

SUPPLY CHAIN AND HUMAN RIGHTS



PROTECTING HUMAN RIGHTS EFFECTIVELY

The Volkswagen Group pursues the vision of enabling sustainable mobility for generations to come. This includes living up to our legal, social and environmental responsibility not just in our own Group but also in our supply chains. In 2022, the Volkswagen Group once again anchored the focus topic of "Supply chains and human rights" in the key Group initiatives.

RESPONSIBILITY IN OUR GROUP

As of August 1, 2022, the Group Board of Management created the position of an officer for human rights-related issues within the Group. This officer reports to the member of the Group's Board of Management responsible for Integrity and Legal Affairs and will independently monitor whether human rights due diligence requirements are being complied within the Group. This includes the supervision of risk management regarding risks relating to human rights and the environment, prevention measures, grievance management and remedial action in the departments and in Compliance. The officer also prepares the Group Board of Management's declaration of principles prescribed by the German Supply Chain Due Diligence Act (*Lieferkettensorgfaltspflichtengesetz – LkSG*). In addition, the officer for human rights-related issues has responsibility for the external and internal reporting obligations, the dialog with stakeholders, and stakeholder management. The officer for human rights-related issues is the first point of contact for all human rights-related concerns on the part of authorities, policymakers and society.

Acting on the Basis of Firm Values and Principles

The work in the Group's factories and sales companies around the world is based on firm principles, such as respect for minorities and compliance with labor standards. We continuously assess social and labor standards and the human rights risk in the countries where we operate. The basis for this is the publicly available reports of the United Nations and specific analyses and indices. The Volkswagen Group respects international guidelines and conventions, including in particular:

- The UN Universal Declaration of Human Rights, which is codified in the International Covenant on Civil and Political Rights and in the International Covenant on Economic, Social and Cultural Rights
- The Core Labor Standards of the International Labour Organization (ILO)
- The UN Guiding Principles on Business and Human Rights
- The OECD Guidelines for Multinational Enterprises
- The principles of the UN Global Compact

The above international human rights frameworks are also defined as focal points. These "salient business & human rights issues" refer to:

Labor rights

- Freedom of association and the right to collective bargaining
- No forced labor
- No child labor
- Good working conditions

Safety

- No involvement in any unlawful activities
- Guarantee of people's safety

Tolerance

- Tolerance towards different ideological and religious opinions and respectful expression of them
- No discrimination
- Diversity and protection of disadvantaged, especially indigenous groups


In the last few years, a trend of also regulating the issue of business and human rights in national laws has been emerging in leading economic powers. The Volkswagen Group supports a binding legal framework that requires companies and their suppliers to respect human rights. We also welcome the EU's legislative initiatives such as the Corporate Sustainability Due Diligence Directive (CSDDD), particularly the associated level playing field for equal and fair competition conditions at international level.


Code of Conduct and Group Policies as a Framework for Action

The Volkswagen Group has enshrined the topic of business and human rights and its significance for the supply chain in processes and policies that apply to all the Group's employees worldwide. Expectations of employees and the Group-wide understanding of the observance of universal human rights are set out in our Code of Conduct: We respect, protect and promote the regulations on protecting human rights worldwide as fundamental and universally valid requirements. We reject all use of child, forced or compulsory labor and any form of modern slavery or human trafficking.

Our Group policies embed the topic of business and human rights both in our governance functions and in the implementation of site projects. Furthermore, the topic is also procedurally anchored in site decisions and M&A projects.


The Group and employee representatives have also signed the "Declaration by the Volkswagen Group on social rights, industrial relations and business & human rights" – the Social Charter.

 > People in the Transformation

 > www.volkswagenag.com > Sustainability > Strategy, Policy & Engagement > Policy > Declaration on Social Rights

This declaration provides a binding basis for social and industrial relations within the Volkswagen Group. It also serves as a benchmark for shaping relationships with suppliers and other business partners. The specific expectations regarding suppliers arising from this declaration are defined in the Code of Conduct for Business Partners. This Code of Conduct must be recognized by all suppliers prior to the commencement of the business relationship.


