

Policy Statement of Everllence SE

for compliance with human rights and environmental due diligence obligations pursuant to Section 6 (2) of the German Act on Corporate Due Diligence for the Prevention of Human Rights Violations in Supply Chains (Lieferkettensorgfaltspflichtengesetz – LkSG) of 16 July 2021

(Please note that this is a non-binding translation of the official German document)

Everllence SE, which operated under the name "MAN Energy Solutions SE" until 04.06.2025, is headquartered in Germany and is a globally active group of companies with more than 120 locations and around 15,000 employees. In addition, we count more than 14,000 direct suppliers in over 80 countries among our business partners. As an indirect, 100% subsidiary of Volkswagen AG, Everllence SE is also closely integrated into the Volkswagen Group and the corresponding organizational structure.

As a globally active company and part of the Volkswagen Group, we are aware of our responsibility to respect human rights and to comply with our human rights and environmental due diligence obligations. This is the benchmark for our business activities along our supply and value chain.

The Volkswagen Group's strategic goal related to human rights for the second year of the Supply Chain Due Diligence Act, and thus also the goal of Everllence SE, continues to be the full and best possible fulfilment of the obligations arising from the Act. It remains our ambition to implement the legal requirements on time and without gaps. This is challenging given the global operational expansion of our business activities and the high complexity of our supply and value chains, but we have made good progress.

In the coming years, we will continuously review and improve our existing risk management system for the defense of human rights and environmental protected assets and expand it to include further strategic goals and protected assets.

In the following, we describe the procedure by which Everllence SE fulfils its obligations under § 4 (1), § 5 (1), § 6 (3) to (5), and §§ 7 to 10 LkSG. We also describe the priority human rights and environmental risks identified for the company on the basis of the risk analysis, with reference to the conventions listed in the annex to the LkSG. Finally, we describe the definition of the human rights and environmental expectations that Everllence SE places on its employees and suppliers in the supply chain on the basis of the risk analysis and the agreement listed in the annex to the LkSG.

1. Establishment of a risk management system, § 4 LkSG

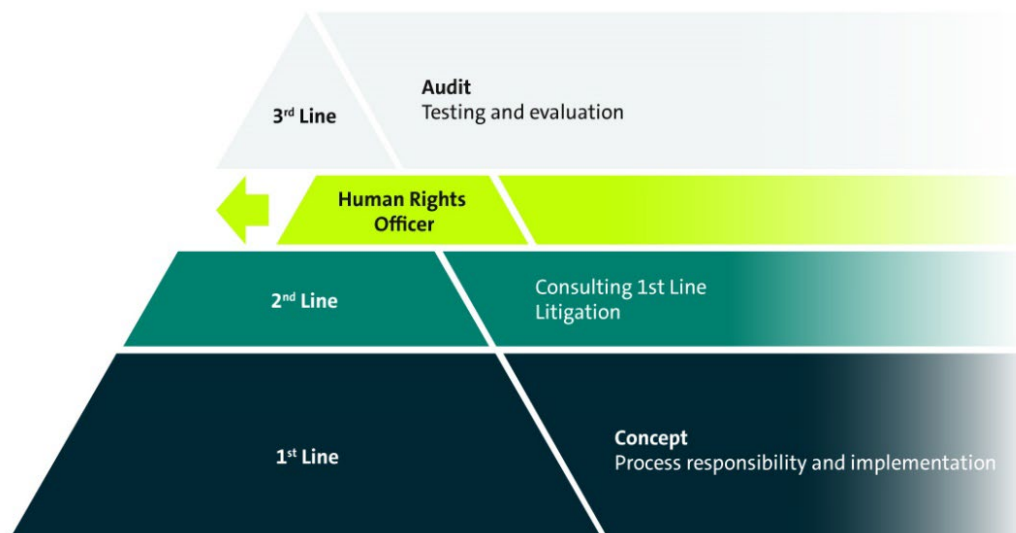
Everllence SE is part of the Volkswagen Group and is therefore closely integrated into the corresponding organizational structures. At Volkswagen, clear responsibilities have been established throughout the Group as part of the "three-line model" as a regulatory framework for a holistic governance, risk and compliance management system for managing corporate risks, including those for the protected interests of the LkSG. This "three-line model" is also used accordingly at Everllence SE.

