



BLUE LIVING
SUSTAINABILITY REPORT 2022
GREEN BOND REPORT 2022



VOLKSWAGEN
Immobilien



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Our financial KPIs are now separated in a separate document.



Links to VWI's last year's Sustainability Report



Links to an external website



Links to the 2022 Sustainability Report of Volkswagen Group:
<https://www.volkswagenag.com/en/sustainability/reporting-and-esg-performance/sustainability-report.html>

Letter from Senior Management

▪ GRI 2-22

Dear readers,

The past year was a turbulent one with plenty of challenges – the war in Ukraine, the energy crisis, inflation and the repercussions of the pandemic. Even this difficult environment did not knock us off track, however. As a responsible real estate company, we want to keep providing answers to current and future challenges. In our view, the biggest of these is climate change, an issue we think poses risks but also presents opportunities and potential which we want to actively seize. We strive to provide transparent information about how we are facing up to this as well as on our sustainability activities as a whole. With this in mind, we are delighted to present our Sustainability Report 2022 to you. It is aimed at our stakeholders and all interested parties. Like last year's, the current report is structured in line with the ESG aspects of sustainability (environment, social and governance).

We presented our sustainability strategy with its eight focus areas in the previous reporting year. In 2022, we linked these areas even more closely with the UN Sustainable Development Goals (SDGs) to which we can make the biggest contribution. In the **"Environment"** category, we are focusing on the revised BLUE BUILDING standard, which we use to guarantee sustainable construction that increases energy efficiency, enhances climate protection and promotes a circular economy. We are also further strengthening our commitment to biodiversity and have

implemented a number of projects within our portfolio in connection with this. The use of renewable energy and a strategy for sustainable water usage are additional areas of focus within our activities.

In the **"Social"** category, Volkswagen Immobilien once again took on social responsibility by making the Global Inn hotel available to the city of Wolfsburg to accommodate refugees from the Ukraine conflict. As an attractive employer, we strive to keep offering our staff flexible working-hour models and make it possible for them to achieve a healthy work-life balance. Our activities here primarily included promoting mental health. We intend to maintain a sharp focus on this area in the future.

We further strengthened our **"Governance"** role in the year under review, for example via extensive compliance and anti-corruption training, sustainable supplier management, and an open and honest dialog with our stakeholders. With the aid of our 2030 corporate strategy, we intend to keep growing and consolidate our position within the Group as a company with proven real estate expertise and a sustainable approach. Our sustainability management system ensures that taking responsibility for the environment and society is our number one priority with all measures and processes.

We have many more plans for 2023. For instance, we intend to drive reductions in emissions as this is a key environmental sustainability issue. Furthermore, we will define and pursue climate pathways in the commercial property sector. Digitalizing our portfolio is another focal area. In connection with this, we will roll out a pilot project for the use of smart meter technology at our commercial properties. In 2023, we intend to further expand our programs to promote employees' physical and mental health in the workplace. We also want to launch new initiatives to intensify the open dialog between staff at all levels of the hierarchy.

We hope you enjoy reading our report. Stay safe.

The Volkswagen Immobilien senior management team

Meno Requardt
Hardy Brennecke



BLUE LIVING

CORPORATE RESPONSIBILITY



Volkswagen Immobilien at a Glance

▪ GRI 2-1, 2-6, 401-1

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 2022, the company and its 370-strong workforce generated annual sales of €245 million. In the commercial property sector, we assist Volkswagen AG, its brands and its subsidiaries with property management. We have dedicated subsidiaries working

for us in Poland, the Czech Republic and Slovakia for the construction, development and operation of commercial properties abroad. Work is currently under way to set up an additional international company.

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 CENTRAL
IN WOLFSBURG

Our Strategic Foundations

▪ GRI 3-3, 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". 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 12 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 as 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 supply chain and human rights.

In addition, the Volkswagen Group sets out its commitment to sustainability in its decarbonization program and the environmental mission statement "goTOzero".

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 passenger cars and light commercial vehicles by 30% compared to the benchmark year of 2018 as early 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.

The **Group's environmental mission statement "goTOzero"** defines all of the environmental action areas that are particularly relevant for the Group. It is based on 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 environmental mission statement was revised in the year under review. The amend-

ments include the addition of a new action area, “preserving ecosystems”, which comprises air quality (🌿 VOLKSWAGEN GROUP SUSTAINABILITY REPORT 2022, “Environmental Compliance Management” section, p. 26), soil and water conservation, and biodiversity. Following the update, the mission statement therefore concentrates on the four prioritized action areas – “protecting the climate”, “conserving resources”, “preserving ecosystems” and “ensuring 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

Volkswagen Immobilien further developed its own corporate strategy in line with the target dimensions contained in the Group strategy “NEW AUTO – Mobility for Generations to Come” and published it in early 2022. 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.

As part of our corporate strategy, we are pursuing seven strategic initiatives with the aim of being the leading real estate partner in the Volkswagen Group by 2030. We will achieve this by leveraging our corporate values, “innovative”, “dedicated” and “fair”.

Our mission sets out how we intend to achieve our objective:

- We inspire our customers with customized and competitive solutions.
- We foster a corporate culture founded on trust with a strong team spirit and straightforward decision-making processes.
- We support the Group's shift towards sustainable mobility with our real estate expertise.
- Our actions are shaped by sustainability, a sense of responsibility and a determination to make a difference.

Our corporate strategy can only be implemented on the back of efficient structures and management processes.

Since the beginning of the reporting period, we have been using the agile framework "objectives & key results" (OKR) to provide our staff with guidance as they work towards this goal and to enable us to respond flexibly to change. In short time frames of six months, this method defines three to five key results per initiative which make a positive contribution to the defined objective. Progress on each one is reported in regular reviews and status updates.

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



UN SUSTAINABLE
DEVELOPMENT
GOALS

Nations in connection with the 2030 Agenda ([➤ SEE CHAPTER STRATEGIC MANAGEMENT OF FOCUS AREAS](#)) . We incorporated the SDGs into the materiality analysis which we conducted in 2021 as an influencing factor. In the reporting year, we also analyzed which SDGs are most important for VWI (see section [➤ Strategic Management of Focus Areas](#)). By doing so, we intend to link the SDGs even more visibly with our sustainability strategy and align our measures even more closely with achieving these goals.

As explained in the previous section, Volkswagen Immobilien's sustainability activities are embedded in the Volkswagen Group's decarbonization program and its "goTOzero" environmental mission statement.

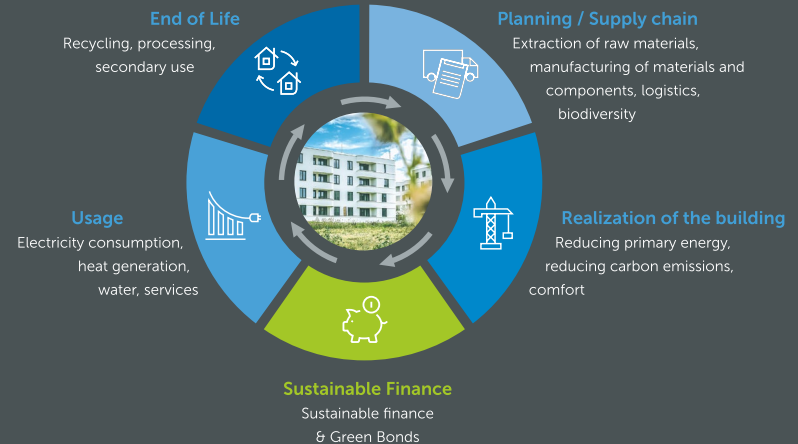
As a wholly owned subsidiary of the Volkswagen Group, we want to take what action we can to contribute towards **decarbonization** . We are committed to the Paris Agreement and strive to meet a 1.5-degree target. By doing so we are not merely joining the other brands and companies in the Volkswagen Group: we are also meeting our stakeholders' high expectations. For us, decarbonization means enhancing enterprise value with a future-proof property portfolio. It is furthermore 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 been implementing our own, holistic sustainability concept called BLUE LIVING since 2019 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 “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.