Permanent employees of the Volkswagen Group's controlled companies have their awareness raised as part of the mandatory Code of Conduct training. Further information on the implementation rates for the Code of Conduct training can be found in the Integrity chapter.

 > Integrity


Engaged Dialog with Our Stakeholders

We provide our workforce with information on the supply chain and human rights via a number of channels. This includes articles in internal media and newsletters and internal dialog and Q&A events. This is because it is important to us that our employees obtain information directly at first hand. We communicate our positioning to the public and external stakeholders through interviews with top managers, in media reports and through our digital channels.


In our view, continuous dialog between those involved about principles and implementation issues is needed in differentiating between the state's duty to protect human rights and corporate human rights responsibility. For businesses, it is often challenging to obtain concrete and objective information enabling a comprehensive assessment of human rights situations. In order to achieve further progress, we also seek cooperation with international organizations. For example, we are continuously in written and personal dialog with NGOs and human rights institutions.

 > Stakeholder Management

Institutional investors and investment banks also seek dialog with us on the topic of business and human rights. One of the places we publish our standpoint, including on controversial aspects, is the Volkswagen Group's investor relations website.

 > www.volkswagenag.com > Investor Relations > Corporate Governance > ESG Controversies

Volkswagen completely rejects all forms of forced labor in the Group's businesses all over the world. We have no indications that forced labor is being used in the supply chain or in any of our production sites.

 > www.volkswagenag.com > Volkswagen Group Statement on MSCI ESG Controversies Report

Compliance Management System for Human Rights

We have sustainably integrated the topic of business and human rights into the Group's established compliance management system. All active controlled Group companies with their own employees take part in the standardized internal compliance risk management process. In the case of noncontrolled companies (with Chinese joint ventures), an individual analysis is made with regard to the overall compliance management system (including human rights, where applicable) in cooperation with our respective companies via our internal contacts. We rely on the cooperation of these companies here.

Group Compliance made risk assessments for the field of human rights for 805 companies around the world. This means that 100% of our controlled companies within the scope of compliance in a total of 82 countries were audited. This risk analysis incorporates the results and risk assessments of the previous year. In the reporting year itself, 51 risk assessments were made of companies that were added to the scope of compliance from a total of 18 countries.

This analysis assessed our business units' human-rights risk situation and, as a result, we can allocate these to the low, medium and high categories. These companies were then given risk-specific measures. The measures must be implemented for all companies in the scope on the basis of their risk profile. The status of implementation of the respective measures is continuously monitored by the Group.

In the reporting year, adjustments to the compliance risk management process were prepared in order to fully comply with the requirements of the German Supply Chain Due Diligence Act (LkSG), which entered into force on January 1, 2023. These adjustments will be applied in 2023.

RESPONSIBILITY IN OUR SUPPLY CHAIN

Due to the complexity of its products, the Volkswagen Group's supply chain is highly complex, globally distributed and subject to constant change. It comprises more than 59,000 supplier sites¹ around the world in more than 90 countries. Our activities may have negative effects on our environment and on people in our supply chain. At the same time, our size and position in the market also mean there are opportunities to achieve environmental and social improvements in our suppliers' countries.

¹ Change in methodology: All supplier-based KPIs reported in this chapter only take account of direct suppliers with revenue in 2022.

Our aim is to design supply chains responsibly. The Group Procurement Sustainability department conducts the operational management of sustainability topics in our supply chains. In order to identify current developments and long-term challenges in the individual countries, we also encourage dialog between our brands and regions through the Sustainability Procurement Network, in which more than 70 experts from five continents work together.

Sustainability As Part of the Procurement Strategy

With our new procurement strategy, which gradually replaced "Strategy 2025+" in the reporting year, we have launched a comprehensive interdisciplinary strategy program. The program has five pillars: Alongside the short-term cost target, we aim to improve our supply situation, increase quality and boost innovative power and sustainability.

