

Modern Slavery Statement

Volkswagen Group Australia Pty Ltd &
Audi Australia Retail Operations Pty Ltd

01 January 2025 – 31 December 2025 (Reporting Period)

1. Introduction

This Joint Modern Slavery Statement (**Statement**) is made on behalf of Volkswagen Group Australia Pty Ltd (ABN 14 093 117 876) (**VGA**) and Audi Australia Retail Operations Pty Ltd (ABN 60 127 270 400) (**AARO**), together, the **Reporting Entities**. The Statement describes the structure, operations, supply chains, and modern slavery risk assessment processes of the Reporting Entities for the reporting period from 1 January 2025 to 31 December 2025 (**Reporting Period**) and has been prepared in accordance with the *Modern Slavery Act 2018* (Cth).

VGA and AARO are ultimately owned subsidiaries of Volkswagen Aktiengesellschaft (**Volkswagen Group**), a global automotive manufacturer headquartered in Wolfsburg, Germany. As part of the Volkswagen Group, VGA and AARO align with relevant group-wide policies, standards, and risk management frameworks, which inform the approach described in this Statement.

2. Volkswagen Group's Human Rights and Modern Slavery Approach

Volkswagen Group embeds respect for human rights within its global governance framework through its [Social Charter](#), and its [Policy Statement on Compliance with Human Rights and Environmental Due Diligence Obligations](#). These commitments, endorsed by the Executive Board and employee representative bodies, align with international standards including the International Bill of Human Rights, International Labour Organisation core labour standards, and the UN Guiding Principles on Business and Human Rights, and apply across the Group's operations and supply chains worldwide.

As a globally active automotive group with complex, multi-tiered supply chains, Volkswagen Group recognises the heightened risk of modern slavery and other adverse human rights impacts, particularly within upstream supply chains. Priority risks are identified through structured, risk-based assessments focusing on high-risk regions, commodities, and supplier activities.

Volkswagen Group has implemented a risk-based human rights due diligence system integrated into core business processes, particularly procurement and human resources. Preventive measures include supplier standards, risk-based controls, training, and responsible sourcing strategies. Where actual or potential modern slavery risks are identified, the Volkswagen Group commits to timely corrective actions to prevent, mitigate, or address adverse impacts and reduce the risk of recurrence.

Oversight of human rights due diligence operates under a three-line governance model covering operational management, compliance and internal audit, with a designated Human Rights Commissioner responsible for statutory due diligence compliance and supply chain risk management.

Volkswagen Group maintains a centralised grievance mechanism allowing employees, suppliers, and third parties to confidentially raise human rights and modern slavery concerns. Reports are investigated with whistleblower protections in place and substantiated issues are addressed through appropriate remedial actions. Volkswagen Group documents its due diligence activities and publishes annual public reporting, including under the German Supply Chain Due Diligence Act, to support transparency, accountability, and continuous improvement.

3. Application in Australia

Aligned with Volkswagen Group's global vision, the Reporting Entities are also committed to enabling mobility for future generations. This commitment includes meeting its legal, social and environmental responsibilities across its own operations and throughout its supply chains.

This Statement reflects Volkswagen Group's global approach, including its Supply Chain and Human Rights Statement. Where applicable, VGA and AARO have adopted these, or comparable, processes within its Australian operations to address modern slavery risks in a localised context.

4. Structure and Operations

Volkswagen Group Australia (VGA)

VGA is a wholly owned subsidiary of Volkswagen Group and is responsible for the importation, distribution, marketing, and aftersales support of Volkswagen Group vehicles and genuine parts in Australia. VGA represents the following brands in Australian market: Volkswagen Passenger Vehicles, Volkswagen Commercial Vehicles, Audi, Škoda and Cupra. At the end of the Reporting Period, VGA employed 260 employees across its Australian operations.

VGA's operations include sales and marketing, technical training, parts distribution, warranty administration, and customer support, delivered through a nationwide network of authorised dealers, agents and service partners. Its head office is located in Zetland, New South Wales, with a training facility and parts distribution warehouse in Chullora, New South Wales. VGA also operates regional offices, training centres, and warehousing facilities in Victoria and utilises a third-party logistics provider to manage parts warehousing and distribution in Western Australia.

