

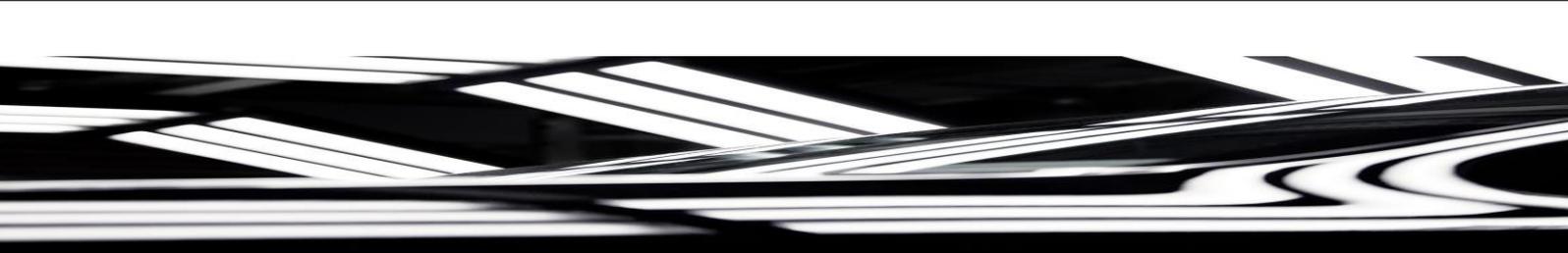


# AUDI AG Slavery and Human Trafficking Statement (fiscal year 2021)

This statement has been prepared pursuant to Section 54 of the United Kingdom Modern Slavery Act 2015. It represents in particular the measures implemented by AUDI AG on preventing forms of modern slavery and human trafficking.

## **Preamble**

We recognize our responsibility to protect human rights at our sites and along our complex value and supply chains. For us, this responsibility does not end at our factory gates, but goes beyond them.



## Organization and supply chain

AUDI AG is a stock corporation under German law with its headquarters in Ingolstadt, Germany. In addition to AUDI AG, the Audi Group comprises all the key companies and units in which AUDI AG has a direct or indirect controlling interest. The Audi Group is organized in a decentralized manner, with individual subsidiaries bearing responsibility for their own business operations. Guidelines, reporting channels and committees are put in place to ensure appropriate Group steering and monitoring. Our business activities include the development, production and sale of cars and services as well as management of the Audi Group.

The Audi Group is present in more than 100 markets worldwide. It manufactured at 18 sites in 12 countries in 2021. The Ducati and Lamborghini brands are also part of the Audi Group.

AUDI AG has been a fully owned subsidiary of Volkswagen AG since November 16, 2020. Until this point in time, the latter held around 99.64 percent of the share capital of AUDI AG.

With its presence in key markets, the Audi global procurement organization ensures that materials and services in particular are procured and provided worldwide in the required quality and at the best possible terms. Procurement is active in more than 60 countries around the world and is a central interface between AUDI AG and more than 14,000 direct supplier companies. In order to maximize the benefit of synergy potential, we select suppliers in close consultation with Volkswagen Group Procurement.

For us, global compliance with sustainability standards in areas such as human rights, occupational health and safety, environmental protection and combating corruption is a basic prerequisite for successful business with our suppliers. Only together with our business partners is it possible to ensure compliance with sustainability standards and

contribute to the implementation of the United Nations Sustainable Development Goals (SDGs). To achieve these goals, we implemented the concept of “Responsible Supply Chain Management” and we continue to build on and develop these measures to this day. Our activities in the domain of responsible supply chains follow a clear strategy that can be divided into three priority areas: environment, people and innovation.

In addition to the independent activities undertaken in that area, all the actions taken and efforts made by the Volkswagen Group to promote sustainability as well as to protect and respect human rights along the supply chain thus contribute to the attainment of these objectives in the Audi Group as well.

## Internal measures

### General

Integration of the topic “Business and Human Rights” into the existing Compliance Management System as well as the central coordination of responsibilities in other divisions on the topic of “Business and Human Rights” falls under the remit of the Compliance department at Audi.

Combating modern slavery along our value and supply chain is one of the focal points of our activities in the area of “Business and Human Rights” and one of our salient business and human rights issues Group-wide. For us, child labor and forced labor in particular are serious violations of human rights and are therefore prohibited. We base our actions on the principles of the UN Global Compact, the OECD Guidelines for Multinational Enterprises and the requirements of the International Labour Organization (ILO).



