VOLKSWAGEN GROUP

SASB INDEX 2023

Category	Requirement	Answer	
Product Safety	Percentage of vehicle models rated by NCAP programs with an overall 5-star safety rating, by region	Volkswagen Passenger Cars attaches great importance to the safety of its vehicles when designing and developing its products. In 2023, a wide range of Volkswagen Passenger Cars products achieved top grades in global consumer tests.	
		In the Euro NCAP consumer test, the top model of the all-electric ID family, the Volkswagen ID.7, was awarded the best possible rating of 5 stars. This makes the all-electric saloon one of the best-rated models of 2023 in the independent European testing organization's overall ranking.	
		In addition, the product upgrades of the Volkswagen ID.3 and the Touareg were awarded 5 stars.	
		The Volkswagen ID.6 X also received the best possible rating of 5 stars from China NCAF and the Lamando achieved a GOOD from the Chinese organization C-IASI.	
		Korea NCAP rated the Volkswagen ID.4 with the second-best score – a 2nd grade.	
		In the USA, the Volkswagen ID.4, the Atlas and the Atlas Cross Sport achieved the high safety rating in the "Top Safety Pick Plus" IIHS consumer test.	
		Volkswagen also achieved the highest rating in the South American Latin NCAP with both the Taigun and the Virtus PA – both vehicles achieved 5 stars.	
		In addition, Global NCAP (India) awarded the new Polo Virtus 5 stars.	
	Number of safety-related defect complaints, percentage investigate	The Product Safety Department ensures that all issues (100%) are procedurally regulated and that there is a secure process in place (approved by independent third parties). Information concerning recalls is made public and visible to consumers through the authorities. We will not give detailed information and/or give figures on these events. This is justified by the fact that the number of product recalls and vehicles, the cost of product recalls and service actions do not provide a serious base to evaluate general product quality and are always worth interpreting in comparison with other manufacturers.	
		Our aim is to protect consumers as best as possible and to provide information about possible dangers quickly and transparently in coordination with the authorities.	
	Number of vehicles recalled	In 2023, 4,632,993 vehicles were subject to a recall, share of online remote updates: 59.3% (2,746,184).	
Labor Practices	Percentage of active workforce covered under collective bargaining agreements	The Volkswagen Group recognizes the right to collective bargaining. Our Social Charter provides a binding basis for the Volkswagen Group's social and industrial relations. It is geared to the core labor standards of the ILO and applies to Volkswagen AG and the Volkswagen Group's controlled companies. The Volkswagen Group recognizes the basic right of all employees to establish and join unions and employee representations. In this context, the Volkswagen Group commits itself to safeguarding neutrality. This precludes any form of discrimination based on union activities. The Volkswagen Group and unions and/or employee representations engage collectively in social dialog. Thereby collective bargaining is a special expression of this social dialog.	
		The Volkswagen Group respects the right to strike insofar as this right is exercised in accordance with the respective national legal systems.	
	(1) Number of work stoppages and (2) total days idle	We use a range of instruments to counter economic risks as well as changes in the marke and the competitive situation and shortages of supplier components. These help the Volkswagen Group to remain flexible in terms of staff deployment when faced with a fluc tuating order situation. These instruments include, among others, closure days and <i>Kurzarbeit</i> (short-time working)	

