



# BLUE LIVING

SUSTAINABILITY REPORT 2021

GREEN BOND REPORT 2021



**VOLKSWAGEN**  
Immobilien



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Links to VWI's last year's Sustainability Report



Links to an external website



Links to the 2021 Sustainability Report of Volkswagen Group  
<https://www.volkswagenag.com/en/sustainability/reporting-and-esg-performance/sustainability-report.html>

# Foreword

▪ GRI 102-14

Dear readers,

The coronavirus pandemic was a major issue again in the 2021 reporting year and posed a number of considerable challenges. In addition to this, climate change, too, became more tangible for us in Germany. Our earth has only finite resources for humankind to use, and yet they are being exploited like never before. Storms, flooding and heavy rain caused severe damage all around the country. To counteract this, we have made climate protection and sustainability our utmost priority in everything we do.

To keep strengthening the strategic foundations of our sustainability activities, we conducted a new materiality analysis in 2021 to identify key focus areas. In doing so, we honed the content of our key focus areas and reduced their number from a total of 19 to eight. This prioritization is the structure that anchors all sustainability activities by Volkswagen Immobilien and also contributes towards achieving Volkswagen Group's "goTOzero" environmental mission statement. With the aid of our sustainability road map, we formulated clear targets for these focus areas and integrated them into our sustainability processes. Our holistic approach to reducing carbon emissions throughout the building life cycle is based on three pillars: reduction, transformation and offsetting.

All relevant information is disclosed in our sustainability report, which is aimed at our stakeholders and all interested groups. For the first time, this report is based on the ESG structure (environmental, social, governance), meaning that it is also in line with capital market expectations.

In the 2021 reporting year, we implemented a host of exciting new projects pertaining in the "Environment" category. As well as actioning a series of energy-relevant measures at our existing buildings, such as establishing an alternative landlord-to-tenant electricity model including photovoltaics at Steimker Gärten and expanding the charging infrastructure for e-mobility, we sharpened the focus on our outside spaces with a new biodiversity strategy. In the "Social" category, we built on a number of positive developments prompted by the coronavirus pandemic and offer our staff attractive, flexible working-hour models which foster a better work-life balance. We also considered the office of the future and acted on our ideas with an internal pilot project.

In the field of "Governance", we upskilled all employees at VWI with regard to climate protection and diversity via a variety of workshops in the year under review. A number of important guidelines, e.g. on environmental compliance management, were also introduced and a new guideline was developed covering safety and security. Our latest survey on staff satisfaction once again yielded pleasing results. Nothing is more

important to us than our employees: their contribution is absolutely essential for embedding sustainability in our corporate culture.

In 2022, we plan to work hard to incorporate the material environmental sustainability topics into climate pathways and elaborate on these. We are also due to amend our BLUE BUILDING standard, which will be adjusted to the newly defined targets in the sustainability road map and the requirements of the EU Taxonomy.

We hope you enjoy reading our report. Stay safe.

The Volkswagen Immobilien senior management team

Meno Requardt

Hardy Brennecke





# BLUE LIVING

CORPORATE RESPONSIBILITY



# VWI at a Glance

- GRI 102-1-7

Originally established in 1953 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.

With almost 9,500 residential units, VWI is the second-largest apartment provider in Wolfsburg and a leading provider of property services within the Volkswagen Group all over the world. In 2021, the company and its 352-strong workforce generated annual sales of €167 million. In the commercial property sector, we assist Volkswagen AG, its brands and its subsidiaries with property management. We have dedicated subsidi-



OUR CENTRAL IN  
WOLFSBURG

aries working for us in Poland, the Czech Republic and Slovakia for the construction, development and operation of commercial properties abroad.

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 103-1 to -3, 201-2

## Strategic Integration within the Volkswagen Group

Our commitment to sustainability is embedded in the Volkswagen Group's corporate strategy "NEW AUTO – Mobility for Generations to Come", which the Group Board of Management adopted in the reporting year. [🔗 VOLKSWAGEN AG](#)

This Group strategy contributes towards the target dimensions of "excited customers", "excellent employer", "role model for environment, safety and integrity" and "competitive profitability". It consists of twelve initiatives in total. Five technological initiatives and seven basic initiatives form the bedrock of the new strategic approach. These include the fundamental tenets of sustainable business, referred to ESG (environmental, social, governance). The aim of the Group's ESG initiative is to improve Volkswagen's ESG performance. In doing so, its goals include safeguarding its attractiveness as an investment and optimizing the cost of capital. The Group's activities center around six focus areas relating to sustainability, which were defined in an updated materiality analysis. They are decarbonization, the circular economy, people in the transformation, diversity, integrity, and responsibility in supply chains and business.

In addition, the Volkswagen Group sets out its commitment to sustainability in its decarbonization program and the environmental mission statement "goTOzero". [🔗 CHAPTER "ENVIRONMENTAL MANAGEMENT"](#)

The Volkswagen Group has already initiated a comprehensive **decarbonization program** with the aim of becoming a carbon-neutral company by 2050 at the latest. The Group aims to reduce the life-cycle carbon emissions of its cars and light commercial vehicles by 30% compared to the benchmark year of 2018 as soon as 2030. 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 – including Volkswagen Immobilien – have drawn up decarbonization road maps, which were then incorporated into a corresponding Group road map.

Embedded within **the Group's "goTOzero" environmental mission statement** is the principle of minimizing lifetime environmental impact, from sourcing raw materials to end of life. The aim is to keep ecosystems intact and have a positive effect on society. Compliance with environmental regulations, standards and voluntary commitments is a fundamental prerequisite for the Group's activities. The focus here is on four prioritized action areas: climate change, resources, air quality and environmental compliance. The Volkswagen Group gives these requirements

more concrete shape in its Group environmental policy, which rests on the five elements of leadership, compliance, environmental protection, relationships with stakeholders, and continuous improvement.

## Strategic Alignment at Volkswagen Immobilien

▪ GRI 102-12, 103-1 to -3, 201-2

Volkswagen Immobilien further developed its own corporate strategy in the reporting period in line with the target dimensions contained in the Group strategy "NEW AUTO – Mobility for Generations to Come". Entitled "VWI 2030", our new strategy is based on the target dimensions of "excited customers", "future-proof competitiveness", "living sustainability" and "excellent employer". The same aspects are also at the heart of the "VWI 2025" strategy which applied during the reporting period. We have allocated seven initiatives to these dimensions. The corporate strategy "VWI 2030" will be published in 2022.

Like the Group, Volkswagen Immobilien is committed to the 17 Sustainable Development Goals (SDGs) adopted by the United Nations in

connection with the 2030 Agenda. We incorporated the SDGs into the materiality analysis which we conducted in 2021 as an influencing factor. In 2022, we intend to link them even more visibly with our sustainability strategy and gear our measures towards achieving these goals.



UN SUSTAINABLE  
DEVELOPMENT  
GOALS

Like the Group, Volkswagen Immobilien is committed to the 17 Sustainable Development Goals (SDGs) adopted by the United Nations in connection with the 2030 Agenda. We incorporated the SDGs into the materiality analysis which we conducted in 2021 as an influencing factor. In 2022, we intend to link them even more visibly with our sustainability strategy and gear our measures towards achieving these goals.

As a wholly owned subsidiary of the Volkswagen Group, we want to take what action we can to contribute towards **decarbonization** and are committed to the two-degree goal contained in the Paris Agreement. By doing so we are not merely joining the other brands and companies in the Volkswagen Group: we are also meeting 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 our business model.



Volkswagen Immobilien is also committed to implementing the Group targets set out in the **“goTOzero” environmental mission statement**. By making this commitment, we additionally adopted the five components of the Group’s environmental policy to further define the mission statement targets. These form part of regular training sessions and guide our actions.

To meet the specific challenges of our business model, we have developed our own, holistic sustainability concept called BLUE LIVING to make the environment our focus throughout a building’s lifespan. With this concept, 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. Via BLUE LIVING, we are both forging a link with the Volkswagen Group’s sustainability strategy, which identifies topics including decarbonization and the circular economy as key issues, as well as adapting the “Resources” action area from the Group

### Sustainability in the Real Estate Life Cycle



“goTOzero” mission statement. The BLUE LIVING approach centers on the key objectives of energy efficiency, environmental awareness, cost-effectiveness and user-friendliness. 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 the construction of new residential and commercial properties to financing, use and disposal. We have been implementing our corporate sustainability concept consistently since 2019.

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. In 2022, we plan to apply the BLUE BUILDING standard to modernization projects as well.

# Our Sustainability Management

▪ GRI 102-46, 102-47

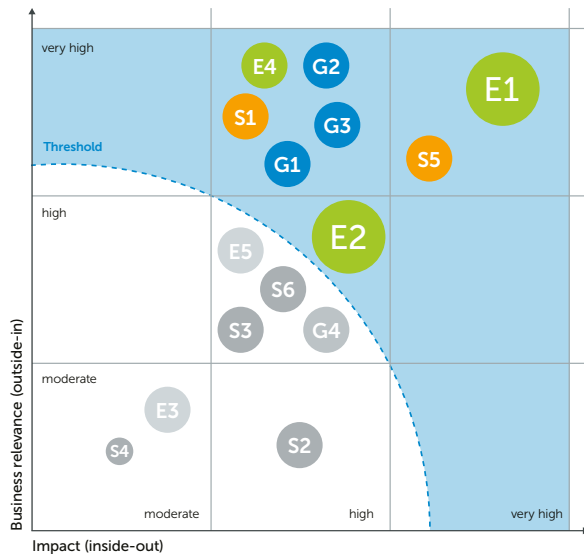
## The Eight Sustainability Focus Areas

In 2021, we carried out a materiality analysis to identify sustainability key focus areas for Volkswagen Immobilien. 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 apply to the Volkswagen Group.

The process of conducting the materiality analysis consisted of several stages. First, the VWI business environment was examined, including the existing requirements and parameters. This resulted in a list of potentially material topics for VWI. Next, a sustainability assessment of these issues




Materiality Matrix



### Explanations

Material topics are shown in **bold**.

Stakeholder relevance accentuated by **size** of circle:

-  Small = moderately relevant
-  Medium = very relevant
-  Large = extremely relevant

### Environment

- E1** Climate protection and decarbonization
- E2** Energy efficiency and consumption
- E3 Resource efficiency and consumption
- E4** Biodiversity
- E5 Sustainable use of materials in construction

### Governance

- G1** Corporate culture and values
- G2** Forward-looking business practices
- G3** Compliance and risk management
- G4 Sustainable finance

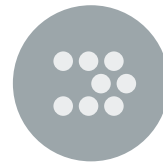
### Social

- S1** Innovative construction and management
- S2 Holistic neighborhood development
- S3 Residential tenants' satisfaction
- S4 Promoting partnerships
- S5** Modern workplace
- S6 Sustainable supplier management

was completed by departmental heads and senior management based on three dimensions:

- Socioeconomic and ecological impact of the company's actions (inside-out perspective)
- Business relevance, which comprises the impact of sustainability aspects on the company's earnings position and reputation (outside-in perspective)
- Relevance for stakeholders (outside-in perspective).

The outcome of the materiality analysis and the associated prioritization of eight sustainability focus areas were confirmed by senior management.



FOCUS AREAS  
SUSTAINABILITY

## Strategic Management of Targets

In order to achieve measurable progress and manage material topics proactively, Volkswagen Immobilien linked the newly defined, material sustainability topics with binding targets in the 2021 reporting year. These form part of a sustainability road map which defines the objective, target, time frame and KPIs for each focus area. Responsibilities, measures and management approaches were also specified for each target. The "Governance" section of this report contains further information about responsibility for the road map and about its structural integration.

# Our Focus Areas

## Climate Protection and Decarbonization



**Target:** Reduce carbon emissions by at least 35% by 2025 (baseline: 2015)

## Energy Efficiency/ Energy Consumption



**Target:** Final energy demand for est. 50% of portfolio  $\leq 74$  kWh/m<sup>2</sup>/a (R) and 100 kWh/m<sup>2</sup>/a (C) per building by 2026

## Biodiversity



**Target:** Fully implement the biodiversity mission statement throughout the portfolio by 2026



## Innovative Construction/Management



**Target:** Revise the social requirements of our BLUE BUILDING standard and correspondingly make our portfolio more user-friendly by 2025.