We set out our broad understanding of “Business and Human Rights” on the Audi website.<sup>1</sup> The Volkswagen Group, and therefore also Audi, has expanded and affirmed this understanding and our commitment to our entrepreneurial responsibility, which follows internationally recognized treaties and conventions as well as explicitly the UN Guiding Principles on Business and Human Rights, in the updated “Declaration by the Volkswagen Group on social rights, industrial relations and business and human rights,” known as the [Social Charter](#). On the subject of “No forced labor” it states:

“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.”<sup>2</sup>

In addition to coordination within our Group itself, we again prioritized one focal area in the collaboration with external stakeholders in 2021. We support the German Federal government’s National Action Plan (NAP) “Business and Human Rights.” Within this context, since 2020 we have actively participated in the automotive industry’s sector dialogue “Business and Human Rights” under the aegis of the German Federal Ministry of Labor and Social Affairs (BMAS). We will continue this dialogue with representatives of trade unions, NGOs, science, politics and business in 2022. Combating modern slavery also plays an important role here.

We continue to proactively seek dialogue with external stakeholders on human rights<sup>3</sup>, and discussions within

working groups or initiatives such as the DICO working group on CSR/human rights or the Compliance and Integrity Forum. Furthermore, the Volkswagen Group has been and is the only automotive manufacturer among the active members of the Global Business Initiative (GBI) “Business and Human Rights.” The purpose of this corporate network is to discuss issues and participate in peer learning. Taking the dialogue with experts and stakeholders as our basis, we are able to build on our commitment with the aim of fulfilling our entrepreneurial responsibility for human rights even more effectively.

## Audi Group Code of Conduct<sup>4</sup>

The Audi Group updated its [Code of Conduct](#) in 2017 in alignment with the corresponding principles of the Volkswagen Group and introduced it uniformly across all brands and companies of the Audi Group. The Code of Conduct, which is binding for employees at all hierarchical levels, embodies the ethical principles of the Volkswagen Group and is based on shared values. It focuses on the compliant, honest and ethical conduct of employees and on the responsibility of the company as a business partner and member of society. The Code of Conduct incorporates worldwide regulations to respect the protection of human and children’s rights, a rejection of all forms of child, forced and compulsory labor as well as all forms of modern slavery and human trafficking.

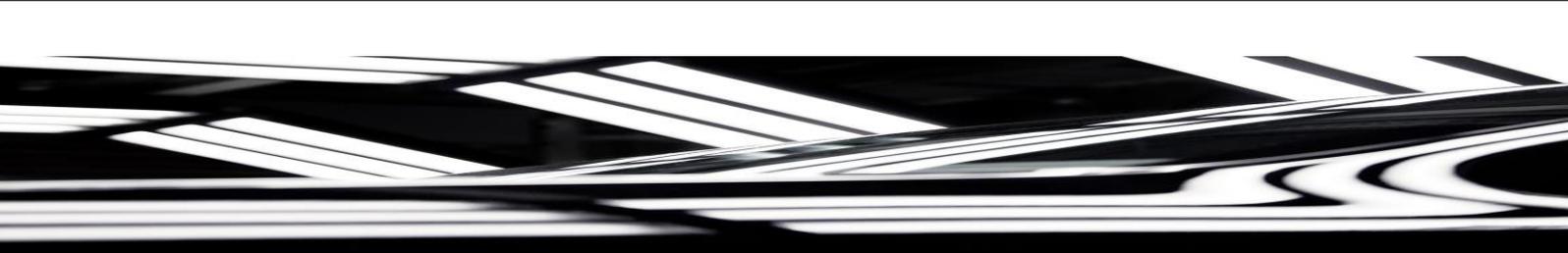
The Code of Conduct is a mandatory set of guidelines on compliant behavior and lays down the key principles that apply to day-to-day work in the Audi Group. It is permanently available to all employees on the intranet, and also to third parties over the Internet. Its status is continuously communicated proactively.

<sup>1</sup> <https://www.audi.com/de/company/integrity-compliance-and-risk-management/compliance/human-rights.html>

<sup>2</sup> [2021-07\\_VW\\_Social\\_Charter\\_Guidelines\\_Audi.pdf](#), page 6.