The table below provides a high level overview of VGA's value chain:

Upstream	Volkswagen Group ▪ Sets global strategy ▪ Oversee regional sales subsidiaries, including the VGA ▪ Provides brand-level support and product pipeline Third Party Parts & Accessory Providers ▪ Provide parts and accessories sought for the Australian market not available through Volkswagen Group's parts catalogue
VGA	Production, Supply & Support ▪ Obtains supply of parts and vehicles from Volkswagen Group's owned factories globally ▪ Works with local agencies to ensure new models and parts are compliant for Australia ▪ Transports ordered vehicles to dealers/agents to be retailed to end customers ▪ Transports ordered parts to dealers/agents for use in repairs & services ▪ Assists the dealer network with funding for warranty repairs and other support
Downstream	Dealer & Agent network (Wholesale and Retail) ▪ Purchases vehicles from the VGA to fulfill customer orders and expected customer demand ▪ Facilitates direct retail vehicle sales as agents of VGA ▪ Purchase parts from VGA to fulfil vehicle repairs and service obligations ▪ Facilitates servicing, retail and warranty repairs in accordance with the manufacturer's specifications Retail customers (End Customers) ▪ Purchase vehicles either directly through agents or indirectly through dealer network ▪ Purchase services & parts from dealers/agents

Audi Australia Retail Operations (AARO)

AARO operates an Audi-branded retail automotive dealership, selling new and pre-owned Audi vehicles and providing servicing, parts and customer support services.

As of the end of the Reporting Period, AARO employed 102 sales, service and administrative staff and engage 31 local suppliers and service providers to support dealership operations. AARO's operations are based in Zetland. Key operational activities include:

- Retail sale of new and used vehicles
- Vehicle servicing, retail warranty and repairs
- Sale of genuine Audi parts and accessories
- Customer finance and administrative services

5. Supply Chains

Volkswagen Group Australia (VGA)

VGA's supply chains primarily relate to the importation of vehicles, parts, and accessories from overseas manufacturing and distribution entities within the Volkswagen Group, as well as the procurement of local services, including logistics, warehousing, training and professional services. These operational and supply arrangements inform VGA's assessment of modern slavery risks and its approach to supplier engagement and due diligence.

VGA's supply chains primarily relate to:

- the importation of vehicles, parts, and accessories manufactured by overseas entities within the Volkswagen Group;
- international logistics and freight services associated with importing vehicles and parts into Australia; and
- locally procured goods and services, including warehousing, transport and logistics, training services, information technology, facilities management, and professional services.

While vehicle manufacturing is undertaken offshore by Volkswagen Group entities, VGA engages with both multinational and local suppliers as part of its Australian operations.

VGA's supply chain comprises two key components. The first is an international supply chain of products for resale, sourced from the Volkswagen brands. This global Tier 1 supply chain is centrally administered and monitored by Volkswagen Group headquarters in Wolfsburg, Germany. A core element of this oversight is the Sustainability Rating (**S-Rating**), which evaluates the sustainability performance of relevant suppliers - particularly those identified as having elevated sustainability risks. The S-Rating assesses suppliers across critical areas such as Human Rights and Working Conditions, Business Ethics and Responsible Supply Chain Management. This assessment not only supports continuous improvement but also informs supplier engagement across both global and domestic operations and has been fully integrated into VGA's supply chain governance.

The second component of VGA's supply chain consists of locally appointed suppliers, the majority of which are non-automotive-specific. During the Reporting Period, VGA actively engaged 484 suppliers and/or service providers with 28 suppliers accounting for 80% of total procurement expenditure.

The S-Rating framework is also applied, where appropriate, to these domestically engaged suppliers, supporting the consistent application of sustainability standards across VGA's entire supply chain. Further information on the Volkswagen Group's supply chain sustainability activities, as well as our expectations of business partners, is available at the following link [Supply Chain Sustainability](#).

Audi Australia Retail Operations (AARO)

Audi Centre Sydney's supply chains are relatively limited in breadth, but include:

- Vehicles manufactured overseas and supplied primarily through VGA.
- Genuine parts and accessories supplied through VGA and approved distributors.
- Non-genuine consumables (e.g. fluids, cleaning products).
- Third-party service providers such as:
 - Cleaning and detailing services
 - Security services
 - Waste management
 - IT and facilities support

Most direct suppliers are based in Australia, although some goods originate from overseas manufacturing environments.

6. Risks of Modern Slavery in our Operations and Supply Chains

Operations

The Reporting Entities have assessed the risk of modern slavery occurring within their direct operations as **low**. Both entities operate in Australia, which is recognised as a lower risk jurisdiction; however the existence of strong regulatory safeguards does not eliminate the risk of modern slavery entirely.

Potential residual risks may arise through vulnerability factors such as the use of contractors, casual labour or third-party service providers. These risks are mitigated through compliance with Australian employment laws, internal policies and governance frameworks and mechanisms for employees and third parties to raise concerns.