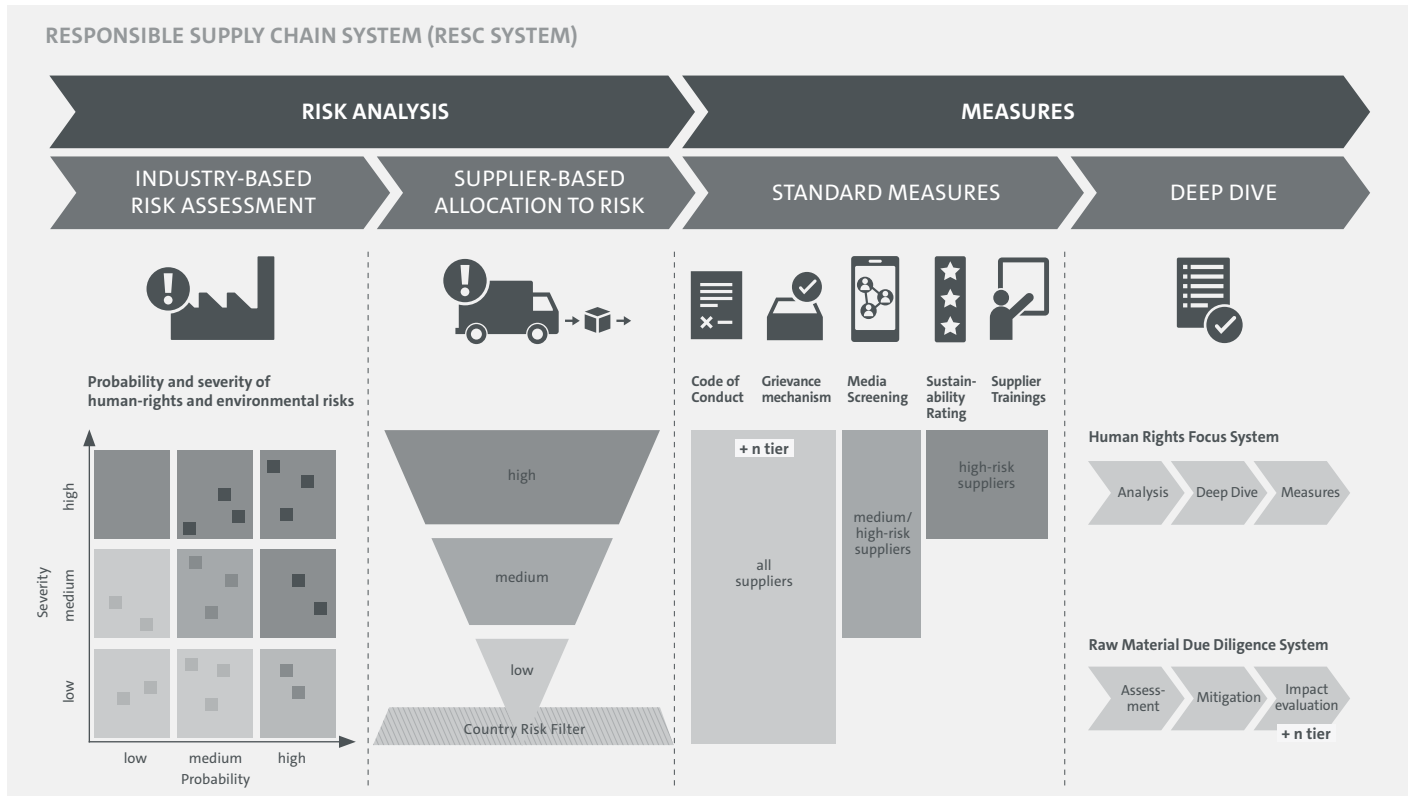
The sustainability pillar of the program focuses on the topics of "circular economy & climate neutrality," "fairness & equality" and "global management." The first focus topic covers initiatives and projects relating to the topics of decarbonization, the circular economy, resource efficiency, and biodiversity. In the "fairness & equality" topic, we address, among other things, human rights due diligence, responsible procurement of raw materials, and diversity and inclusion in our supply chains. In the "global management" focus topic, the focus is on transparency, risk monitoring, performance and impact, process integration, management, and collaboration and reporting.

