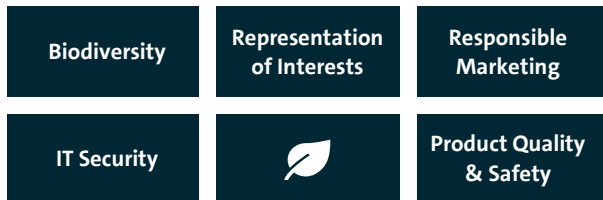


VOLKSWAGEN GROUP

Further ESG-Topics

COMMITMENT BEYOND THE 6 FOCUS TOPICS

In addition to the six focus topics anchored in our NEW AUTO Group strategy and Group Initiative 6, we have identified five more topics that are important in the area of sustainability and ESG. These are presented below – with the aim of increasing transparency about our sustainability performance.



BIODIVERSITY

BIODIVERSITY IN OUR GOTOZERO STRATEGY

Biodiversity safeguards the basis for our continued existence: healthy food, clean water, fertile soils and a balanced climate. The manufacturing industry, which includes the automotive sector, has a largely indirect effect on biodiversity. For a business to identify its own impact and dependency, it must analyse in detail its entire value chain. The influencing factors and resulting action areas include, among others, the mining of mineral resources and rare earths. This mining often takes place in countries with diverse ecosystems and lax standards – often involving serious destruction of nature and the environment. Further influences result from the use of natural resources through the cultivation of natural rubber for tire production and of oil-bearing plants for fuel production. Cultivating these raw materials takes up a lot of land and displaces biodiversity, frequently due to degradation of forest ecosystems. Also, the industrial cattle farming, which provides the leather for steering wheels and seats, has an influence on biodiversity.

Because we are aware of the importance of biodiversity and our dependence on ecosystem services, we have included their preservation as areas of action in our Group environmental mission statement and, in our Biodiversity Commitment, we have committed to protecting, conserving and improving biodiversity.

We have developed concrete steps towards more sustainable production with the “goTOzero – Zero Impact Factory” programme. The programme’s vision is a factory without any negative impact on the environment. The way to get there is set out in a checklist that includes requirements for promoting biodiversity in addition to many other environmental aspects.

UNSER BIODIVERSITY COMMITMENT

In our Biodiversity Commitment, we have committed to the three objectives of the international Convention on Biological Diversity (CBD):

- Conservation of biological diversity
- Sustainable use of its components
- Fair and equitable sharing of the benefits arising out of the utilisation of genetic resources

We pursue these objectives in 6 action areas:

- Commitment to the Paris Climate Agreement and therefore to becoming net carbon neutral by 2050
- Assessment of risks and opportunities related to our business activities with impacts on biodiversity and ecosystem services
- Integration of biodiversity into the environmental compliance management system
- Implementation of projects for the protection and promotion of biological diversity
- Increasing biodiversity at the production sites and introduction of a biodiversity indicator
- Reduction of the use of natural resources along the supply chain



www.volkswagenag.com > Sustainability > Strategy, Policy & Engagement > Policy > Biodiversity Commitment of the Volkswagen Group

The protection of the natural ecosystem also needs to be ensured by our business partners. It is anchored in our Code of Conduct for Business Partners that business partners must strive to ensure supply chains are free of deforestation and conversion in accordance with applicable law and international biodiversity regulations. These international regulations include, for example, the resolutions and recommendations on biodiversity from the Centre for Biological Diversity (CBD) and the World Conservation Union (IUCN). In the spirit of partnership-based collaboration, the Group offers its business partners a wide range of practical training opportunities, initiatives and other sources of information.



www.volkswagenag.com > Sustainability > Strategy, Policy & Engagement > Policy > Code of Conduct for Business Partners

OUR CONTRIBUTION TO OTHER ENVIRONMENTAL ASPECTS WITH AN IMPACT ON BIODIVERSITY

In our “Group Environmental Mission Statement”, we commit to the Paris Climate Agreement and the 1.5° goal. By decarbonising the Group, we are targeting net carbon neutral business practices by 2050 to protect the climate and therefore also biodiversity.