<sup>3</sup> Further information available at e.g.: [Constructive dialogue | audi.com](#)

<sup>4</sup> [Code of Conduct EN klein 05-2022.pdf \(audi.com\)](#)



In the period under review, for example, the Chairman of the Board of Management and other Board of Management members, representatives of Top Management (TMK) and the Audi Chief Compliance Officer regularly declared their responsibility for compliance and integrity at events and in publications internally and externally. Department-specific, cross-division and company-wide dialogue events further reinforce the tone at the top and middle. Board of Management members and managers use these events to engage with employees on the significance of compliance and integrity in everyday working life and for Audi's entrepreneurial success.

All employees with a permanent employment contract, managers and Board of Management members of AUDI AG receive training on the Code of Conduct. The web-based training (WBT) must be repeated every two years to refresh the qualification. The WBT in question was updated in the period under review. Board of Management members and managers at senior management level (OMK) or higher also receive Code of Conduct certification annually. This additionally confirms the responsibility and role model function of this group of individuals in the context of the Code of Conduct.

The Volkswagen Group has moreover issued a [Code of Conduct for Business Partners](#), which has the status of a binding component of business partner contracts. It specifies the expectations of the Group regarding the approach and conduct of business partners, and especially suppliers and sales partners. These requirements regarding the entrepreneurial activities of business partners serve as the basis for successful business relationships between Audi and its business partners. They include respecting human rights – for example by banning child labor, human trafficking, and slavery – but also environmental protection

and fair market practices.<sup>5</sup> The requirements for business partners will be updated in 2022.

## **AUDI AG Policy Statement Regarding the Commitment to and Observance of Human Rights<sup>6</sup>**

In order to affirm AUDI AG's commitment to respecting and upholding human rights in general and condemning forced labor and human trafficking specifically, the Board of Management of AUDI AG signed a "[Policy Statement Regarding the Commitment to and Observance of Human Rights](#)" in 2017. This policy statement will be updated in 2022 to bring it in line with the current statutory requirements.

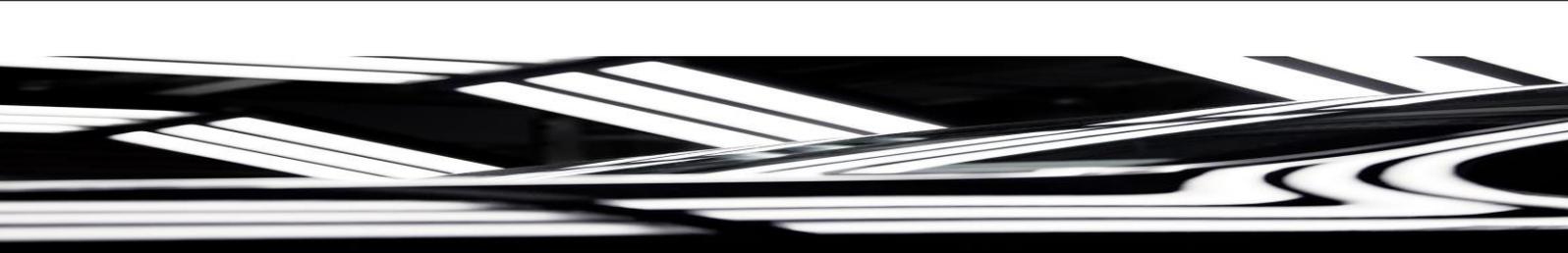
### **The Audi Group Whistleblower System<sup>7</sup>**

The Whistleblower System is the point of contact for reporting potential regulatory violations. These include, for example, violations of human rights – a matter that fundamentally constitutes a "serious regulatory violation". Wherever they are in the world, employees as well as business partners and customers are able to report misconduct by Audi Group employees along a variety of channels. As well as via the e-mail mailbox created and by traditional mail, regulatory violations can be reported via a secure online reporting channel (BKMS) and on a 24/7 phone hotline 365 days a year in several different languages. There is also the option of submitting a report to two external lawyers (ombudspersons) appointed by the Volkswagen Group. If desired, reports can be made anonymously, especially where the online reporting channel is used (with scope for consultation with the whistleblowers). Strict confidentiality and secrecy are

<sup>5</sup> For further information on the Code of Conduct for Business Partners, please refer to page 6 under the section "Sustainability requirements of our suppliers: Code of Conduct for Business Partners"