Redefined Management Approach

In the reporting year, we also adjusted our management approach in procurement to meet the requirements of the new German Supply Chain Due Diligence Act (LkSG), which entered into force on January 1, 2023. 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 the Volkswagen 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 the Volkswagen Group's 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 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.

Implementation of the management approach is mandatory and is enshrined in corresponding policies for the Group's brands and controlled companies. The Volkswagen Group identifies the sustainability risks that may arise as a result of its business relationships. The processes for analyzing risk represent the first step of our ReSC system. Based on the risks identified, a package of measures for preventing and mitigating risks is assigned to the suppliers in the respective business models and countries.

STANDARD MEASURES: FOUNDATION OF OUR RESC SYSTEM

Code of Conduct for Business Partners

The core element of our supplier management is the "Volkswagen requirements for sustainability in relations with business partners" – the Code of Conduct for Business Partners. It sets out our expectations of our business partners' conduct with respect to key human-rights, environmental, social and compliance standards. The requirements are based, among other things, on the OECD Guidelines for Multinational Enterprises, the UN Guiding Principles on Business and Human Rights and the relevant International Labour Organization (ILO) conventions. The Code of Conduct is, however, not just based on international standards, but also objectives, rules and policies of the Volkswagen Group.

Before submitting a quote, our suppliers must confirm that they accept our sustainability requirements in the Code of Conduct for Business Partners. They must consent to this again after 12 months if they wish to submit new quotes. We also call on our tier 1 suppliers to pass our requirements set out in the Code of Conduct for Business Partners down along the supply chain. In 2022, the Code of Conduct was revised and the requirements of the German Supply Chain Due Diligence Act (LkSG) were added. In addition to the Code of Conduct for Business Partners, there are additional product-specific requirements for suppliers. These are set out in the specifications and stipulate the way in which certain products must be manufactured. The requirements include, for example, achieving full disclosure of the cobalt supply chain for battery cells. These requirements are also binding for the suppliers in question.

Supply Chain Grievance Mechanism

The supply chain grievance mechanism is used to process information on human-rights and environmental risks and on breaches of human-rights or environmental obligations by the Volkswagen Group's direct or indirect suppliers.

The mechanism is accessible via the channels of the Volkswagen Group's whistleblower system and is open to all potentially affected stakeholders – e.g., employees of suppliers, civil society players or representatives of communities in the immediate vicinity of our production locations. The processing of cases is uniformly described in a binding manual and is managed by the Group. Cases are processed together with the brands and regions of the Volkswagen Group. Breaches identified are categorized by their severity to ensure adequate processing. Depending on the categorization of the breach, appropriate measures are then introduced. If there are serious breaches, it is possible to temporarily block suppliers from eligibility for the award of new contracts or to terminate the business relationship with them.

Media Screening

Group Procurement Sustainability carries out continuous and risk-based media screening of relevant suppliers² using a software tool. If the tool identifies indications of possible breaches of our Code of Conduct for Business Partners, these are reviewed and, if necessary, processed in the supply chain grievance mechanism.

Sustainability Rating

A sustainability rating (S rating) was introduced in 2019 as a key measure for all relevant companies and suppliers with a high sustainability risk. The S rating is used to audit the sustainability performance of relevant suppliers³ and reveal opportunities for continuous improvement. It assesses the environmental performance of suppliers and their social sustainability and integrity. The S rating is directly relevant to awarding contracts: If a supplier does not meet our requirements for compliance with sustainability standards, it is fundamentally not eligible for the award of contracts. There is thus a direct incentive for suppliers to improve their sustainability performance.

