



2025 Sustainability Report

ESRS S2

Workers in the Value Chain (ESRS S2)

Material Impacts, Risks and Opportunities Related to Workers in the Value Chain

AUMOVIO has assessed its potential and actual negative and positive impacts as well as risks and opportunities related to sustainability in accordance with the regulatory requirements and as described in the [General Disclosures \(ESRS 2\)](#) sub-chapter. The general disclosures include an overview of the assessment of all identified impacts, risks and opportunities (IROs), including the time horizons considered.

In this IRO assessment, the following material potential and actual negative and positive impacts, risks and opportunities related to workers in the value chain were identified. They have been grouped into IRO clusters for easier understanding and reading. The descriptions of the potential negative impacts and risks are presented from a gross perspective, which, on the basis of the applied methodology, does not take into account mitigation through the management approaches of AUMOVIO as described in the respective IRO cluster. This perspective is used to determine where appropriate management approaches are relevant and corresponding reporting is required. As actual impacts, potential positive impacts and opportunities are reinforced by AUMOVIO's management approaches, the descriptions take into account the results of the measures currently in place.

The descriptions of the IROs are each to be considered separately, which can result in repetitions.

Further Information on the IRO Assessment in Relation to Workers in the Value Chain

In the IRO assessment, AUMOVIO identified both actual and potential negative impacts on workers in the value chain in the topic areas of working conditions, equal treatment and other human rights as described at the beginning of this section. These negative impacts are associated with AUMOVIO's strategy and business model and relate in particular to regions, markets, industries and business activities in the supplier base that are critically or significantly exposed to such impacts. The identified actual and potential impacts on workers in the value chain are important for adapting the strategy and business model. The development of measures and strategic decisions based on the identified impacts are described as part of the management approach.

As indicated by the respective descriptions, all identified risks result directly from identified actual and potential impacts. They are also based on the breadth and diversity of countries, markets, industries and business activities in AUMOVIO's value chain.

Therefore, the risks are inherently linked to AUMOVIO's strategy and business model.

The assessment of material impacts takes into account all workers in the value chain but is explicitly focused on workers in AUMOVIO's supply chain. Connections to the company's own operations, product portfolio and business relationships are considered where relevant.

As AUMOVIO sources goods, materials and services from numerous industries along the value chain, this essentially has actual or potential impacts on all types of workers. Workers who work on AUMOVIO's premises but are not counted as part of the company's own workforce, as well as workers who work for direct suppliers or indirect suppliers in the broader value chain, are considered to be particularly affected. In both cases, this includes vulnerable groups such as migrant workers. The impacts on workers in the downstream value chain are generally considered indirect. Workers in AUMOVIO's joint ventures are especially impacted if the joint venture is also a supplier.

AUMOVIO's assessment of the impacts, risks and opportunities did not focus on workers in the value chain with specific characteristics or in specific activities and contexts, and accordingly did not provide an understanding of a greater exposure to harm.

These specifics include the fact that AUMOVIO's global value chain includes many industries, countries and markets and thus also regions in which there is significant potential for negative impacts with regard to child labor, forced labor or compulsory labor.

The assessment of the material negative impacts on workers in the value chain was integrated in the general impact, risk and opportunity assessment according to the defined methodology. The methodology takes into consideration two perspectives. All negative impacts are considered as widespread or systemic as they relate to countries, certain markets, industries and business activities or other business relationships in AUMOVIO's value chain. In addition, the methodology takes into account actual event-based negative impacts wherever the impact description contains a reference to concrete actual incidents.

Material risks arising from the impacts on workers in the value chain are not attributable to specific groups of people but are dependent on industries and geographical aspects.

IROs and Management Approach to Workers in the Value Chain

This section describes the management approach that AUMOVIO established to address the material impacts on workers in the value chain and the associated material risks.

