Report notes: ‘Volkswagen Group in 2020 firmed up its support to a 4-year in-country project in Indonesia that aims to support and improve the situation and livelihood of local smallholder farmers. Furthermore, the Volkswagen Group actively encouraged tier-1 suppliers’ in undertaking efforts towards responsibly sourced natural rubber- including investments into additional in-country projects, including projects to combat deforestation through the analysis of satellite images’. 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: volkswagenag.com] & [2020 Responsible Raw Materials Report, 06/2021: volkswagenag.com] Score 2 • Not Met: Meets all requirements under score 1 • Not Met: Identify the sources of high-risk raw materials in its supply chain: The Company states in its website Human Rights and Responsible Sourcing: ‘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. The 2021 Responsible Raw Materials Report discloses its priority raw materials, including: rubber and leather. However, it is not clear if it identifies the sources back to farm, ranch, mine, etc. [Human Rights and Responsible Sourcing, N/A: vwgroupsupply.com] & [2021 Sustainability Report, 03/2022: volkswagenag.com]
### E. Performance: Responses to Serious Allegations (20% of Total)

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| E(1.0) | Serious allegation No 1 | • Area: FoA/CB; discrimination  
• Headline: Fujikura plant supplying electrical equipment to Volkswagen allegedly linked to human rights abuses  
• 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.  
[Business and Human Rights Resource Centre, 29/4/2019, "Response by Volkswagen": business-humanrights.org] [Hmarochos, 15/03/2019, "Media: an employee of a plant in Lviv region died because she was afraid to take sick leave due to the threat of dismissal": hmarochos.kiev.ua] |
| E(1.1) | The company has responded publicly to the allegation | 0 | The individual elements of the assessment are met or not as follows:  
Score 1  
• Not Met: Public response: The Company provided a response to the incident, however, this response does not acknowledge the allegation and instead offers general explanations of policy. [Business and Human Rights Resource Centre, 29/4/2019: business-humanrights.org]  
Score 2  
• Not Met: Detailed response: The response does not acknowledge the allegation and instead offers general explanations of policy. |
| E(1.2) | The company has investigated and taken appropriate action | 0 | The individual elements of the assessment are met or not as follows:  
Score 1  
• Not Met: Engaged with stakeholders  
• Not Met: Identified cause  
Score 2  
• Not Met: Identified and implemented improvements  
• Not Met: Stakeholder input to steps taken |
| E(1.3) | The company has engaged with affected stakeholders to provide for or cooperate in remedy(ies) | 0 | The individual elements of the assessment are met or not as follows:  
Score 1  
• Not Met: Provided remedy  
• Not Met: Evidence for lack of impact or link  
Score 2  
• Not Met: Remedy satisfactory to stakeholders  
• Not Met: Remedy delivered  
• Not Met: Independent remedy process used |
| E(2.0) | Serious allegation No 2 | • Area: FoA/CB  
• Headline: IndustriALL announces the suspension of global agreement with Volkswagen  
• 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.  
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.  
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. |
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| E(2).1 | The Company has responded publicly to the allegation | 1 | The individual elements of the assessment are met or not as follows:  
| | | | • Met: Public response: In response to IndustriALL's letter to Volkswagen of 04/12/2018 the company responded stating "Volkswagen is clearly committed to recognizing and implementing these rights anchored throughout the world. That also applies to Volkswagen in Chattanooga. Following an unsuccessful election in February 2014 for blue-collar workers in Chattanooga, in December 2015 the UAW held a certification election in the area of maintenance workers. Volkswagen has always believed that employee representation in Chattanooga should be consistent for all employees. The review of the legality of the elections has, unfortunately, continued to this day. Since the Dec 26, 2017 the procedure has been referred back to the NLRB. The decision of the NLRB is still pending." The company points out that it will respect the NLRB decision regarding the elections of 2015. [IndustriALL, 15/01/2019, "Volkswagen letter to IndustriALL": industrial-union.org]  
| | | | Score 2  
| | | | • Not Met: Detailed response: The response only refers to the election of December 2015, the company does not provide a response to the allegations of continued anti-union actions in 2019. [IndustriALL, 15/01/2019: industrial-union.org] |
| E(2).2 | The Company has appropriate policies in place | 0 | The individual elements of the assessment are met or not as follows:  
| | | | • Not Met: Engaged with stakeholders  
| | | | • Not Met: Identified cause  
| | | | Score 2  
| | | | • Not Met: Identified and implemented improvements: CHRB did not find evidence of the company taking any steps to improve its management systems with regard to unionisation efforts or the treatment of the UAW.  
| | | | • Not Met: Stakeholder input to steps taken |
| E(2).3 | The Company has taken appropriate action | 0 | The individual elements of the assessment are met or not as follows:  
| | | | • Not Met: Provided remedy  
| | | | • Not Met: Evidence for lack of Impact or link: The company denies wrongdoing and points to the certification process before the NLRB as a means to prove the affected stakeholders did not suffer a rights violation by the company's refusal to engage with the UAW after the 2015 election. On 22/05/2019 the NLRB dismissed the petition by the UAW based on a procedural error the UAW made in filing the petition. This dismissal of the UAW petition, however, is not a decision on the question of anti-union actions by the company and does therefore not provide sufficient evidence that the affected stakeholders did not suffer the alleged impacts. [NLRB, 22/05/2019, "Volkswagen Group of America Chattanooga Operations, LLC and International Union, United Automobile, Aerospace and Agricultural Implement Workers of America (UAW) Decision on Review and Order": onlabor.org]  
| | | | Score 2  
| | | | • Not Met: Remedy satisfactory to stakeholders  
| | | | • Not Met: Remedy delivered |

