



Automobili Lamborghini S.p.A.

"Slavery and Human Trafficking Statement"

(Fiscal Year 2022)

This statement has been prepared pursuant to Section 54 of the United Kingdom Modern Slavery Act 2015. In particular, it details the measures implemented by Automobili Lamborghini S.p.A. on preventing forms of modern slavery and human trafficking.

Preamble

We recognize our responsibility to protect human rights at our sites and along our complex value and supply chains. For us, this responsibility does not end at our factory gates; but goes beyond them.

1. Organization and supply chain

Automobili Lamborghini is an Italian Company headquartered in Sant'Agata Bolognese, with the sole shareholder AUDI AG, and it is part of the Volkswagen Group. The Company's purpose is the development, the design, the production and the sales of super sports cars worldwide known for their unique DNA. With 180 Dealers in 53 Countries, Automobili Lamborghini has a balanced distribution of sales in three macro regions as EMEA (Europe, Middle East and Africa), America and Asia-Pacific, each one representing approximately one third of the worldwide sales.

For us, global compliance with sustainability standards in areas such as human rights, occupational health and safety, environmental protection and combating corruption is a basic prerequisite for successful business activities with our suppliers. Only together with our business partners it is possible to ensure compliance with sustainability standards.

The measures and efforts undertaken by the Volkswagen Group to promote sustainability and to safeguard and respect human rights within the Group Companies and in the supply chain also contribute to achieving these goals.

2. Internal measures

General

The integration of the topic of "Business and Human Rights" ("BHR") into the existing Compliance Management System as well as the central coordination of responsibilities in other divisions on the BHR topic falls under the remit of Compliance, Risk Management and Integrity Function at Lamborghini.

Combating modern slavery along our value and supply chain is one of the focal points of our activities in the area of BHR. For us, child labor and forced labor in particular are serious violations of human rights and are therefore prohibited.

We set out our broad understanding of "Business & Human Rights" on the [Lamborghini website](#). The Volkswagen Group, which therefore includes Lamborghini, has expanded and affirmed this understanding along with our commitment to our entrepreneurial responsibility, which follows internationally recognized treaties and conventions including explicitly the UN Guiding Principles on Business and Human Rights, in the updated "Declaration by the Volkswagen Group on social rights, industrial relations and business and human rights," known as the Social Charter. Lamborghini has endorsed the Volkswagen Group's Social Charter and adopts the values contained therein.



Organizational Model pursuant to D. Lgs. No. 231/2001 and Ethic Code

In order to ensure legality, correctness and transparency in the management of its business and its activities, Automobili Lamborghini S.p.A. has adopted an **Organizational and Management Model** according to the Italian Law Decree 231/01¹, and an **Ethic Code**, that is regularly updated based on VW group requirements. The Ethic Code is based on shared values, with a focus on honest conduct, integrity, compliance with all rules, regulations and responsibility. The Organizational Model as well as the Ethic Code apply to all individuals working in the interest of Lamborghini, either inside and outside the Company and are always available to all employees on the Intranet and to the third parties on the Internet.

In particular, the Company has assessed the risk of crimes' commission provided in art. 25 *quinquies* of the 231/01 Decree, that are those that could lead or help the finding of workers in condition of slavery, for example through the human trafficking. Therefore, expected behaviors towards employees and business partners are defined for running business ethically and for avoiding any form of modern slavery.

The Ethic Code seeks to help employees observe the Company's rules at their workplace, as business partners and as members of society, providing them with guidance, assistance and advice. The rejection of all forms of modern slavery and human trafficking likewise forms part of our Ethic Code.

In addition, our activities are guided by the principles of the UN Global Compact, the OECD Guidelines for Multinational Enterprises and the declarations of the International Labour Organization (ILO).