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 began further developing the BLUE BUILDING standard for modernization projects. We expect to conclude this process in 2023.

Sustainability in the Real Estate Life Cycle



Our Sustainability Management

▪ GRI 2-9, 2-12, 2-13, 2-14, 3-1, 3-2

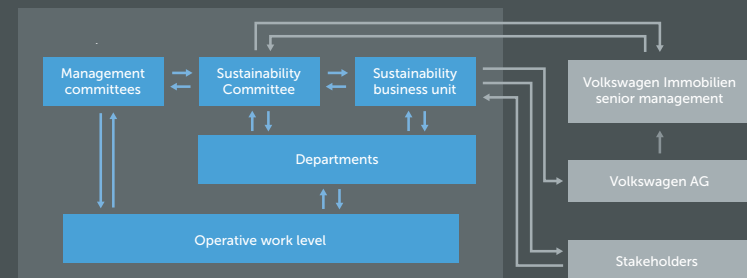
Strategic Management of Focus Areas

In 2021, we carried out a materiality analysis to identify key sustainability focus areas for Volkswagen Immobilien (VWI Sustainability Report 2021, p. 10). By doing so, we did not just set 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 outcome of the materiality analysis and the associated prioritization of eight sustainability focus areas were confirmed by senior management.

The key sustainability-related initiative associated with our corporate strategy is called “Embedding sustainability at the company.” It aims to embed the sustainability issues which have been identified as material more deeply in the relevant company processes and standards. To enable us to achieve measurable progress, we have created a sustainability road map which defines the objective, target, time frame and KPIs for each focus area. This includes a sustainability road map for attaining climate-neutrality within our portfolio which complies with the specifications contained in the Paris Agreement. Responsibilities, measures and management approaches were also defined for each target.

Aside from the OKR framework, sustainability topics at Volkswagen Immobilien are primarily coordinated and steered by the Sustainability Committee and the Sustainability business unit. The senior management team are permanent members of the Sustainability Committee, which meets quarterly. At these meetings, the members are informed about all sustainability-related issues. As well as discussing report topics and sharing information in an interdisciplinary fashion, the committee’s core responsibilities include defining concrete strategic objectives, measures, action areas and statements pertaining to sustainability. These are then incorporated into the initiative, which forms part of the corporate strategy.

Sustainability management at VWI



The Head of Sustainability sits on all VWI decision-making bodies. This ensures that all relevant sustainability criteria set out in the VWI sustainability strategy are taken into account in the company's decision-making.

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 ≤ 74 kWh/m²/a (R) and 100 kWh/m²/a (C) per building by 2026

Biodiversity



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

Our Key Focus Areas for Sustainability



Innovative Construction/Management



Target: Revise the social requirements of our BLUE BUILDING standards 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

Integrating the SDGs into the Sustainability Strategy and Sustainability Measures

Like the Volkswagen Group, VWI is committed to the 17 Sustainable Development Goals (SDGs) adopted by the United Nations in connection with the 2030 Agenda. We conducted a two-part analysis in the year under review to link the SDGs as closely as possible with our sustainability strategy. First, we looked at which SDGs VWI has a considerable impact on with its business activities. To do this, VWI assessed opportunities and risks throughout the value chain and allocated them to the SDGs. In step two, we investigated which SDGs VWI is already contributing towards with the focus areas defined in its sustainability strategy, thereby identifying where the two dimensions overlap significantly.

Collating the results of both sub-analyses led us to select the following SDGs as being those where we make the greatest impact and those with the strongest link to the VWI sustainability strategy.



SDG 3: We create a healthy environment which promotes tenants' well-being with low-pollution materials, natural light, fresh air and the right temperature. We pay particular attention to the health of our employees and contractors at construction sites and in the supply chain.



SDG 8: Our innovative building concepts limit the use of materials and land, making it easier to decouple economic growth from resource consumption. We ensure that good, safe working conditions are provided and human rights are upheld throughout our supply chain.



SDG 9: We help building users to switch to clean, eco-friendly technologies. We do this by providing a high-performance infrastructure for the efficient use of energy and water at our buildings and by implementing sustainable mobility concepts at the developments and properties.



SDG 10: We do not tolerate discrimination of any kind and are dedicated to respectful cooperation, diversity, tolerance and equal opportunities. We observe these principles in our dealings with our staff, in the way we treat our tenants when we allocate housing, and when we design inclusive, accessible residential districts.



SDG 11: We aim to reduce the environmental impact of our properties and contribute towards the development of sustainable urban spaces. This includes avoiding soil sealing and landscaping our portfolio to boost resilience to the consequences of climate change.



SDG 12: We are strengthening the principle of circularity in our processes to protect natural resources. In doing so, we are placing a particular emphasis on using sortable and recyclable materials for newbuilds and modernization projects and on effectively reducing waste.



SDG 13: Modern technology, innovative building services and optimized processes help to reduce carbon emissions and energy consumption at our properties. We use life cycle assessments to identify key levers for achieving decarbonization. These are embedded in our new BLUE BUILDING 2022 standard.



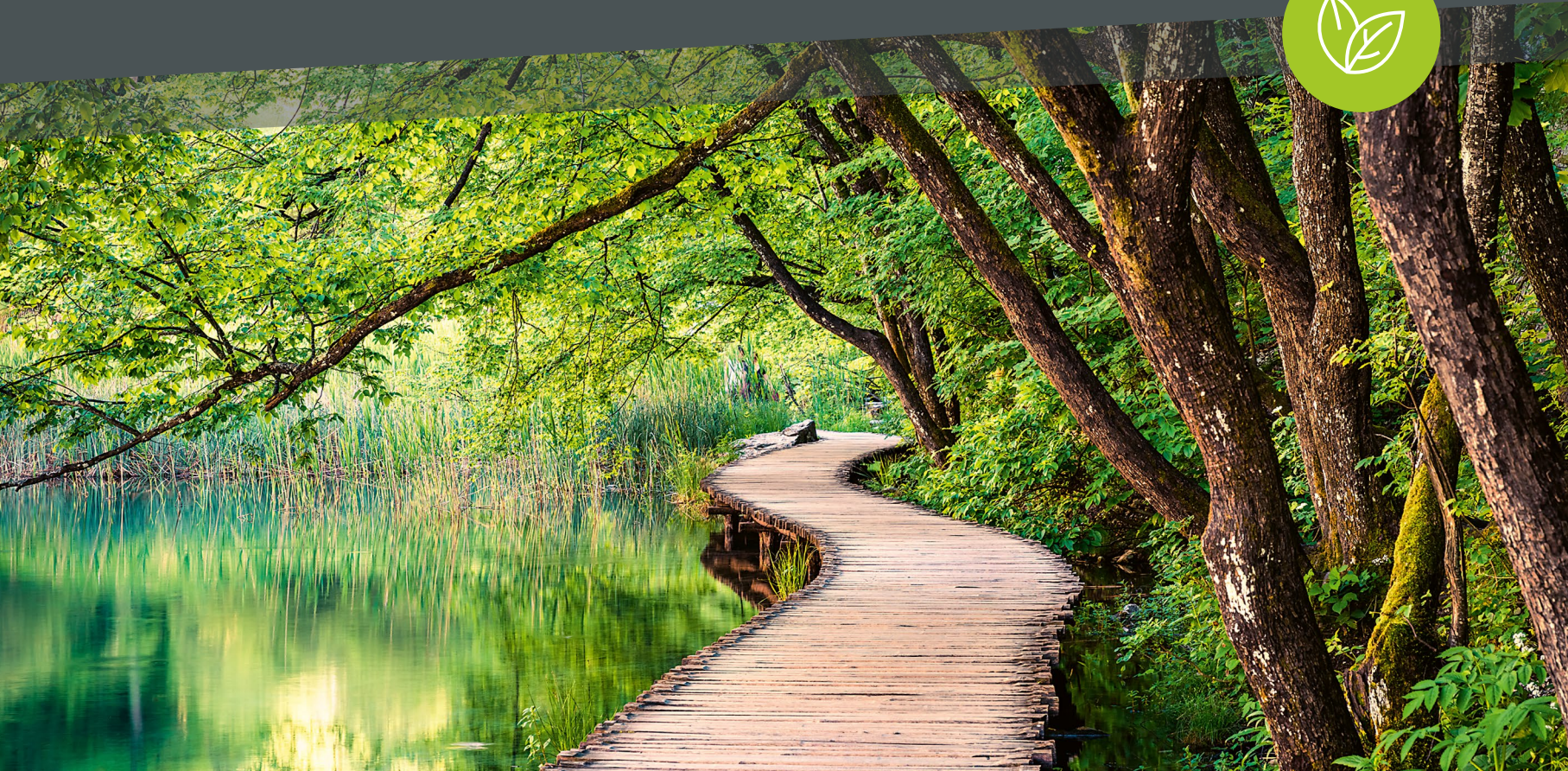
SDG 15: We are committed to promoting biodiversity by protecting natural flora and fauna. Through targeted plantings, connecting biotopes and water management, we create environmental added value while simultaneously optimizing value and reducing costs at our properties.