SUSTAINABILITY RATING

The S rating is a Group-wide tool used to assess the sustainability performance of relevant suppliers³ in the fields of the environment, social and integrity and to mitigate risks. It is directly relevant to awarding contracts.

² The relevance of a supplier for media screening results from factors including the procurement volume or the risk exposure derived from the type of product or service.

³ The relevance of a supplier for the S rating results from factors including the size of the company or the risk exposure derived from the type of product or service.

The check for the S rating takes place via a multistage process. In an initial step, the risk exposure is identified from a combination of country risk and the supplier's corporate processes and policies. In addition, the companies' sustainability performance is checked in on-site spot checks.

A specialist service provider is used for the identification of the country risk. We check whether suppliers' corporate processes and guidelines meet our requirements by means of a standardized questionnaire for self-assessment. We developed the self-assessment questionnaire (SAQ) in a joint project with other automotive corporations involved in the DRIVE Sustainability Working Group organized by CSR Europe. Relevant topics were added to the SAQ to prepare for the German Supply Chain Due Diligence Act (LkSG). The information and documents in the SAQ are checked and validated by a service provider via a central platform: If a supplier states that it has appropriate processes and guidelines, it must prove this with documents. Every supplier that the S rating applies to must meet the requirements enshrined in the questionnaire in the areas of corporate governance, the environment, social issues, human rights, compliance and supplier management. Since this reporting year, selected questions in the SAQ have been considered mandatory as minimum requirements for all suppliers from a site size of ten employees. As of this year, proof of a certified and/or validated environmental management system is also mandatory for all suppliers with a production site and a site size of 100 employees or more. Suppliers in the scope who do not have an existing environmental management certificate may submit a letter of commitment pledging the completion of certification in the near future during a transition phase. A supplier is not eligible for the award of contracts unless it meets the minimum requirements.

In addition, suppliers who we have identified as having an increased corruption risk due to their business and region are also subjected to a more in-depth corruption risk audit. This process is called the business partner due diligence (BPDD) process and is carried out before any decision to award a contract. In addition, all relevant business partners will then also be continuously checked for any change in general conditions through risk and news screening. There were a total of 487 business partner due diligence reviews in the reporting year.

We are also working continuously on avoiding duplication when auditing and, to achieve broader coverage of the supply chain, are partnering with original equipment manufacturers (OEM) and suppliers in a German Association of the Automotive Industry (VDA) task force to create a common standard for on-site audits. To this end, major Volkswagen Group companies founded the Responsible Supply Chain Initiative e.V. in 2021 together with 11 additional partners, and this initiative continued to grow in the reporting year. First pilot projects of the on-site-check standard were run in connection with this in 2022.

Sustainability Training for Employees and Suppliers

Systematic training of our employees and suppliers is a central component of our strategy and essential for the improvement of sustainability in the supply chain.

For all Procurement employees, the topic of sustainability is an established part of the skills profile. The training course on sustainability for procurement was taken more than 2,000 times in total worldwide in 2022. Our training measures continue to also be geared to specific target groups. For example, buyers of components associated with higher sustainability risks were given an intensive training program in a separate format. Since 2017, we have trained our Procurement employees to deal with the special challenges found in battery supply chains.

In 2022,
more than **2,900**
suppliers were trained
on sustainability globally.

In order to facilitate continuous supplier development, we usually conduct issue-specific sustainability training courses and workshops with our suppliers at selected locations or online and offer web-based training. More than 2,900 suppliers were trained accordingly in the reporting period. This includes 245 suppliers who use the Drive Sustainability initiative's online training and e-learning options.⁴ Voluntary, in-depth human rights training for suppliers has been available since 2020 and was run again in 2022.

In addition to the trainings, we make an e-learning module on sustainability available to current suppliers in nine languages.

