

Slavery and Human Trafficking Statement 2022

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 8.3 million vehicles sold in 2022, 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 is an independent automotive software company in the Volkswagen Group that is consolidating and further expanding the Group's software competencies. The company is developing the leading technology stack for the automotive industry with the mission to make the automotive experience safer, more sustainable and more comfortable for people. Established in 2020 under the name Car.Software Organization, CARIAD now has more than 6,500 experts worldwide working on a scalable technology stack for all Volkswagen Group brands, comprising a software platform, a unified architecture and a reliable connection to the automotive cloud. The company is also developing digital functions for the vehicle, including driver assistance systems, a standardized infotainment platform, software functions for linking powertrains, chassis and charging technology, as well as the new digital ecosystem and digital services in and around the vehicle. CARIAD has software competence centers across Germany, and subsidiaries in China and the USA.

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.

Internal measures

Our commitment and integrated approach at CARIAD SE includes, among others, our Code of Conduct, our Whistleblower System, 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 " *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 with regard to 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 were revised in 2022 and amended to include the requirements of the German Act on Corporate Due Diligence Obligations in Supply Chains.

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.

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 in 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. Moreover, we started the process of implementing measures to fully comply with the German Supply Chain Due Diligence Act (LkSG), which entered into force on January 1, 2023. These adjustments will continue to be applied in 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.

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.

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.

In the reporting year, 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, react" 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. 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 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 2022, we have started the roll-out process for the new group-wide ReSC system. Our focus lay on adapting sourcing processes, internal awareness raising measures and the preparation of our training concept. Our aim for the year 2023 is to train 100% of our internal purchasing network on our concept for sustainability in supplier relations. Furthermore, we will roll out our new revised Code of Conduct for Business Partners and integrate it into new purchasing contracts. We will also implement the ReSC system in CARIAD SE's subsidiaries.



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Date: 30.09.2023