

Volkswagen do Brasil's Annual Sustainability Report 2023





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Presentation



Presentation

Sustainability Report reorganizes the **publication's editorial profile**

(GRI 2-3)

Volkswagen do Brasil's Sustainability Report reaches its 12th edition, bringing together the Brand's progress in the ESG (Environmental, Social and Governance) pillars, in an open and transparent manner.

The structure of the chapters and the ordering of the content have been updated in this edition to make reading more dynamic and to group together common themes. Although the year remains in perspective, this change, implemented gradually, will bring the texts closer to ESG issues, further fulfilling their role of cataloguing and analyzing the company's main economic and socio-environmental indicators, as well as its relationship with stakeholders.

The documentation follows the Global Reporting Initiative (GRI) methodology – a world reference in sustainability reporting – in the GRI Standards version, considering at least one indicator from each material topic to be reported.

The performance data was collected from January 1 to December 31, 2023. Occasionally, the report includes facts from the first quarter of 2024, as they are linked to the previous cycle.

The Sustainability department of Volkswagen do Brasil is in charge of the overall coordination, and all areas of the company contribute to the survey and analysis of the reported indicators.

Report Summary

This report is divided into six chapters and a special section marking the 70th anniversary of Volkswagen do Brasil.

The chapters unfold as follows:

1. Message from the CEO

2. 70th anniversary special

3. Volkswagen do Brasil

4. Strategy and Management

5. People

6. Factories

7. Suppliers

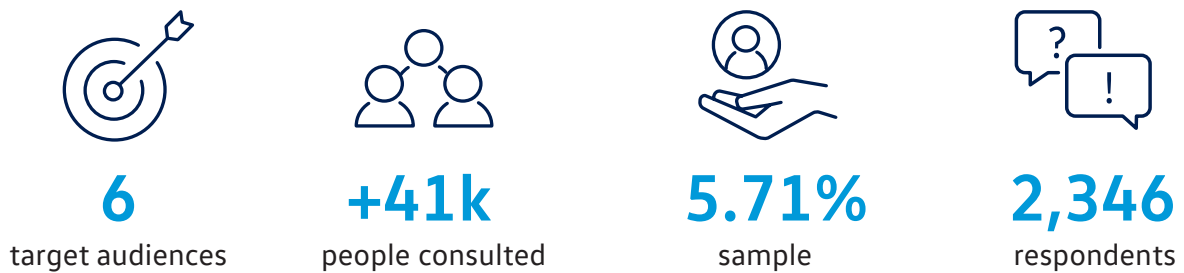


Material Themes

(GRI 2-29, 3-1, 3-2, 2-4)

Volkswagen's Sustainability Report has been drawn up on the basis of the Material Themes in effect for the period 2022*-2024.

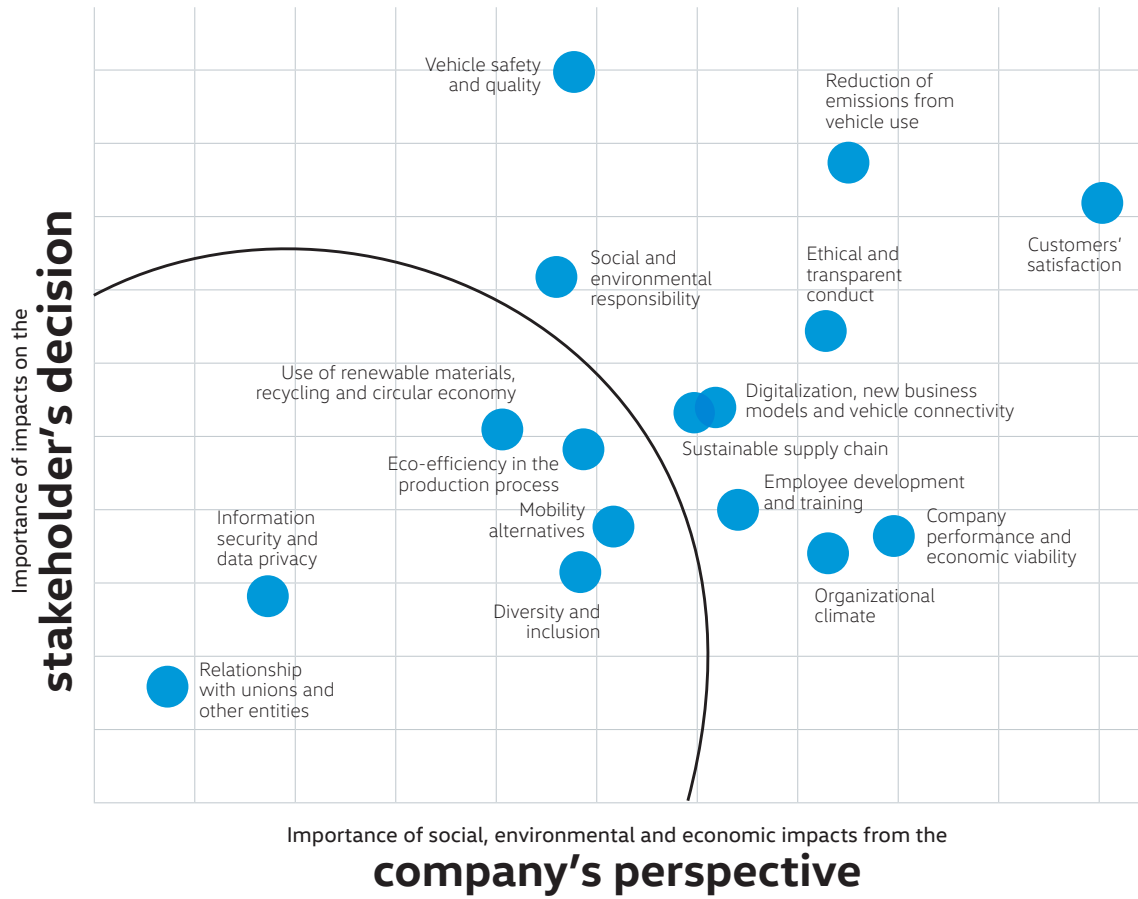
In 2022, the company updated its Materiality Framework based on a combination of internal and external sources of data – such as the Code of Conduct, Environmental and Energy Policy, ACCELERATE Strategy, benchmarking with companies in the sector and other areas – and the perception of stakeholders through internal workshops and remotely applied forms, distributed in such a way as to reach six priority groups: employees, customers, suppliers, dealers and society (including government, NGOs, trade unions and educational institutions). In addition, the commitment to dialogue with stakeholders was reinforced by VW Group guideline KRL17, which has “Premise 7 – Dialogue with Stakeholders” and emphasizes open, transparent dialogue, communicating the company’s commitments, responsibilities, and performances.



Based on this data, Volkswagen do Brasil mapped out the most relevant and sensitive issues to the strategic public to make up the guidelines of this document. Thus, the topics covered throughout the 2023 Sustainability Report are:

- _____
- Satisfaction of clients
- _____
- Security and quality of vehicles
- _____
- Reduced emissions from vehicle use
- _____
- Social and environmental responsibility
- _____
- Ethical and transparent conduct
- _____
- Company performance and economic viability
- _____
- Digitalization, new business models and vehicle connectivity
- _____
- Sustainable supply chain
- _____
- Organizational climate
- _____
- Employee development and training
- _____

Matrix 2023



Footnote:

*The Material Themes are reviewed every three years. In 2024, Volkswagen do Brasil will once again update its Materiality Matrix.

Accessibility

The content of Volkswagen do Brasil's Sustainability Report is available in website version in Brazilian Sign Language (Libras). The translation is done by an avatar and, to view it, just click on the icon that appears in the right-hand corner of the page (two-handed graphic sign). Audio description can be activated using the corresponding button, also on the right-hand side. Reading starts by clicking on one of the texts. The accessibility tools also include font size and text contrast adjustments and can be set using the icon in the top right-hand corner of the page.



Questions or additional information?

(GRI 2-3)

Contact Volkswagen do Brasil's Sustainability department
by e-mail: sustentabilidade@volkswagen.com.br



Message from the CEO



Message from the CEO

Recognizing our legacy and **driving the future of mobility in Brazil**

(GRI 2-22)

In 2023, we will be celebrating our victories more than ever. Looking back on these 70 years of Volkswagen in Brazil, we can clearly see that we have many reasons to do so. It has been seven decades of continuous work, innovation, creativity, and the dedication of generations who have accompanied the evolution of our Brand.

We are moving forward on our journey, contemplating the road we have traveled. We know that leading the future of mobility in Brazil is one of our missions. And in this respect, 2023 has made great contributions, especially to our ACELERA VW strategy.

We are a company made up of people and for people. In 2023, Volkswagen became a signatory of important social movements, covering all five of the pillars in which we operate (gender equity, racial equality, LGBTQIA+, PwDs and generations), becoming the only automaker to sign the 5 main business movements for diversity, equity, and inclusion in the country. We received the Great Place to Work certification for the second year running and Top Employer for the sixth year. We entered the Top 10 ranking of Randstad's "Marca Empregadora 2023" (Employer Brand 2023) survey as one of the most attractive companies to work for in the country. We have trained more than 7,000 SENAI professionals with Volkswagen in 50 years of partnership.



Our Product Offensive was in the spotlight, with 11 of the 15 launches announced until 2025 already in circulation in the country. Volkswagen was the brand that grew the most in sales volume in Brazil in 2023. A total of 345,039 units were sold, almost 80,000 more than last year. We ended the year as the leading SUV, with more than 141,000 units sold, with the T-Cross standing out as the best-selling SUV in Brazil (+72,000 units). The New Tiguan had its first batch sold out in less than three hours, with 1,209 units sold at the launch with the network, and the Polo was the best-selling passenger car of the year, with +111,000 units sold. We also began our electrification strategy with the launch of the ID.4 and ID.Buzz, offered as part of the VW Sign&Drive subscription program.

It was a time of learning and improving our processes, focused on digitalization, and speeding up services and deliveries, with more customer-centric solutions. We launched the fintech VOU, the first in the automotive sector in Brazil, developed our Customer Experience area, which in less than 12 months of work was awarded the Reclame Aqui certificate for excellence in customer service. We invested in our dealer network to make it more human, closer, digital, cozy and modern. We expanded the New Brand Design for the network, currently at 41%, towards 100% (our target for 2024).

We are moving towards carbon-neutral mobility. In addition to the start of the brand's electrification, we received the Lixo Zero (Zero Waste) multisite certificate, which certifies that all our units in Brazil dispose of their waste correctly. We are the only automaker with this certification in the country. We won the Selo Ouro (Gold Seal) in the GHG Protocol inventory, a methodology that calculates emissions for decarbonization. All Volkswagen do Brasil units use 100% clean electricity from renewable sources with the

I-REC (International Renewable Energy Certificate). In addition, we have built important partnerships to decarbonize the automotive sector through the Way to Zero Center and now, in 2024, we are preparing to be the first vehicle manufacturer in the country to use renewable natural gas (biomethane) at its plants (Anchieta and Taubaté).

It is all this background that has led us to celebrate VW's 70th anniversary. We celebrated with a huge party for more than 5,000 people at the Ibirapuera Gymnasium and extended the celebrations to our factories on Family Day, which brought together more than 50,000 people. To continue the celebrations and infect 2024 with this atmosphere, we retook 2nd place in the Brazilian sales ranking.

Volkswagen is proud to be a company present in the lives of Brazilians. Gathering these advances and collecting all our efforts throughout the year is some of what we share here, in this edition of our Sustainability Report.

Enjoy your read!

Ciro Possobom

CEO from Volkswagen do Brasil





70th anniversary special



70th anniversary special

- > You drive our story
- > 7 decades ahead of the times
- > 70 years of celebration for VW in Brazil

You drive our story

The relationship between Volkswagen and Brazilians goes far beyond the asphalt. The company has not only created vehicles that have contributed to the progress of mobility in the country, but has also played an active role in building a more conscious, economically strong, and environmentally responsible society. Social projects, support for research and investments in new technologies demonstrate Volkswagen's commitment to Brazil's sustainable development over the past 70 years.



From the opening of the first factory to the present day, from the production of the VW Beetle to the arrival of the ID.Buzz, Volkswagen's history intertwines with that of Brazil. The brand arrived in the country in 1953, with the opening of a warehouse in Ipiranga, São Paulo, and soon began producing some of its most iconic models. At the time, the country was experiencing a period of economic growth and industrialization and Volkswagen saw an opportunity to establish itself in this market.



The VW Beetle was an instant success and became a symbol of mobility and the working class. The Kombi, on the other hand, was one of the most versatile cars of the time, used as both a commuter and work vehicle.

In the following years, Volkswagen grew. In 1959, it opened the Anchieta plant in São Bernardo do Campo, the first VW plant outside Germany; and in 1976 it opened its second plant in Taubaté (SP). These units were responsible for producing some of Volkswagen's most popular models in Brazil, such as the Gol, Voyage, Saveiro and Santana.

In the 1990s, Volkswagen opened two more factories: one in São Carlos (SP, 1996), responsible for engine production, and another in São José dos Pinhais (PR, 1999), which launched models such as the Fox and Golf for the national market.



The brand has always been attentive to the needs of Brazilians, presenting products that suit the local consumer profile and which have been great sales successes. An example of this is the Gol, which has had 42 years of history, with 27 years of sales leadership (the most produced vehicle in Brazil, with +8.5 million units, and the most exported, +1.5 million units). An economical, practical, and safe model, characteristics considered important to Brazilians.

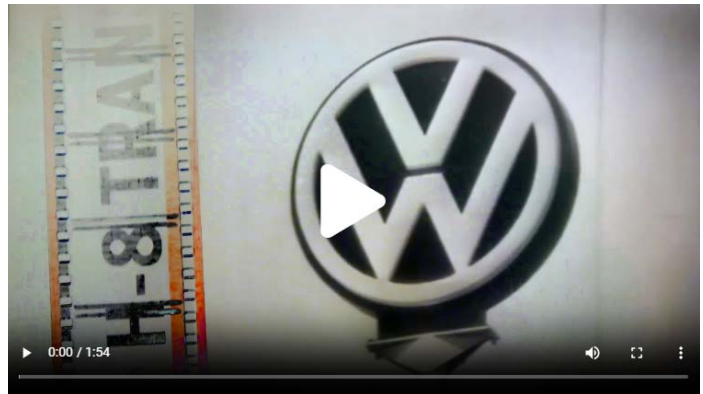
In 70 years, Volkswagen has become an important cog in the country, participating in the moments that have shaped our history; present in the garage and in the lives of millions of Brazilians as a synonym for quality, reliability, and innovation.

70 years of celebration for VW in Brazil

In July, Volkswagen held a big party at the Ibirapuera Gymnasium in São Paulo to celebrate its 70th anniversary in Brazil. More than 5,000 employees, former employees, dealers, government representatives, and the specialized press attended the event.

An exhibition of cars was set up outside the gymnasium to welcome attendees and invite them to travel back in time. The party also served as the launch of the award-winning 70th anniversary institutional campaign, which brought together, through artificial intelligence, the singers Elis Regina and Maria Rita, mother and daughter, on board a Kombi and an ID.Buzz. The campaign, which won an international award, recorded the greatest engagement in the history of Brazilian advertising, with more than 2.7 billion impacts, more than 1,000 articles published by the press, number one in the Trending Topics on Google, YouTube, Twitter, and more than 50 million views on Volkswagen do Brasil's social networks.

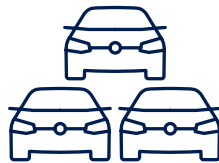
At the event, the brand took the opportunity to reaffirm the R\$ 7 billion investment cycle in Latin America, which began last year and will continue until 2026, when a further R\$ 9 billion will be invested (find out more in the chapter Volkswagen do Brasil).



7 decades ahead of the times



4.2 million
exported



25 million
vehicles produced



+ 200k
employees

1950s



VW democratizes the automobile

In 1953, Volkswagen began operations in Brazil, in the Ipiranga neighborhood of São Paulo, with the Beetle and Kombi duo. At the time, parts were imported and the company had just 12 employees. Acceleration was even more visible from 1959 onwards with the inauguration of the Anchieta plant in São Bernardo do Campo (SP), the first Volkswagen unit built outside Germany. With the installation, half of the production started to be made locally, with more affordable prices, democratizing the car and mobility in the 1950s.

1960s



Volkswagen "Made in Brazil"

In 1965, VW was a pioneer in Brazil with the inauguration of the first Development, Research and Design Center at the Anchieta plant. The Center was opened with the aim of creating new products, including projects, tools, and prototypes. During this period, models such as the Karmann-Ghia were launched, in partnership with the German company that bore the same name, as well as the beginning of the design of vehicles that would mark VW's history, such as the SP and Brasília, which would be launched in the following decade.

1970s



A new era for Volkswagen

In 1972, the SP1 and SP2 arrived at dealerships, both recognized by enthusiasts as the most beautiful design in VW's history. A year later, in 1973, the brand presented the Brasília model, with a modern hatchback body concept, the first in the country. Completing the beginning of the New Era, in 1974, it was the Passat's turn, taking a technological leap forward with the application of the new liquid-cooled front powertrain, combined with coil springs in the suspension, delivering a more dynamic, comfortable, and responsive package.

1980s



A legend is born: the Gol

In 1980, VW inaugurated a new phase in the Brazilian car industry, bringing out a new family of models, headed by the Gol in its first generation. It was so successful that the model remained the leader for 27 consecutive years and to this day is the most produced, sold and exported car on the Brazilian market.

Still in its first generation, the VW Gol became the first car with electronic fuel injection in Brazil, with the arrival of the GTi version. With the Santana, VW entered the upper segment in 1984. Based on the European Passat, the sedan was created by Brazilian engineers and designers with a high-tech package, revolutionizing automotive safety in the following decade.

1990s



Technological leap

In its second generation, the VW Santana brought pioneering innovations in safety and motorization two years in a row: it was the first national vehicle to offer ABS brakes and catalytic converters in the exhaust system, for ethanol or petrol engines. In 1994, the Gol reached its second generation, affectionately called the "Bolinha" (Pellet) because of its rounder design lines. The Gol Bolinha was also responsible for popularizing electronic fuel injection.

2000s



Ethanol or gasoline

In 2002, VW made its mark on the premium compact segment with the arrival of the Polo at the São Bernardo do Campo plant, inaugurating the new "PQ-24" platform. The third generation Gol, in 2003, was a pioneer in flex fuel (ethanol or gasoline) in Brazil. Named "Total Flex", the technology launched by VW changed paradigms in the automotive industry and is still used today throughout the brand's national range. In the same year, the compact family grew with the arrival of the Fox, Brazil's first "high roof" compact, entirely designed in the country and also marketed in Europe. In 2007, with the import of the Passat, VW set a new trend in engines with the launch of TSI engines in the Brazilian portfolio.

2010s



Top safety score

The up! model, launched in 2014, was the first vehicle in the entry-level compact market to achieve the maximum score in Latin NCAP crash tests. In 2015, the São Carlos (SP) plant also started producing TSI engines, which are part of the EA211 family, marking a transformation in the engine market in terms of performance and low fuel consumption. With the New Polo (2017) and Virtus (2018), a new Volkswagen was launched, inaugurating the modular MQB platform, a benchmark in rigidity and safety, the basis on which models such as the T-Cross and Nivus were later built. During this period, the company carried out the biggest portfolio renewal in its history in Brazil.

2020s



More connectivity and sustainability

The arrival of the Nivus in 2020 revolutionized VW in terms of design and connectivity. The model was the first SUV with coupe lines in the segment and inaugurated VW Play, a 100% national infotainment platform. The SUVW is the first vehicle fully developed in Brazil that is being produced and marketed in Europe, renamed Taigo. In 2021, it was time for the Taos, an SUVW manufactured in Argentina and the only model to achieve top marks in Latin NCAP tests, following the new protocol. The Polo Track, launched in 2022, started a new family of entry-level models from VW. In 2023, with the arrival of the ID.4 and ID.Buzz in VW Sign&Drive, the company began the electrification of the brand.

Other innovations are on the way for this decade, with a focus on digitalization and decarbonization of the product line, starting with hybrid, flex-fuel, and electric models with a low carbon footprint.



Volkswagen do Brasil



Volkswagen do Brasil

- › The year of VW in Brazil
- › The brand most remembered by Brazilians
- › Direct economic value generated and distributed
- › Featured products

The year of VW in Brazil



Volkswagen do Brasil ended 2023 as the brand that grew the most in sales volume, leader of the SUV and passenger car segments. In its 70th anniversary year, the automaker registered 345,039 units between January and December, 43,578 in the last month of the year alone. Compared to 2022, there were almost 80,000 additional plates issued. The positive sales result led to a 15.8% market share in 2023, as well as growth of 29.5% in terms of volume and 2.1 percentage points in market share year-to-date.



Among the highlights is the Polo as Brazil's best-selling passenger car, with 111,247 units sold in 2023. In December alone, a record 17,999 units of the model were sold. No other vehicle sold so much in a single month in 2023. Another highlight was the SUVW family – Nivus, T Cross, Taos, Tiguan, and ID.4 – which totaled 141,331 units sold, driven above all by the T-Cross, which alone registered 72,445 units and took over the SUV leadership.

