

ESG Conference

April 9, 2024

Human Rights Officer

April 9, 2024/ Dr. Kerstin Waltenberg

Disclaimer

The following presentations as well as remarks/comments and explanations in this context contain forward-looking statements on the business development of the Volkswagen Group. These statements are based on assumptions relating to the development of the economic, political and legal environment in individual countries, economic regions and markets, and in particular for the automotive industry, which we have made on the basis of the information available to us and which we consider to be realistic at the time of going to press. The estimates given entail a degree of risk, and actual developments may differ from those forecast. All figures are rounded, so minor discrepancies may arise from addition of these amounts. At the time of preparing these presentations, it is not yet possible to conclusively assess the specific effects of the latest developments in the Russia-Ukraine conflict on the Volkswagen Group's business, nor is it possible to predict with sufficient certainty to what extent further escalation of the Russia-Ukraine conflict will impact on the global economy and growth in the industry in fiscal year 2024. Any changes in significant parameters relating to our key sales markets, or any significant shifts in exchange rates, energy and other commodities or the supply with parts relevant to the Volkswagen Group will have a corresponding effect on the development of our business. In addition, there may also be departures from our expected business development if the assessments of the factors influencing sustainable value enhancement and of risks and opportunities presented develop in a way other than we are currently expecting, or if additional risks and opportunities or other factors emerge that affect the development of our business. We do not update forward-looking statements retrospectively. Such statements are valid on the date of publication and can be superseded. This information does not constitute an offer to exchange or sell or an offer to exchange or buy any securities.



High complexity in the Volkswagen Group's value chain.

Volkswagen is aware of the magnitude of its responsibility regarding Human Rights.



Supply Chain

- > 59.000 direct suppliers in over 90 countries

Volkswagen Group

- 12 Brands
- > 2.500 companies, thereof > 1.200 in own business area
- 119 Sites
- 670.000 employees

Customers

- Operational business in 162 Countries



Respecting Human Rights.

12 Human Rights and environmental risks according to LkSG





The LkSG specifies several due diligence obligations.

Main Goal: Mitigation of Human Rights and environmental risks.

Volkswagen established the role of a Human Rights Officer as of 01/08/2022.
The Human Rights Officer ensures that Volkswagen AG as a company fulfils its responsibility to comply with due diligence obligations in accordance with the LkSG.





Human Rights Office established between 2nd and 3rd line.

Three lines of defence model is our governance, risk and compliance management system.





First policy Statement published in November 2023.

Focus: Ensure obligations imposed by the LkSG were met completely.

Policy statement of Volkswagen AG

for compliance with human rights and environmental due diligence obligations pursuant to section 6(2) of the German Act on Corporate Due Diligence Obligations for the Prevention of Human Rights Violations in Supply Chains (Lieferkettensorgfaltspflichtengesetz - LkSG) of 16 July 2021

The Volkswagen Group operates in 162 countries around the world. It employs around 670,000 people at its 119 sites worldwide. The Volkswagen Group comprises some 2,500 companies, including more than 1,200 controlled companies. Furthermore, we have more than 59,000 direct suppliers in more than 90 countries as our business partners.

In 2023, the Volkswagen Group of companies comprises of, apart from Volkswagen AG, 13 other Group companies subject to mandatory reporting in accordance with section 10 of the LkSG, to which the LkSG applies pursuant to section 1(1) of the LkSG.¹

As a global company, we are aware of our responsibility to respect human rights and to comply with our due diligence obligations as regards human rights and the environment. This is the benchmark for our corporate activities throughout our supply chain and value chain.

For the first year in which the LkSG becomes valid, the Volkswagen Group's strategic objective concerning human rights is to ensure that the obligations imposed by the Act are met completely and in the best possible manner. For the 2023 financial year, it is first of all our ambition to implement the legal requirements in a timely and complete manner. This will be challenging given the global operational expansion of our business activities and the high complexity of our supply chains and value chains.

In the coming years, we will continuously review and improve our initial risk management system in terms of defending protected legal positions under human rights and environmental laws, and to broaden it to include further strategic goals and objects of legal protection, including beyond the scope of the LkSG.

Below we describe the procedure by which Volkswagen AG is fulfilling its obligations in accordance with section 4(1), section 5(1), section 6(3-5) and sections 7 to 10 of the LkSG. We also describe the prioritised human rights and environmental risks for the company identified on the basis of the risk analysis, with reference to the conventions listed in the Annex to the LkSG. Finally, we describe the human rights and environmental expectations that Volkswagen AG has both of its employees and suppliers in the supply chain as determined on the risk analysis and the conventions listed in the Annex to the LkSG.

1. Establishment of a risk management system, section 4 LkSG

At Volkswagen, clear responsibilities are established throughout the Group as part of the "three-line of defense model" as a regulatory framework for a holistic governance, risk and compliance management system for managing corporate risk, including the risk to protected legal positions under the LkSG.

The first line of defense consists of the specialist and functional departments responsible for day-to-day operational business. In their operational activities they mitigate risks, including protected legal positions under the LkSG, which they detect at an early stage, analyse and actively manage by means of suitable preventive measures. Relevant divisions for ensuring the fulfilment of human rights and environmental due diligence obligations as defined in the LkSG primarily include, in Volkswagen AG's own business area, the Human Resources, Group Occupational Health and Safety and Group Security divisions, as well as Group Procurement for suppliers.

¹ Audi AG, Dr. Ing. h.c. F. Porsche AG, MAN Truck & Bus SE, Volkswagen Sachsen GmbH, Volkswagen Group Services GmbH, CARIAD SE, MAN Truck & Bus Deutschland GmbH, MAN Energy Solutions SE, MHP Management- und IT-Beratung GmbH, Porsche Leipzig GmbH, Volkswagen Financial Services AG, Volkswagen Original Teile Logistik GmbH & Co. KG, TRATON SE.

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