

VOLKSWAGEN

DE MEXICO

Statement by Volkswagen de
México regarding social rights,
industrial relations and human
rights

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With this declaration, Volkswagen de México, as part of the Volkswagen Group, adheres to the fundamental social rights and principles as part of its corporate policy. Proactive management of current global challenges is a decisive factor for Volkswagen de México in safeguarding the international competitiveness of the company and the Volkswagen Group, and is a prerequisite for ensuring optimal working conditions.

As part of the Volkswagen Group, Volkswagen de México is committed to fulfilling the social responsibilities that accompany its status as a global company. Recognizing that sustained economic success is only possible if ecological and, above all, social issues are taken into consideration at the same time, Volkswagen de México and its employees collectively address these challenges. Safeguarding the future of Volkswagen de México together with its staff is carried out in a spirit of cooperative conflict management and social commitment based on economic and technological competitiveness, with the aim of securing it. Economic efficiency and job protection are shared goals of equal weight.

As part of the Volkswagen Group, Volkswagen de México is especially committed to its corporate responsibilities regarding human rights and recognizes the following national and international legal provisions in this regard, and reaffirms its commitment to the contents and principles associated with these regulations. These regulations include:

- The Universal Declaration of Human Rights, in particular in the Covenant on Civil and Political Rights and in the International Covenant on Economic, Social and Cultural Rights, (in addition to other human rights treaties applicable under international law, for example, the Convention of the United Nations on the Rights of the Child) .
- International Labor Organization (ILO) labor standards.
- Tripartite Declaration of Principles concerning Multinational Enterprises and ILO Social Policy.
- The ten principles of the United Nations Global Compact.
- The United Nations Guiding Principles on Business and Human Rights.
- The Guidelines of the Organization for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises.

This statement explicitly highlights principles of central importance in shaping our corporate responsibility, especially our duty of diligence with respect to human rights. This includes the international standards mentioned above, as well as the respective national laws.

In addition to the above, Volkswagen de Mexico proactively advocates for the promotion of human rights, mainly in the context of social projects with relevance to human rights.

This statement provides a binding basis for social and industrial relations within Volkswagen de Mexico. It also serves as a reference for sharpening relationships with our supplier network and other business partners. The resulting requirements, expectations, and escalation mechanisms are defined and enshrined in special business processes in accordance with the guidelines for the application of this statement. Specific expectations regarding business partners arising from this statement are defined in the Code of Conduct for Business Partners. This policy must be acknowledged by all business partners before the start of the business relationship.

This statement also forms the basis for dialogue with other stakeholders, both internal and external, as well as with local communities in the vicinity and the business environment.

Scope

Volkswagen de Mexico, through its Board of Management, adopts this statement as part of the Volkswagen Group and on behalf of the companies and subsidiaries of Volkswagen de Mexico.

Volkswagen de México strives to promote the same principles and objectives in the companies in which it has interests, even those that are not affiliated entity companies.

The principles and objectives set out below are realized taking into account and complying with the laws applicable in the various countries and locations. Where national requirements are lower than self-imposed standards, the Volkswagen Group promotes the observance of the following principles and objectives.

1. Principles and Objectives

1.1 Freedom of association and collective bargaining.

Volkswagen de Mexico recognizes the right of all employees to establish and join trade unions and employee representations. In this context, Volkswagen de México is committed to safeguarding neutrality. This excludes any form of discrimination based on union activities.

Volkswagen de México recognizes the right to collective bargaining. The company and the unions and / or employee representatives participate in the social dialogue collectively. Therefore, collective bargaining is a special expression of this social dialogue.

Volkswagen de México respects the right to strike to the extent that this right is exercised in accordance with the provisions of the applicable national law.

1.2 Forced labor is not tolerated.

Volkswagen de México rejects forced labor and all forms of modern slavery including human trafficking. This includes, in particular, work performed involuntarily by persons resulting from intimidation, punishment or the threat of being disadvantaged (e.g. debt slavery or involuntary prison labor). Employment relationships are based on voluntary participation and may be terminated at any time by employees of their own free will and in compliance with applicable law at all times.

1.3 Discrimination and harassment are not tolerated.

Volkswagen de México rejects any form of discrimination, harassment or unwarranted disadvantage. This covers, in particular, discrimination based on ethnic or social origin, skin color, gender, nationality, language, religion, physical or mental limitations, gender identity, sexual orientation, health status, age, marital status, pregnancy/paternity, union affiliation or political persuasion, to the extent that it is based on democratic principles and tolerance towards people with different thinking. Volkswagen de Mexico is committed to equal opportunities and equal treatment and promotes an atmosphere of mutual respect and diversity in which employees are chosen, hired and promoted only on the basis of their qualifications and capabilities. Volkswagen de Mexico is committed to ensuring a healthy work-life balance and meets the requirements to achieve it.

