

VOLKSWAGEN

AKTIENGESELLSCHAFT

Volkswagen AG Progress Report

Reporting period 2019/2020

on the Leadership Declaration

of the 'Biodiversity in Good Company' Initiative

Biodiversity in Good Company Initiative

Leadership Commitment

All signatory companies acknowledge and support the three objectives of the International “Convention on Biological Diversity“(CBD):

- conservation of biological diversity
- sustainable use of its components
- fair and equitable sharing of the benefits that arise out of the utilisation of genetic resources

and commit to:

1. Analyse impacts of corporate activities and current operational dependencies with regards to biological diversity.
2. Integrate the protection of biological diversity, the sustainable use of components and the equitable sharing of benefits derived from use (the three objectives of CBD) into sustainability management systems.
3. Appoint a responsible individual within the company to steer all activities in the biodiversity sector and report to the Managing Board.
4. Define realistic and measurable objectives to improve the protection of biological diversity and its sustainable utilization, to be monitored and adjusted every two to three years, and identify challenges.
5. Publish activities and achievements related to biological diversity in the company’s annual, environmental or sustainability report.
6. Inform suppliers about the company’s biodiversity objectives and integrate suppliers accordingly and step by step.
7. Explore the potential for cooperation with scientific institutions, non-governmental organizations and/or governmental institutions with the aim of deepening dialogue and continuously improving the corporate biodiversity management system

To demonstrate ongoing commitment, member companies shall provide the Initiative with a progress report every two years.

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1 Explanation of the reporting period

Volkswagen is a founding member of the 'Biodiversity in Good Company' initiative and was active in its work right from the start. Following the use of prohibited defeat devices for diesel engines, Matthias Müller, Chairman of the Volkswagen AG Board of Management, requested a suspension of active membership in his letter dated 27 October 2015. As a result, from October 2015 to December 2018, Volkswagen did not exercise votes as a member of the initiative but still supported the association with its membership contributions. The obligation to report at two-year intervals was also suspended.

Volkswagen returned to active membership of the initiative in 2019. This was made possible by extensive improvements to the compliance systems in the Volkswagen Group, including changes to structures, to the monitoring of binding obligations and to risk management. In September 2020, an independent compliance monitorship team set up by the U.S. Department of Justice certified the Volkswagen Group's introduction of an effective compliance programme.

2 Relevance of biodiversity

Biodiversity means the diversity of species, genetic diversity within species, and the diversity of ecosystems. It safeguards the basis for our continued existence: healthy food, clean water, fertile soils and a balanced climate.

The dramatic loss of biodiversity ranks along with climate change – which is also one of its five biggest causes – as one of the greatest challenges of our age. For this reason, the United Nations has declared the present decade to be the United Nations Decade of Biological Diversity. The international community thus called upon people around the world to engage with the topic of biodiversity.

Directly or indirectly, the profitability of every business depends on the resources that nature provides. In addition, every business has an effect on nature and ecosystems, either beneficial or destructive. The loss of biodiversity always means a loss of natural capital, natural ecosystems and the ecological system benefits that nature provides us with for free.

3 Challenges facing the automotive industry

Most businesses are not directly aware of the effects of their own activities on biodiversity and their dependency on what ecosystems provide.

The automotive industry relies on benefits that ecosystems provide, including renewable raw materials such as natural fibres, which Volkswagen uses as a material for building cars, as well as the biomass needed for producing fuel. There are also essential systems that are regulated by nature, such as the supply of water for production processes and the role of forests, bogs and oceans as carbon sinks for vehicle emissions.

The manufacturing industry, which includes the automotive sector, has a largely indirect effect on biodiversity. For a business to identify its own impact and dependency, it must analyse in detail its entire value chain, from the extraction of raw materials to the manufacturing, use and disposal of its products. The most important influencing factors and action areas are described below.

The influencing factors and resulting action areas include the mining of minerals such as cobalt, copper, nickel and rare earth metals as raw materials. This mining often takes place in countries with species-rich ecosystems and lax standards – often in connection with serious interventions in nature and landscape.

