

VOLKSWAGEN GROUP

# Further ESG Topics

## COMMITMENT BEYOND THE 6 FOCUS TOPICS

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

- Biodiversity
- Representation of Interests
- Responsible Marketing
- IT Security
- Product Quality & Safety
- Mental Health Management
- Group Security

## BIODIVERSITY

### BIODIVERSITY IN OUR GOTOZERO STRATEGY

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

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

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

### OUR BIODIVERSITY COMMITMENT

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

- Conservation of biological diversity
- Sustainable use of its components

- Fair and equitable sharing of the benefits arising out of the utilization of genetic resources


We pursue these objectives in 6 action areas:

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

 [www.volkswagen-group.com > Biodiversity Commitment](http://www.volkswagen-group.com > Biodiversity Commitment)

The protection of the natural ecosystem also needs to be ensured by our business partners. It is anchored in our Code of Conduct for Business Partners that business partners must strive to ensure supply chains are free of deforestation and conversion in accordance with applicable law and international biodiversity regulations. These international regulations include, for example, the resolutions and recommendations on biodiversity from the Centre for Biological Diversity (CBD) and the World Conservation Union (IUCN).

In the spirit of partnership-based collaboration, the Group offers its business partners a wide range of practical training opportunities, initiatives and other sources of information concerning sustainability topics.

 [www.volkswagen-group.com > Code of Conduct for Business Partners](http://www.volkswagen-group.com > Code of Conduct for Business Partners)

### OUR CONTRIBUTION TO OTHER ENVIRONMENTAL ASPECTS WITH AN IMPACT ON BIODIVERSITY

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

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

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

### OUR ACTIVITIES FOR PROTECTING BIODIVERSITY

In the countries where we operate, we support biodiversity projects in the form of collaboration with partners and local initiatives. You can read about the biodiversity projects currently underway on our sustainability pages. The following projects provide examples of the various activities at the Volkswagen Group's sites.

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

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

With partners including UNESCO and Seabird Life, we support projects for sustainable mobility and the elimination of storm damage in UNESCO biosphere reserves in Spain and other projects to protect and restore moors in reserves in Poland and Germany.

Volkswagen Group China together with the Volkswagen, Audi and ŠKODA brands have launched the "Green Belt" reforestation project to protect habitats and for sustainable development. By 2030, more than 8.5 million trees will have been planted in 10 environmentally sensitive regions in the North of China on more than 40 million m<sup>2</sup> of land. The reforestation acts as a carbon sink, supports biodiversity and contributes to preventing wind erosion and soil loss.

In our internal test procedure, we use an assessment tool that assesses and tracks measures to increase biodiversity at the sites. It is important to us to involve employees at the sites in the biodiversity projects, thus raising awareness of the topic. This is because measures to protect the environment also help biodiversity and are fun to take part in, such as the Volkswagen Palmela site's litter picking campaign. As part of a campaign day - One Day for the Ocean - 130 volunteers worked together with the national NGO Brigada do Mar to pick up litter on the coast of the Tagus Estuary. Around 2.5 metric tons of litter were collected and sent for treatment.

### SUSTAINABLE & TRANSPARENT WATER MANAGEMENT

In its environmental mission statement, the Volkswagen Group has set itself the objective of conserving resources. With respect to water, this is to be achieved by improvement of resource efficiency and the promotion of reuse and recycling approaches. Another objective of the mission statement is the preservation of ecosystems reducing harmful emissions to water.

#### RESOURCE EFFICIENCY

In 2023, the Volkswagen Group withdrew 37.41 million m<sup>3</sup> of fresh water. Around 43.7% of the water withdrawal is attributable to sites in areas of high or extreme water stress according to Maplecroft.

One measurable effect of the actions taken in the area of water is that the amount of fresh water withdrawn per vehicle fell by 24.7% from 2010 to 2023. This corresponds to a withdrawal of 3.42 m<sup>3</sup>/vehicle for the production of passenger cars and light commercial vehicles.

