



BENTLEY

SUPPLY CHAIN HUMAN RIGHTS ANNUAL REPORT 2023



BENTLEY MOTORS CANADA LTD



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In accordance with Section 11 of Canada's Fighting Against Forced Labour and Child Labour in Supply Chains Act (S.C. 2023), this report from Bentley Motors Canada Ltd. provides an overview of the steps that **Bentley Motors Canada Ltd** has taken to prevent and reduce risks of forced labour or child labour when importing, distributing and marketing goods in Canada.

VOLKSWAGEN GROUP – GLOBAL VIEW

The Volkswagen AG ("Group") is one of the world's leading automobile manufacturers and headquartered in Wolfsburg, Germany. In view of globalisation and the increased complexity of its supply chain, the Group has transparent information about its global position on **Human Rights** available [here](#).

Volkswagen Group of America (VWGoA) and Volkswagen Group Canada Inc. (VGCA) are subsidiaries of the Group. Bentley Motors Inc. as a subsidiary of VWGoA and with support from VGCA, undertakes the import, distribution and marketing of goods into Canada on behalf of Bentley Motors Canada Ltd via a management contract agreement.

BENTLEY MOTORS LTD

Bentley Motors Ltd is one of the world's most sought after luxury car manufacturers. The company headquarters in Crewe, United Kingdom, are the hub of its operations including design, development and production of the company's product lines. The company also retails Bentley branded merchandise. Bentley has been part of the Group since 1998 and is part of the Brand Group Progressive led by Audi AG which includes Audi, Lamborghini, and Ducati.

Bentley Motors Canada is a wholly owned subsidiary of Bentley Motors Ltd. Bentley Motors Inc, (a subsidiary of VWGoA), undertakes the import, distribution and marketing of goods into Canada via a management contract agreement.

Bentley Motors Ltd has transparent information about its global position on Modern Slavery available [here](#). Audi AG has transparent information about its global position on **Human Rights** available [here](#).

BENTLEY MOTORS CANADA LTD - STRUCTURE, ACTIVITIES AND SUPPLY CHAINS

Bentley Motors Canada Ltd, in partnership with the Group global procurement network, supports the management systems outlined in this report. Bentley Motors Canada Ltd is a subsidiary of Bentley Motors Ltd and is responsible for the importation, distribution and marketing of Bentley products into Canada.

OUR COMPREHENSIVE RISK MANAGEMENT APPROACH

VOLKSWAGEN GROUP SUPPLY CHAIN

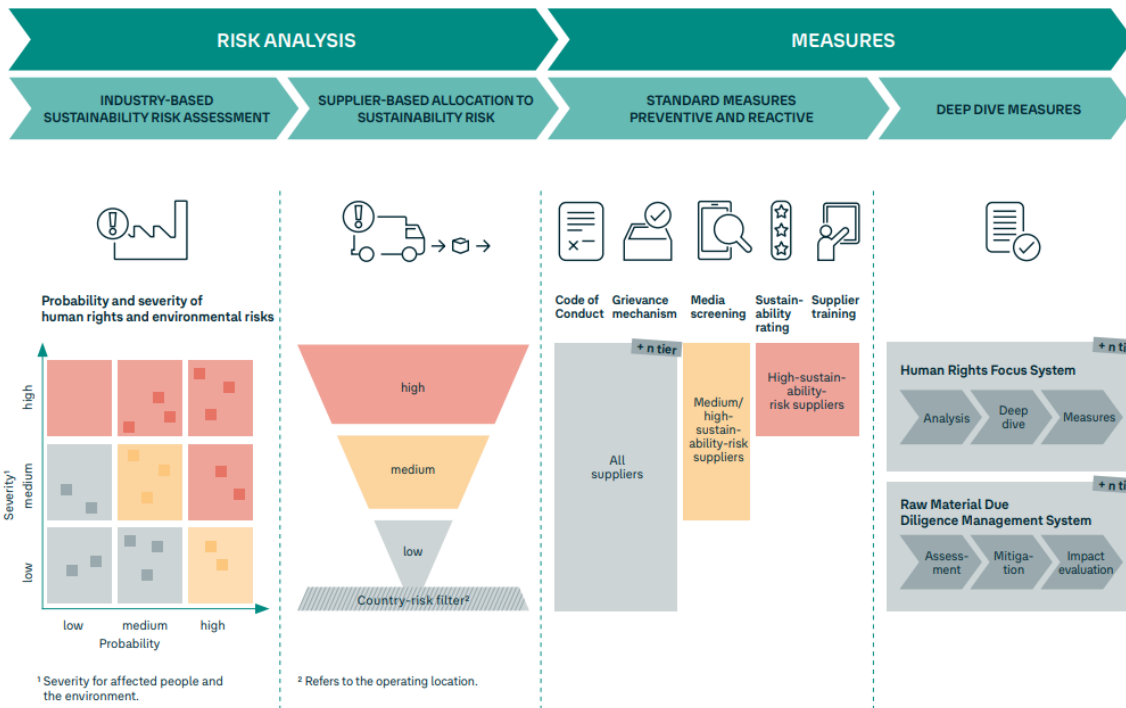
The Group takes the integrity of its supply chain seriously and is dedicated to preventing the use of forced labour and child labour in its supply chain. Due to the diversity of its products, the Group's supply chain is extremely complex, globally distributed and subject to constant change. The **Group Procurement Sustainability Department** operationally manages this topic through a **network of experts** from **five continents** continuously working together.