Workers in the Value Chain

Workers in the value chain	Description	Type of IRO	Value Chain	Time Horizon
	S2.1 Considering the markets and business activities in which AUMOVIO operates, incidents related to freedom of association, working conditions (including working time), health and safety obligations and social dialogue, involving workers for direct suppliers, could potentially occur.	Potential negative impact	Upstream	•
	S2.2 Considering the markets and business activities in which AUMOVIO operates, incidents related to equal treatment and anti-discrimination, involving workers for direct suppliers, could potentially occur.	Potential negative impact	Upstream	•
	S2.3 Considering the markets and business activities in which AUMOVIO operates, incidents related to child labor, forced labor and modern slavery, adequate housing, access to clean water and sanitation and privacy, involving workers for direct suppliers, could potentially occur.	Potential negative impact	Upstream	•
	S2.4 Considering the markets and business activities in which AUMOVIO operates, incidents related to freedom of association, working conditions (including working time), health and safety obligations and social dialogue, involving workers for indirect suppliers, could potentially occur.	Potential negative impact	Upstream	•
	S2.5 Considering the markets and business activities in which AUMOVIO operates, incidents related to equal treatment and anti-discrimination, involving workers for indirect suppliers, could potentially occur.	Potential negative impact	Upstream	•
	S2.6 Considering the markets and business activities in which AUMOVIO operates, incidents related to forced labor (including debt bondage) involving workers in the value chain (tier 1 suppliers) could potentially occur.	Potential negative impact	Upstream	•
	S2.7 If serious incidents related to working conditions, forced labor, child labor, housing, health and safety, privacy or other human rights occur in the value chain, AUMOVIO could face potential fines, penalties or remedy costs.	Risk	Upstream	••
	S2.8 AUMOVIO's suppliers are exposed to issues related to working conditions that could result in higher costs for materials or services.	Risk	Upstream	••
	S2.9 AUMOVIO's suppliers are exposed to issues related to equal treatment that could result in higher costs for materials or services.	Risk	Upstream	••
	S2.10 AUMOVIO's suppliers are exposed to issues related to human rights that could result in higher costs for materials or services.	Risk	Upstream	••

• short-term; •• medium-term; ••• long-term

With this management approach, AUMOVIO is building responsible business partnerships geared to protecting communities and the environment across its entire value chain.

The Sustainability Due Diligence System (SUS DD System) aims to protect both human and environmental rights along the value chain. The system defines AUMOVIO's Sustainability Protected Rights in the areas of labor standards, occupational safety and health, environment, security practices and land rights, which also apply to AUMOVIO's direct suppliers.

The SUS DD System explicitly addresses respect for human rights, particularly through the Sustainability Protected Rights in the area of labor standards.

The safety of workers, precarious working conditions, trafficking in human beings, forced labor (including debt bondage) and child labor are also addressed by AUMOVIO's Sustainability Protected Rights and Business Partner Code of Conduct (BPCoC).

The management approach encompasses all purchasing activities of AUMOVIO and its subsidiaries worldwide in which AUMOVIO exercises management control. The focus is on direct suppliers. Indirectly, and on an ad hoc basis, the broader supply chain is also taken into account. Specific elements of SUS DD System, in particular the whistleblowing system, are aimed at workers along the entire value chain. This is described in greater detail in the Processes to remediate negative impacts and channels for workers in the value chain to raise concerns subsection within this subchapter.

The Executive Board of AUMOVIO holds overall responsibility for execution and oversight of the SUS DD System and is also responsible that the related requirements are anchored in all relevant rules, structures, controls, and processes.

The Executive Board delegates responsibility for operationalization and formalization of the core processes to the Sustainability Due Diligence Officer (SDDO) and responsibility for anchoring the SUS DD requirements in the respective governance frameworks to dedicated central functions.

Ultimate responsibility for the adequacy and effectiveness of the SUS DD System as part of the overall internal control system remains with the Executive Board.