Another challenge for the automotive industry is the use of natural resources such as the cultivation of natural rubber for tyre production and of plants containing oil to manufacture fuel. Cultivating these raw materials takes up a lot of land and displaces biodiversity, frequently associated with degradation of forest ecosystems. Another example is industrial cattle farming, which provides the leather for steering wheels and seats.

Climate change is one of the most important causes of species extinction. This means reducing CO₂ emissions from the production and, in particular, the use of vehicles is one of the most powerful ways in which the automotive industry can help protect biodiversity.

Additionally, industrial emissions are generated along the entire supply chain, from raw material extraction and preparation, through the production stages to vehicle manufacturing and recycling. These also include particle, noise and light emissions.

Finally, road construction and transport infrastructure are affecting biodiversity by making a significant contribution to habitat fragmentation and limiting the genetic diversity needed to survive migratory species.

4 Motivation and commitment at the Volkswagen Group

The Volkswagen Group wants to be an environmental role model, offering mobility to all with the minimum environmental impact.

According to its environmental mission statement – goTOzero -, the Volkswagen Group aims to minimise environmental impact throughout the entire life cycle – from raw material extraction to end of life – in order to keep ecosystems intact and have a positive effect on society (see Figure 1, <https://www.volkswagenag.com/presence/nachhaltigkeit/documents/policy-intern/2008%20Mission%20Statement%20Biodiversit%C3%A4t%20EN.pdf>).

Ensuring compliance with environmental management systems, standards and voluntary commitments is a basic prerequisite for our actions.



Fig. 1: Mission Statement Environmental goTOzero

In its environment mission statement, the Volkswagen Group prioritises four action areas and describes the following objectives:

Climate change

We are committed to the 2° goal of the Paris Climate Agreement. We intend to become a CO₂ neutral company by 2050.

By 2025, we plan to reduce our total life cycle Greenhouse Gas Emissions of passenger cars and light duty vehicles by 30% compared to 2015. We actively contribute to the transition towards renewable energies along the entire life cycle.

Air quality

We are driving e-mobility forward to improve the local air quality. By 2025, the share of battery electric vehicles in our model portfolio will be between 20 and 25%. The share of electric vehicles in the Group fleet is to rise to at least 40% by 2030

Resources

We intend to maximize resource efficiency and promote circular economy approaches in the areas of materials, energy and water.

By 2025, we plan to have reduced the production-related environmental externalities (CO₂, energy, water, waste, volatile organic compounds) by 45% per vehicle compared to 2010.

Environmental compliance

We aim to become a role model for a modern, transparent and successful enterprise in terms of integrity by installing and controlling effective management systems covering the environmental impacts of our mobility solutions over all life cycle stages.

The gradual reduction of greenhouse gas emissions with the aim of a balance out carbon-neutral company by 2050 has direct, positive effects on biodiversity. Climate change due to CO₂ emissions is one of the main causes of loss of biodiversity.

By increasing resource efficiency, existing resources are utilised more efficiently and consumption is continuously reduced. The Group bundles its activities to improve resource efficiency in the “goTOzero - Zero Impact Factory” initiative, which aims at production with zero environmental impact. An evaluation system checks the effects of production on the environment using quantitative and qualitative criteria. The criteria include climate protection, energy, emissions, water and waste, as well as aspects such as commitment to biodiversity and soil protection. This method is currently being implemented and will supplement existing environmental targets. An environmental compliance management system is used to track targets and monitor whether they are being met.

Volkswagen develops its products and services with as little harm to the environment as possible. Every stage from raw material extraction to recycling is taken into consideration. This beginning-to-end concept is called life cycle principle. Volkswagen has set itself the task of developing vehicles so that each model has better environmental properties than its predecessor throughout its life cycle, and this is anchored in the four action areas of the environmental mission statement.

