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Company:	Volkswagen
Sector:	Automobiles & Components
Report Year:	2014
Headquarters:	Wolfsburg, Germany
Standard Application:	GRI G4, AA1000, ISAE3000
Format:	Table Listing

▶ VOLKSWAGEN GROUP'S KEY ACTION AREAS ○ GRI G4-19, G4-20, G4-21

Action Areas 	Corresponding GRI aspects	page
<b>Economy</b>		
Stability and profitability	Economic Performance	34, 135
Quality	Customer Health and Safety	35, 134
Vehicle safety	Customer Health and Safety	38–39, 135
Customer satisfaction	Product and Service Labeling, Customer Privacy	39, 134
Supplier relationships	Procurement Practices, Supplier Environmental Assessment, Supplier Assessment for Labor Practices, Freedom of Association and Collective Bargaining, Child Labor, Forced or Compulsory Labor, Supplier Human Rights Assessment, Supplier Assessment for Impacts on Society	42–46, 135
Compliance, risk management, corporate governance	Supplier Assessment for Labor Practices, Grievance Mechanisms (Labor Practices, Environmental, Human Rights and Impacts on Society), Investment, Non-discrimination, Freedom of Association and Collective Bargaining, Child Labor, Forced or Compulsory Labor, Assessment, Anti-corruption, Anti-competitive Behavior, Compliance (Product Responsibility, Society, Environment), Marketing Communications, Public Policy, Security Practices	22–23, 46–49, 135
<b>People</b>		
Attractiveness as an employer	Employment, Market Presence	56–57, 136
Training	Training and Education	57–62, 136
Participation	Employment, Equal Remuneration for Women and Men, Market Presence, Labor/Management Relations	62–66, 136
Health	Occupational Health and Safety	66–69, 136
Diversity and equality	Diversity and Equal Opportunity, Non-discrimination	69–72, 136
Corporate responsibility	Indirect Economic Impacts, Local Communities, Indigenous Rights	73–75, 136
<b>Environment</b>		
Resource conservation across the lifecycle	Materials, Energy, Water, Emissions, Effluents and Waste, Products and Services, Overall	86, 100–107, 137
Environmentally friendly products/ electrification	Energy, Emissions, Products and Services, Overall	86, 94–100, 137
Climate and environmental protection	Energy, Water, Biodiversity, Emissions, Effluents and Waste, Transport, Overall	90–93, 106–107, 137
Intelligent mobility and networking	Products and Services, Customer Privacy	86, 110, 137



This representation of the 16 central action areas, broken down into the three dimensions Economy, People and Environment, is intended to illustrate the aspects that we focus on in order to become the world's most sustainable automaker. In view of our broad international standing, we have deliberately avoided any prioritization of our action areas. On the one hand, the relevance of the individual areas may vary depending on the region; on the other hand, we do not want to judge, for example, whether the health of nearly 600,000 employees worldwide is more important

than resource conservation throughout the vehicle life cycle – or vice versa. As we understand it, sustainable development means taking equal account of economic, environmental and social interests and maintaining an appropriate balance between them. In other words, the 16 action areas that apply across the Group stand side by side, even if current developments place a greater short- or medium-term focus on individual topics. In the interests of the future success of our business, taking a long-term view is of decisive importance for us.

**Materiality Analysis** ○ GRI G4-18, G4-25, G4-26 ✓

In 2014, two mutually independent developments played a role in a detailed analysis of the topics of material importance to the Volkswagen Group. One particular issue was the question of the Group's strategy for the period after 2018, which has sparked lively discussions. Important sustainability topics that impact on the Company's performance are covered by risk management (see page 22). The findings of the discussions were also taken into account when defining the key action areas. In addition, there were the GRI's new requirements (GRI-G4), which pay greater attention to the process of materiality analysis. In practice, our approach to the analysis and identification of significant issues was as follows:

1. From global challenges we derived a list of 16 central action areas in which we need to provide answers. We did this on the basis of the following sources: external studies, industry analyses and our brands' stakeholder surveys, and also internal guidelines such as the Strategy 2018, the Group Environmental Strategy, or key factors identified by the Corporate Strategy Group.

2. To obtain an additional assessment of the importance of these action areas for the Company, we conducted an online analysis of international media for the period September 2013 to August 2014. This revealed that eco-friendly products in the context of the automotive industry, and especially in connection with the Volkswagen Group, were by far the most widely discussed issues, followed by intelligent mobility, customer satisfaction, quality and employment.
3. On the basis of the assessments obtained in the first two steps, the action areas were then discussed and defined in two further steps. The following served as our central criteria: stakeholder expectations, the potential contribution to the Group's strategic objectives, and the difference between these two criteria. This analysis was first performed in the Group CSR Meeting with representatives of the brands and regions, and finally in the Corporate CSR & Sustainability Steering Group.
4. Detailed discussions in each case led to the realization that in view of the Group's size, its potential influence and the associated responsibility, all the issues in the GRI list of sustainability aspects can and must be regarded as "significant" for the Volkswagen Group.

› MATERIALITY ANALYSIS: PROCEDURE IN THE VOLKSWAGEN GROUP ○ GRI G4-18, G4-20



› ORIGIN OF THE ACTION AREAS FOR OUR SUSTAINABILITY STRATEGY

ORIGIN OF THE ACTION AREAS FOR OUR SUSTAINABILITY STRATEGY				
Climate change	Environmental impacts	Demographic change	Globalization	Digitization
Resource availability	Water availability	Market shifts	Increasing regulation	Economic uncertainty
Mobility	Energy systems	Road safety	Urbanization	Sustainability
Noise	Health	Social uncertainty	Biodiversity	Human rights

VOLKSWAGEN GROUP'S KEY ACTION AREAS			
Customer satisfaction	Quality	Stability and profitability	Compliance, risk management, corporate governance
Supplier relationships	Attractiveness as an employer	Participation	Training
Corporate responsibility	Intelligent mobility and networking	Health	Environmentally friendly products/ electrification
Climate and environmental protection	Diversity and equality	Resource conservation across the lifecycle	Vehicle safety