In our production, we systematically pursue a strategy of reducing impact and conserving the environment. By 2025, production-related environmental effects relating to energy, water, waste and volatile organic compounds are to be reduced by 45% per vehicle compared with 2010. Furthermore, Volkswagen is pressing ahead with electric mobility in order to improve local air quality by reducing emissions of nitrogen oxides and particulate matters. By using recycled material and renewable raw materials, we reduce our need for primary raw materials, improve our energy and resource efficiency and, together with our business partners, reduce the use of natural resources and therefore the impact on ecosystems.

The protection of water is closely linked with biodiversity because the aquatic ecosystem is essential for many living beings. Sustainable management of the resource of water in a way that conserves water is also important for human survival. Our measures to reduce water consumption contribute to protecting this resource and habitats. As part of the Carbon Disclosure Project (CDP) and Water Disclosure Project (WPP) initiatives, we regularly report on our activities in climate protection and the protection of water.

OUR ACTIVITIES FOR PROTECTING BIODIVERSITY

In the countries where we operate, we support biodiversity projects in the form of collaboration with partners and local initiatives. You can read about the biodiversity projects currently underway on our sustainability pages.

The following projects provide examples of the various activities at the Volkswagen Group’s sites.

Volkswagen de México has been supporting nature-conservation and reforestation projects to preserve ecosystems since 2008. The measures create habitat for wild animals and help to develop biodiversity.

Reforestation measures inhibit the erosion of soil through erosion processes and facilitate groundwater storage. Creating trenches also supports the infiltration of rainwater. This will protect the soil again and encourage groundwater formation, for example on the slopes of the Popocatepetl and Iztaccíhuatl volcanoes, where open areas have been created by years of deforestation, farming livestock and fires.

With partners including UNESCO and Seabird Life, we support projects for sustainable mobility and the elimination of storm damage in UNESCO biosphere

reserves in Spain and other projects to protect and restore moors in reserves in Poland and Germany.

Volkswagen Group China together with the Volkswagen, Audi and ŠKODA brands have launched the “Green Belt” reforestation project to protect habitats and for sustainable development. By 2030, more than 8.5 million trees will have been planted in 10 environmentally sensitive regions in the North of China on more than 40 million m² of land. The reforestation acts as a carbon sink, supports biodiversity and contributes to preventing wind erosion and soil loss.

In our internal test procedure, we use an assessment tool that assesses and tracks measures to increase biodiversity at the site. It is important to us to involve employees at the sites in the biodiversity projects, thus raising awareness of the topic. This is because measures to protect the environment also help biodiversity and are fun to take part in, such as the Volkswagen Palmela site’s litter picking campaign. As part of a campaign day – One Day for the Ocean – 130 volunteers worked together with the national NGO Brigada do Mar to pick up litter on the coast of the Tagus Estuary. Around 2.5 t of litter were collected and sent for treatment.

SUSTAINABLE & TRANSPARENT WATER MANAGEMENT

The Volkswagen Group has set itself the objective of further improving its resource efficiency and promoting reuse and recycling approaches in the areas of materials and water.

Around 49% of total freshwater consumption is attributable to sites in areas of high water stress. These regions are identified by Maplecroft. A closed cycle or the recycling of cooling and process water significantly reduces freshwater consumption and the amount of wastewater, ensuring responsible use of the resource of water. In 2022, the Group needed 39.34 million m³ of freshwater, and Volkswagen AG used 3.56 million m³ of it. This data is collected annually. As part of our “goTOzero” strategy, our sustainable water management concentrates on the following action areas:

- Reduction of freshwater consumption and water-use efficiency, particularly in areas of water stress
- Minimisation of pollutant load inputs and no degradation of the environmental and chemical condition in the receiving water (effluent management)

By 2025, the Group’s production strategy aims to reduce the production-related environmental impacts relating to energy, water, waste and volatile organic compounds by 45% per vehicle compared with 2010. As a measurable effect of the associated measures in the area of water, the amount of freshwater consumed per vehicle fell by 17.4% from 2010 to 2022. This means consumption of 3.75 m³/vehicle for the Group and 5.34 m³ at Volkswagen AG. Puebla and Mladá Boleslav are examples of specific savings measures at locations worldwide: thanks to improved water treatment, around 100,000 m³ of water was saved at each of the sites in