The Code of Conduct, Whistleblower Policy, HR Policies support ethical workplace practices and provide mechanisms for employees and third parties to raise concerns confidentially. These controls play an important role in identifying, preventing and mitigating potential modern slavery risks within both VGA and AARO's workforce.

Supply Chains

VGA and AARO recognise that modern slavery risks are more likely to arise within supply chains than within direct operations, particularly where suppliers operate across multiple jurisdictions or utilise subcontracting and labour-intensive business models.

Both VGA and AARO apply a risk-based approach to identifying and managing modern slavery risks within their respective supply chains, with priority given to suppliers assessed as presenting higher risk based on factors such as supplier location, industry sector, procurement spend and workforce profile.

Supplier engagements are assessed and categorised as presenting high, medium or low responsible sourcing risk, enabling proportionate and targeted risk management activities. Local supplier risk assessments consider multiple risk indicators, including:

- annual procurement expenditure,
- industry sector and
- geographical location, including whether suppliers operate in jurisdictions identified as having elevated modern slavery risk.

This approach supports the identification of areas where VGA or AARO may be directly linked to modern slavery through its supply chains, even where it does not cause or contribute to such risks. The outcomes of these assessments inform supplier engagement, due diligence activities, and ongoing monitoring, consistent with Australian Government guidance on continuous improvement and risk mitigation.

While the Reporting Entities' global Tier 1 supply chain is subject to centralised oversight by Volkswagen Group, VGA and AARO acknowledge that they may be linked to modern slavery risks through locally engaged suppliers, including suppliers that operate offshore service delivery models. These risks are assessed through ongoing supplier engagement and due diligence processes.

7. Controls to Address Modern Slavery Risks in Australia

Code of Conduct for Employees

All employees of the Volkswagen Group including VGA and AARO are required to comply with the [Code of Conduct for Employees](https://www.volkswagen-group.com/en/publications/more/the-code-of-conduct-of-the-volkswagen-group-1882) <https://www.volkswagen-group.com/en/publications/more/the-code-of-conduct-of-the-volkswagen-group-1882> (Code). The Code is founded on shared values that guide how employees work, make decisions and interact with one another and it promotes ethical and responsible conduct in line with Volkswagen Group's responsibilities as a corporate citizen, business partner and employer. VGA and AARO respect internationally recognised human rights and support their observance across its operations. The use of forced or compulsory labour is strictly

prohibited, and child labour is not tolerated. VGA and AARO comply with all applicable Australian employment and workplace laws, minimum age requirements and maintains policies and procedures designed to promote fair, lawful and safe working conditions.

Code of Conduct for Business Partners

In addition to the employee Code, VGA's and AARO's relationships with suppliers and service providers are governed by Volkswagen Group's [Code of Conduct for Business Partners \(CoC BP\)](#). The CoCBP sets out the Volkswagen Group's expectations regarding ethical conduct and compliance with key environmental, social and governance standards, including respect for internationally recognised human rights and the prohibition of modern slavery.

By progressively integrating these requirements in local procurement process and contractual agreements, VGA and AARO seek to promote responsible sourcing practices and ensure that its sustainability expectations are understood and observed throughout its supply chain, including by suppliers and service providers.

Supplier Contracts

VGA takes reasonable steps to incorporate modern slavery related obligations into relevant suppliers and service providers agreements. These contractual provisions typically require suppliers and service provide to:

- comply with applicable modern slavery laws and not engage in any form of modern slavery.
- Take reasonable steps to identify and manage modern slavery risks within their own operations and supply chains, including through appropriate due diligence and monitoring processes).

cooperate with VGA and AARO (as the case may be), including by permitting audits or assessments, where appropriate, to assess compliance with contractual and legal obligations relating to modern slavery.

The Reporting Entities adopt a zero tolerance approach to modern slavery and recognises that modern slavery risks may be present across all industries. Where potential modern slavery issues or unethical working practices are identified, the Reporting Entities seek to engage constructively with the relevant business partner to address the issues and drive improved standards. Where remediation is not possible or appropriate, the Reporting Entities may suspend or terminate the relevant commercial relationships, consistent with contractual rights and risk severity.

Speak Up Culture/Whistleblower System

An important component of Volkswagen Group's approach to responsible business conduct is its **Supply Chain Grievance Mechanism**, which provides a channel for raising concerns or suspicions regarding breaches of sustainability requirements, including modern slavery and human rights risks. This mechanism is accessible though Volkswagen Group's whistleblower system and is available open to employees, business partners, service providers and other potentially affected stakeholders.