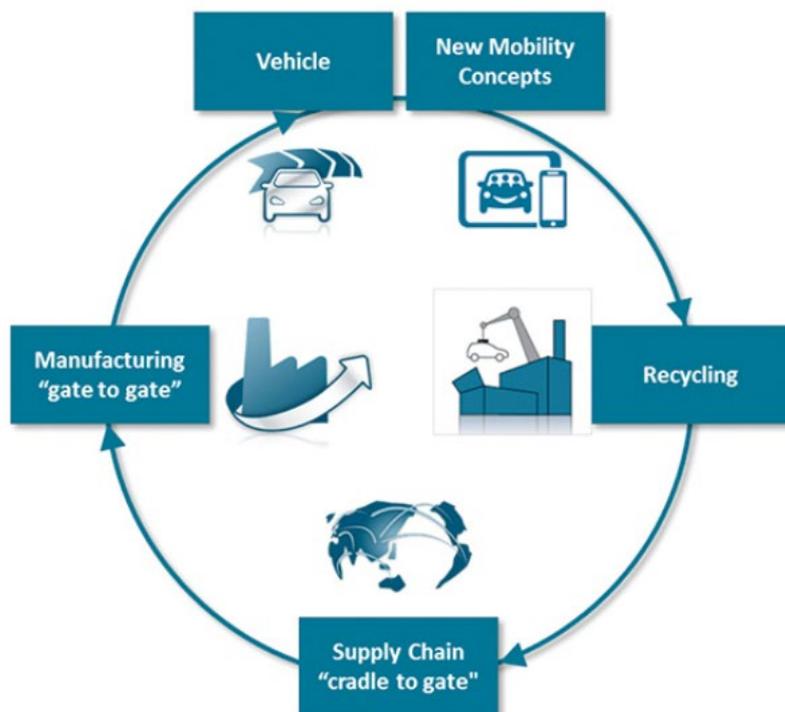


Fig. 2: Life cycle in vehicle production

The company also helps preserve natural capital by using its classical environmental management system at production sites to set high standards for the protection of soil and water – the substances that are the essential basis for biological diversity.

In its sustainability report, Volkswagen describes in detail the objectives, strategies and milestones for achieving its targets and integrating them into the management system, as well as individual measures and projects for the environment.

(https://www.volkswagenag.com/presence/nachhaltigkeit/documents/sustainability-report/2019/Nonfinancial_Report_2019_e.pdf).

The conservation of biological diversity has been a declared goal of the company since 2007. Volkswagen AG's mission statement on "Protecting biological diversity" states literally:

(<https://www.volkswagenag.com/presence/nachhaltigkeit/documents/policy-intern/2008%20Mission%20Statement%20Biodiversit%C3%A4t%20EN.pdf>)

"As an industrial company active all over the world with a role model function for other members of society, Volkswagen accepts its responsibility in the field of species protection. We aim to demonstrate how a company can succeed in combining the requirements of material production with the protection of biodiversity to ensure sustainable development."

Moreover, "As a global company, Volkswagen implements measures to support species protection equally at all its sites throughout the world. We recognize the benefits afforded by protected biotopes. Designated nature conservation areas and national parks must not be used

for economic purposes.”

The mission statement also includes a commitment to cooperate with external partners: “Volkswagen has built up long-term cooperation relationships and partnerships with corporate groups, in particular NGOs, with experience and expertise in the field of conservation and species protection.”

The Volkswagen Group is involved in various activities and initiatives in and around its sites:

- Measures for the direct protection of endangered species and promote biodiversity
- Innovative support of biotopes as part of compensatory measures
- Programmes for environmental education and training
- Support of research projects.

As a founding member of the international initiative ‘Biodiversity in Good Company’, Volkswagen has also signed the Leadership Declaration, committing itself to apply important management principles. Taking account of further developments, Volkswagen specifies the seven points of the Leadership Declaration for the Group as follows:

1. Volkswagen will conduct a protected area assessment at its production sites worldwide and document the status of species in need of protection around the sites, as well as factory emissions.
2. In its reporting on sustainability, Volkswagen meets the requirements of the Global Reporting Initiative (GRI) and will continue to recognise the biodiversity indicators defined in it as the standard. A system for key indicators specifically for Volkswagen is being developed.
3. Volkswagen AG’s Environmental Management Officer is responsible for coordinating all biodiversity activities.
4. As part of its environmental management system, Volkswagen will add wildlife conservation to its environmental programmes and action plans at its sites over the coming years. The implementation of environmental protection measures and targets in the sites’ environmental programmes / action plans is checked during the audits.
5. Volkswagen will increasingly report on all activities and successes in biodiversity and also make them known in other publications.
6. Volkswagen will inform its partners of the company’s biodiversity policy on the internet via the “ONE.Konzern Business Platform” (www.vwgroupsupply.com) and thus involve them in the policy.