The SUVW Nivus was also in evidence. The 100% Brazilian-developed model grew 32% in sales volume in 2023 (with 52,104 units sold) compared to 2022, and came 13th in the list of best-selling cars in Brazil, considering all segments. Launched in November, the Tiguan Allspace, the latest member of the SUVW family, had its first batch sold out in three hours (1,209 units).

In exports, Volkswagen do Brasil shipped 62,834 units in 2023, mainly to markets in South America, Central America, and the Caribbean. The company is the largest exporter in the Brazilian automotive sector, with more than 4.2 million units shipped.

Product Strategy

Nine launches in different segments boosted Volkswagen do Brasil's product strategy in 2023: New Polo GTS, New Virtus, Polo 1st Edition, New Polo Track, T Cross The Town, ID.4, Saveiro, Tiguan and ID.Buzz. The launches are part of VW's ACELERA strategy, which envisaged the launch of 15 new vehicles, mainly Total Flex and electric, by 2025.



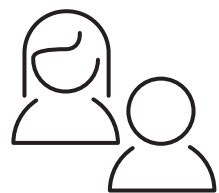


New investment cycle

Volkswagen had a R\$ 7 billion investment cycle planned from 2022 to 2026 in Latin America aimed at developing local vehicle projects, digitalization and decarbonization. In February 2024, the company more than doubled its investments to R\$ 16 billion and announced a new offensive that foresees the launch of 16 new vehicles by 2028, including hybrid, Total Flex and 100% electric models. Initially, the investment includes the development and production of innovative projects with a focus on decarbonization for Volkswagen's four factories in Brazil: 4 new vehicles, including a pick-up truck, a new engine for hybrid vehicles and a new flexible and sustainable technological platform. The results of these investments will be monitored in the next editions of the Sustainability Report.

2023 in numbers

(GRI 2-1, 2-6)



12,954
employees



476
points of sale in Brazil



R\$ 3.4 bi
paid in taxes
(direct and indirect)

R\$ 2.0 bi
employee salaries
and benefits

R\$ 8.2 mi
social
investments

Production volume in 2023 by factory:



68,398 Saveiro
30,318 Virtus
60,674 Nivus
6,705 Polo



121,054 Polo
698 Gol
688 Voyage



78,784 T-Cross



23,474 EA111
359,832 EA211
58,867 exportation
(Argentina and Mexico)

Imported

Amarok
(General Pacheco – Argentina)

Taos
(General Pacheco – Argentina)

Jetta
(Puebla – Mexico)

Tiguan Allspace
(Puebla – Mexico)

Direct economic value generated and distributed (R\$) – Volkswagen do Brasil
(GRI 201-1)

	2021	2022	2023
Direct economic value generated: income	25,762,510,850	28,200,970,810	34,846,856,162
Economic value distributed: operating costs, employee salaries and benefits, payments to providers	1,985,677,303	1,907,933,350	2,050,501,820
Retained economic value: “direct economic value generated” minus “economic value distributed”	2,947,430,020	2,856,156,186	3,364,947,931

The brand most remembered by Brazilians



Volkswagen do Brasil was recognized for the 32nd time as the car brand most remembered by consumers in the Instituto Datafolha Top of Mind survey. VW was the isolated leader in the Car category, being remembered spontaneously by 27% of Brazilians, an increase of 2 percentage points on last year’s victory.

The brand has intensified its contact and experience with consumers, present at major festivals, such as The Town, or the **Volks Festival**, which brought various activities for all **audiences** and brought together **almost 12,000** people in 2023 during its visit to Curitiba, Belo Horizonte, Brasília, and São Paulo.

Admired leadership

Ciro Possobom was elected one of the 10 most admired CEOs in Brazil by the Fórum Gestão RH, out of 70 names nominated in the market. The awards also named Douglas Pereira as the most admired HR person in Latin America, out of 100 names listed in this category.

In AutoEsporte magazine's Carro do Ano (Car of the Year) award, engineer Roger Guilherme, manager of the Way to Zero Center, was inducted into the Hall of Fame. This recognition proves his role in the development of Total Flex engine technology, which 20 years ago gave Brazilian drivers autonomy, allowing the use of ethanol, gasoline, or a mixture of both in any proportion.

At the Compliance on Top awards, the executive manager of Governance, Risk and Compliance, Christian Lamboy, was elected one of the most admired Compliance Officers in Brazil.

Featured products

Virtus: Car Magazine's Prêmio de Melhor Carro Nacional (Best National Car Award) and Portal Terra's Prêmio Trend Car (Trend Car Award), Sedan category.





Nivus: debuted in 1st place in the new SUV-Coupe category of Quatro Rodas' survey of Os Eleitos (The Chosen).



Polo and Virtus: won in the Melhor Carro Nacional (Best National Car) up to 13 kgfm and Melhor Carro Nacional (Best National Car) over 16 kgfm categories, respectively, at the Abiauto awards.



Quatro Rodas/KBB's Melhor Revenda 2023 (Best Resale 2023) in two categories: Sedan compacto de referência (Reference compact sedan) (Virtus) and SUV compacto de acesso (Accessible compact SUV) (T-Cross).



Quatro Rodas' Prêmio Menor Custo de Uso (Lowest Cost of Ownership Award) among compact SUVs with a double: T-Cross (1st place) and Nivus (2nd).



Jetta GLI: Prêmio Maior Valor de Revenda (Highest Resale Value Award), Sedãs Médios (Medium Sedans) category.

Corporate



Empresa do Ano (Company of the Year), from the Prêmio AutoData, with 30% of the votes.

Exportador Montadora (Automaker Exporter), from the Prêmio AutoData.

Prêmio AB Diversidade do Setor Automotivo 2023 (AB Diversity in the Automotive Sector 2023 Award), from Automotive Business, in the Pessoas com Deficiência (People with Disabilities) category, with the highest percentage of PwDs in the workforce.

Prêmio Automotive Business 2023 (Automotive Business 2023 Award), Cultura & Educação (Culture & Education) category with the Youth Training case by SENAI Volkswagen.

Tribute to Volkswagen do Brasil's 70th anniversary at the #ABX23 – Automotive Business Experience Congress.

Experience Awards 2023, by SoluCX, certification in the Automóveis por excelência (Automobiles for excellence) category in Customer Experience.

› Check out other highlights in the People and Factories chapters.



Strategy and Management



Strategy and Management


- › ACELERA VW boosts company results
- › Way to Zero Center: the road to carbon neutral mobility
- › Actions aligned with human rights








ACELERA VW boosts company results

In 2023, the ACELERA VW corporate strategy (2022-2025) completed half of its cycle, which aims to make the Brand +Diverse, +Digital, +Agile, +Customer-Centric and +Carbon-Neutral. To this end, the strategy seeks to catalyze innovation and sustainability in all the automaker's operations, consolidating Volkswagen do Brasil as a protagonist in driving transformations in the automotive sector.

ACELERA VW is divided into 5 Battles (as the company's action fronts are called) and contextualizes Volkswagen's global planning guidelines (ACCELERATE) for the regional scenario. The actions to drive it forward have been divided into 21 groups within the company, responsible for implementing the projects and maintaining the results.

7 main objectives of ACELERA VW



 <p>Launch 15 primarily flex-fuel and electric vehicles</p>	 <p>Be among the TOP 3 CSI (Customer Satisfaction Index)</p>
 <p>Obtain/maintain the Great Place to Work seal</p>	 <p>Zero debt and ROI (return on investment) above 6%</p>
 <p>Significantly increase the number of women in leadership</p>	 <p>Carbon neutrality in factories</p>
	 <p>Transformation Office and New Administrative Center</p>



Battle 1: People + Diverse



Goals

Among the goals are keeping the health and safety of employees first, being a great place to work, integrating people in modern coworking spaces, “Exemplary Leadership”, being a more diverse and inclusive company and changing the mindset, creating more agile, digital, and innovative teams.

Progress in 2023

In 2023, Volkswagen do Brasil consolidated its commitment to diversity and inclusion by becoming a signatory to important social movements, which cover the company’s five fundamental pillars: Movimento Mulher 360 (Women’s Movement 360), the Iniciativa Empresarial pela Igualdade Racial (Business Initiative for Racial Equality), the Fórum de Empresas e Direitos LGBTI+(Forum of Companies and LGBTI+ Rights), the Rede Empresarial de Inclusão Social para PcDs (Business Network for Social Inclusion for People with Disabilities), and the Fórum Gerações e Futuro do Trabalho (Generations and Future of Work Forum). The company was recognized by the Prêmio AB Diversidade no Setor Automotivo 2023 (AB Diversity in the Automotive Sector 2023 Award) in the Pessoas com Deficiência (People with Disabilities) category, won the Great Place to Work certification for the second year running and the Top Employer certification for the sixth year running. In the Randstad “Marca Empregadora 2023” (Employer Brand 2023) ranking, the company is in the Top 10 of the most attractive places to work in the country.

The automaker has set a corporate goal to increase the representation of women in leadership positions. In the social sphere, it celebrated the 50th anniversary of SENAI Volkswagen, installed at the Anchieta plant (SP), with more than 7,000 graduates.



Battle 2: Products + Digital



Goals

This pillar reinforces the offer of digital services, biofuels, flex engines and new business models, always focusing on the right technology for the future, solutions for global markets and improving the customer experience. Among the main goals are the development of new products based on the decarbonization strategy, solutions for connected cars and the new Product Offensive, with 15 new flex and electric vehicles by 2025.

Progress in 2023

Volkswagen do Brasil launched Fintech VOÜ as part of its new business strategy. In terms of technological innovations, the company stood out with VW Play, developed locally, and exported to 70 countries, the Meu VW app and DDX (Digital Dealer Experience).

The company also excelled in Augmented Reality through the VW Experience app, which has the Taos, Nivus, T-Cross, Amarok, Polo and Virtus models for simulation, and invested in virtual prototypes and ergonomic studies through the Virtual Reality laboratory, advancing work on integrating innovative technologies.

In the Product Offensive, the brand began electrifying its portfolio, with the ID.4 and ID.Buzz entering VW Sign&Drive, and launched another seven models: Polo GTS, New Virtus, Polo 1st Edition, New Polo Track, T Cross The Town, Saveiro 2024 and Tiguan Allspace.



Battle 3: Processes + Agile



Goals

The main projects focus on optimizing operations and processes, improving local and regional synergies between plants, brands, and countries with impacts on economic efficiency and cultural diversity. The goal is to simplify VW, making the company ever more agile, practical, efficient, digital and bureaucracy free.

Progress in 2023

Implementation of the Eagle Project to provide a macro view of the company's processes and respond quickly to market challenges.

The Fast Service Center is optimizing operational services in the SAM region, seeking cost and process efficiencies, and identifying optimization opportunities that can be implemented or digitized.

With the implementation of the Facilita VW tool, internal processes have increased in digitalization and agility.



Battle 4: Clients + Customer Centricity



Goals

The aim is to develop a culture of customer centricity that involves everything from internal processes to the consumer journey. The actions of this pillar seek to put customer satisfaction at the center of all discussions, treating it as a strategic issue and the responsibility of everyone in the company.

Progress in 2023

Volkswagen do Brasil has directed its full focus towards the customer and has been promoting a significant transformation in its dealer network to make it more humanized, technological, welcoming, and modern. The company closed 2023 with 41% of the network updated with the New Brand Design, a global concept presented in 2020.

In addition, VWB now has an area dedicated to Customer Experience and has obtained the Certificado de Excelência em Atendimento (Certificate of Excellence in Service) (RA1000 seal) from the Reclame Aqui website.



Battle 5: Sustainability + Carbon Neutral



Goals

Part of this battle are the pillars of zero debt, CO2 reduction – including partnerships with universities and research centers to advance decarbonization in emerging markets –, a more profitable portfolio, maintaining positive cash flow, operating profit, and creating new forms of revenue to overcome the global crises that have been accumulating since 2020.

Progress in 2023

Volkswagen do Brasil has been a pioneer in the automotive market by winning the Lixo Zero (Zero Waste) multisite certificate, which attests to the correct disposal of waste at all its units.

The company won the Selo Ouro (Gold Seal) in the GHG Protocol inventory, demonstrating its commitment to decarbonization. All units operate with 100% clean electricity from renewable sources certified internationally by I-REC. In addition, the company continued with the project to adopt renewable natural gas (biomethane) at its Anchieta and Taubaté plants, which is expected to begin in the second half of 2024. At the Way to Zero Center, new partnerships were signed with companies and universities to decarbonize the automotive sector.

Throughout the chapters of the report, some ESG initiatives will be indexed according to their respective Battles, detailing actions, and results.

Way to Zero: the road to carbon neutral mobility

(Battle 5: Sustainability + Carbon Neutral)

On the road to carbon-free mobility for all, Volkswagen do Brasil aims to be carbon neutral by 2050, in line with the Paris Agreement. This is a global commitment by the Brand, extended to all subsidiaries. To achieve these goals, VW analyzes and optimizes the entire vehicle life cycle: from initial research, through development and production. The biggest generators of CO2 emissions in the supply chain are mapped for emission reduction actions.

Research and innovation

(Battle 5: Sustainability + Carbon Neutral)



The Way to Zero Center, located at the Anchieta plant in São Bernardo do Campo (SP), fosters innovation and the generation of scientific and technological knowledge in the area of low-carbon mobility, including biofuels. The initiative opens up opportunities for the industry as a whole, since, by investing in research and development, the center promotes networking that strengthens the renewable energy sector in Brazil.

The Way to Zero Center currently has 20 ongoing projects with universities and companies, such as Unicamp, USP, UFABC, Raízen, Shell and Bosch. The aim of these agreements is to encourage research into technologies that can increase energy efficiency and the use of low-carbon energy sources. Other projects are under discussion, seeking to evaluate and improve the recyclability of materials, always with a focus on carbon neutrality during the life cycle of vehicles, from their manufacture to their decommissioning.

In June, the research center held the Primeiro Encontro de Economia Circular (First Circular Economy Meeting) at Volkswagen do Brasil, attended by more than 100 employees, to encourage solutions that promote the circularity of the company's products and processes, discussing regulations, market initiatives and new technologies aimed at recyclability in the future.

Finep agreement



In August 2023, Volkswagen do Brasil signed a contract with Finep to raise funds for its Strategic Innovation & Sustainability Plan. The investment of R\$ 259 million represents Finep's largest operation in the last two years and is among the 10 largest in the institution's entire history.

The agreement aims to boost research and projects on **three work areas**:

- **Decarbonization** - encompasses reducing the carbon footprint of vehicles throughout their life cycle. This pillar enables CO2 management and new research and projects related to the Way to Zero strategy.
- **Industry 4.0** - aims to develop new technologies to increase efficiency and further reduce the carbon footprint of the production process at the Anchieta plant.
- **Digital Process Transformation & Embedded Electronics** – focuses on developing innovative technologies and digital solutions to improve the efficiency, safety, connectivity, and comfort of Volkswagen vehicles. These initiatives reflect the company's commitment to innovative technology and sustainability.

Governance structure

(GRI 2-1, 2-9, 202-2)

Volkswagen do Brasil is a privately-held subsidiary of the Volkswagen Group, operating independently and autonomously from the German parent company.

Corporate Governance is led by the Volkswagen do Brasil and SAM Region Executive Committee (Comex), currently made up of 13 members chosen by the Head Office. The group meets weekly to discuss the company's activities and ensure alignment with the strategies stipulated for the business.



In addition to the Chairman and CEO, there are six vice-presidents and five directors, 10 men and three women. Of this total, 54% are Brazilian.

The company also has an Executive Committee for the SAM Region, which includes, in addition to Brazil and Argentina, 27 other countries in South America, Central America and the Caribbean. The committee is made up of 11 members, representing VW Brazil and VW Argentina, and is in charge of the Brand's regionalization process. In Latin America, actions are coordinated by the Executive Chairman, focusing on strategic business issues in the region.

Membership of the Executive Committee



Alexander Seitz

Executive Chairman of Volkswagen in the Latin American Region

Ciro Possobom

CEO of Volkswagen do Brasil

Dr. Hendrik Muth

Vice President of Sales and Marketing for the South America Region

Miguel Sanches

Vice President of Operations at Volkswagen do Brasil and SAM Region

Luiz Eduardo Alvarez

Vice President of Procurement at Volkswagen do Brasil and SAM Region

Douglas Pereira

Vice President of Human Resources at Volkswagen do Brasil and SAM Region

Dr. Markus Kleimann

Vice President of Product Development, Strategy and Baureihe at Volkswagen do Brasil and SAM Region

Roger Corassa

Vice President of Sales & Marketing at Volkswagen do Brasil

Cristina Cestari

Volkswagen's Chief Information Officer (CIO) for the South America Region

Silene Chiconini

Communications Director for the SAM Region and Sustainability at Volkswagen do Brasil

Thomas Mehringer

Director of Quality Assurance at Volkswagen do Brasil and SAM Region

Amália Cecilia Gonçalves Costa

Director of Legal Affairs at Volkswagen do Brasil and SAM Region

Luiz Ricardo de Medeiros Santiago

Director of Institutional and Government Relations at Volkswagen do Brasil

Sustainability framework

Volkswagen do Brasil approaches sustainability in a comprehensive and transversal way. Since 2021, the company has established the Sustainability Board, integrated into the Communication and Sustainability area, to coordinate ESG (Environmental, Social and Governance) initiatives, reporting directly to the Chairman of the Region and the CEO of Volkswagen do Brasil. The Sustainability/ ESG Committee is made up of six fixed areas: Sustainability, Human Resources, Institutional and Government Relations, Operations, Purchasing and Product Development. Other business areas participate as required.



Sustainability objectives and targets¹

Social Responsibility			
Base Year	Commitment	Deadline	Status 2023
2020	Increase the number of women in executive positions from 14% to 25.6%.*	2024	The number of women in executive positions rose from 18.3% in 2022 to 20.1% in 2023.
2020	Increase the number of women managers and executive managers from 9% to 24.8%.	2024	There was a significant increase in the progression of the target, rising from 16.5% in 2022 to 19.1% in 2023.

Footnote:

1. Learn more about Volkswagen do Brasil's environmental commitments expressed in the Environmental and Energy Policy [Política Ambiental e de Energia](#).

* Objectives linked to ESG debt with Bradesco.

Environmental responsibility

Base Year	Commitment	Deadline	Status 2023
2012	Energy (MWh/vehicle produced) = 0.88	2025	In 2022, Volkswagen do Brasil achieved 1.66 MWh/vehicle produced. With this result, the target set for the indicator was not reached due to the reduction in the volume of vehicles produced, which affected energy and environmental efficiency. Even so, the company has implemented a number of actions focused on energy efficiency at its plants.
2012	CO2 (kg/vehicle produced) = 89	2025	In 2022, Volkswagen do Brasil recorded 123 kg of CO2/vehicle produced. With this result, the company did not reach the target set for the indicator due to the reduction in the volume of vehicles produced, which affected energy and environmental efficiency. Even so, VW has 100% of its electricity coming from renewable sources in its production plants, certified by I-REC as of 2022 (according to the GHG Protocol).
2020	Transfer CO2 emissions from fossil origin in scope 1 to biogenic by 12%, by replacing 20% of natural gas from fossil origin with biomethane (Generation Guarantee).	2024	A partnership has been signed between Volkswagen do Brasil and Raízen to enable the transfer of CO2 from fossil origin to biogenic origin and the replacement of natural gas from fossil origin with biomethane. The supply of biomethane is scheduled to begin in the second half of 2024.

Footnote:

1. Learn more about Volkswagen do Brasil's environmental commitments expressed in the Environmental and Energy Policy [Política Ambiental e de Energia](#).

* Objectives linked to ESG debt with Bradesco.

Mission, Vision, and Purpose

(GRI 2-23)

Internal and external principles guide the actions of the Volkswagen do Brasil team, especially the company's Mission, Vision, and Purpose.



Purpose

On the road to carbon neutral mobility for everyone.



Mission

We make technology with people in mind.



Vision

Being the most loved car brand.

Guidelines and principles

Internal:

Volkswagen Group Code of Conduct, version 3.0 for employees and business partners, with communication and training expanded since 2020; Volkswagen Social Charter, which discusses social rights and industrial relations in the company; the Standard Charter, with the aim of identifying and analyzing possible conflicts of interest among employees; and the Labor Relations Charter, which expresses Volkswagen's commitment to rights and principles of representativeness and social rights.

