

## Slavery and Human Trafficking Statement – Volkswagen Group

This statement is made in accordance with Section 54 of the United Kingdom's Modern Slavery Act of 2015.

### Organisation

The Volkswagen Group is a stock corporation under German law with its headquarters in Wolfsburg, Germany. The Volkswagen Group is made up of the Automotive division and the Financial Services division. The Automotive division comprises twelve brands: Volkswagen Passenger Cars, Audi, SEAT, SKODA, Bentley, Bugatti, Lamborghini, Porsche, Ducati, Volkswagen Commercial Vehicles, Scania and MAN.

With the exception of the Volkswagen Passenger Cars and Volkswagen Commercial Vehicles brands, all brands in the Group Automotive division are separate legal entities.

The Financial Services division operates in the financial services sector. Its portfolio is concerned with dealer and customer financing, leasing, banking and insurance activities, fleet management and mobility offers. Volkswagen AG is the parent company of the Volkswagen Group. The Volkswagen Group and its brands are represented in all the relevant markets of the world. The key sales markets currently include Western Europe as well as China, the USA, Brazil and Mexico. For the manufacture of its products, the Group procures goods and services from all over the world. The Group operates 120 manufacturing sites in 20 European countries as well as 11 American, Asian and African countries.

### Internal measures

#### *Volkswagen Group Code of Conduct<sup>1</sup>*

The Volkswagen Group [Code of Conduct](#) provides our employees with a practical guide, summarising the key basic principles for correct conduct and providing support should they ever face legal or ethical challenges. The observance of internationally recognized human rights forms part of this Code of Conduct. We act in accordance with the values set out in the UN Global Compact, the OECD Guidelines for Multinational Enterprises and the declarations of the International Labour Organization (ILO).

#### *The Volkswagen Group Whistleblower System<sup>2</sup>*

Our employees, business partners and other third parties are provided with internal contact points as well as external ombudspersons in order to be able to report on legal and regulatory violations in connection with the Volkswagen Group ([the "whistleblower system" of the Volkswagen Group](#)). The suspicion of human rights violations can also be reported here. The references are dealt with in accordance with established procedural principles in order to ensure the best possible protection of the information provider as well as the person concerned.

<sup>1</sup> [https://www.volkswagenag.com/presence/konzern/documents/Verhaltensgrunds%C3%A4tze\\_EN.pdf](https://www.volkswagenag.com/presence/konzern/documents/Verhaltensgrunds%C3%A4tze_EN.pdf)

<sup>2</sup> <https://www.volkswagenag.com/en/group/compliance-and-risk-management/whistleblowersystem.html>

### *Qualification of employees*

By taking preventive measures, we promote compliance with regulations in our organisation and raise the awareness of our employees. This is why information and employee training plays a key role in compliance work across all hierarchy levels. All employees joining Volkswagen AG are obliged to complete an online tutorial about the Group's Code of Conduct. The topic of human rights forms an intrinsic part of this training course. In addition, employees are able to access other online and print communication offerings to obtain further information about the Code of Conduct.

### *Risk analysis*

As part of the established risk management processes, risk assessments on the subject of human rights are also carried out by the Group's key divisions and companies, including the countermeasures taken. The results of the risk assessment are in the establishment of the annual compliance program.

### **Measures in the supply chain**

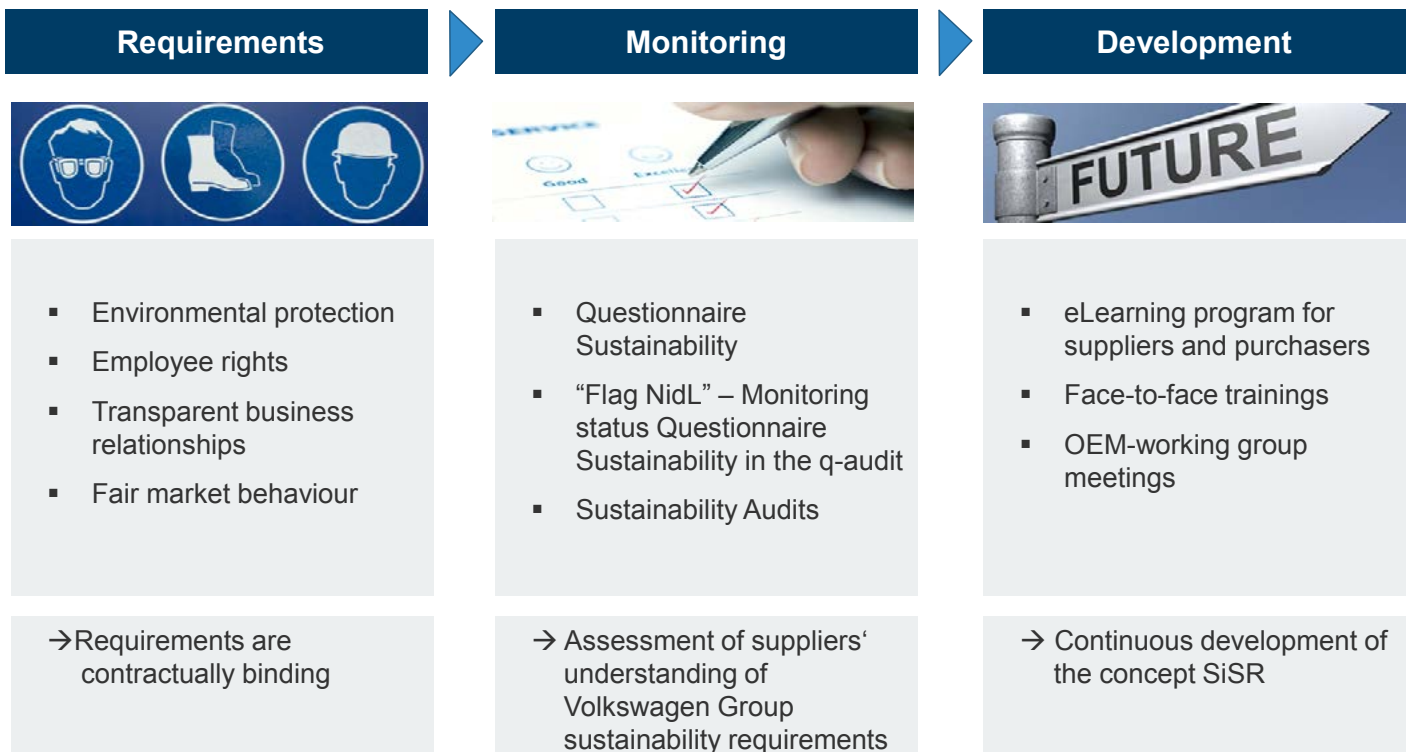
#### *Sustainability requirements for our suppliers<sup>3</sup>*