## Modern Workplace



**Target:** Staff satisfaction of at least 79% in the Opinion Survey

## Corporate Culture/ Corporate Values



**Target:** Develop 4 measures relating to sustainability by 2024 which make it possible for staff to participate

## Forward-Looking Business Practices



**Target:** Actively take climate-related financial risks which are significant for VWI into account in business decision-making by 2024

## Compliance and Risk Management



**Target:** Establish an integrity index for measuring, monitoring and transparency based on an annual representative survey as part of the T4I process (perception workshop); the index score should be at least 4.0

# BLUE LIVING

ENVIRONMENT





# Climate Protection and Decarbonization

## Strategy and Program to Reduce Carbon Emissions

▪ GRI 102-15, GRI 103-1 to -3

In Germany, real estate accounts for around a third of total CO<sub>2</sub> emissions. Direct emissions from properties make up 14% of this. Climate policy at both national and European level 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 for final energy consumption of 36% by 2030 for the building sector, with the 2018 figures serving as a baseline. Subsidies for the energy-efficient refurbishment of buildings under the revamped federal funding program (BEG) are to contribute to achieving this goal. As part of the Green Deal, the European Union has set itself the goal of reducing buildings' greenhouse gas emissions by 60%, cutting their energy consumption for electricity by 14% and lowering their energy usage for heating and cooling by 18%. It is hoped that a "renovation wave" will considerably improve the energy efficiency of buildings in Europe with the refurbishment rate at least doubling over the next ten years.



REPORTING,  
OPTIMIZING,  
FINANCING

The aim of our climate strategy is to align our corporate activities with the German government's climate protection program. Our strategy rests on three pillars: transparent energy and CO<sub>2</sub> reporting, optimizing the building stock, and the necessary financing instruments. These three pillars are to serve as a starting point for defining climate pathways for the residential and commercial divisions at Volkswagen Immobilien. Developing climate pathways is a component of our sustainability road map and is due to be completed in the 2022 financial year.

Building on the first pillar of the climate strategy – energy and CO<sub>2</sub> reporting – we aim to reduce the carbon intensity of our new and existing residential and commercial buildings. We have set ourselves the goal of reducing carbon emissions by at least 35% based on intensity – throughout their entire life cycle – by 2025, using the 2015 figures as a baseline. We prioritize measures based on the three hierarchical elements of the Volkswagen Group's decarbonization program: reduction, transformation and offsetting.

## Reduction: Lowering CO<sub>2</sub> Emissions Effectively and Lastingly

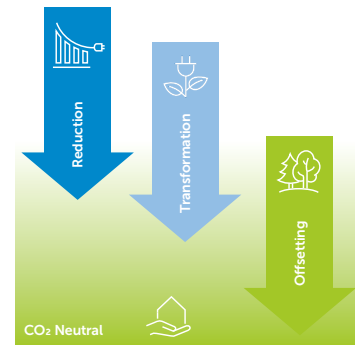
### ▪ GRI 201-2

With BLUE BUILDING, we have established our own standard for newly built residential and commercial properties which is geared towards sustainability and climate protection. This currently requires them to comply with the KfW 55 standard by having a 45% lower primary energy demand than buildings which meet the standard legal requirements. In 2022, we plan to develop a modified BLUE BUILDING standard based on the Efficiency House 40 EE criteria as set out in the German funding program for efficient buildings (BEG). With its specifications for energy-efficient modernization, materials efficiency and the supply of heat, BLUE BUILDING goes far beyond the legal requirements. It is based on sound science and has been tried and tested in practice. It also follows the methodology used for recognized property certification 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).

## Transformation: Switch to Renewable Energies

We have already switched to renewable energy for common areas and landlord-to-tenant electricity at properties used by Volkswagen. All of this is 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, Austria and Switzerland.

### Decarbonization Strategy



We will also incorporate the use of photovoltaic panels into the revised BLUE BUILDING standard in 2022. In the commercial sector, we have already implemented a lease model to supply autonomously generated power to our commercial clients using photovoltaic technology. The first leased VWI photovoltaic system with an output of 330 kWp was installed in Emden in 2021. A second system with an output of approximately 100 kWp is expected to be installed in Stuttgart in early 2022. We will fit these panels to all of our new commercial buildings with roof space in the future.

In the residential sector, a photovoltaic system with battery storage is currently being constructed for the building projects at Steimker Gärten. This will go online in 2022. In conjunction with this, Volkswagen Immo-

bilien and the green power supplier Polarstern have signed a cooperation agreement for a sustainable landlord-to-tenant electricity model.

As part of our overall charging infrastructure concept, we are ensuring connectivity at the properties in our portfolio by means of infrastructure solutions which are also based on Volkswagen Naturstrom®. We already have 60 operational charging points at our residential properties. 24 are under construction and a further 20 are planned. In the commercial sector, access to an existing transport infrastructure plays a role in the selection of sites. At present, VWI provides access to 100 charging points at its commercial sites. This figure includes 70 charging points at the Bürozentrum Nord office complex, which were installed in 2021. Four high-power chargers (HPC) are being installed there by Ionity, a joint venture involving the Volkswagen Group and other car makers. 46 charging points are currently under construction and expected to go online in March 2022 at the nearby IT City site. There are plans for an additional ten charging points. VWI invested approximately € 1 million in its own charging infrastructure projects in 2021.

### **Offsetting: Compensating for the Remaining Emissions**

We have produced 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.

## **Life Cycle Assessment – The Environmental Footprint of Buildings**

▪ GRI 103-1 to -3

The real estate sector has a responsibility to develop forward-looking building concepts which conserve resources in order to minimize the environmental impact of properties. We undertake to integrate the environmental impact into our building concepts as a decision-making criterion alongside design considerations and economic aspects. To do this, we need to gain a comprehensive understanding of the environmental footprint of our properties. We are pursuing this goal by assessing the environmental footprint of our construction projects, using a material-efficient building structure and optimizing the end-of-life phase of our properties.

In the future, we will use a project-specific **environmental footprint assessment** as per the DGNB requirements to assess, optimize and document the materials usage of construction projects and the environmental impact of our properties. We have already completed an

environmental footprint study for our existing office properties. This enabled us to analyze the key carbon drivers for the operating and construction phases and examine means of optimizing future newbuild projects during conceptualization. The study is due to be expanded next year to include residential and logistics properties.

A material-efficient building structure and a high degree of flexibility are already key factors for us so that we can adapt our properties to changing usage requirements. This means focusing on sortable, recyclable solutions even in the early stage of planning. We are already using products made from recycled materials for certain residential projects, such as paving stones at Steimker Gärten. In addition, we choose products with a longer lifespan than other materials, like mineral wool insulation. Historic materials are sometimes reused for buildings subject to a preservation order.



#### MATERIAL-EFFICIENT BUILDING STRUCTURE

At the same time, optimizing the **buildings' end-of-life phase** is steadily gaining in importance for Volkswagen Immobilien. 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 a building's useful life. The environmentally and socially responsible sourcing of raw materials plays a major role in this. 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. Furthermore, our BLUE BUILDING standard and DGNB certification contain clear specifications concerning recovery and recycling. These include minimizing construction site waste, sorting it into separate materials and documenting it, as well as ensuring that commercial newbuilds are convertible.

# Energy Efficiency and Consumption

▪ GRI 103-1-3

## Transparent Resource Consumption

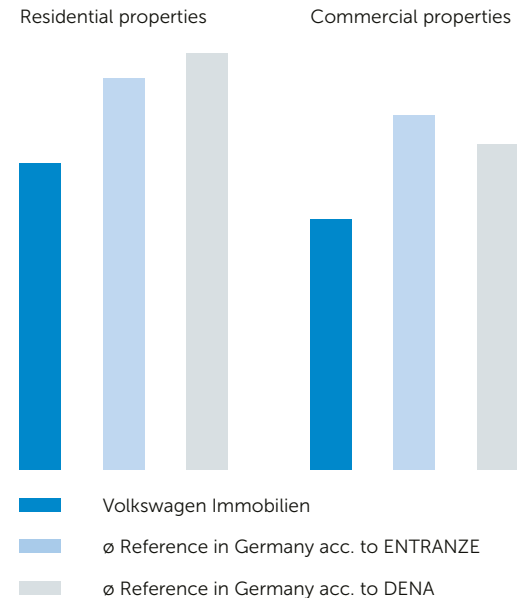
▪ CRE1

Before we can select suitable means of enhancing energy efficiency and thereby reducing the amount of energy needed, it is essential that we have transparent usage data for residential and commercial properties.

**Our residential tenants' annual energy consumption** stands at 120 kWh/m<sup>2</sup>. This puts us well below the average usage figures for Germany's housing stock, according to studies by ENTRANZE (-28%) and DENA, the German Energy Agency (-36%). All of our residential properties are connected to the city of Wolfsburg's district heating network, which has a positive effect on our carbon footprint. Due to the high energy standard of our housing, at 80 kWh/m<sup>2</sup> the average heating energy used is also well below the average German figure of 137 kWh/m<sup>2</sup> (-42% compared to ENTRANZE).

Annual **energy consumption at our self-occupied office properties** stands at 98 kWh/m<sup>2</sup>. Heating accounts for 56% of this, while electricity makes up the remaining 44%. 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 (-42%) and DENA (-30%). 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 67% lower than the average heating energy consumption reported for office space in Germany by ENTRANZE.





## Good to Know: Water Use and Consumption

▪ GRI 103-1 to -3

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.

To reduce freshwater consumption at our buildings, we use water-saving fittings (e.g. flow limiters, toilets with a flush-stop feature) and substitute it with unpolluted rainwater or gray water (e.g. car washes, irrigation). In 2022, we will further tighten our requirements here via in the new BLUE BUILDING standard in line with the stipulations of the EU Taxonomy.



REDUCTION  
BY DESIGN

Generally speaking, Volkswagen Immobilien operates in areas with low water stress. Nevertheless, via our BLUE BUILDING specifications, our company requires a report for each building project 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.





## Boosting Energy Efficiency

▪ CRE8

UTo further reduce our energy consumption figures, we constantly strive to boost our properties’ energy efficiency. The less power a building needs, the lower its CO<sub>2</sub> emissions and energy costs. At present, adherence to the specific requirements of the KfW 55 energy efficiency standard and DGNB Gold certification is required whenever newbuild projects are planned at Volkswagen Immobilien. This involves assessing 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. We have set out this approach 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 BEG criteria for financial assistance and successfully pass the DGNB conformity assessment. To complement the DGNB auditor, VWI has trained its own DGNB consultant internally in order to integrate sustainability considerations into projects at the earliest possible stage.

### Blue Building = KfW 55 energy efficiency standard plus “DGNB Gold” standard

 <b>Energy efficient</b>	<b>CO<sub>2</sub> reduction/energy efficiency</b> › Energy efficiency standard KfW 55 › CO <sub>2</sub> reduction (energy)	<b>Energy standard KfW 55</b> › 45% primary energy › 25% carbon emissions
 <b>Eco-friendly</b>	<b>Protection of natural resources</b> › Freshwater usage and wastewater › Responsible material procurement	<b>Protection of the ecosystem</b> › Soil sealing/natural microclimate › Promoting biodiversity › Environmental footprint assessment/CO <sub>2</sub> reduction (buildings) › Low-pollution construction › Sustainable construction process › Air pollution protection
 <b>Cost-effective</b>	<b>Reduction in life cycle costs</b> › Life cycle costs (LCC) › Maintenance-friendly construction and building systems › Efficient use of space › Easy to clean	<b>Capital/value preservation</b> › Flexibility and convertibility › Marketability
 <b>User focus</b>	<b>Health, safety, comfort</b> › Indoor air quality › Thermal comfort › Visual amenity › Sound insulation › Safety and security › Quality of user experience	<b>Functionality</b> › Barrier-free accessibility › Mobility  <b>Design / urban development quality</b> › Integration into urban development
		Specifications catalog / minimum technical requirements  BLUE BUILDING standard  = Basis for “DGNB Gold” certification

Since we launched the standard in 2019, all residential and commercial newbuild projects at Volkswagen Immobilien have complied with the BLUE BUILDING criteria. In 2022, we plan to develop a new BLUE BUILDING standard based on the Efficiency House 40 EE criteria as set out in the German funding program for efficient buildings (BEG). VWI is also working on compulsory standards for existing buildings. In 2022, we intend to develop our own sustainability standard with clear targets and specifications for the refurbishment of existing buildings and for property purchases.