The tasks and processes defined in the system are implemented by AUMOVIO's central functions, including Procurement and SQM.

The SUS DD System comprises a wide range of processes spanning strategy development and implementation, management of regulations, impact and risk management, complaint management, training, system reviews and reporting. To monitor the effectiveness of the system, a multi-stage process based on the IIA's Three Lines Model has been established. The business forms the first line. The first-line organizations are responsible for implementing requirements (based on governance by central functions) and consequently for ensuring compliance with the SUS DD System.

The second line, represented by central functions and roles, oversees the system, roles and responsibilities as well as their effectiveness. The third line is Group Internal Audit, whose remit includes conducting a risk-based review of the adequacy and effectiveness of the SUS DD System.

Specific prevention and remediation actions in relation to the supply chain include alignment of procurement strategies and practices, the definition of contractual agreements, the introduction of control mechanisms and the training of purchasers and suppliers. AUMOVIO also makes use of a supplier self-assessment questionnaire which AUMOVIO collects via the industry-recognized sustainability platform NQC. Selective local audits and other audit activities are also carried out, such as in relation to the implementation of ESH management systems.

As part of an annual review by the Executive Board, the overall SUS DD System, including the specific processes for labor standards, is evaluated in terms of effectiveness, adequacy and potential for improvement. The SUS DD System is additionally integrated into AUMOVIO's overarching internal control system, the risk management system and compliance management system.

In addition to establishing prevention actions for direct suppliers, the SUS DD System also sets out a framework for remediation actions applicable to direct suppliers and, in specific cases, indirect suppliers. These remediation actions are documented and implemented through suppliers' corrective action plans and may incorporate additional findings from local audits.

The processes described are formalized by a dedicated rule for the SUS DD System, the SUS DD Policy as well as further purchasing-specific rules that define the application of the processes for supplier relationships. Direct suppliers are guided by the binding BPCoC, which refers to the Sustainability Protected Rights.

The management approach to workers in the value chain is based on international standards and obligations. These include the International Labour Organization (ILO) Declaration on Fundamental Principles and Rights at Work, the OECD Guidelines for Multinational Enterprises, the United Nations (UN) Guiding Principles on Business and Human Rights and the International Bill of Human Rights. Monitoring adherence to these standards is anchored in the SUS DD System review process, including a revision of its rules and processes if required.

The established international standards on human rights, including the UN Guiding Principles on Business and Human Rights, are key references for internal rules.

The described established processes for fulfilling due diligence help to detect actual negative impacts on human rights and violations of international norms and standards and enable AUMOVIO to respond to these with its business partners. Identified and confirmed cases are named in the respective impact descriptions.

The interests of stakeholders are an important perspective for shaping the SUS DD System. The system's effectiveness is continuously monitored and adapted based on outcomes and stakeholder feedback. This commitment to learning and improving ensures that the strategy remains dynamic and responsive. These interests are integrated into the system as part of the annual review process.

AUMOVIO communicates its management approach through the externally published Sustainability Protected Rights and General Sustainability Requirements. Training initiatives for suppliers are also carried out to further promote shared responsibility along the entire value chain. In addition, direct suppliers are requested to sign the BPCoC. Communication is thus aimed at affected stakeholders as well as stakeholders involved in implementation.

Processes for engaging with workers in the value chain about impacts

Engagement with workers in the value chain supports continuous development of the management approach described.

A key element of this is participation in dialogue formats hosted by associations and initiatives involving external stakeholders, such as sector dialogue for the automotive industry and dialogue with non-governmental organizations. Cultivating and participating in these dialogue formats is a continuous process. Topic- or event-specific discussions are also held if required. The knowledge thus gained about the interests of workers in the value chain helps to develop a shared understanding of industry-related risks and impacts on stakeholders and the resulting due diligence obligations.