7. Volkswagen will extend its biodiversity expertise in dialogue with expert partners and together with them will continue to develop important projects for nature and wildlife conservation.

The day-to-day management of a company with more than a hundred manufacturing sites around the world and highly complex supplier chains naturally means that these pledges cannot all be fulfilled at once.

In the following section, Volkswagen reports in detail on the progress that the company has made in implementing the Leadership Declaration.

5 Company activities

5.1 Analysis of the effects of the company's activities on biodiversity

To identify the effects on biodiversity at its own production sites and rule out any risks, the Volkswagen Group carried out an evaluation of protected areas around its sites.

Surveys of protected areas were carried out for 123 Group production sites in 2019. The focus was on protected habitat types within a 20 km radius of the sites, as well as on endangered, highly endangered and critically endangered species.

https://www.volkswagenag.com/presence/nachhaltigkeit/documents/sustainability-report/2020/Produktionsstandorte_Schutzgebiete_weltweit.pdf

There are a total of 434 protected areas within a 20 km radius of 92 of the Group's production sites. Three production sites border directly on a protected area.

In addition to the voluntary commitment, compatibility with biodiversity is examined when looking for new production sites. To protect natural capital, it is specified that when expanding production sites, areas that have already been in industrial use must be considered first in order to minimise additional land use and sealing of soils.

The sustainability report documents, analyses and evaluates emissions (energy, water, waste, CO₂ and VOC). The reduction targets for emissions are described in the Group environmental mission statement mentioned above and monitored via UEP (reduction of the environmental impact of production).

5.2 Incorporation of biodiversity protection and sustainable use in the environmental management system

Volkswagen has committed itself to protecting and promoting biodiversity in its Group environmental principles for production. The aims are to support the conservation of biodiversity, securing natural resources by continually reducing environmental impact at Group sites, to implement biodiversity projects, as well as social involvement and support for environmental education. Biodiversity must be integrated into the management processes and respected at all sites.

To record the relevant production-specific environmental effects at its Group sites, Volkswagen uses a system for recording and evaluating environmental aspects (SEBU). Under the environmental aspect of biodiversity, activities to increase biodiversity inside and outside the site are checked.

In its sustainability reporting, Volkswagen continues to focus on the requirements of the Global Reporting Initiative (GRI 2016). However, in the 2019 and 2020 sustainability reports, biodiversity is no longer explicitly mentioned as a key action area. Irrespective of this, information on GRI indicators relating to biodiversity is published on the Group Sustainability website and in the environmental declarations of the production sites.

In September 2016, the Volkswagen Group appointed an international sustainability council in order to support its strategies for sustainability and social responsibility. The renowned experts from industry, science and civil society advise the company on sustainable mobility and environmental protection, on social responsibility and integrity, as well as the future of work and digitalisation. In 2020, the Volkswagen Group extended the mandate of the sustainability council until 2022.

GRI content index

The content of the Group sustainability report follows the GRI standards of the Global Reporting Initiative (GRI) in accordance with the “core” option. As already mentioned, no GRI indicators on biodiversity were included in the non-financial sustainability reports for 2019 and 2020. Information on the indicators is presented on the Group Sustainability website and the environmental declarations of the sites, in line with the requirements implemented in the environmental compliance management system and certified according to ISO 14001. The indicators and the aspects that were published and analysed are summarised in the table below.

GRI Indicator	Explanation	2019
EN11	Group sites and type of production with protected areas within 20 km, and the number of protected areas within the radius. Information on the size of the sites.	Published
EN12	Description of the significant effects of products and services on biodiversity and measures to reduce the environmental impact.	Reported
EN13	Protected or restored natural habitats.	Reported
EN14	Number of species on the IUCN Red List and national conservation lists with natural habitats in areas that may be affected by the organisation’s operations, grouped by extinction risk category.	Investigated
EN26	Name, size, protected status, and biodiversity value of bodies of water and associated natural habitats that are significantly affected by the reporting organisation’s sewage and surface discharge.	Reported

The 2019 and 2020 sustainability reports were prepared in accordance with the GRI G4 standard, in which the criteria EN 12-14 address the topic of biodiversity. The table below provides an overview with page references.