In our efforts to make our buildings more energy-efficient, we pay particular attention to the heating, façade design and lighting of our properties. For instance, for heating in our portfolio we give preference to **low-carbon heating systems** and use district heating whenever possible. In the residential division, our coverage for district heating now stands at 100%. This is supplied via systems belonging to the Volkswagen Group. These are now operated using gas turbines, which has signifi-

1) At the end of 2020, this requirement and Germany's new Buildings Energy Act (GEG) replaced the German Energy Saving Ordinance (EnEV), which previously applied. Since then, they have formed the basis for all subsidized measures to improve buildings' energy performance. Under the Efficiency House 40 EE requirements, renewables must provide at least 55% of the energy needed to heat and cool the building.

cantly 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 or mains gas. We intend to use heat pump systems for all commercial newbuilds in the future.

As well as choosing the lowest-emission heating possible, we are investing in the **optimization of our building façades**. For instance, depending on the direction in which they face, façades are fitted with features that provide shade and reduce heat ingress in the summer. These features go well beyond the legal requirements. We are also assessing the viability of innovative façade materials which have an exceptionally low carbon footprint or can be used to harvest energy.

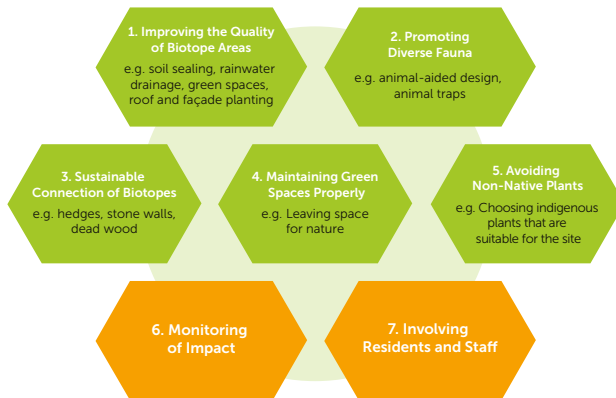
Furthermore, by choosing LED bulbs, we use a **low-emission form of lighting**. This technology is also used for the public infrastructure at Steimker Gärten, which we will hand over to the city of Wolfsburg following completion. LED lighting is already used throughout our commercial portfolio.

# Biodiversity

▪ GRI 103-1 to -3, 304-2

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.

## Guiding Objectives of the Biodiversity Strategy



In the year under review, we worked on developing a biodiversity strategy. The following objectives will guide our actions in this field

Linked with concrete specifications, these guiding objectives will also form part of the BLUE BUILDING standard from 2022 onwards. At present, we are already striving to landscape at least 30% of our property sites on average to reduce the negative effects of our land use. We are also examining the extent to which brownfield sites can be prioritized over greenfield sites for new developments. In our efforts to develop a strategy to promote biodiversity and to identify potential and opportunities for the seminatural landscaping of our developments, we are supported by our in-house gardening and technical teams as well as by the Volkswagen Group's biodiversity specialists and experts from the Heinz-Sielmann-Stiftung.

In the long term, we intend to use the biodiversity strategy as the basis for developing a system to measure the degree to which the biodiversity plan has been implemented. This is also incorporated into our sustainability road map as a goal.

# BLUE LIVING

SOCIAL





# Innovative Construction and Management

## A Sustainable Way to Live and Rent

VWI is keen to inspire tenants to become partners in its efforts to ensure that its apartments and buildings are used in the most resource-efficient way possible. It helps tenants to act sustainably.

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. This includes taking steps such as using electricity, heating energy and water sparingly, ensuring proper ventilation, using public transport or cycling, avoiding waste and sorting garbage.

In the **commercial sector**, we succeeded in rounding out our product range by introducing “green” tenancy agreements (BLUE LEASE) back in 2018. Existing agreements were supplemented with corresponding clauses. Tenancy agreements covering a total of over 100,000 m<sup>2</sup> have successfully been converted to BLUE LEASE agreements already. Another three agreements pertaining to around 50,000 m<sup>2</sup> in total are currently being amended. BLUE LEASE is already a fixed component of new agreements. The majority of our tenants in the commercial sector are certified in line with DIN 14 001 (environmental management) and/or DIN 50 001



“GREEN” TENANCY AGREEMENTS

(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.

In the **housing segment**, we are piloting “green” tenancy agreements with additional clauses concerning the use of green power, energy-efficient appliances and water in connection with our Weidenplan newbuild housing 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. They also agree to make environmentally friendly choices themselves. When it modernizes a rental property, VWI strives to fit state-of-the-art equipment which makes it possible to keep utilizing and managing the property sustainably. This approach will be specified in more detail in 2022 with the introduction of a BLUE BUILDING modernization standard. When construction work is done in outside spaces, as little soil as possible should be sealed.

To date, we have received very positive customer feedback on this annex to the tenancy agreement in discussions with prospective tenants. Its usage has been expanded to all newbuild projects entering the letting phase, i.e. the Wellekamp, Promenaden Carré and Lindenhöfe 1 developments at Steimker Gärten. The annex to the tenancy agreement was

tailored to the specifics of each project. In the reporting year, a user manual was designed for the Nordring newbuild project. The handbook is expected to be completed in spring 2022. Along with tips on sustainable living, it will include instructions on how to use technical infrastructure such as heating, ventilation and smart-home equipment.

## **Innovative Technologies for Low-Emission Living**

The German government's Climate Action Plan for buildings states that the primary energy demand must be reduced to just under 40 kWh/m<sup>2</sup> (2008: 227 kWh/m<sup>2</sup>) for residential buildings and around 52 kWh/m<sup>2</sup> (2008: 265 kWh/m<sup>2</sup>) for non-residential buildings by 2050. In order to be able to follow the Climate Action Plan's climate pathway, we need an intelligent measurement system to monitor our usage and optimize the primary energy demand of our real estate.

With this in mind, we decided back in 2019 to roll out smart meters at all our commercial properties with a view to tapping new potential savings. We are currently holding discussions with service providers about integrating this technology in 2022. Smart meters will be fitted at our residential properties once the commercial properties have been modernized successfully. The aim is to directly provide tenants with information enabling them to track and manage their own energy usage.

In addition to this, VWI uses smart thermostats which make it possible to heat rooms for just 30 to 40% as long as with conventional thermostats. A pilot project has been under way in Schlosserstraße since 2019, where the new equipment has led to energy savings of 18.4%. This corresponds to five tons less carbon every year.

## High-Quality Housing and Quality of Life

▪ GRI 103-1 to 3, 203-1

Volkswagen Immobilien sees good transport links and **sustainable mobility concepts** as a crucial element of its quality offering. 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 municipal authorities have progressed the design planning for an extension of Wolfsburg's "Alternative Green Route" to incorporate the Steimker Gärten housing development. Other important elements of our mobility strategy include additional electric vehicle



SUSTAINABLE  
MOBILITY

charging points, car- and bike-sharing models and the provision of bicycle parking spaces, e.g. in bike sheds at ground level. We are in close contact with the ZIA and GdW associations regarding these topics.

📄 VWI SUSTAINABILITY REPORT 2020, P. 44-45

Many older people want to live independently in their own home for as long as possible. **Ensuring accessibility** both inside and outside our buildings forms part of our BLUE BUILDING guidelines. Our modernization work here focuses primarily on ground-floor apartments.

We are also enhancing accessibility in the light of demographic trends, e.g. by eliminating thresholds, fitting wider doors, installing showers instead of baths and making controls easily accessible. At certain properties, we are also making specific modifications to elevators and constructing entrance ramps. VWI also provides assisted living.

This includes 88 apartments for the elderly with optional support services at the retirement complex WIR (Wohnen im Ruhestand) in Wolfsburg-Fallersleben.

**Keeping our tenants safe and protecting them from health risks** is extremely important to us. With this in mind, our newbuilds comply with the relevant specifications set out in our BLUE BUILDING concept, such as those relating to internal air quality, thermal well-being and sound insulation. We have specific processes to safeguard health and safety during modernization work. These include removing defunct water pipes, fitting fire protection collars in false ceilings, checking for asbestos and removing it professionally, observing quiet hours and providing protection from dust during moderni-

zation work. Two Volkswagen Immobilien residential developments have held the "Lower Saxony Seal of Quality for Secure Living" since 2019: the "Wohnen am Glockenberg" project and the "Drömlingshöhe" residential district. This seal of quality is awarded for technical and objective security precautions along with the subjective, perceived sense of security.



SEAL OF QUALITY  
FOR SECURE LIVING

# Modern Workplace

## Contemporary Working Models

▪ GRI 103-1 to -3

The coronavirus pandemic acted as a catalyst, ushering in a working world with digital, remote and flexible formats. We strive to provide our employees with the best possible support to help them **adapt to tomorrow's working world**. In 2020, the working group "future-of-work@VWI" oversaw a study to evaluate employees' and managers' experiences of the novel working methods. A wealth of positive feedback was recorded as key findings. For instance, 76% of all the employees surveyed would like to work remotely more often even after the current crisis. However, there were also some issues to address: 53% of respondents missed the physical proximity to their coworkers. In 2021, the results of the survey were incorporated into a workshop which was attended by interested employees and managers. They identified action areas with a view to optimizing communications for staff working remotely and bringing about a shared cultural shift to instill a stronger sense of community. In addition to this, there are plans to offer greater flexibility concerning where and when staff work and to introduce desk-sharing concepts at offices.

A pilot project was launched in the reporting year to trial an **innovative office and space concept**. The first floor of the office complex in




MOBILE  
WORKING

Wolfsburg's Schlosserstraße is being converted as part of this. The aim is to adapt the office space and meeting rooms with the involvement of employees to accommodate changes in communication and collaboration methods. The concept includes creating so-called home zones to provide a sense of identity and belonging as well as establishing innovative meeting zones, versatile workspaces and modern meeting rooms. Following the conversion, a larger number of employees will have access to more flexible alternatives to a standard workstation, which they can use temporarily, depending on the nature of their work. The number of workstations in this space will increase by 10%.

Volkswagen AG concluded an internal agreement entitled "**Mobile Arbeit**" (**Mobile Working**) in November 2021, which has also been adopted by VWI to put in place binding arrangements for flexible and remote ways of working. This requires staff to work in person at the office at least one day a week. They can work remotely on the other days. Staff also have the option of fulfilling their in-person requirement for the whole month by going to the office for several days during a single week. Furthermore, employees working remotely can choose to work whatever hours suit them between 6 a.m. and 10 p.m., provided they observe the statutory and collectively agreed regulations. In the year under review, 100% of the staff members who were able to work from home due to the nature of

their role took the opportunity to do so and to use the digital workspace for communication and collaboration

As an attractive employer, we are also committed to improving our employees' **work-life balance**. Our company has therefore 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. Since April 2021, these options have included the internal agreement "Meine Auszeit" (My Sabbatical). This allows staff members to take a period of unpaid leave lasting between three and six months, without having to store up time or credits beforehand.  CHAPTER "PEOPLE IN THE TRANSFORMATION"

VWI makes advance payments to facilitate this. "Meine Auszeit" complements the existing options for taking short- and long-term leave, such as individual flexibility and long-term accounts, exchanging money for time, or a rehire commitment. Since back in 2019, Volkswagen Immobilien has been offering staff the option of "Brückenteilzeit" or working part-time temporarily. In line with the legal requirements, this enables them to reduce their working hours for a limited period to cope with a particular phase in their lives, such as caring for a sick relative. This option has been utilized by 15 employees to date. All in all, 86 members

of staff – 24% of the VWI workforce – used flexible models for part-time working, parental leave or sabbaticals in the period under review.



AWARD  
"FAMI-SIEGEL"

Volkswagen Immobilien was awarded the "FaMi" badge for family-friendly companies for the first time in 2019. In November 2021, at the end of the respective action period, we received the "FaMi" badge award for companies with more than 100 employees. We see this as confirmation that we are on the right track. At the award ceremony, the company was particularly praised for offering staff the option of a sabbatical, enabling them to spend time concentrating intently on their families, social contacts or personal projects. VWI hopes to apply for this award again in 2022.