SDG 16: Compliance and integrity are our utmost concern in everything we do. We take action against bribery and corruption, and ensure that our corporate governance is transparent and ethical with the aid of our Code of Conduct and a set of requirements for supply chain partners.

BLUE LIVING

ENVIRONMENT



Climate Protection and Decarbonization

Strategy and Program to Reduce Carbon Emissions

- GRI 3-3, 201-2

In Germany, real estate accounts for around a third of total CO₂ 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. 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%.

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 CO₂ 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. In the 2022 reporting year, climate pathways were developed for residential and commercial properties based on the CRREM tool (Carbon Risk Real Estate Monitor). An interdisciplinary team was also established in the residential division in the year under review. Its members are currently discussing, testing and defining measures for achieving the target. There are plans to complete a corresponding process for the commercial division in the first half of 2023.



REPORTING,
OPTIMIZING,
FINANCING

Building on the first pillar of the climate strategy – energy and CO₂ 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 CO₂ Emissions Effectively and Lastingly

We established BLUE BUILDING in 2019. Geared towards sustainability and climate protection, this is our own standard for newly built residential and commercial properties. As scheduled, we revised it again in the year under review. BLUE BUILDING 2022 requires buildings to comply with the EG40EE energy efficiency standard, which features a 35% lower primary energy demand than that specified by legal requirements. Other important aspects were also incorporated, such as requirements to fulfill the EU Taxonomy Regulation, use renewables for heat and power, and pay closer attention to circularity and biodiversity.

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

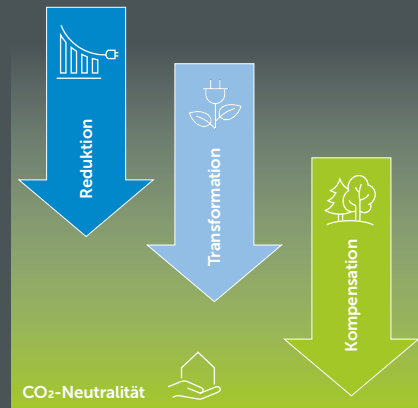
a climate-friendly real estate portfolio. We also minimize the climate impact of our own corporate processes (logistics, fleet, business trips).

Transformation: Switch to Renewable Energies

We have been using renewable energy for common areas and landlord-to-tenant electricity at properties occupied by Volkswagen for a number of years already. All of this is Volkswagen Naturstrom® supplied by VW Kraftwerk GmbH.

The use of photovoltaic panels is now a fixed part of the BLUE BUILDING standard. In the commercial sector, we have already implemented lease models to supply autonomously generated power to our business customers using photovoltaic technology. These systems include one for Brose Sitech in Emden with an output of 330 kWp and another for the Porsche center in Stuttgart (90 kWp). A further photovoltaic system is due to become operational at the new Volkswagen dealership in southern Hanover in 2023.

Decarbonization Strategy



In the residential sector, work continues to install battery storage with a capacity of 2 MWh at Steimker Gärten. This is due to be completed in 2023. The storage system is designed to help cushion energy use peaks, which are costly and place a strain on the grid. There are plans to install PV panels within the framework of the project as well.

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®. In the residential division, we had more than 70 charging points in the car parks next to domestic properties in various parts of the city at the end of 2022. We plan to increase the total number of charging points to 100 in 2023.

In the commercial sector, access to an existing transport infrastructure plays a role in the selection of sites. At present, VWI provides access to 146 charging points at its commercial sites. There are 70 charging points at the Bürozentrum Nord office complex alone. Four high-power chargers (HPC) are also available there; these were installed by Ionity, a joint venture involving the Volkswagen Group and other car makers. In 2022 alone, 46 charging points were set up by VWI and taken into operation. An additional 12 charging points are currently planned or under construction.

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 (see section “Biodiversity”).

Life Cycle Assessment – The Environmental Footprint of Buildings

▪ GRI 3-3, 301-1

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. 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.

We 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 two environmental footprint studies for our residential and office portfolio. This enabled us to analyze the key carbon drivers for the operating and construction phases and examine measures for optimizing future newbuild projects during conceptualization. We also gained valuable experience for the development of a corresponding carbon footprint assessment tool from our newbuild projects, such as the Audi dealership in Munich Trudering or the new Škoda office complex in Mladá Boleslav.

A **material-efficient building structure** and a high degree of flexibility are 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



MATERIAL-EFFICIENT
BUILDING
STRUCTURE

other materials, like mineral wool insulation. Historic materials are sometimes reused for buildings subject to a preservation order.

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 the 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 materials for wooden structures and products which carry the CE label for constructions made from natural stone.

Furthermore, the BLUE BUILDING 2022 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. In line with this, at least 70% of construction and demolition waste (by mass) is processed for reuse, recycling or recovery, including filling. We expect the so-called building materials passport to be established by law in 2023 based on a DGNB draft. As per our BLUE BUILDING standard, we already produce a component catalog for each newbuild project. This contains information about the construction products used, the cubic capacity and the end-of-life scenario, and can serve as a basis for a building materials passport in the future.

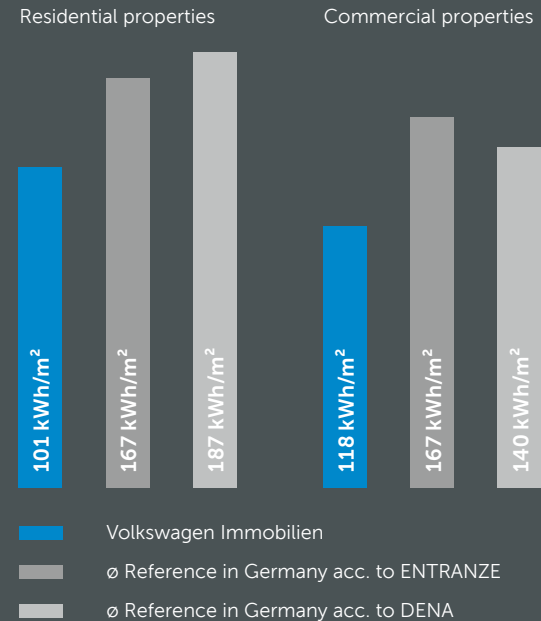
Energy Efficiency and Consumption

▪ GRI 3-3

Transparent Resource Consumption

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 tenant's annual energy consumption stands at 101 kWh/m² in the reporting year. This puts us well below the average usage figures for Germany's housing stock, according to studies by ENTRANZE (-39%) and DENA, the German Energy Agency (-46%). 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 67 kWh/m² the average heating energy used is also well below the average German figure of 137 kWh/m² (-51% compared to ENTRANZE).