External:

The Volkswagen Group is a signatory to global commitments and declarations that have an effect and operation on all its units around the world, such as the agreement with the International Labor Organization (ILO), guidelines and conventions of the Organization for Economic Cooperation and Development (OECD), the Women's Empowerment Principles (WEPs) – an initiative created by UN Women to promote gender equality – the UN Global Compact, the world's largest corporate sustainability initiative. It is also the first car manufacturer to join the Paris Agreement, with the aim of becoming carbon neutral by 2050. Nationally, Volkswagen do Brasil is part of the Pacto Empresarial pela Integridade e Contra a Corrupção – Empresa Limpa (Business Pact for Integrity and Anti-Corruption – Clean Company). In 2023, the company became a signatory to the Movimento Mulher 360 (Women's Movement 360), the Iniciativa Empresarial pela Igualdade Racial (Business Initiative for Racial Equality), the Fórum de Empresas e Direitos LGBTI+ (Forum of Companies and LGBTI+ Rights), the REIS – Rede Empresarial de Inclusão Social (Business Network for Social Inclusion), and the Fórum Gerações e Futuro do Trabalho (Generations and Future of Work Forum), comprising the five priority guidelines of its Diversity & Inclusion strategy.



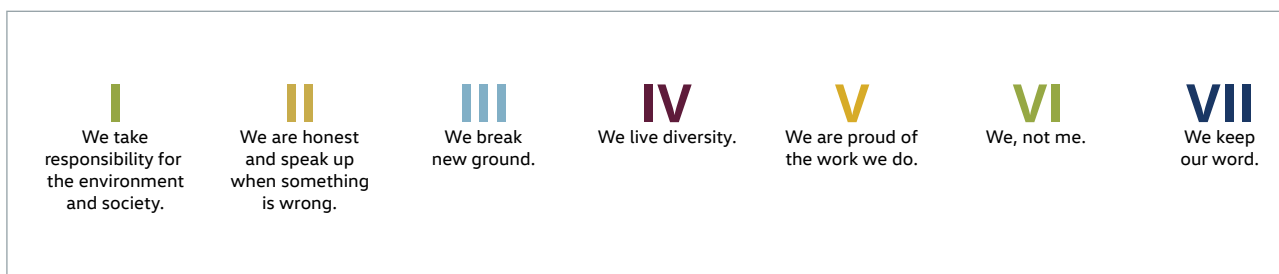
Ethical and transparent conduct

Ethical principles

(GRI 2-16, 417-3)

All the company's activities are guided by the guidelines of the Code of Conduct, the Compliance Policy, the Governance Policy on Government Affairs, among other internal and external documents that seek to ensure compliance with the law, good conduct, and integrity on a daily basis.

In general, Volkswagen's ethical corporate culture follows seven basic principles:



Legal compliance

(GRI 2-27, 206-1, 417-2, 417-3)

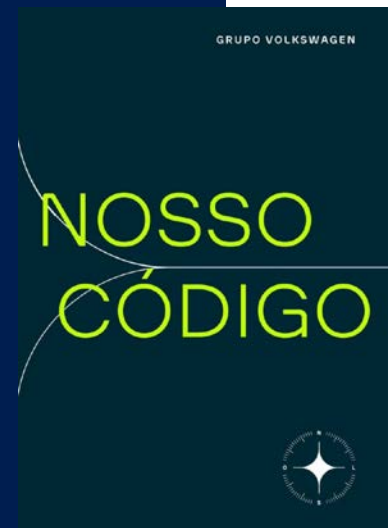
In 2023, Volkswagen do Brasil did not register any lawsuits filed for unfair competition, trust, and monopoly practices in which the organization was identified as a participant. Non-compliance situations were defined based on cases involving high values and possible reputational damage. Over the course of the year, the Legal sector recorded one situation of non-compliance. In a case relating to the Rouanet Law, the company decided on an early judgment of the case, which was granted by the Comptroller General of the Union (CGU).

The company has not shown any non-compliance with regulations and voluntary codes relating to marketing communications, including advertising, promotion, and sponsorship.

Code of Conduct

Volkswagen do Brasil's code of conduct was revised and updated in 2023, in line with the guidelines of the German Head Office and in line with the other Volkswagen Group companies. The new document, presented at the beginning of 2024 and effective immediately, brings the company's political definitions together with practical examples applied to the routine and working relationships with the Brand. Any attitude that is not in line with the guidelines is treated as a violation, subject to sanctions. To ensure that this does not happen, Volkswagen seeks to maintain advice and support in its ecosystem so that, by acting together and preventively, the Brand's values and reputation remain protected.

[Click here to download it.](#)



Handbook on Preventing and Combating Sexual Harassment and Bullying



Tackling sexual and moral harassment is a priority at Volkswagen do Brasil. To effectively combat these practices, the company emphasizes an ethical stance, promoting respect, empathy, and rejection of any form of violence or discrimination. Awareness of the seriousness of the issue and the importance of reporting cases of harassment are highlighted in the company's campaigns, such as the Booklet on Preventing and Combating Sexual and Moral Harassment, which covers concepts, contacts and reporting channels, as well as the Statement of Knowledge, which is mandatory for all Volkswagen do Brasil employees. The project was one of the initiatives awarded by the company for its awareness-raising effect and the results obtained in the Reporting Channels.

The material is available to all staff on the VW&Eu App (within ConectaRH) and [can also be downloaded here](#) – available in Brazilian Portuguese only.

Aligned integrity

(GRI 205-2)

Every two years, Volkswagen do Brasil conducts refresher training on the Code of Conduct and Anti-Corruption. In 2023, all employees were informed about the training and 95% of staff effectively took part in the activity. Leadership receives specific training and Volkswagen makes a point of showing that the company's values are taken care of from the top down (tone from the top).

Training is obligatory and failure to comply can result in a disciplinary measure as provided for in the internal policy. In 2023, the company also developed training for employees in the process of training for management positions, providing them with integrity tools to help them make decisions. With the Complan-se campaign, made up of explanatory lives, the company addressed technical topics such as information security and travel reimbursement in a playful way. The content later became part of the VW Learning collection, Volkswagen do Brasil's teaching platform.

It is worth remembering that corruption is a crime under the Brazilian Penal Code (Decree Law No. 2848/1940) and the Anti-Corruption Law (Law No. 12846/2013). At Volkswagen do Brasil, the concept is defined in the Compliance Policy more broadly than the law. Specific guidelines on the subject can be consulted by all employees in the Anti-Corruption Booklet. Aspects related to the topic were covered in the following training courses: Code of Conduct, Antitrust, Risk Management, Business Partner Verification, Competition Law, Prevention of Money Laundering & Terrorist Financing and Respect & Diversity.

Every year, the training program is revised so that the stakeholders who are most exposed to corruption risks are constantly trained. The activities are conducted in person or digitally through VW Learning.

Directors informed¹ and trained² on anti-corruption procedures

(GRI 205-2a)

	2021		2022		2023	
	Informed	Trained	Informed	Trained	Informed	Trained
Total members of the company's Board of Directors	12		13		13	
Directors informed/ trained	12	12	13	13	13	13
% of directors informed/ trained	100%	100%	100%	100%	100%	100%

Employees informed¹ and trained² on anti-corruption policies and procedures

(GRI 205-2b)

	2021		2022		2023	
	Informed	Trained	Informed	Trained	Informed	Trained
Factories, parts and accessories centers and offices in the Southeast						
Total number of employees informed/ trained	100%	8,367	100%	11,359	100%	12,824

Business partners informed¹ and trained² on anti-corruption policies and procedures

(GRI 205-2c)

	2021		2022*		2023	
	Informed	Trained	Informed	Trained	Informed	Trained
Total number of partners	2,536		1,041		2,372	
Partners informed/ trained	2,536	2,533	1,041	1,041	2,372	2,372
% of partners informed/ trained	100%	99,88%	100%	100%	100%	100%

Footnote:

1. Employees who have received at least two communications on topics related to compliance and integrity, such as the Code of Conduct and Internal Policies, among others.
2. Employees who have received specific training on the subject of compliance and integrity (audiences identified as being at greater risk due to their activities).

* There has been a change in the number of suppliers because only the number of active suppliers was mentioned, rather than registered ones. Active suppliers must accept the code of conduct for business partners and undergo training.

Process monitoring

(GRI 205-1)

At Volkswagen do Brasil, the Internal Audit department has a team of 17 professionals who seek to add value to processes, while also playing an advisory role to the organization's business, helping to establish a functional control environment, and providing an independent and objective review of business processes, based on an annual plan based on risk analyses and the Code of Conduct. A corporate committee, made up of representatives from the GRC, Human Resources, Audit, Security and Legal areas, complements this monitoring, defining strategies to guarantee the company's adherence to the ethical principles defined in its corporate policies.

In addition, the performance assessment process for administrative employees (GAP) verifies the extent to which each employee acts in compliance with the regulations and procedures to which their activity is exposed.

In 2023, 100% of Volkswagen do Brasil's units were covered by the assessment of risks related to corruption, covering 22 business areas distributed across the four production units and the Parts and Accessories Distribution Center. The systematic process assesses risks related to corruption, highlighting three significant variants: active corruption, passive corruption, and conflicts of interest.

Reports or suspicions of corruption are investigated by the responsible committees, with each case analyzed and corrective actions implemented to minimize negative impacts. In situations linked to public administration, the company cooperates fully with the competent authorities, seeking clarification and compensation, where applicable. Volkswagen do Brasil regularly reinforces the importance of ethical conduct and integrity to all employees and business partners through campaigns, communications, and training courses.

Data Protection

(GRI 418-1)

Through the Privacy and Personal Data Protection Governance Program, Volkswagen do Brasil adopts strict standards to ensure compliance with the General Data Protection Law (LGPD) and the privacy of its customers, employees and partners, which include preventive measures; the identification and monitoring of incidents, with a structured Response Plan; review of the map of personal data processing activities; evaluation of projects from conception; and the review and negotiation of data protection clauses in contracts.

The company periodically promotes actions to raise awareness among employees and partners about the LGPD and information security. Among the activities planned in the 2023 training calendar was *Semana da Segurança da Informação* (Information Security Week), a five-day event attended by guests from different sectors of the industry to exchange knowledge and benchmarking.

The level of maturity in cyber security advanced consistently throughout the year. As a result, Volkswagen do Brasil won a seat, with a local representative, on the information security committee promoted by the headquarters in Germany.

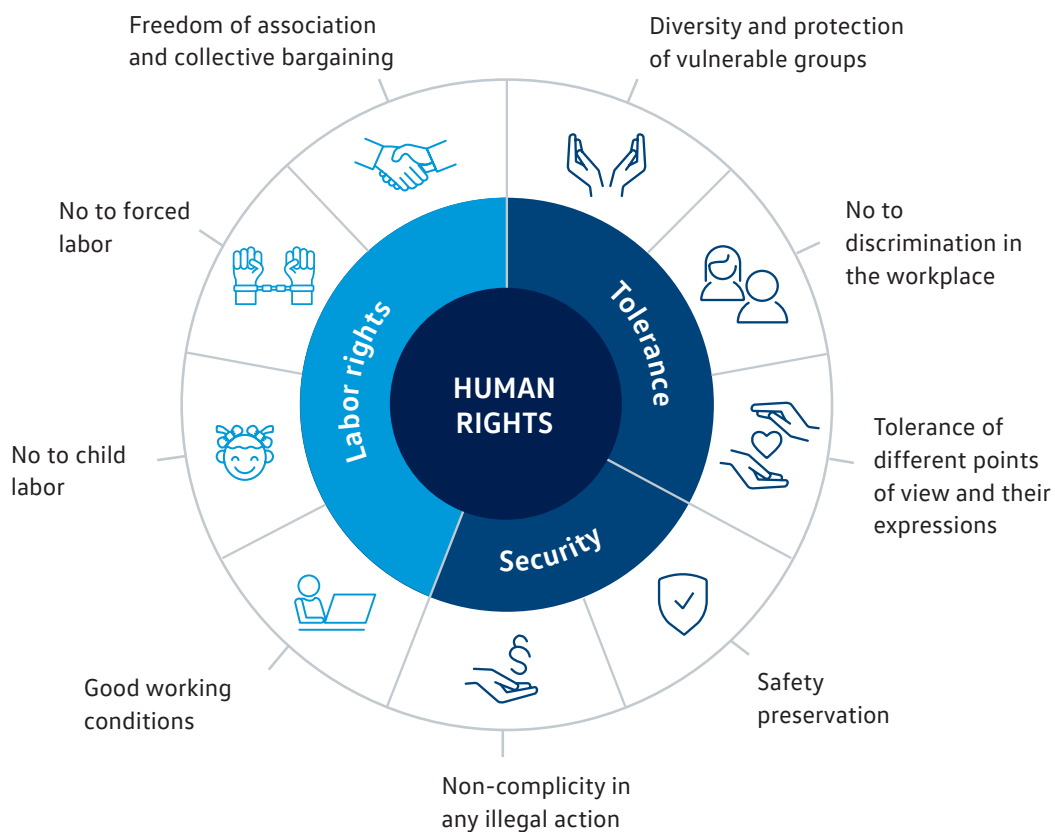
The company also kept a close eye on preventing invasions and data leaks, relying on the Security Office Center (SOC) to monitor its entire ecosystem, including the supply chain and other stakeholders. As a result, there were no data leaks from the company in 2023.

Actions aligned with **human rights**

(GRI 2-27)

Volkswagen do Brasil is committed to its responsibility regarding human rights, acting ethically and with integrity to guarantee good working conditions, free association, and transparency in collective bargaining. The Volkswagen Group assumes this responsibility through the Group Declaration on Social Rights, Industrial Relations and Business and Human Rights, known as the Social Charter, with actions that unfold for all companies. On working conditions, Volkswagen do Brasil has a statement on the “Modern Slavery Act”, as well as the Code of Conduct for employees and the Code of Conduct for Business Partners.

The pillars of human rights at VW



In March, Volkswagen do Brasil took part in a hearing with the Labor Prosecutor's Office, which asked for compensation for 14 workers, totaling R\$ 165 million, for work analogous to slavery practiced on the Vale do Rio Cristalino farm, in Pará, between the 1970s and 1980s.

In a public statement, the company clarifies that:

“The Federal Labor Prosecutor’s Office initiated administrative proceedings against Volkswagen do Brasil in 2019 and notified the company only three years after the investigations began. Volkswagen do Brasil rejects all allegations presented in the records of this investigation into Fazenda Vale do Rio Cristalino and does not agree with the one-sided statements of fact presented by third parties. The company reinforces its commitment to social responsibility, remains committed to ethical values and will continue to participate in and contribute to the proper working conditions of its employees, as well as to the positive development of society.”

Standard Letter

In the Standard Letter, administrative and hourly employees, including executives, monthly employees, third parties, service providers, leaders, and people in charge of various areas, declare conflicts of interest in accordance with the requirements of the Code of Conduct and the Compliance Policy. The form is filled in electronically via the VW Portal, speeding up data analysis and guaranteeing the confidentiality of the information. In 2023, the GRC area began the process of digitizing the Standard Letter, based on conflict of interest issues.

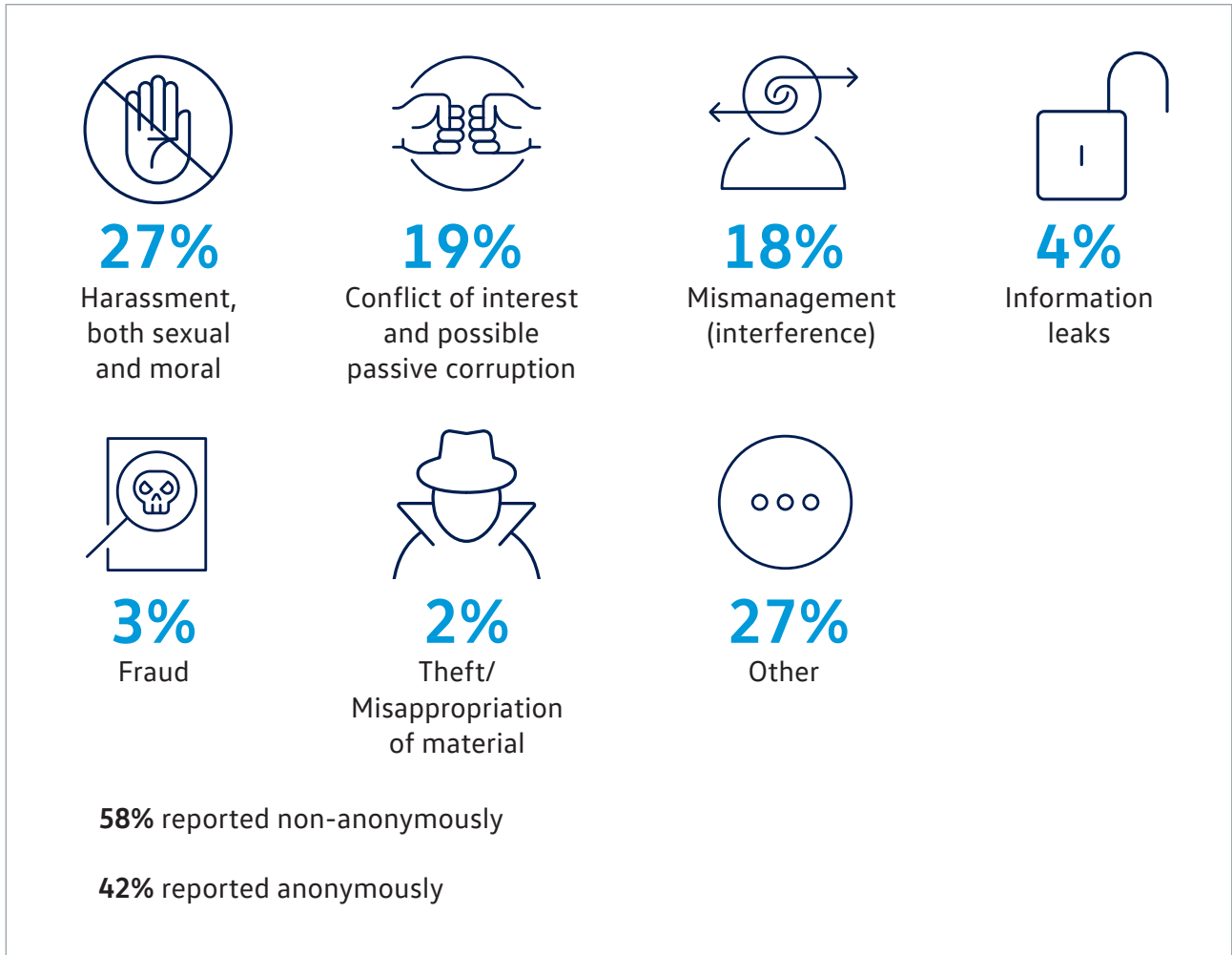
Reporting channels

(GRI 2-26)

The Volkswagen Group’s Reporting Channels are available full-time, allowing stakeholders to report incidents, misconduct, or violations by phone, online or in person (in the case of employees). Reports are managed in a standardized way and forwarded to the relevant areas for investigation. The channels are easily accessible on the website, intranet, and employee app. At Volkswagen do Brasil, around 150 complaints a year are received and assessed by the Governance, Risk and Compliance area, providing data for internal improvements and critical assessments of potential misconduct.

In 2023, the company intensified communication about sexual and moral harassment at work, which resulted in an increasing number of complaints, which were investigated and duly dealt with by the responsible areas. The actions are in line with the *Emprega Mais Mulheres* Program (Federal Law 14.457/2022), which established rules to combat harassment, especially against women.

Most investigated topics



Commonly used channels

-  **1. E-mail**
-  **2. Personal contact**
(with those responsible for the Reporting Channel, HR, Security or Audit)
-  **3. CIO**
(Central Investigation Office, complaint reported directly to Headquarters in Germany)
-  **4. Internet form**
-  **5. Telephone**

How the complaint is processed

The team of the Investigation Office examines each complaint for possible misconduct on the part of a Volkswagen Group employee and systematically monitors the process, which includes gathering facts, especially from the complainant. If the initial assessment shows grounds for suspecting a violation, an analysis will be initiated by a resolute Investigation Unit. The results will then be examined by the Investigation Office and appropriate measures will be recommended. Information on the status* and outcome of the procedure is shared with the whistleblower.

Potential violations of the Code of Conduct for Business Partners by suppliers, including serious risks and violations of human rights and the environment by direct and indirect suppliers, can also be reported to the Whistleblowing Channel – including reports that require immediate action. The Investigation Office will inform the responsible departments, which will process the matter accordingly. This includes taking the necessary measures to minimize or end the violations and/or risks.

** The processing time varies according to the subject of the procedure.*

Confirmed cases of corruption and measures taken

(GRI 205-3)

The indicator is considered confidential. All cases are received through the Whistleblowing Channel, assessed, and dealt with by the company's Compliance and Internal Audit teams. The data is then reported directly to Comex and the VW Group.

Head Office Reporting Channels



0800 59127 43



io@volkswagen.de



www.bkms-system.com/vw

Local Reporting Channels



0800 770 5 770



conduta@volkswagen.com.br



Via Anchieta, Km 23,5 – CPI: 1050 SBC
São Paulo – CEP: 09823-901



People



People

- › Among the best companies to work for
- › Diversity & Inclusion
- › Customer satisfaction
- › Social contribution

Among the best companies to work for

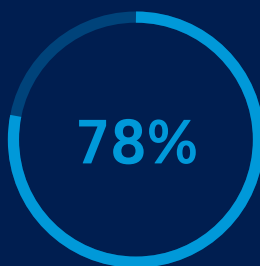
(GRI 3-3)

(Battle 1: People + Diverse)

Raising the level of excellence as an employer brand is among the strategic objectives of Volkswagen do Brasil, which undertakes cultural transformation actions in order to guarantee a healthy, diverse, and inclusive work environment.

