



MODERN SLAVERY STATEMENT

(fiscal year 2023)

This statement has been prepared pursuant to Section 54 of the United Kingdom Modern Slavery Act 2015. It represents in particular the measures implemented by AUDI BRUSSELS SA/NV on preventing forms of modern slavery and human trafficking.

ORGANISATION

Since December 2022, AUDI BRUSSELS SA/NV (“Audi Brussels”) has been producing the Audi Q8 e-tron and the Audi Q8 e-tron Sportback. Earlier, the first all-electric model, the Audi e-tron, was made here. Series production of the Audi e-tron Sportback began in early 2020. Moreover, the Brussels plant is the world's first CO2-neutral large-scale production facility in the premium segment, certified by independent experts.

Our business activities include the production and sale of vehicles.

Audi Brussels is a company under Belgium law and is a 100-percent subsidiary of AUDI AG. AUDI AG is a stock corporation under German law with its headquarters in Ingolstadt, Germany. In addition to AUDI AG, the Audi Group comprises all the key companies and units in which AUDI AG has a direct or indirect controlling interest. The Audi Group is organized in a decentralized manner, with individual subsidiaries bearing responsibility for their own business operations. Guidelines, reporting channels and committees are put in place to ensure appropriate Group steering and monitoring.

The Audi Group is present in more than 100 markets worldwide. It manufactures at 22 sites in 13 countries in 2023. The Bentley, Ducati and Lamborghini brands are also part of the Audi Group. AUDI AG is a fully owned subsidiary of Volkswagen AG.

With its presence in key markets, the Audi global procurement organization ensures that materials and services in particular are produced and provided worldwide in the required quality and at the best possible terms. Procurement is active in more than 60 countries around the world and is a central interface between AUDI AG and more than 14,000 direct supplier companies. In order to maximize the benefit of synergy potential, suppliers are selected in close collaboration with Volkswagen Group Procurement.

For us, global compliance with sustainability standards in areas such as human rights, occupational health and safety, environmental protection and combating corruption is a basic prerequisite for successful business with our suppliers. Only together with our business partners is it possible to ensure compliance with sustainability standards and contribute to the implementation of the United Nations Sustainable Development Goals (SDGs). To achieve these goals, we implemented the concept of “Responsible Supply Chain Management” and we continue to build on and develop these measures to this day.

In addition to the independent activities in this area, all measures and efforts taken by the Volkswagen Group to promote sustainability and to protect and respect human rights within the company and along the supply chain also contribute to achieving these goals in the Audi Group.

B/G-C

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POLICIES

Code of Conduct

All Audi Brussels employees are expected to respect the Code of Conduct that specifies the expected behavior of all concerned with regard to social and environmental standards. The Code of Conduct is permanently available on the intranet to every employee and publicly available for download from the [Audi Brussels Website](#). All employees, managers and board members are trained about the Code of Conduct.

The Volkswagen '[Code of Conduct for Business Partners](#)' defines our sustainability expectations towards our business partners and addresses human rights such as the strict avoidance of any kind of slavery, human trafficking, child labor or unjust discrimination. It specifically requires all business partners to act with integrity, and be vigilant against human rights abuses and the importance of raising any concerns to Audi. To support this further, the Audi purchasing organization offers training on the Volkswagen Code of Conduct for Business Partners to specific business partners.

Policies relating to Business Human Rights

To affirm AUDI AG's commitment to respecting and upholding human rights in general and condemning forced labor and human trafficking specifically, AUDI AG's Board of Management signed a policy statement regarding the "Respect for and Observance of Human Rights" in 2017. The [Declaration](#) was updated in 2023 and contains the human rights strategy of the Audi group.

To address the ongoing risk of modern slavery and other business human rights abuses, Audi Brussels has implemented its own Human Rights Policy, which will be reviewed on a regular basis to ensure that Audi Brussels continues to adapt to the changing needs of the environment.

The policy informs Audi Brussels colleagues about the issues of business human rights, raises awareness within the business and clarifies expectations on the issue of modern slavery.

The policy refers to guidance on how to spot and report suspected breaches of human rights. It strongly encourages employees to raise any concern about a possible breach of human rights immediately and to contact the company.

With effect from January 1, 2023 the Board of Management of AUDI AG appointed a [Human Rights Officer](#) for Audi. In this independent role the Human Rights Officer is the primary contact on all human rights matters for government agencies, the political sphere and society at large. His responsibility extends to the entire Audi group.

As part of the Audi Group, Audi Brussels aligns with the UN Guiding Principles on Business Human Rights which refer in particular to the Universal Declaration of Human Rights and the International Labour Organisation (ILO) Declaration on Fundamental Principles and Rights at Work.

We have recruitment processes designed to ensure that appropriate right-to-work checks are carried out.



Whistleblower System Policy

Audi Brussels has a whistleblower system policy, which covers all persons working for Audi Brussels or on behalf of the company in any capacity, including contractors, agency workers, third party representatives or any other person associated with the company, wherever located. All employees and business partners have access to an [ombudsman service](#) and have the choice to remain anonymous should they wish. Included in the channels available to raise concerns, is a dedicated email address: whistleblower-office@audi.de as well as an [online reporting channel](#).

The Whistleblower System is also the reporting channel for all allegations regarding environmental and human rights violations in accordance with the LkSG (German Supply Chain Due Diligence Act). Further information can be found [here](#).