In 2023, the Pamplona site proved to be particularly efficient, achieving a record level of only 0.90 m<sup>3</sup>/vehicle.

#### PROMOTION OF REUSE AND RECYCLING APPROACHES

More and more sites are starting to reuse their treated wastewater in certain production processes but also in cooling towers, for toilet flushing or for irrigation purposes, thus lowering their freshwater demand. In 2023, a total of 3.8 million m<sup>3</sup> of water was reused within the Group's production sites, with major contributions of 0.6 million m<sup>3</sup> deriving from the Ingolstadt site and 0.49 million m<sup>3</sup> from the Puebla site. Both sites apply a combination of ultrafiltration and reverse osmosis in order to recycle their wastewater. A closed cycle or the recycling of cooling and process water significantly reduces freshwater consumption and the amount of wastewater, ensuring responsible use of the resource of water.

#### REDUCTION OF HARMFUL EMISSIONS TO WATER

Water treatment is crucial to enabling the sustainable use of water. Therefore, at Volkswagen we aim to achieve the highest treatment level possible. We do not discharge any wastewater to a receiving water basin without prior treatment. Nearly all of our sites operate pretreatment plants to remove certain substances: In particular, we have installed oil traps, evaporators and skimming tanks in order to eliminate grease, oil and emulsions. Heavy metals are mostly removed by physico-chemical treatment, and COD (Chemical Oxygen Demand) is eliminated using adsorption, filtration or flotation methods. Finally, the pretreated wastewater undergoes biological treatment to eliminate potentially harmful substances, including phosphorus and nitrogen. Whenever we do not treat our wastewater on site, we ensure that it is treated at an external wastewater treatment plant instead.

## OUTLOOK

As part of our “goTOzero” strategy, our sustainable water management concentrates on the following action areas:

- Reduction of freshwater withdrawal
- Increase in water-reuse
- Efficient use of water, particularly in areas of water stress
- Minimization of pollutant load inputs
- Prevention of deterioration of the environmental and chemical condition of the receiving water body (effluent management)

Furthermore, because water as a resource is becoming increasingly relevant, a Group water strategy explicitly focusing on water-stressed areas is currently under development.

## REPRESENTATION OF INTERESTS

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

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

Our objective is to create lasting values.

*Dr Thomas Steg*

*General Representative of Volkswagen Group and Head of External Relations*

## PRINCIPLES AND GUIDELINES FOR PUBLIC AFFAIRS

### Role

Public Affairs introduce the Group's positions into political decision-making processes by providing truthful and comprehensive information as well as reliable and competent advice. They can also contribute ideas for innovation strategies or for future-oriented regulatory approaches. Information about the Group's key political positions will be available in the German lobby register from mid-2024.

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

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

### Networks


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

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

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

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


Information about the Group's key memberships is published annually in the German lobby register.


[www.lobbyregister.bundestag.de](http://www.lobbyregister.bundestag.de) > Volkswagen AG 

### Transparency

Public Affairs act in accordance with the principles of integrity, openness and verifiability. Information about structures and resources is also published annually in the German lobby register.

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

 [www.ec.europa.eu](http://www.ec.europa.eu) > Transparency Register

 [www.lobbyregister.bundestag.de](http://www.lobbyregister.bundestag.de) > Volkswagen AG

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

### Contact with politics

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

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

Public Affairs act in a politically neutral manner but are not indifferent. Generally, they represent the Group's positions in dialogue with political decision makers around the world but reserve the right to refuse contact with individual stakeholders on the basis of Group Essentials.

In contact with political decision makers, Public Affairs ensure that Group sites are not used as stages by those

campaigning for political office. In Germany, during the three months immediately preceding an election, we do not schedule any public events with candidates.

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

### **Sponsorships**

The political system of the Federal Republic of Germany relies on a functional party system. The Basic Law of the Federal Republic of Germany sets out principles for financing political parties.