The processes and activities related to detecting and mitigating negative impacts are managed through the SUS DD System and also include cases that are reported by workers in the value chain via AUMOVIO's whistleblowing system. The whistleblowing system is described in greater detail in the Processes to remediate negative impacts and channels for workers in the value chain to raise concerns subsection within this subchapter. This is a form of direct engagement with affected stakeholders, in addition to participation in initiatives, association activities and conferences.

Governance and responsibility for the processes are regulated within the SUS DD System as described in the management approach. The annual review process anchored in the SUS DD System includes the consolidation and analysis of relevant information. An integral part of this involves reviewing the actual negative impacts identified via the bottom-up impact and risk analysis, as well as case management, and monitoring the effectiveness of the established processes.

Engagement with vulnerable workers in the value chain is undertaken for the most part indirectly, for example by the Sustainability Protected Right on equal treatment.

Processes to remediate negative impacts and channels for workers in the value chain to raise concerns

Grievance channels for workers in the value chain

AUMOVIO has established dedicated mechanisms to enable workers in the value chain to raise concerns.

These are part of a comprehensive whistleblowing system that comprises three channels: an integrity portal, an integrity line and an integrity email address, as described in greater detail in the [Business Conduct and Corporate Governance \(ESRS G1\)](#) subchapter. Employees as well as third parties outside AUMOVIO can report violations of legal regulations, fundamental values and ethical standards via these channels. The platform and hotline are managed by an external service provider, while the integrity mailbox is managed directly by an AUMOVIO case management team.

The integrity channels can be accessed through our website or via an international phone hotline and are explicitly also open to workers in the value chain. They are available worldwide in many different languages and accessible 24/7, creating broad availability by overcoming barriers such as time zones and languages.

The whistleblowing system is governed by a dedicated internal standard that defines roles and responsibilities along the process steps of reporting, report administration and substantiation, investigation and sanctioning, all in an end-to-end process. Case management is also subject to scheduled internal audits. In addition, AUMOVIO's publicly available rules of procedure provide transparency about how cases are handled. Further information on tracking reported cases and ensuring process effectiveness can be found in the [Business Conduct and Corporate Governance \(ESRS G1\)](#) subchapter of this sustainability report.

To raise awareness of the whistleblowing system, the BPCoC contains a section on grievance mechanisms. In addition, the channels are mentioned in supplier training relating to the topic of responsible value chains. AUMOVIO does not explicitly assess whether workers in the value chain are aware of these channels and place their trust in them.

To protect users of the whistleblowing system, information on all kinds of potential violations can be reported anonymously. Reporting and investigation information is treated confidentially in accordance with applicable laws throughout the entire case management process. The whistleblowing process is in line with the German Whistleblower Protection Act and relevant international legislation.

Remediation processes

When complaints are received via the whistleblowing channels or through audit findings, AUMOVIO follows a structured process to investigate and address the respective cases. If the violation occurs within the value chain, AUMOVIO collaborates closely with the respective business partner to resolve the violation effectively and prevent similar incidents from occurring in the future. For this purpose, corrective action plans may be created together with the business partner. The effectiveness of the remediation actions is assessed through audits, internal investigations and the implementation of corrective action plans.

Targets Related to Workers in the Value Chain

AUMOVIO has implemented a strategic and systematic process for establishing targets. Regarding workers in the value chain, no time-bound sustainability target has been set. The associated aspects are controlled by the processes described in this management approach and their effectiveness is monitored by means of defined metrics.

Key Actions for Target Achievement

In AUMOVIO's view, key actions to be reported relate directly to corresponding targets, where available. Therefore, in accordance with this definition, AUMOVIO has not defined any key actions related to workers in the value chain beyond the described management approaches.

Metrics Related to Workers in the Value Chain

Supplier self-assessment questionnaires	2025
Number of available valid supplier self-assessment questionnaires (as at December 31)	661

Definitions, assumptions and calculation methods:

- Valid supplier self-assessment questionnaires via the NQC sustainability platform are considered.

The metric is entity-specific.

