



Speech given by Christian Russau (FDCL, KoBra, Dachverband der Kritischen Aktionärinnen und Aktionäre (Critical Shareholders Association)) at the annual general meeting of Volkswagen on the 3rd of Mai 2018 in Berlin.

Dear Ladies and Gentleman,

let's cut directly to the chase (start directly in medias res):
We of the Critical Shareholders Association accuse the VW (-Group of Companies), the board of directors and the supervisory board of serious negligence when it comes to accounting for the past of VW do Brasils collaboration with the military regime (1964-1985). Since the publication of the study commissioned by VW of the historian Christopher Kopper who was looking into the entanglement of VW do Brasil with the horrors caused by the military regime, the company passed up on the chance to (proactively) approach the harmed workers and publicly ask for forgiveness. VW ought to offer proper compensation. Neither of those things happened and as a result, we deny the exoneration of the board of directors and the supervisory board. We ask everyone present who values human rights over profits to do the same and deny them exoneration.

What exactly are we talking about? 2014 the Critical Shareholders Association asked you (the accused - VW, the board of directors) to shed light on the collaboration with the Brazilian military regime (1964-1985) and to publicly apologize to the victims.

In the wake of our request corporate historian Manfred Grieger started working on the issue before he got silenced by them (VW, the board of directors). Afterwards professor Christopher Kopper of the University in Bielefeld started investigating the issue. The results of these historic investigation got publicised in December of 2017.

A few days prior a second report got published. It was the work of former police inspector Guaracy Mingardi, who was investigating as part of his official work for the Brazilian prosecution. Mentioned prosecution started investigating in September of 2015 after affected workers backed by eleven worker unions forming the 'Fórum de Trabalhadores por Verdade, Justiça e Reparação' (*Forum of workers for Truth, Justice and Reparations*) filed charges.

So, now we actually have the so called 'Kopper-Report' and the 'Mingardi-Report'. And both of them share the same intonation:

Both reports basically acknowledge the accusations of collaboration between VW and the military regime. Guaracy Mingardi's report not only confirms 'the sharing of information [with the repression organs] but furthermore the active repression of their own employees.' The testimonies of the former VW employees Lúcio Bellentani and Heinrich Plagge which both testified that they have been put into custody of torture centers of DOPS by the political police working for them [DOPS] with assistance from the VW security forces and straight away from their workplace at VW, have also been explicitly verified by Mingardi's inquiry.

Mingardi also validated Heinrich Plagge's statement which he gave to the Brazilian state prosecutor in 2017. On the 8th of August 1972 at around 14 o'clock he got called into the office of VW do Brasil's manager Ruy Luiz Giometti where besides Giometti two unknown men arrested him. Plagge got abducted to the DOPS where he got tortured for 30 days before he got transferred to a jail, where he got released on the 6th of December - about four months after his abduction. On the 22nd of December 1972, 16 days after his release, he got dismissed from Volkswagen. The state's amnesty

commission evaluated in their verdict from the 23rd of September 2008, that the discharge from 1972 by Volkswagen was 'politically motivated'.

Heinrich Plagge's wife also testified last year in front of the state prosecutor: She related how on the afternoon of the 8th of August 1972 an executive employee of VW do Brasil came to her home and told her that her husband had to leave for an business trip on short notice hence he didn't have the time to tell her in person. Only month afterwards she was able to find out where he really was: in the torture center DOPS. These facts showcase not only that the higher-ups in the management of VW do Brasil had knowledge of the incarceration of Mister Plagge, but that they even tried to cover up for the military regime.

On the 6th of March Heinrich Plagge died after long illness in Brazil. Plagge reached the age of 79. He wasn't able to see a settlement with Volkswagen.

The 'Kopper-Report', in the same vein validates the accusations of collaboration between VW do Brasil and the repressing institutions. But what did the smart as well as cunningly written press release from VW say? Volkswagen draws improper conclusions from the 'Kopper-Report'. Whilst VW admits some cooperation between 'individual members of the security forces' of VW do Brasil and the 'political' police (DOPS) of the former military regime happened, they state that there were no clear signs that would point to an 'institutionalised behaviour of the company'.