DEEP DIVE MEASURES: FURTHER ELEMENTS OF OUR RESC SYSTEM

Human Rights Focus System

In our sustainable supply management, we are also involved in protecting groups of people who may be subject to a high risk of potential human rights violations at any point in our supply chain. We implemented a human rights focus system (HRFS) in 2022 to comply with international frameworks and requirements and specifically the German Supply Chain Due Diligence Act (LkSG). The system aims to identify particularly high risks in our supply chain in connection with human rights violations and the environment and to manage these appropriately. To this end, we evaluated aggregated data from our supply chain grievance mechanism, the on-site checks and information from studies, NGO reports and stakeholder conversations in the reporting year in order to draw up a long list of relevant topics. For 2023, we plan to use this to

⁴ Change in methodology: scope expansion for training in 2022.


decide on focus activities, which will then be addressed during the year. A toolbox of measures will be developed to address these focus topics. This will be used from 2023 for mitigating the risks identified.

Raw Material Due Diligence Management System

With regard to the responsible sourcing of raw materials, the Volkswagen Group implements the five steps of the OECD Due Diligence Guidance for Responsible Business Conduct and the requirements of the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas. In 2020, we implemented an OECD-oriented raw material due diligence management system. It serves to identify, assess and avoid actual and potential human rights risks in our upstream raw material supply chains and currently encompasses 16 particularly risky raw materials. These include the battery raw materials cobalt, lithium, nickel and graphite, the conflict minerals tin, tungsten, tantalum and gold (3TG), and aluminum, copper, leather, mica, steel, natural rubber, platinum group metals and rare earths.⁵

With this risk-based approach, we prioritize our activities on the basis of the severity and probability of breaches of the law and on the basis of the Group's influence. We also systematically use our Group structure for developing and implementing specific prevention and mitigation measures, whose effectiveness we audit. New report structures and toolkits have been developed and existing tools, such as the supply chain grievance mechanism, have been integrated in the management system. Depending on the results of the due diligence process, the measures are adapted and improved on an ongoing basis.

Since 2021, the Volkswagen Group has also reported on the observation of its human rights due diligence obligations in the raw material supply chain – including reporting on the status, progress and goals of the raw material due diligence management system – in an annual Responsible Raw Materials Report. The Group's specific activities and measures regarding the 16 particularly risky raw materials are also set out there.

 > www.volkswagenag.com > Sustainability > Reporting & ESG Performance > Sustainability Report

Increasing transparency is an important prerequisite for identifying, avoiding and mitigating human rights risks in the upstream supply chain. To this end, the Volkswagen Group works closely with its direct suppliers and business partners in the context of the raw material due diligence management system.

We cooperate with, among others, service providers who enable suppliers to be comprehensively audited using artificial intelligence. Here, permanent real-time monitoring of freely available internet sources, including social media, provides us with indications of possible breaches by suppliers.

Because the human-rights-related risks are often highest at the start of the supply chain and these can be countered most effectively here, direct collaboration with mine operators on the certification of mines is an additional part of our strategy. In this way, we intend to audit, assess and improve the sustainability performance of the mines in our supply chain in the medium term.


Collaboration with External Partners and Involvement in International Initiatives

In addition to close collaboration with our direct and indirect suppliers, we get involved in initiatives and local projects to address human rights risks in the upstream supply chain and beyond our contractual relationships. These cross-industry and, in some cases, raw-material-specific initiatives are listed in our Responsible Raw Materials Report. The aims of collaboration with partners in the automotive industry and along the value chain include knowledge transfer, the development of standardized tools for risk assessment and the introduction of standards for responsible raw material supply chains with respect to human rights, the environment and compliance.

In the reporting year, the Volkswagen Group and its brands joined additional important initiatives. For example, Volkswagen AG has been a member of the Initiative for Responsible Mining Assurance (IRMA) since February 2022. IRMA is a multi-stakeholder alliance that advocates for high standards in mining. The IRMA standards encompass the protection of human rights and the rights of local communities, the exclusion of corruption, health protection measures, occupational safety, and environmental protection. In the reporting year, the Volkswagen Group also became a member of the Leather Working Group. Porsche joined the Responsible Mica Initiative in 2022.

