

VOLKSWAGEN

AKTIENGESELLSCHAFT

S-Rating Update Online Training

BB/N – Procurement Strategy Sustainability

Classification: PUBLIC



Background information



“Antitrust law prohibits all anti-competitive agreements and other practices that have been agreed between companies. This includes, in particular, agreements about prices, market division, general terms and conditions, production volumes, etc. Just exchanging information relevant to competition, or even the unilateral disclosure of such information, is prohibited.”



Online Training

Background information



Training opportunities

The online training course will be offered by Audi and Volkswagen on a rotational basis in a 2-week cycle.

Please find upcoming training dates [here](#).

Questions

Please understand that it is not possible to ask questions during the presentation via the microphone function.

For questions during the webinar, please use the Live Chat function.



For any other questions, please send an e-mail to the respective S-Rating e-mail address (please see next page).



Online Training

Background information



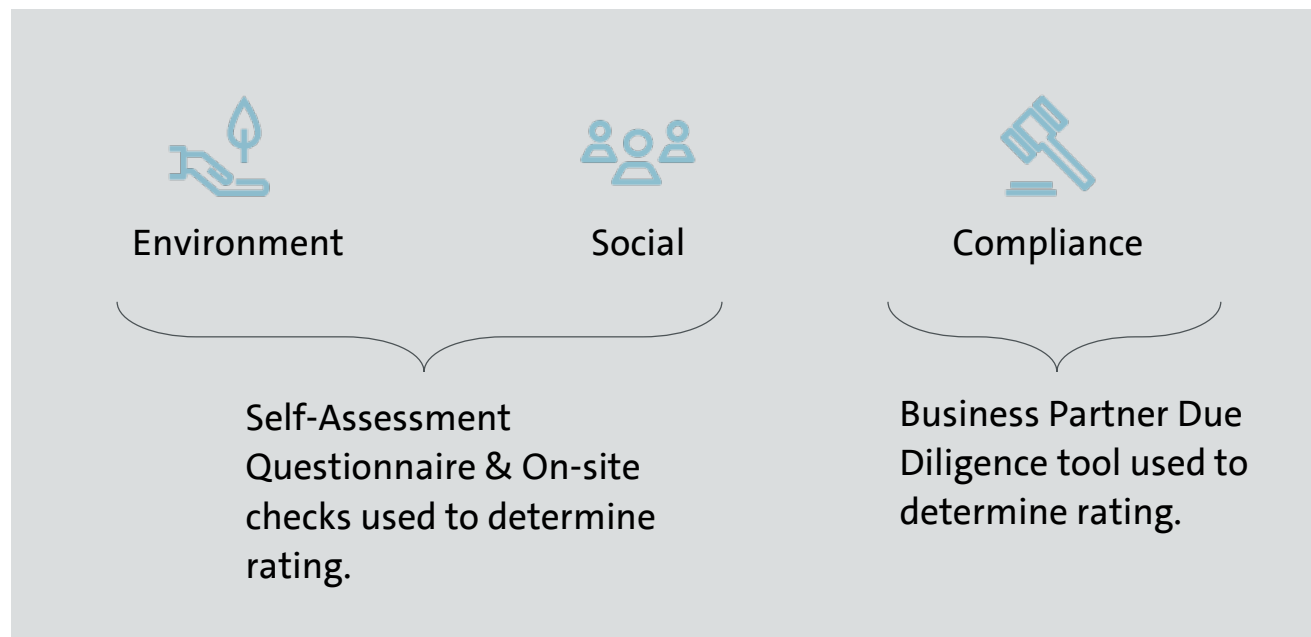
Please send questions

- for Audi to: s-rating@audi.de
- for Bentley to: s-rating@bentley.co.uk
- for MAN Truck & Bus to: cr-purchasing@man.eu
- for Porsche to: sustainability-procurement@porsche.de
- for Scania to: supplier.sustainability@scania.com
- for Seat to: s-rating@seat.es
- for Skoda to: s-rating@skoda-auto.cz
- for Volkswagen to: s-rating@vwgroupsupply.com
- for Volkswagen de Mexico to: SiSR-VWM@vw.com.mx
- for Volkswagen Group China to: vgc_sustainability@volkswagen.com.cn
- for Volkswagen Group of America to: VWGoASustainability@vw.com
- for Volkswagen Group Russia to: s-rating@volkswagen.ru
- for Volkswagen Argentina to: proveedoressustentables@vw.com.ar
- for Volkswagen do Brasil to: sustentabilidade2@volkswagen.com.br