GRI Indicator	Explanation	2019
EN11	Sites near protected areas	Group sustainability website
EN12	Effects of products and services on biodiversity and measures to reduce the environmental impact	Sustainability report 2019 P. 56–57, 58–69, Sustainability report 2020 P. 41-58, P. 83-89
EN13	Protected or restored habitats	Group sustainability website
EN14	Affected endangered animal and plant species	Investigated, not published

The Volkswagen Group is also driving the development of useful management tools with the support of experts and scientific studies. Through the “goTOzero Zero Impact Factory” initiative, a site checklist has been developed to control the environmental impact of production towards “zero”. This checklist also contains measures to protect and increase biodiversity at the Group’s production sites.

5.3 Establishment of an office responsible for biodiversity

The coordinator for all biodiversity activities is the Head of Group Environment. As the environmental management officer, he performs the tasks of the Biodiversity Officer of Volkswagen AG.

5.4 Definition of measurable and realistic targets for improving protection and sustainable use of biodiversity

Volkswagen is committed to the 2°C target of the Paris Agreement on climate change and has initiated a comprehensive decarbonisation programme to achieve this goal. The programme not only helps combat climate change, but also helps protect biodiversity, because climate change is one of the major drivers of biodiversity loss. The programme has specific, verifiable goals and measures and pursues the following hierarchy of aims:

- Preventing or reducing CO₂ emissions
- Changing the energy supply throughout the value chain to lower carbon or to renewable

energies

- Compensating for unavoidable CO₂ emissions with climate protection projects that meet the highest international standards.

A decarbonisation index (DCI) is used as a measure to indicate progress and to publish and verify the interim results. As part of this programme, in 2019 the ID.3 electric vehicle was the first on the balance sheet carbon-neutrally manufactured product.

Due to the Group's decentralised organisational structure and the relative autonomy of the brands and regions, the integration of wildlife conservation into the environmental programmes or action plans of the numerous sites have to be coordinated. In the past, international regional conferences were also used for this, but they are no longer held. A network exists via the combined certification of the Volkswagen sites and via committees of the environmental officers. Biodiversity aspects are also covered by the certification processes of external environmental auditors.

The "goTOzero Zero Impact Factory" initiative was launched as a control system with the aim of reducing environmental impact towards "zero". As part of the initiative, biodiversity was declared a lighthouse project for 2020. The objectives were cooperation with the UNESCO on biodiversity and rolling out an internal Volkswagen Biodiversity Site Assessment System, whose function is explained below.

The Biodiversity Site Assessment System was developed with the help of Bochum University of Applied Sciences and Flächenagentur Baden-Württemberg GmbH and is used to evaluate biodiversity at Volkswagen Group sites. In the focus areas of land management and use of local resources, an analysis is carried out of the situation regarding use of resources with effects on the living world, such as water, land use and light. Due to the size of the company with more than 670,000 employees, "soft facts" are also integrated in the system. This includes communication via biodiversity projects and offering employees the chance to work on biodiversity projects. Organic, local and seasonal food on the menu in canteens is also evaluated positively.

The use of rubber as a material also forms part of the Group-wide decarbonisation roadmap to reduce CO₂ emissions. However, alliances are necessary in order to reduce global impact on the environment. One such alliance is the "Drive Sustainability" initiative, a partnership between automotive manufacturers, of which the Volkswagen Group is a member. The aim of the initiative is to promote sustainability in the procurement process within the industry. With regard to rubber, the "Global Platform for Sustainable Natural Rubber" initiative (GPSNR) works to improve the socio-economic and environmental performance of the natural rubber value chain. The standards that it harmonises include the prevention of land grabbing and deforestation, protection of biodiversity and water resources to improve revenues, as well as increased transparency and traceability in the supply chain.

The targets for improving the protection and sustainable use of biodiversity are regularly reviewed and updated.

5.5 Publication of the activities and successes in the area of biodiversity

The Volkswagen Group publishes accounts of its activities to protect biodiversity in its annual report, its sustainability report, the sites' environmental declarations and on its websites. The Volkswagen Group newsroom is also used as a communication medium for ongoing projects.^(1,2,3,4)

The company has published its activities to protect biodiversity on the internet. Of the 729 CC projects in 2019 about which reports are published on the Group Sustainability website, almost 100 are directly or indirectly aimed at protecting and maintaining biodiversity. The projects include tree planting, conservation and development of ecosystems, campaigns to remove waste from beaches or forests, environmental education and training, as well as support for science and research. One of the focuses is on assistance for young scientists.

