

From: [REDACTED] <[REDACTED]>
Date: Wednesday, January 24, 2024 at 11:42 AM
To: Krista Shennum <[REDACTED]>
Cc: Lotte Leicht <[REDACTED]>, Brad Adams <[REDACTED]>, [REDACTED]
[REDACTED] <[REDACTED]>
Subject: AW: Summary of findings for upcoming report on the environmental and human rights impacts of the nickel industry in Indonesia

Dear Krista,

Thank you for the message and sending me the link to the report. Also thank you for your offer to add our response to the report appendix.
Enclosed please find our statement:

Volkswagen Statement:

- Volkswagen AG currently does not procure nickel directly. We source this battery raw material from our suppliers in the form of EV batteries. Our battery suppliers procure nickel through their own business processes and various precursor products. Our relationships with business partners and suppliers are, as a matter of principle, confidential. We ask for your understanding that we do not comment on business relationships.
- We take our corporate responsibility very seriously and have implemented measures and set up management systems in Volkswagen Group Procurement in order to identify, assess and manage sustainability risks in our supply chains.
- Only suppliers that accept our sustainability requirements and commit to fulfilling them may enter into a business relationship with the Volkswagen Group. Our direct suppliers are expected to pass on these sustainability requirements to their business partners throughout the supply chain. Since 2019, we have been assessing the sustainability performance of our relevant business partners through our **sustainability rating** (“S-Rating”) prior the final sourcing decision. A detailed explanation of the screening and assessment process is available in our latest **Sustainability Report** (Please see page 108; [Reporting | Volkswagen Group \(volkswagen-group.com\)](#)).
- In order to deal with the sometimes extensive risks in the upstream raw material supply chains, in 2020 we have implemented a **Raw Materials Due Diligence Management System** (in short: RMDDMS). This management system is used to identify, prioritize and process sustainability risks in our upstream supply chains. We currently have 18 priority raw materials in scope – the battery raw material nickel is one of them. Please refer to our latest **Responsible Raw Materials Report** for details ([Volkswagen Group Responsible Raw Materials Report](#)). We explain the Raw Materials Due Diligence Management System, and we report on our activities regarding the battery raw materials including nickel.
- We are working intensively to **increase transparency in the upstream battery supply chain** in order to find out where the material origins are so that we can assess and address human rights

risks as well as environmental aspects. For this purpose, we work closely with our direct suppliers (Please see Responsible Raw Materials Report).

- In March 2022, we have **joined the Initiative for Responsible Mining Assurance (IRMA)** and have committed to live up to industry's joint responsibility to improve working and environmental conditions against the backdrop of growing demand for raw materials used in batteries and we will gradually implement the IRMA standard in our own supply chain.
- Our company sets strict requirements towards our business partners. In the event of – violation of our standards (defined in the “Code of Conduct for Business Partners”) – we take appropriate, quick and resolute action to ensure that our requirements are met. For this purpose we have a **Supply Chain Grievance Mechanism** in place (Please see page 11 of our Responsible Raw Materials Report and page 108 of our Sustainability Report).

I will introduce you to my expert colleagues in the sustainability department so that you can arrange a meeting directly.

Best regards,



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