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 of our clients as employers and users of commercial properties. For this reason, we are looking closely at new work con-

2) The "FaMi" badge is a joint initiative by the industry-wide association Frau & Wirtschaft Lüneburg-Uelzen, Lüneburg-Wolfsburg Chamber of Industry and Commerce, the DGB trade union for the region of North-East Lower Saxony, the business development agency Wirtschaftsförderungsgesellschaft mBH Stadt und Landkreis Lüneburg, the employers' federation Arbeitgeberverband Nordostniedersachsen e. V., Leuphana University Lüneburg and Braunschweig-Lüneburg-Stade Chamber of Trade.



cepts, i.e. **office and space solutions for digital and flexible 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 accommodating this change in client requirements in various ways, including the above-mentioned pilot project in Wolfsburg's Schlosserstraße. We are also implementing a concept for innovative office space development spanning approximately 18,000 m<sup>2</sup> at a newbuild project for Porsche in Stuttgart.

With working from home on the rise, we are also seeing greater demand for high-performance internet connections in the residential sector along with space concepts that accommodate remote working. Due to the pandemic, planned customer surveys on this topic had to be postponed; we now expect these to be conducted in 2022. The coronavirus pandemic made conditions difficult for marketing our shared apartments and SPLACE living format again in 2021 as demand fell.

## Forward-Looking Training and Continuing Professional Development

▪ GRI 103-1 to -3, 404-2

The roles for staff at Volkswagen Immobilien range from lettings and our estate agent service to the management of residential and commercial properties. In all of these areas, the knowledge, skills and engagement of our staff members lay the foundations for our success. We therefore offer both applicants and employees a wide range of entry opportunities, attractive career paths and qualification programs which help to ensure we remain competitive in a landscape dominated by digitalization.

We apply the principle of cooperative education in the field of vocational training, meaning that we link theory with practice. In 2021, Volkswagen Immobilien took on one new trainee who is working towards a qualification in real estate and two new trainees in horticulture and landscaping. Additionally, a junior staff member chose to embark on a cooperative education course which will enable her to gain a Bachelor of Arts in Real Estate. A range of qualification programs are available to our staff and managers, among other things as part of continuing professional development (CPD) via the Volkswagen Group Academy. These consist of both voluntary modules and compulsory courses,

In 2021, the development programs of Volkswagen Immobilien focused in particular on **training and workshops for managers on the subject of diversity**. One four-hour online training course sensitized managers to how diversity is understood at the company and the ways in which it adds value for the business. In particular, managers taking the course were trained in the practical use of corresponding tools and shared their experiences. This format was continued in a more compact form for staff in November 2021. Entitled **#onehourDiversity** and run by a manager or a qualified diversity trainer, these workshops raised awareness of diversity among approximately 300 VWI employees and gave them an opportunity to discuss their experiences of diversity in practice both at VWI and in their personal lives.



TRAINING AND  
UPSKILLING

Since 2021, we have been **upskilling the whole workforce with regard to environmental issues** using our own Web-based training tool on environmental compliance, which is tailored to the Group's requirements. The participation rate reached 100% in the year under review. Staff are required to complete this training every three years. To mark Earth Day on April 22, 2021, all members of staff had the opportunity to spend an hour learning more about climate and environmental protection issues with **#project1hour**.

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.

## Promoting Good Health at Work

▪ GRI 103-1 to -3, 403-1, 403-4 to -6

We constantly strive to improve working conditions for our staff with our holistic health management. 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.

For instance, when we **design the working environment**, we make sure that our workstations promote good health wherever possible, e.g. by installing ergonomic, height-adjustable desks. We also regularly train our staff on aspects of health protection and occupational safety as well as offering them continuing professional development opportunities in this field.

Additional **preventive measures are offered to promote individual employees' health**. For instance, we work closely with specialists from the Volkswagen AG health department to offer regular, comprehensive checkups free of charge for staff who would like to take up this option.

Ⓢ CHAPTER "PEOPLE IN THE TRANSFORMATION"

We also maintain a partnership with INJOY gym. Staff from VWI enjoy a 40% discount when they work out at INJOY Wolfsburg. In addition, our employees can listen to informative talks by experts from the Audi company health insurance on relevant topics. In 2021, these included stress management, mindfulness and healthy sleep. With our health calendar, we also have a budget to invite speakers from the health sector.

In the reporting year, **health management at VWI again focused on tackling the pandemic.** The company's efforts here included taking part in the Volkswagen AG vaccination drive in Wolfsburg and utilizing their PCR testing infrastructure for employees of VWI. Furthermore, staff were given tips and advice on promoting good health while they were working from home or remotely, for example to improve physical fitness, keep moving and eat healthily.



COMPANY  
HEALTH  
PROMOTION

Members of staff also have the opportunity to submit their own suggestions for promoting good health during regular discussions with line managers. In 2021, this system resulted in the formation of a group of employees who promote mindfulness each week by spending 15 minutes doing mindfulness exercises. This initiative stemmed from the follow-up process for the staff survey, which identified mindfulness as an important topic.

# BLUE LIVING

GOVERNANCE



# Corporate Culture and Values

## Participation and Feedback for Staff Satisfaction

Staff satisfaction is measured at all companies in the Volkswagen Group each year using the "Opinion Survey". The results make it possible to identify room for improvement and action that needs to be taken by managers.

🌐 CHAPTER "PEOPLE IN THE TRANSFORMATION"

In all, 76% of VWI employees took part in the 2021 Opinion Survey. The participation rate therefore remained the same as in the previous year. The Opinion Survey index of staff satisfaction revealed an overall score of 80.1, which was almost the same as the previous year's figure (80.9). In the year under review, the main focal areas identified for VWI were changes and development opportunities for staff. Using defined follow-up processes, managers take suitable steps in dialog with their staff, supported by the Opinion Survey Group team. Alongside the staff survey, we use the online employer rating platform kununu for analytical purposes. Furthermore, the staff at Volkswagen Immobilien GmbH have contracts which are based on the collective agreement for Volkswagen AG. As well as covering issues such as fair pay and company pensions, this protects jobs at the German sites until 2029.



DIALOG AND  
FEEDBACK CULTURE

Being open to dialog and fostering a strong feedback culture are important to us. This enables our employees to become actively involved in processes by contributing their views and criticisms. One example to name here is the "GFdirekt" discussion format where a member of senior management engages in cross-functional dialog with staff across all hierarchy levels. To facilitate an intensive exchange of ideas and a personal atmosphere, participation in these discussion rounds is limited to ten individuals. Due to the coronavirus pandemic, the format has been held twice yearly via MS Teams. It allows senior management to take on board unfiltered views and feedback from staff and respond to concrete questions directly. The aim of the format is to strengthen mutual appreciation and understanding as well as build trust across all hierarchy levels. Individual staff appraisals and meetings at team and department level continue to take place regularly. Twice a year, management dialogs are held with departmental heads and senior management, and a one-day leadership convention takes place annually. Throughout all the various formats, we cultivate a culture of regular exchange between line managers and staff.

It is important to us that all employees are given prompt, comprehensive information on overarching issues. We do this via staff meetings – which were held virtually in 2021 due to the ongoing coronavirus pandemic – and by using digital town hall meetings as a direct



and bidirectional means of communication. Our intranet platform was redesigned in 2021. This is used alongside a new coworker app to update employees on company issues each day and to regularly provide background reports and information on current projects and staffing changes. 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.

Ⓜ CHAPTER "PEOPLE IN THE TRANSFORMATION"


## Diversity as a Success Factor


▪ GRI 103-1 to -3

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", and "We keep our word". Volkswagen Immobilien applies these principles to daily operations using a jointly developed toolbox.

As a subsidiary of the Volkswagen Group, we follow its Code of Conduct. 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. 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. In 2020, we made an additional commitment to respect and tolerance at work by signing the Diversity Charter. Ⓜ CHAPTER "INTEGRITY"

VWI now has a diversity manager (Director of HR) and four additional diversity trainers from various departments who are responsible for this

issue. They are trained using the Group-wide sensitization program, "DiversityWins@Volkswagen". Their key responsibilities include promoting more efficient, innovative teamwork and making inclusive behavior part of day-to-day leadership.  CHAPTER „DIVERSITY“

We promote diversity and equal opportunities in everyday work in a range of ways, including our "Role Model Program" for managers and the tool "Meet the Others".  VWI SUSTAINABILITY REPORT 2020, P. 26-27

In the year under review, the most important formats at VWI included completing the #onehourDiversity project for an interdepartmental, two-way discussion of diversity and for continuing professional development by means of workshops. Our managers also took part in two compulsory workshops which provided intensive training on diversity issues.



DIVERSITY AND  
EQUAL  
OPPORTUNITIES

# Forward-Looking Business Practices

## Our Sustainability Management: Processes and Structures

▪ GRI 103-1-3, 102-18, 102-13, 102-40, 102-42, 102-43, 102-44

In the concrete implementation of our sustainability goals, we align our activities with the Volkswagen Group guidelines, adopt their principles and formulate company directives which are specifically tailored to Volkswagen Immobilien. 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 – Finance, HR, Technology, Housing and Corporate Real Estate Management – and meets at least four times a year. The committee is steered by the Head of Corporate Finance and Sustainability. It develops and discusses the strategic alignment of Volkswagen Immobilien regarding the defined material sustainability issues.

The Sustainability Committee is supported by the Sustainability business unit. This acts as an interface for all sustainability-related activities and is responsible for tasks such as overseeing and coordinating sustainability ratings and producing the sustainability report. The VWI Board, which is made up of senior management and departmental heads, is kept informed about issues pertaining to sustainability regularly by the Chair of the Sustainability Committee. The committee members engage in ongoing dialog with working groups from the various departments to define concrete strategic targets and measures.



TRANSPARENT  
PROCESSES AND  
STRUCTURES

We maintain active stakeholder dialog to ensure that our sustainability strategy meets our stakeholders' expectations and to identify potential for further development. Our most important stakeholders are our staff, our clients, Volkswagen AG, business partners and investors, policymakers and public authorities, and society:

#### VWI Stakeholder Structure



We want to be an excellent employer for our **staff** in order to retain employees and attract external applicants. For this reason, staff satisfaction is at the heart of our human resources strategy. We monitor staff satisfaction by means of surveys and feedback processes between managers and their teams. We also use tools such as the intranet and

staff meetings to actively inform our employees about measures and updates to our strategy, and answer coworkers' questions directly.

We have set out how important **clients** are for our company in our corporate 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 and alternative landlord-to-tenant electricity models strengthen the partnership between our company and its clients in the interests of sustainability.

Volkswagen Immobilien offers a comprehensive range of services for the **Volkswagen Group** to do with residential and commercial property: from investment and concept development to maintenance. We are heavily integrated into the Volkswagen Group's sustainability activities and make a substantial contribution towards its targets. We are in direct contact with the relevant Group units concerning all sustainability initiatives via the digital knowledge-sharing network Group Connect and event formats such as Group summits. In addition, we advise the Group on sustainability in the construction and utilization of properties.

We share ideas with our **business partners and investors** at conferences and inform them about our projects and initiatives with the aid

of specialist articles, the internet and our sustainability report. We have long-standing business relationships with our suppliers and service providers which are founded on trust. We expect them 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.

Our company has particularly strong roots in Wolfsburg, where it carries significance and weight among **policy-makers and public authorities**. 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. 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. Furthermore, we are actively involved in the “Initiative Wohnen.2050” and the “Immo2.Zero” forum initiated by Deutsche Unternehmensinitiative Energieeffizienz e. V. (DENEFF) to support the decarbonization of buildings.

As one of the biggest landlords in Wolfsburg, we take responsibility for **society** in the region. We support numerous activities which promote social cohesion, good health and education. In conjunction with the charity ready4work e. V., for instance, we back the creation of additional traineeships in the region and the integration of socially disadvantaged young people. We are also keen to support fundraising projects and promote culture in the city.



