

Minimum requirements for suppliers

Sustainability rating requirements

The Volkswagen Group is continuously working on further developing its sustainability requirements towards business partners which are outlined in the Code of Conduct for Business Partners. The extent to which our suppliers meet these requirements is measured by the Sustainability Rating (S-Rating), which is a prerequisite for awarding since July 2019. As part of the S-Rating, Volkswagen Group has determined minimum requirements based on the Code of Conduct for Business Partners that must be met by all suppliers.

The minimum requirements are the following:

- 1) Suppliers need to have a code of conduct implemented at their site.
- 2) Suppliers need to have a policy in place regarding human rights and working conditions, including at least the topics child labor and young workers, wages and benefits, working hours, modern slavery, freedom of association and collective bargaining as well as harassment and non-discrimination.
- 3) Suppliers need to have a policy in place regarding health and safety, including at least the topics emergency preparedness, incident and accident management and fire protection.
- 4) Suppliers need to have a policy in place regarding business ethics, including at least the topics corruption, extortion and bribery as well as conflicts of interest.
- 5) Suppliers need to have a policy in place regarding environmental sustainability, including at least the topics energy efficiency and renewable energy as well as sustainable resources management and waste reduction.

Tracking of compliance with minimum requirements

Whether these requirements are met is checked with the help of the Self-Assessment Questionnaire (SAQ), which is already in use today to assess suppliers' sustainability performances. If the minimum requirements are not fulfilled, suppliers will be checked with an On-Site Check (OSC) conducted by a third party in order to obtain a S-Rating score. In case of continued non-compliance with the minimum requirements, suppliers will obtain a negative rating and can thus not be nominated for further business.

Further information

- Please note that also a low performance in the SAQ (independent of complying with the minimum requirements) can lead to the necessity of an OSC at a supplier's site.
- All suppliers, regardless of their size*, need to go through the whole SAQ.
- The policies outlined above must be submitted in one of the following languages or in an available translation: English, German, Chinese, Spanish, French or Portuguese.
- Further information can be found at [ONE.KBP](#), i.a. guidance on how to set up a policy.

*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.