<sup>6</sup> [https://www.audi.com/content/dam/gbp2/company/sustainability/downloads/documents-and-policies/corporate-guidelines/Audi\\_Grundsatzerklaerung\\_Menschenrechte\\_2017\\_final.pdf](https://www.audi.com/content/dam/gbp2/company/sustainability/downloads/documents-and-policies/corporate-guidelines/Audi_Grundsatzerklaerung_Menschenrechte_2017_final.pdf)

<sup>7</sup> [Whistleblower System | audi.com](#)



maintained throughout the entire process. The Whistleblower System guarantees the highest possible protection for whistleblowers and all persons who participate in investigating and remedying misconduct and regulatory violations. Discrimination against whistleblowers and participating persons is fundamentally a serious regulatory violation and will not be tolerated. At the same time the Whistleblower System protects the interests of persons of interest. They shall be presumed innocent until proof of a violation is obtained.

### **Risk analysis**

Within the framework of the established risk management processes, represented by elements including the Risk Quarterly Process (RQP) for acute operating risks, as well as the annual standard Internal Control System (ICS) at the brand controlling companies and Audi of America and the annual regular GRC process (Governance, Risk & Compliance) at the remaining material participations, risk assessments on the subject of human rights can also be carried out by the main divisions and companies. In addition, the countermeasures and control activities taken are reported.

The standard ICS process lays down control requirements on compliance with legal and internal requirements on human rights. Within the annual regular GRC process, the identification of potential risks is supported by a list of risk-related focal areas, which also includes potential risks from human rights violations. The Boards of Management of AUDI AG and Volkswagen AG as well as the Audit Committee of AUDI AG receive reports both quarterly and annually as well as whenever required.

AUDI AG has incorporated business and human rights into the existing Compliance Management System, based on the United Nations requirements on corporate human rights

due diligence. These requirements also include advising other corporate units on human rights matters or ad hoc, for example. In addition, a cross-departmental working group in Group Compliance at the Volkswagen Group developed and implemented a concept in 2019 for assessing risk exposure for controlled participations. This is the result of a correlation of country risks and business model risks in the area of “Business and Human Rights”. Based on this, measures are also defined for AUDI AG and for controlled participations of the Audi Group. These measures are integrated into the risk steering measures for previously defined compliance topics, such as the prevention of corruption and money laundering. They were communicated to the participations in 2020 and became a binding component of the Internal Compliance Risk Management Process (ICRA) by the end of 2021.<sup>8</sup>

### **Training of employees**

Within the Compliance Management System (CMS), compliance and integrity trainings represent an effective prevention measure in raising the awareness of employees to existing and potential risks and preventing violations. All training measures are examined annually as part of standardized processes, updated as necessary and continuously improved.

In fiscal 2021, dedicated qualification measures on the subject of Business and Human Rights (BHR) again took place in a variety of formats and with a range of scopes, including as part of Audi Code of Conduct training. A new live online training format for all employees was introduced specifically on the subject of “Business and human rights in the corporate context.” Business and human rights aspects are also communicated through special awareness-raising training for future Foreign Service Employees (expatriates)

<sup>8</sup> For further information on the identification and management of risks as part of responsible supply chain management, please refer to page 6 onward.



and form part of the regular integrity training for Board of Management members.

There is also the intention to increase awareness and transparency of human rights issues as part of the compliance communication strategy.

In addition, the Volkswagen Group provides training for its business partners to Procurement and Sales on key matters of compliance and corruption prevention. For further information, please refer to “Training for employees and business partners” on page 9.

### Measures along the supply chain

We the Audi Group, together with our more than 14,000 direct suppliers worldwide, have a major impact on the environment and society. At the same time, we assume responsibility along the value chain for fair and humane working conditions and integrate our partners into our activities so that we can meet this responsibility together. The development and implementation of responsible supply chain management are an integral component of our procurement processes. We have based our commitment in this area around three strategic subject areas: environment, people, and innovation.