IndustriALL 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.

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 propaganda: '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 entire US South.' IndustriALL continues to stand by its decision to suspend the Global Framework Agreement. [IndustriALL, 11/12/2018, "IndustriALL mounts pressure on Volkswagen to engage with US union": industrial-union.org] [IndustriALL, 18/06/2019, "UAW loses election at VW Chattanooga by narrow margin": industrial-union.org] [Chattanooga Times Free Press, 21/01/2019, "Global union suspends Volkswagen agreement over Chattanooga plant dispute": timesfreepress.com] [IndustriALL, 21/01/2019, "IndustriALL suspends global agreement with Volkswagen": industrial-union.org]
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<td>E(3).0</td>
<td>Serious allegation No 3</td>
<td></td>
<td>• Area: Freedom from torture, cruel inhumane or degrading treatment</td>
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<td></td>
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<td>• Not Met: Independent remedy process used: The company participated in the NLRB proceeding, which qualifies as an independent process according to the CHRB methodology. However, the NLRB proceeding did not conclude that the affected stakeholders did not suffer the alleged impact in a way to satisfy the requirements by the CHRB. [NLRB, 22/05/2019: onlabor.org]</td>
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<td>1</td>
<td>• Headline: Brazil Truth Commission investigates Volkswagen ties with dictatorship</td>
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<td>• 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 &quot;unsatisfactory&quot; 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 &quot;black list&quot; 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. [The Sunday Independent, 01/03/2015, “Brazil probe VW links to military dictatorship”: pressreader.com] [BBC, 25/09/2020, “Volkswagen to compensate workers over Brazil torture”: bbc.co.uk] [Deutsche Welle, 15/12/2017, “Volkswagen says staff collaborated with Brazil's military dictatorship”: dw.com]</td>
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<tr>
<td>E(3).1</td>
<td>The Company has responded publicly to the allegation</td>
<td>1</td>
<td>The individual elements of the assessment are met or not as follows: Score 1 • Met: Public response: The Company hired a university professor to conduct a study on its actions during the period of the military regime. The independent study concluded that &quot;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.&quot; In September 2020, VW executive Hiltrud Werner said in a statement: &quot;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.&quot; [Deutsche Welle, 24/09/2020, &quot;Volkswagen to compensate workers over Brazil torture&quot;: dw.com] [VW do Brasil in the Brazilian Military Dictatorship 1964-1985 A Historical Study, 14/12/2017: volkswagenag.com] Score 2 • Not Met: Detailed response: The responses by the company itself remain general and do not include details of the alleged conduct.</td>
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<tr>
<td>E(3).2</td>
<td>The Company has appropriate policies in place</td>
<td>0.5</td>
<td>The individual elements of the assessment are met or not as follows: Score 1 • Not Met: Engaged with 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.' [Deutsche Welle, 15/12/2017: dw.com] [Deutsche Welle, 24/09/2020: dw.com] • Met: Identified cause: The historical study analyses the underlying issues of the allegation, [VW do Brasil in the Brazilian Military Dictatorship 1964-1985 A Historical Study, 14/12/2017: volkswagenag.com] Score 2 • Not Met: Identified and implemented improvements</td>
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| E(3).3         | The Company has taken appropriate action | 1.5            | The individual elements of the assessment are met or not as follows:  
Score 1  
• Met: Provided remedy: 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. [Deutsche Welle, 24/09/2020: dw.com]  
• Not Met: Evidence for lack of Impact or link  
Score 2  
• Not Met: Remedy satisfactory to stakeholders: 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. [Deutsche Welle, 24/09/2020: dw.com]  
• Met: Remedy delivered: There is no indication that the company did not provide the remedy as agreed.  
