

Slavery and Human Trafficking Statement

Dr. Ing. h.c. F. Porsche AG

This statement was prepared pursuant to Section 54 of the United Kingdom Modern Slavery Act 2015 and relates to the 2018 fiscal year of Dr. Ing. h.c. F. Porsche AG.

Organisation

Dr. Ing. h.c. F. Porsche AG (hereinafter referred to as "Porsche AG") is a stock corporation under German law (Aktiengesellschaft) with its registered office in Stuttgart, Germany. It manufactures motor vehicles and acts as the parent company of the Porsche Group.

Porsche AG procures goods and services worldwide for the manufacture of its products. Its sourcing activities take place mainly in Europe. Porsche AG operates its production facilities solely in Germany and any supplementary production takes place solely in the European production network of the Volkswagen Group.

Internal measures

Code of Conduct of Porsche AG

The Code of Conduct of Porsche AG summarises the most important principles and expectations of lawful, integrity-based and sustainable action within the Porsche Group in a binding guideline for all the management staff and employees. Among other things, this includes the handling of conflicts of interest, combating all forms of corruption, appropriate and law-abiding conduct within the Group towards customers, business partners and office holders as well as taking economic, environmental and social responsibility. An important component of the Code of Conduct of Porsche AG is adherence to the internationally recognised human rights with categorical rejection of discrimination and child, forced or compulsory labour. This also applies to any form of modern slavery and human trafficking.

Whistleblower system at the Porsche Group

Employees, business partners and other third parties have access to internal points of contact as well as external ombudsmen to report information about possible violations of laws and regulations in connection with the Porsche Group. Suspicions of human rights violations can also be submitted here. This information is processed according to set procedural principles to ensure protection of the whistleblower and affected parties.

Regulatory compliance by employees

Porsche AG promotes regulatory compliance in the organisation by means of extensive preventive measures. The key preventive measures include the adoption and communication of clear guidelines, the provision of confidential compliance advice via the Compliance Helpdesk and regular, task-based training and information on compliance topics for employees of all hierarchical levels. New employees at Porsche AG are obliged to participate in a training event on the Code of Conduct of the Porsche Group. Further information options and advisory services are available to employees through various online and print communication channels.

Measures in the supply chain

Sustainability requirements for suppliers

The "Volkswagen Group requirements regarding sustainability in its relationships with business partners (Code of Conduct for Business Partners)" also apply to Porsche AG in the context of the higher-level concept of "Sustainability in Relationships with Suppliers". This document contains the Volkswagen Group's expectations for the conduct of business partners in relation to key environmental, social and compliance standards for all brands and regions of the Volkswagen Group. These requirements are based on the principles of the UN Global Compact, the OECD Guidelines for Multinational Enterprises, the Business Charter for Sustainable Development of the International Chamber of Commerce and the conventions of the International Labour Organization (ILO). The contractual integration of the sustainability requirements into the procurement process of Porsche AG and an auditing concept based thereon ensure that sustainability standards are met throughout the entire supply chain worldwide. Before an offer is submitted, suppliers must confirm their acknowledgement of the sustainability requirements to Porsche AG. These form part of the contract within the scope of order award. A continuous review and development of the sustainability performance of Porsche AG's suppliers takes place by implementing the three pillars of requirements, monitoring and qualification of the "Sustainability in Relationships with Suppliers" concept.

Requirements

Contractually binding



- Environmental protection
- Employee rights
- Transparent business relationships
- Fair market conduct
- Duty of care for the promotion of responsible and transparent supply chains

Monitoring

Review of compliance with the requirements



- Self-disclosure on the topic Sustainability
- Supplier audits

Qualification

Increasing awareness and further development of purchasers and suppliers



- E-learning for suppliers and purchasers
- Instructor-led training for suppliers and purchasers

Further development

- Collaboration and communication with global procurement network
- Involvement in cross-industry sustainability initiatives
- Involvement in work groups on the topic of sustainability with other vehicle manufacturers

Monitoring and qualification of suppliers

In order to enable continuous supplier development, an electronic learning module on sustainability (e-learning) is available to all suppliers of Porsche AG during the course of the business relationship. In addition to e-learning, topic-specific sustainability training courses and workshops are held with selected suppliers. Porsche AG checks suppliers' compliance with sustainability requirements using various instruments, such as self-assessment questionnaires, observance of sustainability in quality audits and focused sustainability audits.

Risk analysis

The Volkswagen Group performs a country risk analysis in order to obtain an assessment of the social, ecological and human rights risks of the respective supplier locations prior to negotiations with potential suppliers. This is derived from third-party data and from internal empirical data. In supplier development, Porsche AG therefore places a special focus on those countries for which an increased risk has been identified. In order to identify current developments as well as long-term structural challenges in the individual countries, Porsche AG participates in continuous communication with the brands and regions of the "Sustainability procurement network in the Volkswagen Group". Before entering into a

business relationship, Porsche AG also checks the integrity of its business partners in a risk-oriented manner as part of a business partner check.

Progress report

Porsche AG does not tolerate human rights violations. It continuously strives to raise awareness of modern forms of slavery and human trafficking inside and outside the company. Porsche AG will continue to adapt its standards to current developments in the future. In 2018, for instance, a new sustainability rating was developed, which also takes human rights risks into account and is integrated into the award process of the global procurement organisation. Implementation for Porsche AG will begin in 2019. Only suppliers with a positive sustainability rating will be eligible for the order award.

With a view to the forthcoming electric vehicles, Porsche AG will, in the year ahead, also focus on raw material risks and activities to further expand sustainability in the supply chains. In particular, the implementation of the "OECD Due Diligence Guidance for Responsible Mineral Supply Chains from Conflict-Affected and High-Risk Areas" plays an important role. With regard to conflict minerals, suppliers must, upon request, indicate from which smelters or refineries the metals used — tin, tantalum, tungsten and gold — originate. For the sustainable procurement of cobalt, Porsche AG has started similar activities together with the Volkswagen Group. In addition, a study on sustainability risks in the raw-materials sector was prepared in 2018 together with the Responsible Minerals Initiative (RMI) and the DRIVE Sustainability working group. Based on this, the first step was to prioritise the most critical raw materials, which will serve as a basis for further measures.

We are in contact with companies throughout the supply chain and continue to work to raise awareness of forms of modern slavery and human trafficking within and outside our company.

Dr. Ing. h.c. F. Porsche AG

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