2022. At the AUDI site in San José Chiapa in Mexico, 150,000 m³ of water has been saved each year since 2018. As a result of the recirculation of water into the production processes, this site is considered to be fully effluent-free.



www.audi-mediacyber.com > Sustainability > Production and supply chain > Mission:Zero

In addition to these measures, Volkswagen supports the CDP Water Disclosure Project (WDP) through the transparency of its water management. Since 2019, we have scored the top grade of A for our sustainable water management in the WDP ranking and are therefore again represented in the leadership index for 2022.



www.volkswagenag.com > Sustainability > Reporting & ESG-Performance > Reports > Volkswagen AG – Water Security

REPRESENTATION OF INTERESTS

The Volkswagen Group and its brands operate in a complex and tightly regulated environment. We regard it as our responsibility to actively help shape the framework for our economic activity and its impact on society and the environment in dialogue with our stakeholders.

Public Affairs staff take on this task around the world. Their aim is to establish the Group's freedom of action and to keep stakeholders in politics and society informed.

Our objective is to create lasting values: shaping mobility for generations to come.

Dr Thomas Steg

General Representative of Volkswagen Group and Head of External Relations

PRINCIPLES AND GUIDELINES FOR PUBLIC AFFAIRS

Role

Public Affairs introduce the Group's positions into political decision-making processes by providing truthful and comprehensive information as well as reliable and competent advice. They can also contribute ideas for innovation strategies or for future-oriented regulatory approaches. Information about the Group's key positions is published yearly.

In dialogue with politics and stakeholders, Public Affairs contribute to sharpening and raising the Group's profile as a responsible company and increasing its reputation. The goal is to maintain stable and balanced relations with all stakeholders.

Within the Group, Public Affairs foster an understanding of political processes and a culture of open dialogue with politics. They examine and collect information, analyse its relevance and draft differentiated strategies for the company. At Group level, appropriate structures and processes are used to ensure a global approach and consistent communication of brands and companies.

Networks

Public Affairs are represented on Group level, at the Group's sites and in various capital cities around the world. Their tasks in dialogue with politics and stakeholders can also be taken on by Public Affairs employees in brands and companies.

Public Affairs also maintain contact with politics through Group memberships in national and international organisations, for instance memberships in associations. The same principles and guidelines are binding on Public Affairs within the context of these memberships. In dialogue with politics, Public Affairs undertake to introduce the Group's positions unchanged within these organisations within the bounds of what is permitted under

competition and anti-trust law. If the positions resolved upon by the members of these organisations for dialogue with politics deviate in their substance from the Group's positions, this is noted as dissent.

The basis of these memberships is Public Affairs' acceptance of their respective policies and rules. When a membership is taken up, these policies and rules must be reviewed for any contradictions to applicable regulations.

Information about the Group's key memberships is published yearly.



www.volkswagenag.com > Sustainability > Strategy, Policy & Engagement > Policy > Principles and Guidelines for Public Affairs > Appendix

Transparency

Public Affairs act in accordance with the principles of integrity, openness and verifiability. Information about structures and resources is published yearly.



www.volkswagenag.com > Sustainability > Strategy, Policy & Engagement > Policy > Principles and Guidelines for Public Affairs > Appendix

The Group welcomes provisions for transparency in the work of Public Affairs. Where binding or voluntary provisions issued by political bodies are already in force, Public Affairs abide them. The Group is registered in the European Union's transparency register and complies with the associated guidelines. Structures, resources and objectives of political lobbying at European level are disclosed there.



www.ec.europa.eu > Transparency Register

Business partners who are going to provide services for Public Affairs undertake to comply with legal regulations, internal rules and voluntary commitments made by Public Affairs, including the existing Principles and Guidelines for Public Affairs.

Contact with politics

Compliance with international conventions and the laws and regulations of all the countries in which the Volkswagen Group operates is a matter of course for Public Affairs. All contacts with politics comply strictly with the applicable laws and regulations and the corresponding Codes of Conduct, measures to prevent corruption, and competition and antitrust law.

When dealing with public officials and elected officials, Public Affairs pay particular attention to transparency, sincerity and objectivity in communication and also to cooperative behaviour.