#### Sustainability requirements for our suppliers: Code of Conduct for Business Partners<sup>9</sup>

The “Volkswagen Group requirements regarding sustainability in its relationships with business partners” – the [Code of Conduct for Business Partners](#) – is the core element of our supplier management. The Code of Conduct is a contractual component and fundamentally applies to every partner company of the Volkswagen Group. Our expectations of our business partners’ conduct with respect

to core social, integrity and environmental standards are set out there. These requirements are based, among other things, on the OECD Guidelines for Multinational Enterprises, the UN Guiding Principles on Business and Human Rights, and the relevant conventions of the International Labour Organization (ILO). The Code of Conduct is, however, not just based on international standards, but also on objectives, rules and policies of the Volkswagen Group.

The requirements for suppliers specific to the topic of modern slavery are as follows:

“No slavery and no human trafficking – 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.”<sup>10</sup>

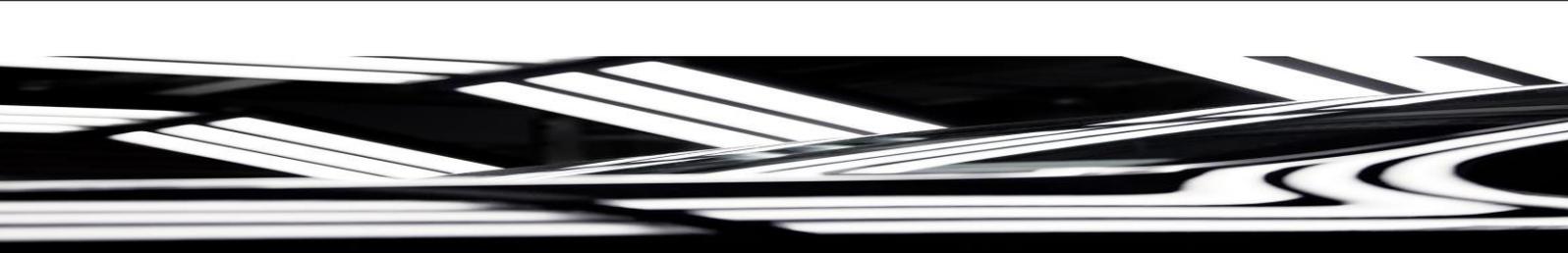
Our goal, on the basis of the defined requirements, is to lay the foundation for enhanced sustainability and responsibility according to a risk-based approach and in a spirit of partnership together with our suppliers.

In order to raise awareness among suppliers, in 2021 we maintained the information and training opportunities expanded in 2020. These include the information on the [ONE Group Business Platform](#), the information on our [Audi website](#), the [S-Rating Information Hub](#)<sup>11</sup> and supplier training opportunities.

<sup>9</sup> [https://www.audi.com/content/dam/gbp2/company/sustainability/downloads/documents-and-policies/corporate-guidelines/CodeofConduct\\_BusinessPartners\\_V2020.pdf](https://www.audi.com/content/dam/gbp2/company/sustainability/downloads/documents-and-policies/corporate-guidelines/CodeofConduct_BusinessPartners_V2020.pdf)

<sup>10</sup> [https://www.audi.com/content/dam/gbp2/company/sustainability/downloads/documents-and-policies/corporate-guidelines/CodeofConduct\\_BusinessPartners\\_V2020.pdf](https://www.audi.com/content/dam/gbp2/company/sustainability/downloads/documents-and-policies/corporate-guidelines/CodeofConduct_BusinessPartners_V2020.pdf) page 17

<sup>11</sup> [www.s-rating.audi](http://www.s-rating.audi)



### **Systematic determination of sustainability risks**

Our goal is to be aware of and effectively address the key sustainability risks in our supply chain. Audi introduced a sustainability rating (S-Rating) in 2017 to identify and avert risks before contracts are even awarded and identify scope for continuous improvement. This S-Rating was made mandatory throughout the Volkswagen Group on July 1, 2019, and is therefore a mandatory criterion for awarding contracts to suppliers of production materials as well as for relevant suppliers in General Procurement. Within the contract awarding process, the S-Rating is on a par with other important criteria such as cost, quality, technological expertise and logistics. It is based on a self-assessment questionnaire and is supplemented on the basis of risk by on-site checks and, if necessary, by a compliance check.