Great Place to Work

For the second time in a row, the company has won the Great Place To Work certification, which reflects the high level of satisfaction and trust employees have in the company. The assessment is based on 63 questions covering topics such as credibility, respect, impartiality, pride, and camaraderie. In 2023, employee satisfaction rose to 78%, compared to 75% in 2022, and engagement (participation in the survey) grew by 13 percentage points. Pride in belonging to Volkswagen remains the strongest pillar, at 93%.



employee satisfaction



pride in belonging to Volkswagen

6 times Top Employer



Volkswagen do Brasil won the Top Employer certification for the 6th consecutive year in January 2024, remaining among the select group of companies with the best people management practices. This global certification recognizes companies that are benchmarks in people management, with a focus on improving and developing the work environment.

In the certification, the automaker achieved a score of 90.2% in the best Human Resources practices evaluated by the survey; the score is above the average considered a benchmark among the companies evaluated, which is 81.5%. The company achieved 100% approval in eight areas of the survey: business strategy, leadership, employer brand, ethics and integrity, organization and change, work environment, purpose, values, and sustainability.

Since 2019, when it won Top Employer for the first time, Volkswagen do Brasil has recorded growth of 19.2 percentage points in the survey result.

Top 10 Employer Brand



Volkswagen do Brasil is also in the Top 10 ranking of the “Employer Brand 2023” survey, among the most attractive companies to work for in the country. The study is conducted by the Randstad consultancy, one of the global leaders in recruitment and selection solutions.

Conducted for 23 years, the survey presents the main aspects sought by professionals when choosing an employer. In Brazil, the 2023 edition heard from more than 4,000 people from all regions, who prioritized the prospect of career progression. Other factors considered important by respondents are an attractive salary and a pleasant working environment in a company that supports Diversity & Inclusion, as well as mental health and wellness programs.

Satisfaction Barometer Survey



Level of employee satisfaction

Every year, the company conducts the Opinion Barometer Survey at all its units to assess employee satisfaction at work. In 2023, the participation rate reached 95% and satisfaction was 85.7%. Even with a small drop (0.9 p.p.) compared to 2022, the indicator remained significant within a population of almost 13,000 people. The data is collected via a free online questionnaire. Based on the results, leaders develop Action Plans with their teams to improve the working environment.

Diversity & Inclusion

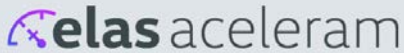




(Battle 1: People + Diverse)

Volkswagen do Brasil has a robust Diversity & Inclusion strategy, which values respect and differences between all people. In order to disseminate awareness, visibility, representativeness, internal policy adjustments, and literacy actions, the company has five dialogue groups made up of employees who work voluntarily to promote the gender, LGBTQIAP+, generations, races & ethnicities, and PwD (People with Disabilities) pillars.

Based on the mapping of the 1st Diversity Census (conducted in 2022), Volkswagen has drawn up new guidelines to make the workplace even more inclusive. The governance strategy was reinforced with the creation of the Diversity & Inclusion Committee, involving all members of the company's executive committee, which meets quarterly with representatives of the D&I Groups to listen, debate, analyze indicators and take action. Each group is sponsored by a member of Comex, with bimonthly meetings, connecting people with the company's board, reducing barriers and empowering teams of volunteers.

Volkswagen offers affirmative action vacancies for diverse audiences in selection processes for permanent positions, internships, trainees, and other positions in the company, including leadership. In 2023, VW's Diversity Week had its 4th edition with activities open to all employees.

Dialogue Groups

	<p>Gender</p> <p>Works on gender equity processes – encouraging mentoring (for them and for women) –, combats harassment and advocates for the career acceleration of female talent, maintaining the Brand’s goal (in line with the UN Global Compact) of considerably increasing the number of women in leadership.</p>
	<p>LGBTQIA+</p> <p>Aims to create an environment where there is more understanding of the LGBTQIA+ cause, through literacy and corporate education programs on the subject, giving visibility to the community within the company and adding people allied to the cause.</p>
	<p>Generations</p> <p>Combats ageism and encourages the connection between generations in the company, from the youngest to the most experienced, valuing experiences and knowledge, as well as debating propositional actions on the future of the generations in the company.</p>
	<p>Race & Ethnicity</p> <p>Develops affirmative programs and clear targets for the anti-racism struggle, in addition to awareness and literacy campaigns on the subject, and works to raise awareness about other ethnic groups.</p>
	<p>PwD</p> <p>Promotes dialogue on the accessibility needed for people with disabilities, as well as broadening internal dialog on other types of disabilities and/or neurodiversities, with a view to welcoming employees with disabilities or who are allies of the cause.</p>

In 2023, Volkswagen do Brasil became a signatory to five social movements that cover the company's Diversity & Inclusion pillars (Gender, LGBTQIA+, Generations, Race & Ethnicity). The "Learn More" link shows the commitments and targets linked to each agreement.



Movimento Mulher 360 (Women's Movement 360)

Volkswagen do Brasil is committed to strengthening its position in favor of gender equality and increasing female participation in the corporate environment and value chain. By joining the movement, the company reinforces its commitment to the UN's 7 Principles of Women's Empowerment, already supported by the company since 2021.

[Click here to find out more.](#)



Iniciativa Empresarial pela Igualdade Racial (Business Initiative for Racial Equality)

The initiative seeks to break down barriers, challenge systemic prejudices, promote a more inclusive future and build an industry that embraces diversity, dismantles racism, and guarantees equal opportunities for all. Through it, Volkswagen do Brasil commits to acting in accordance with the 10 commitments in favor of racial equality.

[Click here to find out more.](#)



Fórum de Empresas e Direitos LGBTI+ (Business and LGBTI+ Rights Forum)

The forum brings together companies committed to making true the maxim of the Universal Declaration of Human Rights that "all people are born free and equal in dignity and rights". Adherence to the "10 Company Commitments to Promoting LGBTI+ Rights" expresses Volkswagen's understanding of its social role in Brazil.

[Click here to find out more.](#)

Fórum Gerações e Futuro do Trabalho (Generations and the Future of Work Forum)

Volkswagen do Brasil is the first automotive company to join the Generations and the Future of Work Forum, an important step in its commitment to respect and better distribution of opportunities for professionals from different generations. With this, it commits itself to the organization's six commitments.

[Click here to find out more.](#)

REIS – Rede Empresarial de Inclusão Social (Business Network for Social Inclusion)

By joining REIS, Volkswagen do Brasil is making public its desire to promote a more inclusive business environment to positively transform the lives of people with disabilities and act in accordance with the five commitments of the Pact for the Inclusion of People with Disabilities.

[Click here to find out more.](#)

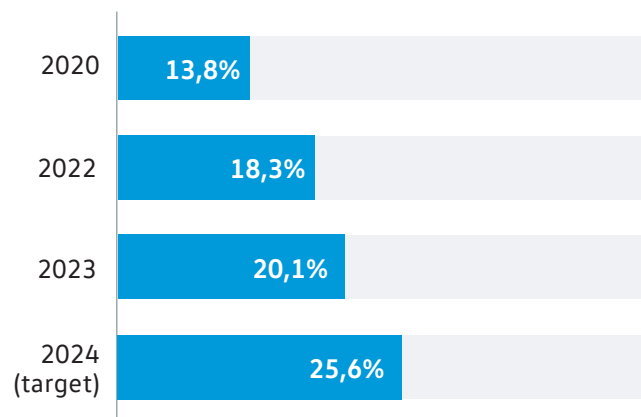
Women in leadership



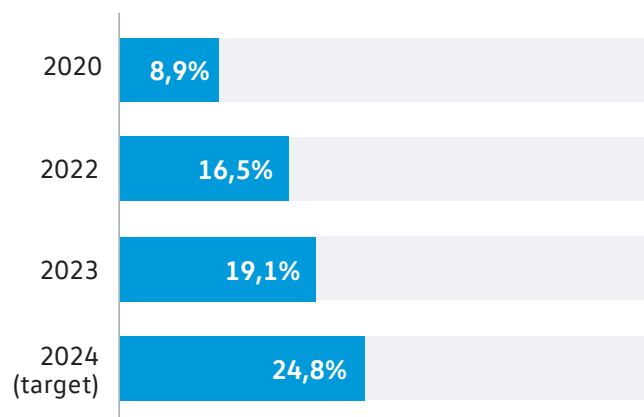
In the gender pillar of its Diversity & Inclusion actions, Volkswagen do Brasil has the goal of considerably increasing the number of women in leadership. The company was the first vehicle manufacturer in the country to sign an agreement to raise bank debt in 2022, through the Export Credit Notes (ECN) modality, with ESG commitments, called Sustainable-Linked Loan.

The operation, conducted with Bradesco, was for R\$ 500 million, with a term of three years, and is linked to the automaker's commitments to increase the participation of women in leadership and to reduce fossil CO2 emissions in its operations. The employability target aims to increase the number of women in executive positions from 14% to 26% by 2024, with women in management positions rising from 9% to 25%. In 2023, Volkswagen do Brasil passed the 20% mark for women in leadership positions and continues to implement actions to move forward, in a progressive manner, attentive to accumulated learning and, above all, focused on cultural transformation.

Women executives (supervisors and above):



Women managers and executive managers:



The targets were adjusted according to Volkswagen do Brasil's ESG commitment with Bradesco bank.

Talent acquisition with inclusion and equity

The Human Resources department constantly monitors hiring with the ambition that 50% of new talent should be diverse. In addition, the company seeks an intersectional gender approach in the selection processes (add gender to one of the other 4 priority agendas). The affirmative policy applies to the company's permanent positions, internship, and trainee programs. In 2023, 52.3% of hires were, on average, within at least one of the five agendas (Gender, Race & Ethnicity, PwD, Generations and LGBTQIA+). In recent years, Volkswagen do Brasil has reviewed its Talent Acquisition process, mainly impacting the leadership, who are responsible for recognizing their unconscious biases and conducting the selection process.



- 58% of hourly workers hired in 2023 belong to one of the five agendas. Of which:
 - 35% are women.
 - 23% belong to other agendas.
 - 47% of the monthly employees hired in 2023 belong to one of the five agendas.

In operational vacancies, where the automotive industry has historically had the lowest rates of occupation by women, Volkswagen do Brasil has managed to hire almost 50% of the staff at its Taubaté and Anchieta plants, showing that the company's affirmative initiatives have gradually been generating results. Although the number is small, it demonstrates the progress made in the journey, as for the first time the company managed to have more than 10% of its total workforce occupied by women.

Feedback

Volkswagen do Brasil is also committed to the candidates in its selection processes and has won the Feedback Seal from the Gupy platform, a recruitment and selection partner. This recognition is given to companies that give feedback to more than 90% of candidates.

The workforce profile

(GRI 2-7, 401-1 and 404-2)



From 2014 to 2022, Volkswagen do Brasil adjusted its workforce to keep up with new production volume levels. In 2023, after restructuring, with the increase in volume demand and in line with the strategy of growing business areas that bring positive financial results, such as engineering and technology, the company hired more employees, which reduced the turnover rate. 145 jobs were created, predominantly occupied by women. There was growth in the workforce under 30 and over 50, with a generational focus, and an exponential increase in the hiring of temporary workers.

Adjustments to the workforce follow the Collective Agreements signed between the company and local unions. For departures, the PDV – Programa de Desligamento Voluntário (Voluntary Severance Program) mechanism was favored, with a special financial incentive proportional to the length of service with the company. Under the scope of this program, employees voluntarily sign up for severance and can re-plan their lives after leaving the company, taking advantage of the financial incentive and legal severance pay.

Staff by gender and region¹

(GRI 2-7)

Region	2021			2022			2023		
	Women	Men	Total	Women	Men	Total	Women	Men	Total
Anchieta	713	6,422	7,135	740	6,140	6,880	867	6,251	7,118
Curitiba	115	2,020	2,135	102	1,970	2,072	129	1,925	2,054
Regionals	18	130	148	18	128	146	19	128	147
São Carlos	94	757	851	90	728	818	84	717	801
Taubaté	165	2,710	2,875	233	2,612	2,845	249	2,537	2,786
Vinhedo	15	28	43	15	33	48	17	31	48
Total	1,120	12,067	13,187	1,198	11,611	12,809	1,365	11,589	12,954

Staff by type of employment contract and gender¹

(GRI 2-7)

Types of Contracts	2021			2022			2023		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Temporary employees (determined time)	47	28	75	146	95	241	474	239	713
Permanent Employees (undetermined time)	12,020	1,092	13,112	11,465	1,103	12,568	11,115	1,126	12,241
Total	12,067	1,120	13,187	11,611	1,198	12,809	11,589	1,365	12,954

Employees by type of employment contract, gender, and region¹

(GRI 2-7)

Region	2021					2022					2023				
	Determined time		Undetermined time		Total	Determined time		Undetermined time		Total	Determined time		Undetermined time		Total
	Women	Men	Women	Men		Women	Men	Women	Men		Women	Men	Women	Men	
Anchieta	0	0	713	6,422	7,135			740	6,140	6,880	105	222	762	6,029	7,118
Curitiba	0	0	115	2,020	2,135			102	1,970	2,072	26	44	103	1,881	2,054
Regionais	0	0	18	130	148			18	128	146			19	128	147
São Carlos	1	1	93	756	851			90	728	818	2	57	82	660	801
Taubaté	27	46	138	2,664	2,875	95	146	138	2,466	2,845	106	151	143	2,386	2,786
Vinhedo	0	0	15	28	43			15	33	48			17	31	48
Total	28	47	1,092	12,020	13,187	95	146	1,103	11,465	12,809	239	474	1,126	11,115	12,954

Footnote:

1. The data was based on reports from the SAP system. Cars & Lights headcount, including employees on lay-off.

Number of employees by age group²

(GRI 401-1)

	2021	2022	2023
Below 30 years old	966	1,011	1,268
Between 30 and 50 years old	10,362	9,683	9,235
Over 50 years old	1,859	2,115	2,451
Total	13,187	12,809	12,954

Footnote:

2. Trainees are not included in the total number of employees.

Total and rate of new hires by gender and age group

(GRI 401-1)

	2021				2022				2023			
	Men		Women		Men		Women		Men		Women	
	Total	Rate (%)	Total	Rate (%)	Total	Rate (%)	Total	Rate (%)	Total	Rate (%)	Total	Rate (%)
Below 30 years old	134	0.20	95	0.32	115	0.17	87	0.27	116	0.14	66	0.15
Between 30 and 50 years old	41	0.00	25	0.03	157	0.02	94	0.12	172	0.02	84	0.10
Above 50 years old	3	0.00	0	0.00	9	0.00	5	0.07	7	0.00	4	0.04
Total	178	0.01	120	0.11	281	0.02	186	0.16	295	0.03	154	0.11

Total and rate of new hires by region

(GRI 401-1)

	2021				2022				2023			
	Men		Women		Men		Women		Men		Women	
	Total	Rate (%)	Total	Rate (%)	Total	Rate (%)	Total	Rate (%)	Total	Rate (%)	Total	Rate (%)
Factory Anchieta	75	0.01	58	0.08	130	0.02	79	0.11	256	0.04	120	0.14
Factory São José dos Pinhais	26	0.01	15	0.13	1	0.00	4	0.04	0	0.00	2	0.02
Factory São Carlos	3	0.00	2	0.02	4	0.01	2	0.02	5	0.01	2	0.02
Factory Taubaté	66	0.02	44	0.27	133	0.05	98	0.42	19	0.01	21	0.08
Offices VW Regionals	8	0.06	0	0.00	12	0.09	2	0.11	15	0.12	7	0.37
Parts and Accessories Center Vinhedo	0	0.00	1	0.07	1	0.03	1	0.07	0	0.00	2	0.12
Total	178	0.01	120	0.11	281	0.02	186	0.16	295	0.03	154	0.11

Total and turnover rate by gender and age group

(GRI 401-1)

	2021				2022				2023			
	Men		Women		Men		Women		Men		Women	
	Total	Rate (%)	Total	Rate (%)	Total	Rate (%)	Total	Rate (%)	Total	Rate (%)	Total	Rate (%)
Below 30 years old	75	0.11	48	0.16	104	0.15	50	0.15	30	0.04	20	0.05
Between 30 and 50 years old	433	0.05	87	0.11	309	0.03	46	0.06	246	0.03	47	0.06
Above 50 years old	512	0.28	10	0.19	312	0.15	9	0.12	227	0.10	7	0.08
Total	1,020	0.08	145	0.13	725	0.06	105	0.09	503	0.04	74	0.05

Total and turnover rate by gender and region

(GRI 401-1)

	2021				2022				2023			
	Men		Women		Men		Women		Men		Women	
	Total	Rate (%)	Total	Rate (%)	Total	Rate (%)	Total	Rate (%)	Total	Rate (%)	Total	Rate (%)
Factory Anchieta	554	0.09	94	0.13	413	0.07	52	0.07	261	0.04	51	0.06
Factory São José dos Pinhais	117	0.06	22	0.19	50	0.03	18	0.18	91	0.05	4	0.03
Factory São Carlos	56	0.07	6	0.06	38	0.05	8	0.09	14	0.02	2	0.02
Factory Taubaté	261	0.10	15	0.09	209	0.08	24	0.10	123	0.05	11	0.04
Offices VW Regionals	19	0.15	6	0.33	14	0.11	2	0.11	12	0.09	5	0.26
Parts and Accessories Center Vinhedo	13	0.46	2	0.13	1	0.03	1	0.07	2	0.06	1	0.06
Total	1,020	0.08	145	0.13	725	0.06	105	0.09	503	0.04	74	0.05

Training

(GRI 404-1)

Volkswagen offers several options for career development, such as job rotation, international transfer, webinars, and training programs throughout the company. Among the initiatives are the Women’s Mentorship, created to improve the company’s professionals through the exchange of experiences; the Agile Promoters program, applied at VW Learning with face-to-face moments to promote the agile mindset in leaders and analysts; and Executive Coaching, which works on VW’s 5 leadership principles; in addition to communication forums, “Café Virtual com o CEO” and “Comex Responde” (“Virtual Coffee with the CEO” and “Comex Replies”, respectively), which promote rounds of chat with employees on professional and organizational topics in a relaxed way, encouraging the breaking down of silos.

The flow of information was improved in 2023, based on the results of employee surveys, with the creation of content through the VW30 min, Leadership Talks, Leadership Newsletter and Leadership book projects, channels used to centralize information, questions, practices, and processes that are common to all leaders and employees. The training portal was updated, in partnership with the Trillo platform, where employees can access various training courses anywhere and develop in flexible and customizable tracks according to their career and development aspirations.

Volkswagen do Brasil understands that cultural transformation takes place through leadership. For this reason, the company emphasized three major actions in 2023: TSI (Transform, Sustain and Inspire) for all entry-level leadership; Great Leader for All, for all middle management, with humanized leadership principles for the managerial public; and GLI (Great Leader Inspire), aimed at top management, which proposes a development journey focused on the future of technology, combined with self-reflection by professionals and their performance in people management.

Average annual hours of by training by gender

(GRI 404-1)

	2021			2022			2023		
	Total number of employees	Training hours	Average hours of training	Total number of employees	Training hours	Average hours of training	Total number of employees	Training hours	Average hours of training
Men	11,931	224,559.86	18.82	11,611	478,292	41.19	11,589	518,417	44.73
Women	1,046	24,183.75	23.12	1,198	123,528	103.11	1,365	204,597	149.89
Total	12,977	248,743.61	19.17	12,809	601,820	46.98	12,954	723,014	55.81

Average annual hours of training by gender and functional category

(GRI 404-1)

	2021			2022			2023		
	Total number of employees	Training hours	Average hours of training	Total number of employees	Training hours	Average hours of training	Total number of employees	Training hours	Average hours of training
Executives	380	10,250.67	26.98	429	15,631.00	36.44	433	27,908.00	64.45
Women	57	1,900.50	5.88	77	2,440.00	31.69	87	9,597.00	110.31
Men	323	8,350.17	146.49	352	13,191.00	37.47	346	18,311.00	52.92
Monthly employees	2,248	31,648.76	14.08	2,270	33,658.00	14.83	2,387	88,078.00	36.90
Women	490	8,406.38	17.16	516	7,852.00	15.22	564	39,644.00	70.29
Men	1,758	23,242.38	13.22	1,754	25,806.00	14.71	1,823	48,434.00	26.57
Hourly workers	10,349	206,844.18	19.99	10,110	552,531.00	54.65	10,134	607,028.00	59.90
Women	499	13,876.87	27.81	605	113,236.00	187.17	714	154,105.00	215.83
Men	9,850	192,967.31	19.59	9,505	439,295.00	46.22	9,420	452,923.00	48.08
Total	12,977	248,743.61	19.17	12,809	601,820.00	46.98	12,954	723,014.00	55.81

Transition programs

(GRI 404-2)

VWPP – Volkswagen Previdência Privada (Volkswagen Private Pension) redesigned its Pension Education Program in 2023, in compliance with Previc’s requirements. The activities include Financial and Pension Education actions (educational lectures), Retirement Preparation Programs aimed at guiding and preparing participants for the non-working phase, guidance for retirees and pensioners on lifestyle changes, rules for accessing the benefit, participation in Family Day at all units and four informative webinars on investment profiles.



