

Slavery and Human Trafficking Statement 2023

Background

This statement has been prepared because of section 54 of the United Kingdom Modern Slavery Act 2015 (UKMSA). It details the measures implemented at CARIAD SE to prevent any forms of modern slavery and human trafficking.

Considering the advancing globalization, we acknowledge our global responsibility, which includes the protection of human rights.

Organization

CARIAD SE is a 100 % subsidiary of the Volkswagen Group. With more than 9,2 million vehicles sold in 2023, the Volkswagen Group is one of the world's leading automobile manufacturers and the largest carmaker in Europe. The Group comprises ten core brands from seven European countries: Volkswagen Passenger Cars, Audi, SEAT, CUPRA, ŠKODA, Bentley, Lamborghini, Porsche, Ducati and Volkswagen Commercial Vehicles.

CARIAD SE is the automotive software company of the Volkswagen Group. It creates and delivers leading digital technology. Building automotive software platforms and digital customer functions for iconic brands like Audi, Volkswagen and Porsche, CARIAD makes software a competitive advantage for the Volkswagen Group. More than 6,000 CARIDIANS in software centers in Germany, China, Estonia, USA and India as well as employees of CARIAD Group entities in Germany, Portugal, Romania, Sweden transform automotive mobility for everyone.

Our Commitment

We at CARIAD SE take our corporate social responsibility very seriously and will not tolerate or condone slavery or human trafficking in any part of our organization.

We completely reject forced labor and all forms of modern slavery including human trafficking. This includes work performed involuntarily by people under threat or penalties or other disadvantages (such as debt bondage or involuntary prison labor). Employment relationships must be voluntary, and employees are able to give notice of their own volition at any time and in observance of reasonable deadlines.

Our expectations for responsible, ethical and legal conduct are applicable to all parties who work with or for us worldwide, including employees, partners, suppliers as well as their suppliers. We will continue to be committed to ensuring that modern slavery does not take place within our organization or in any of our supply chains. We expect that our suppliers will ensure that their own suppliers in turn will adhere to the same high standards.

We have published also a [Policy Statement](#) in accordance with the German Supply Chain Due Diligence Act (Lieferkettensorgfaltspflichtengesetz, LkSG). This statement is a public affirmation of CARIAD SE's acknowledgment of its responsibility to respect human rights. Within this statement we explained how our company fulfilled its due diligence obligations in 2023 and the statement includes

- A description of a procedure through which CARIAD SE fulfills its due diligence obligations
- The prioritized human rights and environmental risks, identified based on a conducted risk analysis
- The human rights and environmental expectations that the company directs towards its employees and suppliers in the supply chain, based on the conducted risk analysis.

Internal measures

Our commitment and integrated approach at CARIAD SE includes, among others, our Code of Conduct, our Whistleblower System, our Supply Chain Grievance Mechanism, our Compliance Management System ("CMS") and our Risk Management System.

Code of Conduct

Our Code of Conduct is an adaptation of the Volkswagen Group Code of Conduct and supports our employees in behaving in an ethical and responsible manner. It is supplemented by internal guidelines and provisions in employment contracts. It also goes without saying that we comply with national and international statutory provisions. We have a duty to observe the law under which we operate regarding all business decisions we make.

The Code of Conduct is available to all employees on the intranet and to third parties on the Internet and is continuously communicated. Regular training on the Code of Conduct

is mandatory for all employees, regardless of their hierarchical level. Additionally, members of senior management confirm their knowledge and responsibility regarding the Code of Conduct each year, based on the risks that affect them.

As a result, compliance with the Code of Conduct is mandatory for all employees: It is a prerequisite for anyone who wants to work for us. The Code of Conduct is based on shared values, with a focus on honesty, integrity, compliance and ethical behavior. The rejection of all forms of modern slavery and human trafficking is an integral part of the Code of Conduct. The Code of Conduct includes a section dedicated to human rights stating the following:

"We respect, protect and promote all regulations in force to protect human rights and children's rights as a fundamental and general requirement throughout the world. We reject all use of child labor and forced or compulsory labor as well as all forms of modern slavery and human trafficking. This applies not only to cooperation within our Company but also as a matter of course to the conduct of and toward business partners."