We of the Critical Shareholders Association strongly criticize this construed theory of individual perpetrators. The existing sources published by Christopher Kopper and Guaracy Mingardi who investigated on the behalf of the Brazilian state prosecutor's office make the claim of individual perpetrators seem outrageous.

Next, I'd like to take a closer look at the details revealed by the 'Kopper-Report'.

Christopher Kopper writes: The VW do Brasil Chief of Security Adhemar Rudge acted 'on his own initiative, but with tacit knowledge of the board of directors'.

This makes it sound way less likely that the theory of individual perpetrators makes sense, since if the board of directors who had direct control (and was silently aware of the torture) and, as Christopher Kopper writes, 'the use of torture by the political police was already a known fact for the Brazilian as well as the German public' - that would conclude that the board of directors knowingly and willingly sat idly by as their security personal extradited people into torture.

When, if not in a case like this would the term aiding and abetting of torture by the board of directors of VW do Brasil be proper?

The 'Mingardi-Report' shares this sentiment to an even bigger amount: Guaracy Mingardi found out, that every bit of information disclosed to the Brazilian Secret Service and their organs of repression directly passed the office of former chief executive officer of VW do Brasil before release. These occurrences happened mostly in the so called 'lead years' between 1969 and 1975 in which incarceration and torture was common for anyone who was suspected to be part of an oppositional parties or member of a union.

There is no doubt, that the former board of directors had full knowledge of the gruesome acts like torture, homicide and acts of abduction committed by the Brazilian military regime. In this context I'd like to cite the publication of the 'Süddeutsche Zeitung' newspaper from the 16th of February 1973 in which the former chief executive officer Werner Paul Schmidt was cited with the following words: 'Of course police and military are torturing prisoners to get critical information, in the same vein as the political subversive don't receive proper legal proceedings but are directly under fire. An objective coverage would have to add that without stringency there is no progress. Here however, we do see progress.' [end of citation] The 'Kopper-Report' also concludes that 'the use of torture by the political police was known to both, Brazilian and German public alike. [end of citation]

These information leaves only one logical conclusion:

If the former board of directors knew the full extent to which the Brazilian regime was torturing and murdering people then they ought to know what happened to the people after VW do Brasil shared information about those people with the military regime. The acting board of directors back then was formed out of German citizens who got hired by the central office in Germany and also

got payed in Germany. The lawyers in the audience might guess where I'm heading with this, but today is not the time to talk about that particular issue. I'd like to emphasize that the German VW do Brasil executives were delegated from Wolfsburg and as such represented the Volkswagen-Group directly. Thus, follows that the Volkswagen-Group bears full responsibility for the acts committed by their executives. Which in this case engulfs the sharing of information about the own employees with the military regime as well as the fact that their own security officers which are instruction bound to the former mentioned executives knowingly extradited people into torture.

How the Volkswagen-Group comes to the conclusion that these acts were not deliberate and direct aiding and abetting of torture but instead, tries to sell their theory of individual perpetrators is beyond the understanding which we from the Critical Shareholders Association can muster.

I ask you: will Volkswagen finally make amends to the affected workers in form of compensation payments? If so, in which quantity and if not, why not?

In light of the mentioned acts and the following conduct, does it come as a surprise that when Volkswagen wanted to present the findings of the 'Kopper-Report' back in December of 2017 in São Paulo in front of the affected workers - those workers that got extradited to torture by their former employers in the 'lead years' of Brazil - does it come as a surprise that these people weren't willing to indulge in celebrating and praising VW for finally presenting a report that took 40 years to conclude? Well, it seems that for the people in Wolfsburg it came as a surprise that their mistreated former employees weren't willing to become part of the crowd applauding VW at the event, they put together to

reveal the findings of the report.

In conclusion: it is way past time that VW, not only publicly apologizes to the affected employees but furthermore, finally starts negotiations about proper compensation payments with the Brazilian prosecutors who started investigations in 2015 so as to finally face their historical responsibility for the aforementioned cruelties.

As long as this is not happening, we of the Critical Shareholders Association mustn't and will not grant exoneration to the board of directors and we will keep up the public pressure.

Thank you for your attention.

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