The first line consists of the specialist and functional areas that are responsible for day-to-day operations. In their operational activities, they encounter risks, including for the protected interests of the LkSG, which they identify at an early stage, analyze and actively manage through appropriate preventive measures. Relevant areas for ensuring human rights and environmental due diligence obligations within the meaning of the LkSG are primarily the areas of Human Resources, Group Occupational Health and Safety and Group Safety in its own business area and, for the supplier sector, Group Procurement.

The second line consists of the advisory departments, with regard to the LkSG protected assets at Group level, primarily the Legal Group and Group Integrity & Compliance, HR Compliance, Group Environment and the Group Occupational Health and Safety. These consulting departments are primarily responsible for ensuring compliance with the rules of processes as well as advising and supporting the operational departments in their risk management.

The third line is internal auditing as an all-encompassing, independent audit body.

On August 1, 2022, Volkswagen AG created the independent and exclusive function of Human Rights Officer (HRO) in addition to the above-mentioned structures. At Volkswagen, this is located in the three-line model between the second and third lines as a continuously accompanying control, monitoring and advisory function. It thus completes the holistic system for managing corporate risks within the meaning of the Supply Chain Due Diligence Act.



The area of the HRO is represented by an organizational structure with regionally focused and strategic cross-sectional functions. The HRO department primarily performs the monitoring, review and advisory tasks pursuant to Section 4 (3) LkSG for the Group Executive Board. In addition, the Group Board of Management has delegated to the HRO, among other things, the tasks of internal and external communication and reporting in connection with the LkSG as well as the Group-wide coordination of the fulfilment of obligations to report and the preparation of a declaration of principles (Sections 10 and 6 of the LkSG).

The function of the HRO reports directly to the member of the Group Board of Management for Finance/COO Volkswagen AG, in whose area of responsibility there are no areas of the first and second lines described above that are to be monitored by the HRO.

By resolution of the Group Board of Management dated 24.06.2022, the HRO was appointed Human Rights Officer within the meaning of Section 4 (3) LkSG for the entire own business unit within the meaning of Section 2 (6) LkSG, including the 24 other Group companies currently subject to reporting obligations in addition to Volkswagen AG. In the same decision, it was decided that the reporting companies of the Volkswagen Group are free to appoint their own human rights officers within the meaning of Section 4 (3) LkSG in addition to the HRO. The decision was then enshrined in a group guideline that regulates the distribution of tasks.

In addition, Everllence SE has not appointed any other person as a human rights commissioner pursuant to section 4 (3) LkSG. Rather, the responsibility of the HRO appointed by Volkswagen AG for Everllence SE as a reporting company within the meaning of the LkSG was written down in a guideline of Everllence SE.

2. Procedure for risk analysis in the company's own business area and at suppliers, § 5 LkSG

a) Risk analysis in the company's own business area

In 2024, individual divisions of Volkswagen AG's first and second lines conducted questionnaire-based queries in the Group companies of its own division for the purpose of risk analysis (Section 2 (6) LkSG). In particular, this affected the Group functions of HR Compliance, Occupational Health and Safety, Environment and Safety. The addressees of the above-mentioned queries were the worldwide Group companies, which were selected according to abstract risk criteria. The results of the feedback from the Group companies, including Everllence SE and its subsidiaries, were evaluated by the above-mentioned departments and the main risks for the protected interests of the LkSG were derived from them.

This risk analysis covered all Group companies of Volkswagen AG's own division within the meaning of Section 2 (6) LkSG with the exception of Dr. Ing. h.c. F. Porsche AG and its affiliated companies.