• Not Met: Independent remedy process used |
| E(4.0)         | Serious allegation No 4 |                | Area: Forced labour  
• Headline: Volkswagen among companies accused of using suppliers linked to forced labour in China  
• Story: On March 1, 2020, the Australian Strategic Policy Institute (ASPI) released a report that named Volkswagen among 83 other companies benefiting from the use of potentially abuse labour transfer programs. According to the report, more than 80,000 Uighur residents and former detainees from the north-western region of Xinjiang, China have been transferred to factories to work under conditions that strongly suggest forced labour for suppliers of several multinational's supply chains. ASPIC used open-source public documents, satellite imagery, and media reports and identified 27 factories in nine Chinese provinces that have used transferred labourers. It is also alleged that Muslim minorities are thought to be working in forced labour conditions across the country. The ASPI report said that workers live in segregated dormitories, are required to study Mandarin and undergo ideological training. The workers were transferred out of Xinjiang between 2017 and 2019, claiming that people are being effectively "bought" and "sold" by local governments and commercial brokers.  
On November 12, 2020, press sources reported that a Green Party member of the European Parliament and formerly a member of the German Federal Parliament from Lower Saxony criticised the Company’s response in interview with BBC in Beijing concerning allegations of forced labor in Xinjiang.  
According to the Green Party member, Even if VW could prove categorically that their own supply chain was clean, the criticism goes far deeper because opening a car plant in Xinjiang requires the partnership and approval of the Chinese authorities, the concern is that it risks lending tacit support to the policies of mass incarceration and ethnic repression, for which there is now compelling evidence.  
Satellite data, the testimony of witnesses and China's own government records make clear the scale of the camp building and the coercion behind the factory labour. With international governments and rights-groups raising their voices in condemnation, and some major brands distancing themselves, Volkswagen finds itself out of step on Xinjiang.  
The green party member also revealed that the condition for any expansion of the Company within China is that at least one of the factories should be based in the west and if VW decides unilaterally to close they won’t be able to produce in the country.  
[ABC, 01/03/2020, "Apple, Nike and other major companies implicated in Muslim forced labour in China": abc.net.au] [Australian Strategic Policy Institute, 01/03/2020, "Uyghurs for sale": aspi.org.au] [The Guardian, 01/03/2020, "China transferred detained Uighurs to factories used by global brands – report": theguardian.com] [BBC, 12/11/2020, "China Muslims: Volkswagen says ‘no forced labour’ at Xinjiang plant": bbc.com] |
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| E(4).1         | The Company has responded publicly to the allegation | 2                | The individual elements of the assessment are met or not as follows: Score 1  
|                |                                       |                  | • Met: Public response: A Volkswagen spokesman told the Washington Post: "None of the mentioned supplier companies are currently a direct supplier of Volkswagen." He said: "We are committed to our responsibility in all areas of our business where we hold direct authority."  
|                |                                       |                  | In an interview with the BBC in Beijing, the company's CEO in China, Stephan Wöllenstein, defended Volkswagen's presence in Xinjiang's capital, Urumqi, where it runs a factory with 600 workers, producing up to 20,000 vehicles a year. "This certainly is an unacceptable situation. Therefore, we are making sure that none of our production sites have forced labour, and this is something that we specifically checked in Urumqi and I can assure you, we do not have forced labour. We try to control our company-related processes, including the HR process, which, for instance, means the hiring of people in the best possible manner," he said. "And this reduces for us the risk that something happens which we do not like and which is not complying to our standards. But I guess we could never reach 100% certainty," he added.  