WOLFSBURG  
REGION

## Sustainable Finance

We see finance as a natural part of any sustainability concept and want to use “green capital” for “green assets”. This is why we offer green bonds in the form of borrower’s note loans and registered bonds. Doing so also helps us to diversify our investor base and tap financing options. We worked hard to set a standard for these instruments which complies with the EU Sustainability Taxonomy and will remain valid throughout the term of our bonds. The resulting standard is based in part on an ESG rating by ISS ESG, which awarded us “Prime” status in 2021 for the fourth consecutive year. This makes us one of the most sustainable real estate companies in Germany and among the top 5% in the industry around the world (as of 5/18/2021). We also implemented the Green Bond Principles of both the ICMA (International Capital Market Association) and the Climate Bonds Initiative. Our implementation of these standards was confirmed by an external assessment of energy efficiency at our existing German properties. To maximize transparency for our investors and future issuers, we use a matrix based on the GEG standard and usage type for the property selection criteria. Using this matrix, we have grouped our existing properties into a “green” and a “non-green” portfolio. Detailed



GREEN BOND  
REPORT

information is disclosed in the compulsory green bond report, which we are publishing as part of our sustainability report again this year.

To align our real estate portfolio with climate protection considerations, we intend to give more weight to climate-related financial risks in our planning in the future. This will mean, for instance, systematically incorporating 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 by late 2022. To enable us to calculate carbon pricing for our company, we completed an analysis of the status quo for residential buildings together with the Technische Universität Braunschweig in 2020. This showed that only about 10% of our carbon footprint (46,500 tons of CO<sub>2</sub>) is subject to the current legislation on carbon pricing because the assessment is currently based solely on Scope 1 carbon emissions. Any expansion of the taxation to include Scope 2 would lead to additional costs which VWI has to take into account when selecting action strategies.



## Sustainable Supplier Management

▪ GRI 103-1-3, 102-9, 103-1 to -3, 412-2

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. When awarding contracts and drafting agreements for our partners, we therefore pay close attention to compulsory guidelines and processes.

Our approach to **awarding corresponding contracts** is closely linked with the Volkswagen Group's processes and in line with its stipulations.

🔗 CHAPTER "RESPONSIBILITY FOR SUPPLY CHAINS AND BUSINESS"

Overall, the Group takes a three-pronged approach to the establishment of sustainable supply chains (prevent, detect, react). For example, before potential service providers and suppliers are engaged, we conduct 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. An internal company



BUSINESS PARTNER  
DUE DILIGENCE

directive stipulates the order value from which the prescribed processes apply. Generally speaking, contracts worth €15,000 or more are awarded by the Group procurement team. The procurement process, including BPDD, is handled within VWI for orders worth less than €15,000.

To help suppliers become sustainable companies and ensure that our requirements are met, the Volkswagen Group has introduced a sustainability rating (S rating) as a Group-wide process linked to the awarding of contracts. The S rating assesses suppliers' sustainability performance with regard to social, environmental and corruption risks. The rating is based on a self-assessment questionnaire (SAQ) completed by suppliers as well as a risk assessment carried out by means of a site visit and an in-depth corruption audit. No contracts can be awarded to suppliers who do not fulfill the requirements or who are unable to provide evidence of a rating. At Volkswagen Immobilien, the S rating rules apply to contracts awarded via the Group (usually contracts worth > €15,000).

To make our expectations of **partners' conduct during our collaboration** clear, we include the "Volkswagen Group requirements for sustainability in relations with business partners" in our Code of Conduct for Business Partners, which forms part of their contract. The Code of Conduct plays a crucial role in our supplier management and requires

adherence to environmental, social and compliance standards. 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). [VOLKSWAGEN AG](#)



CODE OF  
CONDUCT

# Compliance and Risk Management

## Compliance and Integrity

- GRI 103-1 to -3, 102-11, 102-17, 205-2-3

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, guiding staff and directing them to people who can provide help if it is needed. We are firmly integrated into the compliance and integrity management systems of the Volkswagen Group.

### CHAPTER "INTEGRITY"

The Group guidelines which apply to us include those on:

- 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
- Dealing with donations and sponsorship

In addition to this, the compliance management system at Volkswagen Immobilien is laid out in a separate guideline.

Volkswagen Immobilien has established a **Governance Committee**. By doing so, it is following the requirements of a Volkswagen AG Group guideline. The committee consists of representatives of the risk management, integrity, compliance and legal units, who are responsible for the early identification, assessment and management of risks. The committee's remit also includes ensuring effective information sharing, efficient cooperation between the units, avoiding operational redundancies and fulfilling reporting obligations to executive management.

At VWI, the **Compliance Officer** coordinates interdisciplinary collaboration between departments with the aim of recognizing and avoiding misconduct. The Compliance Officer reports regularly to the VWI Board of Management and senior management about all material changes and developments regarding relevant compliance issues. In addition, all employees are informed via email on a quarterly basis about topics relevant to them. Both the Compliance Officer and a dedicated compliance assistant who can be contacted by email are also available at any time to handle more in-depth questions. In 2021, our employees took the opportunity to ask the integrity and compliance team about adherence to guidelines and possible breaches of the rules. If these discussions resulted in misconduct being identified, appropriate remedial action was initiated, such as meetings with a manager, official warnings or additional training. In the 2021 reporting year, a total of 13 incidents were reported which resulted in action being taken. Misconduct can also be identified

via spot checks, which are carried out by Volkswagen Immobilien at least once a year. 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 also report it – anonymously, if they wish – using the Volkswagen Group’s **whistleblower system**.

The integrity team at Volkswagen Immobilien is responsible for this field as a whole and for the company’s implementation of the **“Together4Integrity” (T4I) program**.

Ⓜ CHAPTER “INTEGRITY”

T4I – which is a fixed part of Group-wide integrity and compliance requirements – pools eleven key initiatives and more than 100 packages of measures to deliver on the Volkswagen Group’s promise of being a role model for integrity. With the rollout of T4I at Volkswagen Immobilien, numerous training and communication measures were completed and workshops were held with staff involvement. VWI now has a complete toolbox with packages of measures that will also be implemented continually in the future. The company will introduce an **integrity index** for the purpose of quantifying success, monitoring and transparency. This will be calculated based on an annual representative survey as part of the T4I perception workshops. The target is to achieve an index rating of at least 4.0.



TOGETHER  
4 INTEGRITY

In addition to this, Volkswagen Immobilien focused on the topics of taxation and the environment within its compliance management in the year under review.

To ensure that tax obligations are fulfilled properly, senior management commissioned the Finance and IT department to set up a **tax compliance management system**. Among other things, the system should help to prevent tax risks, safeguard the company’s own tax position with regard to high-risk matters and identify commercial opportunities arising from appropriate tax planning.

With its **environmental compliance management system (ECMS)**, the company is taking a systematic approach to ensure that it fulfills the Volkswagen Group’s environmental targets and obligations while complying with legal requirements. The system contains minimum requirements for the management of environmental impacts, assesses risks, sets out prevention and control mechanisms, provides guidance on measuring effectiveness, and defines standardized reporting both within VWI and vis-à-vis the Volkswagen Group. As part of the ECMS, VWI reports to the Group annually on relevant issues such as environmental risks, compliance with binding obligations or the annual environmental target. In connection with the introduction of the ECMS, a register of all legislation relating to the

environment (UIS) was also introduced. This provides staff with information on all relevant legislation and ensures that steps are taken to comply with it.

Information is shared with our employees via **compliance and integrity training courses** online or in person, extensive literature, talks by the Compliance Officer and intranet posts. VWI employees are trained in line with Group standards and sensitized to both legal and ethical issues. All members of staff receive a certificate when they complete their Code of Conduct training. The compulsory training courses on the Code of Conduct are refreshed every two years (indirect areas) or four years (direct areas). Each quarter, we check the completion of staff training on the Code of Conduct and report our findings to the Volkswagen Group as part of the T4I program. Staff in our estate agency unit are additionally required to undertake training on the prevention of money laundering.

All relevant employees at Volkswagen Immobilien completed a course on antitrust law in 2021. An antitrust law risk analysis was also conducted by an external consultant with the involvement of various departments at Volkswagen Immobilien.




COMPLIANCE  
TRAINING

## Risk Management Focusing on Prevention

▪ GRI 103-1 to -3

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 wholly owned subsidiary of the Volkswagen Group, we are incorporated into its extensive **risk management and internal control system (RMS/ICS)** and covered by corresponding guidelines.  CHAPTER "INTEGRITY"

We implement these requirements by means of a company directive at VWI. In risk management, we focus on the ongoing monitoring of processes to ensure compliance and integrity. Property-specific risk analyses are used to strengthen our methodology. In project management, the need to balance time-critical deadlines and client care on the one hand with compliance risks and due diligence on the other can lead to conflicts of aims.

Based on an external **compliance risk analysis**, we made ongoing improvements in the reporting year:

- To clearly specify our approach to conflicts of interests and our conduct towards public officials, we adopted a Volkswagen Group guideline which addresses these aspects in full.
- We revised our company directives covering relations with business partners and how to deal with gifts and invitations. This topic was also incorporated into regular communication via the intranet and basic training.
- Furthermore, in the reporting period, we developed a guideline on safety and security based on the Group policy. This covers aspects such as fire safety, personal security, event security and crisis management. The safety and security organization is managed by a VWI employee and must be involved in all strategic projects.
- A handbook was produced for the international companies to define their roles and responsibilities with regard to compliance. In the future, rules for the foundation and operation of international companies will also be set out in a new organizational directive. This will include aspects such as requirements for the drafting of contracts, representative authority for international companies and accounting in foreign countries.

At the beginning of 2021, a **compliance, integrity and data protection task force** was set up and the positions on it were filled. Comprehensive documentation of the new VWI Board's agenda and resolutions was introduced.

We see it as our duty to prevent violations of human rights principles and to minimize corresponding risks. 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. As part of its sustainability strategy, the Volkswagen Group has defined safeguarding human rights as an action area within its focus topic "responsibility in supply chains and business". 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.  CHAPTER "RESPONSIBILITY FOR SUPPLY CHAINS AND BUSINESS"

Volkswagen Immobilien is concentrating on preventing discrimination, violations of the child labor prohibition, and breaches of occupational health and safety regulations. To ensure that measures are always in



line with the latest legal requirements, the company continuously screens the relevant legislative matters pertaining to human rights.

## Comprehensive Occupational Health and Safety Protection at Construction Sites

▪ GRI 103-1 to -3, 403-1 to -3, 40-7, CRE6

A Group guideline provides uniform information about who is responsible for health care and occupational safety at all companies within the Group.

🌐 CHAPTER "PEOPLE IN THE TRANSFORMATION"

We have taken up these specifications and incorporated them into a company guideline for Volkswagen Immobilien. 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 repre-



FAIRNESS AND  
HUMAN RIGHTS

sents the employees with its seat on the occupational safety committee.

Key requirements for systematic health and safety management include **conducting risk assessments** for each workplace. We use 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 labor and the use of machinery. We analyze the causes of each accident in detail and take steps to prevent them in the future. 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.

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 an external **health and safety coordinator** for work at construction sites, as required by law. The coordinator is present on site for large construction projects and when building work is done at a great height. Among other things, their remit includes issuing instructions to companies before work commences at the construction sites and supervising compliance with regulations. At smaller construction sites where no health and safety coordinator is required by law, this responsibility usually lies with the client. Monitoring is performed with the aid of 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.

# BLUE LIVING

GREEN BOND REPORT 2021



# 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 CO<sub>2</sub> emissions, with buildings being directly responsible for 14% of the CO<sub>2</sub> emissions. By 2030, buildings may not emit more than 72 million tons of CO<sub>2</sub>. 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 €480 billion in 2021 and a forecast total volume of €1,000 billion in 2022, 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 fourth green bond report contains information about our activities, allocation and the impact of our measures.

We hope you enjoy reading it!

Sandra Dieckmann, Tobias Beinlich, and Dominic Martins Pinto



INNOVATIVE APPROACH:  
IM AWARD 2019

# 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 3,043 residential units. Of the 3,043 residential units, 582 are newbuilds and 2,461 are refurbished dwellings. As per the selection criteria for our green bond framework, 70.5% 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 of our units which are used for residential purposes. 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 %
<b>Total</b>	<b>3,059</b>	<b>100 %</b>

	Breakdown by building standard		Breakdown by market value
	Commercial		
Refurbished Portfolio	Residential	2461	29.50 %
EnEV 2009	12	94	26.40 %
EnEV 2014	4	130	28.90 %
EnEV 2016	0	358	15.20 %
<b>Total</b>	<b>16</b>	<b>3043</b>	<b>100 %</b>

# 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 €216.5 million, with our green bonds making up €167 million of this. The green assets are offset by unallocated liabilities of €423 million.

