

BLUE LIVING

SUSTAINABILITY REPORT 2020
GREEN BOND REPORT 2020





**VOLKSWAGEN
IMMOBILIEN**



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Letter from Senior Management

◆ GRI 102-14, 102-15

Dear readers,

Like many other companies, Volkswagen Immobilien faced enormous challenges in the 2020 reporting year due to the coronavirus pandemic. Our actions during the pandemic were guided by three objectives: protecting our tenants, staff and business partners, maintaining our business performance, and achieving our sustainability targets.

We succeeded in meeting these aims. For instance, by taking social responsibility, we were able to assist the city of Wolfsburg in setting up a temporary hospital. We also safeguarded our financial stability. Important financial KPIs for 2020 have been disclosed. Work continued – or was even expanded – on the majority of measures put in place to achieve our sustainability targets, such as environmental protection. Despite the difficult external circumstances close dialog was maintained with our stakeholders in an adjusted form.

We were even able to put this period of change to positive use for the future. Good experiences from the rapid switch to working from home will be used in the context of the “Future of Work” project to help change day-to-day digital working even after the pandemic. This is complemented by New Work – designing spaces for a new working world with innovative concepts for remote, flexible processes with a digital focus.

Taking responsibility for actions is, and remains, our ethos. Dedication and transparency are still priorities, even – and especially – in uncertain times. We endorse the United Nations Sustainable Development Goals (SDGs), the 2030 Agenda for Sustainable Development, and the Paris Agreement. With our decarbonization strategy, we are contributing towards achieving the two-degree goal. We have implemented a range of measures in our efforts to reduce and offset carbon emissions and to forge ahead with the switch to renewables.

Our sustainability report is published in line with the globally recognized GRI¹ Standards. Continuous review of our sustainability activities goes for us without saying. In 2020, we successfully confirmed our Prime ISS ESG² rating. This means that, over the past three years, Volkswagen Immobilien has succeeded in becoming a global benchmark for sustainable real estate companies. Within the ISS ESG rating, we are the most sustainable property company in Germany. At global level, VWI ranks second in its sector (as of 6/3/2020).

Our vision is to be the Volkswagen Group’s leading property partner. We will achieve this by wowing our customers, remaining competitive, actively pursuing sustainability and looking after our staff. Our strong corporate strategy “VWI 2025” lays the foundations for this and sets out how we fulfill our economic, ecological and social responsibility. BLUE LIVING, our holistic approach to sustainability, plays a key role here.

We take responsibility throughout a property’s life cycle. Future construction projects, for instance, will be assessed, optimized and documented during the planning phase using a project-specific environmental foot-

¹) Global Reporting Initiative, ²) Environmental Social Governance

print assessment as per the DGNB requirements. Even closer attention will be paid to biodiversity during the realization phase in the future as this safeguards the basis of our existence.

At Volkswagen Immobilien, we see finance as a natural part of our sustainability concept and want to use "green capital" for "green assets". Our green bond report is published along with the sustainability report again this year. "Green" tenancy agreements – BLUE LEASES – are designed to help our tenants to conserve resources as much as possible in their use of the apartments and buildings.

Both our commercial success and our future viability rest largely on the satisfaction of our clients and staff, so we conduct regular surveys of both. Satisfaction among both groups increased further compared with the previous year, with customer satisfaction rising from 93.5% to 95.3% and staff satisfaction up by 2.7 percentage points on 2019 at 80.9%. Trust is central to our corporate culture, which is shaped by feedback and dialog. Last year, digital formats were added to the staff communication toolbox. These included the Town Hall Meeting, where the senior management team is available to answer questions from the whole workforce directly.

In 2021, we plan to further develop the climate pathways for our residential and commercial segments by implementing concrete measures. We also intend to take implementation of our photovoltaic strategy to the next level. In connection with the signing of the Diversity Charter, managers will receive extensive training on the topic of diversity in 2021.

We hope you will find the report interesting and we look forward to hearing your thoughts and discussing seminal issues with you.

The Volkswagen Immobilien senior management team

Meno Requardt
Hardy Brennecke



Supporting Our Local Region: Working Together to Tackle the Coronavirus Pandemic

Hotel Rapidly Converted into a Temporary Hospital by Volkswagen Immobilien

Like many other cities, Wolfsburg had to impose strict lockdown measures in response to the pandemic in spring 2020. All local hotels were affected by the restrictions, including the Global Inn operated by Volkswagen Immobilien – a 3-star hotel spanning 8,850 m² with 241 guest rooms and 406 beds in the center of Wolfsburg. As infection rates rose, the city authorities were compelled to take further action and asked the company whether the hotel could be used as a temporary medical facility if the hospital became overwhelmed. Volkswagen Immobilien – which lets out almost 9,500 apartments in the region – did not hesitate to step up and offer assistance, helping to meet the challenge of supporting the city and its residents and actively tackling the crisis.

Combining Forces to Convert and Open the Facility

Soon after Volkswagen Immobilien's positive response, the Wolfsburg crisis task force visited the hotel and discussed the details of the plan to convert it and the ways in which various parts of the building could be used. In the space of just a week, with the assistance of the facility management team from Volkswagen Immobilien and representatives of the municipal crisis task force, several parts of the building were provisionally converted, airlocks were installed and access for patient transport was provided by means of ramps.

By early April, Wolfsburg's supplementary hospital at the Global Inn had 210 beds ready for patients. It was intended to primarily accommodate patients suffering from mild to moderately severe coronavirus. The charity Malteser provided valuable hands-on support throughout the process of organizing the temporary hospital. In addition to preparing transportation and care services, the relief agency was responsible for putting all the necessary hygiene and protective measures in place. Members of the organization also ensured that the communication between patients and carers worked as well as possible via an internal alert system.

Ready to Help at Any Time

Fortunately, there was no need to use the temporary medical facilities, which remained a precautionary measure. This meant the hotel could also be converted back easily and opened smoothly in time for Germany's Pentecost public holiday and the subsequent summer months. However, the reconversion was designed and completed in such a way that the Global Inn can easily be turned back into a temporary hospital if necessary.



Hotel Global Inn



3-star hotel



spanning 8,850 m²



241 guest rooms /
406 beds

Monika Müller, a departmental head at the hospital, thanked Volkswagen Immobilien for its support and praised the collaboration of everyone involved. "We are grateful that VWI placed the Global Inn at our disposal quickly and expediently. Above all, however, we are grateful that it did not have to be used. Those involved in the project, staff from the city authorities, the hospital and the Global Inn – and in particular the volunteers from the rescue organization and the tradespeople who helped – proved to be an outstanding team."

The senior management team from Volkswagen Immobilien was pleased that the company could provide effective support. Managing Director Hardy Brennecke emphasized: "We want to be there for Wolfsburg and its citizens, even in difficult times. Nevertheless, we are pleased that it has thus far not proved necessary to use the temporary hospital at the Global Inn and that we were able to return the hotel to its original purpose after a brief reconversion phase." Managing Director Meno Requardt added: "However, we are willing to help our local region again at any time during the pandemic by providing these facilities and other forms of assistance."



„Wolfsburger Allgemeine Zeitung“ as of April 30th, 2020, with kind permission of Madsack Verlagsgruppe.

BLUE LIVING

SUSTAINABILITY AT VOLKSWAGEN IMMOBILIEN



Practicing Social Responsibility in Times of Crisis

The coronavirus pandemic was a real stress test for our company, as for many others. Thanks to our employees' dedication and close collaboration with our stakeholders, we successfully passed the test. By taking decisive action, we have so far succeeded in effectively protecting our staff, tenants and business partners from infection while nevertheless maintaining the relevant business processes to a good standard. Beyond the company itself, we also made an important contribution to efficient health care and helped to ease the social consequences of the pandemic somewhat for people by supporting cultural events.

Thanks to our stable business model, we also overcame the economic impact of the crisis as well as possible. Furthermore, we were able to keep working on achieving our sustainability targets. For the most part, it was possible for us to implement the planned measures without any limitations and initiate new projects.

In fact, the coronavirus pandemic even sped up some processes and strengthened sustainable trends. For instance, the switch to remote and digital ways of working along with flexible models for working from home has taken us to a whole new level in terms of organizing our working world. We want to capitalize on this development and forge ahead with innovations in the interest of our employees and our competitiveness. At the same time, we intend to actively shape the future of living and respond to changing requirements resulting from the pandemic. These include, for example, a desire for more space and different layouts enabling people to work from home or the provision of high-performance internet connections.

Volkswagen Immobilien at a Glance

◆ GRI 102-1 to 102-7

Volkswagen Immobilien has been part of Wolfsburg ever since it was established in 1953. It has not only accompanied the city's development and growth, but has also had the privilege of actively shaping it in crucial ways. Now, with almost 9,500 residential units, Volkswagen Immobilien is a major apartment provider in Wolfsburg

and a leading provider of property services within the Volkswagen Group all over the world. In 2020, the company and its 357-strong workforce³ generated annual sales of €150 million.



Major Apartment Provider in WOB:
9,500 Residential units

Originally established to provide apartments for Volkswagen employees, we have also been offering our apartments in Wolfsburg on the free housing market since 1994 as a wholly owned subsidiary of the Volkswagen Group. In the commercial property sector, we support Volkswagen AG, its brands and its subsidiaries with a wide range of products and services relating to property management. We have dedicated subsidiaries working for us in Poland, the Czech Republic and Slovakia for the construction, development and operation of commercial properties.

³) excluding trainees

Spanning project management, facility management, international tenancy agreement and leasing management, and asset management, our portfolio comprises everything from project planning to turnkey construction plus day-to-day operational management. Furthermore, Volkswagen Immobilien acts as an investor and general contractor and advises all Volkswagen Group brands globally on construction and property projects.

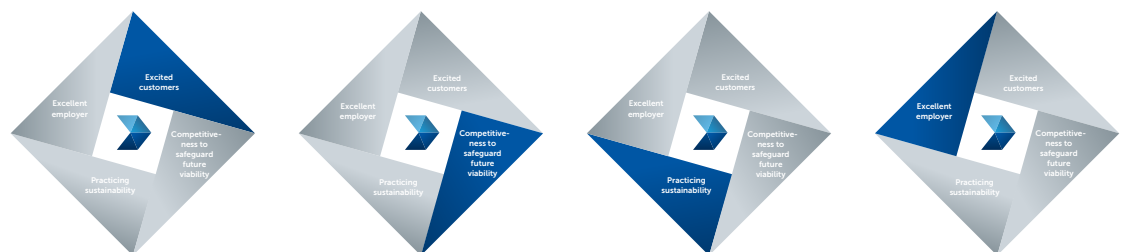
Our Strategic Foundations

◆ GRI 201-2

Our commitment to sustainability is driven by our corporate strategy, "VWI 2025", which is embedded in the Volkswagen Group's TOGETHER 2025+ strategy. This Group strategy is based on four key target dimensions: excited customers, excellent employer, role model for environment, safety and integrity, and competitive profitability. In 2020, the Group drew up a consistent Sustainability Narrative which sets out clearly how the Volkswagen Group intends to achieve its strategic key objective of sustainable growth by 2030. Four Focus Areas have been defined in connection with this: decarbonization, circular economy, responsibility in supply chains and business, and transforming the workforce.

🌐 › CHAPTER "STRATEGY AND MANAGEMENT"

With our strategy, we are pursuing a vision of being the leading real estate partner of the Volkswagen Group and its employees in Wolfsburg as well as around the world. To achieve this, we have defined four target areas:



Excited Customers

- › We inspire with attractive and innovative real estate solutions.
- › Customer needs are the focus of our activities.
- › We support the Volkswagen Group on its way to becoming a mobility provider.

Future-proof competitiveness

- › We create attractive conditions.
- › Lean structures and processes ensure our profitability.
- › We invest in the value and sustainability of our portfolio.
- › We use sustainable finance.

Living sustainability

- › We bring economic, ecological and social demands into harmony.
- › We continuously reduce our CO₂ emissions.
- › Responsibility and integrity are elementary components of our corporate culture.

Excellent Employer

- › Powerful teams with motivated and efficient employees.
- › We offer freedom to assume responsibility.
- › Flexible working time models promote a good work-life balance.

Our Special Responsibility for Climate and Environmental Protection

◆ GRI 102-15

Climate change is one of the biggest challenges faced by mankind. The speed of global warming has increased rapidly over the last three decades. All of us have a duty to stop it. To implement the Paris Agreement, Germany adopted national climate protection targets in 2019 aimed at a reduction of at least 55 % in greenhouse gas emissions by 2030, compared to 1990 levels, and greenhouse gas neutrality by 2050.

In Germany, real estate accounts for around a third of total CO₂ emissions. Direct emissions from properties make up 14% of this. Climate policy is therefore placing a particular focus on the real estate sector. As part of its climate protection program, the German government has set a savings target of 39% by 2030 for the building sector, with the 2018 figures serving as a baseline. To help achieve this – while simultaneously reducing the EEG surcharge – a price is also being introduced for CO₂, which will initially be set at €25 per tonne in 2021. At the same time, the energy-efficient refurbishment of buildings will be subsidized and there will be a ban on installing oil-fired heating systems as of 2026.

The European Union is also linking its Green Deal with the target of becoming climate-neutral by 2050 and emitting as much as 55% less CO₂ by 2030. To achieve this, the greenhouse gas emissions of buildings in the EU must be slashed by 60%, their energy consumption reduced by 14%, and their energy usage for heating and cooling lowered by 18%. In October 2020, the European Commission published its “Renovation Wave Strategy”, setting out how it intends to improve the energy efficiency of buildings in Europe. The refurbishment rate should at least double over the next ten years, making it possible for some 35 million buildings to be modernized by 2030. The strategy prioritizes work in three areas: decarbonizing heating and cooling, tackling energy poverty and improving buildings with the lowest standards of energy efficiency, and renovating public buildings.

Volkswagen Group Sets out a Strategic Framework

The Volkswagen Group has initiated a far-reaching decarbonization program with which it intends to contribute towards achieving the two-degree goal contained in the Paris Agreement and – if possible – ensure that the increase in temperature remains well below this. In the reporting year, the Chairman of the Volkswagen Group’s Board of Management also established an alliance with the CEOs of ten other European companies which expressly endorses the EU’s Green Deal and the associated climate protection targets.

 > [CHAPTER „DECARBONIZATION“](#)

The Volkswagen Group as a whole is striving to become a carbon-neutral company by 2050 at the latest. The company has set itself the aim of improving the carbon footprint of its cars throughout their entire life cycle by 30% as compared with 2015 by as early as 2025. In addition to the Group’s electric vehicle offensive, its switch to sourcing external power for its plants from renewables will also play a key part in this. As part of the Volkswagen Group’s recent materiality analysis, decarbonization was also selected as a Focus Area within the Sustainability Narrative. It therefore forms part of the foundations of the corporate strategy for sustainable growth.

 > [CHAPTER „STRATEGY AND MANAGEMENT“](#)

These targets demonstrate how firmly embedded environmental responsibility is at the Volkswagen Group. For instance, the Group's strategy states that it strives to be a "role model for the environment", while climate protection is a key action area within the environmental mission statement "goTOzero". Embedded within this is the principle of minimizing lifetime environmental impact – from sourcing raw materials to end of life – to keep ecosystems intact and have a positive effect on society.

The Volkswagen Group has given this ethos concrete shape by developing its own guideline – the Group's environmental policy – which rests on five elements:



Volkswagen Immobilien has adopted its own environmental policy, which is closely aligned with this and likewise centers on five key statements.

The decarbonization program is backed by concrete, verifiable targets and measures which are managed by the Group's steering committee on sustainability. It rests on three key principles, which are listed in order of priority: first come measures to prevent or reduce carbon emissions. Second are steps which enable the energy supply throughout the value chain to be switched to less carbon-intensive or renewable sources. Lastly, the company offsets unavoidable carbon emissions by supporting climate protection projects which meet highest international standards and contribute towards achieving the SDGs of the United Nations.

With its decarbonization index (DCI), the Volkswagen Group has a meaningful measurement tool that makes progress and interim results in this field visible and comprehensible to the public. All of the production sites along with the brands, companies and regions have drawn up decarbonization road maps, which were then incorporated into a corresponding Group road map.

The Volkswagen Immobilien Climate Protection Strategy

◆ GRI 201-2

As a wholly owned subsidiary of the Volkswagen Group, we, too, are committed to the two-degree goal contained in the Paris Agreement and want to take what action we can to contribute towards achieving the company-wide climate protection targets. By doing so we are not merely joining the other brands and companies in the Volkswagen Group: we also want to meet our stakeholders' high expectations. For us, decarbonization means enhancing enterprise value with a future-proof property portfolio. It is also an important means of guarding against climate-related risks which could jeopardize the business model.

Even now, it is clear that unsustainable buildings will be worth less when they are sold in the future because they will be unable to comply with statutory energy efficiency requirements or simply no longer meet people's expectations. Infringing new environmental legislation or requirements could make our properties significantly less attractive and harder to let, or could result in higher compliance costs due to surcharges or penalties. Last but not least, extreme weather events such as heat waves, storms and flooding will increase drastically without a timely change of direction on climate issues. This would expose the properties in our portfolio to potential damage which could limit their use and shorten their life span.

