

VOLKSWAGEN

GROUP AUSTRALIA

MODERN SLAVERY STATEMENT 2022

1. INTRODUCTION

This Modern Slavery statement has been prepared in accordance with the provisions of section 16 of the Modern Slavery Act 2018 (the **Act**) and covers the activities of Volkswagen Group Australia Pty Ltd (**VGA**) ABN 14 093 117 876 and its controlled entities. VGA's modern slavery statement (**Statement**) summarises VGA's structure and operations, supply chains, modern slavery risks and controls in place for the period 1 January 2022 – 31 December 2022 (**Reporting Period**).

VGA is pursuing a vision of enabling sustainable mobility for future generations: we want to live up to our legal, social and environmental responsibility not only within our own business operations, but also in our supply chains. This statement also incorporates the Slavery and Human Trafficking statement of Volkswagen Aktiengesellschaft (**Volkswagen Group**), which sets Volkswagen Group's global approach, processes and principles to combat slavery and human trafficking. The Volkswagen Group statement is updated annually. Where applicable, VGA has adopted these or similar processes in its operations in Australia. For the latest version of the Volkswagen Group's statement and Business Human Rights in the Volkswagen Group, please see the link below:

[Volkswagen Group: Responsibility for supply chains and business \(volkswagenag.com\)](https://www.volkswagenag.com)

2. STRUCTURE AND OPERATIONS

VGA is a private company incorporated in Australia and is the exclusive authorised importer of Volkswagen, Audi, SKODA and CUPRA branded vehicles, parts and accessories (Products) into Australia. VGA distributes its Products to a network of franchise dealers. VGA's head office and parts warehouse is located in Sydney and at the end of the Reporting Period, VGA employed 366 permanent employees. A regional office is located in Victoria to manage dealer operations/training and parts distribution. VGA is a wholly owned subsidiary of the Volkswagen Group, the manufacturer of the Products.

3. SUPPLY CHAIN

VGA's supply chain consists of two parts. The first being an international supply chain of Products, for resale sourced from the Volkswagen Group. This global Tier 1 supply chain is administered and monitored from Volkswagen Group's headquarters based in Wolfsburg, Germany. VGA's second supply chain part is its locally appointed suppliers (the majority of those being non-automotive-specific) of which 592 suppliers and service providers were actively used during the Reporting Period. These suppliers and service providers are located in Australia and elsewhere in the world and engaged to fulfil VGA's business operations as an importer and distributor. This supply chain is locally managed by VGA with 40 suppliers accounting for 80% of VGA's total procurement spend.

4. RISKS OF MODERN SLAVERY IN VGA'S OPERATIONS AND SUPPLY CHAIN

a) VGA Operations

The risk of modern slavery in VGA's own operations (distribution of Products) is low. There is no known susceptibility to modern slavery in our activities; these sectors are highly regulated in Australia.

b) VGA Supply Chain

VGA's locally managed supply chain categorises specific supplier engagements as presenting a high, medium or low responsible sourcing risk, which enables a targeted supplier risk management approach. The local risk assessments are conducted based on supplier (a) annual expenditure, (b) industry and geographical location.

5. CONTROLS TO ADDRESS MODERN SLAVERY RISKS IN AUSTRALIA

a) Code of Conduct for Employees

All employees of the Volkswagen Group including VGA are required to comply with the Volkswagen Group [Code of Conduct for Employees](#) (Code). The Code is based on shared values, which determine how we work, make decisions, interact with one another, and supports ethical and responsible conduct with a focus on our responsibility as a member of society, our responsibility as a business partner and our responsibility in the workplace. At VGA, we respect human rights and support the observance of these rights. We reject all use of forced or compulsory labour. Child labour is prohibited. We comply with all applicable Australian employment laws, including the minimum age requirements.

b) Code of Conduct for Business Partners

In addition to the Code, supplier relations are governed by the Volkswagen Group [Code of Conduct for Business Partners](#), which sets out the Volkswagen Group's expectations of our business partners conduct with respect to core environmental, social and compliance standards, including internationally acknowledged human rights. By progressively integrating these requirements in our local procurement process, we seek to ensure that our sustainability standards are observed along our supply chain.

c) Supplier Contracts

VGA takes all reasonable steps to ensure that contractual agreements include specific provisions requiring suppliers/service providers to:

- Comply with Modern Slavery laws and not engage in any form of Modern Slavery.
- Take all reasonable steps to ensure that its suppliers do not engage in any form of Modern Slavery (including undertaking due diligence in its selection of suppliers, and continually monitoring and auditing its suppliers for this purpose).
- Allow VGA to audit the supplier/service provider for compliance with the Act.