The particularly relevant human rights risks identified in the initial risk analysis for Everllence SE are unequal treatment in the employment relationship. In addition, due to the fact that both Volkswagen AG and Everllence SE are also active in regions and markets where a legal right to freedom of association does not exist or is restricted, this risk was also weighted as a priority. We keep these regions and markets under constant monitoring. Until February 2024, a relevant environmental risk was the ban on the use of persistent organic pollutants in extinguishing agents in accordance with the POP Ordinance.

In 2024, the risk analysis methodology was adapted to take into account previous audit results and suggestions from the HRO. The individual analyses are now coordinated by the Group Integrity & Compliance department. We are working to continuously complete and further improve the risk analysis method. This will also have a corresponding impact on Everllence SE's risk analysis.

b) Supplier risk analysis

Since 2022, Everllence SE's procurement department has been conducting an annual analysis of the supply chain according to a risk-based approach for the purpose of risk analysis in all companies in its own business unit (Section 2 (6) LkSG). First, an abstract risk analysis of the suppliers is carried out on the basis of country risks and industry risks. In 2024, additional criteria were taken into account in the analysis of country and industry risks to ensure a more comprehensive analysis of suppliers. In 2025, the risk analysis at Everllence SE will be further developed and carried out according to a new methodology for the first time.

The suppliers with an increased risk exposure resulting from the abstract risk analysis are prioritized and specifically analyzed and evaluated by an external service provider using questionnaires relevant to the LkSG (concrete risk analysis). The evaluation of the suppliers is taken into account in the award process. In addition, a continuous review of critical messages for all suppliers with increased risk exposure is carried out via the external service provider.

In order to ensure a comprehensive and transparent risk analysis, increased measures have been taken since 2024 to record and analyze those suppliers who, for example, have contracted outside automated procurement systems or within the framework of special assignments and have therefore not been recorded by the system.

3. Procedure for the anchoring of preventive measures, § 6 LkSG

a) Prevention measures in our own business area

In 2022/23, individual Volkswagen Group areas of the first and second lines of the three-line model (see 1.) began to counter already recognizable or known risks to the protected interests of the LkSG with appropriate preventive measures based on their professional assessment.

In 2024, the results of the restructured and coordinated risk analysis in the company's own business unit were incorporated into the development and anchoring of further prevention measures.

The revised Volkswagen Group Guideline 35 HR Compliance was brought into force by resolution of the VW Group Board of Management dated 29.09.2023 with effect from 01.11.2023 and the requirements were transferred by Everllence SE to the Group Directive MAN ES 11.6 HR Compliance and implemented in the MAN ES Group with effect from 01.05.2024.

Volkswagen Group guidelines must be implemented in the companies of the Volkswagen Group, including Everllence SE, within six months of their entry into force. Everllence SE implemented the aforementioned guidelines on time.

a) Preventive measures at suppliers

Even before the LkSG came into force, and since 01.01.2023, the Procurement Group had begun or continued to counter already recognizable or known risks to the protected interests of the LkSG with preventive measures suitable from its experience.

In the risk area of direct suppliers, the contractual provisions of the Code of Conduct for Business Partners apply. In addition, an on-site review is used if necessary, and media screening and training for suppliers are used to identify and reduce risks.

In addition, LkSG-relevant questions were included in the existing quality questionnaire at Everllence SE as part of the necessary initial audit of new suppliers.

For 2025, it is planned to incorporate the results of the risk analysis currently being carried out at suppliers with an adapted scope and improved as well as documented methodology into the development and anchoring of further prevention measures.

4. Procedure for taking remedial measures, § 7 LkSG

b) Remedial measures in one's own area of business, § 7 para. 1 LkSG

In 2024, individual Volkswagen Group divisions of the first and second lines immediately took appropriate remedial measures to prevent, terminate or minimize the extent of these violations after discovering that violations of a human rights-related or environmental duty had occurred in Volkswagen AG's own business area within the meaning of Section 2 (6) LkSG.