We have set ourselves the goal of reducing by 2025 carbon emissions for all new and existing residential and commercial buildings by at least 35% based on intensity – throughout their entire life cycle – using the 2015 figures as a baseline. We select measures based on the three hierarchical elements of the Volkswagen Group's decarbonization program:



Our goal for 2025:
–35 % CO₂ intensity

1. Reduction: Lowering CO₂ Emissions Effectively and Lastingly

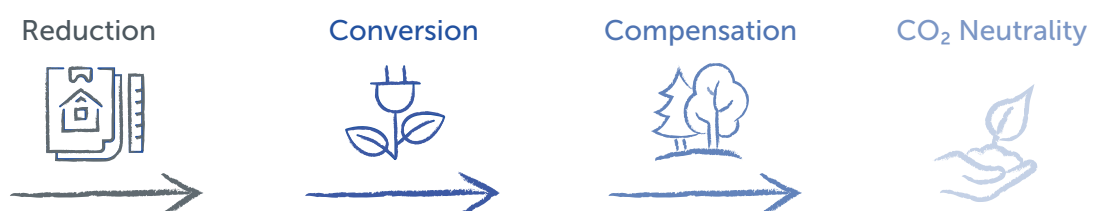
With BLUE BUILDING, we have introduced our own standard for newly built residential and commercial properties which is geared towards sustainability and climate protection. This requires them to comply with the KfW 55 standard and have a 45% lower primary energy demand. We are forging ahead with the energy-efficient modernization of existing properties, ensuring materials efficiency and recyclability, and using innovative products to optimize the supply of heat, such as smart thermostats. At the same time, we are promoting the switch to low-carbon heating systems. With BLUE LEASE, we are designing our tenancy agreements to encourage users to conserve resources in the day-to-day running of properties. Meanwhile, BLUE FINANCE safeguards financing for a climate-friendly real estate portfolio. We also minimize the climate impact of our own corporate processes (logistics, fleet, business trips).

2. Transformation: Switch to Renewable Energies

We are switching from gray energy to Volkswagen Naturstrom® green power for the common areas and landlord-to-tenant electricity at properties utilized by Volkswagen. In addition, we are implementing infrastructure solutions that make it possible to charge electric vehicles at the properties in our portfolio. These are also to be based on energy from renewable sources supplied by Volkswagen Naturstrom®.

3. Offsetting: Compensating for the Remaining Emissions

We are producing a tree register for our properties to enhance transparency and pave the way for offsetting via our green space management. At the same time, we are promoting land restoration and measures to enhance biodiversity.



As well as continuing to implement the decarbonization program, Volkswagen Immobilien also laid the basis for its own climate strategy in the reporting year. This centers on transparent energy and CO₂ reporting, optimizing the building stock, and the necessary financing instruments. These three pillars are to serve as a starting point for defining climate protection pathways for the residential and commercial units at Volkswagen Immobilien. The resulting measures focus primarily on energy efficiency modernization and the use of photovoltaic cells.



We conducted an analysis in the year under review to enable us to calculate the effect of carbon pricing on our company. This showed that only about 10% of our carbon footprint (45,000 tonnes of CO₂)⁴ is subject to the current legislation on carbon pricing. In the future, we will systematically incorporate carbon tax into our medium-term planning and into the portfolio management system as a key performance indicator for property-specific plans relating to investments and modernization work.

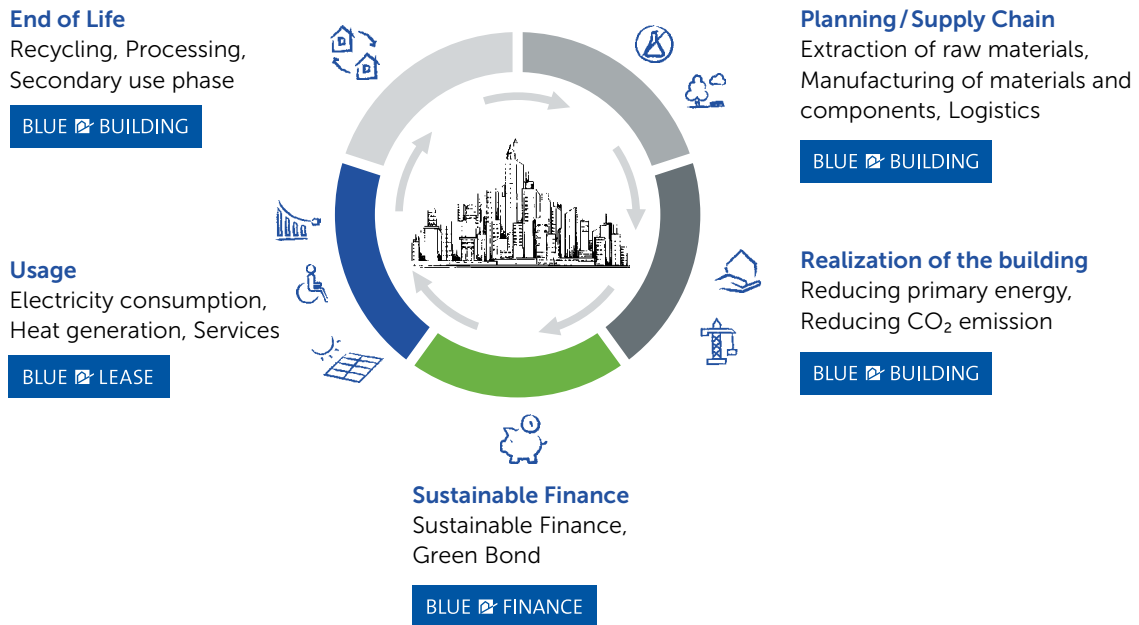
Stronger Focus on Holistic Environmental Protection and Resource Conservation

Volkswagen Immobilien has also committed to implementing the Group targets set out in the "goTOzero" mission statement. Furthermore, the company has translated the five elements of the Group environmental policy into its own environmental policy principles, which guide employees' actions in all processes and measures. Staff receive regular training on their application.

In addition, we have developed our own mission statement for the environmentally focused life cycle of a building. By doing so, we are not just adapting the "Resources" action area in the Group mission statement "goTOzero". We are also forging a link with the Volkswagen Group's sustainability strategy, which identifies the circular economy as a key issue and classes it as a Focus Area of the new sustainability aspiration.

⁴) according to the CO₂ conversion factors in the sustainability report (see KPI tables).

The **life cycle analysis** provides a holistic **overview** of the **environmental impact**. During the **product development process** the **foundations** are laid for **eco-friendly buildings** throughout the life cycle.



Contribution to Achieving Global Sustainability Goals

◆ GRI 102-12

Like the Volkswagen Group, VWI is committed to the 17 Sustainable Development Goals (SDGs) adopted by the United Nations in connection with the 2030 Agenda. We are striving to dovetail the SDGs even more closely with our sustainability strategy in the future and to gear our measures towards achieving these goals. With this in mind, we have identified the SDGs which we believe we have the greatest scope to influence both within our company and with our property-specific products and services. We allocated these to four strategic target areas:



Furthermore, we can document the substantive contribution which we are already making to achieving the corresponding SDGs. These aspects are described in greater detail below:

Our buildings

| | | | |
|--|--|--|--|
| | <p>3: GOOD HEALTH AND WELL-BEING</p> <p>The well-being and productivity of building users are closely linked to the quality of the indoor space: as well as using low-pollution materials, we create a healthy environment with natural light, fresh air and the right temperature.</p> | | <p>11: SUSTAINABLE CITIES AND COMMUNITIES</p> <p>We use environmental footprint assessments to measure the impact of our properties, utilize ecological effects and integrate mobility solutions into our building concepts. In this way, we help to reduce the environmental burden caused by cities.</p> |
| | <p>7: AFFORDABLE AND CLEAN ENERGY</p> <p>The majority of our buildings are already supplied with renewable energy. Our target is 100%. We promote corresponding investments both directly and indirectly as well as reducing operating costs.</p> | | <p>12: RESPONSIBLE CONSUMPTION AND PRODUCTION</p> <p>Wherever possible, we ensure that the materials used for newbuilds and maintenance are reusable in order to conserve natural resources. For this reason, we focus on sortable, recyclable solutions even in the planning and construction phases.</p> |
| | <p>8: DECENT WORK AND ECONOMIC GROWTH</p> <p>Our building concepts are innovative and conserve resources: as well as using less materials and land, we are able to respond flexibly to new requirements. Our economic growth does not correlate with our consumption of resources.</p> | | <p>13: CLIMATE ACTION</p> <p>The more energy-efficient a building is, the greater the positive contribution it makes to climate protection during its use. We reduce emissions and energy consumption by using state-of-the-art technology and innovative building services as well as by constantly optimizing our processes</p> |
| | <p>9: INDUSTRY, INNOVATION AND INFRASTRUCTURE</p> <p>We integrate modern, intelligent mobility solutions into our building concepts to make more efficient use of resources and help our building users to choose clean, eco-friendly technologies.</p> | | <p>15: LIFE ON LAND</p> <p>Our building concepts aim to have the smallest possible impact on natural flora and fauna. Choosing the right plants in and around the building also helps to enhance the value of our properties by reducing subsequent costs and improving well-being.</p> |

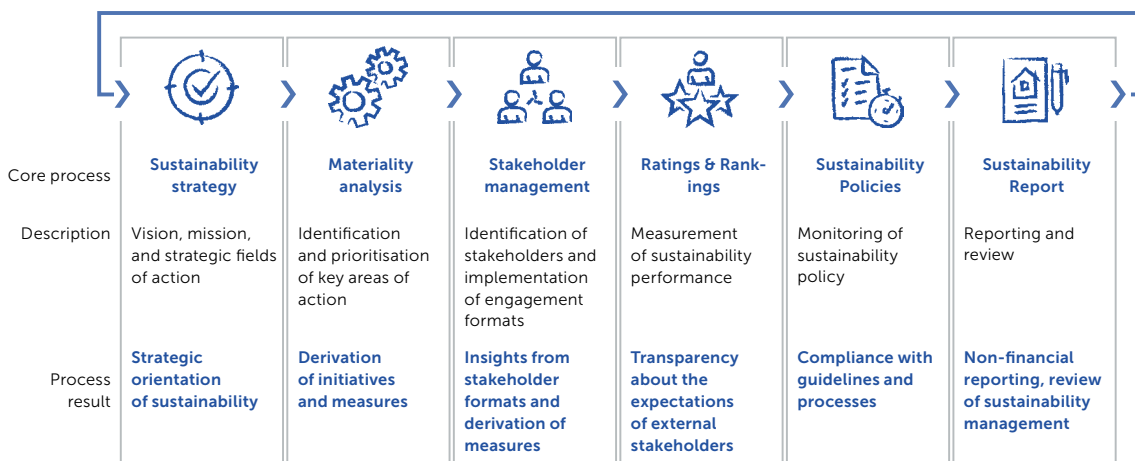
Our company

| | | | |
|--|---|--|---|
| | <p>4: QUALITY EDUCATION</p> <p>We invest in training young people, support the creation of traineeships in the region and help to integrate socially disadvantaged youths. With this work, we explicitly try to break down traditional gender stereotypes.</p> | | <p>5: GENDER EQUALITY 10: REDUCED INEQUALITIES</p> <p>Volkswagen Immobilien is dedicated to treating people respectfully in a spirit of partnership and is committed to diversity and tolerance. We endorse the Volkswagen Group's Code of Conduct and offer equal opportunities for all. We do not discriminate against anyone or tolerate discrimination on the basis of ethnicity or nationality, gender, religion, world view, age, disability, sexual orientation, skin color, political affiliation, social background or any other characteristics protected by law. Employees are selected, hired and developed based on their qualifications and skills.</p> |
| | | | |

Sustainability Management: Processes and Structures

◆ GRI 102-18

We have defined clear rules, structures and responsibilities based on six core processes to make our corporate governance sustainable.



In addition to the components set out above – the sustainability strategy and the materiality analysis – these are stakeholder management, major ratings and rankings, establishing sustainability policies and reporting our associated activities.

In the concrete implementation of our sustainability strategy, we align our activities with the Volkswagen Group guidelines, adopt their principles and formulate company directives which are specifically tailored to Volkswagen Immobilien. These regulations cover a broad range of areas, including data protection, procurement, the environment, corporate governance, occupational health and safety, human resources, public affairs and sponsorship. In this report, the various sections include a reference to any Group guidelines which apply, including the relevant section of the Group sustainability report. If special actions are associated with the implementation of these guidelines which are relevant in the context of our sustainability strategy, we elaborate on these in the corresponding passages of text.

Our Sustainability Committee is responsible for coordinating sustainability issues. It consists of one executive from each of the central divisions – Housing, Corporate Real Estate Management and Finance. The committee members maintain ongoing dialog with working groups from the various departments to define concrete strategic targets, measures, action areas and statements concerning sustainability. The Chairman of the Sustainability Committee keeps the senior management team informed about sustainability-related issues.

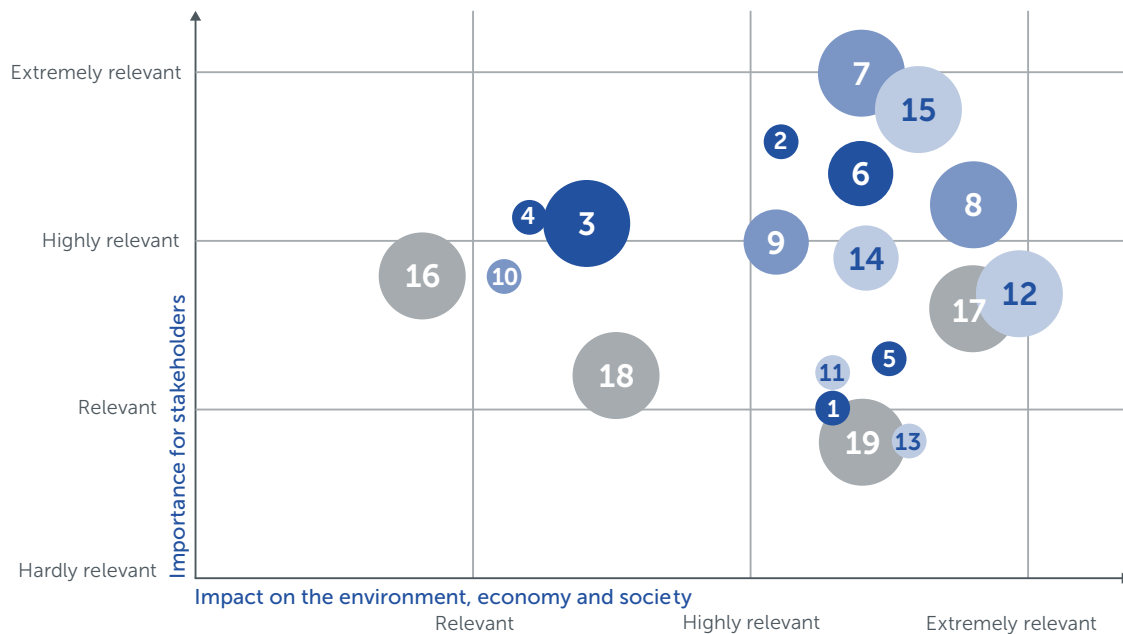
The Sustainability Committee is supported by the Sustainability business unit. It acts as an interface for all sustainability-related activities and is responsible for overseeing and coordinating all ratings associated with sustainability. The business unit is responsible for producing the sustainability report and supports the Sustainability Committee and its work meetings.

Key Issues Systematically Identified

◆ GRI 102-46, 102-47

In 2019, we further developed the materiality analysis to identify key sustainability issues. By doing so, we are not just setting strategic priorities. We are also meeting the requirements of the reporting standards set out by the Global Reporting Initiative (GRI) and the CSR Directive Implementation Act (CSR-RUG) in Germany, which also apply to the Volkswagen Group.

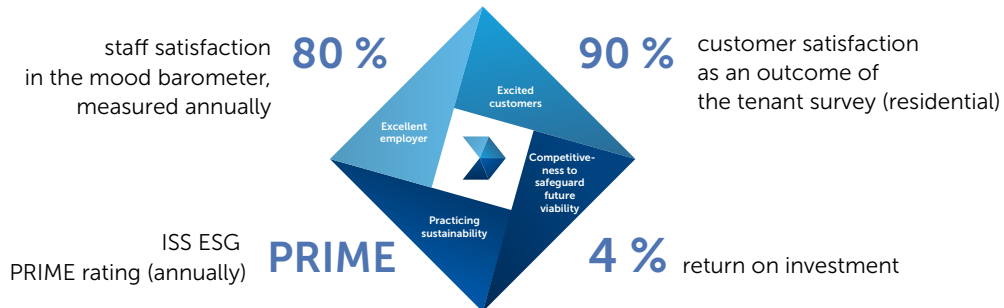
The 19 issues of material relevance for us have been transferred to a matrix and assigned to the four target areas laid out in our corporate strategy, "VWI 2025". This approach ensures that sustainability is linked as closely as possible with the company's strategic objectives and core business activities. These issues are associated with targets, measures and programs, which we will roll out gradually.



| Excited Customers | Future-proof competitiveness | Practicing Sustainability | Excellent employer |
|---|---|--|---|
| <ul style="list-style-type: none"> 1 Sustainable materials 2 Open dialog 3 Customer satisfaction 4 Customer health and safety 5 Social commitment 6 Infrastructure solutions for e-mobility | <ul style="list-style-type: none"> 7 Long-term economic stability and growth 8 Future-proof, sustainable corporate strategy 9 Affordable rents, modest prices 10 Maintenance of existing properties | <ul style="list-style-type: none"> 11 Life cycle assessment 12 Energy efficiency and GHG reduction 13 Improving resource efficiency 14 Enhancing biodiversity 15 Compliance | <ul style="list-style-type: none"> 16 Modern corporate structure and culture 17 Protecting health 18 Employee development through further training 19 Work-life balance |

Our materiality matrix: current issues prioritized by their impact on the environment, economy and society as well as their relevance for stakeholders

Progress is measured using key performance indicators which also relate to the four strategic target areas:



Open Dialog with Our Stakeholders Based on Partnership

◆ *GRI 102-13, 102-40, 102-42, 102-43 and 102-44*

Maintaining a partnership-based dialog with stakeholders is immensely important to VWI. Actively engaging with them helps the company to understand expectations, identify potential improvements at an early stage and utilize input for innovations. In addition, dialog helps to identify important issues and derive objectives and areas for action in connection with the sustainability strategy. As a provider of wide-ranging property services for the Group and one of the largest landlords of residential space in Wolfsburg, Volkswagen Immobilien has multifaceted relationships with all sorts of stakeholders who have specific interests and spheres of influence. The spectrum ranges from residential and commercial clients, our parent company the Volkswagen Group, investors and business partners to staff, policymakers, public authorities and societal groups in the various regions.