Navigation



Category	Requirement	Answer			
Fuel Economy & Use-phase Emissions	Sales-weighted average passenger fleet fuel economy, by region	The Volkswagen Group's new passenger car fleet in the EU (EU27+2) emitted an average of 119 g CO $_2$ /km (WLTP) in the reporting period in accordance with statutory measurement bases, compared with a statutory target of 122 g CO $_2$ /km (WLTP). This means that the Volkswagen Group outperformed the EU's fleet CO2 target. All the figures mentioned are subject to confirmation of the CO $_2$ data in the context of official publication by the European Commission.			
		The Volkswagen Group's new light commercial vehicles fleet in the EU emitted an average of 187 g CO $_2$ /km (WLTP) in the 2023 reporting period in accordance with statutory measurement bases, compared with a statutory target of 204 g CO $_2$ /km (WLTP). This means that the Volkswagen Group outperformed the EU's fleet CO $_2$ target. All the figures mentioned are subject to confirmation of the CO $_2$ data in the context of official publication by the European Commission.			
		In the USA, the passenger car and light commercial vehicle fleets' GHG CO ₂ figure for model year 2023 (internal data as of September 2023) is an average of 133 g CO ₂ /km (model year 2022: 142 g CO ₂ /km) compared with a statutory target of 122 g CO ₂ /km (model year 2022: 136 g CO ₂ /km). By applying the statutory flexibility in GHG and CAFE as well as externally acquired credits, the Volkswagen Group succeeded in complying with applicable requirements – subject to confirmation by the authorities – for model year 2023. The figure given for model year 2023 is also subject to confirmation by the Environmental Protection Agency (EPA).			
	Number of (1) zero emission vehicles (ZEV), (2) hybrid vehicles, and (3) plug-in hybrid vehicles sold	Alternative drive technologies in the Group			
				2023	2022
		Worldwide Volkswagen Group production: Volkswagen Passenger Cars, Audi, Škoda, SEAT, Volkswagen light commercial vehicles			
		Gas drives (natural gas and LPG)	Number of vehicles produced/ percentage change	7,189/ -53.5	15,387/ -56.3
		Hybrid drives	Number of vehicles produced/ percentage change	253,009/ +10.1	229,882/ -4.2
		All-electric drives	Number of vehicles produced/ percentage change	769,431/ +32.7	580,023/ +35.5
		Alternative drives (total)	Number of vehicles produced/ percentage change	1,029,629/ +24.8	825,292/ +17.4
Fuel Economy & Use-phase Emissions	Number of (1) zero emission vehicles (ZEV), (2) hybrid vehicles, and (3) plug-in hybrid vehicles sold	Europe	EU27, United Kingdom, Norway and Iceland		
		Gas drives (natural gas and LPG)	Number of vehicles produced/ percentage change	7,104/ -53.4	15,240/ -56.4
		Hybrid drives	Number of vehicles produced/ percentage change	206,322/ +24.0	166,415/ -16.2
		All-electric drives	Number of vehicles produced/ percentage change	447,656/ +31.3	340,952/ +17.8
		Alternative drives (total)	Number of vehicles produced/ percentage change	661,082/ +26.5	522,607/ 0.0
	Discussion of strategy for managing fleet fuel economy and emissions risks and opportunities	We have two levers in particular available to us to impact greenhouse gas emissions across the entire life cycle of Volkswagen products: The Group's electric offensive and the Renewable Energies strategy. Around 90% of the decarbonization targeted by the Group can be realized through electrification of the fleet and switching to renewably generated energy.			

Category	Requirement	Answer
Materials Sourcing	Description of the management of risks associated with the use of critical materials	The Volkswagen Group has implemented a Raw Material Due Diligence Management System (RMDDMS).
		The RMDDMS is overseen by a Steering Committee comprised of Senior Management of Sustainability from Procurement and guided by a Working Group that included representatives from Sustainability in Procurement teams from all brands.
		The management system covers priority raw materials that are prone to sustainability risks in their supply chains and have been derived from the results of the Material Change Report (DRIVE Sustainability 2018). Those raw materials are: battery raw materials cobalt, lithium, nickel graphite; conflict minerals (3TG) tin, tantalum, tungsten and gold; and other materials such as aluminum, copper, leather, mica, platinum group metals (PGM), rare earth elements (REE), natural rubber and steel. With the addition of cotton and magnesium to this list in 2023, we currently have 18 priority raw materials in our risk management scope.
		The RMDDMS is a strategic and systematic group wide approach to identify and assess raw material risks (regarding sourcing and production, processing and in their specific supply chains). Based on the risk assessment systematic mitigation measures are being developed and implemented. Constant monitoring and, if needed, adjustments to those measures are part of the RMDDMS and will be conducted annually.
		The status as well as progress of the RMDDMS activities is reported annually in the Volkswagen Group "Responsible Raw Materials Report" since 2021. The report is available at
		→ volkswagen-group.com > Responsible Raw Materials Report 2022
		The report on the Group's 2023 activities is currently being prepared and will be published in due time.
Materials	Total amount of waste from manufacturing, percentage recycled	Total production-related waste: 2,775,108 metric tons
Efficiency & Recycling		Waste for recycling: 2,668,511 metric tons
Recycling		Recycling rate: 96.16%
	Weight of end-of-life material recovered, percentage recycled	Roughly one third of the vehicle, in vehicle weight terms, is made from recycled materials (as a percentage of all materials). The largest percentage is accounted for by recycled metals.
	Average recyclability of vehicles sold	In line with the European Directive on end-of-life vehicles, passenger cars and light or mercial vehicles must be 85% recyclable and 95% recoverable at end of life. All our vecles registered in Europe comply with these standards.
Activity Metrics	Number of vehicles manufactured	9,309,273
	Number of vehicles sold	9,239,512