

INTEGRITY

The quality of being **honest** and having strong **moral principles**.

Volkswagen Group of America

We value integrity, and it is our responsibility to model these behaviors. Our culture is the sum of each action taken by each individual and we all have the power to positively or negatively impact the relationships, reputation, and overall performance of this company.



What does integrity look like?

- **Courage** over comfort
- **Practicing values** rather than professing them
- Firm adherence to a code of especially **moral value**
- Being **incorruptible**

What can employees do to contribute to a culture of integrity?

-  Share credit when things go well
-  Hold yourself accountable, refrain from shifting blame
-  Recognize and reward those who behave with integrity
-  Treat all colleagues with respect
-  Have a true open door policy
-  Treat all shared information as private
-  Institute programs that encourage idea-sharing and collaboration
-  Uphold standards in spite of consequences
-  Create a culture free from retaliation
-  Actively listen to all employees, seek to reach understanding

If we are all successful in our efforts, here are the proven outcomes we can expect:

Increased trust in products, people, and processes

Profitability that consistently outperforms the market

Decreased financial and legal risks

Increased desirability as employer for top talent





Strengthening integrity starts with the truth.

It means that we accept the truth about ourselves and that we tell the truth to others. Mutual honesty leads to widespread integrity. We expect everyone at VWGoA to be an ambassador of integrity. We want to create an environment where we apply our values throughout our work, are vigilant in identifying potential issues, and confident about speaking up in all situations. We aim to have a positive influence within our organization which is reflected in our daily conduct.

A culture of integrity drives business performance.

Corporate integrity creates value. Therefore, a lack of corporate integrity actually costs organizations financially. According to a survey conducted by the Corporate Executive Board (CEB) in 2011, when companies were ranked by integrity, over a 10 year period, the top quartile outperformed the average by 8.8% while the bottom quartile averaged a negative 7.4% return. Failure to properly engage with the workforce threatens our long-term competitive advantage. It is critical for our employees, for management, the board, and the community we serve. Integrity deserves more than lip service—it must be a priority.

Strong Integrity Cultures Reduce Legal and Financial Risk		
	Large Companies without an Effective Program	Large Companies with an Effective Program
Pressure to Compromise Standards	23%	3%
Observed Misconduct	62%	33%
Misconduct Not Reported	68%	13%
Reporters who Experienced Retaliation	59%	4%

* Survey of large US companies; Source Ethics Research Center; National Business Ethics Survey (NBES), 2015

There is a strong correlation between an organization’s financial value and strong ethics commitment. According to research from Ethisphere, analysis of stock performance of the “World’s Most Ethical Companies” found that those organizations outperformed the S&P 500 by 6.4% over the past 2 years.

Culture is built upon two integrated building blocks:

The “hard” side (processes, metrics delivery systems, reports, etc.) and the “soft” side (ideas, fears, attitudes, rewards). Executives and management focuses mainly on the hard side, because it is the most comfortable and easily defined. However, in nearly every case where there was a breach of ethics, it started in the soft cornerstone of the organization’s culture. We must start here in order to improve the level of integrity and ethics.

VWGoA’s Integrity program brings our values to life.

For all employees, our integrity program supports them in applying our standards each and every day. Our focus on integrity makes us stronger. It helps us to attract, retain, and engage the best employees, while also being better able to select the right suppliers and business partners. It provides the conditions to work collaboratively, both internally and with our partners. Integrity protects our people, our assets, and our reputation.