⁵ The risk scope of the management system goes beyond Annex 2 of the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas.

For battery raw materials, especially cobalt, we pursue the objective of creating supply chain transparency from mining the raw materials to manufacturing the finished product. We have been passing the requirement for full transparency on to our direct battery suppliers in our contracts since 2020. Volkswagen has the data received audited and verified by partner companies through second-party supply chain mapping audits. In the Cobalt for Development project in the Democratic Republic of the Congo, we work together with partners for improved working and living conditions for small-scale cobalt miners and their communities. The pilot project aims to strengthen compliance with laws and improve health and safety conditions and social well-being for people locally. Additional information is available on the project website.

 > Cobalt for Development (C4D)

For the battery raw material lithium, the Volkswagen Group, together with other partners, has created the Responsible Lithium Partnership initiative, which works towards responsible use of resources and sustainable lithium production in Salar de Atacama in Chile. This is to be achieved through a multi-stakeholder platform comprising all the relevant players in the Salar watershed – from civil society groups, including indigenous communities, through government institutions to local mining companies.

Beyond raw material activities, our involvement in the industry-led initiative DRIVE Sustainability under the umbrella of CSR Europe remains key. The development of the common questionnaire standard for auditing sustainability aspects of suppliers was a milestone in this respect, as was the training approach for suppliers pursued jointly with other OEMs via training events in selected countries.

PROGRESS AND DEVELOPMENTS AMONG OUR SUPPLIERS

A total of more than 16,029 active suppliers⁶ completed an SAQ in connection with the S rating. In the reporting period, 6,748 suppliers improved their sustainability performance through taking appropriate steps. Based on sales revenue, more than 85% of our suppliers with a production site and a site size of 100 employees or more have documented that they have a certified environmental management system in accordance with ISO 14001 or validation in accordance with EMAS or a letter of commitment.⁷

Following an initial analysis of the supplier data, in-depth audits are carried out on-site, based on risk. 252 on-site audits were carried out worldwide in 2022. On average, six breaches of our sustainability requirements were identified.⁸ Differences can be seen depending on the region.

By the end of the reporting year, we had 12,660 S ratings for suppliers, accounting for around 75% of total procurement expenditure. Of these suppliers, 6,618 have an A rating. 65 suppliers were rated C and are thus not currently eligible for the award of contracts. Suppliers who do not meet our requirements for compliance with our sustainability standards are also not eligible for the award of contracts.

6,618
suppliers have
an A rating.

In the reporting period, 145 reports of breaches from the supply chain grievance mechanism were dealt with. In total, four suppliers were blocked from eligibility for the award of new contracts due to serious breaches.

⁶ Change in methodology: in 2021, active SAQs from suppliers without revenue were also taken into account.

⁷ Change in methodology: Scope in the previous year took account of production sites of suppliers of production material (direct material). In this reporting year, the production sites of suppliers of general material (indirect material) were also taken into account.

⁸ Scope: excluding on-site checks at logistics service providers.