VGA maintains its zero tolerance approach to any form of modern slavery. VGA acknowledges that modern slavery exists and is a risk to all businesses. In the event that any of VGA's business partners are found to be engaging in slavery or other unethical working practices, VGA will take steps to address those issues with this business partner, seek to drive improved standards and, if deemed necessary, will either suspend or terminate its relationships with any such business partners.

d) Speak Up Culture / Whistleblower System

On a local level, our culture is underpinned by our organisational values for how we operate on a daily basis and include – Courage, Genuine, Efficient, Customer Oriented, Mindful and Together. The Courage value focuses on the importance of speaking up, holding others accountable and creating a no blame culture that enables people to learn from their mistakes.

The Volkswagen Group has established a [Whistleblower System and Policy](#). This places great importance on fostering a speak-up culture that encourages employees, business partners and third parties to speak up, report suspected wrongdoing, and raise concerns relating to serious misconduct.

Reportable misconduct includes modern slavery concerns and suspicions of human rights violations. Reports can be made via telephone, e-mail, mail and via an online tool, in person or anonymously, on request. Strict confidentiality and privacy is maintained throughout the entire process. The Whistleblower System guarantees the highest possible protection for whistleblowers and affected persons. Discrimination against whistleblowers is a serious regulatory violation and is not tolerated.

e) Training and Awareness

As part of our internal training and communication plan, our employees receive information specific to modern slavery risks, as well as periodic training on the Code, which also includes a focus on Business Human Rights.

We believe that awareness is equally important for our business partners and we encourage them to register on the [VWAG global sourcing platform](#). This platform provides our business partners with important information on our expectations and the resources and information to better understand and mitigate risks they may have in their own supply chains.

6. TRACKING THE EFFECTIVENESS OF OUR ACTION AND AREAS FOR IMPROVEMENT

VGA is aware that as a responsible corporate business, we must continue to work collaboratively with business partners to ensure the risks of Modern Slavery are managed effectively. To that end, during the course of 2023 and beyond, VGA's objective is to work collaboratively with our locally appointed business partners, to ensure the risks of Modern Slavery are identified and managed as much as possible and to positively influence sustainability performance. To enable this, we have identified areas which we feel could be improved across the business. These are as follows:

- A tailored and relevant training course to be delivered to members of the senior management team and all members of staff who have regular contact with our supply chain partners as part of their role. This will be in addition to those outlined in section 5(e) and will explain the key elements, as well as signs to look out for and how to deal with any suspected incidence of Modern Slavery and business human rights.
- We will require all suppliers to provide us with a copy of their Modern Slavery statement; however, there are cases where some organisations will not have one. In these instances, we will provide a copy of our own Modern Slavery statement and require confirmation from the supplier that it will comply with it as if it was its own.
- We will log all instances of suspicions or actual incidences of modern slavery of which we become aware in our supply chains. This record will help us to spot patterns emerging and assist us in identifying any problem areas.

7. CONSULTATION AND COMMITMENT OF THE BOARD OF MANAGEMENT

The preparation of this Modern Slavery Statement has been undertaken in consultation with our parent entity, Volkswagen Group; specifically in collaboration with the Centre of Competence Group for Business & Human Rights. The continuous monitoring of the effectiveness of VGA's Modern Slavery controls will continue to be managed operationally by VGA's Head of Procurement in consultation with local Compliance Officer.

This statement was approved by the Board of Directors of Volkswagen Group Australia on 20 December 2023.



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Group Managing Director



Gabriele De Neidels
Director Finance and IT

This Modern Slavery Statement has been prepared by Volkswagen Group Australia Pty Ltd (ABN 14 093 117 876) of 895 South Dowling Street Zetland NSW 2017. The information in this report is provided for general information purposes only. While Volkswagen Group Australia uses its best endeavours to ensure the information in this report is accurate and up-to-date at the time of publishing, it is not necessarily comprehensive and may change over time. To the extent permitted by law, Volkswagen Group Australia is not liable for any damage or loss suffered from relying upon the information contained in this report whether by way of negligence or otherwise.