A standardized questionnaire or “self-assessment questionnaire” (SAQ) of the Drive Sustainability Initiative is used to assess and analyze the site’s sustainability performance. It provides Audi with information about possible risks with regard to corporate ethics and social and environmental aspects at the respective suppliers. The information and documents in the SAQ are checked and validated by a service provider: If a supplier states that they have processes and policies in place, they must prove this with documents. Specifically, a question is asked regarding a human rights policy which includes the topics of “Forced or compulsory labor and human trafficking.” It is also identified whether there is a documented grievance mechanism in place. In the year under review, over 15,000 suppliers provided the Volkswagen Group with such information. Corresponding measures enabled 6,353 suppliers to improve their sustainability performance.

### **Managing risks effectively**

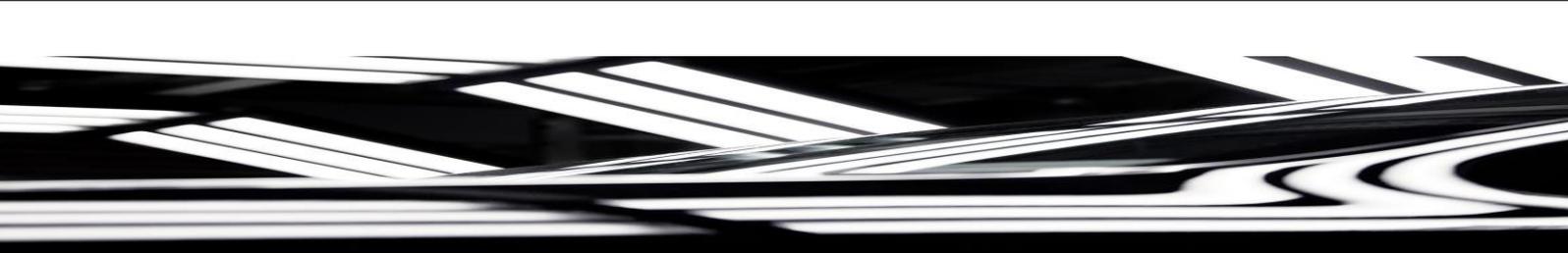
If the self-assessment questionnaire proves unsatisfactory, including in consideration of a country-specific risk, an independent sustainability assessor performs an on-site check of the company – not only in respect of modern

slavery, but also in terms of other aspects such as eco-friendly production and occupational health and safety.

More than 600 on-site checks were conducted for the Volkswagen Group in 2021. Deviations are recorded in a Corrective Action Plan and measures initiated to correct them. Monitoring is subsequently conducted to ascertain whether the deficiencies identified by the sustainability assessor are actually being rectified. At the end of an S-Rating process, a partner is either capable of being awarded a contract or not. Within the context of a partnership of cooperation, another objective of the S-Rating is to provide suppliers who have not yet been able to demonstrate satisfactory performance with the information and tools they need to do this. This is the only way in which to achieve a positive impact on people and the environment. Every supplier has the option in principle of undergoing a repeat evaluation after they have completed the necessary improvement measures.

Another important element of sustainable supply chain management is our Supply Chain Grievance Mechanism, which we use in following up reports of possible violations of our sustainability requirements. The case management process was refined and systematized in 2020. The channel can be accessed on our [website](#) via an e-mail address ([speakup.supplychain@audi.de](mailto:speakup.supplychain@audi.de)) and is available to all potential persons of interest and stakeholders, such as employees of suppliers, members of civil society or representatives of communities in the immediate vicinity of our production sites. The process for examining and processing reports is described uniformly in a binding policy, managed by the Group and implemented jointly with the brands and regions of the Volkswagen Group. If the measures taken are not effective, the business relationship may also be terminated in especially serious cases of violations.

Employees and external staff alike can bring potential regulatory violations by our suppliers to the attention of the



Volkswagen Group's employee representative bodies and the trade union federations. The process for addressing grievances concerning the supply chain is also linked to and governed by the process for the Audi Whistleblower System. 111 reports of violations were processed by the Volkswagen Group during the period under review. They concerned suppliers where behavior contravening the rules or contracts was identified as a result of information provided. Collaboration with four suppliers in total was terminated or those suppliers were blacklisted for new contract awards.

#### **Human rights due diligence – focus on commodity supply chains**

In the year under review we launched a human rights due diligence management system to help us systematically analyze, prioritize and reduce the human rights risks to our supply chain based on existing processes.