Annual **energy consumption at our self-occupied office** properties stands at 118 kWh/m² in the reporting year. Heating accounts for 48% of this, while electricity makes up the remaining 52%. 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 (–30%) and DENA (–16%). 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 66% lower than the average heating energy consumption reported for office space in Germany by ENTRANZE






Due to the war in Ukraine, we encountered considerable challenges and government stipulations requiring us to reduce energy usage significantly in the year under review. The actions taken were coordinated by the Volkswagen AG crisis task force, which included representatives from the various brands and sites in Europe as well as VW Kraftwerk GmbH in Wolfsburg. In connection with this, VWI implemented its own energy-saving concept, which was based in part on its experience of responding to the coronavirus pandemic. Remote working and desk sharing made it possible to reduce the amount of office space used and lower the temperature in the redundant space.

Boosting Energy Efficiency

To further reduce our energy consumption figures, we constantly strive to boost our properties' energy efficiency. At present, adherence to the specific requirements of the EG40EE 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 one of our two 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. This approach ensures that all relevant sustainability aspects are integrated into projects at the earliest possible stage.

BLUE BUILDING

 <p>Energy efficient</p>	<p>CO₂ reduction/energy efficiency</p> <ul style="list-style-type: none"> › Energy efficiency standard KfW 55 › CO₂ reduction (energy) 	<ul style="list-style-type: none"> › Non-fossil heat supply, own power generation › Variant assessment climate neutrality 	<p>Energy efficiency standard EG40 EE</p> <ul style="list-style-type: none"> › –35 % primary energy › –50 % carbon emissions compared to legally required standard
 <p>Eco-friendly</p>	<p>Protection of natural resources</p> <ul style="list-style-type: none"> › Freshwater usage and wastewater › Responsible material procurement › Circular economy concept for architecture/demolition and recycling of construction materials 	<p>Protection of the ecosystem</p> <ul style="list-style-type: none"> › Soil sealing/natural microclimate › Promoting biodiversity › Environmental footprint assessment/CO₂ reduction (buildings) › Low-pollution construction › Sustainable construction process › Air pollution protection › Prioritization of brownfield sites and sites not located in water-stressed areas 	 <p>Specifications catalog / minimum technical requirements</p>
 <p>Cost-effective</p>	<p>Reduction in life cycle costs</p> <ul style="list-style-type: none"> › Life cycle costs (LCC) › Maintenance-friendly construction and building systems › Efficient use of space › Easy to clean 	<p>Capital/value preservation</p> <ul style="list-style-type: none"> › Flexibility and convertibility › Marketability 	<p>Blue Building standard</p> <p>= Basis for "DGNB Gold" certification</p> <p>= conformity with EU Taxonomy</p>
 <p>User focus</p>	<p>Health, safety, comfort</p> <ul style="list-style-type: none"> › Indoor air quality › Thermal comfort, with a focus on resilience/adaptability to climate › Visual amenity › Sound insulation › Safety and security › Quality of user experience 	<p>Functionality</p> <ul style="list-style-type: none"> › Barrier-free accessibility › Mobility <p>Design / urban development quality</p> <ul style="list-style-type: none"> › Integration into urban development 	

Since we launched the standard, all residential and commercial new-build projects at Volkswagen Immobilien have complied with the BLUE BUILDING criteria. In 2022, we further developed the old BLUE BUILDING 2019 standard, for example based on the Efficiency House 40 EE criteria as set out in the German funding program for efficient buildings (BEG)¹. Other new additions include defining concrete carbon reduction targets for both operation and construction, planning various options to achieve climate-neutrality, developing passive, low-tech energy concepts, selecting sustainable locations by prioritizing brownfield sites and avoiding building in water-stressed areas, and increasing use intensity by optimizing floor plans.

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**. We only use district heating for modernized properties if a connection is obligatory or there are exceptional

financial circumstances. In the residential sector, alternative energy concepts are implemented when properties are refurbished to ensure that heat is supplied via heat pumps, solar thermal systems and photovoltaics as well as district heating. A property in the Fallersleben district of Wolfsburg is currently being redeveloped with this in mind. In the commercial division, we are focusing on heat pump technology combined with the installation of photovoltaic systems. For instance, the plans for the new Volkswagen dealership in southern Hanover, which will be completed in 2023, have been changed to use geothermal technology instead of gas-fired heating.

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.

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.

Biodiversity

▪ GRI 3-3, 304-2, 304-3

Guiding Principles of the Biodiversity Strategy

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.

Our measures are aligned with our own biodiversity strategy, which is guided by the following objectives.

We pursue these guiding objectives via concrete specifications, which form part of the BLUE BUILDING 2022 standard. For example, in connection with the objective "Improving the quality of biotope areas", we undertake to assess and prioritize brownfield sites for construction projects, to limit soil sealing in connection with newbuilds (max. 70%), to unseal soil within the portfolio, to improve rainwater drainage, to observe minimum requirements for newbuild landscaping (25%) and to restore green spaces within our portfolio. Prior to initiating any newbuild project, the BLUE BUILDING 2022 standard also requires us to check whether the

chosen site is in an area where there are signs of water stress or where there are special requirements for saving water and protecting bodies of water (see section "Water Usage Strategy").

Guiding Objectives of the Biodiversity Strategy



We initiated a number of biodiversity measures in 2022. One particularly noteworthy initiative is a pilot project to enhance biodiversity at our residential districts in Wolfsburg's Beethovenstraße. Many of the guiding objectives have been implemented across an area spanning approximately 2,500 m² to help nature reclaim its space. This included unsealing and renaturalizing three former laundry areas, integrating a former sandbox into the space and planting varied vegetation. As well as providing new habitats for insects and birds, this renaturalization project also created new green spaces where tenants can sit to relax and chat, thereby upgrading their living environment.

To bring the subjects of biodiversity and sustainability to life for employees as well, VWI held a climate awareness day for its whole workforce in September of the reporting year. As well as sharing theoretical insights into the climate and biodiversity, this also included practical exercises. Attendees created their own biodiversity areas at four sites belonging to the VWI portfolio. They also made and set up bug hotels and bird boxes.

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, external biologists 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.

Water Usage Strategy

▪ GRI 3-3

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.

VWI is committed to making responsible use of water as a resource and has therefore set out extensive requirements in its BLUE BUILDING 2022 standard. These include checking whether the chosen site is in an area where there are signs of water stress or where there are special requirements for saving water or protecting bodies of water. Moreover, the document stipulates that water-saving fittings must be used in line with the maximum flow rates defined in the EU Taxonomy. The standard now also includes the use of equipment to hold back and/or collect rainwater, which can be used for watering or other purposes, such as flushing lavatories.



REDUCTION
BY DESIGN

Furthermore, the districts' existing infrastructure should be utilized to optimize local rainwater/wastewater disposal, including rainwater drainage, wherever this is technically feasible and lawful. Construction site staff such as site managers and tradespeople are required to complete training courses on soil and groundwater preservation to ensure that they acquire and retain the necessary skills for sustainable water usage. Measures include extensive roof planting to reduce the runoff coefficient in connection with the Mozartstraße refurbishment project.

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.

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 375,000 m² have successfully been converted to BLUE LEASE agreements already. BLUE LEASE is now 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 (energy management).

In addition to this, VWI is dedicated to focusing more strongly on (sympathetically) revitalizing existing properties which can provide environmental and social value added compared with newbuilds. Together with Technische Universität (TU) Braunschweig, the company is a partner and sponsor of the research project “Holistic decision-making support model for the sustainable revitalization of non-residential properties” (Ganzheitliches Entscheidungsunterstützungsmodell zur nachhaltigen Revitalisierung von Nichtwohnmobilien, GenRE NWI). It will use the study’s findings to make its commercial real estate sustainable.

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. 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 is due to be specified in more detail in 2023 with the introduction of a BLUE BUILDING modernization standard. During the refurbishment work in Mozartstraße and with a view to gaining DGNB Gold certification for renovation, a user manual is being produced which provides tenants with information about the building and contains tips on sustainable living (e.g. heating and ventilation, electrical equipment, using low-emission products, waste disposal and mobility).