Public Affairs act in a politically neutral manner but are not indifferent. Generally, they represent the Group's positions in dialogue with political decision makers around the world

but reserve the right to refuse contact with individual stakeholders on the basis of Group Essentials.

In contact with political decision makers, Public Affairs ensure that Group sites are not used as stages by those campaigning for political office. In Germany, during the three months immediately preceding an election, we do not schedule any public events with candidates.

Exchanges on topics of a technical character are central to each contact.

Events

Public Affairs engage in dialogue with politics in various communication formats. Information on regular formats is published yearly.



www.volkswagenag.com > Sustainability > Strategy, Policy & Engagement > Policy > Principles and Guidelines for Public Affairs > Appendix

Sponsorship and donations

The political system of the Federal Republic of Germany relies on a functional party system. The Basic Law of the Federal Republic of Germany sets out principles for financing political parties that require the parties to generate their own revenues beyond the reimbursement of election campaign costs by the state.

On this basis, Public Affairs support parties across the democratic spectrum in Germany with sponsoring.

The department links this party sponsorship with the aim of raising public awareness for the Group, its business models and product portfolios.

As a matter of principle, they ensure an appropriate balance between their own services and the contractually agreed consideration.

All sponsoring activities comply with legal requirements and internally applicable regulations.

Figures relating to support of political party events and to the advertising budget for party-affiliated publications are published yearly.



www.volkswagenag.com > Sustainability > Strategy, Policy & Engagement > Policy > Principles and Guidelines for Public Affairs > Appendix

RESPONSIBLE MARKETING

As a global player, the Volkswagen Group and its brands are committed to sustainable, transparent, and responsible management. This applies in particular to internal and external communications. Our employees, our customers, our stakeholders, and the public rightfully deserve communication with respect, integrity and sincerity. Thus, every business partner involved in communicating on behalf of the Volkswagen Group has the responsibility to ensure that in our communication and advertising, both online and offline, human beings, animals and the environment are treated with utmost respect. We are always aware, it is not only about our intention, but how the message is perceived in the consumer's mindset.

The expectations that Volkswagen Group has for its business partners with regards to the provision of advertising and communication services for the Volkswagen Group and its brands are specified in the Communication and Advertising Principles for the Volkswagen Group.



www.volkswagenag.com > Sustainability > Strategy, Policy & Engagement > Policy > Communication and Advertising Principles for the Volkswagen Group

IT SECURITY

A series of unavoidable changes are emerging today as a result of digitalisation, the growing number of functions connected with the internet and the use of modern IT to manage business, logistical and technical business processes on the internet. These changes have to be actively controlled in order to succeed in global competition. At the same time, however, increasing digitalisation also offers cyber criminals significant scope for attack and gives rise to new risks for the company and its customers.

In order to adequately deal with risks in information security and prevent possible damage, Volkswagen has established an information security organisation and introduced an information security management system (ISMS).