Supplier Sustainability Requirements

Audi Brussels expects compliance with human rights and employment legislation from its suppliers. In addition, supplier contracts must meet specific sustainability standards in accordance with VW's sustainability requirements, in particular the Code of Conduct for Business Partners.

The basis of the sustainability requirements include human rights, International Labour Organisation (ILO) core labor standards, the principles of the Global Compact, and the International Chamber of Commerce Business Charter for sustainable development.

The sustainability requirements are publicly available for download on the [Volkswagen Group Supplier Portal](#).

If a supplier is in breach of these requirements, non-compliance with the Code of Conduct for Business Partners can lead to a termination of contracts or an exclusion from future awardings.

IDENTIFYING RISKS

Potential concerns relating to Modern Slavery are monitored through a risk management system. This involves a quarterly process to identify, assess and mitigate operational risks within the company, which will be addressed by suitable countermeasures. Furthermore, compliance with internal policies and the VW sustainability requirements is regularly assessed through an internal control system with specified control activities.

As an automotive manufacturer, Audi Brussels has an international and highly complex supply chain. Audi Brussels and the Audi Group adopt a consistent level of diligence with its suppliers with which it contracts across all regions to ensure that its approach to human rights is replicated through the supply chain. The same principles equally apply to suppliers providing on-site support services at Audi Brussels, for example: on-site catering, construction and cleaning.

Compliance Risks

Potential compliance risks, including the risk of human rights violations, are recorded and assessed using the overarching regular risk processes established throughout the



Volkswagen Group. Preventative measures are developed where needed and appropriate compliance programs are specified on the basis of these results. Investigative measures and responses are conducted as necessary by relevant departments, including but not limited to Corporate Audit, Security, Legal, Purchasing, and Human Resources.

Audi Group's internal audit team conducts regular, systematic reviews of processes across its group of companies (including Audi Brussels), using, among other tools, the internationally recognized COSO Enterprise Risk Management Framework. In addition, it carries out sample checks, regardless of suspicion, as well as investigations of specific suspected violations.

For any Audi Brussels employee with questions or concerns relating to compliance issues, there is a dedicated email address: compliance.audibx@audi.de

CONDUCTING DUE DILIGENCE

Supplier Self-Assessment

Suppliers are asked to confirm their compliance with the Volkswagen sustainability requirements through a self-assessment questionnaire (SAQ). If the questionnaire highlights a potential issue, this is flagged to the Volkswagen contact responsible for the region. A comprehensive business due diligence process is integrated within the supplier assessment, to compliment the S-rating, the process reviews and addresses integrity and ethics concerns. The S-Rating system is an assessment of suppliers with regard to environmental, social and corruption risks.

Sustainability Audits

For selected suppliers, Audi Brussels retains the right to commission an independent, external service provider to check that suppliers are operating in accordance with the expected behavior outlined in the VW sustainability requirements.

The outcome of these audits is reviewed by the expert team responsible for the supplier's region and, if necessary, an action plan put into place to address shortcomings. If the supplier is found to be in breach of the VW sustainability requirements, and is not prepared to make the necessary changes, Audi Brussels can opt to terminate the relationship.

In the case that a concern is raised regarding a second or third tier supplier, the same principle applies and Audi Brussels will investigate the case with the first tier supplier.

CONDUCTING DUE DILIGENCE AND MONITORING EFFECTIVENESS

The joint Self-Assessment Questionnaire (SAQ) was developed by the members of the industry initiative Drive Sustainability, facilitated by CSR Europe. The SAQ is provided on the external platform supplierassurance.com by the service provider NQC Limited. Due to the standardized questionnaire used by several OEMs, suppliers can complete the SAQ once and voluntarily share their responses with different buyers. By this, we aim to reduce the workload for suppliers who do not need to complete several different sustainability questionnaires from different buyers.

If the above mentioned minimum requirements are not met and/or the responses in the SAQ point to an increased sustainability risk, an On-Site Check (OSC) is conducted at the



supplier's site. This check aims at evaluating our suppliers' sustainability performance and at helping them to improve it if gaps and nonconformities are identified. The OSC is conducted by an independent external partner, which is an internationally experienced audit company. After an OSC, our suppliers are informed about the result and a corrective action plan is developed, if necessary.

COMMUNICATION AND TRAINING

Audi Brussels communicates with all employees to build awareness of the risks of Modern Slavery; this includes articles on the company intranet that can be accessed by all employees to raise awareness. It is intended that these communications will continue to be issued on a regular basis.

Audi Brussels has a dedicated web based training on business and human rights, which is accessible through the company's online learning platform. Audi Brussels applies a risk based approach to all mandatory trainings. Therefore all indirect employees including management level and above (including Board Members), are required to undertake the training. As part of an onboarding process new members also receive these trainings. Refresher cycles for trainings are also in place.

All Audi Brussels suppliers and purchasing colleagues have access to an e-learning module outlining the VW expectations on sustainability. This is accessed through the Volkswagen Supplier Portal.

SUMMARY

This statement outlines some of the actions undertaken by Audi Brussels in 2023 as part of its commitment to tackling modern slavery in all aspects of its business. It is intended that this statement will continue to evolve over time and demonstrate progress on this important issue.

We recognize our responsibility to protect human rights at our site and along our complex value and supply chains. For us, this responsibility does not end at our factory gates, but goes beyond them.

Volker Germann

President of the Management Board (Spokesperson), AUDI BRUSSELS SA/NV

September 2024