|                |                                       |                  | In April 2021, Stephan Wöllenstein told the Spiegel that the Volkswagen plant in Urumqi could not have any forced labour issues, as the company was employing the workers directly.  
|                |                                       |                  | In April 2022, the company declared, it has no evidence of forced labour usage by its Xinjiang suppliers. [The Guardian, 01/03/2020: theguardian.com] [BBC, 12/11/2020: bbc.com] [Business and Human Rights Resource Centre, 19/04/2021, "Volkswagen executive rules out possibility of forced labour and stands by commitment in Xinjiang": business-humanrights.org] [AlCircle, 11/04/2022, "BMW, General Motors and Volkswagen shamed for supporting Xinjiang’s forced labour programme": alcircle.com]  
|                |                                       |                  | Score 2  
|                |                                       |                  | • Met: Detailed response: The company, in its various replies speaks to the forced labour allegations in both its own operations and supply chain.  
| E(4).2         | The Company has appropriate policies in place | 0                | The individual elements of the assessment are met or not as follows: Score 1  
|                |                                       |                  | • Not Met: Engaged with stakeholders: The company claims to have "checked" that it was not involved in forced labour, however, there is no evidence suggesting that the company engaged with the affected stakeholders as part of those "checks".  
|                |                                       |                  | • Not Met: Identified cause  
|                |                                       |                  | Score 2  
|                |                                       |                  | • Not Met: Identified and implemented improvements: On April 19th, 2021, Stephan Wöllenstein told journalists in Shanghai: "We have made it clear that we must stand by our commitment in China as a whole, and we will also stand by our commitment in Xinjiang as long as we believe that it is economically feasible." Wöllenstein added: "We can't have an issue like forced labor because we employ employees directly." Based on this statement and those previously issued, the company not only maintained the Xinjiang facility, but also did not implement any changes to its internal policies and processes following the allegations of forced labour in the region. [Business and Human Rights Resource Centre, 19/04/2021, "Volkswagen executive rules out possibility of forced labour and stands by commitment in Xinjiang": business-humanrights.org]  
|                |                                       |                  | • Not Met: Stakeholder input to steps taken  
| E(4).3         | The Company has taken appropriate action | 0                | The individual elements of the assessment are met or not as follows: Score 1  
|                |                                       |                  | • Not Met: Provided remedy  
|                |                                       |                  | • Not Met: Evidence for lack of Impact or link: The company claims that it employs all the workers in its Urumqi factory directly and therefore cannot have forced labour issues. It also states it found no evidence of Uyghur forced labour being used by its suppliers. However, it provides no publicly available evidence of its investigations or other evidence that could be considered sufficient that it is not linked to forced labour through its supply chain. [Business and Human Rights Resource Centre, 19/04/2021, "Volkswagen executive rules out possibility of forced labour and stands by commitment in Xinjiang": business-humanrights.org]  
|                |                                       |                  | Score 2  
|                |                                       |                  | • Not Met: Remedy satisfactory to stakeholders  
|                |                                       |                  | • Not Met: Remedy delivered  
|                |                                       |                  | • Not Met: Independent remedy process used  