Return to work and retention rates after maternity/paternity leave

(GRI 401-3)

An equitable gender choice for maternity/paternity leave and other rights related to such leave can promote greater employee retention, as well as increase worker engagement and productivity. At Volkswagen, the return rate between men and women in 2023 was 100% and retention, i.e., staying for a year after leave, was 97% on average.

In 2023, 51 women went on maternity leave, which represents 4.06% of Volkswagen do Brasil's female workforce. Of these, 96% remained part of the workforce after the 12-month return period. All of the company's plants have collective bargaining agreements extending maternity leave by a total of 6 months. The number of paternity leave recipients represents 1.7% of the total number of male employees. The approval of the new collective agreement in November made it possible to extend paternity leave by up to 20 days.

		2021	2022	2023
Total number of employees entitled to maternity/paternity leave	Men	12,067	11,611	11,589
	Women	1,120	1,198	1,365
Total number of employees who went on maternity/paternity leave	Men	231	225	199
	Women	37	58	51
Total number of employees who returned to work after ending maternity/paternity leave	Men	231	225	199
	Women	37	57	51
Total number of employees who returned to work after maternity/paternity leave and were still employed 12 months after returning	Men	228	218	196
	Women	36	56	49
Return rate (employees who returned after their leave ended)	Men	100%	100%	100%
	Women	100%	98%	100%
Retention rate (staying at work after 12 months from the date of return from leave)	Men	99%	97%	98%
	Women	97%	97%	96%

Health, safety, and ergonomics

(GRI 403-1)



Health, Safety and Ergonomics activities are organized and managed in such a way as to comply with both current legislation (Brazil's Ministry of Labor Ordinance No. 3.214 of 08/06/1978 and other applicable standards) and Volkswagen's highest engineering, medical and ergonomic standards.

Management is conducted through audits, inspections, workplace assessments and biological monitoring. To do this, the company has two tools: the Risk Management Program (PGR), aimed at preserving the health and integrity of workers by controlling existing risks or those that may arise, and the Occupational Health Medical Control Program (PCMSO), which prevents, tracks, and diagnoses work-related health problems at an early stage, in line with the Regulatory Norms (NRs).

It is up to the members of the Specialized Services in Occupational Safety and Medicine (SESMT) to provide the necessary advice for the development and application of preventive measures and, if necessary, corrective measures for occupational risks. Evaluating these measures and managing them makes workers more committed to preventive behavior, which is the main objective of Occupational Health at Volkswagen.

Viva Bem Volkswagen

Volkswagen do Brasil's efforts in the area of health and well-being go beyond occupational duties. Through the Viva Bem Volkswagen program, which focuses on physical, mental, and social health, employees and their families have access to a nationwide health plan, as well as an internal network of outpatient services at all plants, which operates 24 hours a day and has resources and specialties in family and worker health, orthopedics, ophthalmology, psychiatry, psychology, and physiotherapy. Viva Bem also has an agreement with the largest external network of gyms, sports equipment and fitness rooms in Brazil, and a specialized fitness and physiotherapy service on the premises.

In recent years, the company has dedicated itself to actions for the mental health and emotional balance of leaders, employees, and family members, improving resources for diagnosis and early identification of signs of emotional changes in employees, and improving access to therapy, coaching and self-care resources, through a digital mental health and well-being platform that offers free care to employees and their dependents. In addition, the automaker systematically promotes awareness and literacy actions for all employees, in particular, and for 100% of the leadership in attention to self-care, caring for the team and maintaining psychologically safe work environments.

Other programs complement this network of support and assistance for employees, such as monitoring pregnant women, the release of special treatments and medications, support for bereaved employees, and a team of social workers who help with the most complex day-to-day issues.

Accidents at work

(GRI 403-9)

Indicators	2021		2022		2023	
	Number	Rate	Number	Rate	Number	Rate
Deaths resulting from accidents at work	1	-	0	-	0	-
Accidents at work with serious consequences (except fatalities)	4	0.4	3	0.3	0	0
Accidents at work of mandatory reporting	119	11.5	124	12.1	165	8.4
Lost days rate	1,549	150.3	1,375	134.3	809	41.0
Number of hours worked	10,308,770	-	10,238,551	-	19,742,072	-

In 2023, the company recorded a 35% reduction in the number of accidents with lost time compared to 2022. The main accidents recorded were: cuts to hands and fingers, sprains, and minor trauma (without loss of limbs). To promote a culture of safe work, the automaker highlighted the 10 Rules of the Workplace Safety Game campaign, encouraging prudent conduct at work in a playful way, as well as actions such as the Internal Accident Prevention Week (Sipat) and the Safety Guardians campaign, in which employees themselves can report situations that deserve attention on a daily basis. Suggestions for improvement are analyzed by a committee responsible for creating measures to correct the problem, promoting a zero-accident culture.

Dialogue with trade unions

(GRI 2-29, 2-30)

Volkswagen do Brasil maintains a collaborative and participative relationship with trade unions. All hourly and monthly employees in the operational and administrative areas are covered by collective bargaining agreements, involving issues such as the base date, profit sharing, time banking and other aspects. Executives, on the other hand, are governed by individual contracts, internal procedures, and current labor legislation.



The Internal Employee Representation (RIE), present in all the plants, acts as an interface between employees and the company, promoting alternatives for the organizational climate and joint resolution of internal demands. Constant dialogue with union representatives is an integral part of Volkswagen's approach, as guided by the Volkswagen Charter of Social Rights and Industrial Relations, which has been in force since June 2002. The company holds Flow Meetings as part of a regular agenda to align information on the economic scenario, prospects, and challenges with a focus on labor relations.

In November, the automaker brought forward the round of negotiations with the unions (scheduled for 2024) and closed the extension of the collective agreements until 2028 with the representatives of the plants in São Bernardo do Campo, Taubaté and São Carlos, in the state of São Paulo, and in São José dos Pinhais, in Paraná. The successful conclusion of the negotiations is considered important for future investments, ensuring predictability and competitive conditions for the company. The agreement, valid for another five years, covers issues such as:

- **Efficiency and competitiveness for factories:** productivity improvements, outsourcing actions and mechanisms that provide for social action when people leave (such as the voluntary resignation program, with a financial incentive);
- **Compensation:** the means for salary adjustments, profit sharing and other benefits were included in this concession package.
- **Flexibility tools:** time banking and layoff mechanisms, with prearranged scenarios for the company to react to the market.
- **Future investments:** conditions for regional investment and new business cycles.

Compensation policy

(GRI 202-1)

The company seeks to maintain a competitive internal remuneration policy in order to attract and retain the best professionals in the market, valuing their commitment and performance. Salaries are updated in accordance with the Collective Agreements signed by the automaker, with specific negotiations for each plant, taking into account the regional reality in which they are located.

In 2023, the percentage ratio between the minimum wage in force in Brazil at the time and the lowest wage paid by the automaker, considering all the plants, was 42%.

In addition to direct remuneration, all employees have a benefits package, considered a benchmark in the market, which includes a medical plan, private pension plan, meals, chartered transportation, childcare assistance, among others. In 2023, the Human Resources area implemented the Benefits Portal, which publicizes all the advantages and aid that the company makes available to employees.

Customer satisfaction

(GRI 3-3)

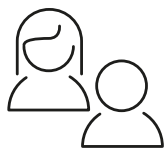
(Battle 4: Customers + Customer Centricity)



To promote the actions of the ACELERA VW strategy in the +Customer Centricity pillar, the company created the Customer Experience area at the end of 2022. The aim is to foster a customer-focused culture, looking initially at the customer's journey and then designing processes and products based on their current and future demands. The Customer Experience area is made up of three other areas that directly and indirectly impact this audience:

- **Customer Relations:** responsible for direct support for questions, suggestions, complaints, and problem solving.
- **Sales and After-Sales Academy:** responsible for training the dealer network, with technical and commercial training, sales, after-sales, and behavioral training, among others.
- **Customer Insights and Strategy:** this is the area responsible for the company's main customer satisfaction surveys, which compare Volkswagen do Brasil's performance with its competitors in the Brazilian market and with the brand's other units around the world. In addition, the area consolidates the surveys and feedback from all channels and based on this, acts as a customer spokesperson within the company, ensuring that the necessary improvements in processes and products are implemented.

3 customer profiles served by the Customer Experience area



Employees

(internal customers)



End customers

(both individuals and companies)



Partners

Partners, dealer network







Goals	Progress in 2023
Provide better and faster service. Serve 100% of customers within 24 hours.	Currently, 80% of the calls are made within the first two hours.
Solve the customer's problem within 7 days.	60% of problems are resolved within 7 days.
Increasing customer satisfaction within the call center.	The company obtained an "Excellent" rating (average score of 8.5) on the Reclame Aqui portal and was awarded the RA 1000 seal. 32% increase in views on the Reclame Aqui page.
In the academy, there are goals for the certification of professionals and the qualification of the network.	More than 150,000 training sessions were given to 15,000 professionals from the Dealer Network. In addition, the area promoted an entire month of immersive training, which covered almost 3,000 network professionals, from the sales and after-sales teams, in relation to products, services and competition analysis.
Top 3 in the CSI – Customer Satisfaction Index survey	Target exceeded in 2023.

During its first year of operation, the Customer Experience area implemented more than 100 customer experience improvement projects with partner areas.

Among the projects highlighted are the CX Governance Cycle, a robust project monitoring and escalation model that ensures cadence and implementation; the CRC Revolution, which reorganized the call center, speeding up the quality of service; the modernization of training at the Sales and After-Sales Academy; the renovation of the physical structure of the dealership network, within the New Brand Design; the opening of WhatsApp as an additional customer service channel, and chat from the Meu VW app. In addition to the two new tools, the service also operates by telephone, e-mail and directly at the dealership.

Dealer network

(GRI 2-6)

-  **Region 1**
(Greater São Paulo)
41 dealers
-  **Region 2**
(State of São Paulo)
83 dealers
-  **Region 3**
(South)
115 dealers
-  **Region 4**
(Rio de Janeiro, Espírito Santo and Minas Gerais)
92 dealers
-  **Region 5**
(Northeast, except Maranhão)
74 dealers
-  **Region 6**
(North, Center-West and Maranhão)
71 dealers



The Volkswagen Dealer Network has 476 points of sale in Brazil (as of December 2023).

VOU: first automotive fintech in Brazil



Volkswagen do Brasil, in partnership with Volkswagen Financial Services, was a pioneer in the automotive sector when it launched VOU, a fintech focused on its ecosystem of dealers and partner companies. In the first two months alone, VOU opened 150 accounts, three times its initial target, and made more than R\$ 5 million in transactions.

Volkswagen do Brasil's debut in the digital finance platform market strengthens the company's digitalization strategy and new business models. Every year, R\$ 33 billion are transacted in the Volkswagen ecosystem and more than 2,700 companies are directly connected, including the largest bank linked to a car manufacturer, Volkswagen Financial Services.

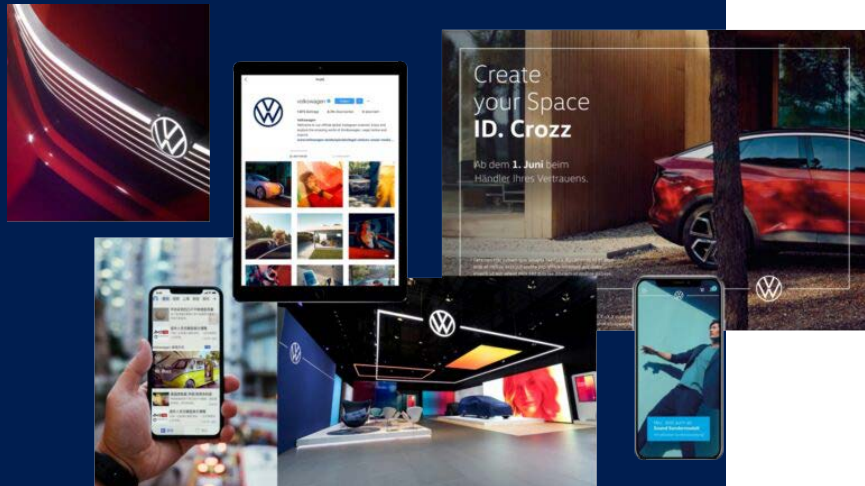
The new platform offers banking services and anticipation of receivables to increase liquidity. Although it was initially developed for Volkswagen partners, VOU is open to companies of all sizes, which can open a current account via the website www.vou.com.br. The opening of accounts for individuals is still being analyzed by the company.

New Brand Design

(Battle 4: Customers + Customer Centricity)

In partnership with dealers, Volkswagen do Brasil is modernizing all of its 476 stores nationwide with the New Brand Design, to make them increasingly human, close, digital, technological, cozy, comfortable and modern.

NBD is currently in 64% of the chain. The company aims to complete the revitalization of 100% of its stores by the end of 2024.



Fundação Grupo Volkswagen

Since 1979, the Fundação Grupo Volkswagen (Volkswagen Group Foundation) has been conducting and supporting social and educational actions with resources from a fund set up by Volkswagen. Over these 45 years, more than 3 million Brazilians have benefited from the work of the foundation, whose mission is to stimulate social mobility by investing in initiatives and organizations that develop communities and strengthen the role of citizens. The foundation works to encourage the socio-economic prosperity and development of individuals and communities, strengthening their potential and helping to ensure equal access to rights and opportunities. To do this, it prioritizes the most vulnerable territories in the municipalities with Volkswagen Group business units in the country. It also provides technical support for the social responsibility actions of Volkswagen Group companies in Brazil. In this way, it hopes to help reduce poverty and reduce Brazil's marked social inequalities, through productive inclusion and complementary strategies to strengthen local capacities and social assistance.

In 2023, the initiatives developed by the foundation included professional qualification projects with a focus on productive inclusion (employability and entrepreneurship), support for social impact businesses, calls for proposals to promote social projects, support for third sector organizations, volunteering, and charity campaigns, among other actions. Every year, the results of these initiatives are published in the Foundation's Activities Report. For more information, visit: <https://fundacaogrupovw.org.br/transparencia/>

Social investments

(GRI 3-3, 203-1)

Company social investments by sector

(GRI 403-9)

Sector	2021	2022	2023
Education	R\$ 4,382,570.61	R\$ 2,128,588.57	R\$ 2,220,114.51
Sport		R\$ 200,000.00	R\$ 200,000.00
Social action	R\$ 461,127.37	R\$ 265,195.27	R\$ 156,501.71
Health	R\$ 2,280,245.18	R\$ 3,192,882.86	R\$ 4,830,171.77
Others			R\$ 1,000,000.00
Total	R\$ 7,123,943.16	R\$ 5,786,666.70	R\$ 8,406,787.99

Company social investments by source

Source	2021	2022	2023
Own resources / direct investment	R\$ 278,196.00	R\$ 304,666.00	R\$ 200,000.00
Tax incentives	R\$ 6,662,815.79	R\$ 5,321,471.43	R\$ 8,050,286.28
Employee donations to charities	R\$ 182,931.37	R\$ 160,529.27	R\$ 156,501.71
Total	R\$ 7,123,943.16	R\$ 5,786,666.70	R\$ 8,406,787.99

Social investments promoted by Volkswagen do Brasil in 2023

Description	Projects	CNPJ beneficiary	2023 values
Tax incentives	Entrepreneurship project in the Miringuava basin in PR	SITAWI CNPJ 09.607.915/0001-34	R\$ 1,000,000.00
Tax incentives	Carretas do Conhecimento Paraná	Serviço Nacional de Aprendizagem Industrial – SENAI, Departamento Regional do Paraná CNPJ 03.776.284/0001-09	R\$ 2,220,114.51
Tax incentives	Hospital Pequeno Príncipe	Associação Hospitalar de Proteção à Infância Dr. Raul Carneiro CNPJ 76.591.569/0001-30	R\$ 4,830,171.77
Direct investment	SBC Half Marathon	Ivan Gomes Junior Assessoria Esportiva ME CNPJ 17.853.047/0001-09	R\$ 200,000.00
Employee donations to charities	Projeto 1 Hora para o Futuro	Centro Cultural Afro Brasileiro Francisco Solano Trindade CNPJ: 03.409.038/0001-00	R\$ 156,501.71
		Entidade Filantrópica Projeto Esperança São Pedro Apóstolo CNPJ: 04.960.194/0001-28	
		ACORDE – Ass. de Cap., Orient. e Desen. do Excepcional CNPJ: 57.716.185/0001-52	
		TOTAL	R\$ 8,406,787.99

Social contribution

(GRI 3-3, 203-1)



Since 2013, Volkswagen do Brasil has had a Protocol of Intent with the state government of Paraná, through the Programa Paraná Competitivo (Paraná Competitive Program). This agreement made it possible to invest in the Volkswagen plant in São José dos Pinhais, for the production of the T-Cross. As a social counterpart, the company promotes initiatives in the areas of health, professional training, and entrepreneurship, such as the Carretas do Conhecimento project, in partnership with SENAI-PR. The technical management of the projects linked to Programa Paraná Competitivo in the area of professional qualification and entrepreneurship is conducted in partnership with the Volkswagen Group Foundation.

In 2023, Volkswagen do Brasil, in partnership with the State Government of Paraná, announced social investments of more than R\$ 8 million in sustainable entrepreneurship, professional qualification and public health projects. The funds, obtained through tax incentives, were directed to the Sustainable Entrepreneurship Program of São José dos Pinhais (PR), the 5th edition of the Carretas do Conhecimento project, and the expansion of the Intensive Care area of the Pequeno Príncipe Hospital, in Curitiba (PR).

Sustainable Entrepreneurship Program in São José dos Pinhais

Volkswagen do Brasil and the State Government of Paraná launched the Programa de Empreendedorismo Sustentável (Sustainable Entrepreneurship Program) in São José dos Pinhais to support the development and entrepreneurship of social impact in the municipality and sustainable development.

Its aim is boosting the local economy by implementing sustainable agricultural practices and leveraging responsible tourism on selected properties. The program was conducted in partnership with the Volkswagen Group Foundation and the social organization Sitawi Finanças do Bem in the region of the Miringuava River Basin, one of the state's main water sources. The project also had the collaboration of the Viva Água Movement, an initiative of the Fundação Grupo Boticário (Grupo Boticário Foundation) and local partners.

Carretas do Conhecimento – 5th edition



Also in partnership with the Paraná State Government and the Volkswagen Group Foundation, Volkswagen do Brasil renewed the Carretas do Conhecimento project. In 2023, 1,911 free places were offered for qualification courses in 51 locations in Paraná.

The Carretas do Conhecimento are mobile units equipped with classrooms, workshops and all the necessary infrastructure for vocational training in car mechanics, electrical installations, industrial mechanics, baking, clothing, refrigeration, motorcycle maintenance, IT and, as new in the last edition, welding and additive manufacturing and prototyping courses.

Since 2019, the Carretas have offered more than 10,000 vacancies in Paraná. They are run in partnership with Serviço Nacional de Aprendizagem Industrial (SENAI-PR).



Expanding Intensive Care at Pequeno Príncipe Hospital

Volkswagen do Brasil has allocated R\$ 4.8 million, through incentive laws, to install eight more ICU beds at the Pequeno Príncipe Hospital in Curitiba, as well as renovating the space and purchasing equipment. The project will enable systemic management of intensive care, guaranteeing greater access, safety, and quality of care for more than 500 patients a year.

A national reference in the care of children, adolescents and their families, the Pequeno Príncipe Hospital is a non-profit institution that dedicates 60% of its capacity to providing comprehensive care for medium and overly complex illnesses to patients on the Unified Health System (SUS).



Training Center for Young Professionals

The Volkswagen plant in São José dos Pinhais and Senai's Afonso Pena unit, both in Paraná, have established an unprecedented partnership to inaugurate the first Technical Development Center. Located inside the Volkswagen factory, the center offers professional apprenticeship programs in Mechatronics and Administration. The first class, with 43 young people, has already started its two-year training. During the morning, the apprentices carry out professional activities in the industry and, in the afternoon, they take part in theoretical and practical classes at the Technical Development Center. The space has been equipped with technological components from the production lines to integrate theory and practice.

50 years of SENAI Volkswagen

The Centro de Formação Profissional SENAI Volkswagen (SENAI Volkswagen Vocational Training Center), located at the Anchieta plant in São Bernardo do Campo (SP), celebrated its 50th anniversary in 2023. The school, which has already trained more than 7,000 students, has laboratories for Automation, Mechatronic Projects, and Automotive Technology, as well as workshops for Automotive Apprenticeship, Metal-Mechanics, and Electro-Electronics & Automation. There are around 120 students each year, half of whom graduate ready for the job market after experiencing day-to-day life in industry. Students who pass the course have the chance to be hired by Volkswagen do Brasil. To enroll, you must be 16 or 17 years old and be the son, brother, or stepson of a Volkswagen employee.