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

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

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

## RESPONSIBLE MARKETING

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

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



[www.volkswagen-group.com](http://www.volkswagen-group.com) > [Communication and Advertising Principles](#)

## IT SECURITY

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

In order to adequately deal with risks in information security and prevent possible damage, Volkswagen has established an information security organization and introduced an information security management system (ISMS). Information security is essential for the success of Volkswagen and for maintaining its competitiveness.

### TISAX CERTIFICATION

To independently check and self-critically question the efficiency and effectiveness of the ISMS, Volkswagen has achieved TISAX (Trusted Information Security Assessment Exchange)-certification. TISAX is a certificate whose assessment process is derived by the German Association of the Automotive Industry (VDA) from international industry standard ISO 27001 and the needs of the automotive world.

- Since 2019, VW IT Services have been certified according to TISAX
- The scope of the certification covers the main locations of Volkswagen AG in Wolfsburg, such as IT:City and central data centers in Wolfsburg
- The level 3 TISAX certification achieved confirms conformity with the defined requirements for secret data including sensitive data (General Data Protection Regulation)
- Volkswagen was the first OEM to achieve TISAX certification

## CERTIFICATION OF THE INFORMATION SECURITY MANAGEMENT SYSTEM

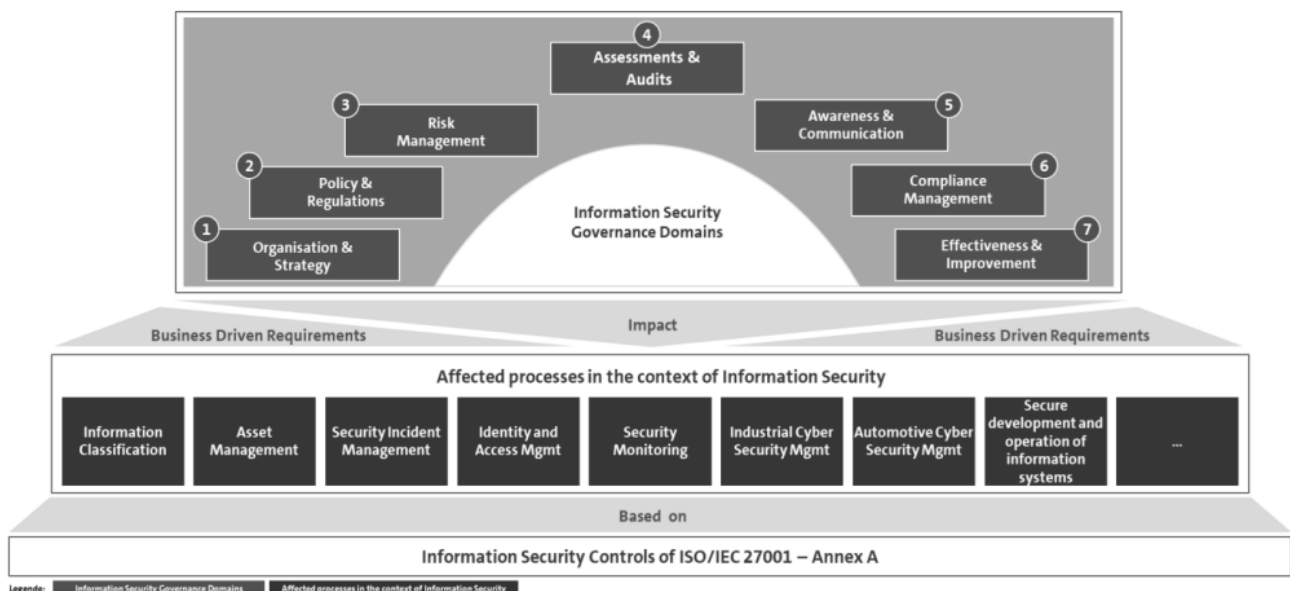
In addition, the security organization can demonstrate ISO 27001:2022 certification of the ISMS shown in the diagram and of its domains and processes. Since 2023 the certification has been updated to the new 2022 version of the ISO standard, making the organization one of the first to be successfully certified for ISO 27001:2022.

The certification scope covers the elements for the management of an appropriate security level and its planning, management and monitoring.