In response to the influx of refugees fleeing the war in Ukraine in need of help, VWI made all 241 rooms at the Global Inn hotel available to the city of Wolfsburg for several months. At peak utilization up to 160 people were housed here. Supplies and counseling were provided by the German Red Cross, while other local partners actively supported the refugees with language tuition (Volkswagen AG) and childcare (city of Wolfsburg). By the end of September, all of the refugees who were temporarily accommodated at the Global Inn had been offered apartments, including some belonging to VWI. Regular hotel operations recommenced at the Global Inn in early October.



SMART METER

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/m² (2008: 227 kWh/m²) for residential buildings and around 52 kWh/m² (2008: 265 kWh/m²) 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.

To tap new potential savings, we have thus decided to roll out smart meters at all our commercial properties. Discussions are still ongoing with various service providers about installing them and integrating the data into our company's IT infrastructure. Implementation is expected to take place in 2023. There are plans to install meters in the residential division soon as well. However, no concrete date has been defined as yet. We are currently working on producing a concept for this in connection with our climate pathway planning. The aim is to directly provide commercial and residential tenants with information enabling them to track and manage

their own energy usage, identify power consumption peaks and level them out promptly.

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.

High-Quality Housing and Quality of Life

▪ GRI 3-3, 203-1, 413-1

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. The ground was broken for the first section of this sustainable route at the end of 2022. Other important elements of our mobility strategy include additional electric vehicle 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.

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. VWI also provides assisted living. This includes 88 accessible apartments for the elderly (some suitable for wheelchair users) with optional support services at the retirement complex WIR (Wohnen im Ruhestand) in Wolfsburg-Fallersleben. VWI also has 175 accessible apartments at locations other than the WIR retirement complex. Work is under way to fit out 33 apartments to make them accessible for wheelchair users. These 208 apartments correspond to 2.2% of our portfolio. During the renovation of the Mozartstraße property, 11 apartments are currently being converted to make them accessible, representing a new addition to our housing portfolio.

Our modernization work 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.

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 modernization work.



SECURITY FOR TENANTS

Notices are put up in stairwells providing advance information about construction work to modernize individual units. These tell tenants when work will start and how long it will last. Contractors are given a set time frame in which the work must be done. It may only be carried out between 7 a.m. and 6 p.m., with a quiet period from noon to 1 p.m. Work usually stops at 4 p.m. Substantial noise disturbance only occurs during the first two weeks of demolition projects.

Modern Workplace

Contemporary Working Models

▪ GRI 3-3, 401-3

The workplace has changed fundamentally since the coronavirus pandemic, primarily by shifting towards digital, mobile and flexible formats. In 2022, we continued to support our employees closely to help them **transition to tomorrow's workplace.**

Our new internal agreement entitled "Mobile Arbeit – Wiederanlauf" (Mobile Working – Restart) came into effect in early May, giving our staff even greater flexibility with regard to remote working hours. Managers made individual remote working arrangements with their team members to take account of the new normal. The proportion of remote working was agreed between the manager and employee with the company's operational requirements in mind. Staff are required 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, all 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.

A pilot project has been launched to trial an **innovative office and space concept**. The first floor of the office complex in Wolfsburg's Schlossestraße was converted as part of this. Office space and meeting rooms were adapted 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 have access to more flexible alternatives to a standard workstation, which they can use temporarily, depending on the nature of their work. The pilot project successfully became standard practice in the year under review. In connection with the so-called VWI winter concept – which aims to save energy throughout the company – this office space was opened up to other departments and became increasingly popular among our employees.

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. With this in mind, we will carry out an analysis of new workplace concepts in 2023. First, we want to identify what features our employees consider necessary with respect to **office and space solutions for digital and flexible ways of 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. Following the abatement of the coronavirus pandemic, we are also seeing growing demand for attractive spaces to facilitate face-to-face meetings and hybrid working, making it easier for people to go back to the office. We have already completed various conversion projects to accommodate this change in clients' requirements, such as the WorkLab used by VWI in Wolfsburg's Schlosserstraße, which was finished in 2022. Also in the reporting year, the office space conversion for Porsche in Zuffenhausen was completed successfully and a modern office concept was finalized and implemented at the TRATON SE headquarters.



TRAINING AND
UPSKILLING

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 as early as 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. All in all, 123 members of staff – 33% of the VWI workforce – used flexible models for part-time working, parental leave or sabbaticals in the period under review.

In the third "Top 100 aus 38" ranking of 400 local companies, Standort38 and Trendence looked into workplace attractiveness in the region against the backdrop of coronavirus and the specific challenges for both businesses and workers. The study also examined which employers made it easiest for staff to balance their work, family commitments and leisure time. Volkswagen Immobilien was included as a regional company for the first time and achieved an impressive initial result. VWI ranked 29th in the list of the 100 most attractive regional employers.

This achievement was underscored by the "FaMi" badge award, which Volkswagen Immobilien received in 2019 and again in 2022. The badge indicates that our company offers very good working conditions for the 2022 to 2024 period, enabling staff to juggle their work, family, caring responsibilities and private lives.



AWARD
"FAMI-SIEGEL"

Forward-Looking Training and Continuing Professional Development

▪ GRI 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 2022, Volkswagen Immobilien took on one new trainee who is working towards a qualification in real estate and three new trainees in horticulture and landscaping. Two young professionals also took up the opportunity to study for a bachelor's degree in architecture. This program was developed in 2021 and realized for the first time in the year under review in conjunction with TU Braunschweig. Students on this cooperative education program

attend the university full-time during semesters and work at the company in the vacations.

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-house training by staff and external service providers extends our CPD offering as necessary on an ongoing basis. 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. 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 99.7% in the year under review. Staff are required to complete this training every three years.

The new normal is constantly changing and posed challenges for the way we work together in the reporting year. Managerial roles have also changed significantly and evolved in connection with this – from stepping up our digital teamwork to realizing efficiencies and adapting to crisis-related changes in operating conditions. The Leadership Culture Day in fall 2022 served as the starting point for a new leadership program at VWI which aims to redefine and strengthen the role of managers. The day-long workshop featured input and training to raise managers' awareness, provide them with concrete tools for day-to-day leadership and enable them to share their experiences.

Promoting Mental and Physical Health in the Workplace

▪ GRI 3-3, 403-1, 403-3, 403-4, 403-5, 403-6, 403-7

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. Our health management focuses on **preventive steps to promote individuals' mental and physical health**, ensuring that workstations promote good health, and providing information and training on all health-related issues.

The coronavirus pandemic put people under strain in many different ways and highlighted how crucial employees' mental health is. This gave VWI even more impetus to embed a strategic approach to this issue in its occupational health management. The components include support services such as individual consulting sessions with HR advisors, participation in seminars or, where appropriate, individual offers of psychological support. In this way, the use of a social

coach or psychotherapy can also be made possible in individual cases. In addition, all employees can make use of the Volkswagen AG Psychological Service, while maintaining anonymity towards the HR department. At the same time, VWI is training an employee in stress management, who can coach coworkers if necessary. Staff initiatives to boost mental health play an important role at VWI as well. In 2021, for instance, a group of employees came together to promote mindfulness each week by spending 15 minutes doing mindfulness exercises. These sessions successfully continued in 2022.

We work closely with specialists from the Volkswagen AG health department to offer regular, comprehensive check-ups free of charge for staff who would like to take up this option. We also maintain a partnership with INJOY gym. Staff from VWI enjoy a 40% discount when they work out at INJOY Wolfsburg. When we design the working environment, we make sure that our workstations promote good health and are ergonomic wherever possible, e.g. by installing height-adjustable desks or sit-stand furniture.



COMPANY
HEALTH
PROMOTION

In the reporting year, **health management again focused on tackling the pandemic**. Employees had access to the Volkswagen AG vaccination drive and testing infrastructure. In addition, staff are offered an optional flu shot each year and the opportunity to donate blood – both during working hours.

We regularly train our staff on aspects of health protection and occupational safety as well as offering them continuing professional development opportunities in this field. For instance, we provide regular informative talks by experts from the health insurance company Audi BKK on relevant topics. In 2022, these included mindfulness, healthy digital communication, returning to the office and healthy sleep. With our health calendar, we have a budget to invite speakers from the health sector. In 2022, the health calendar focused on mental health and psychological well-being. Alongside written information and recommendations, there were talks and workshops which were organized in conjunction with our health partner, Audi BKK. Via comprehensive reporting on the intranet, staff were also given tips and advice on promoting good health while they are working from home or remotely, for example to improve physical fitness, keep moving and eat healthily.