SENAI Volkswagen also offers the FIC post-technical course in partnership with Volkswagen, the Volkswagen do Brasil-Germany Chamber of Commerce and Grob, following the Dual Education concept and granting international certification to approved students.





Factories



Factories

- › Zero Impact Factory: reducing emissions and raising environmental standards
- › GHG Protocol Gold Seal
- › Vehicle safety
- › Digitalization, new business models and vehicle connectivity

Certified decarbonization and environmental management actions

VW Brazil's environmental mission

The "goTOzero" Environmental Mission Statement guides the goals, internal policies, programs, indicators and performance measures of the Environmental Compliance and Energy Management System in all Volkswagen Group companies.

Through this statement, Volkswagen do Brasil commits itself to the vision of conscious, CO₂-neutral consumption with minimal environmental impacts. The document is continually revised and adapted to new legal or internal requirements and contains four main objectives that are monitored during ISO 14001 audits.



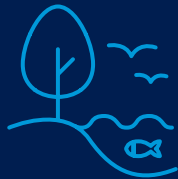
Protecting the climate

The company is a signatory to the Paris Agreement, which stipulated an ambition level of 1.5° C (the limit on the increase in global temperature compared to pre-industrial levels). To this end, it has focused its efforts on the electrification of products, the decarbonization of the entire value chain and the expansion of renewable energy generation to supply sites and customers. The goal is to be a net CO2 neutral company by 2050.



Preserving resources

By using recycled materials and renewable resources, Volkswagen aims to reduce the need for primary raw materials. To this end, the company has improved its energy and resource efficiency and established cycles for materials and water. Together with business partners, VW works to reduce the use of natural resources throughout the supply chain.



Preserving ecosystems

Volkswagen seeks to reduce harmful emissions into the air, soil, and water. It also wants to minimize the impact of its business activities on biodiversity and ecosystem services, promoting projects to preserve them.



Ensuring environmental compliance

VW Brazil wants to be the benchmark of a modern, transparent, and successful company in terms of integrity and compliance, through effective environmental compliance management systems to identify and manage environmental risks and opportunities throughout the life cycle of mobility solutions. The company values an open dialog with stakeholders and considers their expectations when making decisions.

Zero Impact Factory: reducing emissions and raising environmental standards

The global Zero Impact Factory initiative aims to reduce absolute CO₂ emissions by 50.4% by 2030 (compared to 2018) and NetZero by 2050 in all Volkswagen Group companies.

The program covers 11 qualitative aspects, ranging from environmental compliance to mobility. Data management takes place online, shared annually and audited by independent bodies, including external auditors periodically sent by the German parent company for checks. This comprehensive approach reinforces Volkswagen’s commitment to achieving ambitious environmental targets and maintaining high standards in its manufacturing practices.



Assessment of natural resource consumption and gas and waste emissions

Environmental indicators	Target per vehicle 2023	Result per vehicle produced	Absolute numbers
Energy consumption (kWh)	1,030	1,661	612,147,793
CO ₂ emissions (kgCO ₂)	92.37	123.80	45,635,748
Waste for thermal disposal or landfill (kg)	4.85	0.26	95,270
VOC – volatile organic compounds – emissions (kg)	4.09	3.77	1,389,657
Water (m ³)	2.70	3.69	1,358,463



Reducing emissions in logistics operations

Volkswagen do Brasil has two programs aligned with the Group’s global guidelines for reducing emissions in logistics: Zero Impact Logistics, focused on receiving components and production inputs, and Go to Zero Impact Logistics, related to vehicle distribution, which aim to reduce CO₂ emissions by 30% by 2030 (compared to 2018) and achieve neutrality by 2050.

The programs encourage actions in the factories to make processes more efficient, such as the introduction of new packaging concepts, route simulations in search of better alternatives, selection of the most suitable modes of transport and vehicles for each type of product and destination, and the energy migration of the logistics fleet working for Volkswagen, enabling the use of renewable fuels.

Actions implemented in 2023

Project	tCO ₂ e reduction
<p>Direct delivery of vehicles to rental companies in São José dos Pinhais Some of VW’s rental customers have made a yard available approximately 300m from the São José dos Pinhais plant, making it possible to deliver the vehicles without using stump trucks. The vehicles run on ethanol, reducing CO₂ emissions.</p>	786
<p>Expansion of the Bitrains truck fleet Seven new bitrains (heavy-duty trucks consisting of two coupled semi-trailers) have been added to the fleet transporting components to the São Bernardo do Campo, Taubaté and São José dos Pinhais plants. These trucks can double the load capacity per trip, reducing the number of component deliveries.</p>	358
<p>Change of transportation mode: from road to rail Rail routes were implemented to receive steel coils for the São Bernardo do Campo, Taubaté and São José dos Pinhais plants and containers of imported components for the Taubaté plant. Rails increase the load capacity per trip, reducing the number of component deliveries.</p>	291

Project	tCO ₂ e reduction
Optimization of component receiving routes Using simulation tools, route distances were reduced at the São Bernardo do Campo, Taubaté and São José dos Pinhais plants.	197
Packaging optimization In partnership with suppliers, new packaging for components has been developed, increasing the capacity of parts per package and reducing the number of trips required for delivery.	91
Total	1,723

ISO recertification: quality and environmental efficiency audited

(Battle 3: Process + Agile)



The external audit for the maintenance and recertification of the Quality Management System (QMS) at Volkswagen do Brasil is conducted annually in accordance with the organization's guidelines and current regulations, by the IQA certification body (TÜV), which resulted in 14 minor non-conformities, 4 opportunities for improvement and 8 positive points. These results ensured the maintenance of the NBR ISO 9001 certificate, a requirement demanded by Senatran's ordinance 990, which makes it possible to sell and homologate new vehicles.

Environmental and Energy Compliance Management System (SGCAE)

(GRI 3-3, 2-27)

All Volkswagen do Brasil plants underwent a rigorous process of SGCAE audits, which resulted in the maintenance of ISO 14001 (Environmental Management) and ISO 50001 (Energy Management) in all production plants and in the parts and accessories unit in Vinhedo.

Environmental legislation is monitored in a complementary way by an outsourced company that provides Volkswagen with monthly updates. In addition, the Environmental Risk Management Committee holds meetings every four months to prevent possible negative impacts. A critical analysis of the SGCAE is conducted every six months to assess the situation and evaluate actions. As a result of the German Law on Responsibility in the Supply Chain (LKSG), additional controls relating to human rights and the environment have been implemented to track the effectiveness of measures. In the period covered by this report, no real adverse environmental impacts were identified.

Atmospheric emissions

(GRI 3-3, 305)

Volkswagen do Brasil uses the greenhouse gas (GHG) emissions inventory as a tool to track atmospheric emissions and guide its environmental management practices. By adopting the GHG Protocol model, a program focused on environmental and climate responsibility, the company voluntarily participates in the recording and public sharing of GHG emissions in Brazil. More details about the program and access to the published inventories can be found at www.ghgprotocolbrasil.com.br.

All indicators are monitored through the Corporate Environmental and Energy Compliance Management System (SGCAE), following the guidelines established by internal standard KRL17, which incorporates environmental guidelines from the German parent company, and by VW 98.000. The 2023 greenhouse gas inventory contained in this report underwent an independent external audit in April 2024 to validate the data.

GHG Protocol Gold Seal

In its first disclosure of the GHG Protocol atmospheric emissions inventory, Volkswagen do Brasil achieved the Selo Ouro (Gold Seal), the program's highest certification. This seal is awarded to companies that meet all the criteria for transparency in publication, with their reports checked by an independent verification body.

Volkswagen has made public the data inventoried in 2021 and 2022, reinforcing its commitment to the Way to Zero global decarbonization strategy, which aims to achieve carbon neutrality by 2050. Since 2009, the company has been preparing the GHG Protocol report.

Direct greenhouse gas emissions (tCO₂ equivalent) – Scope 1

(GRI 305-1)

	2021*	2022	2023
Generation of electricity, heat, or steam	54,124.8	50,510.6	50,809.1
Leakage emissions	4,957.2	1,601.4	3,409.5
Total gross emissions of CO ₂	59,082	52,112	54,219

Footnote:

* There was a small increase in emissions in 2021 due to the increase in days worked.

The data for 2021 included "emissions from the transportation of materials, products, waste, employees and passengers", which from 2022 was considered in scope 3 (GRI 305-3). As a result, the sum for 2021 no longer tallies with the report for that year.

	2021*	2022	2023
Biogenic emissions CO ₂ (tCO ₂ equivalent)	3,795.88	6,192.15	7,021.97

Footnote:

*Data corrected in relation to the 2021 publication, the first year the indicator was reported. The small increase observed in 2021 (compared to 2020) was due to the increase in days worked.

Indirect emissions from the acquisition of energy sources – Scope 2

(GRI 305-2)

After Volkswagen do Brasil decided in 2016 to exclusively use renewable sources to generate the electricity it uses, the CO₂ emissions generated by the electricity are now zero.

From 2022, the I-REC (International Renewable Energy Certificate) certificate came into force, which proves that the electricity consumed comes from a renewable source, signaling the company's commitment to reducing its environmental impact.

	2021	2022	2023
Indirect emissions from energy purchases (tCO ₂ equivalent)	43,835.3	14,403.9	13,680.8

Footnote:

Base year: 2010 – Program Think Blue. Factory (total emissions in the base year: 22.956 tonCO₂e /year) and 2018 – GHG Protocol (total emissions in the base year: 28.619 tonCO₂e /year).

Other greenhouse gas emissions – Scope 3 (tCO₂ equivalent)

(GRI 305-3)

	2021*	2022	2023
Goods and services purchased	-	127,8	201.3
Transportation and distribution of materials and parts	21,637.7	18,786.5	6,324.1
Business trips	1,239.2	1,398.7	5,945.9
Employee transportation	5,865	4,820	55,692.28
Vehicle transportation and distribution	222,132.2	231,608.1	202,198.2
Total	250,874.1	256,741.4	270,361.8

Footnote:

*There was a small increase in emissions in 2021 due to the increase in days worked.

Gases included in the calculation: CO₂, CH₄, N₂O.

Base-year: 2018 – GHG Protocol (total emissions in the base year: 264.340 tonCO₂e).

Reducing greenhouse gas emissions (tCO₂ equivalent)

(GRI 305-5)

	2021	2022	2023
Reductions from indirect emissions from energy purchases (Scope 2) – I-REC Project Total	6,541.4	14,404	13,681.9

Footnote:

Emissions avoided by using 100% of electricity from renewable sources with I-REC (SHP + plants).

Figures calculated according to actual consumption reported to Zero Impact Factory, VW 98000 and GHG Protocol.

2021 figures updated compared to previous reports, according to new GHG Protocol rules, considering Scope 2 (I-REC).

Emissions of ozone depleting substances (SDO)

(GRI 305-6)

CFC-11 is not used at Volkswagen do Brasil.

Significant atmospheric emissions (t)

(GRI 305-7)

	2021	2022	2023
NOx	151.8	141.6	145.2
SOx	0,2	0,1	1.43
Volatile Organic Compounds (VOCs)	1,435.3	1,514.3	1,580.6

Footnote:

Figures calculated according to actual consumption reported for Zero Impact Factory and VW 98000.

Interactions with water as a shared resource

(GRI 303-1)



The company is committed to continuously improving its management system and environmental performance in order to achieve compatibility between processes, activities, products and services and the environment, as well as preserving natural resources. Reducing water consumption is one of the indicators of the global Zero Impact Factory initiative (-30% based on 2010 data).

Part of the water comes from third parties, underground and rainwater, and is used in both production and auxiliary processes (kitchen, gardening, etc.). The water used in the painting process is reused by reverse osmosis to reduce consumption and, consequently, the environmental impact. After use, it is treated according to legislation for disposal.

Consumption data is managed on a monthly basis. Volkswagen has an online action management system, which allows constant monitoring of the number of actions, the expected gains, and the implementation schedule, making it possible to generate reports and do benchmarking, as well as researching actions implemented in other VW Group plants. Every year, all the environmental indicators are reported to the German headquarters and undergo an external audit.

Water collection (m³)

(GRI 303-3)

	2021	2022	2023
Surface water (total)*	212.3	271.1	2,750.0
Groundwater (total)	115,167.5	71,945	80,518.3
Third-party water	1,067,832.5	1,177,315.8	1,275,195
Total funding	1,183,212.3	1,249,531.9	1,358,463.3

Footnote:

* Rainwater harvesting was considered in the surface water indicator.

Total water consumption and total water disposal (m³)

(GRI 303-4 and 303-5)

	2021	2022*	2023
Total water disposal	1,024,751	929,695.9	831,616
Total water consumption (= total water withdrawal - total water disposal)	158,248.9	319,564.9	526,847.3

Footnote:

For utility water, the total consumption of the Anchieta, Taubaté, Curitiba and São Carlos plants was added. There is no consumption of surface water or effluents from another organization.

Figures calculated according to actual consumption reported in m³ for Zero Impact Factory and VW 98000.

Due to the effects of the pandemic, the shortage of semiconductors and its consequences, such as plant closures for a few months, reduced production, and others, the total indicators were strongly influenced.

* In 2022, Volkswagen do Brasil discarded more water than it consumed due to the large volume of water stored in the factories.

Energy

(GRI 302-1, 302-2,302-3,302-4)

I-REC certified: 100% renewable electricity

(Battle 5: Sustainability + Carbon Neutral)

Volkswagen do Brasil has been awarded the International Renewable Energy Certificate (I-REC). This document proves that all the company's units – the Anchieta (in São Bernardo do Campo - SP), Taubaté (SP), São Carlos (SP) and São José dos Pinhais (PR) plants – and the Parts and Accessories Center (PAC), in Vinhedo (SP), use 100% electricity from renewable sources.



By using 100% renewable and certified electricity, the company demonstrates a level of global excellence in its operations, advancing on the Way to Zero. The certificate also represents a commitment to reducing harmful gases and the impact generated by energy consumption, called Scope 2 in the CO₂ emissions inventory.

Biomethane

(Battle 5: Sustainability + Carbon Neutral)

Volkswagen do Brasil will be the first vehicle manufacturer in the country to use renewable natural gas (biomethane). The timetable has been readjusted, due to alignments with the partner company, and it should start operating in Taubaté (SP) and later in Anchieta, in São Bernardo do Campo (SP), in the second half of 2024. In total, there will be more than 50,000 m³ of biogas per day, used mainly in the production process of painting the bodies of the two plants

The agreement with Raízen's biopark in Piracicaba (SP) will contribute to a reduction of more than 90% in CO₂ emissions compared to fossil sources. Biomethane comes from the use of waste from the production of sugar and ethanol from sugar cane to produce renewable energy.

Energy intensity^{1 2 3}

The figures represent the consolidation of Volkswagen's four factories (Anchieta, Taubaté, São Carlos and São José dos Pinhais) and the Parts and Accessories Center (PAC) in Vinhedo (SP).

(GRI 302-3)

	2021	2022	2023
Energy consumption within the organization (in GJ)	2,199,342.3	2,090,244.8	2,241,294.8
Energy consumption outside the organization (in GJ)	17,265.1	17,680.9	11,228.8
Total energy consumption of the organization (in GJ)	2,216,607.4*	2,107,997.2	2,252,523.6
Energy intensity (within the organization)	5.99	6.23	6.19
Energy intensity (outside the organization)	0.05	0.05	0.03
Energy intensity (organization total)	6.03	6.28	6.23

Footnote:

1. Energy intensity is the ratio of absolute energy consumption per vehicle produced.
 2. Types of energy included in the intensity rate: electricity, natural gas, and diesel.
 3. The energy intensity indicators increased in 2022 compared to 2021. There was a reduction in the number of vehicles produced per working day, which affected energy and environmental efficiency.
- * The data has been revised and updated in relation to what was published in 2021.

Energy consumed within the company (in GJ)¹**(GRI 302-1)**

	2021	2022	2023
Fuel from non-renewable sources (diesel and natural gas)	949,310.3	881,451.6	879,062.1
Energy consumed (electricity)	1,250,031.9	1,208,793.1	1,264,698.7
Energy sold (electricity)	74,987.7	71,564.9	97,053.4
Total energy consumed	2,274,330.0	2,161,809.7	2,241,294.8

Footnote:

1. Figures calculated according to actual consumption reported to Zero Impact Factory, VW 98000 and GHG Protocol.

Energy consumed outside factories (in GJ)^{1 2}**(GRI 302-2)**

2021	2022	2023
17,265.1	17,680.9	11,228.8

Footnote:

1. The figures correspond to the sums of the energy consumed at the Jabaquara financial office in São Paulo and at the Parts and Accessories Center in the city of Vinhedo.
2. The value reported in 2022 remained close to the 2021 value due to the continuity of the hybrid work installed in 2021.

Reductions in energy consumption as a result of implemented improvements (in GJ)^{1 2} (GRI 302-4)

	2021	2022	2023
100% automated external lighting circuit (Curitiba)	12,222.7	8,693.3	1,871.6
Increased efficiency in PXL shutdown and startup (Taubaté)	11,467.8	19,470.2	1,722.2
Changing the metal chip separation process (São Carlos)	8,956.8	7,229.2	556.6
Deactivation of transformers Wing 2 (Anchieta)	5,940	7,920	1,892.2
Total	38,587.3	43,312.6	6,042.6

Footnote:

1. The largest reductions for the year 2023 were chosen (one per plant). The sum of all the reduction actions can be identified in GRI 302-1.
2. Only the figures reported for 2023 relate to the new stocks included in the index. The actions relating to the 2021 and 2022 figures can be found in previous editions of the report.

Volkswagen is a pioneer in obtaining the multisite Zero Waste Certificate



Volkswagen do Brasil is the first vehicle manufacturer in the country to obtain the multisite Zero Waste Certificate, covering all five of its units. The certification attests to the correct environmental management of waste, with an average score of 94%, exceeding the minimum required by the Zero Waste Brazil Institute (90%). Volkswagen's Parts and Accessories Center (PAC), in Vinhedo (SP), stands out for achieving a score of 99.9%, the highest ever awarded by the institute, as well as being the first parts distribution center to achieve the certification in the country.

The certification, validated by the Zero Waste International Alliance (ZWIA), reinforces Volkswagen's commitment to sustainable practices and highlights its role as a benchmark for ecological responsibility in the automotive industry.

Several projects have contributed to this achievement, including the implementation of the Zero Landfill concept at all units, the sending of shredded wood as biomass to steel furnaces and the reuse of leftover automotive fabrics by the Costurando o Futuro (Sewing the Future) social project. The certification recognizes Volkswagen's commitment to environmental management and serves as a benchmark for other organizations to adopt sustainable practices.

Waste generated (t)

(GRI 306-3)

	2021	2022	2023
Total weight of waste generated (metric tons)	71,464.1	74,593.8	75,905.8
Hazardous waste	5,064.1	4,012.9	3,733.9
Non-hazardous waste	66,400.1	70,580.9	72,171.9

The majority of the waste generated by Volkswagen do Brasil is non-hazardous compounds sent for recycling, of which metals are the largest part. The remaining waste is sent for reuse, recycling, composting, thermal processing, or landfill. Disposal is conducted directly by the company or by third parties, or confirmed directly by VW.

Waste not destined for disposal by recovery operation (t)

(GRI 306-4)

Hazardous waste	2021	2022	2023
Reuse	2.42	318.6	153.3
Recycling	782.1	754.1	655.8
TOTAL	784.5	1.072.7	809.1

Non-hazardous waste	2021	2022	2023
Reuse	306.1	1,620.9	12,426.4
Recycling	63,320.5	66,912	57,994.4
Composting	301.3	251.1	0.00
TOTAL	63,927.9	68,784	70,420.8

Waste destined for disposal by disposal operation (t)

(GRI 306-5)

Hazardous waste	2021	2022	2023
Incineration (with energy recovery)	3,598.6	2,937.8	2,921.8
Incineration (without energy recovery)	3.8	2.4	3.04
Confinement in landfill	677.1	0.0	0.00
TOTAL	4,279.5	2,940.2	2,924.8

Non-hazardous waste	2021	2022	2023
Incineration (with energy recovery)	2,056.6	1,734.8	1,659
Incineration (without energy recovery)	0.00	0.00	0.00
Confinement in landfill	415.7	62.2	92.1
TOTAL	2,472.2	1,796.9	1,751.14

Product

Investments and product offensive

(Battle 2: Products + Digital)

The ACELERA VW strategy included a robust product offensive with the launch of 15 new vehicles, mainly flex-fuel and electric, by 2025. It was part of the German parent company's R\$ 7 billion investment in Latin America from 2022 to 2026, with a focus on more local vehicle projects, digitalization and decarbonization.

Of the 15 models announced, 11 have already been launched, including the New Polo (with 7,000 units sold in less than 2 hours), the Polo Track (a new entry-level hatch replacing the Gol, bringing modernity to one of the country's most important segments), the New Saveiro and the 100% electric ID.4 and ID.Buzz, offered exclusively through the VW Sign&Drive subscription program.