The following ISO 27001 certifications have been obtained:

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

## STRUCTURE OF THE INFORMATION SECURITY MANAGEMENT SYSTEM





## ISO 27001 CERTIFICATION COVERAGE

The complete 2nd line function for Information Security is certified. Additional important Information Security operational processes are included in the certification scope as shown on the certificate. The process for auditing (all brands and companies in the Group and IT operations) is within the scope of certification. This means that the organization can provide information on the status and maturity of the entire IT system (and any risks that may exist). All (IT) business processes and their information security level benefit from this, allowing full coverage across the Group. Of all the companies in the Group audited in 2023, 81% complied with the Group's information security expectation by achieving an information security maturity level of >2.5 and therefore already fulfill the ISMS criteria.

The highest committee for information security within the Group has set a strategic goal that all IT departments of all brands must be ISO 27001 certified by 2030. The brands that have not yet achieved certification are currently planning their approach.

The following list shows the current level of ISO 27001 certification across the brands and regions:

- Planned for 2024: Cariad
- Planned by 2030 at the latest: Volkswagen Commercial Vehicles, Škoda, SEAT, Audi, Bentley, Porsche Holding, Volkswagen Group Components, MAN, MAN Energy Solutions, Traton, Navistar
- Started but not yet completed: Volkswagen Group, Volkswagen brand, Porsche, Scania, Volkswagen Financial Services

## SUPPLIER SECURITY

Volkswagen requires a high level of information security from its suppliers and service providers, thus sending a strong signal on cross-company information and data security. The requirements in this regard are enshrined in the procurement process and linked with the non-disclosure agreement process. This means partner companies are contractually bound to ensure security in the information chain and, as a result, must regulate and ensure the protection of information, including in relation to their suppliers.

The requirements include:

- Valid TISAX certification specifically in accordance with the requirements of the department
- Signature of a project-specific non-disclosure agreement
- If necessary: cloud vendor assessment

## TISAX certification

The department determines (depending on data classification) which TISAX label the supplier needs to comply with. Suppliers of production material must, for example, comply with the "Availability: High" label. Suppliers who at least receive confidential information are given the requirements directly in specifications (e.g.: Technical Development (TD) standard specifications; IT Performance Modular System)

### Project-specific non-disclosure agreement

Here, the supplier commits

- a) to protect information
- b) to comply with security standards including for tier 2 suppliers
- c) to report security incidents to Volkswagen (to the VW CERT)
- d) to TISAX certification
- e) to accepting a special audit right

### Cloud vendor assessment

The cloud vendor assessment assesses the requirements for cloud use by the supplier. The internal control systems are assessed on the basis of maturity levels that offer a valid basis for assessing information security. The CVA was developed by the German Cyber Security Organisation (DSCO, 25% equity investment by Volkswagen).

Further technical and organizational measures to ensure and audit information security in the context of supplier security include:

- required certification level depending on data classification,
- supplier screening and source monitoring
- access control (network connection/work on VW infrastructure)
- standards for data exchange

## PRODUCT QUALITY & SAFETY

### AUTOMOTIVE SECURITY

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

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

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

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

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

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

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

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

### FUNCTIONAL SAFETY

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

## MENTAL HEALTH MANAGEMENT

Our long-term sustainability goal in the field of health is that our employees should reach retirement age as healthy as possible. Our standards for holistic health management at Volkswagen go far beyond the statutory preventive healthcare and occupational health and safety requirements. In addition to aspects such as work organization, ergonomic workplace design, integration, rehabilitation and health-oriented leadership culture, it particularly includes preventive approaches.

The health potential and resources available need to be exploited so that employees and managers stay healthy and productive in the long term. The top priority for us is self-determination of care for each individual's own health.

The maintenance, promotion and restoration of our employees' mental health are defined premises of Volkswagen AG's strategic focus and are anchored not only in the internal "Health 2025+" agenda of the Volkswagen Health department but also in the "Mental Health" position paper and the Volkswagen Group's Occupational Health and Safety Policy. The strategic objectives and action areas described not only serve as a frame of reference for the operational direction of Volkswagen AG's corresponding Psychological Services but are also assessed and managed using a standardized and regularly audited key performance indicator system.

