Volkswagen Group Policy on Sustainable Raw Materials

The Volkswagen Group is committed to responsible and transparent business conduct. The Volkswagen Group stands for respect, tolerance as well as cultural openness and accepts responsibility for employment, prosperity, society and environment in many regions around the world. It is our goal to create enduring value for customers, employees, shareholders, partners and society in order to contribute to sustainable development. Sustainability is the foundation of the Volkswagen Group’s corporate strategy.

The “Sustainability in Supplier Relations" concept was developed in 2006. 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. Additionally, the compliance with these requirements is monitored, for example by supplier audits. The Volkswagen Group 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.

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. Minerals are categorized as conflict-affected, if the mining, transport, trade, handling, processing or export supports armed, non-state groups, directly or indirectly. 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.

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.

For this purpose, the Volkswagen Group recommends the use of the standardized reporting template of the Responsible Minerals Initiative (RMI). With the help of RMI data, the Volkswagen Group will inform those suppliers which maintain a business relationship with conflict-prone smelters and refiners about the possibility to use conflict-free smelters or refiners.
The suppliers are requested to meet their due diligence obligations along the supply chain. This includes the implementation of measures that ensure that the minerals used by suppliers – particularly tin, tantalum, tungsten, gold and cobalt – do not contribute to the direct or indirect support of armed conflicts or are in connection with violations of human rights.

In order to contribute to transparency of monetary flows regarding raw materials and through that the fight against corruption, Volkswagen participates for example in the Extractive Industries Transparency Initiative (EITI) that is supported by NGOs, investors and well-known companies. Through the disclosure of monetary flows, it fights for Good Governance in countries with extractive industries.

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