In 2023, the Group introduced a redefined **Responsible Supply Chain System (ReSC system)** to avoid and minimise human rights, social and environmental risks in our supply chain based on a systematic risk analysis. This system creates a framework anchored in policies and due diligence processes to support many of our environmental and social criteria, including our forced labour and child labour prohibition. It systematically applies higher criteria for risk assessment and management in areas of our industry that may carry a higher degree of risk based on the nature of supply chain (e.g. priority raw materials) or geographical location. A summary of key standard measures are included in this report. Full details are available in the Group's 2023 Sustainability Report section on [Supply Chain and Human Rights](#).



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Responsible Supply Chain System (ReSC system)



Compliance Risks

Potential compliance risks, including the risk of human rights violations in supply chains, are recorded and assessed using the overarching regular risk process established throughout the Group. Preventative measures are developed and appropriate compliance programmes are specified on the basis of these results. Investigative measures and responses are conducted as necessary.

Group Audit conducts regular, systematic reviews of the processes across its group of companies (including Bentley Motors Ltd), using, among other tools, the internationally recognised COSO Enterprise Risk Management Framework. In addition, it carries out sample checks, regardless of suspicion, as well as investigations of specific suspected violations.

BENTLEY MOTORS LTD SUPPLY CHAIN

Bentley Motors Ltd has ultimate control of over 20 per cent of its supply chain, the rest is controlled at Group level. Further details about how this is managed is available in [Bentley's 2023 Sustainability Report](#).

In 2023, Bentley Motors Ltd incorporated measures to support the Group and Audi AG to meet their obligations of The German Supply Chain Due Diligence Act (Lieferkettensorgfaltspflichtengesetz – "LkSG") that came into force on 1st January 2023. This is part of the German federal government's commitment to safeguard and enhance human rights and environmental standards within the supply chains of companies operating in Germany.

In May 2023, the Bentley Sustainability Council was launched to advise and challenge the Board of Management and relevant internal committees on sustainability topics, including human rights. The Council is a change agent, responsible for guiding Bentley Motors Ltd and critically evaluating plans, shaping thinking, and strategic decision-making.



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STANDARD MEASURES:

Code of Conduct

Firstly, the Group rejects all use of child, forced or compulsory labour and any form of modern slavery or human trafficking in both our workforce and by our suppliers.

The Group **Code of Conduct** serves as a binding guideline for all employees all over the world, including Canada. Furthermore, the Group **Declaration on Social Rights** provides a binding basis for social and industrial relations within the Group.

The Group **Code of Conduct for Business Partners** is a core element of Bentley Motors Canada Ltd.'s supplier management strategy. It sets minimum requirements for suppliers with respect to key human rights, environmental, social and compliance standards. The Group requires Tier I suppliers who are generally contractually bound to pass on the forced labour/child labour prohibitions to their sub-suppliers. This also applies to transparency disclosure obligations to support the Group fulfilling relevant legal obligations.

The Codes of Conduct are publicly available for download from the [Volkswagen Group of America Corporate Website](#).

Supply Chain Grievance Mechanism

The Group's independent, impartial and confidential Whistleblower system is a cornerstone of the Group-wide Integrity & Compliance program. Employees and its business partners can anonymously report misconduct at any time. Cases are processed through documented Rules of Procedure to ensure remedial measures where required. Further information can be found [here](#).

Media Screening

Group Procurement Sustainability carries out continuous and risk-based media screening of relevant suppliers using a software tool. If the tool identifies indications of possible breaches of the Group Code of Conduct for Business Partners, these are reviewed and, if necessary, processed in the supply chain grievance mechanism.

Training and Sustainability Ratings (S ratings)

The **S-rating** is a Group-wide tool used to assess the sustainability performance of relevant suppliers on environmental, social and integrity aspects to mitigate risks. It is directly relevant to awarding of contracts to create a direct incentive for suppliers to improve their sustainability performance.

The Group systematically trains its employees and suppliers on supply chain sustainability. All Group Procurement employees, receive sustainability training which varies in intensity, based on the nature of their role. Suppliers receive training on Sustainability and how its operationally driven through S-training framework. The Group's Human Rights relevant training emphasises Group policy prohibiting forced labour and child labour in the Group's supply chains.