Tenants and clients

We have set out how important clients are for our company in our “VWI 2025” strategy and defined “excited customers” as a strategic target area. To find out how satisfied they are, we conduct regular surveys and maintain direct dialog via various channels, such as local customer service centers, telephone helplines and our tenant magazine. Additionally, “green” tenancy agreements strengthen the partnership between our company and its clients in the interests of sustainability. During the coronavirus pandemic, we ensured that the necessary safety and hygiene standards could be upheld during customer contact, thereby providing the highest possible level of health protection. Nevertheless, we could – and can – still be contacted by our tenants and are always on hand to help them with questions or concerns during this difficult time.



Volkswagen AG

On behalf of the Volkswagen Group, Volkswagen Immobilien offers clients a comprehensive range of services to do with residential and commercial property: from investment and concept development to construction, letting and maintenance. We are heavily integrated into the Volkswagen Group's sustainability activities and make a substantial contribution towards its targets, such as reducing CO₂ emissions as part of the decarbonization program.



We are in direct contact with the relevant Group units concerning both this topic and all other sustainability initiatives, using tools such as the digital knowledge-sharing network Group Connect and event formats such as Group summits to maintain this dialog. In addition, we contribute information to various newsletters and are present at the canteens via features on TV.

Employees

We want to be an excellent employer in order to retain staff and attract external applicants. For this reason, staff satisfaction is at the heart of our human resources strategy. Staff surveys and internal feedback processes involving managers and employees show us how we are currently performing and how we can make further improvements. Furthermore, we actively provide information for our employees via the intranet and staff meetings, which were held online in 2020 for the first time. In addition, we have established new digital communication formats for senior management. These include the Town Hall Meeting, at which the senior management team provides staff members with updates on the strategy, targets and measures as well as answering questions directly. The digitalization of our processes was also crucial in enabling us to switch to remote, flexible ways of working in response to the coronavirus pandemic and ensuring an orderly transition to working from home. It also forms an important part of our safety concept, enabling us to avoid infection risks for our staff and optimize our approach to health management.



Policymakers and public authorities

At our sites, we are involved in dialog with political actors and decision-makers at local authorities. Our company has particularly strong roots in Wolfsburg, where it carries significance and weight in the economy, policy-making and society. We support municipal interests primarily by means of our activities in the construction of new housing and modernization. For instance, we are part of the alliance "Bündnis für Wohnen und Leben in Wolfsburg" and play a major role in the city's home-building offensive, which aims to create approximately 10,000 additional residential units by 2025. At national level, we are involved in the industry associations ZIA, VdW and GdW. As a member of these bodies, we are involved in drafting statements concerning developments in policy.



Society

As one of the biggest landlords in Wolfsburg, we take responsibility for the region and support numerous activities which promote social cohesion, good health and education. For instance, we support the local open triathlon and enter staff teams into the running challenge #WAZbewegt, which raises money for social projects. In conjunction with the charity ready4work e. V., we back the creation of additional traineeships in the region and the integration of socially disadvantaged young people. On top of this, we have for many years supported the voluntary work done by Wolfsburger Tafel food bank with various initiatives and donations. While restrictions were in place due to the pandemic, we were particularly concerned with maintaining the region's cultural life. Our efforts here included working with Wolfsburg music school to organize a free open-air concert for residents of the retirement complex WIR in Fallersleben.



Together with Volksbank BraWo in Wolfsburg and several other partners, we also organized two drive-in movie nights. These were held at the site under development for the VWI project Steimker Gärten.

Business partners and investors



We have long-standing business relationships with our suppliers and service providers which are founded on trust. We also expect them to accept a high level of responsibility for sustainable behavior and to meet the required compliance, environmental and social standards. This is checked via a sustainability rating by the Volkswagen Group. On top of this, we are intensifying our regular dialog with important capital market operators, rating agencies and initiatives in the field of sustainable finance to develop and optimize our green bond activities. We share ideas with our partners at conferences and inform them about our projects and initiatives with the aid of specialist articles and our annual and sustainability reports.

Compliance and Integrity Ensure Appropriate Behavior and Responsible Business Practices

◆ *GRI 102-11, 102-17, 102-30, 205-2 to 3*

Integrity and ethical behavior are an utmost priority at Volkswagen Immobilien. The Volkswagen Group's Code of Conduct is the central means of strengthening employees' awareness of how they should behave, guide staff and direct them to people who can provide help if it is needed.

We are firmly integrated into the compliance and risk management systems of the Volkswagen Group. This means that we are subject to numerous Group guidelines, which we have implemented by means of corresponding organizational guidelines. They include:

- › dealing with gifts and avoiding conflicts of interest and corruption,
- › preventing money laundering,
- › utilizing the Volkswagen whistleblower system as a central point of contact for serious misconduct,
- › the way in which the governance and integrity, risk management, compliance and legal functions are organized

At Volkswagen Immobilien, the Chief Compliance Officer coordinates interdisciplinary collaboration between departments with the aim of recognizing and avoiding misconduct. A member of the compliance team is responsible for the area of integrity and the company's implementation of the "Together4Integrity" (T4I) program, which is a fixed part of the Group-wide integrity and compliance management system. Eleven key initiatives and more than 100 packages of measures are pooled within this overarching program to deliver on the Volkswagen Group's promise of being a role model for integrity.

T4I serves as a guiding framework for acting in compliance with regulations and the law and as an impetus for cultural changes which resonate with employees and motivate them to act with integrity. At all Group companies – including Volkswagen Immobilien – the roll-out of T4I was accompanied by a host of training and communication measures along with workshops involving staff. This process will continue until 2025.

Due to our flat hierarchies, each employee's line manager is their first point of contact if they have queries or aspects of integrity and compliance which they are unsure about. The employee representative body is also on hand to support any member of staff. Both the Chief Compliance Officer and a dedicated compliance assistant who can be contacted by email are also available to handle more in-depth questions. If employees become aware of a possible violation of the Code of Conduct or any other form of misconduct by a member of their team, they can report it – anonymously, if they wish – using the Volkswagen Group's whistleblower system.

Information is provided to our workforce by means of online compliance and integrity training, the compliance handbook, addresses by the Chief Compliance Officer, intranet posts and staff meetings. VWI employees are trained in line with Group standards and sensitized to both legal and ethical issues. All members of staff are required to obtain an anti-corruption certificate and a certificate relating to the Code of Conduct by completing the relevant training. The compulsory training courses on the Code of Conduct are refreshed every two years (indirect areas) or four years (direct areas). No anti-corruption training course was run in 2020 because Volkswagen Immobilien was classed as a low-risk company by Group Compliance and an annual course is optional, not compulsory.



Volkswagen Program
Together4Integrity

Risk Management Focusing on Prevention

◆ GRI 406-1

The lasting success of our company rests on taking a responsible approach to the risks arising from our business activities and the changing political, environmental and economic landscape. As a subsidiary of the Volkswagen Group, we are incorporated into its extensive risk management and internal control system (RMS/ICS) and covered by corresponding guidelines. We implement these requirements by means of a company directive at VWI.

Our approach to risk management focuses on ongoing process controlling. Each quarter, we check the completion of staff training on the Code of Conduct and report our findings to the Volkswagen Group. Misconduct can be reported using the established channels or identified via spot checks, which are to be conducted by Volkswagen Immobilien in the future. Five possible violations of guidelines were reported by employees and managers in the year under review. These were assessed by the Volkswagen Immobilien compliance and integrity teams, who generated recommendations, such as meetings with a manager, official warnings or additional training.

We are extending our methodology via property-specific risk analyses to further improve our internal processes. In the real estate industry, project development can take years. However, speed is of the essence when a suitable site is found. Contracts have to be negotiated quickly and compliance guidelines must be adhered to. In practice, the need to balance timing and client care on the one hand with compliance risks and due diligence on the other can lead to conflicts of aims. Based on a compliance risk analysis from 2019, we made ongoing improvements in the reporting year. These include, for example, a more precise definition of tasks and responsibilities in corporate real estate management, transparent documentation processes, the structural strengthening of compliance, the intensification of training and communication to raise staff awareness, the development of guidelines and handbooks, and specialized knowledge management.

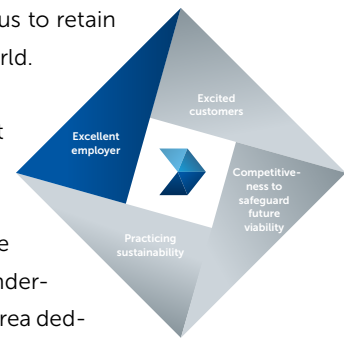
We also see it as our duty to prevent violations of human rights principles and to minimize corresponding risks. Volkswagen Immobilien is dedicated to treating people respectfully in a spirit of partnership and is committed to diversity, tolerance, equal opportunities and equal treatment. In accordance with the Code of Conduct, we do not tolerate any discrimination on the basis of ethnicity or nationality, gender, religion, world view, age, disability, sexual orientation, skin color, political affiliation, or social background. To safeguard human rights, we observe international, European and national standards and treaties along with the various charters and declarations signed by the Volkswagen Group and the European and global Group works councils. In the year under review, the Volkswagen Group defined safeguarding human rights as a key part of the Focus Area "responsibility in supply chains and business" set out in the new Sustainability Narrative. Within this context, we are forging ahead with the establishment of a business and human rights management system in all Group units that fall within the scope of compliance. Additionally, in accordance with the UN Guiding Principles, the Volkswagen Group has developed nine work priorities for "business and human rights" in the three categories of labor rights, tolerance, and safety.

Employees

Tackling New Challenges as an Excellent Employer

The knowledge, skills and engagement of our staff members lay the foundations for our success. For this reason, being an attractive employer for all staff members is extremely important to us. Keeping the promise we make to our staff as an employer is the only way to safeguard our workers' long-term commitment, satisfaction and motivation. The foundations for this are laid by an open, positive and partnership-based culture, varied career and development pathways, equal opportunities, exemplary and inspirational leadership, and a safe working environment which promotes good health. These elements help us to retain staff at Volkswagen Immobilien and to attract top talent even in a digitalized world.

Our current corporate strategy, "VWI 2025", and the strategic target area "excellent employer" are aimed at ensuring our company can adapt to challenges which are changing at an ever-increasing pace. This strategic alignment forges a link with the target dimension "excellent employer", which is also embedded in the Volkswagen Group strategy TOGETHER 2025+. In the reporting year, the Group underlined this approach with its new sustainability aspiration, which includes a Focus Area dedicated to this topic, entitled "workforce transformation". This primarily aims to safeguard staff employability and technological excellence as electric mobility and digitalization gain ground.



Our actions are always guided by clear values. The Volkswagen Group Essentials form the shared set of values for all brands and companies within the Group, including Volkswagen Immobilien. Seven simple sentences starting with "We" set out what the company stands for: "We take on responsibility for the environment and society", "We are honest and speak up when something is wrong", "We break new ground", "We live diversity", "We are proud of the work we do", "WE not me", "We keep our word".

Building on team dialog formats and a leadership convention in 2019, we have developed activities to establish these various principles at VWI. The result is a toolbox tailored to VWI which serves to translate the Group Essentials into concrete measures specifically for us and to support the teams as they implement them in their day-to-day work.

Careers and Training in an Attractive Working Environment

◆ GRI 402-2

In a constantly changing competitive environment, we, too, need to keep evolving. We will only be successful if we bring our employees on board, train them and prepare them in the best possible way for forthcoming changes, arising, for example, from the shift to mobile and flexible ways of working. We offer both applicants and employees a wide range of entry opportunities, attractive career paths and qualifications which help to ensure we remain competitive in a landscape dominated by digitalization.

The innovative roles for staff at Volkswagen Immobilien range from lettings and our estate agent service to the development, financing, realization and management of residential and commercial properties. Since August 2020, we have been training our first two apprentices in horticulture and landscaping at our own gardening unit. By offering our own apprenticeship, we are taking steps to respond to demographic change in this field, as elsewhere, and ensure that junior staff are available for our firm.

We also support the principle of cooperative education in the field of vocational training. With its high standards for skills and training and its combination of theory and practice, this approach lays the foundations for sound professional skills and excellent performance. Our trainees – who are working towards a qualification in real estate – spend time in various parts of our organization, where they have the opportunity to gain experience and apply what they have learned. Due to the coronavirus pandemic, our trainees also largely worked remotely from home during the year under review. However, they received comprehensive support from their mentors via digital formats.



Volkswagen Group Essentials:
7 simple “WE”s

Major technological shifts and societal changes call for lifelong learning and continuous professional development (CPD). Our employees and managers can access a wide range of training from the Volkswagen Group Academy, which is responsible for both training and CPD. Courses are delivered in person or online and comprise both voluntary and compulsory modules. These cover content such as the Code of Conduct and topics like “Conflict resolution”, “Processing information quickly”, “Self-management for project leads” and “Business English”.

To enhance our employees’ knowledge of environmental compliance, we developed our own training packs in 2020. These were presented to senior management and middle managers. From 2021 onward, we will train the whole workforce using a Web-based tool tailored to the Group’s needs.

In-house training by staff and external service providers extends our CPD offering as necessary. When planning and managing measures, we allocate a specific CPD budget to each member of staff. Furthermore, our employees regularly have the opportunity to discuss CPD-related issues with their managers and make their own suggestions. We also foster our employees’ creativity, knowledge and initiative by means of our ideas management program and motivate them to take responsibility for improving processes and products using this facility as well.

future-of-Work@VWI: Concepts for Tomorrow’s Working World

In response to the coronavirus pandemic, VWI expanded its remote working formats and made generous individual arrangements taking specific employees’ needs into account. By doing so, we entrusted our staff with a great deal of independent responsibility for completing their work. Our ongoing approach comprises far-reaching remote working arrangements and flexible hours, which are designed to protect staff from health risks and help them to overcome changes at home, such as looking after children. We have also made it possible for our employees to take paid leave of up to 15 days for the purpose of health-care volunteering.

At the same time, this development continues to have a huge impact on day-to-day work, collaboration and leadership for all members of staff, and it has gone hand in hand with numerous challenges. These did not just include juggling childcare and working from home or the shift in working hours. Switching to new – and in some cases unfamiliar – ways of working digitally also took some practice.

Volkswagen Immobilien did and does all it can to help its staff to adapt to remote, digital working formats. To do this, the company has ramped up digitalization in its internal communications as well as making additional hardware and communication tools available. This ensured that staff could be contacted throughout the lockdown and maintained both reliable corporate processes and ongoing operations. Customer contact also moved online, for instance for end-of-tenancy inspections. Furthermore, all decision-makers and managers endeavored to be open to employees' queries or suggested improvements at all times.



Flexible Work Concept
future-of-Work@VWI

The coronavirus pandemic acted as a catalyst, ushering in a new working world with digital, remote and flexible formats. We want to capitalize on many of the insights gained during this period and conducted a company-wide survey in the second half of 2020 with this in mind. The specially established working group future-of-work@VWI oversaw this process. The aim of the study was to evaluate employees' and managers' experiences of the novel working methods so as to draw conclusions for the future use of remote working and virtual collaboration.

A total of 234 employees (approx. 64%) took part in the survey, providing valuable input which will help to shape future working models at the company. The survey's findings will also be incorporated into a workshop to be held with staff in February 2021. The aim is to identify action areas with a view to offering more flexible working models at Volkswagen Immobilien and developing ideas for the further development of office spaces. To this end, a pilot project will be completed in 2021 to trial an innovative office and space concept and garner feedback on staff members' experiences.

We received a series of positive responses as core findings of the survey: 74% of employees feel that remote working is a good solution. 86% are content with their personal working situation or even very content (36%). Furthermore, 56% of respondents were able to press ahead with new topics and/or work creatively when working remotely. 76% of all staff members would like to work from home more frequently once the current crisis has passed. 57% of respondents stated that they had successfully juggled work and family responsibilities or achieved a work-life balance since they started working remotely due to the coronavirus restrictions.

In cases where remote working did not work well, the issues most frequently mentioned were problems with technical equipment (52%), a lack of physical closeness (53%) and less spontaneous dialog with colleagues (47%). 57% of all employees still want to have their own set workstation in the future. However, the majority are open to some degree and/or form of desk sharing.

Strengthening Diversity as a Success Factor

We firmly believe that progress, inventiveness and performance are driven primarily by diversity. This means it plays an important role in preserving and strengthening our competitiveness.

We value mixed teams of women and men, young and older people, and welcome staff with different professional backgrounds and qualifications at our company divisions. Employees are selected, hired and developed based on their qualifications and skills. We employ staff with a wide range of nationalities at Volkswagen Immobilien. Integrating and supporting people with disabilities is of particular importance to us. For instance, elevators in both buildings ensure that all of our offices are fully accessible. In 2020 we also provided a tablet for an apprentice with a physical disability to use at his vocational school. This assists him in his learning because recording data digitally is easier for him than making handwritten notes.