Working with Audi BKK, VWI gave all of its staff access to the Phileo app in the year under review. Phileo is a preventive program which is offered by the association BKK Dachverband e. V. and forms part of its BGM 4.0 initiative. The BGM 4.0 app for smartphones acts as a personal assistant which helps employees to ensure that their workstation promotes good health and enhances their awareness of preventive healthcare. This assistant uses a science-based approach to record the user's current situation and make concrete, personalized, motivating suggestions.

BLUE LIVING

GOVERNANCE



Corporate Culture and Values

Participation and Feedback for Staff Satisfaction

▪ GRI 3-3, 2-30

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. In all, 77% of VWI employees took part in the 2022 Opinion Survey. The participation rate was therefore slightly higher than in the previous year. The Opinion Survey index of staff satisfaction revealed an overall score of 79.3, which was just below the previous year’s figure (80.1). In the year under review, the main focal areas identified for VWI were once again changes and development opportunities for staff. Using defined follow-up processes, managers take suitable steps in dialog with their staff, advised and supported by the Opinion Survey coordinator.

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 of this is the cross-hierarchical format “Auf einen Kaffee mit...” (Coffee with ...) where a member of senior management engages in open, per-

sonal dialog with ten members of staff. It allows senior management to take on board unfiltered feedback from staff and respond to questions directly. Three in-person meetings of this kind took place in the year under review.

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 provide this via in-person staff meetings and the digital town hall meetings introduced in 2021, which serve as a direct and bidirectional communication instrument (VWI Sustainability Report 2021, p. 36). In the year under review, the senior management provided information about topics relevant to the company at three town hall meetings. The flexibility of this format also makes it possible to assemble the workforce at short notice, for example to announce planned measures for combating coronavirus or saving

energy without delay, and to enable employees to ask questions at the same time.

Our intranet platform is used alongside a 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.

Commensurate pay and job security also contribute towards employee satisfaction. 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.

Diversity as a Success Factor

▪ GRI 3-3

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.



DIVERSITY AND EQUAL OPPORTUNITIES

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. They are trained using the Group-wide sensitization program, “DiversityWins@Volkswagen”. This also applies to Volkswagen Immobilien. As a signatory to the Diversity Charter, we promote respect and tolerance in the workplace.

It is therefore only logical that diversity also forms a fixed part of the VWI 2030 strategy and the “Employer Attractiveness” initiative. Responsibility for this lies with the HR department, which also analyzed candidates’ experience of the recruitment process in relation to VWI’s diversity as an employer in 2022. An official diversity manager (Head of Human Resources) and four additional diversity trainers from different departments are responsible for ensuring that diversity at VWI remains in the workforce’s collective consciousness and is regularly treated as a focal topic. Their primary tasks include promoting more efficient, innovative teamwork and making inclusive behavior part of day-to-day leadership.

Key measures to foster diversity and equal opportunities include our “Role Model Program” for managers, which comprises concrete aids such as the “Meet the Others” tool. The “Diversity Run” – an interactive online role-play game – is an entertaining and valuable instrument which managers can also use, e.g. for team workshops or sessions on this topic. We have already gathered some practical experience here in a number of teams.

In the reporting year, we also promoted diversity in the public sphere. For instance, VWI took part in Wolfsburg’s first Diversity Day, which was organized by the city of Wolfsburg’s Department for Equality, the charity Aids-Hilfe Wolfsburg e. V., the cultural center Hallenbad – Kultur am Schachtweg, and the municipal youth empowerment team. At this event, VWI was able to make a strong statement in interviews and panel discussions about how the company lives diversity in practice. Formats included the dialog-oriented Business Lunch where our employees discussed positive action for women in response to the question: “Should we take positive action for women or give everyone the same rights?”. We also highlighted staff members’ activities outside the workplace with our series “Stark durch Vielfalt” (Strength through Diversity), showing how diverse the VWI community is.

Forward-Looking Business Practices

Our Sustainability Management: Processes and Structures

▪ GRI 3-3

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.

A Sustainability Committee supported by the Sustainability business unit helps us to implement the strategy (see section “Strategic Management of Focus Areas”). 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.

Strategy for Stakeholder Dialog

▪ GRI 2-28, 2-29, 3-3, 413-1, 415-1

To ensure that we meet our stakeholders’ expectations and to identify potential for further development in the field of sustainability, we pursue a strategic approach for active stakeholder dialog. In doing so, we consider it crucial that all stakeholders are informed about all of our activities in accordance with the respective topics and are given opportunities to provide feedback. Our website serves as a central dialog platform for all other media and channels (link to the website, “Contact us” section). Clear responsibilities are assigned at VWI in connection with this. Decisions about how frequently to publish reports and information are made by the individual holders of these responsibilities and oriented on the need for dialog.

Our most important stakeholders are our staff, our clients, Volkswagen AG, business partners and investors, policymakers and public authorities, and society:

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. The intranet pages for the topic of sustainability were completely reworked in the year under review. In the future, they will be used to inform staff about one of the eight focus areas each month and to communicate the milestones that have been achieved. Additional formats for regularly involving the workforce in sustainability issues will be developed in 2023.

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 via our Brand Sustainability Manager and make a substantial contribution towards its targets. We are in contact with the



TRANSPARENT PROCESSES AND STRUCTURES

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 and its subsidiaries 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 **policymakers 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. In an ESG rating by ISS ESG, we were awarded “Prime” status in 2022 for the fifth consecutive year, giving investors the confidence they need. We also implemented the Green Bond Principles of both the ICMA (International Capital Market Association) and the Climate Bonds Initiative. Detailed 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 take climate-related financial risks into account in our business processes. For instance, we have systematically incorporated 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. Due to legal changes in the year



GREEN BOND REPORT

under review, 28% of our carbon footprint (35,512 metric tons of CO₂) is subject to carbon pricing. This results largely from VWI’s obligation to be connected to the district heating network in Wolfsburg.

Sustainable Supplier Management

▪ GRI 2-6, 3-3, 308-2, 414-2


We recognize that much of our environmental and social impact results from upstream processes which do not form a direct part of our business activities. Our sustainability performance therefore also depends heavily on our suppliers, service providers, advisers and construction companies. Effectively involving these groups is the only way to ensure sustainability throughout the value chain. When **awarding contracts and drafting agreements** for our partners, we therefore pay close attention to the compulsory guidelines and processes of Volkswagen Group (Volkswagen Group Sustainability Report 2022, “Supply Chain and Human Rights” chapter, p. 104).

In this area, we operate within the responsible supply chain system with which the Group aims to prevent or minimize social or environmental risks throughout its supply chain. For example, before potential service providers and suppliers are engaged, VWI conducts integrity checks of business associates, known as business partner due diligence (BPDD). This assessment is completed as part of a risk-based, transparent process which is documented carefully. An internal company directive stipulates the order value from which the prescribed processes apply. Generally speaking, contracts worth €50,000 or more are awarded by the Group procurement team. The procurement process, including BPDD, is handled within VWI for orders worth less than €50,000.

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 evi-

dence of a rating. At Volkswagen Immobilien, the S rating rules apply to contracts awarded via the Group (usually contracts worth > €50,000).

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).

A responsible approach to human rights is not just embedded in the Group requirements and the Code of Conduct for Business Partners, however. A whistleblower system has also been introduced which can be used by any staff member or external individual to report potential violations of human rights or compliance/environmental guidelines in the supply chain ( WHIS- TLEBLOWER SYSTEM).



BUSINESS PARTNER DUE DILIGENCE

The Group-wide responsible supply chain system was also put in place to comply with the legal requirement for human rights due diligence, to prevent violations and to continually improve suppliers' sustainability performance in this field. It rests on a risk assessment, legal requirements such as the Code of Conduct, whistleblower systems and measures which target human rights issues, e.g. the human rights focus system (↻ Volkswagen Group Sustainability Report, "Supply Chain and Human Rights" chapter, p. 104; section of this report "Risk Management Focusing on Prevention").