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| E(5).0         | Serious allegation No 5 | 1 | • Area: FoA/CB
  • Headline: Volkswagen accused of firing 14 of National Union of Metalworkers of South Africa
  • Story: On January 14, 2021, press sources reported that Volkswagen SA (VWSA) has allegedly fired 14 National Union of Metalworkers of SA (Numsa) shop stewards at its Port Elizabeth plant, leaving workers without union representation.

According to Numsa, the shop stewards were dismissed for defending the right of workers to strike over unsafe working conditions at VWSA. This relates to 17 July 2020 when workers downed tools and embarked on work stoppage. Union’s spokesperson revealed that for a sustained period of more than two months, our members at VWSA were subjected to a 50% salary cut and TERS payments from government were not forthcoming.

Union also said that over and above these financial losses, workers were egedly under siege from VWSA management who openly compromised health and safety protocols, risking workers’ lives while management and office staff worked from the comfort and safety of their homes. [The Citizen, 13/01/2021, “Numsa accuses Volkswagen SA of ‘union bashing’ after 14 shop stewards fired”: citizen.co.za]

| E(5).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: VWSA group communication director and spokesperson Andile Dlamini said: “VWSA confirms that the 14 shop stewards were subjected to a disciplinary enquiry of which the details remain confidential between the employees concerned and the company.” Dlamini said the VWSA workers had not asked the company to reinstate the shop stewards. “The matter has been referred to the Commission for Conciliation, Mediation and Arbitration by Numsa and it must be allowed to follow the due legal process,” he said.
  He added that Numsa’s allegations of breaches of Covid-19 protocols last year were incorrect. “The company followed and still follows all the necessary protocols to clear the employees to return to work after they had tested positive for Covid-19 or [been] exposed to a person who had tested positive. There is no truth in any suggestion that any employee of the Company was disciplined for any Covid-19 related absence from work, nor was there any employee disciplined for being close to exceeding his/her sick leave entitlement irrespective of whether such employees contracted Covid-19,” said Dlamini. [New Frame, 07/04/2022, “VW shop stewards fight coronavirus strike dismissal”: newframe.com]
  Score 2
  • Not Met: Detailed response: The company did not address all aspects of the allegation in detail. Not only did the company fail to address the reasons for the dismissal but also the allegations relating to the 50% salary cut and the delay of the TERS payments.

| E(5).2         | The Company has appropriate policies in place | 0 | The individual elements of the assessment are met or not as follows:
  Score 1
  • Not Met: Engaged with stakeholders: VWSA refused to have discussions with Numsa, defying even VW head office in Germany, which had said it “must go back and have discussions with Numsa in order to find an amicable solution.” Thereby, based on the evidence, the company did not engage with the affected stakeholders. [New Frame, 07/04/2022, “VW shop stewards fight coronavirus strike dismissal”: newframe.com]
  • Not Met: Identified cause
  Score 2
  • Not Met: Identified and implemented improvements
  • Not Met: Stakeholder input to steps taken

| E(5).3         | The Company has taken appropriate action | 0 | The individual elements of the assessment are met or not as follows:
  Score 1
  • Not Met: Provided remedy: The company refused to reinstate the 14 shop stewards and there is no evidence suggesting the company provided any other remedy to the affected stakeholders.
  • Not Met: Evidence for lack of Impact or link
  Score 2
  • Not Met: Remedy satisfactory to stakeholders
  • Not Met: Remedy delivered
  • Not Met: Independent remedy process used
**E(6).0** Serious allegation No 6

- **Area:** Environmental rights; land rights
- **Headline:** Volkswagen among others accused of abuses of Aluminium supply chains
- **Story:** On July 22, 2021, Human Rights Watch and Inclusive Development International said in a report that automobile companies need to do more to address abuses in their aluminium supply chains and the bauxite mines they source from. Car manufacturers used nearly a fifth of all aluminium consumed worldwide in 2019 and they are forecast to double their aluminium consumption by 2050 as they transition to electric vehicles.

In its report the Human Rights Watch and Inclusive Development International describes the global supply chains that connect car manufacturers to mines, refineries, and smelters from countries including Guinea, Ghana, Brazil, China, Malaysia, and Australia. Based on meetings and correspondence with nine major car companies – VW among others (BMW, Daimler, Ford, General Motors, Groupe PSA (now part of Stellantis), Toyota, Renault, and Volvo) – Human Rights Watch and Inclusive Development International assessed how the auto industry addresses the human rights impacts of aluminium production, from the destruction of farmland and damage to water sources caused by mines and refineries to the significant carbon emissions from aluminium smelting. Although car companies’ knowledge of aluminium supply chains varies, none of the nine companies that responded to Human Rights Watch and Inclusive Development International had, prior to being contacted for this report, mapped their aluminium supply chain to understand the human rights risks within it.