Product line in 2023



Saveiro



Polo Track



New Polo Track



T-Cross The Town



Tiguan



New Virtus



ID.4



ID.Buzz



Polo 1st Edition



Vehicle Safety

(GRI 416-1 and 416-2)

Volkswagen do Brasil has a Vehicle Safety Laboratory that works both in the creation and design of new models and in the improvement of vehicles in production. Created in 1971, it was a pioneer in conducting crash tests and developing front airbags and ABS brakes in the country. Today, active safety systems and driver assistance systems play an important role in protecting drivers and passengers, as well as pedestrians. In addition to traditional tests, the engineers and technicians at the Vehicle Safety Laboratory work on developing systems based on digitalization and data processing. 100% of vehicles are developed to improve occupant safety aspects. Procedures are being refined and new investments have been made in the laboratory with the aim of ISO 17025 accreditation.

In 2023, no non-compliance regarding non-compliance regulations related to the impacts caused by products and services on customer health and product safety was identified.

Passive Safety

Volkswagen do Brasil took action in 2023 to improve occupant protection with the aim of reducing injuries in the event of accidents. Other measures include the implementation of curtain airbags and the seatbelt alert for rear seat occupants. In addition, the company has developed additional pedestrian protection measures in all new models, designing the front areas to minimize injuries in the event of being hit by a car, thus anticipating what will be required by law from 2025, and collaborating now to increase safety on the roads.

Active Safety

Active safety technologies have become increasingly present in Volkswagen models through the implementation of cameras, radars and other sensors with functionalities that assist and bring greater safety. In addition to the stability and traction control systems that help the driver maintain control of the vehicle on wet and slippery roads, several products also have autonomous emergency braking systems, fatigue detectors, blind spot detectors, post-collision braking and adaptive cruise control.

Five stars for safety

(GRI 3-3 and 416-1)



Volkswagen has the broadest portfolio of products on sale in Brazil with five stars in the safety ranking of Latin NCAP (New Car Assessment Program), the independent new car assessment program for Latin America and the Caribbean. The Virtus, Nivus, T-Cross and Taos models offer maximum safety protection for occupants according to the evaluation.

The tests conducted by the institute take into account protection for adults, children, and pedestrians, as well as driver assistance systems.

Launched in 2023, the New Virtus was the latest model to get five stars from Latin NCAP. All versions of the model offer safety features such as ACC (Adaptive Cruise Control), AEB (Autonomous Emergency Braking), Start-Stop, six airbags – two front, two side airbags in the front seats and two curtain airbags – electronic stability control (ESC) and traction control (ASR).

The new Latin NCAP protocol (2020-2024) is divided into four assessment groups: Adult Occupant Protection, Child Occupant Protection, Pedestrian Protection and Driver Assistance Systems. The overall score is defined by the lowest index among the groups.

Transparency in communication

Volkswagen do Brasil is informing the market, via recall, of product problems that put consumers' health and safety at risk. In 2023, nine recall campaigns were conducted and, by the beginning of December 2023, 22% of customers had already responded to the various recalls. The models affected were:

- Passat, Passat Variant, CC, and EOS
- SpaceFox
- Gol, Voyage, Saveiro, Fox, and CrossFox
- Polo (A04) and Polo Sedan (A04)
- up!
- T-Cross, Polo, Virtus, Polo GTS, Virtus GTS, and Nivus

To check or schedule a repair, go to: <https://vwapps.volkswagen.com.br/Recall>

MOVER, PL7 and Rota 2030: VW reduces emissions in new vehicle ranges

(GRI 302, 302-5)



Safety and energy consumption (proportional to CO₂ emissions in combustion and hybrid vehicles) are topics related to the Brazilian legislation Rota 2030, a federal project created to implement a long-term industrial policy and develop the national automotive sector, recently expanded by the MOVER program (MP 1.205/2023). All new projects are developed at Volkswagen do Brasil in order to meet the requirements of increasingly demanding legislation.

Currently, Rota 2030 sets energy consumption targets based on CO2 emissions measured in the exhaust of vehicles using combustion engines. The use of biofuels, as well as electric vehicles, is not represented by this measurement system. Volkswagen has come up with a way of accounting for all non-renewable CO2 (that which actually contributes to the greenhouse effect and climate change) emitted during the product's life cycle (from manufacturing, through the use phase to disposal/recycling). To this end, it has set up a department (Way to Zero Center) where the processes for measuring CO2 within this scope will be studied so that the development of the Brand's products for the region takes into account not only energy consumption, but the entire emission of this gas in the life cycle.

All this action by Volkswagen is in line with the MOVER program. The text of the Provisional Measure, although it does not set numerical targets, states that the Brazilian government intends to consider CO2 in the life cycle of products to highlight the advantage of using biofuels, renewable energies, materials, and manufacturing processes with a low carbon footprint.

Sustainability in product development

(GRI 302-5)



Volkswagen do Brasil's sustainability criteria have a direct impact on the development of new products, involving not only the OEM (Original Equipment Manufacturer), but also suppliers and technical departments, including marketing guidelines, life cycle assessment and environmental requirements.

Each new product is guided by energy efficiency targets that are proportional to the CO2 emissions of combustion engine vehicles, aligning strategic, market, and legislative demands. The company sets an objective in the early stages of the project, seeking to achieve it through targets related to weight, aerodynamics, off-cycle technologies, among others. During this process, the inclusion of conventional actions or new technologies to meet the established goals is considered.

Examples of measures adopted recently include engine and transmission upgrades, an air-conditioning system with a magnetic clutch, aerodynamic improvements, the adoption of tires with low rolling resistance compounds, and increased Start-Stop technology in the models made available to the market.

In the future, in line with the MOVER program, product development should have CO2 targets for the entire life cycle of each vehicle model, calculated in a standardized way.



20 years of Total Flex

In 2023, Volkswagen do Brasil celebrated 20 years of Total Flex technology, which allows vehicles to run on gasoline, ethanol, or a mixture of the two fuels in any proportion. The German brand, with local product engineering, pioneered the technology in Brazil with the launch of the Gol Power 1.6 in March 2003. Since then, Volkswagen has sold 8 million flex-fuel vehicles in Brazil. The Polo Track is the latest model equipped with a Total Flex engine.

The technology has become an important alternative for decarbonizing mobility in Brazil and in countries with the potential to produce ethanol sustainably. The company encourages the conscious use of fuel and offers a digital calculator (Abasteça Consciente) in the Meu VW App to help consumers choose the most advantageous option in financial and environmental terms (CO2 emissions in the well-to-wheel concept).

Digitalization, new business models and vehicle connectivity

(GRI 3-3)

In line with the company's innovative vision, it created the Abasteça Consciente app, reinforcing digital interaction with consumers, and established a partnership with Instituto Eldorado to drive innovation, considering future collaborations with other academic institutions.



Among the highlights in connectivity is the VW Play infotainment, aimed at the SAM Region. Initiatives like this aim to improve the user experience through digital resources.

To ensure quality, digital processes and products undergo internal testing and prototyping, with validation phases, before being launched onto the market. Corrections and improvements are constantly monitored through customer feedback, analytical data, and market intelligence, using the learning acquired in new projects. Metrics for the development of digital tools include measurements of downloads, registrations, interactions, and usage time, for example.

Innovation in the production process and in the development of new products



Volkswagen do Brasil has an efficient and sustainable technological production process that guarantees the quality of its product portfolio.

3D printers are used to produce prototype parts, tools and devices that help employees in production. 3D printing reduces the development time of new products, optimizing processes without discarding molds.

The use of drones to control parts in stock is another innovative action that has brought agility to the logistics process. As well as speeding up the scanning of parts, the information is sent online to systems that check stocks in a 100% digital process.

The use of artificial intelligence in the body inspection robots in the Painting Department has resulted in high surface quality. Technology relies on continuous learning, always evolving.

Volkswagen do Brasil also has Virtual and Augmented Reality Laboratories to support, in an innovative and totally digital way, the development of new vehicles, the creation of virtual prototypes, functional and visual evaluations combining physical and virtual elements and ergonomic workstations for the production process.

In the laboratories, simulations are conducted in a digital environment, optimizing processes, reducing costs, and achieving excellence. Thus, when development vehicles or workstations are physically built, they have already been validated in the digital environment, ensuring assertiveness. The SUVW Nivus, for example, was the first vehicle to be fully developed using virtual prototypes in the early stages.

Electrifying the Brand

(Battle 2: Products + Digital)



With the launches of the ID.4 and ID.Buzz, Volkswagen do Brasil has completed another step on the road towards electric and sustainable mobility, following its global commitment and the ACELERA VW and Way To Zero strategies.

During the celebrations of the brand's 70th anniversary in Brazil, the ID.4 electric SUV was officially made available to the market, being the first to enter the market exclusively through the VW Sign&Drive subscription program.

The model has a fast-charging battery and is capable of completing up to 80% of its charge in approximately 40 minutes using a DC charger (150 kW). It also has seven airbags, ACC (Adaptive Cruise Control) + AEB (Autonomous Emergency Braking) with Stop&Go function, Turn Assist, and Travel Assist, which accompanies ACC and actively keeps the vehicle in its lane (Side Assist).

Coupled with level two semi-autonomous driving, thanks to the Park Assist Plus system, the SUV has received an unprecedented item: Memory Park Assist Plus. With it, the driver can train the vehicle to store up to five daily routes. By activating the stored function, the car drives and parks at the destination on its own, using the semi-autonomous functions.



After 56 years of stories aboard the Kombi, Brazilians have been able to relive this icon of automotive design in its electrified version: the ID.Buzz. The model is equipped with a 77 kWh battery that supplies current to a 204 hp electric motor. This allows the battery level to rise from 5% to 80% in around 30 minutes at fast charging stations.

The assistance package is extensive and includes items such as Front Assist, Lane Assist, Travel Assist and Turn Assist, which facilitates transverse conversions, considering the Electric Kombi's length of 4.7 meters. All for driving safety. The ID. Buzz was also launched directly at VW Sign&Drive with a special, limited batch of 70 units.

Details at every stage

(GRI 3-3 and 416-1)



Product predevelopment

From the start of the project, aspects such as safety, performance and design are extremely important. Pedestrian protection, for example, is an essential item right from the start of product development.



Development

All vehicle components are designed and tested under the most modern laboratory processes – using resources such as vehicle prediction simulations – during emissions, crash, performance, durability, noise, electronic integration etc. tests.



Certification

Volkswagen vehicles have several certifications that guarantee their high standard of quality, exceeding the requirements of Brazilian legislation and standards. Latin NCAP certification, for example, is obtained through exceptional results in destructive crash tests, an essential stage prior to their release to the market. During the process, the latest generation of anthropometric dummies certify the biomechanical values obtained from vital organs. The 5-star results exceed the safety standards required by law.



Manufacturing and production

The automaker starts manufacturing the product only after certifying the efficiency of the components and the complete vehicle. The model must meet the specifications approved in the project.



Marketing and communication

The Marketing and Technical Assistance areas are responsible for disseminating vehicle safety aspects to consumers, guiding them on how to use the available resources.



Product use

Guidance on the safety features available and their correct use is a constant concern of the automaker. This is described in detail in the media and in the owner's manual. In addition to this, Volkswagen provides customers with vehicle safety guidelines and a safe driving booklet, with instructions for adjusting safety components in order to obtain the ergonomically safest driving position and achieve the best system performance in the event of a collision.



ISO 9001

All the stages that make up the life cycle of Volkswagen do Brasil's products and services are structured on the basis of the company's Quality Management System (ISO 9001), which adds to other internal standards.

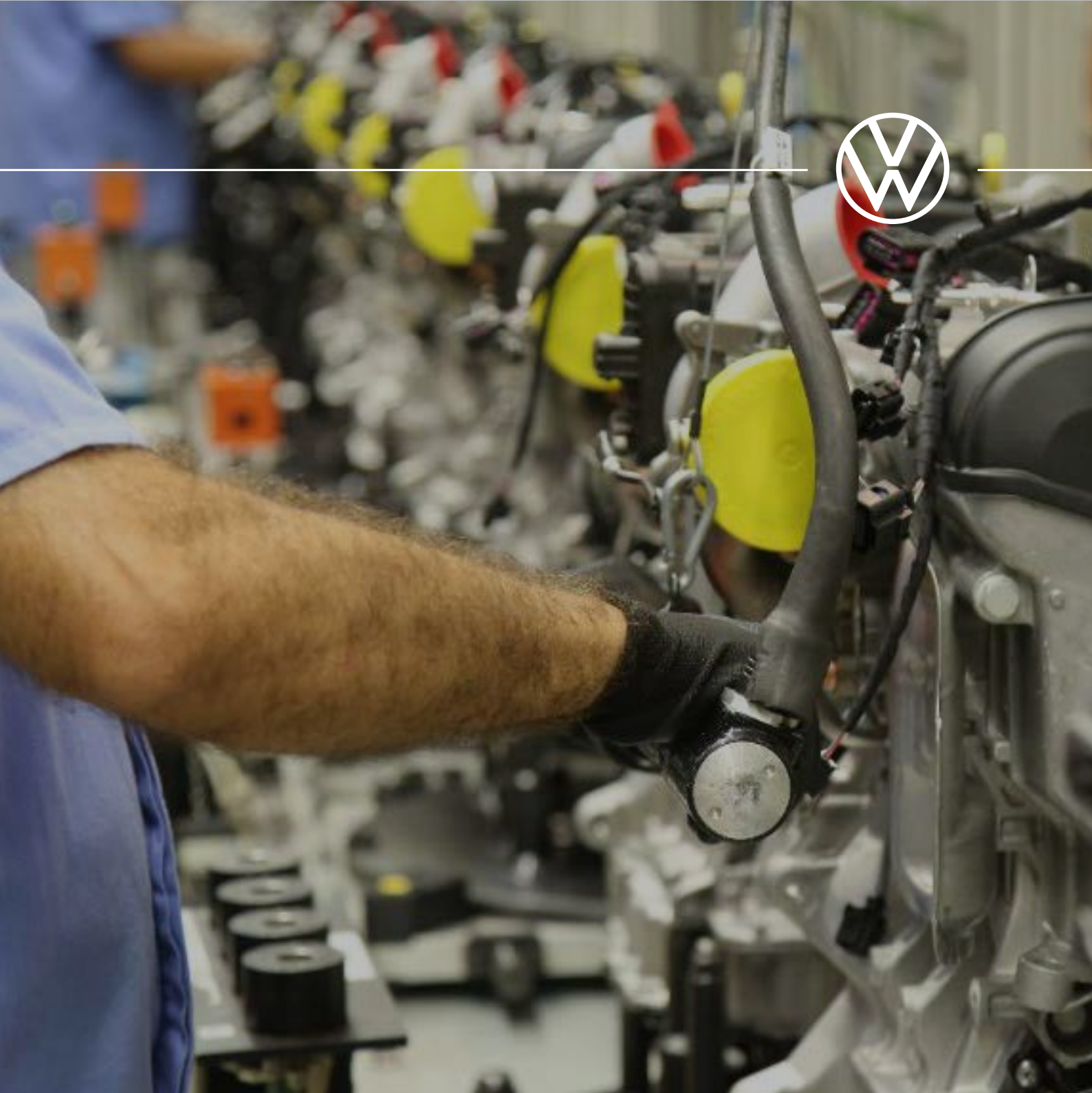
Information available to consumers

(GRI 417-1 and 417-2)

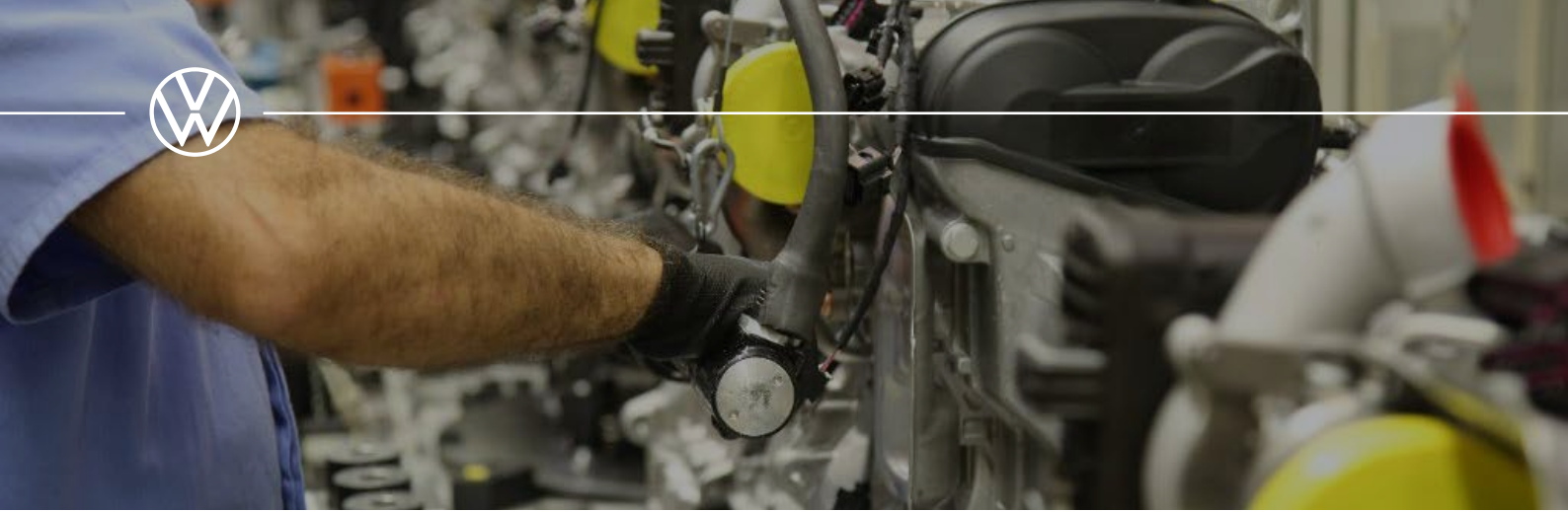
(Battle 4: Customers + Customer Centricity)

All products are identified by means of labels and engravings, which comply with legal requirements (product safety, the environment, quality, and telecommunications) and include complementary information from Volkswagen do Brasil itself on the functionality and correct use of certain equipment and vehicle maintenance. The VW Guide, also known as the Owner's Manual, is made available (in booklet and/or digital format) to all customers, with information presented in a didactic manner to facilitate correct use by consumers, guaranteeing their safety.

With a focus on process optimization, cost reduction and environmental awareness, the After Sales team sought common information between vehicles to unify the document. Currently, a manual has been implemented for the entire range of domestic vehicles, one for those exported to Argentina and another for imported vehicles. For the LAM and North African markets, the strategy is under development. By establishing connections with digital platforms, it has been possible to create leaner printed manuals (just 60 pages), which cover safety and legislation issues. The texts direct the reader to find out more on the VW website or in the My VW App, with exclusive digital manuals per model with the full content (up to 350 pages). In addition to the information available in the instruction manual and the Volkswagen Guide, customers also have access to the Cognitive Manual, which uses artificial intelligence to understand and answer questions.



Suppliers



Suppliers

- › ESG measures for the value chain
- › Conferência de Sustentabilidade na Cadeia de Suprimentos (Supply Chain Sustainability Conference)

LKSG unfolds at Volkswagen do Brasil



Volkswagen do Brasil has focused its efforts on optimizing its value chain, implementing global strategies to reorganize processes, in an integrated manner with the other Volkswagen Group brands and in line with the requirements of the parent company.

In 2023, the new Supply Chain Verification Act (LKSG) came into force in Germany, rolling out control and verification measures for environmental aspects, labor, anti-corruption principles and guidelines and compliance with social standards, especially human rights, for the entire supply chain of its subsidiaries.

In the environmental pillar, the company has sought to reduce the generation of waste in the supply chain by promoting the rational use of raw materials and products. Currently, the company is committed to eliminating plastic from production, encouraging the use of more recyclable materials, such as cardboard.

Looking to the future, Volkswagen do Brasil sees decarbonization as a crucial step. The company seeks to promote sustainability from the beginning of the chain, encouraging suppliers to adopt environmentally responsible practices in line with the objectives of reducing carbon emissions. To this end, it plans to institutionalize sustainable actions and contribute to building a supply chain that is more ethical, responsible, and aligned with global environmental challenges.

ESG measures for the value chain

1. Internal Politics

3. S-Rating

5. Grievance Mechanism

2. Trainings

4. Media Screening

Internal policies

Volkswagen do Brasil's procurement processes are guided by the ethical principles of the Code of Conduct, the Best Practices for the Procurement of Goods and Services booklet, and the new Sustainability Policy, documents that present the company's current procurement standards, as well as how to conduct the negotiation and eventual direct contracting of a supplier, taking into account ESG (environmental, social and governance) aspects, alongside the economic issues of the business, used as criteria for appointing new suppliers.