Compliance and Risk Management

Compliance and Integrity

▪ GRI 2-15, 2-16, 2-23, 2-24, 2-25, 2-26, 2-27, 3-3, 205-2

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.



CODE OF
CONDUCT

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. 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. The company informs all staff about new topics and updated guidelines each quarter. Our employees take the opportunity to ask the integrity and compliance team about adherence to guidelines and possible breaches of the rules. If these discussions result in misconduct being identified, appropriate remedial action is initiated, such as meetings with a manager, official warnings or additional training.

Misconduct can also be identified via spot checks, which are carried out by Volkswagen Immobilien at least once a year. In the 2022 reporting year, a total of 13 incidents were reported at VWI which resulted in action being taken. These did not include any fines or other sanctions, however. Overall, there has been a substantial increase in the uptake of compliance advice at the company. We see this – combined with the low number of violations – as a positive development and a result of our wide-ranging training activities. 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. ( 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. T4I – which is a fixed part of Group-wide integrity and compliance requirements – pools 11 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 has introduced an **integrity index** for the purpose of quantifying success, monitoring and transparency. This is 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, which corresponds to 80%. In 2022, an overall index rating of 4.7 (94.4%) was achieved at the perception workshops.

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.



TOGETHER
4 INTEGRITY

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. This rests on a regular survey of each department concerning possible environmental risks, which are subsequently compiled in an environmental risk register. 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.



COMPLIANCE TRAINING

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. Twice a year, onboarding sessions are held to inform new employees and trainees about all relevant compliance issues. The compulsory training courses on the Code of Conduct are refreshed every two years (indirect areas) or four years (direct areas). Every six months, 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. In 2022, we held an anti-corruption training course which was attended by 180 people, corresponding to 100% of the staff members for whom it was compulsory. An antitrust law risk analysis was also conducted by an external consultant with the involvement of various departments at Volkswagen Immobilien.

Risk Management Focusing on Prevention

▪ GRI 3-3

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. 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 "supply chain and human rights". 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. 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 3-3, 403-1, 403-2, 403-3, 403-7

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

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



FAIRNESS AND
HUMAN RIGHTS

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 2022



Letter from the Green Bond Department

Dear investors and stakeholders,

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

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



INNOVATIVE APPROACH:
IM AWARD 2019

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.

For the first time in history, green bond issuance declined year-over-year. According to the Climate Bonds Initiative, issuance declined from \$596 billion in 2021 to \$443 billion in 2022, a 25% decrease.

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

We hope you enjoy reading it.

Sandra Dieckmann und Dominic Martins Pinto

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	27.6 %
Office space	4	15.1 %
Residential	3,043	52.5 %
Industry	7	4.8 %
Total	3,059	100 %

	Breakdown by building standard		Breakdown by market value
	Commercial	Residential	
Commercial	0	2,461	29.5 %
EnEV 2009	12	94	26.4 %
EnEV 2014	4	130	28.9 %
EnEV 2016	0	358	15.2 %
Summe	16	3,043	100,0 %

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 €226.9 million, with our green bonds making up €167.0 million of this. The green assets are offset by unallocated liabilities of €423.0 million.

Allocation as of Dec 31, 2022

	Assets		Liabilities
Green Assets (Fair Value)	€639,532,000.00	Allocated to mortgage loans	€337,688,294.27
		Allocated to KfW loans	€22,168,006.34
		Allocated to green BNL/RB*	€167,000,000.00
		Unallocated amount of green assets	€412,675,699.39
Total green assets	€639,532,000.00	Total max. green funding	€639,532,000.00

*) Borrower's note loans/registered bonds

Impact Report

Reduction in CO₂ Emissions

Calculating the difference between the final energy performance figures for our portfolio based on their energy certificates (housing: energy used; commercial properties: energy needed) and the ENTRANZE study and "Average EU building heat load for HVAC" results in savings of 32.8 million kWh.

On the basis of the selected emission factors, our properties cause CO₂ emissions of 8,063 tons. The underlying reference figures assume CO₂ emissions of 19.606 tons. This results in savings of 12,099 tons of CO₂ for 2022. Broken down by usage type, this equates to 9,105 tons, 820 tons for office space, 1,735 tons for logistics and 55 tons for industrial properties.

Average weighted energy performance figure

Logistikcs (kWh/m ² a)	Office space (kWh/m ² a)	Residential (kWh/m ² a)	Industry (kWh/m ² a)
80.1	120.4	58.6	194.8

Energy savings

	Final energy consumption of the portfolio (kWh)	Final energy consumption by ref. figure (kWh)	Final energy savings (kWh)	Final energy savings (%)
Logistics	13,974,390	19,186,860	5,212,470	27.2 %
Office space	3,732,750	5,277,732	1,544,982	29.3 %
Residential	13,825,802	39,552,041	25,726,239	65.0%
Industry	1,293,895	1,484,610	190,715	12.8 %
Total	32,826,836	65,501,243	32,674,407	49.9 %

Savings in t CO₂

	CO ₂ emissions by our portfolio	CO ₂ emissions by reference figure	CO ₂ emission savings	CO ₂ emission savings (%)
Logistics	3,433	5,167	1,735	33.6 %
Office space	602	1,421	820	57.7 %
Residential	3,512	12,617	9,105	72.2%
Industry	345	400	55	13.7 %
Total	8,063	20,162	12,099	59.8 %

“Greenness” of the Portfolio

To self-assess our portfolio, we calculated the average weighted final energy performance figure in kWh/m²a. The result for the residential division was a figure of 58,6 kWh/m²a, while the logistics and office space sectors stood at 80,1 kWh/m²a and 120.4 kWh/m²a, respectively.

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

Based on our actual CO₂ emissions, the savings total around 4,272 tons compared to our framework.



4.272 T CO₂
TOTAL SAVINGS

BLUE LIVING

APPENDIX



About this Report

▪ GRI 1, 2-3, 2-5

With this report, Volkswagen Immobilien GmbH is informing its stakeholders about its sustainability activities for the sixth consecutive year. It is based on the "VWI 2030" 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, 2022. The editorial deadline was March 27, 2023. The report was published in German and English on the company's website, www.vwimmobilien.de/nachhaltigkeit, on May 04, 2023. It will continue to be published annually in the future.

This sustainability report was produced based on the GRI Standards 2021 ("in reference" option). A table with all relevant key performance indicators in the context of sustainability reporting by Volkswagen Immobilien forms part of the report. In the 2022 reporting year, this KPI table is published in the separate "Key Performance Indicator Report" www.vwimmobilien.de/nachhaltigkeit instead of in the appendix to the sustainability report, as was previously the case. 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 Business and Sustainability Figures

In contrast to previous reporting years, this reporting year we decided to publish the key business and sustainability figures as a separate appendix to the Volkswagen Real Estate Sustainability Report 2022.

➤ SUSTAINABILITY AT VOLKSWAGEN IMMOBILIEN

Our selected sustainability key figures create transparency and help us to identify potential for improvement, initiate measures and monitor target achievement. The figures are presented in a multi-year comparison of the last three reporting years. The values in the tables were collected in the period January 1 - December 31, 2022 and rounded up or down. Any discrepancies identified retrospectively have been corrected in the current reporting year and explained in the footnotes.

Our key business indicators are also included in our sustainability reporting this reporting year. Our key business indicators, the balance sheet figures, the income statement and the statement of cash flows of the company can be found on the following pages of this report.