SUPPLY CHAIN AND HUMAN RIGHTS KPIS¹

| KPI | Unit | 2022 | 2021 | Notes and comments |
|---|--------|----------|------------|---|
| Direct suppliers | number | > 59,000 | > 60,000 | |
| Countries in which Volkswagen has direct suppliers | number | > 90 | almost 100 | |
| Experts in the Sustainability Procurement Network | number | > 70 | > 50 | |
| Human rights checks | | | | Gap analysis of companies that were added to the scope of compliance |
| Companies for which a risk assessment in the area of human rights is available | number | 805 | 782 | In the reporting year, a risk assessment was repeated or carried out for the first time for 51 companies. |
| For sites, associated number of countries for which a risk assessment in the area of human rights is available | number | 82 | 82 | In the reporting year, a risk assessment of 18 countries associated with sites was conducted again or for the first time. |
| Training and certification | | | | |
| Revenue-based direct suppliers in scope with certified environmental management system pursuant to ISO 14001 or EMAS validation or letter of commitment | in % | 85 | 78 | Change in methodology: scope in the previous year took account of production sites of suppliers of production material (direct material). In this reporting year, the production sites of suppliers of general material (indirect material) were also taken into account. |
| Procurement staff who have participated in training measures on the topic of sustainability | number | > 2,000 | 1,900 | |
| Direct suppliers who have received training on the topic of sustainability | number | > 2,900 | > 1,000 | Change in methodology: scope expansion for training in 2022; previous year's figure not adjusted |
| Self-Assessment Questionnaire (SAQ)² | | | | |
| Direct suppliers with completed SAQ | number | 16,029 | 15,532 | |
| Proportion of new suppliers who have been assessed using social and environmental criteria | in % | 12 | – | Direct suppliers who were assessed for the first time in the reporting year |
| Improvements in direct suppliers based on the SAQ | number | 6,748 | 6,353 | |
| S rating | | | | |
| Existing S ratings for direct suppliers | number | 12,660 | 12,483 | |
| of which direct suppliers with an A rating | number | 6,618 | 3,524 | |
| of which direct suppliers with a C rating | number | 65 | 91 | |
| Revenue percentage of direct suppliers with S rating in total purchasing volume | in % | 75 | around 85 | |
| Business partner due diligence reviews | number | 487 | 1,513 | Of suppliers |

¹ Change in methodology: All supplier-based KPIs reported in this chapter only take account of direct suppliers with revenue in 2022. Previous year's figure not adjusted.

² Change in methodology: In 2021, active SAQs from suppliers without revenue were also taken into account.

| KPI | Unit | 2022 | 2021 | Notes and comments |
|---|--------|------|------|---|
| On-site audits (checks) | | | | |
| Number of on-site checks carried out as part of the S Rating | number | 252 | 654 | |
| Average breaches of sustainability requirements by region | | | | Excluding on-site checks at logistics service providers |
| Africa | number | 4 | 4 | The region's top 3 risks: fire extinguishers, emergency lighting, emergency exits & evacuation routes, evacuation drills, fire detection, organization, exposure & response to chemicals and hazardous materials (5 risks with an identical rating) |
| Asia ³ -Pacific | number | 10 | 7 | The region's top 3 risks: working hour violations, payment violations, supply chain management |
| Europe | number | 4 | 5 | The region's top 3 risks: supply chain management, license to operate and Code of Conduct, evacuation drills |
| North America | number | 6 | 6 | The region's top 3 risks: organization occupational health & safety, organization fire safety & emergency evacuation, license to operate and Code of Conduct |
| South America | number | 9 | 5 | The region's top 3 risks: supply chain management, license to operate and Code of Conduct, evacuation drills |
| Supply chain grievance mechanism | | | | |
| Reports from supply chain grievance mechanism | number | 145 | 111 | |
| Temporary blocking of suppliers | number | 4 | 4 | |
| Reports from supply chain grievance mechanism: number by region | | | | Because a report may include several suppliers, the sum of this KPI may be higher than the number of reports. |
| Europe | number | 100 | 74 | |
| Asia ³ -Pacific | number | 28 | 9 | |
| Africa | number | 5 | 2 | |
| North America | number | 18 | 17 | |
| South America | number | 4 | 3 | |
| No classification possible | number | 11 | 6 | |
| Reports from supply chain grievance mechanism: number by context | | | | |
| Social | number | 36 | 26 | |
| Compliance | number | 34 | 66 | |
| Environment | number | 10 | 12 | |
| Cross-topic | number | 14 | 7 | |
| Other | number | 51 | – | Plausibility of reports not yet checked |
| Reports from supply chain grievance mechanism: direct supplier | | | | |
| Yes | number | 98 | 70 | |
| No | number | 47 | 41 | |

³ Scope: In terms of geographical distribution, Russia and Türkiye are allocated to Asia.