As of Dec. 31, 2021

	Assets		Liabilities
Green Assets (Fair Value)	639,532,000.00 €	Allocated to mortgage loans	39,046,991.94 €
		Allocated to KfW loans	10,396,832.91 €
		Allocated to green BNL/RB*	167,000,000.00 €
		Unallocated amount of green assets	423,088,175.15 €
<b>Summe Green Assets</b>	<b>639,532,000.00 €</b>	<b>Total max. green funding</b>	<b>639,532,000.00 €</b>

\*) Borrower's note loans/registered bonds

# Impact Report

## Reduction in CO<sub>2</sub> 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 HVAC" results in savings of 27.4 million kWh.

On the basis of the selected emission factors, our properties cause CO<sub>2</sub> emissions of 8,589 tons. The underlying reference figures assume CO<sub>2</sub> emissions of 20,529 tons. This results in savings of 11,940 tons of CO<sub>2</sub> for 2021. Broken down by usage type, this equates to 10,023 tons for residential, 568 tons for office space, 1,285 tons for logistics and 65 tons for industrial properties.

### Average weighted energy performance figure

Logistics (kWh/m <sup>2</sup> a)	Office space (kWh/m <sup>2</sup> a)	Residential (kWh/m <sup>2</sup> a)	Industry (kWh/m <sup>2</sup> a)
85.37	106.19	56.17	194.80

### Energy savings

	Final energy consumption of the portfolio (kWh)	Final energy consumption by reference figure (kWh)	Final energy savings (kWh)	Final energy savings (%)
Logistics	14,889,985	19,186,860	4,296,875	22.4 %
Office space	3,292,705	5,277,732	1,985,027	37.6 %
Residential	14,233,646	42,446,592	28,212,946	66.5 %
Industry	1,293,895	1,484,610	190,715	12.8 %
<b>Total</b>	<b>33,710,230</b>	<b>68,395,794</b>	<b>34,685,563</b>	<b>50.7 %</b>

### Savings in CO<sub>2</sub>

	CO <sub>2</sub> emissions by our portfolio	CO <sub>2</sub> emissions by reference figure	CO <sub>2</sub> emission savings	CO <sub>2</sub> emission savings (%)
Logistics	3,883	5,167	1,285	24.9 %
Office space	853	1,421	568	40.0 %
Residential	3,518	13,540	10,023	74.0 %
Industry	335	400	65	16.2 %
<b>Total</b>	<b>8,589</b>	<b>20,529</b>	<b>11,940</b>	<b>58.16 %</b>

## “Greenness” of the Portfolio

To self-assess our portfolio, we calculated the average weighted final energy performance figure in kWh/m<sup>2</sup>a. The result for the residential division was a figure of 56.17 kWh/m<sup>2</sup>a, while the logistics and office space sectors stood at 85.37 kWh/m<sup>2</sup>a and 106.19 kWh/m<sup>2</sup>a, 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 CO<sub>2</sub> emissions, the savings total around 4,000 tons compared to our framework



4,000 T CO<sub>2</sub>  
TOTAL SAVINGS



# 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 fifth 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 conducted in 2021.

The reporting period was January 1 to December 31, 2021. The editorial deadline was March 21, 2022. The report was published in German and English on the company's website, <https://www.vwimmobilien.de/en/companies/sustainability/>, on April 20, 2022. 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. 58). 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.

# Key Performance Indicators

## Employees

<b>Workforce</b>		<b>GRI 102-8</b>	
	Unit	2021	2020
<b>Total number of employees (temporary and permanent)</b>	<b>Number</b>	<b>352</b>	<b>357</b>
Female	Number	161	166
Male	Number	191	191
<b>Total number of permanent employees</b>	<b>Number</b>	<b>350</b>	<b>355</b>
Female	Number	160	165
Male	Number	190	190
<b>Total number of temporary employees</b>	<b>Number</b>	<b>2</b>	<b>2</b>
Female	Number	1	1
Male	Number	1	1
<b>Total number of part-time employees</b>	<b>Number</b>	<b>57</b>	<b>57</b>
Female	Number	55	56
Male	Number	2	1
<b>Total number in passive phased retirement</b>	<b>Number</b>	<b>19</b>	<b>14</b>
Female	Number	5	4
Male	Number	14	10
<b>Total number of apprentices</b>	<b>Number</b>	<b>11</b>	<b>10</b>
Female	Number	6	7
Male	Number	5	3
<b>Total number of employees not employed directly</b>	<b>Number</b>	<b>6</b>	<b>5</b>
Group staff on loan from Volkswagen AG	Number	6	4
Temporary staff	Number	0	1
<b>New hires and staff turnover</b>		<b>GRI 401-1</b>	
<b>Total number of new employees</b>	<b>Number</b>	<b>7</b>	<b>8</b>
Female	Number	3	3
Male	Number	4	5
<b>Total staff turnover</b>	<b>Number</b>	<b>5</b>	<b>9</b>
Female	Number	2	3
Male	Number	3	6
<b>Staff turnover rate</b>	<b>%</b>	<b>1.42</b>	<b>2.52</b>
Female	%	1.24	1.81
Male	%	1.57	3.14
<b>Parental leave</b>			
<b>Total number of employees who have taken parental leave</b>	<b>Number</b>	<b>36</b>	<b>34</b>
Female	Number	27	24
Male	Number	9	10
<b>Total number of employees who returned to work in the reporting period at the end of their parental leave</b>	<b>Number</b>	<b>16</b>	<b>23</b>
Female	Number	7	13
Male	Number	9	10

# Key Performance Indicators

<b>Continuing professional development</b>		<b>GRI 404-3</b>	
Percentage of employees with a regular performance review, per year	%	100	100
Female	%	100	100
Male	%	100	100
<b>Number of apprentices</b>	<b>Number</b>	<b>11</b>	<b>10</b>
Female	Number	6	7
Male	Number	5	3
<b>Occupational safety</b>		<b>GRI 403-2, 403-8, CRE6</b>	
<b>Total number of employees (direct workers, temporary and permanent)</b>	<b>Number</b>	<b>352</b>	<b>357</b>
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
Working days lost due to occupational accidents	Number	37	140
Number of occupational accidents reported	Number	4	5
Frequency of accidents	%	8.4	10.5
Number of occupational fatalities reported	Number	0	0
<b>Diversity of governance bodies</b>		<b>GRI 405-1</b>	
		2021	2020
<b>Female</b>	<b>18.18</b>	<b>9.09</b>	<b>99.98%</b>
Age < 30	0	0	-
Age 30–50	100	0	-
Age > 50	0	100	-100.00%
<b>Male</b>	<b>81.82</b>	<b>90.91</b>	<b>-10.00%</b>
Age < 30	0	0	0.00%
Age 30–50	77.78	70.00	11.11%
Age > 50	22.22	30.00	-25.93%
<b>Diversity and age breakdown among employees</b>		<b>GRI 405-1</b>	
<b>Female employees</b>	<b>51.45</b>	<b>48.50</b>	<b>6.08%</b>
Age < 30	14.61	14.90	-1.95%
Age 30–50	65.17	66.70	-2.29%
Age > 50	20.22	18.40	9.89%
<b>Male employees</b>	<b>48.55</b>	<b>51.50</b>	<b>-5.73%</b>
Age < 30	5.95	5.50	8.18%
Age 30–50	62.50	66.70	-6.30%
Age > 50	31.55	27.80	13.49%
<b>Total number of incidents of discrimination</b>		<b>GRI 406-1</b>	
Number of incidents		0	0

# Key Performance Indicators

## Environment<sup>1</sup>

### Portfolio overview

	Unit	2021	2020	Change
<b>Number of residential properties</b>	Number	9,486	9,486	0.00%
<b>Total area of residential properties</b>	m <sup>2</sup>	639,316	639,316	0.00%
<b>Number of commercial properties<sup>1</sup></b>	Number	98	97	1.03%
<b>Total area of commercial properties<sup>1</sup></b>	m <sup>2</sup>	458,992	448,361	2.37%

1) The values for 2020 were subsequently restated.

### Energy

	Unit	2021	2020 <sup>5</sup>	Change
<b>Own energy consumption by Volkswagen Immobilien<sup>2</sup></b>	<b>kWh</b>	<b>973,778</b>	<b>1,002,888</b>	<b>-2.90%</b>
Heating energy	kWh	660,674	619,520	6.64%
Electricity	kWh	313,104	383,368	-18.33%
<b>Total energy consumption at residential properties<sup>3</sup></b>	<b>kWh</b>	<b>77,316,405</b>	<b>71,237,827</b>	<b>8.53%</b>
Heating energy	kWh	51,251,440	45,669,521	12.22%
Landlord-to-tenant electricity	kWh	24,988,254	24,451,943	2.19%
Electricity for common areas	kWh	1,076,711	1,116,363	-3.55%
<b>Total energy consumption at commercial properties<sup>4</sup></b>	<b>kWh</b>	<b>93,191,087</b>	<b>94,094,606</b>	<b>-0.96%</b>
Heating energy	kWh	52,388,856	52,265,898	0.24%
Of which district heating	kWh	38,913,626	39,032,368	-0.30%
Of which natural gas	kWh	6,266,851	6,266,851	0.00%
Of which heating oil	kWh	7,208,379	6,966,679	3.47%
Electricity	kWh	40,802,231	41,828,708	-2.45%

2) The figures for properties utilized by Volkswagen Immobilien were calculated on the basis of actual consumption data (99.7%) and energy used (0.3%).

3) 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.

4) In 2020 and 2021, the figures for MAN properties were estimated using a worst-case scenario and included. 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 for our commercial properties: actual consumption 12% (electricity 7% / heat 5%), energy used 58% (electricity 30% / heat 28%), energy needed 24% (electricity 5% / heat 19%), estimates 6% (electricity 1% / heat 5%).

5) Due to technical problems with reading the meters for district heating, the 2020 billing period was subsequently corrected by the energy supplier. In the residential division, the figure reported for heating energy in 2020 was approx. 11 TWh too high. For a number of commercial properties, we adjusted the energy needed for 2021 and subsequently amended the figure for 2020.

### Greenhouse gas emissions – business operations

	Unit	2021	2020	Change
<b>Fleet at administration<sup>6</sup></b>	<b>t CO<sub>2</sub>e</b>	<b>27.00</b>	<b>30.40</b>	<b>-11.18%</b>
<b>Fleet at depot<sup>6</sup></b>	<b>t CO<sub>2</sub>e</b>	<b>157.60</b>	<b>106.10</b>	<b>48.54%</b>
<b>Printing<sup>7</sup></b>	<b>t CO<sub>2</sub>e</b>	<b>0.75</b>	<b>1.11</b>	<b>-32.25%</b>
<b>Emissions from paper consumption<sup>7</sup></b>	<b>Water in m<sup>3</sup></b>	<b>75.00</b>	<b>111.00</b>	<b>-32.43%</b>
<b>Business travel<sup>8</sup></b>	<b>t CO<sub>2</sub>e</b>	<b>394</b>	<b>394</b>	<b>0.00%</b>

6) The emissions were calculated using the quantities of fuel filled into the vehicles and the emission factors quoted in GEMIS 5 for regular petrol and diesel. Emissions from company cars made available to an individual for personal use were not recorded.

7) The emissions stated were estimated as follows: 1 sheet of paper corresponds to 2 g CO<sub>2</sub> 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](http://www.papiernetz.de/wp-content/uploads/ifeu-studie_langfassung.pdf)

– <https://www.umweltbundesamt.de/papier-druckerzeugnisse#vorteile-von-recyclingpapieren>

8) Emissions from business travel are calculated generically based on a worst-case figure from the automotive industry (t CO<sub>2</sub>/employee).