As one of the seven Group Essentials, the pledge “We live diversity” is an essential part of the Volkswagen Group’s DNA. The importance of equal opportunities and great diversity within the workforce is also embedded firmly in the Group strategy TOGETHER 2025+. At Volkswagen Immobilien, we have additionally made an even clearer commitment to our stakeholders to promote diversity. Signed in September 2020, the Diversity Charter is an unequivocal endorsement of respect and tolerance in the workplace which also signals how much we value each and every member of staff, regardless of their age, ethnic background or nationality, gender or gender identity, physical or mental ability, religion or world view, sexual orientation and social background.



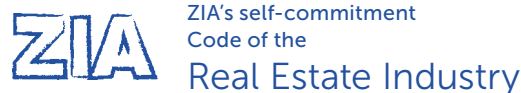
Group Strategy TOGETHER 2025+
Diversity
and Equality

Our Role Model program and other initiatives are specifically designed to promote diversity in our day-to-day work. For instance, the “Meet the Others” staff to discuss projects more with other participants than they might ordinarily. This allows groups who are otherwise underrepresented in the team to be incorporated, enabling prejudices to be broken down.

As a subsidiary of the Volkswagen Group, we follow its Code of Conduct and offer equal opportunities for all. We do not discriminate against anyone or tolerate discrimination of any kind. The Group guideline “HR Compliance” sets out minimum standards for fostering and safeguarding diversity and equal opportunities long-term. They are largely based on the Group Essentials. Each company is required to have at least one contact person who can provide information about diversity and equal opportunities for managers and staff. This also applies to Volkswagen Immobilien.

We appointed a permanent diversity manager (Director of HR, Organizational Matters and Legal) in 2019 and have had an additional two diversity managers at our company since 2020 (Head of Property Management and Head of Finance & IT). Together, the three departmental heads are responsible for this field. They have already received appropriate training on the Group-wide sensitization program, “Diversity Wins @Volkswagen”. The aim of the training is to enable managers to recognize new perspectives and skills within their teams, thereby fostering more efficient, innovative collaboration. Interactive exercises and the joint development of measures motivate them to integrate inclusive behavior into day-to-day management. The program was rolled out throughout Volkswagen Immobilien as planned in 2020.

In addition to this, we are seeing a lively discussion about diversity within our industry and will be guided by the outcome of this. This includes, for example, the approval of a code for the real estate industry by the ZIA, which is intended to provide an operational framework on diversity for property companies.



Dialog and Feedback for Staff Satisfaction

◆ GRI 402-1

We regularly analyze how staff, managers and applicants perceive us as an employer. This helps us to understand what makes Volkswagen Immobilien attractive (from an internal and external perspective), relevant (candidates' preferences) and special (compared to its competitors). We now also use Kununu, the workplace review platform, to do this.

Staff satisfaction – and therefore the status of internal employer attractiveness – is measured at all companies in the Volkswagen Group each year using the “Stimmungsbarometer” (mood barometer) staff survey. The results of this survey are used to identify room for improvement and to deliver insights to managers concerning action that needs to be taken at their organizational units. In 2020, the outcome was better than in the previous year: Volkswagen Immobilien's overall score in the “Stimmungsbarometer” index for staff satisfaction increased by 2.7 percentage points to 80.9%. 76% of the VWI workforce completed the survey, representing a slight fall on 2019 (81%). Using defined follow-up processes, managers take suitable steps in dialog with their staff, supported by the “Stimmungsbarometer” Group team. In the year under review, the main focal areas identified for VWI were changes and development opportunities for staff.



Survey “Stimmungsbarometer”:
80,9% Satisfaction


Being open to dialog and fostering a strong feedback culture are important to us as this enables our employees to become actively involved in processes and ensures that their views and criticisms are heard. At Volkswagen Immobilien, we maintain regular interaction between line managers and their teams, e.g. via staff appraisals and team or departmental meetings. Special dialogs focusing on our feedback culture are also held twice a year with departmental heads and senior management.

All employees are given prompt, comprehensive information on overarching issues at staff meetings. On top of this, the senior management team uses digital Town Hall Meetings as a direct and bidirectional means of communication. We use our own intranet at VWI to give our staff daily updates on company issues and regularly provide background reports and information on staffing changes. In 2020, the focus here was on issues and arrangements associated with the coronavirus situation. Along with staff information channels specific to Volkswagen Immobilien, the principles of the Volkswagen Group's Charter on Labor Relations also apply. This gives employee representatives extended information, consultation and co-determination rights.

Fostering Work-Life Balance

◆ GRI 401-1 and 401-3

As part of our efforts to be an attractive employer, we are closely examining forward-looking forms of work organization and developing new working-hour models which cater for workers' desire for greater flexibility. By doing so, we want to make it easier for our staff to balance their personal and professional lives and, for instance, meet the needs of groups such as young parents, lone parents and family carers. To do this, we have taken steps enabling us to offer some staff flexitime, remote working and working from home. These models have been expanded to the greatest possible extent in response to the coronavirus situation.

Our company has also opted in to certain arrangements offered by the Volkswagen Group which allow staff to take a leave of absence for training purposes or for family reasons, forgo some of their salary in exchange for time off, or take early retirement.  > [CHAPTER "EMPLOYEE TRANSFORMATION"](#)


In 2019, we were once again awarded the "FaMi" badge for family-friendly companies by the industry-wide association Frau & Wirtschaft Lüneburg-Uelzen. We see this as confirmation that we are on the right track. A score of 87% indicates that we offer attractive conditions which help employees to achieve a work-life balance.

We intend to apply for this accolade again in 2022 as we see efforts to facilitate a work-life balance as a crucial success factor for our attractiveness as an employer, which we want to enhance further.



Family-Friendly Company
87 % achieved

Occupational Safety and Health Protection Measures for Decisive Coronavirus Response in the Pandemic

Volkswagen Immobilien reacted to the spread of the virus at an early stage and took wide-ranging steps to minimize the infection risk for staff, clients, and business partners. An internal steering committee for health protection was quickly established, which acts as a crisis response team. This is comprised of members of senior management, representatives of the HR and occupational safety departments, and members of the works council.  > [CHAPTER „SUSTAINABLE REAL ESTATE MANAGEMENT“](#)

Their most important first steps included establishing a central, transparent channel of communication with members of staff. Online formats were adopted for the work done by all relevant bodies, the various departments, and internal communications by senior management. This ensured a seamless flow of information concerning all processes and meetings. Furthermore, a COVID-19 information page was set up on the intranet. The senior management team also provided regular information by email with the "Corona Update" newsletter and set up a virtual dialog forum called "Corona – GF im Dialog" to respond to staff questions quickly and directly. At the same time, special briefings were conducted concerning the health measures and additional protective equipment was procured, such as disinfectant and masks.

We have put safety concepts in place at the buildings to support physical distancing. These include partitions made at our own carpentry workshops. Furthermore, the maximum number of people permitted in each room was defined and a system of staggered attendance was put in place for staff. The most important elements of the safety concept included quickly switching to working from home. These models were also utilized in subsequent phases of the pandemic.

At times, it was necessary to ban employees from traveling to work on public transport to prevent infection. Staff living in high-risk areas were also temporarily prohibited from attending their workplace in person.

We liaised closely with the Volkswagen Group's occupational safety and health departments in Wolfsburg on all matters relating to the pandemic response. This allowed us to access the Group's knowledge database as well as enabling us to adopt the raft of measures developed by the Group for the return to work following the first lockdown and adapt it to VWI's needs. Prior to this, the company executives and Group works council established clear rules to protect staff in a dedicated internal agreement. The associated catalog of measures covers approximately 100 topic areas and provides clear guidance for all company units. Additionally, we arranged for VWI employees to have access to the COVID-19 test centers set up by the Group. All of these measures were also maintained during the second lockdown in the final quarter of the reporting year and adjusted to the changed circumstances.

Efficient, Innovative Health Management

◆ GRI 403-1 to 7

As well as averting specific risks like coronavirus, our holistic approach to health management aims to ensure that as many employees as possible are healthy when they reach retirement age. To help staff cope with stresses and strains associated with work, we see protecting and preserving health as a self-evident social obligation and an expression of our corporate culture. More than that, though, it is also immensely important in the context of our HR strategy.

A Group guideline provides uniform information about who is responsible for health care and occupational safety at all companies within the Group. We have taken up these specifications and incorporated them into a company guideline for Volkswagen Immobilien. Our approach here is based on the Volkswagen Group's occupational safety policy. We have established a corresponding organizational structure with defined remits and responsibilities. As well as having a head of health care and occupational safety, we fulfill our legal obligations by appointing a safety officer, having a cross-structural occupational safety committee, and designating an occupational safety officer. The occupational safety committee is the highest occupational safety body. It is responsible for defining targets and measures along with submitting recommendations to senior management. The works council represents the employees with its seat on the occupational safety committee.



Other key requirements for systematic health and safety management include conducting risk assessments for each workplace. We are currently working on introducing a system-supported means of recording risk assessments with a central data storage facility. In connection with the risk assessments, hazards should be identified at an early stage and briefings conducted to help reduce workplace accidents and work-related illnesses. There is a greater risk of injuries and illnesses for depot and gardening staff because their jobs entail heavy physical work and the use of machinery.

We constantly strive to improve working conditions for our staff. For instance, we provide every employee with a height-adjustable desk for ergonomic working. This allows them to sit dynamically and serves to reduce musculoskeletal problems.

Additionally, we regularly inform our staff about aspects of health protection and occupational safety as well as offering them training and precautionary examinations. Volkswagen AG's expertise and health professionals help us with our compulsory and optional precautionary examinations.



Employee Services:
Tailored Health Promotion

We register and report every accident at work. In addition, we calculate the amount of lost time and the percentage of the workforce and working time affected. In 2020, we registered five notifiable workplace accidents. This was the same number as in the previous year (2019: five notifiable workplace accidents). We analyze the causes of each accident in detail and take steps to prevent them in the future.

We also fulfill our responsibilities as an operator and client. We often work with specialist firms on newbuild, modernization and maintenance projects, so we demand a high level of occupational safety from the external contractors we hire. As part of these efforts, we appoint a health and safety coordinator for work at construction sites, as required by law. They use specifications developed by VWI which set out how the collaboration will be documented, how information about risks on each side will be shared and how safety measures will be put in place. In accordance with this, the contractor undertakes to inform its staff about the risks and agreed safety precautions before they start work and to provide the same information to any subcontractors it hires. We reserve the right to monitor compliance with the requirements.

A standard Group process has been introduced at Volkswagen to ensure that information about serious or fatal accidents involving employees or staff from partner companies is disseminated throughout the company. This ensures that specific steps can be taken at all sites to prevent similar accidents.

Accidents are not the only adverse event which our health management system sets out to prevent. With the option of regular medical check-ups, we offer staff a free, comprehensive, preventive service. Tailored health promotion measures are presented to employees at an appointment to discuss the results of the check-up. Our employees value the high diagnostic quality and the broad range of prevention and training programs we offer. These include an ongoing partnership with Injoy gym and supporting our company running group with their preparations for events, such as a half-marathon.

With our health calendar, we have a budget to invite speakers from the health sector. In the reporting year, they spoke about topics such as flu immunization, healthy eating, strengthening the immune system, how to practice yoga, and dealing with the challenges posed by remote working. Members of staff also have the opportunity to submit their own suggestions for promoting good health during regular discussions with line managers.

Sustainable Property Management

The Foundations: BLUE LIVING as a Holistic Approach to Sustainability

We want to create attractive and sustainable housing, living environments and workspace and reduce our properties' carbon emissions in line with the targets we have set ourselves. To ensure strict compliance, Volkswagen Immobilien has adopted its own sustainability standard for newbuilds which is based on externally established energy efficiency standards and certification requirements for sustainable buildings. At the same time, we are refurbishing our existing properties to make them more energy-efficient and updating them to offer our clients modern levels of comfort and cost-effectiveness. In our view, a sustainable construction and modernization concept also includes the use of environmentally friendly, long-lasting and recyclable materials. Here and throughout the supply chain, we rely primarily on a partnership with our suppliers and service providers. In particular, we count on them to deliver on sustainability and want to avoid risks from the outset by putting in place transparent processes and clear requirements.

We have been implementing our holistic sustainability concept BLUE LIVING consistently since 2019. With our BLUE family of brands, which has been registered with the German Patent and Trade Mark Office (BLUE BUILDING, BLUE FINANCE and BLUE LEASE), we are gearing all stages of a property's life cycle towards sustainability aspects – from construction and financing to use and disposal. This makes Volkswagen Immobilien a pioneer in the real estate industry. At the same time, our efforts here support implementation of the "goTOzero" mission statement, which has been adopted throughout the Volkswagen Group.

Our approach centers on the key objectives of energy efficiency, environmental awareness, cost-effectiveness and user-friendliness. First, our construction standard BLUE BUILDING fulfills the criteria for efficient energy use: this makes the primary energy demand – and therefore the energy costs – some 45% lower than in a comparable conventional newbuild. Carbon emissions are also much lower as a result. Second, the development meets the highest economic, ecological and social requirements for sustainable planning and management.

We see responsible financing as a natural part of any sustainability concept – this is backed by our BLUE FINANCE concept. Our tenancy agreements feature an additional clause (BLUE LEASE) which leads to a shared understanding of sustainability. Tenants benefit from tips and suggestions on sustainable living and agree to make sustainable choices themselves.



Lower energy costs



Pollutant-free building products



Optimal indoor air climate



Low maintenance costs



Increased sound insulation



Increased housing security



High quality outdoor facilities



Barrier-free buildings

The Planning Phase: Low-Impact and Far-Sighted

Resource-Efficient Usage of Materials

◆ GRI 301-1

The real estate industry has a responsibility to develop building concepts in a resource-efficient, forward-looking way in order to reduce the usage of materials and land and to enable it to respond flexibly to changing needs. A functional, flexible choice of construction and the use of secondary raw materials – such as recycled ones – can significantly limit the flows of materials in a building's overall balance, from construction and use to dismantling. This reduces the environmental impact and material costs.

As per the DGNB requirements, Volkswagen Immobilien will appraise, optimize and document the materials usage of future construction projects with the aid of a project-specific environmental footprint assessment. This environmental footprint assessment will allow us to quantify the global environmental impact of our properties and define optimization targets. With it, we undertake to integrate the environmental impact into our building concepts as a decision-making criterion alongside design considerations and economic aspects.

A material-efficient building structure and a high degree of flexibility are already key factors for us so that we can adapt the portfolio to changing usage requirements without undertaking major construction work, dismantling structures or constructing newbuilds. The circular economy will also become more important in the planning and realization of structures in the future.

Both resource efficiency and the environmentally and socially responsible sourcing of raw materials are prime considerations for us. For that reason, we only use FSC- or PEFC-certified timber for wooden structures and products which carry the CE label for constructions made from natural stone.

New Work – Tailoring Offerings to Specific Groups' Needs

The coronavirus pandemic has significantly accelerated change in the working world. Virtual communication and models for remote, flexible working from home or elsewhere have almost become standard at many companies and institutions. This calls for new solutions in the real estate industry – and therefore also from us. With working from home on the rise, we are today seeing greater demand for corresponding facilities in apartments along with high-performance internet connections. We have already initiated a project to improve the Wi-Fi network at shared apartments. With this in mind, we are planning a customer survey for 2021 to align our offerings at both newbuilds and existing properties with current requirements. At present, we believe that our temporary living formats – shared apartments and SPLACE – have the greatest potential in this regard.

Looking ahead, the creation of a new working world with innovative concepts for remote, flexible, digitally focused processes is also a key issue for many employers and users of commercial properties. There is a growing need here for differentiated office solutions and space concepts with state-of-the-art digital infrastructure to simplify agile working. These include, for example, desk-sharing models and project or meeting rooms which

are specially designed to accommodate a combination of in-person and remote participants. We are also responding to these changed customer requirements and have already rolled out a pilot project in Wolfsburg to trial an innovative office space development.

Paying Attention to Senior Citizens' Needs and Accessibility

◆ GRI 203-1, 413-1

Many older people want to live independently in their own home for as long as possible. Accessibility is a fundamental prerequisite here. This means constructing buildings without thresholds or steps, equipping stairs with special safety features, and making controls easily accessible, for instance.

Ensuring that both buildings and outdoor spaces are accessible is a firmly embedded component of our BLUE BUILDING guidelines, which incorporate corresponding DGNB criteria. Examples of projects include extensive elevator renovations to provide barrier-free access to the apartments and creating step-free exits onto balconies and terraces. Furthermore, we are constructing ramps for buildings with raised doorways and dropping entrance steps to sidewalk level.

Our modernization work to enhance convenience and accessibility focuses primarily on ground-floor apartments. Where possible, we are fitting these with showers instead of bathtubs, wider doors and a raised toilet, positioning sockets next to doorways at the same height as light switches, and making it possible to install a washing machine inside the apartment, instead of in the basement.

We strive to collaborate closely with the city of Wolfsburg in our efforts to provide senior-friendly housing and open up individual support and options for smaller-scale alterations for residents.

Volkswagen Immobilien offers assisted living in various forms. We operate the retirement complex WIR (Wohnen im Ruhestand) in Wolfsburg-Fallerleben in conjunction with the German Red Cross. It offers 88 apartments which are tailored to the needs of older people. Residents can also utilize a wide range of services, such as an internal emergency alarm system, general psychosocial advice and health support, organized leisure activities and cultural events, or communal areas. The complex also includes a care home for senior citizens in need of additional assistance.