Code of Conduct for Business Partners

The Volkswagen Group has also specially formulated the Code of Conduct for Business Partners which applies to all our purchasing contracts. It details the Group's expectations regarding the attitude and conduct of business partners in their corporate activities, particularly regarding their specific suppliers and sales partners. The requirements are regarded as the basis for successfully shaping the business relationship between the Volkswagen Group and its partners. They include observance of human rights, such as the prohibition of child labor, human trafficking and slavery, as well as ensuring environmental protection and preventing corruption. The requirements for business partners also include the requirements of the German Act on Corporate Due Diligence Obligations in Supply Chains.

Before submitting a proposal, suppliers must confirm that they accept the sustainability requirements of the Code of Conduct for Business Partners. Through the Code of Conduct for Business Partners, the possible implementation of risk-based control measures, such as audits, will be agreed with the supplier.

Whistleblower System

CARIAD SE participates in the Volkswagen Whistleblower System, which is used for reporting suspicions of Serious Regulatory Violations. The violation of human rights is an

example of circumstances that constitute a Serious Regulatory Violation. Potential violations of the Code of Conduct for Business Partners, including reports on serious risks and violations regarding human rights and environment, including potential cases occurring at Volkswagen Group as well as at direct and indirect suppliers, can also be reported to the Whistleblower System.

For matters that do not involve employee misconduct in the company's own operations, the whistleblower system immediately forwards the complaint to the respective unit within the Group that is responsible for handling the complaint. As a first step, the responsible unit will assess the plausibility and validity of the complaint with respect to possible human rights violations, including work performed involuntarily by people under threat or penalty or other disadvantage (such as debt bondage or involuntary prison labour). If a situation is suspected, the necessary investigation or clarification measures, known as follow-up measures, are considered. Depending on the outcome of the follow-up-measures, business decisions are made to address the identified crime or risk. If human right-related complaints are identified in the company's own operations in Germany, countermeasures are taken and monitored to immediately eliminate the risk or violation and prevent its recurrence.

Employees, as well as business partners and customers, can report misconduct by employees or suppliers around the clock, 365 days a year. Written reports can be submitted in all languages in a specially protected online reporting channel and by e-mail. In an international 24-hour telephone hotline, information can be reported in a total of 8 languages. In addition, information can also be submitted in person or through commissioned external lawyers (ombudsmen).

If desired, the reports can be made anonymously in all channels. Strict confidentiality and secrecy apply throughout the process. The Whistleblower System guarantees the highest possible protection for whistleblowers and all persons who contribute to investigating and remedying misconduct and violations of the rules. Discrimination against whistleblowers and contributors is a Serious Regulatory Violation and will not be tolerated. At the same time, the Whistleblower System safeguards the interests of the Persons Implicated.

The presumption of innocence applies to the Persons Implicated as long as a violation is not proven.

Compliance Management System

As CARIAD SE, we operate our own Compliance Management System (CMS). Our CMS is rooted in Volkswagen Group's Integrity & Compliance standards and guidelines, which we have customized to our specific business risks as an automotive software and technology company. We are taking part in the regular VW group-wide internal compliance risk assessment, which assesses risk exposures alongside a correlation of country risks, business model risks as well as business & human right risks. Based on this assessment, we implemented measures that target and mitigate the identified risks. We applied the same approach to our controlled entities and requested them to implement customized measure sets developed by VW Group Compliance. To continuously monitor these risks, we have implemented an ongoing monitoring and improvement process.

The VW Group has also integrated the topic of business and human rights into the group-wide compliance management system and we have implemented the respective measures in our company. We have implemented measures to fully comply with the German Supply Chain Due Diligence Act (LkSG), which entered into force on January 1, 2023.

Risk Management System

CARIAD SE conducts a Quarterly Risk Process ("QRP") that is used to record and manage all acute, concrete and strategic risks, making the process also suitable for recording potential risks and countermeasures of human rights violations.

Reporting to the CARIAD Brand Management Board, the Group Management Board and the Audit Committee takes place on a quarterly basis and may also include risks relating to human rights if the materiality thresholds are reached.

Besides, matters such as risk assessments regarding human rights can be recorded in the Standard Internal Control System ("ICS"), which was rolled-out successfully by the end of 2023. Control activities are carried out within the annual Standard ICS process to minimise litigation risks in material business processes at CARIAD SE and are tested for their effectiveness. A standardised risk catalogue is used for this, which includes clearly defined control targets. These activities include for example checks on the specific content of agreements (incl. requirements regarding human rights) in the supply chain and compliance with legal and in-house specifications. Reporting to the CARIAD Brand Management Board, the Group Management Board and the Audit Committee takes place on a yearly basis or when the need arises.