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S-Rating Overview

- > The Sustainability Rating (S-Rating) assesses our suppliers' performance in terms of environmental and social sustainability as well as compliance.
- > It is a prerequisite for awardings and applicable to the whole Volkswagen Group.
- > A commissioning by Volkswagen Group is only possible with a positive S-Rating.
- > To determine the S-Rating, we use different tools for environmental/social sustainability and compliance.



S-Rating

Key tools

1 SAQ	2 On-site check	3 Compliance check
<p>Questions about basic guidelines and management systems</p>	<p>On-site check of implementation in practice</p>	<p>Check of anti-corruption performance on the basis of external databases, corporate information and, possibly, a supplier self-assessment</p>
<p>External plausibility check of uploaded documents (NQC)</p>	<p>Carried out by external auditors</p>	<p>Central check by Volkswagen Group</p>
<p><u>Example:</u> Does your company have occupational safety guidelines that comply with national legislation, industry requirements and international standards?</p> <ul style="list-style-type: none"> ○ No ○ Yes (please upload the appropriate document) 	<p><u>Example:</u> On-site check of</p> <ul style="list-style-type: none"> > Emergency exits > Evacuation plans > Evacuation drills > First aiders > Fire safety > Protective equipment 	<p><u>Example:</u></p> <ul style="list-style-type: none"> > Checking a business partner's business model > Checking the executive management against an external compliance database