As a key instrument for early identification and prevention, the Volkswagen Checkup includes routinely taking a history of employees' psychological complaints and impairments. As part of a re-conception, the efforts to identify psychological impairments/mental health issues have been further intensified and a risk-based "Mental Health" screening module has been implemented. In addition, the findings are specifically linked to defined service and treatment pathways, enabling indication-based initiation of appropriate treatment (through an extensive cooperation network).

Within Volkswagen AG, the Health department's Psychological Service offers expert advice on the topic of mental health. The counseling and advice services include both individual counseling and advice, for example, for managers on handling employees with impairments/illnesses. The individual psychological counseling is generally an optional service and can be taken up by any employee. It is a low-threshold and needs-specific service for the early identification of psychological impairments/mental health issues and includes the initiation of indication-based treatment if required. In order to ensure that employees are treated quickly according to their needs, there are also numerous collaborations with external care and treatment structures, such as consultation arrangements for psychosomatic disorders with external psychiatric/psychosomatic consultants at the Volkswagen Health department's premises or options for rapid admission to a psychosomatic rehabilitation program.

In order to promote health at work, the Volkswagen AG and Audi BKK health departments help managers to determine departments' internal prevention needs and take suitable measures along the four action areas of "physically active work with physically active employees," "healthy eating in everyday working life," "stress management and strengthening resources" and "behavioral addiction prevention."

The resources available are varied, are continuously adapted to requirements and include podcasts, video newsletters, booklets, lectures, online counseling services, special initiatives/programs and intranet articles.

Risk assessments are conducted at all Volkswagen AG workplaces in an annual cycle. Identifying potential work-related psychological stress and deriving measures to promote healthy working conditions plays an integral part in this. Screening for relevant stress symptoms is carried out using internally developed and evaluated methods (screening tool for identifying psychological stress at the workplace (STEP)), and the occupational safety measures needed are derived and implemented. The "healthy workplace design" action area is continuously adapted to the changing world of work. For example, in 2020 there was a Group-wide expansion of the risk assessment to include psychological stress factors caused by the pandemic (-> additional checklist and recommendations for measures following SARS-CoV-2), and Volkswagen adopted a standard operating procedure (SOP) to manage work-related psychological stress during the pandemic situation. In 2021, the Volkswagen Group developed guidelines for hybrid working in order to meet the current challenges of the increasingly mobile and flexible world of work and make the transition to hybrid forms of work easier for employees. These guidelines address, for example, the health-promoting design of mobile and flexible workplaces and explain various tools, approaches and options for staying healthy in hybrid forms of work to teams, employees and managers.

## GROUP SECURITY

Sustainable corporate security is an important factor for strengthening the trust of the organization and external stakeholders, minimizing reputational risks, improving the benefit-cost ratio and thus also systematically ensuring the Group has the resilience it needs in the long term. This requires continuous adaptation to persistently changing and increasingly volatile conditions in the areas of the environment, society, politics and the economy and the integration of sustainability principles in all aspects of the Group's security.

### FOCUS ON PREVENTIVE ACTION AREAS

The primary task of Group Security and all safety and security functions associated with it is crime prevention, protection from all types of violence, from natural disasters and other threats and the coordination of corresponding prosecution measures where required. This also includes cooperation with security and regulatory authorities in connection with legal obligations and collaboration with government agencies within the area of economic security. The early identification of security risks and threats and their prevention through technical, organizational or staff measures is crucial for our security organization's work. A key action area for security is to address opportunities for crime and the large number of external and internal influencing factors by means of measures, thus opening up opportunities for the Group despite existing risks. Our international security network of the brands, companies and regions can draw on a robust global network, which means we can act and react quickly around the world, taking account of local circumstances.

Group Security and the security organizations of the brands, companies and regions are active in well over 20 overarching areas. In addition, we are actively involved in various research projects and use collaboration with various institutions in the fields of social sciences, criminology, technology and business administration.