Commodity suppliers merit particular attention. To address the occasionally extensive risks in these supply chains effectively, we have also set up a commodities due diligence management system. This system details how to prioritize and handle commodity supply chains. Our Group network is currently focusing on 16 commodities. The actions we take for the responsible procurement of raw materials are guided by the requirements of the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas. These include guidelines on management approaches, risk identification and prevention, checking smelters as well as communication and reporting instruments.

One current area of focus in the Volkswagen Group is the commodities used in batteries, especially cobalt. In close cooperation with the battery cell suppliers, the objective is to create a transparent supply chain from the mining of the commodities to the manufacturing of the finished product.

With respect to the so-called conflict commodities of tin, tantalum, tungsten and gold, suppliers of the Volkswagen

Group must confirm via their management systems that they do not use any minerals that have been obtained from non-certified smelters. The Volkswagen Group checks this by obtaining reports on all smelters in the upstream supply chain using the internationally recognized Conflict Minerals Reporting Template of the Responsible Minerals Initiative (RMI), then evaluating the results. If non-certified smelters are identified in the supply chain, the Volkswagen Group works towards having those smelters certified.

#### **Digital innovations for greater sustainability in the supply chain**

Audi has made risk-conscious conduct an integral part of its corporate philosophy and regularly reviews its in-house monitoring and inspection mechanisms. The goal is to respond quickly if a supplier is unable to ensure compliance with the principles agreed in the Code of Conduct for Business Partners.

Monitoring supply chains is an extremely complex undertaking. The status quo with regard to suppliers and their upstream partners changes regularly. That makes it all the more important to understand the potential risks and make connections early on. Audi therefore adopts a comprehensive risk monitoring approach that combines various methods and systems.

In addition to more traditional and reactive channels such as the grievance mechanism, Audi is increasingly using digital tools for automated, proactive monitoring. For example, Audi has joined Porsche and Volkswagen in using technology from Austrian start-up Prewave. This system aggregates publicly accessible news from such sources as social media channels and local news media in more than 50 languages from around 150 countries. Artificial intelligence (AI) then semantically analyzes the information and consolidates the various sources. The AI understands the content of the reports and classifies them based on any suspicion of potential sustainability violations. Audi is automatically informed whenever a potential sustainability risk begins to

develop. The matter is scrutinized in detail within the company, and action is taken as appropriate.

The Volkswagen Group is already using artificial intelligence to analyze text for semantic relevance in more than 50 local and wider-ranging risk categories. It is wide-ranging in scope. In the “Social Issues” category, keywords cover such aspects as modern slavery, child labor and discrimination.

### **Commitment to international initiatives**

Working in the upstream supply chain and beyond contractual relationships requires more extensive measures. Cross-industry initiatives and cooperation with suppliers in a spirit of partnership play a pivotal role in the concerted drive to jointly improve sustainability performance in the supply chain.

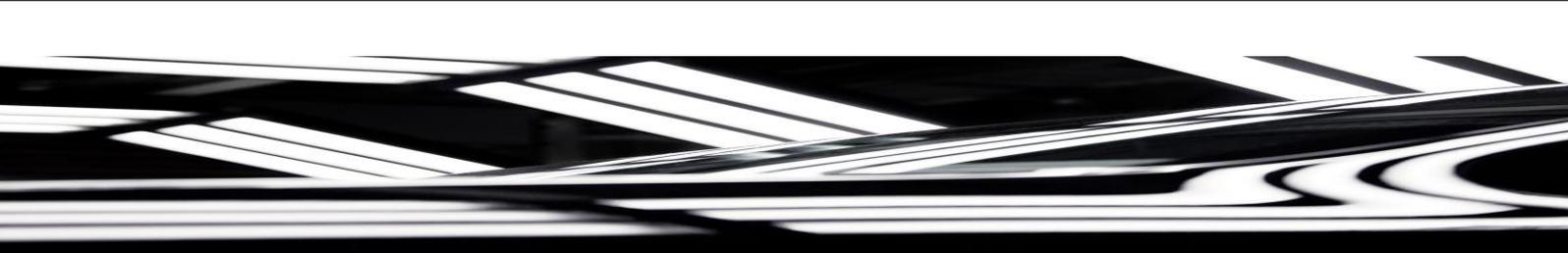
As part of our commitment, we seek close cooperation with international organizations. For example, Audi has been an active member of the Global Battery Alliance since 2017. This body addresses the protection of human rights and upholding of social standards in the extraction of the raw materials for batteries and develops solutions for the reuse of lithium-ion batteries. Audi has also been involved in the Aluminium Stewardship Initiative (ASI) since 2013. The ASI has developed a global sustainability standard for the handling of aluminum, which lays down and examines environment-related and social criteria along the value chain.