# Key Performance Indicators

## Volkswagen Immobilien GmbH

Carbon footprint by energy source (market-based approach) in t CO<sub>2</sub>e

	2021 Not climate- adjusted	2020 <sup>4</sup> Not climate- adjusted	GRI 305-5 Change
<b>Total emissions<sup>9</sup></b>	<b>27,554.4</b>	<b>26,039.1</b>	<b>5.82%</b>
Of which VWI's own emissions	751.4	694.3	8.22%
Of which residential properties	13,045.0	11,627.8	12.19%
Of which commercial properties	13,758.0	13,717.0	0.30%
<b>Total Scope 1 emissions – GRI 305-1</b>	<b>3,347.5</b>	<b>3,243.1</b>	<b>3.22%</b>
Motor fuels (fleet) <sup>10</sup>	149.5	110.1	35.79%
Of which VWI's own emissions	149.5	110.1	35.79%
Heating oil	1,935.0	1,870.0	3.48%
Of which commercial properties	1,935.0	1,870.0	3.48%
Natural gas	1,263.0	1,263.0	0.00%
Of which commercial properties	1,263.0	1,263.0	0.00%
<b>Total Scope 2 emissions – GRI 305-2</b>	<b>18,523.0</b>	<b>17,400.4</b>	<b>6.45%</b>
Electricity <sup>11</sup>	0	0	–
Of which VWI's own emissions	0	0	–
Of which residential properties	0	0	–
<b>District heating<sup>12</sup></b>	<b>18,523.0</b>	<b>17,400.4</b>	<b>6.45%</b>
Of which VWI's own emissions	135.0	126.3	6.89%
Of which residential properties	10,452.0	9,313.8	12.22%
Of which commercial properties	7,936	7,960.3	-0.31%
<b>Total Scope 3 emissions – GRI 305-3</b>	<b>5,683.9</b>	<b>5,395.6</b>	<b>5.34%</b>
Fuel and energy-related activities <sup>12</sup>	5,289.1	5,000.5	5.77%
Of which VWI's own emissions	72.1	62.8	14.81%
Of which residential properties	2,593.0	2,314.0	12.06%
Of which commercial properties	2,624.0	2,623.7	0.01%
Printing <sup>13</sup>	0.8	1.1	-32.43%
Of which VWI's own emissions	0.8	1.1	-32.43%
Business travel <sup>14</sup>	394.0	394.0	0.00%
Of which VWI's own emissions	394.0	394.0	0.00%

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

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

11) Since Jan. 1, 2019, Naturstrom® electricity with an emission factor of 0 kg CO<sub>2</sub>/kWh has been used at the properties utilized by VWI. Naturstrom® electricity with an emission factor of 0 kg CO<sub>2</sub>/kWh is used for the fleet charging points. Since Jan. 1, 2019, Naturstrom® electricity with an emission factor of 0 kg CO<sub>2</sub>/kWh has been used for common areas at the residential properties.

12) For 2020 and 2021, the emission factor as per GEMIS 5 is 0.254 kg CO<sub>2</sub>/kWh, with 80% recorded within Scope 2 and 20% reported as part of the fuel and energy-related activities in Scope 3.

13) The emissions stated were estimated as follows: 1 sheet of paper corresponds to 2 g CO<sub>2</sub> 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](http://www.papiernetz.de/wp-content/uploads/ifeu-studie_langfassung.pdf)

– <https://www.umweltbundesamt.de/papier-druckerzeugnisse#vorteile-von-recyclingpapieren>

14) Emissions from business travel are calculated generically based on a worst-case figure from the automotive industry (t CO<sub>2</sub>/employee).

# Key Performance Indicators

## VWI landlord-to-tenant electricity

	Unit	2021	2020	Change
Commercial <sup>15</sup>	t CO <sub>2</sub> e	11,751.04	9,327.80	25.98%
Residential <sup>16</sup>	t CO <sub>2</sub> e	7,146.64	6,993.26	2.19%

15) The supply of electricity to the commercial properties is organized by the tenants, most of whom use VW Kraftwerk GmbH. The emission factor quoted by VW Kraftwerk GmbH to calculate emissions rose from 0.223 kg CO<sub>2</sub>/kWh for 2020 to 0.288 kg CO<sub>2</sub>/kWh for 2021. The higher figure for 2021 resulted from the change in the emission factor, not from consumption.

16) The tenants source their electricity from LSW, with the emission factor of 0.286 kg CO<sub>2</sub>/kWh for 2020 and 2021.

## Water

	Unit	2021	2020	Change	GRI 303-5
Total water usage, Volkswagen Immobilien	m <sup>3</sup>	803.3	1,389	-42.17%	
Total water usage, residential properties	m <sup>3</sup>	675,931	677,937	-0.30%	

## Waste<sup>17</sup>

	Unit	2021	2020	Change	GRI 306-3
Volume of non-recyclable waste, Volkswagen Immobilien <sup>18</sup>	m <sup>3</sup>	267	267	-	
Total volume of waste, residential properties <sup>19</sup>	m <sup>3</sup>	50,869	50,869	-	
Recycling rate for waste from residential properties <sup>20</sup>	%	49	49	-	
Total waste, commercial properties <sup>17</sup>	m <sup>3</sup>	4,098	4,098	-	

17) The volume of waste is consistently quoted in m<sup>3</sup>. This figure is derived from the number of containers provided, their volume and the frequency with which they are emptied.

18) Figures only include non-recyclable waste.

19) Figures include non-recyclable waste, organic waste and paper.

20) Organic waste and paper are recycled.

## Other KPIs

### Financial KPIs

	Unit	2021	2020	Change	GRI 306-3
<b>Sales revenue</b>	€ million	<b>166.86</b>	<b>150.15</b>	<b>11.13%</b>	
<b>Share of property sales revenue (absolute)</b>	€	<b>78.33</b>	<b>58.89</b>	<b>33.00%</b>	
Green assets	€	43.65	42.22	3.39%	
Of which BLUE BUILDINGS	€	5.27	4.46	18.24%	
Of which BLUE LEASES <sup>21</sup>	€	29.41	12.22	140.70%	
<b>Share of property sales revenue (relative)</b>	%	<b>46.94%</b>	<b>39.22%</b>	<b>19.68%</b>	
Green assets	%	26.16%	28.12%	-6.9%	
Of which BLUE BUILDINGS	%	3.16%	2.97%	6.4%	
Of which BLUE LEASES <sup>21</sup>	%	17.63%	8.14%	116.6%	
<b>Return on sales revenue before taxes</b>	%	<b>6.47%</b>	<b>20.60%</b>	<b>-68.6%</b>	
<b>Balance sheet total</b>	€ million	<b>906.62</b>	<b>870.52</b>	<b>4.15%</b>	
<b>Donations to political parties</b>	€	<b>0</b>	<b>0</b>		<b>GRI 415-1</b>
<b>Vetting of suppliers   S rating<sup>22</sup></b>					
(based on percentage of sales revenue for main suppliers)	Number				<b>GRI 308-2 + GRI 412-2</b>
<b>Available S ratings for suppliers</b>	Number	<b>12,483</b>	<b>13,041</b>	<b>-4.3%</b>	
Of which suppliers with A ratings	Number	3524	4,093	-13.9%	
Of which suppliers with C ratings <sup>23</sup>	%	91	220	-58.6%	
Percentage of total revenue accounted for by suppliers with an S rating	%	approx. 85	approx. 75	13.3%	
Percentage of suppliers whose environmental credentials were vetted	%	> 65	> 65	-	

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

22) Data was provided by the Volkswagen Group's procurement organization and relates to the whole Group's supplier management.

23) No contracts may be awarded to suppliers with a C rating.

# GRI Index

## ▪ GRI 102-55

GRI Standard	GRI Standard	Discl. Type	Disclosure	Page	Explanation or Omission
<b>General Disclosures</b>					
GRI 102: General Disclosures 2016	101	Core	Activities, brands, products and services		
	102	Core	Location of headquarters		
	102-1	Core	Location of operations	6	
	102-2	Core	Ownership and legal form	7	
	102-3	Core	Markets served	10	
	102-4	Core	Scale of the organization	6	
	102-5	Core	Information on employees and other workers	6	No breakdown showing employees and other workers (level of detail not material). See also the Volkswagen Immobilien Diversity Charter ( <a href="https://www.vwimmobilien.de/unternehmen/presse/news/newsroom/show/volkswagen-immobilien-unterzeichnet-charta-der-vielfalt.html">https://www.vwimmobilien.de/unternehmen/presse/news/newsroom/show/volkswagen-immobilien-unterzeichnet-charta-der-vielfalt.html</a> )
	102-6	Core	Supply chain	6	See also the Volkswagen Group Sustainability Report 2021, pp. 11–12.
	102-7	Core	Significant changes to the organization and its supply chain	6	There were no significant changes in the organization and supply chain of Volkswagen Immobilien in the 2021 reporting year. Changes at Group level are disclosed in the Group Annual Report 2021: Basis of consolidation.
	102-8	Core	Precautionary principle or approach	58	See also the Volkswagen Group Annual Report 2021: Report on Risks and Opportunities.
	102-9	Core	External initiatives	42	
	102-10	Core	Membership of associations		
	102-11	Core	Statement from senior decision-maker	44	
	102-12		Key impacts, risks and opportunities	8	
	102-13	Core	Values, principles, standards and norms of behavior	38	See also the Volkswagen Immobilien values ( <a href="https://www.vwimmobilien.de/unternehmen/unternehmen/nachhaltigkeit.html">https://www.vwimmobilien.de/unternehmen/unternehmen/nachhaltigkeit.html</a> ). See also the Volkswagen Group values, Sustainability Model ( <a href="http://www.volkswagenag.com/de/sustainability/policy.html">www.volkswagenag.com/de/sustainability/policy.html</a> ).
	102-14		Mechanisms for advice and concerns about ethics	3	See also the Volkswagen Group Sustainability Report 2021, pp. 86–92.
	102-15	Core	Governance structure	14	
	102-16	Core	List of stakeholder groups		
	102-17	Core	Collective bargaining agreements	44	See also the Volkswagen Group Sustainability Report 2021, pp. 71–72.
	102-18	Core	Identifying and selecting stakeholders	38	See also the Volkswagen Group Sustainability Report 2021, pp. 24–25.
	102-40	Core	Approach to stakeholder engagement	39	See also the Volkswagen Group Sustainability Report 2021, pp. 25.
	102-41	Core	Key topics and concerns raised		For details of topics mentioned and concerns expressed, see also stakeholder expectations ( <a href="http://www.volkswagenag.com/de/sustainability/reporting.html">www.volkswagenag.com/de/sustainability/reporting.html</a> ).
	102-42	Core	Entities included in the consolidated financial statements	39	See the Volkswagen Group Annual Report 2021: Basis of consolidation.
	102-43	Core	Defining report content and topic boundaries	39	
	102-44	Core	List of material topics	39	
	102-45	Core	Restatements of information		Any restatements of information are clearly indicated by means of footnotes.
	102-46	Core	Changes in reporting	10	
	102-47	Core	Reporting period	10	
	102-48	Core	Date of most recent report		
	102-49	Core	Reporting cycle	57	
102-50	Core	Contact point for questions regarding the report	57		
102-51	Core	Claims of reporting in accordance with the GRI Standards	57		
102-52	Core	GRI content index	57		
102-53	Core	External assurance	69		
102-54	Core	Claims of reporting in accordance with the GRI Standards	57		
102-55	Core	GRI content index	63		
102-56	Core	External assurance	57		
<b>Economic Performance</b>					
GRI 103: Management Approach 2016	103-1		Explanation of the material topic and its boundary	7	
	103-2		The management approach and its components	7	
	103-3		Evaluation of the management approach	7	
GRI 201: Economic Performance 2016	201-2		Financial implications and other risks and opportunities due to climate change	7	
<b>Indirect Economic Impacts</b>					
GRI 103: Management Approach 2016	103-1		Explanation of the material topic and its boundary	26	See also the Volkswagen Group Sustainability Report 2021, pp. 18–21.
	103-2		The management approach and its components	26	
	103-3		Evaluation of the management approach	26	
GRI 203: Indirect Economic Impacts 2016	203-1		<ul style="list-style-type: none"> <li>▪ Infrastructure investments and services supported</li> <li>Disclosures for additional areas: <ul style="list-style-type: none"> <li>▪ Affordable housing and social housing</li> <li>▪ Preservation and restoration of historic buildings in portfolio</li> <li>▪ Publicly accessible open areas/recreational areas</li> <li>▪ Community educational and social facilities</li> </ul> </li> </ul>	26	
<b>Anti-Corruption</b>					
GRI 103: Management Approach 2016	103-1		Explanation of the material topic and its boundary	44	See also the Volkswagen Group Sustainability Report 2021, p. 86.
	103-2		The management approach and its components	44	See also the Volkswagen Group Sustainability Report 2021, pp. 86–88.
	103-3		Evaluation of the management approach	44	See also the Volkswagen Group Sustainability Report 2021, p. 89.
GRI 205: Anti-Corruption 2016	205-2		Communication and training about anti-corruption policies and procedures	44	
	205-3		Confirmed incidents of corruption and actions taken	44	No disclosure per site (breakdown not material) or of risks identified (confidential information). See the Volkswagen Group Annual Report 2021: Corporate Governance Report, Whistleblower system.
<b>Materials</b>					
GRI 103: Management Approach 2016	103-1		Explanation of the material topic and its boundary	16	
	103-2		The management approach and its components	16	
	103-3		Evaluation of the management approach	16	
GRI 301: Materials 2016	301-1		Materials used by weight or volume		Topic-related quantitative data is currently not recorded fully due to organizational reasons.



