

Course of Remediation
Volkswagen de México, S.A. de C.V.

July 25, 2024

The United States and Mexico agree to this Course of Remediation for purposes of United States-Mexico-Canada Agreement (USMCA) Annex 31-A (United States-Mexico Facility Specific Rapid Response Labor Mechanism) for the Denial of Rights investigated by Mexico at the Volkswagen de México, S.A. de C.V. (VWM or the company) facility in Cuautlancingo, Puebla, Mexico (the facility). The agreed-upon date for all remediation to be complete is August 9, 2024, or upon the execution of the court ordered reinstatements, whichever is later; however, each action specified in the Course of Remediation must occur by the date specified for such action in the Course of Remediation, and Mexico will provide evidence of each action within a week of the specified date. If no date is specified for an action, it is understood that such action will occur at any time before the expiration of the Course of Remediation. The Parties will meet regularly to share information about and closely monitor implementation of this Course of Remediation.

1. Mexico, in accordance with its legislation, will ensure that VWM undertakes the following actions:

Unlawful Dismissals

- a. Reinstatement eight workers to their prior positions with the same title, job duties, working conditions, and benefits they had at the time of their separation from the company, with a commitment to no discrimination, reprisals, threats, harassment, or violence against the workers from this time forward. The attached confidential Appendix sets forth the names of the eight workers who will be reinstated. These reinstatements and the terms thereof will be accomplished consistent with the agreements reached between VWM and the workers during the dialogue table discussions facilitated by the Government of Mexico in July 2024 (the Dialogue Table Discussions), including what is contained in any formal individual agreements reached between VWM and each worker, which will be filed to the Mexican Labor Court and notified to the Governments of the United States and Mexico. If no formal individual agreements are reached, the reinstatements will be accomplished as directed by the Labor Court through each worker's ongoing court case against VWM, which would include the Labor Court's review of the VWM partial acceptance (*allanamiento parcial*) filed in each case on July 12, 2024;
- b. Provide full back pay and benefits to these eight workers from the date of termination until the date of reinstatement, to ensure make-whole relief, as appropriate under Mexican law, and consistent with the findings of the Mexican Labor Courts. The back pay and benefits and the terms thereof will be accomplished consistent with the agreements reached in the Dialogue Table Discussions;
- c. Provide the payment of full severance owed to one worker, consistent with the requirements under Mexican law and the findings of the Mexican Labor Courts. The attached confidential Appendix sets forth the name of the worker who will be paid severance. The payment of severance and the terms thereof will be accomplished consistent with the agreements reached in the Dialogue Table Discussions;

Neutrality Statement and Company Guidelines

- d. Distribute hard copies of the neutrality statement and company guidelines to appropriate employees and contractors (Company Personnel), post them in prominent locations throughout the facility and on the “#yosoyvolkswagen” app, and make them available upon request. This was completed on July 4 and 5, 2024;
- e. Provide training to appropriate Company Personnel on the company guidelines and neutrality statement, including executive and management personnel, the current members of the “Congress” of the *Sindicato Independiente de Trabajadores de la Industria Automotriz Similares y Conexos Volkswagen de México* (the Union), the incumbent union at the facility, and workers who ran as candidates in the last Union election. Provide additional separate training for employees “de confianza,” including supervisors, human resources personnel, and other high-level officials, on their responsibilities related to protection of workers’ rights. This was completed on July 4 and 5, 2024;
- f. Implement the neutrality statement and guidelines to ensure there is an environment where all freedom of association rights are realized without employer interference in union affairs. This includes changing company operations and thoroughly investigating allegations of violations of these company policies and applying the zero-tolerance policy for any identified violations. Penalize any Company Personnel who violate the neutrality statement or company guidelines, including by sanctioning and terminating staff, where appropriate. This will be completed no later than August 9, 2024;
- g. Provide new workers hired during the term of the Course of Remediation with hard copies of the neutrality statement and company guidelines at the time of hire, and keep the statement and guidelines posted for the duration of the Course of Remediation;

Complaint Mechanisms

- h. Publicize the existence of a telephone line or direct email address, and a system of anonymous and confidential messages to the company, through which workers can report violations of their rights and breaches of company guidelines and policies. VWM commits that there will not be any discrimination, reprisals, threats, harassment, or violence against workers who utilize the mechanism. This was completed on July 5, 2024. The company will thoroughly investigate and address in a timely manner allegations received through this mechanism;
- i. Post in prominent, high-traffic areas of the facility and on the “#yosoyvolkswagen” app information about how workers can file complaints with the Government of Mexico related to violations of their freedom of association and collective bargaining rights. VWM commits that there will not be any discrimination, reprisals, threats, harassment, or violence against workers who contact the Government of Mexico to raise concerns. This was completed on July 5, 2024; and

Electronic Platform with Materials

- j. Maintain the “#yosoyvolkswagen” app that allows workers to easily access the neutrality statement, company guidelines, collective bargaining agreement, training materials, and

complaint mechanisms discussed in this Course of Remediation. This would be in addition to any requirements to provide printed copies and post documents in high-traffic areas of the facility. This will be completed no later than August 9, 2024.

2. The United States and Mexico observe that VWM submitted a request to the Union to integrate a new clause into the collective bargaining agreement that sets forth procedures applicable to workers who serve as union representatives once their term of representation ends, such that those workers can return to active service or elect an alternative option consistent with the collective bargaining agreement and Mexican law. The Union agreed to consider the issue during the 2024 comprehensive review of the collective bargaining agreement.
3. Mexico, in accordance with its legislation, will:

Trainings

- a. Conduct in-person workers' rights training for appropriate Company Personnel during normal working hours, and post and distribute informational material at the facility regarding freedom of association and collective bargaining, including the right to organize, select, affiliate, and conduct union activities with a union of their choice without any intimidation, coercion, violence, or retaliation; the right to freely elect union leaders to represent them; the right to receive an accounting of union spending; the concepts of union independence and employer neutrality; and the rights of workers under the collective bargaining agreement. This was completed on July 4 and 5, 2024;

Government Complaint Mechanisms

- b. Maintain a direct email address and phone line for workers to anonymously report any allegations of potential acts of unlawful interference, or other violations of workers' freedom of association and collective bargaining rights, including intimidation, coercion, or threats with respect to their selection of a union or union activities, non-neutrality, or interference in internal union affairs. Mexico will timely investigate any allegations of acts of anti-union discrimination, unlawful interference, and violations of workers' freedom of association and collective bargaining rights and share with the United States the results of those investigations; and

Monitoring

- c. Monitor the facility related to the obligations of this Course of Remediation and compliance with Mexican laws related to freedom of association and collective bargaining. The STPS will share the results of this monitoring with the United States as well as with VWM. Mexico will also investigate any allegations of potential acts by VWM of unlawful interference, or other violations of workers' freedom of association rights with Mexican laws related to freedom of association and collective bargaining at VWM. This includes any acts of employer interference, employer domination of the Union, or acts that violate the Federal Labor Law of Mexico.
4. The United States and Mexico will consult at the expiration of this Course of Remediation regarding its implementation with a view to the prompt resolution of the matter. The United States

and Mexico will endeavor to determine whether implementation has been adequately accomplished within 30 days after the expiration of this Course of Remediation. If either the United States or Mexico considers there to be any pending issue under the Course of Remediation, that country will notify the other country of such pending issue within 30 days after the expiration of this Course of Remediation.