WIR: Retirement Complex
88 tailored
apartments

Sustainable Approach to Supplier Management

◆ GRI 102-9, 308-2, 414-2

We recognize that much of our environmental and social impact results from upstream processes which do not form a direct part of our business activities. Our sustainability performance therefore also depends heavily on our suppliers, service providers, advisers and construction companies. Effectively involving these groups is the only way to ensure sustainability throughout the value chain.

Our approach to awarding corresponding contracts is closely linked with the Volkswagen Group's processes and in line with its stipulations. The Group takes a three-pronged approach to the establishment of sustainable supply chains (prevent, detect, react). Focal areas include decarbonization, human rights, the responsible sourcing of raw materials, and anti-corruption.

The "Volkswagen requirements for sustainability in relations with business partners" (Code of Conduct for Business Partners) play a key role in our supplier management process. It sets out how business partners are expected to behave with regard to crucial environmental, social and compliance standards and forms part of a binding contract. The requirements are based on recommendations including the OECD Guidelines for Multinational Enterprises, the UN Guiding Principles on Business and Human Rights and the relevant Conventions of the International Labor Organization (ILO). However, the Code of Conduct is not just aligned with international standards: it also rests on the objectives, rules and guidelines of the Volkswagen Group. All suppliers to the Volkswagen Group must complete a questionnaire to assess their sustainability performance. This obligatory self-disclosure covers the issues of sustainability management, the environment, human rights and working conditions, ethics and compliance, and the responsible sourcing of raw materials. The requirements are contractually binding and apply to all suppliers to the Volkswagen Group, regardless of the products or services they provide.

A Group-wide sustainability rating (S rating) has been introduced as a key means of risk prevention. It is due to be implemented in full by the end of 2021. This examines suppliers' sustainability performance and highlights opportunities for ongoing improvement. The Volkswagen Group uses risk-based, in-depth supplier audits to identify possible misconduct and requires business partners to make corresponding improvements.  > **CHAPTER "SUPPLY CHAIN"** As a rule, no contracts are placed with suppliers who do not meet the requirements. At Volkswagen Immobilien, the S rating rules apply to contracts worth €15,000 or more. Even before potential service providers and suppliers are hired, the Group procurement team conducts integrity checks of business associates, known as business partner due diligence (BPDD). This assessment is completed as part of a risk-based, transparent process which is documented carefully. With its BPDD tool, the Group uses an application which takes a risk-based approach to checking whether existing and potential new, direct business partners act with integrity and whether their business activities comply with all relevant legislation, regulations and requirements.



Volkswagen Group's Due Diligence:
S Rating Rules Apply

Responsibility during the Coronavirus Pandemic

We believe we have a special responsibility to protect the health and safety of our business partners and their workers as part of our working relationship with them. For this reason, we switched to online formats for a number of planned in-person meetings, such as site meetings, during the pandemic. Planning partners and construction companies were notified of the applicable safety measures at building sites, including information provided by BG Bau, the professional association for the real estate industry. Access to clean water was also ensured at building sites in the interests of good hand hygiene.

Realization: BLUE BUILDING

◆ GRI 302-4, CRE8






Sustainability Standard with Clear Stipulations

Our BLUE BUILDING sustainability standard focuses on the construction of new residential and commercial properties and thereby creates a crucial prerequisite for the sustainable life cycle of buildings. BLUE BUILDING goes far beyond the legal requirements and is based on sound science and tried and tested in practice. It also follows the methodology used for recognized property certification systems. The criteria at its heart are efficient energy usage and other stringent economic, ecological and social requirements for sustainable planning and management. Adherence to the KfW 55 energy efficiency standard and DGNB Gold certification are required as a minimum.

Compliance with this standard is compulsory for all planned newbuild projects at Volkswagen Immobilien and is ensured via a detailed list of specifications. This is set out in an internal BLUE BUILDING company directive. An energy efficiency expert (KfW auditor) and our internally qualified DGNB auditors must be involved in the realization of newbuild projects to ensure that they meet the KfW criteria for financial assistance and successfully pass the DGNB conformity assessment.

The most important element of this BLUE BUILDING concept is a low primary energy demand. The less power a building needs, the lower its CO₂ emissions and energy costs. Planned buildings must comply with the KfW Efficiency House 55 standard. The KfW has developed various standards which are used to determine the level of financial support which refurbishment and construction projects can receive. A KfW 55 building has an

BLUE BUILDING = KfW 55 energy efficiency standard plus "DGNB Gold" standard

| | | |
|--|--|--|
|  energy efficient | CO₂ reduction / energy efficiency > Energy efficiency standard KfW 55 > CO ₂ reduction (energy) | Energy standard KfW 55 > 45 % Primary energy > 25 % CO ₂ emission |
|  environmentally conscious | Protection of natural resources > Drinking water consumption and waste water > Responsible material procurement | Protection of the ecosystem > Surface sealing / natural microclimate > Promotion of biodiversity > Life cycle assessment / CO ₂ reduction (buildings) > Low-emission building > Sustainable construction process > Immission control |
|  economic | Reduction of life cycle costs > Life cycle costs (LCC) > Maintenance-friendly building construction and TGA > Area efficiency > Easy to clean | Capital / value retention > Flexibility and third-party usability > Marketability |
|  user-oriented | Health, safety, comfort > Room air quality > Thermal comfort > Visual comfort > Sound insulation > Security > Quality of stay | Functionality > Barrier-free accessibility > Mobility Design / urban development quality > Urban integration |
|  Catalogue of requirements / minimum technical requirements Specifications BLUE BUILDING = Basis for certification "DGNB Gold" | | |

BLUE BUILDING Standard: Assessment System and Requirements

annual primary energy demand which is 45% lower than that of a comparable newbuild which complies with the requirements of the German Energy Saving Ordinance (EnEV). For a KfW Efficiency House 55 to meet the required standards, various steps are taken during construction which enable the property to use less energy. These include optimum insulation in the external walls and roof along with an energy-efficient supply of heat and electricity.

However, our approach to sustainability goes far beyond the aspects of energy efficiency and carbon reduction by including additional environmental, economic and social criteria. We follow the guidance provided by the DGNB here. The DGNB system does not assess individual measures. Instead, it looks at the overall performance of a building using criteria relating to environmental quality, economic quality, sociocultural and functional quality, technical quality, process quality and site quality. Projects which perform exceptionally well in these areas are pre-certified or awarded Platinum, Gold or Silver certification. Existing properties may qualify for Bronze. Buildings with a total performance index of at least 65% are awarded DGNB Gold certification, which we have chosen as the basis for the BLUE BUILDING standard.

Since we launched the standard in 2019, all residential and commercial newbuild projects at Volkswagen Immobilien have complied with the BLUE BUILDING criteria.

Climate Protection and Energy Efficiency Further Optimized

We have defined climate pathways for both of our divisions which set out how our carbon footprint can be reduced further. This included completing a technical analysis of the status quo for residential buildings together with the Technische Universität Braunschweig in connection with the production of energy performance certificates. From 2021 onwards, this assessment will be used to help us identify how we can make improvements. Furthermore, we will examine whether we should forge ahead with implementation of a photovoltaic strategy with corresponding pilot projects. In the commercial sector, an environmental footprint assessment is currently being completed to quantify the carbon footprint of operating and constructing buildings. Means of optimizing this are also being scrutinized in preparation for decision-making.

At the same time, we are continuously modernizing our existing residential portfolio of approximately 9,500 units. This brings our properties' energy performance up to date and also makes our residential districts more attractive. We also improve energy efficiency by switching to LED lamps when lighting needs to be replaced in the public parts of our properties.

We plan to revise and implement the BLUE BUILDING standard for modernization projects as well.

Biodiversity in Our Residential Areas

◆ GRI 304-2, 304-3

Biodiversity safeguards the basis of our existence: healthy food, clean water, fertile soil and a balanced climate. Plants in and around buildings and a respectful approach to animals also make for positive perceptions of a residential district and contribute towards a property being viewed as higher-quality. It is therefore very important to Volkswagen Immobilien to foster the establishment, preservation or broadening of biodiversity immediately around its buildings or in adjacent outside spaces.

We have also embedded this principle in our BLUE BUILDING concept: to reduce the negative effects of land use, we have set ourselves the goal of landscaping at least 30% of our property sites. We ensure that the plants chosen are suitable for the site and easy to look after. At least four indigenous plant species are selected. We strive to avoid the spread of invasive plant species by observing the DGNB blacklist. Furthermore, we take steps to promote biodiversity such as installing nesting boxes and establishing bee-friendly meadows.

We develop our strategies and measures with the support of the Volkswagen Group's biodiversity experts and in conjunction with specialists from the Heinz-Sielmann-Stiftung, who are helping us to draw up a biodiversity mission statement for existing properties and newbuilds. The final report on this subject was submitted to us in the first quarter of 2021.



Existing and new properties:
Biodiversity Mission Statement

The Steimker Gärten development in particular is ideally suited to the creation of seminatural spaces. There are sizable open spaces with retention ponds bordering on woodland and fields, small to medium-sized green spaces alongside or between the building complexes, marginal areas by roads and parking spaces, plantings at tree bases, roofs and façades, and access routes such as roads, parking spaces and paths with permeable surfacing. Volkswagen Immobilien is working with the Heinz-Sielmann-Stiftung here as well. The foundation provided initial advice on the potential and opportunities for the seminatural landscaping of the development.

Outdoor spaces at our existing properties, for example in the Wellekamp estate, have been renewed with an eye on biodiversity. This work included incorporating rainwater drainage systems, grass pavers, plantings, and preserving walls, hedges, and large existing trees. Relevant bodies, such as the local conservation authority or the Wolfsburg environment agency, are also involved in these projects.

In the reporting year, Volkswagen Immobilien also supported a project initiated by Volksbank Braunschweig Wolfsburg in connection with the United Kids Foundations network to reforest woodland in the Harz Mountains. VWI was the first company to donate a sum of €2,500 to this sustainable initiative. This amount is equivalent to 500 new trees. The project came about because the wooded areas in southern Lower Saxony have faced substantial problems over the past three years. The Harz Mountains have been particularly hard hit with their extensive spruce forests. To mark the 15th anniversary of the children's organization, the bank donated 15,000 deciduous trees, which will be planted in part of a 30-hectare area of destroyed woodland in the Harz Mountains.

Funding: BLUE FINANCE

To date, the real estate industry has placed its sustainability focus on the construction, operation and disposal of property. Little attention has so far been paid to “green” or sustainable finance. However, the financial sector has a key role to play in sustainable development. This role calls for “patient” capital with a long-term investment horizon.

With this in mind, we see finance as a natural part of any sustainability concept and want to use “green capital” for “green assets”. At the same time, we want to meet our binding 2025 target of reducing carbon emissions for all new and existing residential and commercial buildings by at least 35% based on intensity, using the 2015 figures as a baseline, and to achieve this in a comprehensible, measurable way.

Leading the Way with Green Bonds

As a subsidiary of Volkswagen AG, Volkswagen Immobilien is the first firm in the German real-estate sector – and therefore the first company in the Volkswagen Group – to offer green bonds in the form of borrower’s note loans and registered bonds. We have adopted new and innovative approaches in the selection and assessment of projects and defined criteria which are easy for investors, issuers and other stakeholders to understand. By doing so, we have assumed a pioneering role in the real estate industry, which earned us the renowned Immobilienmanager Award in 2019.



Innovation awarded:
im award 2019

Our long-term objective is to establish Volkswagen Immobilien on the capital market as a sustainable investor and green issuer. Green bonds show the capital market how sustainable a company’s operations really are, which concrete environmental measures the organization has taken and what the impact of these steps is. All of this is disclosed in the compulsory green bond report, which we are publishing this year for the second time as part of our sustainability report.

Another aim of the green bond program is to diversify our investor base and tap a new source of finance. Discussions with traditional green bond investors highlighted the need for an easy-to-understand, transparent standard for all capital market players, especially with regard to determining “greenness”. In response, we worked hard to set a corresponding standard which complies with the EU Sustainability Taxonomy and will remain valid throughout the term of our bonds.

Two-Tier Process Launched

With that in mind, we decided to utilize a two-tier process, of which the first step is the ESG rating. We believe that green bonds should only be issued by companies which truly act sustainably and have established a corresponding sustainability governance system within their organization. In 2020, we successfully confirmed our Prime ISS ESG rating. This means that, over the past three years, Volkswagen Immobilien has succeeded in becoming a



ESG Rating “PRIME”:
No. 2 Worldwide
No. 1 in Germany

global benchmark for sustainable real estate companies and achieving a top position nationally at the same time. Within the ISS ESG rating, we are the most sustainable property company in Germany. At global level, VWI ranks second in its sector (as of 6/3/2020).

Secondly, we followed and implemented the ICMA⁵ Green Bond Principles and the guidelines issued by the Climate Bonds Initiative. To assist with the selection and assessment of projects, we hired an external, independent energy consultant (Drees & Sommer) who analyzed the energy efficiency of the existing properties in Germany in the usage categories of residential, office space and logistics. With this assessment by Drees & Sommer, we created a data basis which did not previously exist in this form. Based on this data, Volkswagen Immobilien supported the Climate Bonds Initiative in its efforts to establish a globally valid standard for residential properties and for green bonds to finance energy-efficient housing in Germany.

Property Selection Based on “Green” Criteria

It is important to us that our properties are among the most energy-efficient in their market throughout the term of the bond and we realize that CO₂ targets are likely to become more and more stringent from year to year.

We use a matrix based on the EnEV standard and usage type for the property selection criteria. This means we are extremely transparent vis-à-vis investors and future issuers. Using this matrix, we have grouped our existing properties into a “green” and a “non-green” portfolio. The bonds serve solely to finance and refinance our “green” portfolio.

As an external review, we deliberately chose to seek a second-party opinion from ISS ESG and certification by the Climate Bonds Initiative to underline the credibility of our approach as a debut issuer.

⁵) International Capital Market Association

The Usage Phase: BLUE LEASE

◆ CRE1

In the life cycle of a building, the usage phase offers the greatest potential for cost reductions, but also for resource efficiency and climate protection. For that reason, VWI believes it is particularly important to encourage its tenants to conserve resources as much as possible when they utilize the apartments and buildings. So-called "green" tenancy agreements are considered a key means of doing this in the property sector. In them, both parties agree to use and/or manage the building sustainably. The advantages of such agreements include lower costs thanks to resource-efficient behavior, reductions in emissions, water and energy usage, less waste, living conditions which promote good health, enhanced transparency and trust between the two parties, and more attractive properties if sustainability-oriented measures pave the way for corresponding certification.

In the commercial sector, the majority of our tenants are certified in line with DIN 14 001 (environmental management) and/or DIN 50 001 (energy management). This means that our clients have undertaken to align their processes with environmentally conscious, climate-neutral and eco-friendly principles and to have compliance with these audited. We succeeded in rounding out our product range by introducing "green" tenancy agreements with corresponding criteria for resource-efficient behavior in the commercial sector back in 2018.

In the housing segment, we are piloting "green" tenancy agreements with associated additional clauses in connection with our Weidenplan newbuild project at Steimker Gärten. The agreements are based on the recommendations of the association ZIA e. V.

Tenants benefit from tips and suggestions on sustainable living and agree to make environmentally friendly choices themselves. These include, for example, airing their apartment correctly, traveling by public transport or bicycle, reducing waste and sorting garbage. There is a special focus on conserving resources such as energy and water and reducing emissions.

Examples of our activities include using green power for the property's common areas, as we do for our whole residential portfolio, and we are also planning to install photovoltaic cells on the buildings' roofs. Tenants agree to consider using green electricity when they choose their own provider as well. We equip the rental property and its outside spaces with energy-saving light bulbs and switchable sockets. Tenants agree to consider energy efficiency when choosing new electrical appliances, if this is technically and financially viable.

With triple glazing and optimum thermal insulation compliant with the KfW 55 standard, the property needs much less heating energy than conventional dwellings. To reduce water use, Volkswagen Immobilien installs toilet cisterns with a water-saving button and taps with aerators as standard. Here, too, tenants agree to act responsibly so as to avoid using water unnecessarily.

To date, we have received very positive customer feedback on this annex to the tenancy agreement in discussions with prospective tenants. In the year under review, its usage was expanded to all newbuild projects entering the letting phase, i.e. the Wellekamp, PromenadenCarré and Lindenhöfe 1 developments. The annex to the tenancy agreement was tailored to the specifics of each project



User's Commitment:
"Green" Agreements

Customer Focus as a Success Factor

“Excited customers” are a key element of our corporate strategy. Customer satisfaction is crucial in ensuring our commercial success and our future viability as a property company. We want to offer our clients attractive, environmentally sound, and safe housing and living space. With this in mind, we invest in both the quality of our apartments, buildings and complexes as well as in our services.

Regular surveys and direct dialog with our clients provide feedback on our efforts. We also take responsibility for social balance within the residential neighborhoods and in the city of Wolfsburg. It is particularly important to us to bring our tenants on board as partners for a more sustainable world. With BLUE LEASE, we enter into joint agreements which aim to make it easier for them to conserve resources as much as possible in their use of the apartments and buildings.

High Customer Satisfaction at All Levels

Fairness, transparency and engagement are the most important principles in our dealings with clients – from allocating apartments to fulfilling tenants’ wishes and supporting neighborhood initiatives. Within the company, the Customer Service Department for Housing has overall responsibility for client satisfaction and quality management. VWI operates a customer service center in Wolfsburg’s Poststrasse and temporary local facility managers’ offices in Detmerode, Fallersleben, Westhagen, Teichbreite and Steimker Gärten. Our customer service team can be contacted easily over the telephone, by post or online and takes care of issues raised by tenants quickly. Clients can always count on a named contact person. In addition, our tenant newsletter “Zuhause” provides information about offerings and developments at our residential districts.