The constant overriding objective of the security network is to make a profound contribution to the protection of employees, assets, products, trade secrets and business processes. We help to increase the efficiency of our activities and reduce our environmental footprint by integrating modern technology into the security infrastructure. This makes our Group resilient and ensures long-term stability and resilience. This approach, which has been practiced for many years in the Volkswagen Group, is fully in line with the "National Security Strategy" published by the German Federal Government in June 2023.

Security's areas of influence with a bearing on the well-being of employees include, for example:

#### 1. Emergency and crisis management

Sustainable emergency and crisis management involves identifying potential risks and implementing risk reduction measures. Preparatory activities need to be carried out in advance in order to counter potential (hazard/risk) situations as well as possible. This protects our organization not only from unexpected events but also contributes to

reducing long-term environmental impacts and social risks. Examples of unexpected events include natural disasters, health risks and social unrest. For example, in the past few years the Group Crisis Team has regularly met to discuss various topics under the coordination of Group Security, particularly the COVID pandemic, the Ukraine crisis and the energy crisis (208 minuted meetings since 2020). Individual core teams currently remain active in order to, for example, also provide support and advice for the recovery phase following the crises. This ensures that our practices are seen in terms of a continuous improvement process and cascade effects for future crisis events are also taken into account.

#### 2. Travel security

The travel security action area creates the safest working environment possible for employees who conduct business for the Group abroad. As part of our corporate duty of care, before business trips or permanent postings abroad we proactively and individually inform our employees about how to behave in a way that will serve their personal safety in their destination country. Furthermore, we maintain 24/7 availability and can be contacted by travelers at any time in an emergency.

The "Basics of Travel Safety" web-based training developed by the security organization is aimed primarily at employees traveling to countries with increased risk. The learning program forms part of the basis of a safe stay abroad and is aimed at minimizing travel risks as part of the internal travel safety process and, if nothing else, reducing Volkswagen AG's liability risks. In addition to raising awareness of safety risks, the web-based training particularly increases learners' personal confidence and primarily strengthens their subjective feeling of safety while traveling.

With more than 400,000 journeys per year in the Group as a whole, the training helps to ensure that a uniform understanding of safety risks prevails throughout the Group and the same data basis is used for decision-making in each case. Central development and the possibility of implementation for all brands and companies means not only a time-saving but also a cost benefit for our Group.

The last resort when it comes to travel safety is when travelers or ex-pats are asked to leave their host country at short notice on the instructions of the Group or brands' safety and security departments due to a specific security or emergency situation. We have recently, for example, made use of this approach in relation to China, India, Mexico, Niger, Russia, Sudan, South Africa and Ukraine. Together with partners in the Group, we provide travelers with operational and practical support for all logistical aspects of their unplanned return.

#### 3. Fire safety

Well-functioning fire safety, comprehensive risk prevention and firefighting are key safety elements in all the Group's properties, particularly for production plants. With its strategic business development in the areas of electric mobility and battery cells, Group Fire Safety has already

made a significant contribution to the safety of all employees and customers through a wide range of activities.

In connection with a change in legislation in Europe, over the last few years we have intensively supported the changeover of the extinguishing systems to PFAS-free extinguishers. We are also investigating a future substitution of the CO<sub>2</sub> extinguishing systems currently still in use.

#### **4. Combating crime**

One of the Group's key premises is to ensure the best possible security within our perimeter. The Group is persistently affected by internal and external criminal factors that damage the social and economic fabric of the Group through their impact on products, processes, employees and reputation. We are creating an appropriate environment by working together with internal partners (e.g., whistleblower system) and external ones (e.g., law enforcement authorities). On the one hand, this relates to measures to protect staff, and on the other hand we also look at our supply and value chains in terms of criminogenic factors and try to keep these stable and resilient, in particular through prevention.

The focus in all safety and security matters is on people. As part of their work, the safety and security functions actively stand up for fairness, justice, the protection of individuals and human rights and categorically oppose racism and discrimination.