Since the entry into force of the LkSG, at the time of the submission of this declaration, the Volkswagen Group departments HR Compliance, Group Occupational Health and Safety and Group Safety have not found any violations of the legal interests of the LkSG in their areas of responsibility. The relevant areas of Everllence SE have also not found any such violations.

In 2024, Volkswagen Group Environment detected deviations. These were assessed as a violation within the framework of the Environmental Compliance Management System (ECMS), as in 2023. Remedial measures will continue to be defined, carried out and tracked on the basis of a root cause analysis. The relevant division at Everllence SE has detected such discrepancies in its area of responsibility. Remedial measures were defined, carried out and tracked on the basis of a root cause analysis, so that the violations were eliminated before the end of 2024.

For 2025, it is planned to incorporate the experience gained so far in the development and anchoring of remedial measures in the event of new incidents.

c) Remedial measures in the case of direct suppliers, § 7 para. 2 LkSG

In 2024, following the discovery that violations of a human rights or environmental obligation had occurred at direct suppliers, the Volkswagen Group Procurement Division immediately took appropriate remedial measures to prevent, terminate or minimize the extent of these violations.

In the case of Everllence SE, no violations of legal interests of the LkSG were found in the area of direct suppliers.

For 2025, it is planned to incorporate the experience gained so far in the development and anchoring of remedial measures in the event of new incidents.

5. Complaints mechanism, § 8 LkSG

With its independent, impartial and confidential whistleblower system of Volkswagen AG, the Volkswagen Group has established a Group-wide and cross-thematic reporting system for its own employees and third parties with various reporting options. The Everllence Group is connected to the whistleblower system of Volkswagen AG.

The whistleblower system also provides an independent complaint procedure for information on potential violations of the Supply Chain Due Diligence Act. The whistleblower system is available around the clock. It is accessible internally and externally and allows information to be transmitted (anonymously if desired) by telephone and e-mail, app, via an online reporting channel, by post and in person. In addition, reports can be submitted to external lawyers (ombudsperson).

Incoming reports will be treated confidentially. The whistleblower system is designed to ensure that complainants are not disadvantaged as a result of their reports. The persons entrusted with processing the information and discussing a matter are obliged to act impartially and to maintain confidentiality. They perform their duties independently and without being bound by instructions.

All information and reasonable suspicions about possible human rights and environment-related violations and risks are processed within the framework of a transparent, balanced and comprehensible process for all parties involved. In the case of reports concerning suppliers, the Supply Chain Grievance Mechanism (as part of Group Procurement) processes the matter.

Rules of procedure for the appeal procedure have been established in accordance with the Volkswagen Group Directive 3 Whistleblower System and published on the Volkswagen AG website. The homepage of Everllence SE also refers to these rules of procedure of Volkswagen AG.

The Central Investigation Office in Wolfsburg is responsible for coordinating the Group-wide whistleblower system.

On the basis of new whistleblower cases, the HRO at Volkswagen AG has continuously identified additional potential for improvement in the handling of complaint cases. These potentials for improvement have been and are being discussed with the respective function holders and recommendations for the realisation of these potentials have been given. Targeted training courses for the working departments are planned for 2025.

6. Procedure for anchoring and taking measures in the case of indirect suppliers, § 9 LkSG

In 2024, following the existence of factual indications that made a violation of a human rights-related or an environmental obligation appear possible on the part of indirect suppliers of Volkswagen AG (substantiated knowledge), a risk analysis was carried out immediately in accordance with Section 5 (1) to (3) LkSG, appropriate preventive measures were anchored vis-à-vis the polluter, and a concept for prevention, termination or minimization was drawn up in each case, and implemented.

7. Procedure for documentation and for the fulfilment of external and internal reporting obligations, § 10 LkSG

The documentation of Volkswagen AG's fulfilment of due diligence obligations within the meaning of Section 3 LkSG is carried out on a decentralised basis on an ongoing basis. The Volkswagen Group divisions of the first and second lines as well as the HRO division each document their own activities. The corresponding areas of responsibility of the group companies of their own business unit within the meaning of § 2 para. 6 LkSG and thus also of Everllence SE are each documented separately in their company.