Volkswagen Immobilien regularly conducts tenant surveys to find out how satisfied our clients are with their apartments and our services. Around half of tenants participated in the most recent survey in fall 2019. They had the option of responding in writing or online. All responses were anonymized so that completed questionnaires could not be associated with a specific individual. The questions focused on two areas. One was customer service, including staff contactability and demeanor, the approach to defects, or safety and cleanliness in the residential district. The second was satisfaction with the apartment’s condition and fixtures and the appearance of the building and outside spaces.

Excellent Results in Customer Surveys

All in all, the tenants were very positive about Volkswagen Immobilien: overall satisfaction stood at 95.3%, representing an increase on the 93.5% recorded in the 2016 survey. This meant we achieved our strategic target of customer satisfaction exceeding 90%. Furthermore, 88.9% would recommend their housing development and 96.4% would recommend VWI as a landlord. There were clear improvements compared to 2016 in the contactability of the right staff member (+7.7%), the condition of the apartment (+7.1%) and the planting of green spaces (+6.9%). Satisfaction was lower in relation to the appearance of the foyer (–3.3%), waste disposal (–3.5%) and the cleanliness of the bin store (–1.1%).



Tenant's Survey
95.3 % Satisfaction

In a nationwide comparison, Volkswagen Immobilien achieved the highest recommendation rating of all the respondent private property companies with its score of 96.4% in this survey. To mark this achievement, the company was awarded the "Kundenkristall" award at a ceremony in Hamburg in early 2020.

We have defined a clear process for dealing with the outcome of tenant surveys. This entails our staff performing a concrete analysis of the results, paying particular attention to changes since the last tenant survey. Following on from the analysis, we identified approximately 100 individual measures and input them into an IT tool which will monitor their implementation. Our tenants also receive regular updates on the progress and outcomes of these measures.

As well as conducting a regular, company-wide tenant survey, we use specific tools to measure our customers' satisfaction in certain phases and service segments. For instance, we ask residential tenants to complete a brief online survey for new customers approximately six weeks after they move into their apartment. The responses are assessed and used to bring about improvements in areas such as service, the letting process or specific issues relating to newbuild projects. Residents of our SPLACE apartments are given the opportunity to take part in a customer survey four weeks after moving in or out. This feedback helps us to improve processes and services and to enhance our offerings.

In the year under review, our SPLACE Certified Serviced Apartments were rated "very good", scoring 1,969 out of a possible 2,500 points. Within this scheme operated by the VDR (Verband Deutsches Reise- und Eventmanagement e. V.), certification is awarded by travel and event managers. Special requirements for business clients are used as assessment criteria. Extensive, neutral-party checks of the accommodation are conducted, which result in an objective certificate containing reliable, detailed information about the hotels, apartments and venues assessed.



Splace Business Apartments
VDR "very good"

In the commercial property sector too, we are striving to make client satisfaction more measurable and to develop and implement improvements in dialog with our customers. To this end, we rolled out a dedicated process in 2019 after holding a number of internal workshops. Due to the specific features of the individual properties in the various regions, we are not using client surveys aimed at quantification. Instead, we are using one-to-one, personal dialog. An interview guide was developed with this in mind, which focuses on the client's satisfaction with the property's condition, the status of maintenance work, desired improvements and the quality of their contact with VWI. Our staff prepare thoroughly for these meetings and the responses are analyzed in a structured fashion. Due to coronavirus restrictions, it was not possible to implement this process of customer dialog as planned in the 2020 reporting year.

Prioritizing Safe, Healthy Living

Tenants' safety and security are also part of offering high-quality housing and quality of life in our districts. We therefore stipulate clear criteria when we plan newbuild and modernization work. Two Volkswagen Immobilien residential developments were awarded the "Lower Saxony Seal of Quality for Secure Living" in 2019: the "Wohnen am Glockenberg" project and the "Drömlingshöhe" residential district.

The seal of quality is awarded for technical and objective security precautions along with aspects relating to the subjective, perceived sense of security. These include fostering functioning neighborhoods, the design and cleanliness of indoor and outdoor spaces, and incorporating access and links to amenities and local transport. Volkswagen Immobilien intends to put forward a number of its other residential developments for this award in 2021 and 2022.

Protecting our tenants from health risks is particularly important to us. To do this, we comply with the relevant specifications set out in our BLUE BUILDING concept and DGNB certification, such as those relating to internal air quality, thermal well-being and sound insulation.

We have specific processes which set out the steps we take to safeguard health and safety when we modernize our apartments. These include removing defunct water pipes, fitting fire protection collars in false ceilings, checking for asbestos and removing it professionally, installing soundproof windows in properties on busy roads, and fitting doors complying with the "Climate Class 3" standard in ground-floor apartments to protect against cold and noise. Buildings with significant mold problems are prioritized for refurbishment work. Tradespeople involved in modernization work are also obliged to keep the front doors of apartments closed, minimize dust and observe quiet hours.

In response to the coronavirus pandemic, we extended our safety concept to business operations and customer contact. [📄 > CHAPTER „SUSTAINABILITY / EMPLOYEES“](#) Customer contact as a whole was scaled back, with offices even closing at times. During the periods when restrictions were eased, we put hygiene and safety measures in place whenever customer contact was urgently needed. Tenants were also required to take these precautions. To reduce the risk of infection, we temporarily limited maintenance work to unoccupied apartments and outdoor spaces.

User-Friendly, Forward-Looking Mobility Solutions

Volkswagen Immobilien sees good transport links and sustainable mobility concepts as a crucial element of its quality offering and therefore a factor in higher customer satisfaction. Accordingly, providing a mobility infrastructure is an important aspect of the BLUE BUILDING standard and a compulsory part of all newbuild projects.

We ensure that all of our apartments in Wolfsburg have links to the public transport network. The new Steimker Gärten development will be accessible quickly and easily using the planned "Alternative Green Route" in the future. This allows people to travel to the center of Wolfsburg or to work on public transport without sitting in congestion thanks to a separate lane. Furthermore, there are plans to use electric buses and Volkswagen's fully autonomous SEDRIC vehicle. Car and bike sharing models will also be available for residents of Steimker Gärten.

In the commercial sector, access to an existing transport infrastructure plays a role in the selection of sites. At present, we offer approximately 50 electric vehicle (EV) charging points at our commercial properties. Discussions are currently under way with the Volkswagen Group concerning the prioritization of projects and additional requirements here. In addition, we have had an EV charging station in Wolfsburg since 2017, offering

charging points for the general public. On top of all this, we are in the process of constructing 100 charging points for existing apartments in Wolfsburg. If there is sufficient demand, we offer to construct a bike shed at ground level for tenants at any of our apartments. This allows them to park bicycles securely for a modest fee. We are in close contact with the ZIA and GdW associations to develop a mobility strategy for our whole residential division.

Fairness and Social Responsibility in Wolfsburg

VWI is dedicated to being an innovative, fair landlord and offers affordable housing for its target groups. We develop and realize a wide range of newbuild projects and support for our hometown of Wolfsburg by offering moderate rental rates. This is illustrated by the fact that some 74% of our apartments fall within the socially ethical category, with net basic rents of €7.00 per square meter. VWI has been an active member of the alliance “Bündnis für Wohnen und Leben in Wolfsburg” right from the start. In connection with this, it has adopted a strategic approach endorsed by all members of the alliance to primarily construct high-end apartments to meet the additional demand for quality housing and ease the housing market. At the same time, however, social housing will account for 25% of the units in phase two of the Steimker Gärten project.

Whenever we undertake modernization work, we ensure that a socially ethical approach is taken and observe our principles of social letting: When increasing the rent for existing properties, we are guided by the rate of inflation as per the consumer price index and always make individual arrangements for those facing financial hardship.

For our existing properties, we are increasingly working with waiting lists instead of allowing tenants to make private arrangements to pass on apartments when they move out. This makes the letting process fairer. Our tenant selection process gives equal weight to standard considerations – such as income, employment status, credit score or length of time on the waiting list – for all applicants. Customer data such as nationality or gender is used for the purpose of contract formation, but such details are not criteria for the allocation of housing. We also take specific circumstances into account to enable us to react to particularly urgent applications, for example. Throughout the letting process, we strictly observe Germany’s General Act on Equal Treatment (Allgemeines Gleichbehandlungsgesetz).

When we renew outdoor spaces and residential properties which are subject to a historical preservation order, we foster a close, trust-based working relationship with the relevant regional authorities and ensure that we comply with the appropriate specifications.

Proactively Boosting Resource Efficiency

Electricity from Renewables

The electricity for our common areas is 100% renewable energy, consisting of Volkswagen Naturstrom® supplied by VW Kraftwerk GmbH. This is green power certified by TÜV from hydroelectric plants operated by the Viennese energy supplier Verbund AG in Germany, France, Switzerland and Austria. A guarantee of origin is entered in the register held by the German Environment Agency (UBA). Verbund AG has been collaborating with VW Kraftwerk GmbH since 2011; the partnership was recently extended until 2025.

Heating Energy

We give preference to low-carbon heating systems for our portfolio and use district heating whenever possible. In the residential division, our coverage for district heating now stands at nearly 100%. This is supplied via systems belonging to the Volkswagen Group. These are now operated using gas turbines, which has significantly improved their energy efficiency. In the commercial sector, we are focusing on the use of low-temperature systems to incorporate renewable energies via heat pumps wherever we do not have access to environmentally friendly district heating.

Smart Meters for Optimization

Installing suitable smart meters will enable us to monitor usage at the properties in our portfolio in real time and consequently tap new potential savings. In 2019, we decided to roll out smart meters at all our commercial properties from 2020 onward. By doing so, we want to gain a deeper insight into the buildings' performance in relation to both internal and external factors such as climate fluctuations, occupation and power loads. At the same time, this step helps us to identify how we can move closer to the targets pertaining to buildings set out in the German government's Climate Action Plan. The plan states that the primary energy demand must be reduced to just under 40 kWh/m² (2008: 227 kWh/m²) for residential buildings and around 52 kWh/m² (2008: 265 kWh/m²) for non-residential buildings by 2050. As we have not yet been authorized by all property users to install smart meter technology, it was not possible to realize the project in the year under review.

The majority of energy consumed by our portfolio of residential properties is used by our tenants. At 127 kWh/m² per annum, we are well below the average usage figures for Germany's housing stock, according to studies by ENTRANZE (-24%) and DENA, the German Energy Agency (-32%).

All of our residential properties are connected to the city of Wolfsburg's district heating network, which has a positive effect on carbon emissions. Due to the high energy standard of our housing, at 88 kWh/m² the average heating energy used is also well below the average German figure of 137 kWh/m² (-36% compared to ENTRANZE).



Average Energy Consumption
at Residentials

127 kWh/m²
-32% acc. to DENA

Annual energy consumption at our self-occupied office properties stands at 105 kWh/m². Heating accounts for 47% of this, while electricity makes up the remaining 53%. Compared with the average total consumption of existing office space in Germany, our figures are likewise much lower than those quoted in the studies by

ENTRANZE (–38%) and DENA (–25%). Our self-occupied offices are also connected to Wolfsburg’s district heating network and display a high level of energy efficiency. This enables us to post a figure which is 70% lower than the average heating energy consumption reported for office space in Germany by ENTRANZE.



Average Energy Consumption at Offices
105 kWh/m²
 –38% acc. to ENTRANZE

Ensuring Cost-Effective, Eco-Conscious Water Usage

◆ GRI 306-2

The real estate industry faces various challenges with regard to the use of water. On one hand, the use of land and soil sealing prevent rainwater from seeping away and disrupt the soil’s natural water balance. On the other hand, as well as protecting the ecosystem, there are financial considerations associated with the responsible use of freshwater and the reduction of wastewater as simple structural measures to save water and limit wastewater can reduce operating costs during the building’s useful life.

At buildings, much of the need for freshwater can be reduced by using water-saving fittings (flow limiters, toilets with a flush-stop feature) or substituting it with unpolluted rainwater or gray water (car washes, irrigation). This is kinder to the environment because less water is extracted and less wastewater is produced. It can also cut costs.

Volkswagen Immobilien does not operate in areas with high water stress. Nevertheless, for its building projects – in addition to the use of water-saving fittings – our company requires a report examining the use of rainwater/gray water for the site’s irrigation and the use of process water (e.g. for car washes). Rainwater should largely seep away at the site to prevent it from entering the wastewater drains. In some residential areas, such as Wellekamp, we have dug drainage ditches to optimize rainwater seepage.



Water Consumption
 at Residential Properties
1,060 l/m²
 Water Consumption
 at Commercial Properties
17.6 l/employee

In 2020, our residential properties used a total of 677,937 m³ of water or 1,060 l/m² per annum. Water consumption at our commercial properties averaged 6.3 m³ a day in 2020. Measured per employee or per job, the daily water usage stood at 17.6 m³ per capita or 15.9 m³ per job.

The End-of-Life Phase: Consciously Returning Materials to the Circular Economy

In accordance with the Volkswagen Group's "goTOZero" mission statement and its stronger focus on the circular economy in the context of sustainability, Volkswagen Immobilien is also paying closer attention to the end-of-life phase of buildings. We have already put a number of individual measures and concepts in place which are geared towards specific building types, sites and usage profiles. This means focusing on sortable, recyclable solutions even in the early stage of planning, such as selecting curtain wall façades which allow the load-bearing structure, insulation and cladding to be sorted into separate materials.

For residential properties, we also use mineral wool insulation wherever possible as it has a longer lifespan than other materials. We use products made from recycled materials for certain projects, such as paving stones at Steimker Gärten. Historic materials such as natural stone walls and cobbles are reused for buildings subject to a preservation order.

For commercial newbuilds, Volkswagen Immobilien uses an environmental footprint assessment, an environmental product declaration and a recovery analysis to establish a reliable set of data enabling it to record the quantities of materials used for construction and return them to the materials cycle at the end of the building's useful life.

Furthermore, our BLUE BUILDING standard and the DGNB certification contain clear specifications regarding the conservation of resources. These include minimizing construction site waste, separating it into separate materials and documenting it. Commercial newbuilds are also assessed for their convertibility for alternative use along with their potential for recovery and recycling. In the future, we will pay even closer attention to the DGNB criterion "Ease of recovery and recycling" when planning newbuilds.

BLUE LIVING

GREEN BOND REPORT 2020



Letter from the Green Bond Department

Dear investors and stakeholders,

Sustainable finance and sustainable financial market policymaking are important means of supporting the shift towards climate neutrality in the real economy. According to the German government's Climate Action Program 2030 for implementation of the Climate Action Plan 2050, sustainable finance means taking sustainability aspects (ESG criteria) into account when making decisions about financing.

In Germany, real estate accounts for around a third of total CO₂ emissions, with buildings being directly responsible for 14% of the CO₂ emissions. By 2030, buildings may not emit more than 72 million tonnes of CO₂. This is equivalent to a decrease of 39% compared with 2018. In order to achieve these ambitious targets, additional, effective measures are needed to steer investments in the buildings sector. Green bonds are a suitable way of funding these investments.

In May 2018, Volkswagen Immobilien GmbH became the first German real estate company to launch a green bond program. It has successfully placed two transactions to date. The innovative approach to project selection and appraisal was commended with the Immobilienmanager Award in the "Financing" category in February 2019.

With a volume of over €226 billion in 2020 and a forecast total volume of €337 billion in 2021, the steep upward trend in the green bond market continues. We expect more German real estate companies to share in this success in the future.

Our third green bond report contains information about our activities, allocation and the impact of our measures.

We hope you enjoy reading it.

Sandra Dieckmann, Melanie Linke, and Tobias Beinlich

Overview

Our green bond portfolio is worth approximately €640 million – based on internal and external market value reports – and comprises 16 commercial properties: 5 logistics properties, 4 office properties, 7 industrial properties and 3043 residential units. Of the 3043 residential units, 582 are new builds and 2461 are refurbished dwellings. As per the selection criteria for our green bond framework, 70,5% properties conform to the German Energy Saving Ordinance (EnEV) and the refurbished properties (29,5%) comply with energy efficiency classes A+, A or B.

The BLUE BUILDING standard is met by 582 residential units. Apart from a logistics center in Slovakia, our properties are in Germany. All of our green commercial properties in Germany are in Lower Saxony, while the green residential portfolio is located in Wolfsburg for historical reasons.

| | Breakdown by usage type | Breakdown by market value |
|--------------|-------------------------|---------------------------|
| Logistics | 5 | 27.60 % |
| Office Space | 4 | 15.10 % |
| Residential | 3,043 | 52.50 % |
| Industry | 7 | 4.80 % |
| Total | 3,059 | 100.00 % |

| | Breakdown by usage type | | Breakdown by market value |
|-----------------------|-------------------------|--------------|---------------------------|
| | Commercial | Residential | |
| Refurbished portfolio | 0 | 2,461 | 29.50 % |
| EnEV 2009 | 12 | 94 | 26.40 % |
| EnEV 2014 | 4 | 130 | 28.90 % |
| EnEV 2016 | 0 | 358 | 15.20 % |
| Total | 16 | 3,043 | 100.00 % |

Allocation Report

Portfolio Allocation

Based on internal and external market values, the value of our green properties stands at €639.5 million. This is offset by allocated finance totaling €252 million, with our green bonds making up €167 million of this. The green assets are offset by unallocated liabilities of €387.3 million.

