

Modern Slavery Statement

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

Reporting Period: 1 January 2024 – 31 December 2024

1. INTRODUCTION

Volkswagen Aktiengesellschaft (**the Group**), headquartered in Wolfsburg, Germany, is one of the world’s leading automobile manufacturers and a key player in the global mobility sector. The Group overseas a diverse portfolio of brands and subsidiaries operating across numerous international markets. In Australia, this includes the wholly owned subsidiaries; Volkswagen Group Australia Pty Ltd ABN 14 093 117 876 and Audi Australia Retail Operations Pty Ltd (AARO) ABN 60 127 270 400, collectively referred to as **VGA**.

The Volkswagen Group takes its corporate responsibility for human rights and the environment very seriously. Its goal is to create responsible supply chains for future generations and the [Volkswagen Group Supply Chain and Human Rights Statement](#), sets the Group’s global approach, processes and principles to combat slavery and human trafficking. This is based on a systematic risk analysis, with the aim of avoiding and minimising human rights, social and environmental risks along the Volkswagen Group’s supply chain. Violations of our sustainability requirements are to be eliminated and the sustainability performance of our suppliers is to be continuously improved.

For the latest version of the Volkswagen Group’s statement and Business Human Rights Policy, please see the link below:

- [Volkswagen Group: Responsibility for supply chains and business \(volkswagenag.com\)](#)

Aligned with the Group’s global vision, VGA is pursuing the commitment to enabling mobility for future generations: we want to live up to our legal, social and environmental responsibility both within our own business operations, and also in our supply chains. This Modern Slavery statement (**Statement**) also incorporates the Group’s global approach and Supply Chain and Human Rights Statement and where applicable, VGA has adopted these or similar processes in its operations in Australia.

This Statement has been prepared in accordance with the provisions of section 14 of the Modern Slavery Act 2018 (the **Act**) and covers the activities of VGA. VGA’s modern slavery statement summarises VGA’s structure and operations, supply chains, modern slavery risks and controls in place for the period 1 January 2024 – 31 December 2024 (**Reporting Period**).

2. STRUCTURE AND OPERATIONS

VGA is a private company incorporated in Australia and is the exclusive authorised importer of Volkswagen Passenger Vehicles, Volkswagen Commercial Vehicles, Audi, Skoda and Cupra branded vehicles, parts and accessories (**Products**) into Australia. VGA distributes its Products:

- i. through its own retail store (AARO), specifically Audi Products; and
- ii. to a network of franchise Dealers and Agencies (all Products).

VGA’s head office and parts distribution warehouse is located in Sydney. Our regional offices and warehouses encompasses the following:

	1 Zetland	2 Chullora	3 Essendon	4 Derrimut	5 Welshpool
	Corporate Headquarters	Offices, Training Centre & Parts Warehouse	Group Training Centre	Parts Warehouse	Parts Warehouse
					
Site Activities	• Corporate Office • Retail (Dealership)	• Corporate Office • Training Facility • Parts Distribution	• Training Facility	• Parts Distribution	• Parts Distribution (3rd party warehouse operator)

At the end of the Reporting Period, VGA employed:

Entity	No. of employees
Volkswagen Group Australia Pty Ltd	328 permanent employees
Audi Australia Retail Operations Pty Ltd	108

3. SUPPLY CHAINS

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), introduced in 2019, 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 536 suppliers and service providers located in Australia and internationally to support its operations as an importer and distributor. This segment of the supply chain is managed locally by VGA, with 30 suppliers accounting for 80% of total procurement spend. The S-Rating framework also supports the evaluation of these domestically engaged partners, ensuring consistent sustainability standards across the entire supply chain.

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 given that our operations, and the operations of our controlled entities, are all based in Australia. According to the Global Slavery Index¹ our geographic risk remains low. Having regard to our ongoing compliance with the legal framework regulating employment practices in Australia and our policies and controls in place, the risk that we have caused or contributed to modern slavery in our operations remains low. Our Code of Conduct, Whistleblower Policy and HR Compliance and Behavioural Expectations Policy assist in mitigating the risk of modern slavery in our workplace.