The "Sustainability in supplier relations" concept is based on the "Volkswagen Group requirements regarding sustainability in its relationships with business partners ([Code of Conduct for Business Partners](#))". This formulates the Volkswagen Group's expectations for our business partners' conduct with respect to key environmental, social and compliance standards. Internationally acknowledged human rights are included in these standards. Our goal is to ensure compliance with our sustainability standards along the entire global supply chain by integrating them into the procurement process on a contractual level. The requirements are based on the principles of the United Nations Global Compact, the International Chamber of Commerce's Business Charter for Sustainable Development, and the relevant conventions of the International Labour Organisation. Our suppliers must acknowledge our sustainability requirements before submitting a quotation, and are required to update this acknowledgement every 12 months. Our "Sustainability in supplier relations" concept rests on three pillars: requirements, monitoring and development. We apply these three benchmarks to the ongoing assessment and improvement of our suppliers' sustainability performance.

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<sup>3</sup> <https://www.volkswagenag.com/presence/nachhaltigkeit/documents/policy-intern/2016%20Code%20of%20Conduct%20for%20Business%20Partners%20DE-EN.pdf>

## Sustainability in Supplier Relations (SiSR) at Volkswagen Group



### Training and monitoring of suppliers

To facilitate ongoing supplier development, in the course of our business relations we make an electronic learning (e-learning) module on sustainability available to all suppliers. Alongside the e-learning format, we also conduct topic-specific sustainability training courses and workshops with our suppliers at selected locations. We use various tools to test the suppliers’ compliance with our sustainability requirements, including a self-assessment questionnaire (in alignment with other European based OEMs), inclusion of sustainability as part of supplier quality audits, and the performance of supplier audits focusing on sustainability.

### Risk analysis

The Volkswagen Group uses country-specific risk analysis to get an assessment of any social or ecological risks or risks related to human rights at the respective contractor locations even before negotiations with potential contractors begin. The analysis incorporates data from third parties as well as internal experience. On this basis, countries such as Brazil, India, China, Mexico and Russia have been identified as being exposed to an increased risk of non-compliance with our sustainability requirements. In contractor development, we therefore place special focus on these countries. To identify current developments as well as long-term structural challenges in each country, we rely on the ongoing exchange of information between the brands and the regions at the regular meetings and video-conferences held by the sustainability procurement network.

Before entering into a business relationship, we also check the integrity of our business partners (Business Partner Check) in a risk-oriented manner.

## Outlook

In pursuit of ongoing improvements to its sustainability management activities, the Volkswagen Group set up a Sustainability Council in 2016. Made up of prominent international experts from politics, science and public life, the Sustainability Council communicates with the Board of Management, top management and employee representatives on a regular basis and provides unbiased advice on sustainability issues. The Sustainability Council is free to define its own procedures and set its own priorities. Alongside sustainable mobility, climate protection, the future of work, and digitisation, the Council also deals with questions of social responsibility and integrity.

To incorporate further insights into human rights issues and the opinions of independent external experts in our corporate strategy, we organise regular stakeholder dialogues attended by representatives from NGOs, science and politics.

Our company will show the same intolerance towards human rights violations in the future as well. Because we regard such violations as a dynamic risk, we will align our monitoring procedures with ongoing developments and continue to raise awareness of forms of modern slavery and human trafficking both inside and outside the company. One such measure will be to refine our [Code of Conduct for Business Partners](#) by adding modern slavery and human trafficking as examples of human rights' abuses.

Volkswagen AG  
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