

VOLKSWAGEN

AKTIENGESELLSCHAFT

FAQ – Supplier Sustainability Self-Assessment Questionnaire (SAQ)

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1 Why is there a common Self-Assessment Questionnaire on Sustainability?

The Self-Assessment Questionnaire (SAQ) on Sustainability is a common questionnaire, created by the initiative [Drive Sustainability](#). The initiative is coordinated by [CSR Europe](#) and consists of 11 OEMs working together to improve sustainability in automotive supply chains. Furthermore, the SAQ is used by several automotive suppliers.

The SAQ includes questions on the following areas: sustainability management, environment, human rights and working conditions, ethics and compliance, as well as responsible sourcing of raw materials. It is based on the joint standard for the automotive industry, the so called "[Automotive Industry Guiding Principles to Enhance Sustainability Performance in the Supply Chain](#)" and was created as a common standard tool for performance measurement in the automotive industry. Suppliers can fill out one questionnaire for different customers and do not have to respond to multiple sustainability questionnaires from different OEMs. In this way, the effort dedicated to the completion of questionnaires should be kept as low as possible.

2 How does the SAQ relate to the S-Rating?

The SAQ is an essential component of the Sustainability Rating (S-Rating). Without a SAQ, the sustainability performance and thus the S-Rating cannot be determined. Suppliers that are in the scope of the S-Rating cannot be awarded a new contract without a S-Rating. Furthermore, compliance with the [minimum requirements of the Volkswagen Group](#) is checked with help of the SAQ. The minimum requirements relate to questions 3, 5, 7, 9 and 10.

The S-Rating is applicable to companies with more than 9 employees. Companies with 9 employees or less need to contact Volkswagen Group via email (s-rating@vwgroupsupply.com) in order to be released from the task. Further information about the S-Rating can be found in the FAQs on the S-Rating.

3 What is NQC Ltd.?

NQC Ltd. is an external service provider hosting the platform supplierassurance.com, where the SAQ can be completed. Currently, several members of the [Drive Sustainability Initiative](#),

such as BMW, Daimler, FCA, Ford, Honda, Toyota, the Volkswagen Group, Volvo Cars and Volvo Group, are using the platform.

4 Why is [supplierassurance.com](https://www.supplierassurance.com) used to request SAQs from suppliers?

The platform [supplierassurance.com](https://www.supplierassurance.com) is used by the Volkswagen Group and the aforementioned OEMs in order to give suppliers the opportunity to complete the SAQ once and then share their completed SAQ with multiple customers. Suppliers obtain an overview of the OEMs they have shared their data with. It is hereby assured that the platform works according to anti-trust legislation. No OEM can at any point see whether a supplier has shared its SAQ with another OEM.

Certificates that are requested in the SAQ and other supporting documents can be uploaded on the platform. These are then subsequently validated by NQC Ltd. Based on this validation, suppliers receive recommendations on how to improve their sustainability performance. After implementing recommended measures, suppliers can adjust their answers in the SAQ accordingly and thereby directly report any improvements in their sustainability performance to the OEM(s) with whom they have shared their SAQ.

5 What is the purpose of the SAQ and why is it important to the Volkswagen Group?

The SAQ's aim is to demonstrate to what extent suppliers meet the Volkswagen Group's sustainability requirements in its relationships with business partners (Code of Conduct for Business Partner). These requirements are available to our business partners on the [ONE.Konzern Business Platform](#) (ONE.KBP) of the Volkswagen Group.

The requirements are contractually binding and valid for all suppliers of the Volkswagen Group with all of its subsidiary companies, regardless of whether the business partner provides products, parts or services. They are based on national and international laws, regulations and conventions, as well as on internal values and standards.

Since the 01.07.2019, the sustainability performance of suppliers plays a significant role in the Volkswagen Group's nomination process. In this context, the SAQ is a central component in the assessment of suppliers' sustainability performance. Only suppliers that clearly

demonstrate a positive sustainability performance can be taken into account when awarding new contracts.

6 Which suppliers have to complete the SAQ?

In general, the SAQ is relevant for all suppliers*, especially for those who have a production site and/or supply machinery or tools as well as for suppliers from the areas of transport, logistics, chemicals and recycling services. The request to fill out the SAQ will be sent via email from sustainability@vwgroupsupply.com or by individuals from the Volkswagen Group or its subsidiaries to our suppliers. Suppliers should therefore ensure that the contact information in the ONE.KBP is up to date.

*Also see question 2 above.

7 Do suppliers have to pay for completing the SAQ on supplierassurance.com?

No, the SAQ is free of charge for suppliers that have received a request to complete the SAQ.

8 How much time do suppliers have to complete the SAQ?

The deadline for completing the SAQ is provided in the invitation email sent out to suppliers. Normally, this deadline is set around 2-4 weeks after sending out the request to complete the SAQ.

9 In which languages is the SAQ available?

The SAQ is available (in .PDF version) on the [Drive Sustainability website](#) in the following languages: Chinese Mandarin, Czech, English, French, German, Hungarian, Italian, Japanese, Polish, Portuguese, Russian, Spanish, and Turkish. The platform supplierassurance.com is available in Chinese Mandarin, English, French, German, Hindi, Japanese, Korean, and Spanish. The documents that are uploaded as evidence need to be provided in one of the following languages: Chinese Mandarin, English, French, German, Portuguese or Spanish. Documents in other languages will not be accepted anymore. Suppliers are therefore asked to translate respective documents. The translations do not need to be certified by a notary.