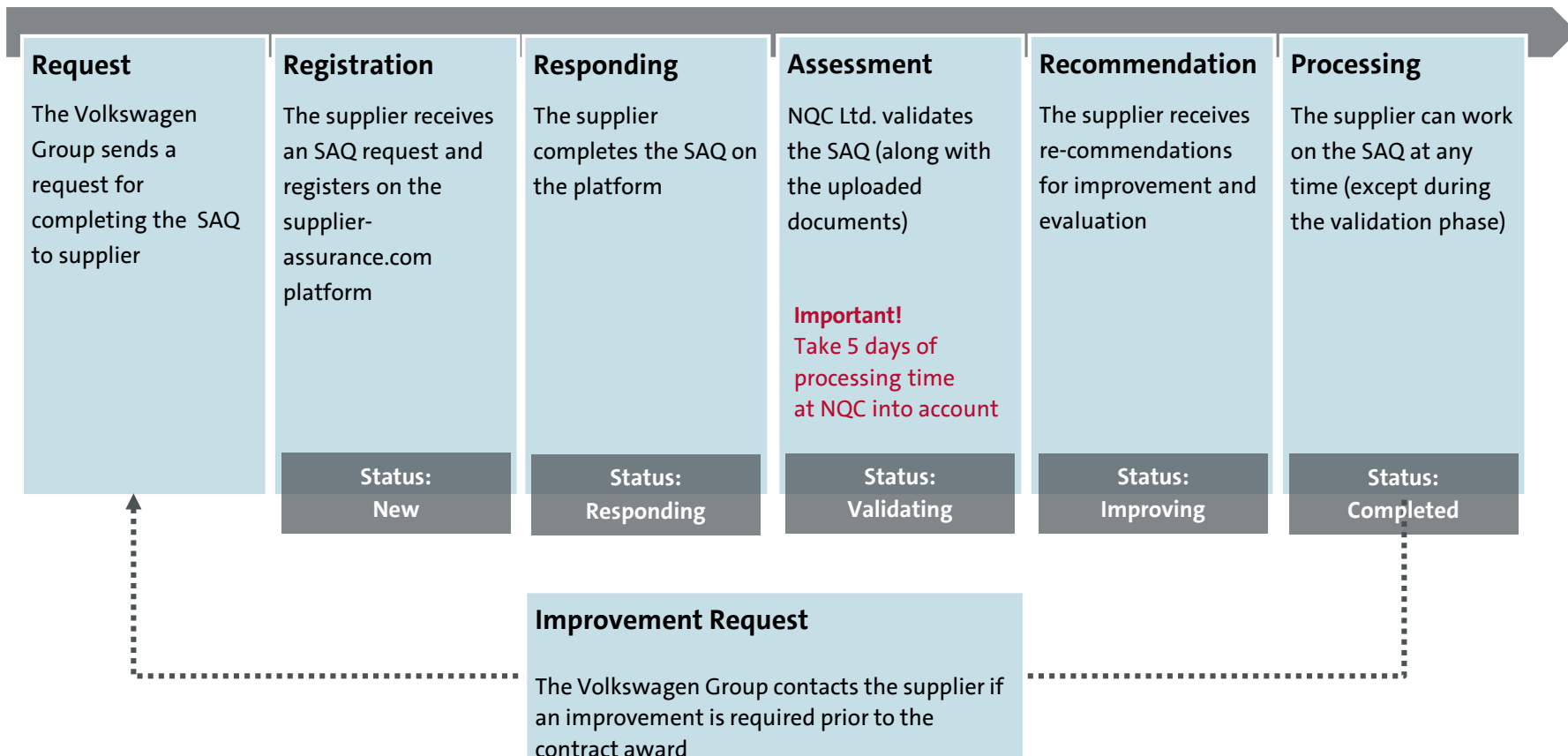
S-Rating

Self-Assessment Questionnaire (SAQ)

1 SAQ	2 On-site check	3 Compliance check
<p>Questions about basic guidelines and management systems</p>	<p>On-site check of implementation in practice</p>	<p>Check of anti-corruption performance on the basis of external databases, corporate information and, possibly, a supplier self-assessment</p>
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Self-Assessment Questionnaire (SAQ) – Step by step



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On-site check (OSC)

2 On-site check

Basic information:

- Additional tool
- Conducted if risk threshold undershot
- Site-specific check (DUNS#)
- Check based on 11 main criteria
- Conducted by external service provider

On-site check of implementation in practice

Carried out by external auditors

Example:

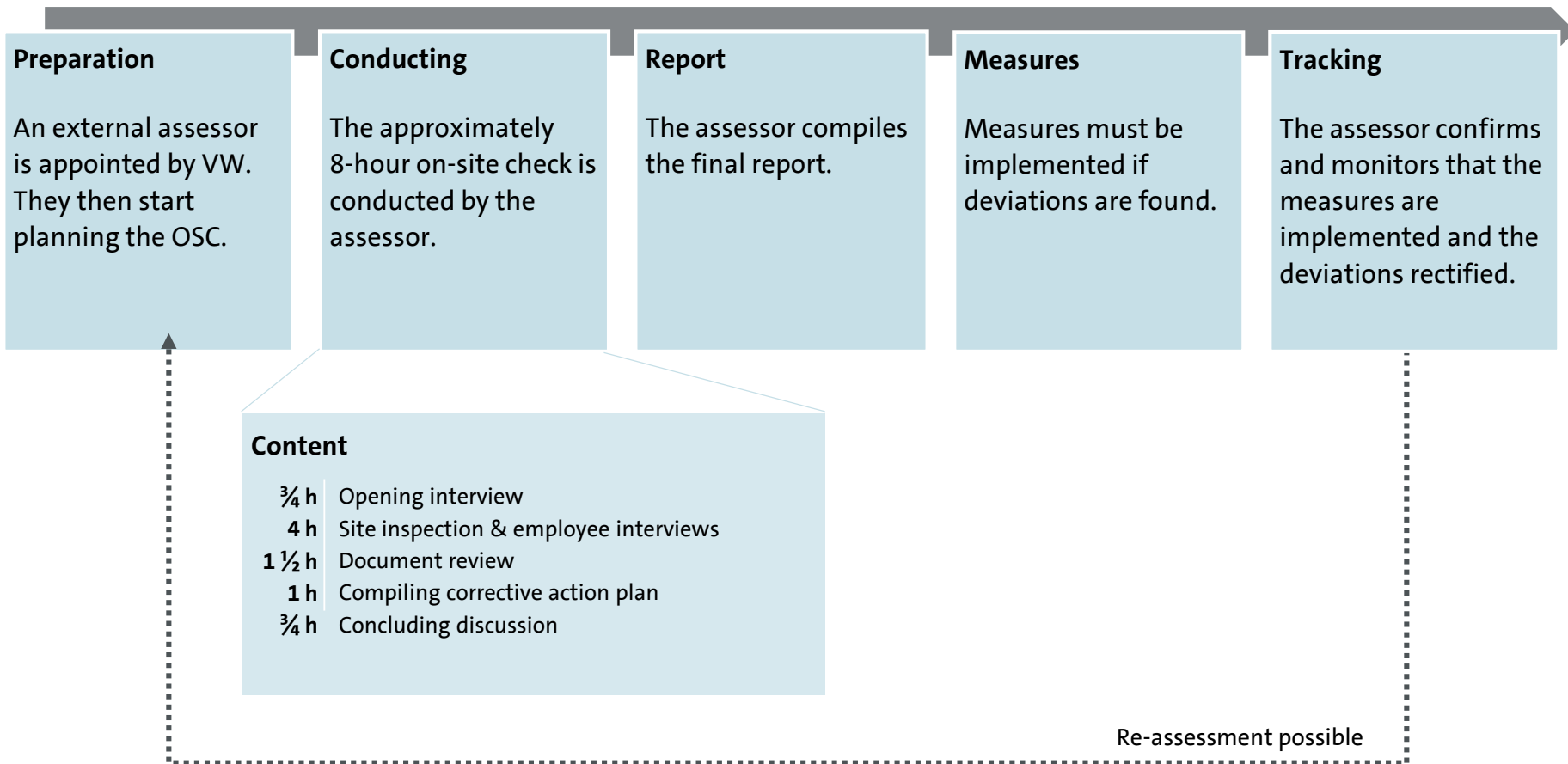
- On-site check of
- > Emergency exits
 - > Evacuation plans
 - > Evacuation drills
 - > First aiders
 - > Fire safety
 - > Protective equipment