Internal media such as the intranet as a communication platform within the company are used to inform employees about biodiversity activities and invite them to take part (e.g., tree planting campaigns, activities on International Biodiversity Day, training offers).

Volkswagen has also published information on its biodiversity activities and successes in specialist magazines, at trade fairs, presentations and other event formats.

¹ GB 2019 // GB 2020: https://www.volkswagenag.com/presence/investorrelation/publications/annual-reports/2020/volkswagen/Y_2019_e.pdf // https://www.volkswagenag.com/presence/investorrelation/publications/annual-reports/2021/volkswagen/Y_2020_e.pdf

² NB 2019 // NB 2020: https://www.volkswagenag.com/presence/nachhaltigkeit/documents/sustainability-report/2019/Nonfinancial_Report_2019_e.pdf // https://www.volkswagenag.com/presence/nachhaltigkeit/documents/sustainability-report/2020/Nonfinancial_Report_2020_e.pdf

³ CC projects: <https://www.volkswagenag.com/en/sustainability/reporting/cc-projects.html>

⁴ Volkswagen newsroom: <https://www.volkswagen-newsroom.com/en>

5.6 Information to suppliers about biodiversity objectives and gradual involvement

The Volkswagen Group's suppliers are informed about the company's environmental policy and its expectations for a similar policy by its partners via the "ONE.Konzern Business Platform" (www.groupsupply.com).

In Mexico for example, information is shared via the online supplier platform on training courses that address the environmental compliance management system, external environmental projects and environmental awareness.

Porsche China launched the Dealer CSR Fund in 2018. The fund supports local projects which are submitted to Porsche dealerships all over China and implemented together with reputable organisations. In 2019, the Dealer CSR Fund assisted the "Million Tree Project" of the Shanghai Soong Ching Ling Foundation. It also helped fund the "Deep-Sea Waste Monitoring and Cleaning Programmes" of the Hainan Chengmei Charity Foundation which combat pollution of the world's oceans.

5.7 Cooperation with potential partners such as conservation organisations, academic institutions and state bodies

The Group, the brands and regions maintain a dialogue with stakeholders. The objective is an institutional, international and professional exchange of views with external stakeholders. Twice a year, the Volkswagen Group invites more than 100 national and international representatives from politics, research and the financial market as well as representatives of NGOs and civil society.

In China for example, the Volkswagen Group China seeks and maintains dialogue with stakeholders. These include government organisations such as Chinese ministries and local authorities, industry associations, international organisations, NGOs, charities, local communities, business partners, customers, suppliers, employees, analysts and investors.

To increase its own and society's knowledge of biodiversity and how to manage it, Volkswagen maintains discussions with expert partners and promotes dialogue between politics, business, science, government agencies and trade associations. Prominent dialogue partners in 2020 included UNESCO, the German Corporation for International Cooperation (GIZ), the University of Puebla in Mexico and the Wilderness Foundation in South Africa. In Germany, they included Bochum University of Applied Science, the Technical University of Munich and the states of Lower Saxony and Saxony-Anhalt.

In addition, Volkswagen Real Estate cooperates with the Heinz Sielmann foundation during construction and modernisation projects in order to sustainably protect local fauna and flora.

Volkswagen is also the only carmaker involved in the Biodiversity in Good Company initiative, which has close links to the Federal Ministry of the Environment and on its behalf coordinates the “Unternehmen Biologische Vielfalt” platform, in which the German Association of the Automotive Industry (VDA) also participates.

Voluntary projects for protecting biodiversity

The primary activities are nature and wildlife conservation, including protection of bogs and wetlands, reforestation projects, environmental education and support for biodiversity research.

Prominent projects in 2019 included investment in a forest protection and restoration project in Borneo to compensate for unavoidable CO₂ emissions, and in 2020 donations to UNESCO and Seabird Life to support UNESCO biosphere reserves. The funds are used in Spain on projects for sustainable mobility and for eliminating storm damage, and in Germany and Poland on projects to protect and restore wetlands.