Volkswagen de México is committed to cultural diversity, respects the rights of ethnic, religious or comparable minorities, and promotes teamwork characterized by mutual respect.

Volkswagen de Mexico respects and protects the rights of vulnerable groups, such as pregnant women, people with disabilities, migrants, elderly employees and indigenous peoples.

Volkswagen de México does not tolerate any form of harassment, sexual or moral. This applies in particular to violence and harassment in the work environment, which occurs during, in connection with or as a result of the work being performed. Therefore, the signatories are of the opinion that prevention and prohibition of such behavior through appropriate measures is imperative and a prerequisite for ensuring well-being at work.

1.4 No to child labor and protection of young workers.

Child labor is prohibited.

The minimum age for acceptance of employment is determined in accordance with the standards of the International Labor Organization and the requirements for the prohibition of hazardous child labor.

1.5 Compensation and benefits.

Compensations and benefits paid or received for a normal workweek correspond at least to the legally established national minimum. In the absence of legal or collective bargaining regulations, the compensation and benefits that are customary in accordance with the customs and practices of the respective location and guarantee an adequate standard of living for the employees and their families are used as a guideline.

Volkswagen de México recognizes the principle of equal pay for work of equal value, especially between genders.

1.6 Working hours.

Volkswagen de México recognizes the principle that working hours must at least correspond to the respective national legal requirements or the minimum standards of the respective national economic sectors. Volkswagen de México promotes social and/or union dialogue, whenever possible, based on collective bargaining, in order to guarantee that working hours are humane and compatible with health.

1.7 Occupational health and safety, sanitation, fire and environmental protection.

Volkswagen de México recognizes the importance of occupational health and safety, sanitation, fire protection and environmental protection, and is committed to creating a safe work environment and ensuring healthy working conditions in accordance with applicable national and international standards. Occupational health and safety, as well as firefighting in the workplace are guaranteed at no cost to employees at least in the context of the relevant national regulations and in harmony with the requirements of the corresponding Compliance Management System. Volkswagen de México shall take appropriate protective measures (e.g., technical, organizational or personal) to the above mentioned and ensure as well as monitor their compliance and continuous improvement, using existing management systems. The same applies to companies' environmental protection measures. In the mission statement and environmental policy, Volkswagen de México commits itself to environmentally compatible measures and the prudent use of resources in all its activities.

1.8 Protection of confidential information.

Volkswagen de México is committed to protect personal data and protect confidential information. At the same time, Volkswagen de México is aware of the great importance of such data, which implies a responsible use of them.

The collection, storage, processing and other uses of personal data require the consent of the data subject, a common agreement or some other legal basis.

1.9 Protection of freedom of conscience, expression and religion.

Volkswagen de México respects the right to freedom of conscience, expression and religion. In cases where these rights are subject to state restrictions, the company advocates for social dialogue.

1.10 Protection of the integrity of the body, prohibition of torture.

Volkswagen de México considers that the protection of bodily integrity is of paramount importance and uses appropriate measures in the context of the company and as part of its duty of care to ensure the adequate safeguarding of this legally protected right.

Volkswagen de México recognizes its past and its historical responsibility and respects international human rights in this context.

Any involvement, including complicity or participation in kidnappings, torture, homicides or other such acts is strictly repudiated.

1.11 Use of management systems for the implementation of this statement.

Compliance with and achievement of the principles and objectives set out in this statement are monitored using existing compliance management systems based on risk exposure, which are used as a reference against recognized standards.

The content-based design and orientation of these existing management systems is described in more detail in specific guidelines for the implementation of this statement. The implementation of this statement is entrusted to the manager within his area of responsibility.

Within Volkswagen de Mexico, the respective measures for the implementation of this statement are derived from the applicable internal guidelines and the law, in close collaboration with employees and/or representatives, as well as through constant training and communication measures.

The signatories affirm their commitment to continuously monitor compliance with this declaration and the evaluation of its implementation. This will be done at least once a year.

Final provisions

This statement has no retroactive effect.

This declaration will be re-evaluated periodically as a result of changes occurred during the meetings of the various governing bodies of the Volkswagen Group to determine the need for modifications and/or changes required by necessary adjustment that have their reasoning within VWM local sphere. Adjustments have to be approved by the local Board of Management.

Should any provision of this statement is legally invalid, the parties agree to establish a new provision that comes as close as possible to the invalid provision.

The signatories agree to consult each other in this case. The declaration must be properly communicated by the signatory parties within their respective area of responsibility immediately after the signing of the declaration.