# GRI Index

GRI Standard	GRI Standard	Discl. Type	Disclosure	Page	Explanation or Omission
<b>Energy</b>					
GRI 103: Management Approach 2016	103-1		Explanation of the material topic and its boundary	18	
	103-2		The management approach and its components	18	
GRI 302: Energy 2016	103-3		Evaluation of the management approach	18	
	302-1		Energy consumption within the organization	60	
	302-2		Energy consumption outside of the organization	60	
	302-4		Reduction of energy consumption	60	
	CRE1		Building energy intensity	18, 60	
	CRE8		Type and number of sustainability certification, rating and labeling schemes for new construction, management, occupation and redevelopment	20	
<b>Water</b>					
GRI 103: Management Approach 2016	103-1		Explanation of the material topic and its boundary	19	
	103-2		The management approach and its components	19	
	103-3		Evaluation of the management approach	19	
GRI 303: Effluents and Waste 2018	303-5		Water consumption	62	
<b>Biodiversity</b>					
GRI 103: Management Approach 2016	103-1		Explanation of the material topic and its boundary	22	
	103-2		The management approach and its components	22	
	103-3		Evaluation of the management approach	22	
GRI 304: Biodiversity 2016	304-2		Significant impacts of activities, products and services on biodiversity	22	
<b>Emissions</b>					
GRI 103: Management Approach 2016	103-1		Explanation of the material topic and its boundary	14	
	103-2		The management approach and its components	14	
	103-3		Evaluation of the management approach	14	
GRI 305: Emissions 2016	305-1		Direct (Scope 1) GHG emissions	61	
	305-2		Energy indirect (Scope 2) GHG emissions	61	
	305-3		Other indirect (Scope 3) GHG emissions	61	
	305-5		Reduction of GHG emissions	61	
<b>Waste</b>					
GRI 103: Management Approach 2016	103-1		Explanation of the material topic and its boundary	16	
	103-2		The management approach and its components	14	
	103-3		Evaluation of the management approach	14	
GRI 306: Waste 2016	306-3		Waste generated	62	
<b>Supplier Environmental Assessment</b>					
GRI 103: Management Approach 2016	103-1		Explanation of the material topic and its boundary	42	See also the Volkswagen Group Sustainability Report 2021, pp. 95–103.
	103-2		The management approach and its components	42	See also the Volkswagen Group Sustainability Report 2021, pp. 95–103.
	103-3		Evaluation of the management approach	42	See also the Volkswagen Group Sustainability Report 2021, p. 95.
GRI 308: Supplier Environmental Assessment 2016	308-2		Negative environmental impacts in the supply chain and actions taken	62	See also the Volkswagen Group Sustainability Report 2021, pp. 100–101, 104–105, as well as Group Annual Report 2021, Group Management Report, Report on Risks and Opportunities.
<b>Employment</b>					
GRI 103: Management Approach 2016	103-1		Explanation of the material topic and its boundary	28	
	103-2		The management approach and its components	28	
	103-3		Evaluation of the management approach	28	
GRI 401: Employment 2016	401-1		New employee hires and employee turnover	58	
	401-3		Parental leave	58	

# GRI Index

GRI Standard	GRI Standard	Discl. Type	Disclosure	Page	Explanation or Omission
<b>Occupational Health and Safety</b>					
GRI 103: Management Approach 2016	103-1		Explanation of the material topic and its boundary	48, 32	
	103-2		The management approach and its components	48, 32	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.
GRI 403: Occupational Health and Safety 2018	103-3		Evaluation of the management approach	48, 32	
	403-1		Occupational health and safety management system	48, 32	
	403-2		Hazard identification, risk assessment and incident investigation	48, 59	
	403-3		Occupational health services	48	
	403-4		Worker participation, consultation and communication on occupational health and safety	32	
	403-5		Worker training on occupational health and safety	32	See also the Volkswagen Group Sustainability Report 2021, pp. 74–75.
	403-6		Promotion of worker health	32	
	403-7		Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	48	See also the Volkswagen Group Sustainability Report 2021, pp. 74–75.
403-8		Workers covered by an occupational health and safety management system	59		
CRE6		Percentage of the organization operating in verified compliance with an internationally recognized health and safety management system	59, 48		
<b>Training and Education</b>					
GRI 103: Management Approach 2016	103-1		Explanation of the material topic and its boundary	30	
	103-2		The management approach and its components	30	
	103-3		Evaluation of the management approach	30	
GRI 404: Training and Education 2016	404-2		Programs for upgrading employee skills and transition assistance programs	30	
	404-3		Percentage of employees receiving regular performance and career development reviews	59	
<b>Diversity and Equal Opportunity</b>					
GRI 103: Management Approach 2016	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 405: Diversity and Equal Opportunity 2016	405-1		Diversity of governance bodies and employees	59	
<b>Non-Discrimination</b>					
GRI 103: Management Approach 2016	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 406: Non-Discrimination 2016	406-1		Incidents of discrimination and corrective actions taken	59	
<b>Local Communities</b>					
GRI 103: Management Approach 2016	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 413: Local Communities 2016	413-1		Operations with local community engagement, impact assessments and development programs	26	Topic-related quantitative data is currently not recorded fully due to organizational reasons.
<b>Supplier Social Assessment</b>					
GRI 103: Management Approach 2016	103-1		Explanation of the material topic and its boundary	42	See also the Volkswagen Group Sustainability Report 2021, pp. 99–101.
	103-2		The management approach and its components	42	See also the Volkswagen Group Sustainability Report 2021, pp. 99–101.
	103-3		Evaluation of the management approach	42	See also the Volkswagen Group Sustainability Report 2021, pp. 99–101.
GRI 414: Supplier Social Assessment 2016	414-2		Negative social impacts in the supply chain and actions taken	62	No detailed disclosures concerning the individual sub-items. See also the Volkswagen Group Sustainability Report 2021, pp. 100–101.
<b>Public Policy</b>					
GRI 103: Management Approach 2016	103-1		Explanation of the material topic and its boundary	38	
	103-2		The management approach and its components	38	
	103-3		Evaluation of the management approach	38	
GRI 415: Public Policy 2016	415-1		Political contributions	62	

# Financial Key Indicators

Unlike previous financial years, the Sustainability Report 2021 is not linked to the Annual Report any longer.

Therefore please find the relevant business figures, the balance sheet, the profit and loss account as well as the cashflow statement of Volkswagen Immobilien on the following pages as part of this report.

# Financial Key Indicators

## Key Figures

Financial information (€ m)	2021	2020	Change
Revenue	166.86	150.15	11.1%
Funds from Operations	55.44	61.80	-10.3%
Operating profit	37.25	37.03	0.6%
Profit before tax (IFRS)	30.05	30.93	-2.8%
Profit after tax (IFRS)	18.95	24.21	-21.7%
Fixed assets	796.17	856.81	-7.1%
Investments (incl. financial investments)	36.81	45.35	-18.8%
Net assets	906.62	870.52	4.1%
Cash flow from ongoing business	5.20	33.28	-84.4%
Gross cash flow	51.57	53.65	-3.9%
<b>Key figures (in %)</b>	<b>2021</b>	<b>2020</b>	<b>Change</b>
Return on sales before tax	18.0%	20.6%	-12.6%
Equity ratio	25.1%	25.6%	-2.2%

## Income Statement

k €	2021	2020
<b>Revenue</b>	<b>166,860</b>	<b>150,154</b>
thereof residential assets	68,185	62,324
thereof commercial assets	65,735	66,273
thereof project and lease management	21,378	9,643
thereof facility management	9,063	8,109
thereof others	2,499	3,805
<b>Cost of sales</b>	<b>-86,960</b>	<b>-71,660</b>
<b>Contribution to operating income</b>	<b>79,900</b>	<b>78,494</b>
Staff and indirect material costs	-44,893	-43,528
Other operating income	5,560	6,848
Other operating expenses	-3,316	-4,784
<b>Operating profit</b>	<b>37,252</b>	<b>37,029</b>
Finance expenses	-9,221	-9,121
Investment result	2,439	3,536
Other financial result	-417	-515
<b>Financial result</b>	<b>-7,199</b>	<b>-6,100</b>
<b>Results from ordinary operations</b>	<b>30,053</b>	<b>30,929</b>
Income taxes and deferred taxes	-11,102	-6,715
Profit for the year, after tax	18,951	24,214

# Financial Key Indicators

## Statement of financial position

k €	2021	2020
<b>Assets</b>	<b>906,618</b>	<b>870,517</b>
<b>Non-current assets</b>	<b>796,174</b>	<b>809,245</b>
thereof real estate assets	656,558	675,855
thereof Interests in other companies	106,716	102,691
thereof other non-current assets	32,900	30,698
<b>Current assets</b>	<b>110,444</b>	<b>61,273</b>
<b>Equity and liabilities</b>	<b>906,618</b>	<b>870,517</b>
<b>Equity</b>	<b>227,166</b>	<b>223,123</b>
<b>Non-current liabilities</b>	<b>528,862</b>	<b>551,988</b>
<b>Current liabilities</b>	<b>150,591</b>	<b>95,407</b>

## Statement of Cash Flows

k €	2021	2020
<b>Cash and cash equivalents, opening balance</b>	<b>13,638</b>	<b>45,885</b>
Profit before tax	30,053	30,929
Income tax payments	-10,063	-8,681
Depreciation, amortisation and write-ups, netted	17,332	18,931
Depreciation of let assets*)	12,639	12,429
Changes in pension provisions	1,261	868
Cash flow from the disposal of assets	352	-830
Other non-cash expenses/earnings	0	0
<b>Gross cash flow</b>	<b>51,574</b>	<b>53,645</b>
<b>Change in working capital</b>	<b>-46,372</b>	<b>-20,362</b>
<b>Cash flow from ongoing business</b>	<b>5,202</b>	<b>33,283</b>
Investments in property, plant and equipment	-9,654	-31,077
Change in investments	-4,025	0
Disposals of assets	3,814	4,715
<b>Investments</b>	<b>-9,865</b>	<b>-26,362</b>
<b>Net cash flow</b>	<b>-4,663</b>	<b>6,921</b>
Changes in loans	3	3
<b>Investments incl. financial investments in securities and loans</b>	<b>-9,862</b>	<b>-26,359</b>
Dividend payment/loss equalisation	-25,872	-21,175
Change in other financial liabilities	38,790	-16,285
Lease payments	-1,008	-1,711
<b>Financing activities</b>	<b>11,910</b>	<b>-39,171</b>
<b>Change in cash and cash equivalents</b>	<b>7,250</b>	<b>-32,248</b>
<b>Cash and cash equivalents, closing balance</b>	<b>20,887</b>	<b>13,638</b>
<b>Gross liquidity</b>	<b>20,887</b>	<b>13,638</b>
Borrowings	-544,307	-506,649
<b>Net liquidity</b>	<b>-523,420</b>	<b>-493,011</b>

# Acknowledgments and Legal Notice

▪ GRI 102-53

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[www.vwimmobilien.de/en/companies/sustainability/](http://www.vwimmobilien.de/en/companies/sustainability/)

### **Senior Management:**

Senior Management/Board of Management:  
Meno Requardt (spokesman)  
Hardy Brennecke

### **Chairman of the Supervisory Board:**

Gunnar Kilian

As of: April 2022

# BLUE LIVING

 [www.vwimmobilien.de](http://www.vwimmobilien.de)

**VOLKSWAGEN**  
Immobilien 