Process:

- Duration approx. 8 hours
- If deviations found, supplier to develop and implement corrective action plan
- Implementation of the corrective actions followed up by the Volkswagen Group as necessary

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On-site check (OSC) – Step by step



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Key tools

1 SAQ	2 On-site check	3 Compliance check
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Self-Assessment Questionnaire (SAQ)

1 SAQ

Questions about basic guidelines and management systems

External plausibility check of uploaded documents (NQC)

Example:

Does your company have occupational safety guidelines that comply with national legislation, industry requirements and international standards?

- No
- Yes (please upload the appropriate document)

New SAQ 4.0

- > The new SAQ 4.0 replaces the previously valid SAQ 3.0
- > Scheduled for publication on the website of the [Drive Sustainability](#) industry initiative from mid-May 2020
- > Reduced number of questions and standardized form
- > Previous answers in SAQ 3.0 will be migrated to SAQ 4.0
- > When the questionnaire is filled in for the first time or changed, the new SAQ 4.0 must be used
- > Documents in Chinese, German, English, French, Spanish and Portuguese are accepted

S-Rating

Minimum requirements

A	B	C
<p>Consistent implementation of our requirements in the area of sustainability</p>	<p>Consistent checking of the requirements in the Code of Conduct for Business Partners</p>	<p>Transparent and verifiable communication with business partners</p>

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Overview of requirements

Five statements of principle

1	2	3	4	5
Code of Conduct	Working conditions and human rights	Health and safety	Business ethics	Environment

Five mandatory statement of principle documents for all suppliers

- » Questions 3, 7, 9, 11 and 13 of SAQ 3.0
- » Questions 3, 5, 7, 9 and 10 of SAQ 4.0
- » Options for small-scale suppliers:
 - > Suppliers with 10-99 employees under specified DUNS: Positive rating possible in the event of compliance with the minimum requirements
 - > Suppliers with 1-9 employees under specified DUNS: An exception from the S-Rating can be applied for
 - > Please send an email to the e-mail addresses specified above



Overview of requirements

Five statements of principle

1	2	3	4	5
Code of Conduct	Working conditions and human rights	Health and safety	Business ethics	Environment

- > Clarify the fundamental values and norms of your company succinctly
- > Offer employees the guidance they need to align their own actions with the objectives of the company
- > Provide a binding frame of reference for external and internal partners
- > A code of conduct can also cover the topics of working conditions and human rights, occupational safety, corporate ethics and environment



