

SLAVERY AND HUMAN TRAFFICKING STATEMENT SITECH Sp. z o.o.

This statement has been issued in accordance with Section 54 of the United Kingdom Modern Slavery Act 2015. It describes all the measures taken by the Sitech Sp. z o.o. in order to avoid any forms of modern slavery and human trafficking.

Organisation and supply chain

SITECH Sp. z o.o. is a limited liability company with its registered office in Polkowice. SITECH Sp. z o.o. has two more plants in Głogów and Września. The core business of SITECH Sp. z o.o. is the production of car seat frames and components for the automotive industry. In terms of organization, SITECH Sp. z o.o. belongs to the Volkswagen group.

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

Volkswagen AG is the parent company of the Volkswagen Group. The Volkswagen Group and its brands are present in all relevant automotive markets around the world. Currently, the main sales markets include Western Europe as well as China, the United States, Brazil and Mexico. The Group procures goods and services from all over the world for its manufacturing processes. It operates 123 manufacturing sites in European, American, Asian and African countries.

Internal measures

Volkswagen Group Code of Conduct¹

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 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 Volkswagen Group's new Code of Conduct. Our activities are guided by the principles of the UN Global Compact, the OECD Guidelines for Multinational Enterprises and the principles of the International Labour Organisation (ILO).

¹ <https://www.sitech.com.pl/O-firmie/Compliance>

Volkswagen Group Whistleblower System²

The Whistleblower System is responsible for handling reports of serious breaches of rules and legal violations. It constitutes an important element of good company management. Our employees, business partners and other third parties may use various channels in the Whistleblower System to report serious employee compliance breaches. A violation of human rights might be reported using the System. The Whistleblower System provides a fair and transparent process that protects the Company, the persons affected and the whistle-blower.

Employee qualification

By taking preventive measures, we promote compliance with regulations in our organisation 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.

SITECH Sp. z o.o. makes the revised Code of Conduct available to employees via various channels (the Intranet, the Internet). In addition, we draw employees' attention to the new Code of Conduct and its importance through articles in internal magazines and information on departmental boards.

Risk analysis

Human rights risk assessment is an integral part of the risk management process and preventive measures are reported to the Group. The results of the risk assessment are taken into account in determining the compliance programme for the following year.

Measures in the supply chain

Sustainability requirements for our suppliers³

"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). These set 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 integrating the sustainability requirements in our procurement process at the contractual level, we seek to ensure that our sustainability standards are observed along the entire supply chain worldwide. Our requirements are based on international standards such as the principles of the UN Global Compact, the ICC Business Charter for Sustainable Development and the conventions of the International Labour Organisation. On the basis of the three pillars – requirements, monitoring and development of "the Sustainability in Supplier Relations" concept – we review and develop our suppliers' sustainability performance on an ongoing basis.

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

³ <https://www.volkswagenag.com/presence/nachhaltigkeit/documents/policy-intern/2014%20Nachhaltigkeit%20Lieferantenbeziehungen%20DE.pdf>

Training and monitoring of suppliers

As part of cooperation with our suppliers, we offer electronic training (e-learning) dedicated to sustainable development. In addition to electronic training, we also organize courses and workshops on various aspects of sustainable development, in which our suppliers take part in selected locations. We use various tools to verify suppliers' compliance with our sustainability requirements: self-assessment questionnaire, supplier quality audits, including sustainability.

In addition to the verification of sustainability requirements at our suppliers, continuous dialogue with suppliers and their development has always been at the centre of our activities. This way, we want to guarantee that our business partners understand our requirements and are sensitive to new challenges in the future.

Risk analysis

The Volkswagen Group uses a country-specific risk analysis, self-assessment questionnaires and local sustainability audits to identify social or ecological risks or risks related to human rights at the respective contractor locations before negotiations with potential suppliers begin. The risk analysis incorporates data from third parties as well as in-house empirical data. In developing suppliers, we particularly focus on countries in which we have identified heightened risks. In order to identify the latest developments as well as long-term structural challenges in the respective countries, we encourage continuous dialogue between our brands and regions through regular meetings and videoconferences within the sustainability procurement network. Prior to entering into business relations, we additionally perform a risk-oriented review of the integrity of our business partners (Business Partner Check).

Perspectives

Our company will not tolerate human rights violations in the future either. Because we believe that the risk of human rights violations is dynamic, we will flexibly adapt our monitoring procedures to the changing situation and will continue to raise awareness - both inside and outside our company - of contemporary forms of slavery and human trafficking.

Polkowice, 18 JUNE 2019
