

High Level Commitment

Responsible Sourcing of Natural Rubber

Protection of forests and other natural ecosystems is critical for maintaining biodiversity, combating climate change, and sustaining livelihoods. As part of our overall sustainability goals, Volkswagen Group is committed to eliminating deforestation and ecosystem conversion from our supply chains and to safeguarding human rights across all our operations and suppliers. Given that natural rubber is a known driver of deforestation, this document outlines our commitment to sourcing sustainable natural rubber and is aligned with the Policy Framework that was adopted in a September 2020 resolution by the General Assembly of the Global Platform for Sustainable Natural Rubber (GPSNR), of which we are a member.

This document is also aligned with the principles and guidelines laid out in the UN Guiding Principles for Business and Human Rights and the ILO fundamental conventions.

1. Scope

The provisions in this document apply to the natural rubber sourced by all our operations, recognizing the need to prioritize specific products or product types for risk mitigation actions based on a risk assessment. Our supplier expectations are clearly detailed in our [Code of Conduct for Business Partners](#), which serves as the basis for how we evaluate and help our suppliers maintain or progress towards compliance with the commitments stated in this document.

2. Commitments

We will work within our own operations and through our suppliers to increasingly source natural rubber products that are produced and processed in line with GPSNR policy requirements, such that it:

- complies with applicable local, national and international laws
- prohibits corruption
- does not contribute to deforestation or destruction of critical wildlife habitats
- protects high conservation values (HCVs) and high carbon stock (HCS) forests (the cutoff date after which deforestation or HCV degradation is considered non-conforming with this policy is 1 April 2019).
- protects water and soil resources
- respects internationally-recognized human rights and upholds the UN Guiding Principles on Business and Human Rights (UNGPR)

- ensures the ability of Indigenous Peoples and local communities (IPLCs) to give or withhold their free, prior, and informed consent (FPIC) on any activities that might affect their rights, and respects and recognizes the formal and customary land rights of IPLCs in rubber producing regions, and is in accordance with the UN Declaration on the Rights of Indigenous Peoples (UNDRIP)
- complies with internationally-recognized labor rights, the ILO fundamental Conventions and all applicable law on workers' rights, and specifically regarding:
 - a) no child labor, forced or compulsory labor
 - b) freedom of association and collective bargaining
 - c) no discrimination
 - d) no abusive practices
 - e) legal working hours
 - f) safe and healthy workplaces
 - g) decent living wages
 - h) gender equity
- supports the livelihoods of rubber producers, particularly small farmers, and those communities in rubber producing areas

3. Due Diligence

To implement and demonstrate progress with our commitments and recognizing the influential role our company can play in contributing to sector-wide transformation, Volkswagen AG further commits to:

- **Traceability:** We will promote mapping and traceability of raw materials in our supply chain to a point at the appropriate jurisdictional level where compliance can be verified.
- **Risk assessment:** We will assess actual and potential environmental and social risks within our natural rubber supply chains and will prioritize risk mitigation actions as defined in the GPSNR implementation guidance.
- **Supplier engagement:** We will work with our existing suppliers to identify, prevent and mitigate, environmental and social harms in natural rubber supply chains that violate this high level commitment, and will evaluate the environmental and social performance of new suppliers/partners prior to engagement. We require our suppliers to set up a due diligence process aligned with GPSNR policy framework for producing and procuring natural rubber and to implement necessary time-bound measures as defined in the GPSNR implementation guidelines. We offer guidance and training to our suppliers to support them in understanding our expectations with regards to our overarching sustainability requirements in general and our requirements for responsible sourcing of natural rubber in particular. In cases of non-conformance with our Code of Conduct for

Business Partners, we develop time-bound implementation plans for moving towards conformance and remediation of past or ongoing harms.

- Dispute resolution: We have a [grievance mechanism in place](#) to address any complaints regarding our or our suppliers' operations and to resolve disputes in a fair and timely manner. We also expect our suppliers to have their own grievance mechanism(s).
- Reporting: We commit to reporting on our progress in implementing these commitments as specified in the GPSNR reporting requirements.
- Support for sustainable natural rubber initiatives: We also commit to engaging in and contributing to multi-stakeholder , landscape and supply chain interventions that enable and enhance sustainable natural rubber uptake in the global marketplace.