Lamborghini's Whistleblower System²

The Whistleblower System is the point of contact for reporting suspected potential regulatory violations. These include, for example, violations of human rights - a matter that fundamentally constitutes a "serious regulatory violation." Wherever they are in the world, employees as well as business partners and customers are able to report misconduct by Lamborghini employees along a variety of channels. As well as via the e-mail mailbox created and by traditional mail, regulatory violations can be reported via a secure online reporting channel (BKMS) and on a 24/7 phone hotline 365 days a year in several different languages. There is also the option of submitting a report to an external lawyer (ombudsperson) appointed by the Volkswagen Group. If desired, reports can be made anonymously, especially where the online reporting channel is used (with scope for consultation with the whistleblowers). Strict confidentiality and secrecy are maintained throughout the entire process.

The Whistleblower System guarantees the highest possible protection for whistleblowers and all persons who participate in investigating and remedying misconduct and regulatory violations. Discrimination against whistleblowers and co-workers is fundamentally a serious regulatory violation and will not be tolerated. At the same time the Whistleblower System protects the interests of persons of interest. They shall be presumed innocent until proof of a violation is obtained. The processes involved in the Whistleblower System were examined in 2022 in light of the requirements of the German Supply Chain Due Diligence Act (LkSG) and adjusted where necessary. A corresponding code of procedure for the **complaints procedure** was published on the Company's website for the Whistleblower System.

Risk analysis

The regular risk management process includes a quarterly risk process and the annual ICS process. Risk assessments pertaining to human rights are conducted by internal key divisions, including the updates of the countermeasures taken. The annual process supports the recording process of potential risks by means of a list of focus areas, which also includes potential risks arising from the violation of human rights. On regular basis, risk management reports are submitted to the local and Group Management.

¹ A structured set of rules and procedures in order to prevent the commission of the different type of crimes provided in the Decree 231/01 and considered as relevant for the Company.

² For additional info please refer to Automobili Lamborghini S.p.A. Ethic Code Chapter 7 - Support (Help/Contacts/Whistleblower System).



Qualification of employees

The aim of the Company is to give a prompt and precise circulation of the 231/01 Organizational Model and Ethic Code content to every employee and third party that cooperates with Automobili Lamborghini.

Therefore, information disclosure and training to employees at all hierarchical levels play a crucial role within our organization. Starting from mid of 2020, a dedicated Compliance Web Based Training is in place concerning Ethic Code, of which human rights protection topic is part of, as well as the Whistleblower System related topics. Moreover, during the 2022 a refresher training on Ethic Code has also been introduced for all indirect employees.

Ethic Code Training is mandatory for all employees, regardless of hierarchical level. Additionally, members of the senior management confirm their knowledge and responsibility with regard to the Ethic Code each year, by signing an own declaration.

Target group-oriented communication and training measures for employees at all hierarchical levels play a key role in this. In the reporting period, specific communication and training activities continued to focus primarily on the Ethic Code, the whistleblower system and the prevention of corruption.

For all the third parties who have business relations with the Company and/or act on behalf of Lamborghini, relevant compliance clauses in relation to the Organizational Model 231/01 and the Ethic Code are present in all their respective contracts.

Measures in the supply chain: Sustainability requirements for our Business Partners

In order to maximize the benefit of potential synergies, we select suppliers in close consultation with Volkswagen Group Procurement. All measures and efforts taken by the Volkswagen Group in promoting sustainability in the supply chain, as well as to safeguard and respect human rights, also contribute to achieve Automobili Lamborghini goals, in addition to the independent activities undertaken.

Although each Business Partner has its own responsibility for running its business ethically, Automobili Lamborghini does not tolerate any form of modern slavery in its activities or supply chains. Additionally, to complying with the principles of the Ethic Code, the Company acknowledges completely the Volkswagen Group requirements in terms of sustainability (i.e. Volkswagen Group requirements regarding sustainability in its relationships with business partners and the Code of Conduct for Business Partners), of which reference is present in the nomination agreement, in the contracts and in the related purchase orders of parts and general purchases.

This commitment describes the expected conduct of the Business Partners with respect to key environmental, social and compliance standards. Internationally acknowledged human rights are included in these standards which can be consulted on the website page: www.vwgroupsupply.com.