GRI Index

GRI Standard	GRI Standard	Disclosure	Page	Explanation or Omission
General Disclosures				
GRI 1: Foundation	1	Statement of Use, GRI Content Index	62, 64	
GRI 2: General Disclosures	2-1	Organizational details	5	
	2-2	Entities considered in the organization's sustainability reporting		See also the Volkswagen Group Annual Report 2022: Basis of consolidation
	2-3	Reporting period, frequency and contact point	62, 62	
	2-4	Restatements of information		Any restatements of information are clearly indicated by means of footnotes
	2-5	External assurance	62	
	2-6	Activities, value chain and other business relationships	5, 6, 7	See also the Volkswagen Group Sustainability Report 2022, p. 11-13 There were no significant changes in the organization and supply chain of Volkswagen Immobilien in the 2022 reporting year. Changes at Group level are disclosed in the Group Annual Report 2022: Basis of consolidation
	2-7	Employees		See KPI-Report
	2-8	Workers who are not employees		See KPI-Report No breakdown showing employees and other workers (level of detail not material). See also the Volkswagen Immobilien Diversity Charter (https://www.vwimmobilien.de/unternehmen/presse/news/newsroom/show/volkswagen-immobilien-unterzeichnet-charta-der-vielfalt.html)
	2-9	Governance structure and composition	43	See also the Volkswagen Group Annual Report 2022: The Board of Management of Volkswagen Aktuengesellschaft
	2-12	Role of the highest governance body in overseeing the management of impacts		
	2-13	Delegation of responsibility for managing impacts	43	
	2-14	Role of the highest governance body in sustainability reporting	43	
	2-15	Conflicts of interest	39	See also the Volkswagen Group Annual Report 2022: Conflicts of Interest
	2-16	Communication of critical concerns	39	
	2-22	Statement on sustainable development strategy	4	
	2-23	Policy commitments	43	See also the Volkswagen Immobilien values (https://www.vwimmobilien.de/unternehmen/unternehmen/nachhaltigkeit.html). See also the Volkswagen Group values, Sustainability Model (www.volkswagenag.com/de/sustainability/policy.html) See also the Volkswagen Group Annual Report 2022: Sustainable Value Enhancement

GRI 2: General Disclosures	2-24	Embedding policy commitments	43	
	2-25	"Processes to remediate negative impacts"	43	
	2-26	Mechanisms for seeking advice and raising concerns	43	See also the Volkswagen Group Sustainability Report 2022, S. 105 - 111
	2-27	Compliance with laws and regulations	43	
	2-28	Membership associations	45	
	2-29	Approach to stakeholder engagement	43	See also the Volkswagen Group Sustainability Report 2022, S. 24 - 25 For details of topics mentioned and concerns expressed, see also stakeholder expectations (www.volkswagenag.com/de/sustainability/reporting.html).
GRI 3: Material Topics	2-30	Collective bargaining agreements	40	See also the Volkswagen Group Sustainability Report 2022, S. 82
	3-1	Process to determine material topics	40	
	3-2	List of material topics	43	
	3-3	Management of material topics	7	See also the Volkswagen Group Annual Report 2022: Sustainable Value Enhancement

Economic Performance

GRI 3: Material Topics	3-3	Management of material topics	7, 15	
GRI 201: Economic Performance	201-2	Financial impact of climate change on the organization and other risks and opportunities associated with climate change	7, 15	

Indirect Economic Impacts

GRI 3: Material Topics	3-3	Management of material topics	28	See also the Volkswagen Group Sustainability Report 2022, S. 18, 20 - 23
GRI 203: Indirect Economic Impacts	203-1	Infrastructure investments and services supported – Disclosures for additional areas:	28	
		<ul style="list-style-type: none"> ■ Affordable housing and social housing ■ Preservation and restoration of historic buildings in portfolio ■ Publicly accessible open areas/recreational areas ■ Community educational and social facilities 		

Anti-corruption

GRI 3: Material Topics	3-3	Management of material topics	8, 47	See also the Volkswagen Group Sustainability Report 2022, S. 95 - 102
GRI 205: Anti-corruption	205-2	Communication and training about anti-corruption policies and procedures	8, 47	
	205-3	Confirmed incidents of corruption and actions taken		No disclosure per site (breakdown not material) or of risks identified (confidential information). See the Volkswagen Group Annual Report 2022: Holistic Integrity and Compliance Management System

Materials

GRI 3: Material Topics	3-3	Management of material topics	7, 16	
GRI 301: Materialien	301-1	Materials used by weight or volume	7, 16	Topic-related quantitative data is currently not recorded fully due to organizational reasons

Energy

GRI 3: Material Topics	3-3	Management of material topics	19	
GRI 302: Energy	302-1	Energy consumption within the organization		See KPI-Report
	302-2	Energy consumption outside of the organization		See KPI-Report
	302-3	Energy intensity		See KPI-Report
	302-4	Reduction of energy consumption		See KPI-Report

GRI 302: Water and Effluents

GRI 3: Material Topics	3-3	Management of material topics	25	
GRI 303: Water and Effluents	303-5	Water consumption		See KPI-Report

Biodiversity

GRI 3: Managementansatz	3-3	Management of material topics	25	
GRI 304: Biodiversity	304-2	Significant impacts of activities, products and services on biodiversity	25	
	304-3	Habitats protected or restored	25	

Emissions

GRI 3: Material Topics	3-3	Management of material topics	16	
GRI 305: Emissions	305-1	Direct (Scope 1) GHG emissions		See KPI-Report
	305-2	Energy indirect (Scope 2) GHG emissions		See KPI-Report
	305-3	Other indirect (Scope 3) GHG emissions		See KPI-Report
	305-5	Reduction of GHG emissions		See KPI-Report

Waste

GRI 3: Material Topics	3-3	Management of material topics	10, 16	
GRI 306: Waste	306-3	Waste generated		See KPI-Report

Supplier Environmental Assessment

GRI 3: Material Topics	3-3	Management of material topics	39, 44	See also the Volkswagen Group Sustainability Report 2022, S. 105 - 111
GRI 308: Supplier Environmental Assessment	308-1	New suppliers that were screened using environmental criteria		See KPI-Report
	308-2	Negative environmental impacts in the supply chain and actions taken	39, 44	See also the Volkswagen Group Annual Report 2022: Report on Risks and Opportunities

Employment

GRI 3: Material Topics	3-3	Management of material topics	33	
GRI 401: Employment	401-1	New employee hires and employee turnover	34	See KPI-Report
	401-3	Parental leave	33	See KPI-Report

Occupational Health and Safety

GRI 3: Material Topics	3-3	Management of material topics	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	403-1	Occupational health and safety management system	32	
	403-2	Hazard identification, risk assessment, and incident investigation		See KPI-Report
	403-3	Occupational health services	32	
	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 2022, S. 84 - 85
	403-6	Promotion of worker health	32	
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	32	See also the Volkswagen Group Sustainability Report 2022, S 84 - 85
	403-8	Workers covered by an occupational health and safety management system		See KPI-Report
	403-9	Work-related injuries		See KPI-Report

Training and Education

GRI 3: Material Topics	3-3	Management of material topics	35	
GRI 404: Training and Education	404-2	Programs for upgrading employee skills and transition assistance programs	35	
	404-3	Percentage of employees receiving regular performance and career development reviews		See KPI-Report

Diversity and Equal Opportunity

GRI 3: Material Topics	3-3	Management of material topics	41	
GRI 405: Diversity and Equal Opportunity	405-1	Diversity of governance bodies and employees		See KPI-Report

Non-discrimination

GRI 3: Material Topics	3-3	Management of material topics	41	
GRI 406: Non-discrimination	406-1	Incidents of discrimination and corrective actions taken		See KPI-Report

Local Communities

GRI 3: Material Topics	3-3	Management of material topics	28, 39	
GRI 413: Local Communities	413-1	Operations with local community engagement, impact assessments, and development programs	28, 39	Topic-related quantitative data is currently not recorded fully due to organizational reasons

Supplier Social Assessment

GRI 3: Material Topics	3-3	Management of material topics	46	See also the Volkswagen Group Sustainability Report 2022, S.105 - 111
GRI 414: Supplier Social Assessment	414-2	Negative social impacts in the supply chain and actions taken	46	No detailed disclosures concerning the individual sub-items. See also the Volkswagen Group Sustainability Report 2022, S. 106 - 111

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▪ GRI 2-3

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