Its involvement in the industry initiative DRIVE Sustainability, under the aegis of CSR Europe, is another central element of the Volkswagen Group’s activities. To get beyond the format of dialogue and bring about hard-and-fast changes on the ground, the Volkswagen Group has participated in two projects in producer countries of the battery commodities cobalt and lithium since 2020.

### **Training for employees and business partners**

The systematic training of our employees and suppliers is a key building block of our strategy. The tools we use to improve social and environmental standards in our supply chain include in particular the S-Rating, on which we train our employees and business partners at events and workshops. More than 690 Audi procurers (equivalent to a fulfillment rate of 96 %) completed training on sustainability in the supply chain in 2021. The focus was on integrating the S-Rating into the standard procurement processes.

As part of the sustainability self-assessment process, we require our business partners to implement guidelines and management systems that regulate their business practices. To empower our business partners to do this, in 2021 we held online training sessions to coach suppliers in fairly short live sessions on matters such as our requirements based on the Code of Conduct for Business Partners, as well as the S-Rating and how to implement it. The format was offered in English, German and Spanish and can be booked over the [S-Rating Hub](#). Over 1,000 employees of Volkswagen Group suppliers took up this opportunity for training in 2021. A more in-depth training program about how to implement human rights due diligence was also developed. Across the Group, 575 employees of suppliers received training in 2021. Since 2019 there has also been web-based training on the contents of the Code of Conduct for Business Partners, available on the [ONE.Group Business Platform](#) in nine languages. Its purpose is to sensitize business partners additionally to the need to uphold human rights and not tolerate slavery or human trafficking.



## Progress report

As presented in the statement of AUDI AG for fiscal year 2020, various measures for the prevention of forms of modern slavery and human trafficking were implemented in fiscal year 2021. Alongside existing activities and processes, for example in the areas of procurement and sustainability, implementation of the topic in the Compliance Management System at Audi participations (including Ducati and Lamborghini) continued in the year under review, taking the latest statutory requirements into account, and sets of measures were rolled out in line with risk exposure.

Within the scope of responsible supply chain management, the empowerment of partners was accelerated in 2020 then maintained at the new level in 2021. A more in-depth training program about how to implement human rights due diligence was developed. Across the Group, 575 employees of suppliers received training in 2021. Following on from its complete digitalization in 2020, S-Rating training continued in 2021. Over 15,000 suppliers have shared their sustainability self-assessment with the Volkswagen Group in 2021. In the year under review of 2021, 6,353 suppliers achieved an improvement in their sustainability performance.

More than 600 risk-based on-site checks were carried out worldwide in 2021. These checks revealed on average around five violations of sustainability requirements<sup>12</sup>. A special concept for on-site checks of logistics providers was enhanced and applied in the period under review; as well as meeting environmental criteria it primarily verifies that minimum standards of social responsibility are met in the deployment of drivers. This concept reflects the special risk profile of that sector.

To avoid duplication and achieve wider coverage of partners by means of on-site checks, original equipment manufacturers (OEMs) are collaborating with suppliers in a working group of the German Association of the Automotive Industry (VDA) on drafting a common standard for on-site checks. To that end, in October 2021 Audi and other partners launched the Responsible Supply Chain Initiative e. V., which plans to disclose initial audit findings in the coming year.

Commodities supply chains were again a priority area in 2021. Following the introduction of the OECD-compliant Raw Material Due Diligence Management Systems, the transparency of our activities at Group level was increased in 2021. The “[Responsible Raw Materials Report](#)” has been published.<sup>13</sup>

<sup>12</sup> Except for on-site checks of logistics providers.

<sup>13</sup> <https://www.volkswagenag.com/presence/nachhaltigkeit/documents/supply-chain/Volkswagen-Group-Responsible-Raw-Materials-Report-2021.pdf>



**AUDI AG**

Ingolstadt, July 2022

---

**Markus Duesmann**

Chairman of the Board of Management and Member of the Board of Management of AUDI AG for Product Lines

---

**Dirk Grosse-Loheide**

Member of the Board of Management of AUDI AG for Procurement and IT