Allocation: As of December 31, 2020

| Assets | | Liabilities | |
|---------------------------|-------------------------|--|-------------------------|
| Green assets (fair value) | 639,532,000.00 € | Allocated to mortgage loans | 40,385,000.00 € |
| | | Allocated to KfW loans | 44,805,000.00 € |
| | | Allocated to green BNL/RB ¹ | 167,000,000.00 € |
| | | Unallocated amount of green assets | 387,342,000.00 € |
| Total green assets | 639,532,000.00 € | Total max. green funding | 639,532,000.00 € |

¹⁾ Borrower's note loans/registered bonds

Impact Report

Reduction in CO₂ Emissions

Calculating the difference between the final energy performance figures for our portfolio based on their energy certificates (housing: energy used; commercial properties: energy needed) and the ENTRANZE study and "Average EU building heat load for HVAC³" results in savings of 30 million kWh.

On the basis of the selected emission factors, our properties cause CO₂ emissions of 8,083 tonnes. The underlying reference figures assume CO₂ emissions of 18,598 tonnes. This results in savings of 10,515 tonnes of CO₂ for 2020. Broken down by usage type, this equates to 8,208 tonnes for residential, 771 tonnes for office space, 1,394 tonnes for logistics and 141 tonnes for industrial properties

³) Heating, ventilation and air conditioning

Energy savings

| | Final energy consumption of the portfolio (kWh) | Final energy consumption by ref. figure (kWh) | Final energy savings (kWh) | Final energy savings (%) |
|--------------|---|---|----------------------------|--------------------------|
| Logistics | 14,953,150 | 19,186,860 | 4,233,710 | 22.1% |
| Office space | 3,754,480 | 5,985,594 | 2,231,114 | 37.3% |
| Residential | 12,983,117 | 36,069,450 | 23,086,333 | 64.0% |
| Industry | 702,237 | 1,159,398 | 457,161 | 39.4% |
| Total | 32,392,984 | 62,401,302 | 30,008,318 | 48.1% |

Savings of CO₂

| | CO ₂ emissions by our portfolio | CO ₂ emissions by reference figure | CO ₂ emission savings | CO ₂ emission savings (%) |
|--------------|--|---|----------------------------------|--------------------------------------|
| Logistics | 3,773 | 5,167 | 1,394 | 27.0% |
| Office space | 841 | 1,612 | 771 | 47.9% |
| Residential | 3,298 | 11,506 | 8,208 | 71.3% |
| Industry | 171 | 312 | 141 | 45.1% |
| Total | 8,083 | 18,598 | 10,515 | 56.5% |

Average weighted energy performance figure kWh/m²a

| Logistics | Office space | Residential | Industry |
|-----------|--------------|-------------|----------|
| 85.73 | 106.76 | 60.29 | 149.00 |

“Greenness” of the Portfolio

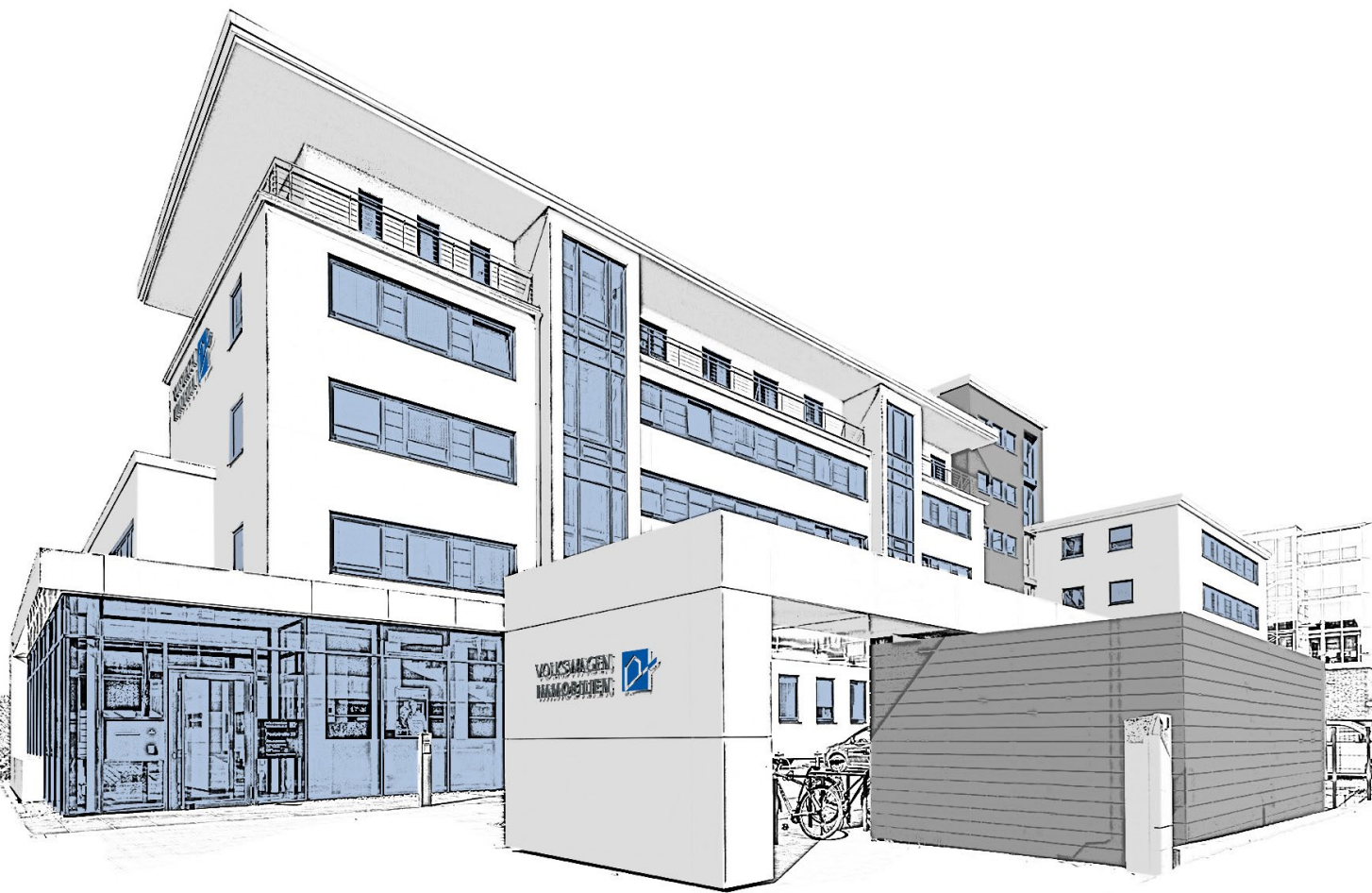
To self-assess our portfolio, we calculated the average weighted final energy performance figure in kWh/m²a. The result for the residential area was a figure of 60,29 kWh/m²a, while the logistics and office space sectors stood at 85,73 kWh/m²a and 106,76 kWh/m²a, respectively.

A comparison with our framework criteria shows that each figure is well below our selection criteria. This means that our portfolio is very green and also ensures that our properties will be among the most energy-efficient in Germany’s building stock throughout the long term of our bonds.

Based on our actual CO₂ emissions, the savings total around 3,500 tonnes compared to our framework.

BLUE LIVING

APPENDIX



About this Report

◆ *GRI 102-49 to 102-52, 102-54, 102-56*

With this report, Volkswagen Immobilien GmbH is informing its stakeholders about its sustainability activities for the fourth consecutive year. It is based on the "VWI 2025" corporate strategy with its four central strategic target areas and the identification of key sustainability issues via a materiality analysis which was updated in 2019.

The reporting period was January 1 to December 31, 2020. The editorial deadline was April 10, 2021. The report was published in German and English on the company's website www.vwimmobilien.de/nachhaltigkeit on April 22, 2021. It will continue to be published annually in the future.

This sustainability report was produced based on the GRI Standards (Core option). Furthermore, we were guided by the relevant GRI sector supplements, "G4 Construction and Real Estate Sector Disclosures" (CRE). A table with all relevant key performance indicators in the context of sustainability reporting by Volkswagen Immobilien forms part of the report (p. 57). This sustainability report is not subject to a separate external audit.

A system of references and corresponding symbols helps readers to navigate within the report, access relevant sections of the Volkswagen Group's sustainability report and use external sources of information.

KPI Tables

Employees

| Workforce | | GRI 102-8 | |
|--|------|-------------------------------|--------|
| | Unit | 2020 | 2019 |
| Total number of employees (temporary and permanent) | | 357 | 357 |
| Female | | 166 | 171 |
| Male | | 191 | 186 |
| Total number of permanent employees | | 355 | 351 |
| Female | | 165 | 167 |
| Male | | 190 | 184 |
| Total number of temporary employees | | 2 | 6 |
| Female | | 1 | 4 |
| Male | | 1 | 2 |
| Total number of part-time employees | | 57 | 45 |
| Female | | 56 | 43 |
| Male | | 1 | 2 |
| Total number in passive phased retirement | | 14 | 11 |
| Female | | 4 | 3 |
| Male | | 10 | 8 |
| Total number of apprentices | | 10 | 9 |
| Female | | 7 | 6 |
| Male | | 3 | 3 |
| New hires and staff turnover | | GRI 401-1 | |
| Total number of new employees | | 8 | 22 |
| Female | | 3 | 10 |
| Male | | 5 | 12 |
| Total staff turnover | | 9 | 11 |
| Female | | 3 | 3 |
| Male | | 6 | 8 |
| Staff turnover rate | % | 2.52 % | 3.08 % |
| Female | % | 1.81 % | 1.75 % |
| Male | % | 3.14 % | 4.30 % |
| Parental leave | | GRI 401-3 | |
| Total number of employees who have taken parental leave | | 34 | 35 |
| Female | | 24 | 21 |
| Male | | 10 | 14 |
| Total number of employees who returned to work in the reporting period at the end of their parental leave | | 23 | 19 |
| Female | | 13 | 5 |
| Male | | 10 | 14 |
| Occupational safety | | GRI 403-1, 403-8, CRE6 | |
| Total number of employees (direct workers, temporary and permanent) | | 357 | 357 |
| Workers covered by an occupational health and safety management system | % | 100 | 100 |
| Workers covered by an occupational health and safety management system which has undergone an internal audit | % | 100 | 100 |
| Workers covered by an occupational health and safety management system which has undergone an external audit | % | 100 | 100 |
| Continuing professional development | | GRI 404-2 | |
| Percentage of employees with a regular performance review, per year | % | 100 % | 100 % |
| Female | % | 100 % | 100 % |
| Male | % | 100 % | 100 % |
| Number of apprentices | | 10 | 10 |
| Female | | 7 | 8 |
| Male | | 3 | 2 |

Employees

| Diversity of governance bodies | | GRI 405-1 | |
|---|------|--------------|-------------------|
| | Unit | 2020 | 2019 ¹ |
| Female | % | 9.1 | 11.1 |
| Age <30 | % | 0.0 | 0.0 |
| Age 30–50 | % | 0.0 | 100.0 |
| Age >50 | % | 100.0 | 0.0 |
| Male | % | 90.9 | 88.9 |
| Age <30 | % | 0.0 | 0.0 |
| Age 30–50 | % | 70.0 | 75.0 |
| Age >50 | % | 30.0 | 25.0 |
| Diversity and age breakdown among employees | | GRI 405-1 | |
| Female employees | % | 48.70 | 47.90 |
| Age <30 | % | 14.90 | 14.60 |
| Age 30–50 | % | 66.70 | 69.00 |
| Age >50 | % | 18.40 | 16.40 |
| Male employees | % | 51.30 | 52.10 |
| Age <30 | % | 5.40 | 4.30 |
| Age 30–50 | % | 66.70 | 72.00 |
| Age >50 | % | 27.90 | 23.70 |
| Total number of incidents of discrimination | | GRI 406-1 | |
| | | 0 | 0 |

¹ 2019 values have been revised afterwards.

Environment²

| Portfolio overview | | | |
|--|----------------|---------|---------|
| | Unit | 2020 | 2019 |
| Number of residential properties | | 9,486 | 9,334 |
| Total area of residential properties | m ² | 639,316 | 626,000 |
| Number of commercial properties ³ | | 98 | 98 |
| Total area of commercial properties ⁴ | m ² | 465,532 | 465,532 |

² The method used to calculate environmental KPIs was changed in the 2020 reporting year.

³ The values reported here differ from those reported in the annual report due to the values here being derived from the number of buildings. The values listed in the annual report, however, relate to the number of rental agreements.

⁴ The area for 2019 was subsequently restated.

| Energy | | GRI 302-1 | |
|---|------------|-------------------|-------------------|
| | Unit | 2020 | 2019 |
| Own energy consumption by Volkswagen Immobilien⁵ | kWh | 1,002,888 | 955,139 |
| Heating energy | kWh | 619,520 | 581,200 |
| Electricity | kWh | 383,368 | 373,939 |
| Total energy consumption at residential properties⁶ | kWh | 81,343,247 | 81,390,843 |
| Heating energy | kWh | 56,705,377 | 57,390,000 |
| Landlord-to-tenant electricity | kWh | 22,979,959 | 22,356,070 |
| Electricity for common areas | kWh | 1,657,911 | 1,644,773 |
| Total energy consumption at commercial properties⁷ | kWh | 95,107,165 | 78,326,702 |
| Heating energy | kWh | 53,413,930 | 44,399,948 |
| Of which district heating | kWh | 35,392,225 | 40,097,476 |
| Of which natural gas | kWh | 11,055,026 | 4,302,472 |
| Of which heating oil | kWh | 6,966,679 | 0 |
| Electricity | kWh | 41,693,235 | 33,926,753 |

⁵ The figures for properties utilized by Volkswagen Immobilien were calculated on the basis of actual consumption data (99.7%) and energy used (0.3%). Changes since 2019 resulted from the addition of two service companies.

⁶ The coverage for landlord-to-tenant electricity is approx. 95%, while the figure stands at 100% for heating energy and electricity for common areas. The data is taken from consumption figures provided by the local energy supplier LSW. The figures for new properties were calculated on the basis of energy needed.

⁷ The consumption figures for 2019 do not include data for the spaces utilized by MAN. In 2020, these figures were estimated using a worst-case scenario and included. Coverage was almost 100% in 2020. The figures were calculated with the aid of the energy used and energy needed (for properties let to Volkswagen Group companies) as stated on the relevant certificates. Data from the following sources was used: actual consumption 7–14%, energy used 48–70%, energy needed 8–26%, estimates 8–18%.

Environment

| Carbon footprint by energy source (market-based approach) in t CO ₂ e | | GRI 302-2, 305-1 to 3, 305-5 | | |
|--|------------------------------|------------------------------|--------------|--|
| | 2020 Not climate-adjusted | 2019 Not climate-adjusted | Change | |
| Total emissions⁸ | 29,120.4 | 27,909.5 | 4% | |
| Of which VWI's own emissions | 694.3 | 701.3 | -1% | |
| Of which residential properties | 14,442.9 | 14,978.8 | -4% | |
| Of which commercial properties | 13,983.2 | 12,229.4 | 14% | |
| Total Scope 1 emissions | 4,208.3 | 1,918.1 | 119% | |
| Motor fuels (fleet) ⁹ | 110.1 | 154.1 | -29% | |
| Of which VWI's own emissions | 110.1 | 154.1 | -29% | |
| Heating oil | 1,870.0 | - | | |
| Of which commercial properties | 1,870.0 | - | | |
| Natural gas | 2,228.2 | 1,764.0 | -26% | |
| Of which commercial properties | 2,228.2 | 1,764.0 | -26% | |
| Total Scope 2 emissions | 18,908.7 | 25,595.9 | -26% | |
| Electricity ¹⁰ | 0 | 0 | | |
| Of which VWI's own emissions | 0 | 0 | | |
| Of which residential properties | 0 | 0 | | |
| District heating ¹¹ | 18,908.7 | 25,595.9 | -26% | |
| Of which VWI's own emissions | 126.3 | 151.7 | -17% | |
| Of which residential properties | 11,564.5 | 14,978.8 | -23% | |
| Of which commercial properties | 7,217.9 | 10,465.4 | -31% | |
| Total Scope 3 emissions | 6,003.5 | 395.5 | 1418% | |
| Fuel and energy-related activities ¹¹ | 5,608.3 | - | | |
| Of which VWI's own emissions | 62.8 | - | | |
| Of which residential properties | 2,878.4 | - | | |
| Of which commercial properties | 2,667.1 | - | | |
| Printing ¹² | 1.1 | 1.5 | -26% | |
| Of which VWI's own emissions | 1.1 | 1.5 | -26% | |
| Business travel ¹³ | 394.0 | 394.0 | 0% | |
| Of which VWI's own emissions | 394.0 | 394.0 | 0% | |

⁸⁾ Unless stated otherwise, emissions were calculated on the basis of GEMIS 5.

⁹⁾ Emissions from company cars made available to an employee for private use were not recorded.

¹⁰⁾ Since Jan. 1, 2019, Naturstrom® electricity with an emission factor of 0 kg CO₂/kWh has been used at the properties utilized by VWI. Naturstrom® electricity with an emission factor of 0 kg CO₂/kWh is used for the fleet charging points. Since Jan. 1, 2019, Naturstrom® electricity with an emission factor of 0 kg CO₂/kWh has been used for common areas at the residential properties.

¹¹⁾ The LSW emission factor (0.261 kg CO₂/kWh) was used in 2019 for the district heating sourced, 100% of which was reported within Scope 2. In 2020, the emission factor as per GEMIS 5 (0.254 kg CO₂/kWh) was used, with 80% recorded within Scope 2 and 20% reported as part of the fuel and energy-related activities in Scope 3.