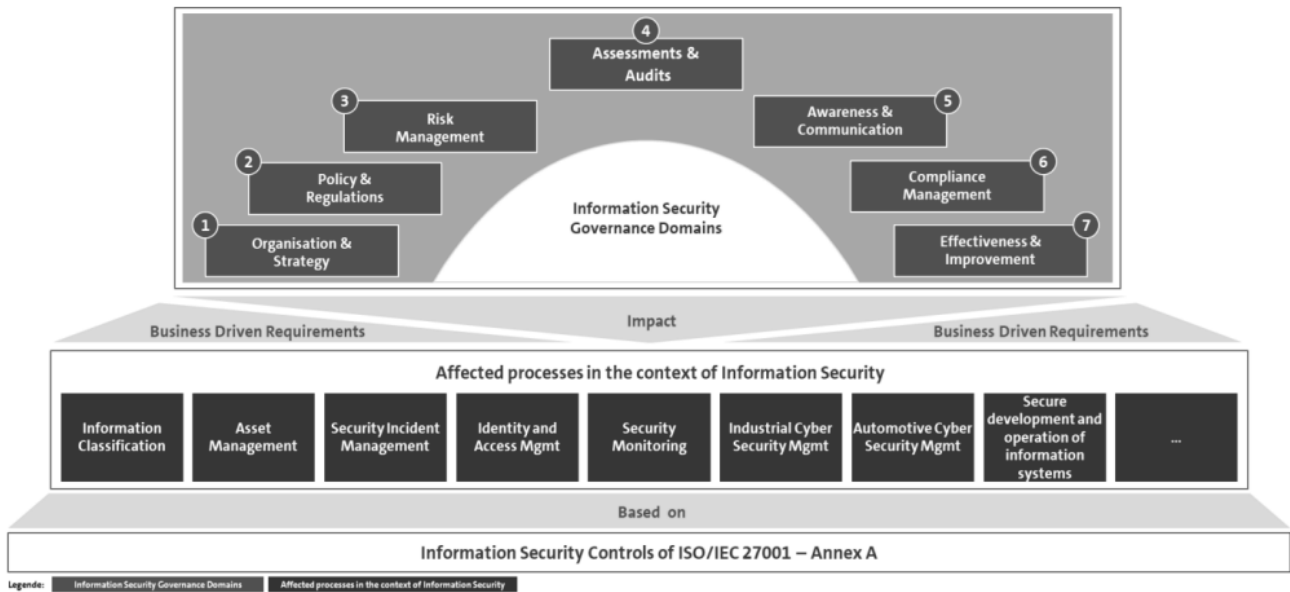
Information security is essential for the success of Volkswagen AG and for maintaining its competitiveness.

To independently check and self-critically question the efficiency and effectiveness of the ISMS, Volkswagen has applied for TiSax certification. TiSax is a defined standard for information security in the automotive industry.

In addition, the security organisation can demonstrate ISO 27001 certification of the ISMS shown in the diagram and its domains and processes. The certification area thus covers the elements for the management of an appropriate security level and its planning, management and monitoring. The following ISO 27001 certifications have been obtained:

- Certification of the central information security organisation and the central information security processes
- Certification of the governance and business processes of the Volkswagen “device technology platforms”
- Various certifications of information security at brand and company level

STRUCTURE OF THE INFORMATION SECURITY MANAGEMENT SYSTEM



PRODUCT QUALITY & SAFETY

AUTOMOTIVE SECURITY

The automotive industry is facing new challenges. With increasing digitalization, such as connectivity, autonomous driving and shared mobility, the value chain is changing and is offering a wide range of opportunities for cyber attacks.

In order to protect vehicles even better against cyber attacks and enable secure software updates, Volkswagen has implemented a cyber security management system (CSMS).

The aim of the CSMS is to guarantee and maintain automotive cyber security over the entire product life cycle of a vehicle and specifies in terms of guidelines and control measures how automotive cyber security should be established and maintained to also ensure security against unauthorized access to board electronics.

The Kraftfahrtbundesamt (KBA) has confirmed the effectiveness of the CSMS with the respective certification. This was preceded by an audit in which TÜV Nord checked for the new UNECE regulation 155.

Annual surveillance audits shall be carried out within the validity period.

In order to meet the requirements for future type approval, the implementation of following points through a CSMS is essential:

- Identification and evaluation of threats and risks of the products
- Process for eliminating or dealing with the threats and risks found
- Establishment of processes and structures to identify cyber attacks as early as possible
- Planning of measures to deal with successful attacks. This also includes the systematic review and evaluation of cyber incidents
- Involvement of suppliers and partners
- Continuously anticipating new threats and risks. Planning and establishing appropriate protective measures

Corresponding processes, roles and methods must be established and further developed to ensure UNECE-compliance and protection of the customer.

FUNCTIONAL SAFETY

Besides ensuring security of electronic systems, Volkswagen is also committed to guarantee their functional safety. Therefore, Volkswagen has adopted ISO 26262, a global standard for functional safety in the automotive industry. This standard outlines the requirements for designing, developing, and testing automotive systems. Compliance with the standard is documented and subject to regular internal and external audits. By adhering to the ISO 26262 standard, we ensure that our vehicles are designed and built with a systematic approach to safety. This includes identifying potential hazards, assessing the risks associated with those hazards, and implementing appropriate safety measures to mitigate those risks. The safety of customers is one of the top priorities for Volkswagen.