At a local level, VGA and AARO's organisational culture is guided by its core values, including being Courageous, Customer Focused, Collaborative, Creative and Results Driven. The Courageous value emphasises the importance of raising concerns, holding individuals accountable and fostering a 'no blame' culture that supports learning and continuous improvement.

VGA and AARO have implemented a [Whistleblower System](#) to support a speak-up culture. This allows employees, business partners, service providers and third parties to report suspected wrongdoing, including concerns relating to modern slavery or human rights violations. Reports can be made through multiple channels, including telephone, email, mail and online reporting platforms, a mobile applications, in person or anonymously, where requested. Confidentiality and privacy are maintained throughout the process, and retaliation against whistleblowers is not tolerated.

Further information on our Whistleblower System is available at:

<https://volkswagengroup.com.au/whistleblower-system>

Training and Awareness

The Reporting Entities recognise that training and awareness are critical to identifying and addressing modern slavery risks. As part of its internal training and communication program, employees receive information relevant to modern slavery risks, as well as periodic training on the Code of Conduct and or Whistleblower System. This training includes guidance on business and human rights and how to report suspected or actual human rights concerns involving direct and indirect suppliers and service providers.

We also encourage awareness and engagement among our business partners. Suppliers and service providers are encouraged to register on Volkswagen Group's [Global Sourcing Platform](#), which provides access to information outlining Volkswagen Group's expectations, relevant policies and resources and information to assist business partners in understanding and mitigating modern slavery risks within their own operations and supply chains.

8. Tracking the Effectiveness and Areas for Improvement

The Reporting Entities recognise their responsibility to assess the effectiveness of actions taken to identify and address modern slavery risks within their operations and supply chains, and to strengthen those actions over time, consistent with their size, operations and risk exposure.

During the Reporting Period, VGA monitored the effectiveness of its modern slavery related actions through qualitative and procedural measures, including internal reviews, existing governance processes and employee awareness activities.

In 2025, VGA undertook a targeted employee survey to assess awareness of responsible sourcing, human rights considerations and modern slavery reporting pathways within VGA's workforce. The survey results were reviewed internally and informed the identification of gaps in awareness and opportunities to improve communication and training.

AARO did not undertake formal effectiveness tracking or evaluation activities during the Reporting Period. As a result, effectiveness assessment has not been applied consistently across both reporting entities, and the Reporting Entities acknowledge this as an area requiring further development.

From 2026, VGA and AARO intend to progressively strengthen their approach to assessing effectiveness in a more consistent manner. Planned actions include:

- extending employee awareness and engagement activities, including surveys and targeted communications, to AARO employees;
- facilitating structured engagement between VGA and AARO to identify operational and supply chain-specific areas for improvement; and
- enhancing training materials to include modern slavery indicators and reporting guidance relevant to both entities.

These actions are intended to support ongoing improvement in the identification, assessment and management of modern slavery risks across both entities, noting that implementation will be proportionate to identified risks and organisational capabilities.

9. Consultation Process

This Statement has been prepared through consultation between VGA and AARO. Consultation was undertaken to ensure that the Statement accurately reflects the respective operations, supply chains, modern slavery risks, and risk management activities of each reporting entity, in accordance with section 16(1)(c) of the Modern Slavery Act 2018 (Cth).

For VGA, consultation involved representatives from the Legal, Integrity, Risk and Compliance, Procurement, and Human Resources functions. For AARO, consultation involved the Dealer Principal and Human Resources Manager, who provided input on AARO's operational model, workforce arrangements, supplier engagement and existing risk controls.

Consultation occurred through a combination of joint meetings, information-sharing sessions, and

iterative review of draft materials. Feedback provided through this process informed revisions to the description of operations and supply chains, the identification of modern slavery risks and the articulation of risk mitigation measures applicable to each entity.

This Statement was reviewed and approved by the Board of Management of the Reporting Entities prior to submission to the Modern Slavery Statements Register.

Neither VGA nor AARO controls any other entities for the purposes of the Modern Slavery Act 2018 (Cth). Accordingly, consultation was limited to the Reporting Entities themselves.

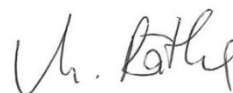
10. Approval by the Board of Management

This Statement was approved by the Board of Directors of each reporting entity on 22nd June 2026, in accordance with section 16(1)(d) of the *Modern Slavery Act 2018 (Cth)*.

Signed for and on behalf of Volkswagen Group Australia Pty Ltd:



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