DEEP-DIVE MEASURES:



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Potential concerns relating to human rights are monitored through a risk management system. This involves a quarterly process to identify, assess and mitigate risks within the Group. Compliance with internal policies and the Group sustainability requirements is regularly assessed through this process. There are various internal controls implemented as part of the risk management system.

The Group is the first automotive company, since 2021, that voluntarily and publicly reports on Group-wide measures for mitigating human rights and environmental risks in particularly at-risk supply chains.

The Group introduced in 2022 a **Human Rights Focus System (HRFS)** to help identify and address issues with human rights and environmental risks that require more in-depth analysis. This can include in-depth social standard audits aimed at implementing suitable prevention and remedial measures after understanding the structural root causes of human rights violations.

The Group's **Raw Materials Due Diligence Management System** follows the five steps of the OECD Due Diligence Guidance for Responsible Business Conduct and the requirements of the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas. It serves to identify, assess and avoid actual and potential human rights risks in our upstream raw material supply chains. In July 2023, the Group released its third Responsible Raw Materials Report ([link here](#)) which transparently outlines challenges and specific measures taken for mitigating risks in upstream raw material supply chains. The Group is working to increase transparency in very complex supply chains and use audits to check raw materials are sourced responsibly.

CONDUCTING DUE DILIGENCE:

Supplier Self-Assessment

Suppliers are asked to confirm their compliance with the Group sustainability requirements through a self-assessment questionnaire. If the questionnaire highlights a potential issue, this is flagged to the Group contact responsible for the region. A comprehensive business due diligence process is integrated within the supplier assessment, to compliment the S-rating, the process reviews and addresses integrity and ethics concerns. The S-Rating system is an assessment of suppliers with regard to environmental, social and corruption risks.

Sustainability Audits

For selected suppliers, the Group retains the right to commission an independent, external service provider to check that suppliers are operating in accordance with the expected behaviour outlined in the Group sustainability requirements.

The outcome of these audits is reviewed by the expert team responsible for the supplier's region and, if necessary, an action plan put into place to address shortcomings. If the supplier is found to be in breach of the Group sustainability requirements, and is not prepared to make the necessary changes, the Group can opt to terminate the relationship.

In the case that a concern is raised regarding a second or third tier supplier, the same principle applies and the case will be investigated with the first tier supplier that has the closest relationship to Bentley Motors Canada Ltd and/or the Group.

Retailer Network

Retailers and authorised repairers are subject to compliance due diligence prior to entering a contract, and on-going integrity monitoring throughout the contractual period. If an integrity concern is identified during the contractual term,



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an investigation is conducted and if the business partner is found to be in breach of compliance obligations, the Group can opt to terminate the relationship.

MONITORING EFFECTIVENESS:

The joint Self-Assessment Questionnaire (SAQ) was developed by the members of the industry initiative Drive Sustainability. The SAQ is provided on the external platform supplierassurance.com by the service provider NQC Limited. Due to the standardised questionnaire used by several OEMs, suppliers can complete the SAQ once and voluntarily share their responses with different buyers. By this, the Group aims to reduce the workload for suppliers who do not need to complete several different sustainability questionnaires from different buyers.

If the above mentioned minimum requirements are not met and/or the responses in the SAQ point to an increased sustainability risk, an On-Site Check (OSC) is conducted at the supplier's site. This check aims at evaluating our suppliers' sustainability performance and at helping them to improve it if gaps and nonconformities are identified. The OSC is conducted by an independent external partner, which is an internationally experienced audit company. After an OSC, our suppliers are informed about the result and a corrective action plan is developed, if necessary.

COMMUNICATION AND TRAINING:

The Group communicates with all employees to build awareness of Human Rights; this includes articles on the company intranet that can be accessed by all employees to raise awareness.

All Bentley Motors Canada Ltd suppliers and Group colleagues have access to an e-learning module outlining the Group expectations on sustainability. This is accessed through the Group Supplier Portal.

APPROVAL AND ATTESTATION

This report was prepared based on information regarding Calendar Year 2023 in collaboration with the Bentley Motors Ltd Purchase and Governance, Risk and Compliance departments. It was subsequently reviewed and approved by the appropriate governing body of Bentley Motors Canada Ltd. Pursuant to section 11 and subsection 4(b)(ii) of Canada's *Fighting Against Forced Labour and Child Labour in Supply Chains Act*, I attest that I have reviewed the information contained in the report for the entities listed above. Based on my knowledge, and having exercised reasonable diligence, I attest that the information in the report is true, accurate and complete in all material respects for the purposes of the Act, for the reporting year listed above.

Christophe Georges
President and Chief Operating Officer
Bentley Motors Canada Ltd

May 2024

I have the authority to bind Bentley Motors Canada Ltd.