The HRO coordinates the annual external reporting to the Federal Office of Economics and Export Control (BAFA) in accordance with Section 10 (2) LkSG for Volkswagen AG and the other 24 companies in the Group that have been subject to reporting obligations since 2024, i.e. including Everllence SE. This ensures timely and full compliance with the reporting and subsequently also the publication obligation.

The fulfilment of the duty to provide information pursuant to Section 4 (3) sentence 2 LkSG to the management and supervisory bodies of Everllence SE is ensured by the HRO of Volkswagen AG, which is also HRO responsible for Everllence SE.

8. Definition and anchoring of Everllence SE's human rights expectations of its employees and suppliers

Respect for human rights is a key concern for the Volkswagen Group, including Everllence SE and its subsidiaries and employees. We are convinced that sustainable business is only possible through ethical and integrity action. We stand for individual freedom, fair working conditions, open world trade, economic development and peaceful coexistence.

In our global business activities, we ensure that our values are lived and that our human rights and environmental expectations are met. We expect the same from our business partners. We thus apply the duty of care within the meaning of the LkSG to our employees and the Volkswagen Group's own division, as well as to our supply chain.

These expectations are anchored in all our relevant business processes as well as in internal and external regulations, such as our Code of Conduct, the Social Charter, the Volkswagen Group Environmental Policy, our Group Guidelines, our Code of Conduct for Business Partners, in a new employee training course on the Supply Chain Due Diligence Act, generally in contractual provisions with our business partners and in this policy statement.

Our Code of Conduct and employee training on the LkSG address in particular the risks of forced labor, slavery, child labor and unequal treatment and formulate the company's responsibility and corresponding expectations of its employees, for example, to report potential violations of the provisions of the LkSG. Both address the responsibility of the Volkswagen Group, including Everllence SE and its employees, as members of society, as business partners and in the workplace.

The revised Volkswagen Group Guideline 35 HR Compliance formulates requirements with regard to the unrestricted compliance with human rights due diligence obligations, including the fulfilment of the requirements of the Supply Chain Due Diligence Act by employees in the HR department, and ensures that all employees are sensitized to the importance of conduct with integrity. These requirements also apply to Everllence SE through Group Guideline MAN ES 11.6 HR Compliance.

The Volkswagen Group Guideline 44 Organization and Responsibility in Occupational Health and Safety formulates in particular requirements for the companies of the Volkswagen Group in order to counter the risks pursuant to Section 2 (2) No. 5 LkSG.

The Volkswagen Group Directive 13 Safety stipulates that legal regulations, in particular the Supply Chain Due Diligence Act, as well as the internal regulations existing in the Volkswagen Group, in particular the Code of Conduct, the Group Principles and the Social Charter of the Volkswagen Group, must be taken into account when implementing the requirements of this Directive.

Volkswagen Group guidelines must be implemented in the companies of the Volkswagen Group, including Everllence SE, within six months of their entry into force. The implementation of the aforementioned guidelines by Everllence SE has taken place or is taking place on time.

In addition to the Environmental Compliance Management System, the environmental protected assets of the LkSG and the binding obligations relating to them are defined in the Volkswagen Group Environmental Policy.

The Code of Conduct for Business Partners addresses in particular risks of occupational health and safety, environmental protection, corporate ethics and the procurement of raw materials and formulates the company's expectations of its direct suppliers to take the requirements into account in their business activities and to pass them on to those business partners who relate to the contractual relationship with the Volkswagen Group in an appropriate contractual manner. In addition, the obligations of the direct supplier to cooperate in the implementation of prevention and remedial measures are laid down.

The Volkswagen Group Environmental Policy also applies to Everllence SE and its subsidiaries and the Code of Conduct for Business Partners is also used by the Everllence Group.

Augsburg, 25.06.2025

For Everllence SE

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