A key measure introduced in 2019 is the sustainability rating (S-Rating), which is now fully integrated according to the Group Roll-out plan. S-Rating indicates relevant³ suppliers' sustainability performance and opportunities for continuous improvement. It evaluates the ecological performance of suppliers as well as their social sustainability and integrity. The S-Rating is of direct relevance to our direct suppliers in terms of contract awards. If a supplier does not meet our requirements for compliance with sustainability standards, they will not be awarded contracts according to Group rules. This is a direct incentive for suppliers to improve their sustainability performance. Sustainability is an established part of the competence profile for all Procurement employees. At this regard, the buyers are trained regularly. During 2023 an updated training version "Sustainability Supply Chain" has been launched and involves the entire Procurement Department. Also relevant and new suppliers have been trained or have the possibility to attend the training sessions organized by the Group.

In case Automobili Lamborghini S.p.A. becomes aware of sustainability violations at or by business partners, those have to be submitted to "Procurement Strategy" (I/BZ) at speakup.supplychain@audi.de.

³ The relevance of a business partner for the S-Rating comes from factors such as company size or risk exposure, which is derived from the type of service.



Moreover, before undertaking business relationships with Business Partners, the Company follows a pre-qualification process based on a constructed method taking into account data provided by the Partner, either through a verification tool based on the peculiarity of the market where the Partner operates or based on risk-oriented manner. The Business Partners acknowledge that the Company has adopted an Organizational Model pursuant to the Decree 231/01 as well as an Ethic Code ensuring the refrain to undertake any act contrary to the freedom or the dignity of a human being, whose protection is a fundamental value of the Company. Furthermore, for specific clusters of Business Partners, integrity checks are conducted through BPDD tool that ensures the Business Partner Due Diligence Process.

We use a large number of channels for raising awareness among suppliers. These include the information on the [ONE.Group Business Platform](#), on Audi website, the [S-Rating Information Hub](#) and supplier training opportunities.

Human rights due diligence

One area of focus in the year under review was the further systematizing of the priority topic of human rights. The aim of this approach is to avoid or minimize human rights or environmental risks along the Volkswagen Group supply chain, using a systematic risk analysis as the basis. The purpose of the risk analysis is to identify risks in the Volkswagen Group supply chain. Based on an assessment of the risks, suppliers are classified as a low, medium or high sustainability risk. Measures are allocated based on the risk analysis. As well as the Volkswagen Code of Conduct for Business Partners and the Supply Chain Grievance Mechanism, depending on risk profile these measures may also include media screening, the Sustainability Rating and more in-depth human rights training. In order to carry out the aforementioned measures a Cooperation Agreement has been formalized with Audi Procurement Department.

Raw Material Due Diligence Management System

In order to counter the particular environmental and human rights risks in the supply chains of raw materials, the Raw Material Due Diligence Management System (RM DDMS) was set up in the Volkswagen Group's Procurement division in collaboration with selected parent companies. It describes the process of identifying, assessing and mitigating sustainability risks in raw material chains in supplier relations. All Group Companies participate in implementing the defined measures.

Outlook

Our Company will continue to guarantee the same intolerance as regards to human rights violations by updating its internal rules and risks' analysis and continuing to raise awareness among its employees and its Business Partners about the non-acceptance of any forms of modern slavery and human trafficking as examples of human rights' abuses. In order to confirm the Automobili Lamborghini's commitment to respect and observe human rights in general and to condemn forced labor and human trafficking in particular, the Company acknowledges the importance to disclose the principles of the Ethic Code to all individuals that act for Lamborghini whether they are employees or third parties.



Automobili Lamborghini S.p.A.
July 2023

A handwritten signature in black ink, appearing to read "St. Winkelmann", written over a horizontal line.

Stephan Winkelmann

Chairman & Chief Executive Officer of Automobili Lamborghini S.p.A.

A handwritten signature in black ink, appearing to read "P. Poma", written over a horizontal line.

Paolo Poma

Managing Director & CFO of Automobili Lamborghini S.p.A.