Training

The company improved its internal training in 2023, focusing on Compliance and raising awareness among the Purchasing team, which has direct contact with suppliers. These initiatives reflect Volkswagen do Brasil's commitment to promoting ethical and sustainable practices in its value chain. All Board members received training on the LKSG from the Volkswagen Group's Human Rights representative. In addition, the issues raised by the new law were widely debated internally by the Purchasing area during Sustainability Week and in a workshop with the GRC. Externally, the area conducted more than 1,000 hours of training with suppliers and employees, held two collective training sessions with more than 200 suppliers and took part in the purchasing committee of the Brazil Germany Chamber, which brings together the main supply managers of German companies operating in Brazil.

S-Rating

Since 2019, Volkswagen do Brasil has had a system for evaluating suppliers (S-Rating) with sustainability criteria and giving feedback so that partners can progress and improve their ESG performance. A positive S-Rating (A or B) is mandatory for selecting suppliers. Currently, 455 suppliers in Volkswagen do Brasil's purchasing base have A or B grades and 100% have undergone training.

Within the base of productive suppliers, the company managed to advance 5%, meaning it has 5% more players eligible to be nominated in purchasing processes. Among suppliers who have a turnover with the Brand, the company has managed to advance 13% from a B to an A rating. The goal is to reach 80% of suppliers with an A rating in sustainability by 2025. In 2023, the company achieved 82%, above the internal target expected for 2023 (72%).

The S-Rating is a dynamic questionnaire, made up of 22 questions that accompany sustainability-related updates. Every time a new criterion is added to the scope and is demanded of suppliers, the company anticipates and trains the partners who will be impacted by the update. In 2023, for example, environmental management certification was required of all suppliers with more than 100 employees.

Media Screening

Attention to ESG (Environmental, Social and Governance) issues, in line with the LKSG guidelines, has been intensified with the help of a system that monitors social media and global content (Media Screening), a mechanism that allows for more effective tracking, identifying any point in the value chain that diverges from Volkswagen's principles.

The system indicates when there is any suspicion that any of the company's three ESG pillars have been breached and the Brand that has the largest volume of business with the identified partner is responsible for conducting an investigation – clarifying whether there really has been an infraction, whether it has already been corrected and, in more extreme cases, even severing the business relationship with the supplier. The main aim is always to educate partners and try to jointly correct possible infractions.

Grievance Mechanism

The Volkswagen Group has a specific methodology for dealing with deviations. The “Grievance Mechanism” works as soon as a report is received through one of the whistleblowing channels and aims to verify possible violations of human rights and the environment by direct and indirect suppliers, with appropriate measures taken once the facts have been investigated. In 2023, 16 cases were monitored, 10 of which were assessed by the Grievance team in Brazil, considering the concept of the highest turnover in the VW Group.

Back on Track



The Back on Track Program was created with the aim of re-establishing and strengthening partnerships with the value chain. Over two years of implementation, the company has adopted important measures to transform and improve this relationship, demonstrating its commitment to efficiency and cooperation.

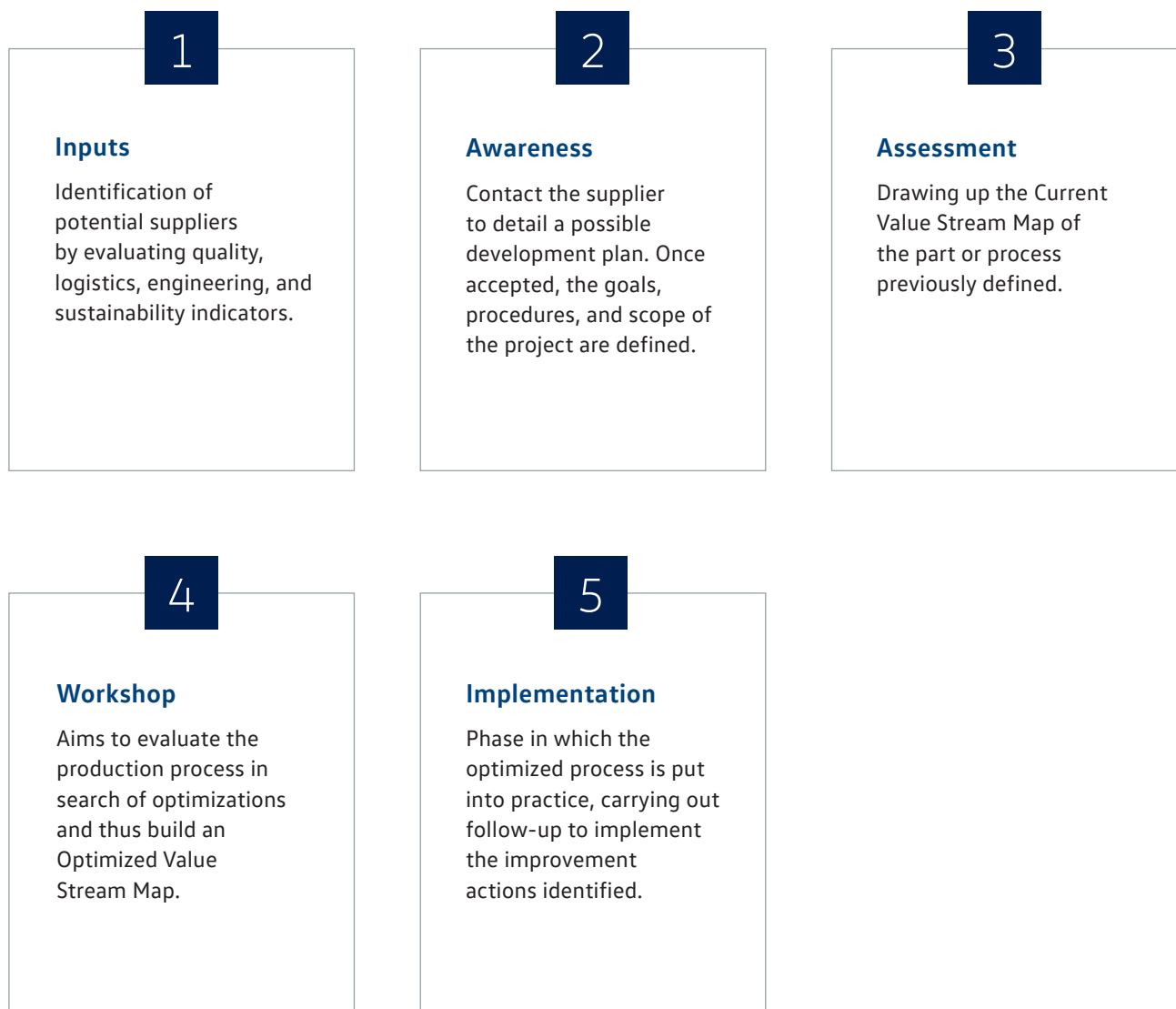
One of the program’s key initiatives was the creation of a Supplier Council, made up of rotating seats, providing an open space for partners to express criticisms, suggestions and discuss strategic, economic, and environmental guidelines and joint solutions.

In addition, in 2023, the company conducted a reverse satisfaction survey, in which suppliers had the opportunity to report their perceptions of Volkswagen. The survey included evaluations of the business relationship, communication, transparency, projects, engineering, accounts payable, among other topics. This detailed analysis allowed Volkswagen do Brasil to identify the main concerns and expectations of its suppliers, providing insights for the company’s improvement.

Initially carried out with the main suppliers, the survey was later expanded to include a wider selection of partner profiles. This inclusive approach allowed the company to obtain a comprehensive view of the needs and perspectives of different segments of its value chain.

The five stages of the supplier development program

To become part of the VW partner network, all suppliers undergo a five-stage Sustainability Rating, which verifies the company's environmental, social and compliance standards. To become part of the VW partner network, all suppliers undergo a five stage assessment – Sustainability Rating – which verifies the company's environmental, social and compliance standards.





The One: valuing best practices

In June, Volkswagen do Brasil brought together 76 suppliers to recognize the best sustainable practices and projects in its value chain. The One represents an important milestone, being the first celebration of this size in 11 years since the former Supply Awards, celebrating achievements and strengthening ties.

The event highlighted best practices in 14 categories: Supply Security, Product Launching, Innovation, Sustainability, Quality, After-Sales, Social & Diversity, Volkswagen Argentina Partnership, External Chemical Partnership, Internal Chemical Partnership, Metallic Partnership, Connectivity and Powertrain Partnership, Quality and Technical Innovation in Services, and Partnership in Services.

Conferência de Sustentabilidade na Cadeia de Suprimentos (Supply Chain Sustainability Conference)

In December, Volkswagen do Brasil brought together some of its suppliers at the Anchieta plant to discuss ESG improvement practices in the value chain. The event sought to stimulate cooperation between partners to build future solutions, encourage the circular economy and provoke reflection on measures that can be taken in the present with a view to business sustainability. The company took advantage of the contact to reinforce its decarbonization strategy (Way to Zero), the LKSG guidelines, the new due diligence law, and present the progress made in its factories.



This event also saw the launch of the VWB Sustainable Chain Program, which seeks to consolidate the main players in the Brazilian automotive supply chain, mapping the market's corporate sustainability initiatives and promoting cooperation between those involved. The ultimate goal is to create a support and progress network for the implementation and development of ESG projects in the Brazilian automotive supply chain (Tier-N), and by 2024 weekly meetings will be held with business partners to develop this network.

Supplier profile

(GRI 3-3, 2-6, 204-1)

With annual purchases of over R\$ 10 billion, Volkswagen do Brasil's economic impact is relevant not only to the automotive sector, but also to the entire region in which the business units are located, surrounding communities, states, and the country as a whole.

In the process of selecting companies, Volkswagen seeks to offer opportunities to small and medium-sized suppliers – as long as they are duly registered in the LDB (Liferant Date Base) process –, encouraging the country's economy and social development. In 2023, suppliers located in Brazil accounted for 85% of the automaker's purchasing costs (see table below), an increase of almost 2 p.p. compared to 2022.

Purchasing practices are managed by evaluating suppliers using the SAQ 5.0 (Self-Assessment Questionnaire), a global methodology for selecting suppliers by analyzing sustainability requirements, which assesses environmental, social and compliance criteria. Volkswagen do Brasil currently has 65% of its suppliers eligible for nomination.

In 2023, the company updated all of its sustainability policies and procedures in the supply chain in order to comply with the guidelines set out in the LKSG. It then implemented a complex due diligence verification and investigation procedure (detailed gathering of information and documents), with the aim of mapping, monitoring and mitigating future and upcoming risks.



Expenses with local suppliers¹

	2021	2022	2023
Budget for suppliers (R\$ billions)	13.58	13.82	17.88
Amount invested in local suppliers (R\$ billions)	11.90	11.53	15.27
% of budget invested in local suppliers	87.6%	83.4%	85.40%

Footnote:

1. Data referring to the four Volkswagen do Brasil plants and the Parts and Accessories Center. All parts produced in Brazilian factories, as well as goods and services supplied, are classified as local.

Environmental assessment of suppliers

(GRI 308-1, 308-2)



Volkswagen do Brasil conducts a rigorous environmental assessment of its supply chain, in line with the VW Group's Environmental and Energy Policy. This process aims to meet standards, improve the Environmental and Energy Compliance Management System (SGCAE) and improve environmental and energy performance.

The assessment includes documentary and/or face-to-face audits, highlighting suppliers with critical environmental risks. Those identified with negative impacts receive guidelines for corrective action within an agreed timeframe, while the best performers take part in sustainability workshops to share their practices. The company acts in an advisory capacity, offering help for suppliers to improve their ratings.

"Tier 01" and "Critical Non-Productive" suppliers (transportation and waste and effluent treatment) are audited periodically. This frequency is defined by the degree of risk, taking into account criteria such as polluting potential, strategic or insolvent suppliers.

In line with global measures, the company discusses with partners with higher emissions to map production and design initiatives to reduce emissions, demonstrating an ongoing commitment to sustainable practices in its supply chain.

New suppliers selected based on environmental criteria

(GRI 308-1)

	2021	2022	2023
New suppliers considered for contract	899 ¹	919	769
New suppliers contracted on the basis of environmental criteria	349	412	376
Percentage of new suppliers contracted based on environmental criteria (%)	38.8%	44.8%	48.9%

Footnote:

1. Reduction in the number of registered and contracted suppliers due to the consolidation strategy.

There was a slight drop in the total number of possible new suppliers registered on Volkswagen do Brasil's platforms. For the productive suppliers that are actually contracted (suppliers with active turnover), all of them have been environmentally and socially assessed, but this assessment is only applied at the time of sourcing for appointment, which reduces the percentage of contracted suppliers in relation to the suppliers considered.

Suppliers with potential and actual negative environmental impacts

(GRI 308-2)

	2021	2022	2023
Assessed suppliers ¹	79	116	73
Identified suppliers	46	52	37
Significant negative environmental impacts identified ²	14	12	6
Suppliers with agreed improvements as a result of the assessment	15	16	6
Percentage of suppliers with agreed improvements as a result of the assessment	32.6%	30.8%	16.2%
Identified suppliers with whom relations were terminated as a result of the assessment	2	1	0
Percentage of identified suppliers with whom relations were terminated as a result of the assessment	4.3%	1.9%	0%
Reasons why relationships were terminated with suppliers	Supplier failed in audit opted to decline service rather than try to recover rating.		

Footnote:

1. The suppliers evaluated are located in Brazil. Those considered critical are mostly located in the states of São Paulo, Minas Gerais, and Paraná.

2. The impacts considered in the environmental assessment are: not having environmental documentation (Environmental License, AVCB, Ibama, Controlled Products, ISO 14001 Certificate, Water Resources Grant, reports and assessments that demonstrate compliance with the Operational License); not being in compliance with current legislation on waste management, effluents, atmospheric emissions and noise and vibration monitoring; in addition, having environmental liabilities or infraction notices and public civil actions. With the procedural review carried out in 2020, which establishes that suppliers who fail without sending documentation are subject to the internal escalation system in Purchasing, if the supplier does not send the documentation, they are blocked from new business in the VW Group.

The environmental audit process is dynamic and constantly updated. In 2023, although fewer suppliers were audited, the total number of audits remained the same and Volkswagen do Brasil focused its efforts on monitoring suppliers and providing, in addition to audits, reassessments and guidance processes on the need for improvement. In addition, the implementation of mandatory environmental management certification (ISO 14.001) raised the demands on business partners with more than 100 employees.

Social impacts

(GRI 2-27, 408-1, 409-1, 414-1, 414-2)

Volkswagen do Brasil was the first automaker in the country to demand social responsibility from its suppliers. Contracts such as Special Purchasing Conditions for Sustainable Supply and Sustainability Conditions, signed by partners, include clauses that commit them to eradicating child and slave labor.

The company is a signatory to international conventions and guidelines that prioritize ethics, respect for human rights and corporate transparency, such as the ILO Declaration on Fundamental Principles and Rights at Work and the LKSG (new German due diligence law) in the supply chain.

Volkswagen's ESG requirements are communicated to suppliers through the Sustainability in Supplier Relations Booklet. The automaker's Compliance Policy guides regular checks to ensure compliance with the guidelines. Social criteria were decisive in the selection of 100% of new suppliers in 2023. Of the 452 partners assessed throughout the year (productive suppliers with an S-Rating of A, B or C), two were identified as having significant actual and potential negative social impacts on the value chain, with which improvements were agreed as a result of the assessment.

In all audits, including quality, environmental management and sustainability, VW checks for the presence of child labor practices. The communication channels are also external sources for reports of misconduct. If these practices are identified, the Grievance Mechanism is triggered. In 2023, no operation presented a significant risk of child labor, slave labor or non-compliance with labor legislation.



GRI Summary

GRI content summary

(GRI 102-55)

GRI Standard	GRI 2021	Announcement	Where to find	Sustainable Development Goals	Material theme in 2023
	2-1	Organization details	Volkswagen do Brasil Strategy and Management		
	2-3	Reporting period, frequency and point of contact	Presentation		
	2-4	Rephrasing information	Presentation		
	2-6	Activities, value chain and other business relationships	Volkswagen do Brasil People Suppliers		
	2-7	Employees	People	8	
	2-9	Governance structure	Strategy and Management		
	2-22	Declaration on sustainable development strategy	Message from the CEO		
	2-23	Policy commitments	Strategy and Management	16	
	2-26	Mechanisms for advice and raising concerns	Strategy and Management		

GRI Standard	GRI 2021	Announcement	Where to find	Sustainable Development Goals	Material theme in 2023
	2-27	Compliance with laws and regulations	Strategy and Management Factories Suppliers	9, 10	Social and environmental responsibility
	2-29	Stakeholder engagement approach	Presentation People	17	
	2-30	Collective negotiation agreements	People	8	
	3-1	Process of defining material themes	Presentation		
	3-2	List of material themes	Presentation	17	
	3-3	Managing material issues	People Factories Suppliers		Customer satisfaction Digitalization, new business models and vehicle connectivity Organizational climate Social and environmental responsibility
201-1		Direct economic value generated and distributed	Volkswagen do Brasil	8	Company performance and economic viability
202-1		Ratio between the lowest wage and the local minimum wage, broken down by gender	People	1, 5, 8	

GRI Standard	GRI 2021	Announcement	Where to find	Sustainable Development Goals	Material theme in 2023
202-2		Proportion of board members hired from the local community	Strategy and Management		
203-1		Investments in infrastructure and support services	People	9, 10	Social and environmental responsibility
204-1		Proportion of spending with local suppliers	Suppliers	12	Sustainable supply chain
205-1		Operations assessed for risks related to corruption	Strategy and Management	16	Ethical and transparent conduct
205-2		Communication and training on policies and procedures to combat corruption	Strategy and Management	16	Ethical and transparent conduct
205-3		Confirmed cases of corruption and measures taken	Strategy and Management	16	Ethical and transparent conduct
206-1		Legal actions for unfair competition, trust, and monopoly practices	Strategy and Management	16	
302		Energy	Factories	7, 8, 11, 12, 13	Reduced emissions from vehicle use
302-1		Energy consumption within the organization	Factories	7, 8, 11, 12, 13	

GRI Standard	GRI 2021	Announcement	Where to find	Sustainable Development Goals	Material theme in 2023
302-2		Energy consumption outside the organization	Factories	7, 8, 11, 12, 13	
302-3		Energy intensity	Factories	7, 8, 11, 12, 13	
302-4		Reduction of energy consumption	Factories	7, 8, 11, 12, 13	
302-5		Reductions in the energy requirements of products and services	Factories	7, 8, 11, 12, 13	Reduced emissions from vehicle use
305-1		Direct emissions (Scope 1) of greenhouse gases (GHG)	Factories	3, 12, 13, 15	
305-2		Indirect emissions (Scope 2) of greenhouse gases (GHG) from energy purchases	Factories	3, 12, 13, 15	
305-3		Other indirect emissions (Scope 3) of greenhouse gases (GHG)	Factories	3, 12, 13, 15	Reduced emissions from vehicle use
305-5		Reducing greenhouse gas (GHG) emissions	Factories	3, 12, 13, 15	Reduced emissions from vehicle use
305-6		Emissions of substances that deplete the ozone layer (SDO)	Factories	3, 12, 13, 15	

GRI Standard	GRI 2021	Announcement	Where to find	Sustainable Development Goals	Material theme in 2023
305-7		NOX, SOX, and other significant atmospheric emissions	Factories	3, 12, 13, 15	
306-3		Waste generated	Factories	12	
306-4		Waste not destined for final disposal	Factories	12	
306-5		Waste destined for final disposal	Factories	12	
308-1		New suppliers selected based on environmental criteria	Suppliers	8, 12	Sustainable supply chain
308-2		Negative environmental impacts of the supply chain and measures taken	Suppliers	8, 12	Sustainable supply chain
401-1		New hires and employee turnover	People	5, 8	
401-3		Maternity/paternity leave	People		
403-1		Occupational health and safety management system	People	3, 8	

GRI Standard	GRI 2021	Announcement	Where to find	Sustainable Development Goals	Material theme in 2023
403-9		Occupational accidents	People		
404-1		Average hours of training per year, per employee	People	4, 5, 8	Employee development and training
404-2		Programs for improving employee skills and career transition assistance	People	4, 5, 8	Employee development and training
408-1		Operations and suppliers with a significant risk of child labor cases	Suppliers	8, 16	
409-1		Operations and suppliers with a significant risk of cases of forced or compulsory labor	Suppliers	8	
414-1		New suppliers selected based on social criteria	Suppliers	8, 12	Sustainable supply chain
414-2		Negative social impacts of the supply chain and measures taken	Suppliers	5, 8, 16	Sustainable supply chain
416-1		Assessment of health and safety impacts caused by categories of products and services	Factories	3, 16	Vehicle safety and quality

GRI Standard	GRI 2021	Announcement	Where to find	Sustainable Development Goals	Material theme in 2023
416-2		Cases of non-compliance in relation to health and safety impacts caused by products and services	Factories	3, 16	Vehicle safety and quality
417-1		Requirements for product and service information and labeling	Factories	12	
417-2		Cases of non-compliance in relation to product and service information and labeling	Factories		
417-3		Cases of non-compliance in relation to marketing communication	Strategy and Management		
418-1		Verified complaints regarding breach of privacy and loss of customer data	Strategy and Management		



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