German Supply Chain Due Diligence Act - Risk Management

Dr. Kerstin Waltenberg is the Human Rights Officer for the Volkswagen Group. Thus for the entire own business area, including CARIAD SE.

The Human Rights Officers department primarily performs the monitoring, review and advisory tasks for the Group Executive Board.

2023, a risk analysis was carried out to identify, weight and prioritise human rights risks. The risk analysis covered both CARIAD SE's own operations and its direct suppliers.

The risk analysis in our own business area was integrated into the existing compliance risk analysis process and expanded to include specific human rights issues. Questionnaire-based abstract and concrete risk analyses were carried out at CARIAD SE and at the controlled companies.

Training for employees

Preventive measures promote compliance at CARIAD and raise compliance awareness among employees. Target group-oriented communication and training measures for employees at all hierarchical levels play a key role in this. Every new employee of CARIAD SE is obliged to participate in a brief Code of Conduct training when onboarding, followed by a mandatory in-department web-based training within three months of starting employment. Apart from our Code of Conduct, this training covers basics on anti-corruption and anti-money laundering, product compliance, human rights, and the VW group-wide whistleblower system. The training is concluded with an awareness test and needs to be repeated every two years. Additionally, every employee is obliged to complete a web-based training on Human Rights which needs to be repeated every three years. The training provides an insight into the Supply Chain Due Diligence Act (Lieferkettensorgfaltspflichtengesetz - LkSG) and explains the corporate responsibility as well as that of each employee.

Measures in the supply chain

CARIAD SE wants to fulfil its responsibility in its business relations on a global level and act proactively beyond simply meeting legal requirements. Our purchasing department follows the strict sustainability guidelines of the Volkswagen Group. We also adjusted our management approach in purchasing to meet the requirements of the new German Supply Chain Due Diligence Act (LkSG). The previous approach of "prevent, detect, re-

act” was replaced by the responsible supply chain system (ReSC system). The new approach has the aim of avoiding and minimizing human-rights, social or environmental risks along CARIAD Group's supply chain based on a systemic risk analysis. It should also help to mitigate breaches and continuously improve suppliers' sustainability performance. It begins even before a contractual relationship is established and thus before the actual negotiation of delivery times and purchase prices. The aim of the management approach is to avoid or minimise human rights, social or environmental risks along the Volkswagen Group's supply chain on the basis of a systematic risk analysis and, at the same time, as a preventive measure for all suppliers with a corresponding risk exposure. It is also intended to help remedy violations and continuously improve the sustainability performance of suppliers.

The ReSC system includes the following elements, which build on each other:

- Risk Analysis: A regular risk analysis serves to identify risks in our supply chain in advance. The analysis is made on the basis of the suppliers' business models and takes account of internal and external data on human-rights and environmental risks. Based on the assessment of the risks, each supplier is allocated a low, medium or high sustainability risk. For suppliers with a low sustainability risk, a country risk score is additionally used. If the supplier has an increased country risk, it is upgraded to the medium risk category. The risk analysis is updated at least once a year and/or as required by Group Procurement Sustainability in consultation with relevant parent companies of the Volkswagen Group.
- Standard measures: These proactive and reactive measures include the Code of Conduct for Business Partners, the supply chain grievance mechanism, media screenings, the sustainability rating (which is directly relevant to the award of the contract and therefore a condition of the contractual relationship) and training suppliers and employees.
- Deep Dive measures: These encompass the human rights focus system in the supply chain, the raw material due diligence management system and collaboration with external partners to develop the concept of sustainability in the supply chain.

Please find more details on Volkswagen Group's ReSC system here:

<https://www.volkswagen-group.com/en/publications/more/group-sustainability-report-2022-1644>.

Progress Report

In the reporting year 2023, we have started the roll-out process for the new group-wide ReSC system. Our focus laid on adapting sourcing processes, internal awareness raising measures and the preparation of our training concept. Our aim for the year 2023 was to train 100% of our internal purchasing network on our concept for sustainability in supplier relations. Furthermore, we rolled out our new revised Code of Conduct for Business Partners and integrated it into new purchasing contracts, and we also implemented the ReSC system in CARIAD SE's subsidiaries.

Peter Bosch
CEO CARIAD SE

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