Volkswagen’s involvement also includes a large number of voluntary projects to conserve biodiversity and ecosystem performance. These projects and programmes usually take place in the vicinity of company sites and in partnership with the relevant authorities, research institutes and non-governmental organisations, often with the commitment and support of employees.

The reforestation and environmental restoration projects in particular contribute not only to the protection of biodiversity and ecosystem performance (for example in preventing floods and erosion and maintaining groundwater levels) but also to climate protection (ecosystem-based climate protection).

For many years in various partnerships – for example at Volkswagen do Brasil, Volkswagen Group China and Volkswagen de México – projects have been combined with environmental education programmes for schoolchildren and young people. In 2020, in partnership with the Drömling biosphere reserve in Saxony, apprentices at the Wolfsburg site began their training with environmental care and restoration work at the nature reserve.

With more than 670,000 employees around the world, the Volkswagen Group utilises its size to act as a multiplier. This is why since 2015 the company has regularly taken part in the “International Day of Biological Diversity” with information on biodiversity and its importance as a basis for life, as well as training courses and employee campaigns.

Support for research

Volkswagen de México supports biodiversity research with the “Por amor a México” campaign, awarding valuable monetary prizes every year. The awards are given to environmental scientists and biodiversity projects located in nature reserves.

Also worth mentioning is the introduction of a joint Chinese-German project for the management of ecosystems and climate change in arid regions. As part of this project, a Chinese-German research centre was founded in partnership with the Technical University of Munich and the Institute of Ecology of the Academy of Sciences in Xinjiang. The focus of the project is on water management, environmental processes, ecosystem management, land management, the effects of climate change and socioeconomics.

In a joint project with the Bochum University of Applied Science, Volkswagen is investigating the effects of vehicle production on biodiversity throughout the product life cycle.

Safeguarding ecosystem performance

At the Puebla plant in Mexico, Volkswagen has been compensating for its water consumption for many years with extensive reforestation in the nearby Iztaccíhuatl-Popocatepetl national park. As part of the project, in which the national nature conservation agency and Volkswagen’s suppliers are also participating, more than half a million mountain spruce have been planted on a 750 hectare site since 2008. This slows down the already advanced soil erosion and, most importantly, replenishes local ground water reserves.

Also in Mexico, a reforestation programme with native trees began in 2019 together with the government of Guanajuato state on a 300-hectare site in the Cuenca de la Esperanza y la Soledad national park. By 2025, the project will be extended to 500 hectares. The plan is to plant 165,000 trees, to restore the natural vegetation and soil structures and to reduce the impact of extreme droughts. Troughs and ponds are being dug to collect and filter the groundwater. The project also includes research into CO₂ storage, water storage and filtration capacity as well as biodiversity.

With the help of the Audi brand, the municipality of San José Ozumba in Mexico planted 100,000 trees and dug 25,000 ditches on a 100-hectare site in order to supply the groundwater reservoir.

Together with the forestry department of the state of Lower Saxony, a project has been initiated to return a commercial forest to its natural function as a wetland forest.

Other reforestation projects of the brands Volkswagen, ŠKODA, Porsche, Audi and Volkswagen Commercial Vehicles brands took place in Germany, Poland, the Czech Republic, Spain, the

UK, Slovakia, the United States, Brazil, Argentina, Russia, China and India. Since 2006, more than 2.5 million trees have been planted.

Nature and wildlife conservation. biotope network

Volkswagen do Brasil has been supporting the São Carlos Ecological Park for threatened animal species since 2010. A new enclosure was built for spectacled bears and more land was retained for wild animals and endangered species such as the maned wolf and the Andean condor. The initiative also includes projects and guided tours where schoolchildren from São Carlos find out how crucial it is to conserve species. Every year, around 6,000 schoolchildren learn about the priceless importance of biodiversity.

Volkswagen Chattanooga has been supporting the “Happinest” wildlife rescue and rehabilitation centre in Tennessee for four years. The organisation is dedicated to rehabilitating sick, injured and orphaned native wild animals. Sick and injured animals are nursed at the centre and released back into the wild once they have recovered. The protected wetlands and nature reserves at the Chattanooga site are a refuge for many local species, which means that injured animals are frequently found. Thanks to its close cooperation with employees, a separate rehabilitation team has been established at the site.