(b) VGA Supply Chains

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.

¹ <https://www.walkfree.org/global-slavery-index/country-studies/australia/>

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 [Code of Conduct for Employees \(Code\)](#). The Code is based on shared values that determine how we work, make decisions and interact with one another, and which 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, business partner relations are governed by the Group's [Code of Conduct for Business Partners \(CoC BP\)](#), 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 and business partner contractual agreements, 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.

However, it was identified that AARO had not yet updated its supplier clauses to reflect these requirements. VGA is actively working with AARO to ensure compliance and alignment with these minimum standards.

(d) Speak Up Culture/Whistleblower System

An important component of sustainable supply chain management is the Volkswagen Group's "Supply Chain Grievance Mechanism", which is used to investigate sudden suspicions of a breach of its sustainability requirements. It is accessible via the channels of the Volkswagen Group's whistleblower system and is open to all potentially affected stakeholders.

On a local level, VGA's culture is underpinned by our organisational values for how we operate on a daily basis and include – Courageous, Customer Focused, Collaborative, Creative and Results Driven. The Courageous value emphasises the importance of voicing concerns, holding individuals accountable and creating a 'no blame' culture that enables people to learn from their mistakes.

VGA has established a [Whistleblower System](#), which underscores the significance of nurturing a speak-up culture. This system enables 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 reporting channels, in an App or 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.

Further information on our Whistleblower System is available at:
[Whistleblower System | Volkswagen Group Australia](#).

(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 and or Whistleblower System. This also includes a focus on Business Human Rights and how to report any serious potential risks and violations of human rights by direct and indirect suppliers.

We believe that awareness is equally important for our business partners and we encourage them to register on the [Group 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 AND AREAS FOR IMPROVEMENT

VGA recognises its responsibilities as corporate business to proactively manage the risks of Modern Slavery within our operations and supply chains. In alignment with this commitment, VGA has undertaken a series of actions to assess and address these risks through structured due diligence processes.

In late 2024, VGA conducted a comprehensive, company-wide survey to evaluate awareness and organisational readiness in identifying and mitigating modern Modern Slavery risks. This initiative provided valuable insights into our current practices and highlighted areas for improvement.

Looking ahead, during the course of 2025 and beyond, VGA's objective is continue working 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 key actions are:

- Incident Logging and Monitoring: We will maintain a log of all instances of suspected or actual incidences of modern slavery that we become aware of in our supply chains. This will help VGA to spot recurring patterns emerging, assess risk exposure and enable timely corrective actions where required.
- Contractual Due Diligence: AARO's team will update standard contractual agreements with suppliers and service providers to include specific provisions for compliance with the Modern Slavery Laws. These contractual updates will serve as a formal method to enforce standards and ensure accountability across our local supply chain.

These actions form part of VGA's broader due diligence framework, which is designed to continuously assess risk, engage stakeholders, and implement remediation strategies where Modern Slavery risks are identified.

7. CONSULTATION AND COMMITMENT OF THE BOARD OF MANAGEMENT

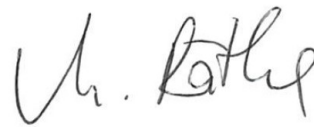
Volkswagen Group Australia and AARO have consulted together to create a single statement that reflects both entities' plans and developments to work in a unified and consistent way to mitigate the modern slavery risks in their operations and supply chains. Furthermore, the preparation of this Modern Slavery Statement has been undertaken in relation to [Supply Chain and Human Rights](#) and to meet the Australian legislative requirements. The continuous monitoring of the effectiveness of VGA's Modern Slavery controls will continue to be managed operationally by VGA's Head of Procurement.

This statement was approved by the Board of Directors on the 20th of June 2025.

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



Karsten Seifert
Group Managing Director
Volkswagen Group Australia



Michael Raethe
Director Finance and IT
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**Signed for and on behalf of Audi
Australia Retail Operations Pty Ltd:**



Karsten Seifert
Director
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Jeff Mannering
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