

# Reporting Human Rights and Environment related Risks and Violations to Whistleblower System

8<sup>th</sup> December 2022

Confidential Class: Internal



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# Why Is the German Act on Corporate Due Diligence Obligations in Supply Chains Relevant to You?

## ▶ The German Act “Lieferkettensorgfaltspflichtengesetz” (LkSG)

The German Act on Corporate Due Diligence Obligations in Supply Chains (briefly LkSG in German) states due diligence obligations with regard to human rights and the environment for **German companies, their affiliates and supply chain both at home and abroad**.



### Complaints Procedure

▶ One of the due diligence obligations under LkSG is to establish an adequate **complaints procedure** in order to investigate **human rights and environment related risks and violations** – at Volkswagen Group and along the supply chain.



### Administrative Fines

▶ In case of being non-compliant with implementing due diligence, German companies may face **finances up to 2% of the total (Group) annual turnover** and exclusion from the award of public contracts.



## Why Is Your Support Relevant With Respect to the Complaints Procedure Under LkSG?



### Volkswagen Whistleblower System

The **Whistleblower System** is the **official reporting channel** of complaints procedure under LkSG to report human rights- and environment-related risks and violations, including cases at Volkswagen Group as well as at direct and indirect suppliers, business partners etc.

**To support efficiently** the complaints procedure under LkSG, we kindly ask you:

-  **Kindly forward hints or reports** – externally received by you, in particular – regarding potential human rights- and environment-related **risks and violations** to the Whistleblower System (please see slide 4 for further information).
-  **Kindly sensitize your employees and discuss this presentation with them.**

# What Are Human Rights and Environment Related Risks and Violations?



## Risk and Violations along the Supply Chain regarding:

### Human Rights *(not exhaustive)*



DISREGARDING OCCUPATIONAL SAFETY AND HEALTH OBLIGATIONS, resulting in a high number of fatalities or casualties



UNLAWFUL EVICTION OF LAND, FOREST, WATERS ETC., with respect to indigenous people, in particular



DISREGARDING FREEDOM OF ASSOCIATION e.g. suppressed members of industrial actions



WITHHOLDING ADEQUATE LIVING WAGE, e.g. payments below minimum wage



UNEQUAL TREATMENT IN EMPLOYMENT e.g. gender pay gap, discrimination of disabled people, severe racism, xenophobia



CHILD LABOUR, FORCED LABOUR, SLAVERY



SECURITY FORCES CAUSING NEGATIVE HUMAN RIGHTS IMPACTS, e.g. extreme act of violence, abuse of power



SEVERE NEGATIVE IMPACTS ON PEOPLE'S HEALTH AND LIVING CONDITIONS BY HARMFUL NOISE EMISSION OR POLLUTING HARMFULLY SOIL, WATER AND AIR, e.g. by excessive water usage, untreated waste water

### Environment



With respect to **organic persistent pollutants** (**Stockholm Convention**)

- Production and use
- Handling, collection, storage and disposal of waste



With respect to **mercury** (**Minamata Convention**)

- Mercury added products
- Use of mercury and mercury compounds in manufacturing processes
- Mercury waste



With respect to **hazardous waste** (**Basel Convention**)

- Export
- Import

Kindly note that human rights have to be impaired in a particularly serious manner, being obviously unlawful.

# Reporting to the Whistleblower System

## How can I report a complaint?

A complaint can be lodged via the various channels supervised by the Whistleblower System:



**By direct e-mail to:** [io@volkswagen.de](mailto:io@volkswagen.de)



**By post:** Volkswagen AG - Central Clarification Office, Brieffach 11/1717, Berliner Str. 2, 38440 Wolfsburg, Germany



**Online reporting channel:** [Introduction \(bkms-system.com\)](#) to ensure confidential or anonymous communication and protected exchange of documents



**24/7 Hotline:** International toll-free number **+800 444 46300** and various country-specific phone numbers



**Personal meeting** (appointment required)



**Ombudsperson:** [Ombudsmen of Volkswagen \(ombudsmen-of-volkswagen.com\)](#)

## Which information is relevant to my reporting?



**What?**

What happened?  
Which damage has occurred?



**Where?**

Where did it happen?



**When?**

When did the incident occur?  
Is the violation still ongoing?



**Who?**

Who are the persons or groups of persons affected or harmed?  
Who might be responsible for the grievance?

Detailed information on the listed contact channels is available at [Whistleblower System \(volkswagenag.com\)](#)

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