Volkswagen of America (VWoA) also supports The Conservation Fund to protect forests in the United States. Thanks to a donation, another 600 hectares will be added to the Cherokee National Forest in the east of Tennessee, near the Chattanooga plant. The woods will be a protected reserve for black bears and Indiana bats. At the same time, it will also be a local recreation area.

Since 2011, Volkswagen has been a partner of the Forever Wild Rhino Protection Initiative in South Africa. As the name says, its aim is to protect rhinoceroses. In the last six years, VW Amarok pickups have been used for purposes such as extended patrols in wildlife parks, for finding rhinos and relocating them to safety, as well as for assisting airborne teams throughout the country. In addition, the Veterinary Genetics Laboratory of the University of Pretoria has initiated RhODIS® (Rhino DNA Index System), a project to help with the plight of the rhinos. The laboratory collects DNA samples from rhinos across the country to create a database using the unique DNA profiles of individual rhinos. The goal is for all rhinos to be on the system. This will deter poachers and assist in forensic prosecutions.

In Germany, Volkswagen is involved in a variety of ways, especially in the restoration of wetlands. Specially created by NABU and already funded with €3 million by Volkswagen Financial Services, the German wetland protection fund is financing thirteen wetland restoration projects from Mecklenburg-Vorpommern to Bavaria.

Volkswagen Financial Services has also invested €1 million in international wetland protection

fund. With this support and another €4 million of EU funding, NABU launched the EU-LIFE project “Peat Restore” in 2016 together with eight partner organisations from Poland, Lithuania, Latvia and Estonia. Over a period of five years, 5,300 hectares will be returned to a natural state.

Volkswagen also donated to NABU Lower Saxony’s LIFE project floodplain amphibians. The aim is to link up and manage the habitats on the rivers Aller and Elbe of three species of amphibian: the European fire-bellied toad, the European tree frog and the great crested newt. The European fire-bellied toad is already extinct in large parts of Lower Saxony and therefore needs special protection. The European tree frog and the great crested newt, which have been placed under strict protection by the European Union, also have a poor conservation status.

Many species have found a habitat at the Group’s production sites; at Wolfsburg, these include peregrine falcons, kingfishers, house martins and beavers, as well as white-tailed eagles as feeding visitors. On the Ehra testing grounds, there is a colony of house martins. A survey at the Volkswagen Navarra site in Spain identified 173 different plant species, including 15 species of orchid, as well as 73 different bird species such as kestrels, bluethroats and plovers. Reptiles and mammals have also settled at the site. At the Pune site in India, several endangered species were found, including three species of butterfly, two species of snake, a bird and a plant. These results show that industrial and commercially used areas can exhibit great biological diversity. The Group uses its Biodiversity Site Assessment System to record species at the sites in order to protect and help them.

We could not live without pollination by insects. This is why beehives have been established at many of the Group’s sites, such as at the Porsche AG testing grounds in Leipzig, the Volkswagen site in Emden, at Bentley Motors in Crewe, at the Audi AG sites in Münchsmünster, Neckarsulm and Győr, and at Volkswagen Commercial Vehicles in Hannover. Insect hotels have been also put up at some other sites to protect and help insects and wild bees.

Environmental foundations

Since it was established in 2009, the Audi environmental foundation has always been committed to protecting and researching the world of bees. It promotes projects at schools to encourage beekeeping. For example, in 2019 as part of the we4bee project, beehives fitted with sensors were set up in schools and educational facilities. The beehives are digitally connected to each other. All the data is collected and analysed centrally. The aim is to obtain a detailed understanding of bee behaviour and the health of each colony by evaluating the sensor data.

Substitution and compensation measures

Substitution and compensation measures are not voluntary projects, but legal obligations. However, they can also be supplemented with voluntary biodiversity projects and thus produce an additional positive effect. In one such measure in collaboration with the Lower Saxony forestry department, Volkswagen uses the Barnbruch area near its Wolfsburg site to support a biodiversity project in which 10 hectares of commercial forest are being taken out of use and returned to their original function as wetland forest.

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