Overview of requirements

Five statements of principle



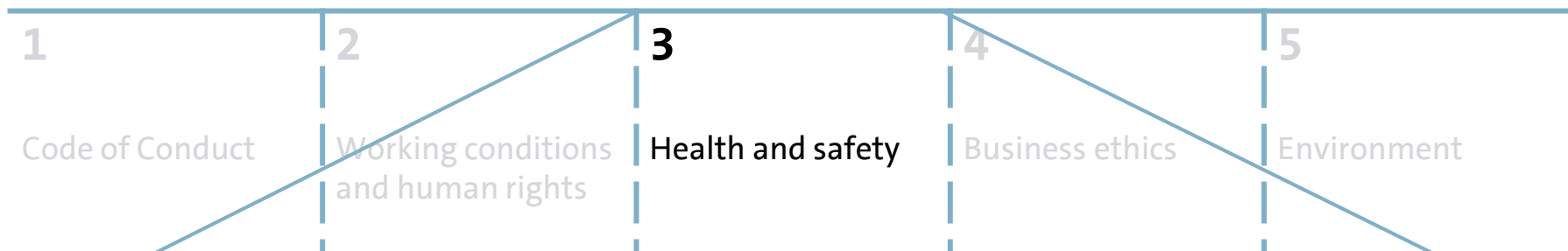
The following issues must be included in the statement of principles:

- > Child labor and young employees
- > Working hours
- > Salaries and social benefits
- > Forced labor and human trafficking
- > Freedom of association and collective bargaining
- > Harassment
- > Nondiscrimination

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Overview of requirements

Five statements of principle



The following issues must be included in the statement of principles:

- > Emergency provisions
- > Accident and incident management
- > Workplace ergonomics
- > Fire safety

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Overview of requirements

Five statements of principle



The following issues must be included in the statement of principles:

- > Corruption, extortion and bribery
- > Data privacy
- > Conflicts of interest

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Overview of requirements

Five statements of principle

1	2	3	4	5
Code of Conduct	Working conditions and human rights	Health and safety	Business ethics	Environment

The following issues must be included in the statement of principles:

- > Greenhouse gas emissions
- > Energy efficiency and renewable energies
- > Management of natural resources
- > Waste prevention

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Creating a statement of principles

The main points at a glance

IMPORTANCE

- > Fundamental values and norms of your company clarified succinctly
 - > Guidance for employees
 - > Binding frame of reference for external and internal partners
-

CONTENTS

- > Commitment to compliance with legislation
 - > Focus on relevant topics
 - > Defined goals & responsibilities
 - > Open dialog with internal and external partners
-

FORM

- > Specific or various subject areas, depending on company size etc.
 - > Company logo, current version, signature of the executive management, scope
-

USE

- > Communication, integration into training courses, basis for process descriptions
- > Adapted regularly



Timeline

Minimum requirements

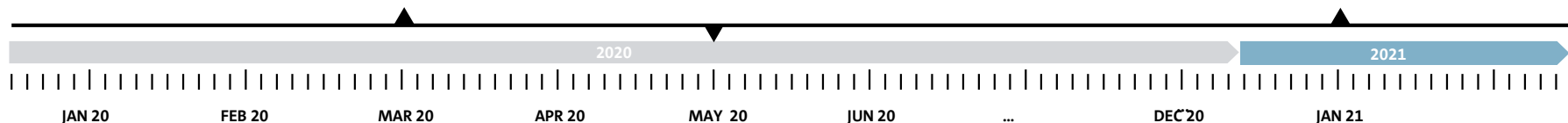
03.2020

Options for small suppliers:

- > Suppliers with 10-99 employees under specified DUNS: Positive rating possible in the event of compliance with the minimum requirements
- > Suppliers with 1-9 employees under specified DUNS: An exemption from the S-Rating can be applied for. Please send a mail to the e-mail addresses specified above.

01.2021

Compliance with the minimum requirements ensured, otherwise a negative rating is possible



09.2020 (scheduled)

Verification documents for NQC must be provided in one of the supported languages when SAQ 4.0 is introduced



Online Training Related links



- > [Information on sustainability at Volkswagen Group for business partners](#)
- > [The basics for creating a statement of principles](#)
- > [Background information on the SAQ \(right-hand column\)](#)
- > [Practical guidance](#)
- > [Supplier Handbook SAQ 3.0](#)





Thank you for your attention!

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