¹²⁾ The emissions stated were estimated as follows: 1 sheet of paper corresponds to 2 g CO₂ and 0.2 l of water, cf. the following sources:
<https://www.papiernetz.de/informationen/nachhaltigkeitsrechner/>
http://www.papiernetz.de/wp-content/uploads/ifeu-studie_langfassung.pdf
<https://www.umweltbundesamt.de/papier-druckerzeugnisse#vorteile-von-recyclingpapieren>.

¹³⁾ Emissions from business travel are calculated generically based on a worst-case figure from the automotive industry (t CO₂/employee).

VWI landlord-to-tenant electricity

| | Unit | 2020 | 2019 | Veränderung |
|---------------------------|-------------------|----------|-----------|----------------|
| Commercial ¹⁴ | t CO ₂ | 9,297.59 | 11,636.88 | -20.10% |
| Residential ¹⁵ | t CO ₂ | 6,572.27 | 7,668.11 | -14.29% |

¹⁴⁾ The supply of electricity to the commercial properties is organized by the tenants, most of whom use VW Kraftwerk GmbH. To calculate emissions, the emission factor of 0.223 kg CO₂/kWh quoted by VW Kraftwerk GmbH was used for 2020. In 2019, the emission factor of 0.343 kg CO₂/kWh provided by LSW was used.

¹⁵⁾ The tenants source their electricity from LSW, with the emission factor of 0.343 kg CO₂/kWh for 2019 and 0.286 kg CO₂/kWh for 2020.

Environment

| Water | GRI 303-1 to 5 | | | |
|--|----------------|---------|---------|-------------|
| | Unit | 2020 | 2019 | Veränderung |
| Total water usage, Volkswagen Immobilien ¹⁶ | m ³ | 1,389 | 1,081 | 28.49% |
| Total water usage, residential properties | m ³ | 677,937 | 649,963 | 4.30% |

¹⁶⁾ Water usage for the properties utilized by VW Immobilien rose in 2020 due to the addition of two service companies and the depot. No data was available for the properties in 2019.

| Waste ¹⁷ | GRI 306-2 | | |
|---|----------------|--------|--------|
| | Unit | 2020 | 2019 |
| Volume of non-recyclable waste, Volkswagen Immobilien ¹⁸ | m ³ | 267 | 267 |
| Total volume of waste, residential properties ¹⁹ | m ³ | 50,869 | 50,869 |
| Recycling rate for waste from residential properties ²⁰ | % | 49 | 49 |
| Total waste, commercial properties ¹⁸ | m ³ | 4,098 | 4,098 |

¹⁷⁾ The volume of waste is consistently quoted in m³. This figure is derived from the number of containers provided, their volume and the frequency with which they are emptied.

¹⁸⁾ Only includes non-recyclable waste.

¹⁹⁾ Includes non-recyclable waste, organic waste and paper.

²⁰⁾ Organic waste and paper are recycled.

Other KPIs

| Financial KPIs | | | |
|--|-----------|--------|--------|
| | Unit | 2020 | 2019 |
| Share of property sales revenue (absolute) | € million | 150.15 | 166.04 |
| Green assets | | | |
| Of which BLUE BUILDINGS | € million | 42.22 | 39.17 |
| Of which BLUE LEASES (20) | € million | 4.46 | 3.14 |
| Share of property sales revenue (relative) | € million | 12.22 | 5.04 |
| Green assets | | | |
| Of which BLUE BUILDINGS | % | 28.12 | 26.09 |
| Of which BLUE LEASES ²¹ | % | 2.97 | 2.09 |
| Return on sales revenue before taxes | % | 8.14 | 3.35 |
| Balance sheet total | % | 20.60 | 18.00 |
| Donations to political parties | € million | 870.52 | 879.95 |

²¹⁾ We have been promoting the resource-efficient usage of properties via our BLUE LEASE program since 2019.

| Vetting of suppliers ²² : (based on percentage of sales revenue for main suppliers) | | | |
|--|------|------|------|
| | Unit | 2020 | 2019 |
| Percentage of suppliers whose environmental credentials were vetted | % | > 65 | 65 |

²²⁾ In relation to total sales, over 65% of our suppliers have a certified environmental management system in accordance with ISO 14001 and / or EMAS. Data from the Volkswagen Group's procurement organization.

GRI Index

◆ GRI 102-55

| GRI Standard | GRI Standard | Disclosure | Pages | Explanation or Omission |
|---|--------------|--|-------|---|
| General Disclosures | | | | |
| GRI 102: General Disclosures | | | | |
| | 101 | Foundation 2016 | | |
| | 102 | General Disclosures 2016 | | |
| | 102-1 | Name of the organization | 8 | |
| | 102-2 | Activities, brands, products and services | 8 | |
| | 102-3 | Location of headquarters | 8 | |
| | 102-4 | Location of operations | 8 | |
| | 102-5 | Ownership and legal form | 8 | |
| | 102-6 | Markets served | 8 | |
| | 102-7 | Scale of the organization | 8 | |
| | 102-8 | Information on employees and other workers | 57 | No breakdown showing employees and other workers (level of detail not material). See also the Volkswagen Immobilien Diversity Charter (https://www.vwimmobilien.de/unternehmen/presse/news/newsroom/show/volkswagen-immobilien-unterzeichnet-charta-der-vielfalt.html) |
| | 102-9 | Supply chain | 34 | See also the Volkswagen Group Sustainability Report 2020, pp. 10–11. |
| | 102-10 | Significant changes to the organization and its supply chain | | There were no significant changes in the organization and supply chain of Volkswagen Immobilien in the 2020 reporting year. Changes at Group level are disclosed in the Group Annual Report 2020: Basis of consolidation. |
| | 102-11 | Precautionary Principle or approach | 20 | See also the Volkswagen Group Annual Report 2020: Report on Risks and Opportunities. |
| | 102-12 | External initiatives | 14 | |
| | 102-13 | Membership of associations | 18 | |
| | 102-14 | Statement from senior decision-maker | 3 | |
| | 102-15 | Key impacts, risks, and opportunities | 3, 10 | |
| | 102-16 | Values, principles, standards, and norms of behavior | | See the Volkswagen Immobilien values (https://www.vwimmobilien.de/unternehmen/unternehmen/nachhaltigkeit.html). See also the Volkswagen Group values, Sustainability Model (www.volkswagenag.com/de/sustainability/policy.html) |
| | 102-17 | Mechanisms for advice and concerns about ethics | 20 | See also the Volkswagen Group Sustainability Report 2020, pp. 33–39. |
| | 102-18 | Governance structure | 16 | |
| | 102-40 | List of stakeholder groups | 18 | |
| | 102-41 | Collective bargaining agreements | | See also the Volkswagen Group Sustainability Report 2020, pp. 72–73. |
| | 102-42 | Identifying and selecting stakeholders | 18 | See also the Volkswagen Group Sustainability Report 2020, pp. 21–23. |
| | 102-43 | Approach to stakeholder engagement | 18 | See also the Volkswagen Group Sustainability Report 2020, p. 22. |
| | 102-44 | Key topics and concerns raised | 18 | See also stakeholder expectations (www.volkswagenag.com/de/sustainability/reporting.html). |
| | 102-45 | Entities included in the consolidated financial statements | | See the Volkswagen Group Annual Report 2020: Basis of consolidation. |
| | 102-46 | Defining report content and topic boundaries | 17 | |
| | 102-47 | List of material topics | 17 | |
| | 102-48 | Restatements of information | | Any restatements of information are clearly indicated by means of footnotes. |
| | 102-49 | Changes in reporting | 56 | |
| | 102-50 | Reporting period | 56 | |
| | 102-51 | Date of most recent report | 56 | |
| | 102-52 | Reporting cycle | 56 | |
| | 102-53 | Contact point for questions regarding the report | 65 | |
| | 102-54 | Claims of reporting in accordance with the GRI Standards | 56 | |
| | 102-55 | GRI content index | 61 | |
| | 102-56 | External assurance | 56 | |
| Economic Performance | | | | |
| GRI 103: Management approach | | | | |
| | 103-1 | Explanation of the material topic and its Boundary | 9 | |
| | 103-2 | The management approach and its components | 9 | |
| | 103-3 | Evaluation of the management approach | 9 | |
| GRI 201: Economic Performance 2016 | | | | |
| | 201-2 | Financial implications and other risks and opportunities due to climate change | 11 | |

| GRI Standard | GRI Standard | Disclosure | Pages | Explanation or Omission |
|---|--------------|--|-------|--|
| Indirect Economic Impacts | | | | |
| GRI 103: Management approach | 103-1 | Explanation of the material topic and its Boundary | 10 | See also the Volkswagen Group Sustainability Report 2020, pp. 15, 18–20. |
| | 103-2 | The management approach and its components | 10 | |
| | 103-3 | Evaluation of the management approach | 11 | |
| GRI 203: Indirect Economic Impacts 2016 | 203-1 | Infrastructure investments and services supported – Additional Sector Disclosures: <ul style="list-style-type: none"> › Affordable and social housing › Preservation and restoration of historic assets › Publicly accessible open/recreation space; and › Community education and health facilities. | 34 | |
| | | | | |
| Anti-corruption | | | | |
| GRI 103: Management approach | 103-1 | Explanation of the material topic and its Boundary | 20 | See also the Volkswagen Group Sustainability Report 2020, p. 33. |
| | 103-2 | The management approach and its components | 20 | |
| | 103-3 | Evaluation of the management approach | 20 | |
| GRI 205: Anti-corruption 2016 | 205-2 | Communication and training about anti-corruption policies and procedures | 20 | See also the Volkswagen Group Sustainability Report 2020, pp. 24–29. |
| | 205-3 | Confirmed incidents of corruption and actions taken | 20 | |
| Materials | | | | |
| GRI 103: Management approach | 103-1 | Explanation of the material topic and its Boundary | 32 | |
| | 103-2 | The management approach and its components | 32 | |
| | 103-3 | Evaluation of the management approach | 32 | |
| GRI 301: Materials 2016 | 301-1 | Materials used by weight or volume | 33 | |
| Energy | | | | |
| GRI 103: Management approach | 103-1 | Explanation of the material topic and its Boundary | 36 | |
| | 103-2 | The management approach and its components | 36 | |
| | 103-3 | Evaluation of the management approach | 36 | |
| GRI 302: Energy 2016 | 302-1 | Energy consumption within the organization | 59 | |
| GRI 302: Energy 2016 | 302-2 | Energy consumption outside of the organization | 59 | |
| GRI 302: Energy 2016 | 302-4 | Reduction of energy consumption | 36 | |
| | CRE1 | Building Energy Intensity | 41 | |
| | CRE8 | Type and number of sustainability certification, rating and labeling schemes for new construction, management, occupation and redevelopment | 36 | |
| Biodiversity | | | | |
| GRI 103: Management approach | 103-1 | Explanation of the material topic and its Boundary | 37 | |
| | 103-2 | The management approach and its components | 37 | |
| | 103-3 | Evaluation of the management approach | 37 | |
| GRI 304: Biodiversity 2016 | 304-2 | Significant impacts of activities, products, and services on biodiversity | 37 | |
| | 304-3 | Habitats protected or restored | 37 | |
| Emissions | | | | |
| GRI 103: Management approach | 103-1 | Explanation of the material topic and its Boundary | 10 | |
| | 103-2 | The management approach and its components | 10 | |
| | 103-3 | Evaluation of the management approach | 10 | |
| GRI 305: Emissions 2016 | 305-1 | Direct (Scope 1) GHG emissions | 59 | |
| GRI 305: Emissions 2016 | 305-2 | Energy indirect (Scope 2) GHG emissions | 59 | |
| GRI 305: Emissions 2016 | 305-3 | Other indirect (Scope 3) GHG emissions | 12 | |
| | 305-5 | Reduction of GHG emissions | 11 | |
| Effluents and Waste | | | | |
| GRI 103: Management approach | 103-1 | Explanation of the material topic and its Boundary | 47 | |
| | 103-2 | The management approach and its components | 47 | |
| | 103-3 | Evaluation of the management approach | 47 | |
| GRI 306: Effluents and Waste 2016 | 306-2 | Waste by type and disposal method | 60 | |

| GRI Standard | GRI Standard | Disclosure | Pages | Explanation or Omission |
|---|--------------|--|--------|--|
| Supplier Environmental Assessment | | | | |
| GRI 103: Management approach | 103-1 | Explanation of the material topic and its Boundary | 20 | See also the Volkswagen Group Sustainability Report 2020, pp. 64–68. |
| | 103-2 | The management approach and its components | 20 | See also the Volkswagen Group Sustainability Report 2020, pp. 64–67. |
| | 103-3 | Evaluation of the management approach | 20 | See also the Volkswagen Group Sustainability Report 2020, pp. 64. |
| GRI 308: Supplier Environmental Assessment 2016 | 308-2 | Negative environmental impacts in the supply chain and actions taken | 34 | See also the Volkswagen Group Annual Report 2020: Report on Risks and Opportunities. |
| Employment | | | | |
| GRI 103: Management approach | 103-1 | Explanation of the material topic and its Boundary | 23 | |
| | 103-2 | The management approach and its components | 23 | |
| | 103-3 | Evaluation of the management approach | 23 | |
| GRI 401: Employment 2016 | 401-1 | New employee hires and employee turnover | 28, 57 | |
| | 401-3 | Parental leave | 28, 57 | |
| Occupational Health and Safety | | | | |
| GRI 103: Management approach | 103-1 | Explanation of the material topic and its Boundary | 29 | |
| | 103-2 | The management approach and its components | 29 | The management approach encompasses all direct employees with permanent and temporary contracts. The number of indirect employees is negligible, so it is not reported separately. |
| | 103-3 | Evaluation of the management approach | 29 | |
| GRI 403: Occupational Health and Safety 2016 | 403-1 | Occupational health and safety management system | 29, 57 | |
| | 403-2 | Hazard identification, risk assessment, and incident investigation | 29, 57 | |
| | 403-3 | Occupational health services | 29 | |
| | 403-4 | "Worker participation, consultation, and communication on occupational health and safety" | 29 | |
| | 403-5 | Worker training on occupational health and safety | 29 | See also the Volkswagen Group Sustainability Report 2020, pp. 78–79. |
| | 403-6 | Promotion of worker health | 29 | |
| | 403-7 | "Prevention and mitigation of occupational health and safety impacts directly linked by business relationships" | 29 | See also the Volkswagen Group Sustainability Report 2020, pp. 78–79. |
| | 403-8 | CRE6 | 57 | |
| | | Percentage of the organization operating in verified compliance with an internationally recognized health and safety management system | 58 | |
| Training and Education | | | | |
| GRI 103: Management approach | 103-1 | Explanation of the material topic and its Boundary | 23 | |
| | 103-2 | The management approach and its components | 23 | |
| | 103-3 | Evaluation of the management approach | 23 | |
| GRI 404: Training and Education 2016 | 404-2 | Programs for upgrading employee skills and transition assistance programs | 23 | |
| | 404-3 | Percentage of employees receiving regular performance and career development reviews | 57 | |
| Diversity and Equal Opportunity | | | | |
| GRI 103: Management approach | 103-1 | Erläuterung des wesentlichen Themas und seiner Abgrenzung | 26 | |
| | 103-2 | The management approach and its components | 26 | |
| | 103-3 | Evaluation of the management approach | 26 | |
| GRI 405: Diversity and Equal Opportunity 2016 | 405-1 | Diversity of governance bodies and employees | 58 | |
| Non-discrimination | | | | |
| GRI 103: Management approach | 103-1 | Explanation of the material topic and its Boundary | 26 | |
| | 103-2 | The management approach and its components | 26 | |
| | 103-3 | Evaluation of the management approach | 26 | |
| GRI 406: Non-discrimination 2016 | 406-1 | Incidents of discrimination and corrective actions taken | 21, 58 | |
| Local Communities | | | | |
| GRI 103: Management approach | 103-1 | Explanation of the material topic and its Boundary | 18-20 | |
| | 103-2 | The management approach and its components | 18-20 | |
| | 103-3 | Evaluation of the management approach | 18-20 | |
| GRI 413: Local Communities 2016 | 413-1 | Operations with local community engagement, impact assessments, and development programs | 34 | |

| GRI Standard | GRI Standard | Disclosure | Pages | Explanation or Omission |
|--|--------------|---|-------|--|
| Supplier Social Assessment | | | | |
| GRI 103: Management approach | 103-1 | Explanation of the material topic and its Boundary | | See the Volkswagen Group Sustainability Report 2020, pp. 64–66. |
| | 103-2 | The management approach and its components | | See the Volkswagen Group Sustainability Report 2020, pp. 64–66. |
| | 103-3 | Evaluation of the management approach | | See the Volkswagen Group Sustainability Report 2020, pp. 64–66. |
| GRI 414: Supplier Social Assessment 2016 | 414-2 | Negative social impacts in the supply chain and actions taken | 34-35 | No detailed disclosures concerning the individual sub-items. See also the Volkswagen Group Sustainability Report 2020, pp. 64, 66–67 |
| Public Policy | | | | |
| GRI 103: Management approach | 103-1 | Explanation of the material topic and its Boundary | 18 | See the Volkswagen Group Sustainability Report 2020, p. 23. |
| | 103-2 | The management approach and its components | 18 | See the Volkswagen Group Sustainability Report 2020, p. 23. |
| | 103-3 | Evaluation of the management approach | 18 | See the Volkswagen Group Sustainability Report 2020, p. 23. |
| GRI 415: Public Policy 2016 | 415-1 | Political contributions | 60 | |

Acknowledgments and Legal Notice

◆ GRI 102-53

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