The report also alleged despite many of the world’s leading car companies have publicly committed to addressing human rights abuses in their supply chains, they have done little to evaluate and address the human rights impact of aluminium production. They have instead prioritized supply chain due diligence for other materials central to electric vehicles, such as the cobalt needed for electric batteries. Because they involve surface level mining, bauxite mines take up a large area, often destroying farmland that underpins the livelihoods of local communities. Bauxite mines can also have a devastating impact on rivers, streams, and groundwater sources that communities rely upon for household consumption and irrigation.


**E(6).1** The Company has responded publicly to the allegation

1

The individual elements of the assessment are met or not as follows:

- **Score 1**
  - **Not Met:** Public response: Volkswagen responded to the findings of HRW and IDI in a letter dated 11/06/2021. This letter is not publicly available. However, extracts from the letter are included in the Report. When asked about connections between its operations and CBG and SMB, the two Guinean mining companies discussed in the Report, the company said: “Guinea is one of the largest global exporters of bauxite. Discussions with our most important suppliers of parts containing aluminium reveal, that we are unable to confirm that no bauxite from Guinea is used in our products.” The company also stated: “due to the high variety and number of parts in our vehicles using aluminium, a process to track and trace all material back/up to mining level and have one hundred percent transparency for all aluminium parts is currently not possible.” [Human Rights Watch, 22/07/2021: hrw.org]

- **Score 2**
  - **Not Met:** Detailed response: Based on the excerpts of the company’s responses in the Report, the company responded in general terms, mainly describing its policies, and did not address all aspects of the allegation in detail.

**E(6).2** The Company has appropriate policies in place

0.5

The individual elements of the assessment are met or not as follows:

- **Score 1**
  - **Not Met:** Engaged with stakeholders: Volkswagen joined the Aluminium Stewardship Initiative (ASI), an industry-led certification scheme that aims to "recognize and collaboratively foster responsible production, sourcing, and stewardship of aluminium". However, ASI’s board does not have equal participation and voting rights for impacted communities and civil society groups versus downstream and upstream industry representatives, even though it does allow for participation and input from non-industry players. [Human Rights Watch, 22/07/2021: hrw.org]
### Indicator Code: E(6).3
#### Indicator name: The Company has taken appropriate action

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| 0                | - Not Met: Provided remedy  
- Not Met: Evidence for lack of Impact or link  
- Score 2  
- Not Met: Remedy satisfactory to stakeholders  
- Not Met: Remedy delivered  
- Not Met: Independent remedy process used |

**Explanation:**

The individual elements of the assessment are met or not as follows:

- **Score 2**
  - Not Met: Identified cause: Volkswagen joined the Aluminium Stewardship Initiative (ASI), an industry-led certification scheme that aims to, “recognize and collaboratively foster responsible production, sourcing, and stewardship of aluminium”. However, ASI does not present investigative results on the underlying causes of the events concerned. [Human Rights Watch, 22/07/2021: hrw.org]
  - Met: Identified and implemented improvements: Drive Sustainability, a coalition of 11 car companies that includes BMW, Daimler, Ford, Toyota, Volkswagen, and Volvo, in May 2021 initiated a project to assess the human rights risks inherent in aluminium supply chains and those of nine other raw materials, which it said could presage collective action by the auto industry to drive up standards in supply chains. [Human Rights Watch, 22/07/2021: hrw.org]
  - Not Met: Stakeholder input to steps taken: There is no evidence suggesting that the views of affected stakeholders were taken into account in the improvement of the company policies.

**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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score because, as with all measurements, there is a reasonably wide margin of error possible in interpretation. We also want to encourage a greater analytical focus on how scores improve over time rather than upon how a company compares to other companies in the same industry today. The spirit of the exercise is to promote continual improvement via an open assessment process and a common understanding of the importance of the UN Guiding Principles on Business and Human Rights.

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