

## Modern Slavery Statement

Volkswagen International Finance N.V. anti-slavery and human trafficking statement for the financial year ended 31st December 2018

This statement is made pursuant to s.54 of the Modern Slavery Act 2015. It sets out the steps that Volkswagen International Finance N.V. (“VIF”) has taken, and is continuing to take, to ensure that modern slavery or human trafficking is not taking place within its business or supply chain.

VIF has a zero tolerance approach to any form of modern slavery. VIF is committed to acting in an ethical manner, with integrity and transparency in all business dealings and is committed to putting effective systems and controls in place to safeguard against any form of modern slavery taking place within its business or supply chain.

### Organisation

VIF is a subsidiary of Volkswagen Finance Luxemburg S.A. with Volkswagen AG (“VWAG”) as the ultimate parent company.

VIF is one of the funding vehicles of VWAG and its subsidiaries. VIF raises funds by issuing Bonds and Commercial Paper in the international capital markets and lends the proceeds to Volkswagen Group companies and joint ventures. VIF provides the capital market funding as a service within Volkswagen Group, thereby achieving an adequate return commensurate with the efforts and associated risks.

### Code of Conduct

As part of the Volkswagen group of companies, VIF adheres to the Volkswagen AG Code of Conduct (“Code of Conduct”) and does not tolerate any form of modern slavery, child, forced, bonded or compulsory labour or servitude by or in relation to employees, suppliers or organisations. The Code of Conduct is publicly available via the link on VIF’s website: [Code of Conduct](#). The Code of Conduct applies to all employees and is based on shared values. The focus is on honest conduct, integrity, compliance with all rules and regulations and responsibility. The Code of Conduct seeks to help employees observe the Volkswagen Group’s rules at their workplace, as business partners and as members of society, providing them with guidance, assistance and advice. The rejection of all forms of modern slavery and human trafficking likewise forms part of the Code of Conduct. VIF also attaches great importance to ensuring that its corporate activities are in keeping with international conventions and guidelines on human rights.

VIF expects its employees, suppliers and business partners and each of their employees to act responsibly and comply with the requirements of the Code of Conduct. Web-based training of employees is scheduled and a regular training-and information session of all staff is performed.

### VIF Suppliers

VIF does not act as a producer or manufacturer of physical goods and has no supply chain in relation to such activities. The majority of VIF’s suppliers are located in The Netherlands and the procurement is mainly related to audit- and tax consulting services, office supplies and other minor purchases. All procurement is based on objective and fair criteria that reflect the principles of non-discrimination, equal treatment, transparency, procedural fairness, mutual recognition and proportionality. Due to the fact that purchases are rather negligible, a tender process is generally deemed to be unnecessary. However, a guideline has been implemented and, if required, a business partner check will take place. In such a due diligence, prospective suppliers are expected to confirm that they will comply with VIF’s policies and procedures and provide the services in accordance with all applicable laws and regulations. VIF expects its suppliers to exercise due diligence along its supply chain.

VIF considers compliance with the Code of Conduct to be essential to its contractual relationships with suppliers and business partners. VIF has the right to end its relationship with a business partner if the supplier or business partner does not comply with these requirements or take alternative action if the supplier or business partner is able to prove to VIF’s satisfaction that it has implemented immediate countermeasures to prevent comparable violations occurring in future.

VIF requires its suppliers or business partners to comply with all laws relating to slavery and human trafficking and undertake that there is no trafficked, bonded, child or forced labour within their supply chain. VIF has the ability to terminate the relevant contract immediately if the supplier does not comply with these requirements.

## **Progress report**

By taking preventive measures, we promote compliance with regulations in our organization and raise the awareness levels of our employees. Therefore, employee information and training at all hierarchical levels play a crucial role within our compliance work. The Code of Conduct includes the rejection of all forms of modern slavery and human trafficking. In addition, the entire staff is required to take part in regular integrity, culture and compliance training sessions.

## **Monitoring and Audit**

The ultimate parent company VWAG has an autonomous and independent internal audit function, which has an unrestricted right to obtain information and to conduct audits within VW Group companies to determine whether statutory obligations are being fulfilled and reports its findings to the senior managers and directors of VWAG. If there is any specific suspicion of violations of laws, employees are expected to inform internal audit.

## **VIF Policies & Procedures**

VIF treats its employees with respect and dignity and operates internal policies to ensure that it is conducting its business in an ethical and transparent manner.

VIF's recruitment policies ensure that employee screening checks are carried out to ensure that the individual is legally entitled to work in The Netherlands to safeguard against human trafficking or individuals being forced to work against their will, and expects the same of each of its suppliers and business partners. Employees are free to leave their employment after reasonable notice and are not required to lodge deposits of money or identity papers with their employer. The compensation and benefits paid to employees for a normal working week comply at least with guaranteed minimum legal requirements, including minimum wage legislation and working hours comply at least with the national legal standards and are not excessive.

VIF has a whistleblowing policy intended to encourage and enable staff to report suspected wrongdoing and raise serious concerns within the workplace. VIF is committed to ensuring that any staff concerns are taken seriously and investigated. Details of the Volkswagen AG whistleblowing system are publicly available via the link on the Volkswagen AG website: [Whistleblowersystem](#).

VIF's policies and procedures are reviewed and updated on a semi-annual basis and are available to staff via a shared drive and also via the RTC BeNeLux Intranet.

This statement has been approved by the management board and the supervisory board of VIF on 11 June 2019, and will be reviewed and updated as necessary on an annual basis.

Thomas Fries  
Managing Director

Angela Scholz  
COO

Volkswagen International Finance N.V.

11 June 2019