

VOLKSWAGEN GROUP

MSCI Inc.

To Mr. Henry Fernandez

7 World Trade Center

250 Greenwich Street, 49th Floor

New York, NY 10007 USA

June 10, 2024

Letter to MSCI – The Select Committee on the CCP

Dear Mr. Fernandez,

The above-mentioned letter to you, in your capacity as Chairman and Chief Executive Officer of MSCI, and the related press reporting have caught our attention and prompted us to comment some of the related allegations in more detail.

The letter and related press releases contain information and allegations which are factually wrong and compel us to clarify:

The press article states, *“The Volkswagen factory in Xinjiang is known for using Uyghur forced labor... and that MSCI relied on a flawed audit”*. Both statements are factually wrong:

The site **SAIC-Volkswagen (Xinjiang) Automotive Co., Ltd** is owned and operated by a 100 percent subsidiary of the SAIC Volkswagen joint venture and not owned, controlled, or operated by Volkswagen. It is not a production plant, but merely a distribution hub. We discussed this with your team and produced proof, also publicly, in autumn 2022 and MSCI acknowledges that in its reports since then.

The independent ESG audit conducted in Xinjiang **by Loening – Human Rights & Responsible Business GmbH** was carried out in accordance with international renowned standards. It did not identify any use of forced labor on the site. The audit work encompassed a site visit over several days, document checks as well as interviews with staff and management of the audited legal entity.

VOLKSWAGEN GROUP

Consequently, MSCI lifted the red flag in Dec 2023 after the audit was conducted and the results were made public. Since then, Volkswagen made all related information available on its controversy website which you find under the following link: [ESG Controversies | Volkswagen Group \(volkswagen-group.com\)](https://www.volkswagen-group.com/ESG-Controversies)

The letter incorrectly alleges that "*Volkswagen has continued to partner with certain companies that appear to use forced labor.*" There is no basis for this allegation.

The letter states further "*that cars have been stopped from entry into the U.S.*" This is also factually incorrect. Volkswagen Group was informed by a supplier in January 2024, that a sub-supplier of a part had been put on the UFLPA entity list in December 2023. Volkswagen Group immediately took action to address the issue and pro-actively informed U.S. Customs and Border Protection. The related vehicles were held in the port of Baltimore in order to be able to exchange the concerned supply part. The part has been replaced in all respective cars and were afterwards delivered to U.S. customers.

Dear Mr. Fernandez, we are aware of our responsibility as a globally active company. Complying with national laws and, in particular, human rights is our top priority. That is why we investigate allegations immediately and try to clarify the facts as quickly as possible. We have had an intensive exchange with your team over the past 20 months, which has always been distinguished by mutual respect and appreciation.

All information essential to the subject matters raised and the allegations recently made is publicly documented on our website. You are most welcome to let us know should you wish or require additional information in this regard.

Sincerely,

Volkswagen AG

Rolf Woller
Head of Group Treasury & IR

Dr. Kerstin Waltenberg
*Human Rights Officer
Volkswagen Group*