We are continuously working towards including further languages on the platform and integrating them as validation languages.

10 Is the validity of the SAQ restricted to a specific timeframe?

Suppliers' answers in the SAQ are generally valid for an unlimited period of time. Only uploaded documents such as certificates (e.g. ISO14001) can expire according to the period of validity provided on the certificate. In such cases, a supplier's SAQ status will change to "expired". As soon as the expired certificate is renewed by the supplier, uploaded and validated, the SAQ status will revert to "completed". We therefore highly recommend that expired certificates are updated as soon as possible. Please note: a SAQ with expired documents is considered invalid.

11 Do questions in the SAQ change over time?

[Drive Sustainability](#) revises the SAQ every second year and publishes an updated version, which is also implemented on supplierassurance.com. In this context, OEMs may ask their suppliers to update their SAQs. Suppliers may then find new or adapted questions in the SAQ.

In the biennial SAQ revision, feedback from suppliers is always welcome and can be provided via email to sustainability@vwgroupsupply.com. The Volkswagen Group will try to ensure that suppliers' feedback is considered in the revision process of the SAQ. In addition, feedback can be directly provided to Drive Sustainability via the [contact us](#) form.

12 What can suppliers do in case the DUNS number does not match the supplier location?

The Volkswagen Group uses an internal database to determine which suppliers should receive a request for the SAQ. This database uses data provided by suppliers themselves. Hence, if a DUNS number or other supplier information changes, suppliers are kindly asked to inform their responsible purchaser and to update their information on the ONE.KBP. Only in this way it can be guaranteed that requests to complete a SAQ are sent to the correct supplier location.

13 How can suppliers use one SAQ for multiple locations?

Suppliers can use a completed SAQ as a template for other locations by selecting to create a new location (by clicking on “Start SAQ 3.0”) and then selecting “re-use an existing SAQ”. After necessary adjustments are made in the existing SAQ, it can be shared with an OEM. In case of any problems, NQC’s technical support can be contacted (see question 18).

14 How can suppliers continue working on the SAQ?

To continue working on an existing SAQ, suppliers need to select “location” in the upper tab of the dashboard and select the option “respond”. When selecting the option “Start SAQ 3.0” on the right hand side of the dashboard, a new SAQ is created instead of working on an existing SAQ. Suppliers should therefore ensure that “Start SAQ 3.0” is only selected if a new location is to be answered for which no SAQ is yet available.

15 What do the different status mean?

When starting the self-assessment the questionnaire is in status “Responding”. The supplier can work on the SAQ and upload relevant documents. When all questions are completed as extensively as possible, the SAQ must be submitted.

The SAQ then moves into the status “Validating”. In this phase, the responses in the SAQ are validated by NQC, which means that NQC checks if uploaded documents can be accepted as evidence for the declared responses to each question. This process normally takes up to 5 working days. During this time, suppliers cannot work on the SAQ.

If all uploaded documents have been accepted, the SAQ will be in the status “Improving”. The supplier can make further changes in the SAQ. After 24 hours the SAQ status automatically progresses to “Completed”, which means that the self- assessment is completed and the score is available and visible.

If certain review gaps are identified in the SAQ it moves from status “Validating” back to the status “Responding”. This means that certain documents have been determined invalid as proof. The supplier is expected to review the uploaded documents. After working on the SAQ it must be resubmitted and validated again.

16 What can suppliers do if a document has been rejected during the validation?

If certain documents have not been accepted suppliers will be informed by email. On the platform supplierassurance.com suppliers have the opportunity to see the reasons for rejection. In order to do so, suppliers can select the SAQ and click the option “View”. In the overview of the SAQ questions users can select the option “Workflow” and then select the last validation in the dropdown menu. Suppliers can see the validation team’s comments and adjust their documents accordingly.

Frequent reasons for rejecting a document are insufficient coverage of relevant topics in the guidelines or the lack of documentation of the prevailing management systems. Furthermore, documents often cannot be assigned to the respective companies if the company logo is missing on the documents or if the scope of application does not cover the company. In order to complete the SAQ, the rejected document needs to be replaced or the answer to the question must be changed to “no” and then submitted for validation.

In case of questions regarding the content of the SAQ suppliers can contact s-rating@vwgroupsupply.com (see question 19).

17 How can suppliers delete a SAQ?

Suppliers are not able to delete a SAQ on their own but have to make this request to NQC. To do so, suppliers are kindly asked to contact NQC via the “contact us” form on the platform supplierassurance.com.

At any time, suppliers can delete a sharing with an OEM, so that the OEM cannot access the SAQ anymore. This does not imply the deletion of the SAQ.

18 Who can suppliers contact in case of technical problems and questions?

The NQC support team is happy to help with technical questions or problems. The support team can be contacted via the [“contact us” form](#) or via phone +44 (0)1614137983. In addition, suppliers can use the live chat functionality of the platform once they are logged in.

19 Who can suppliers contact in case of content related questions?

Content related questions can be sent to sustainability@vwgroupsupply.com. We will try to respond to suppliers' requests as soon as possible.

20 Where can suppliers find further information and instructions on the SAQ?

For further information regarding the SAQ, please visit our [sustainability page](#) on the ONE.KBP. Furthermore, there is additional information provided on the [Drive Sustainability webpage](#), including a supplier handbook.