




LET'S WIN THE RACE



**CLIMATE CHANGE
IS THE BIGGEST
CHALLENGE OF
OUR TIME. TO FACE
IT, WE NEED THE
BIGGEST TEAM OF
DRIVERS:**

EVERYONE

Climate change can only be stopped if we make sustainable innovations accessible and usable for all. Porsche Holding is the company that makes sustainable mobility and mobility concepts available for purchase, lease and “experience”. Whether for 10 minutes or 10 years, we literally put sustainability on the roads. In 29 countries. This is what makes us such a powerful player in the biggest and most important race of all time.

[We are on the move.](#)



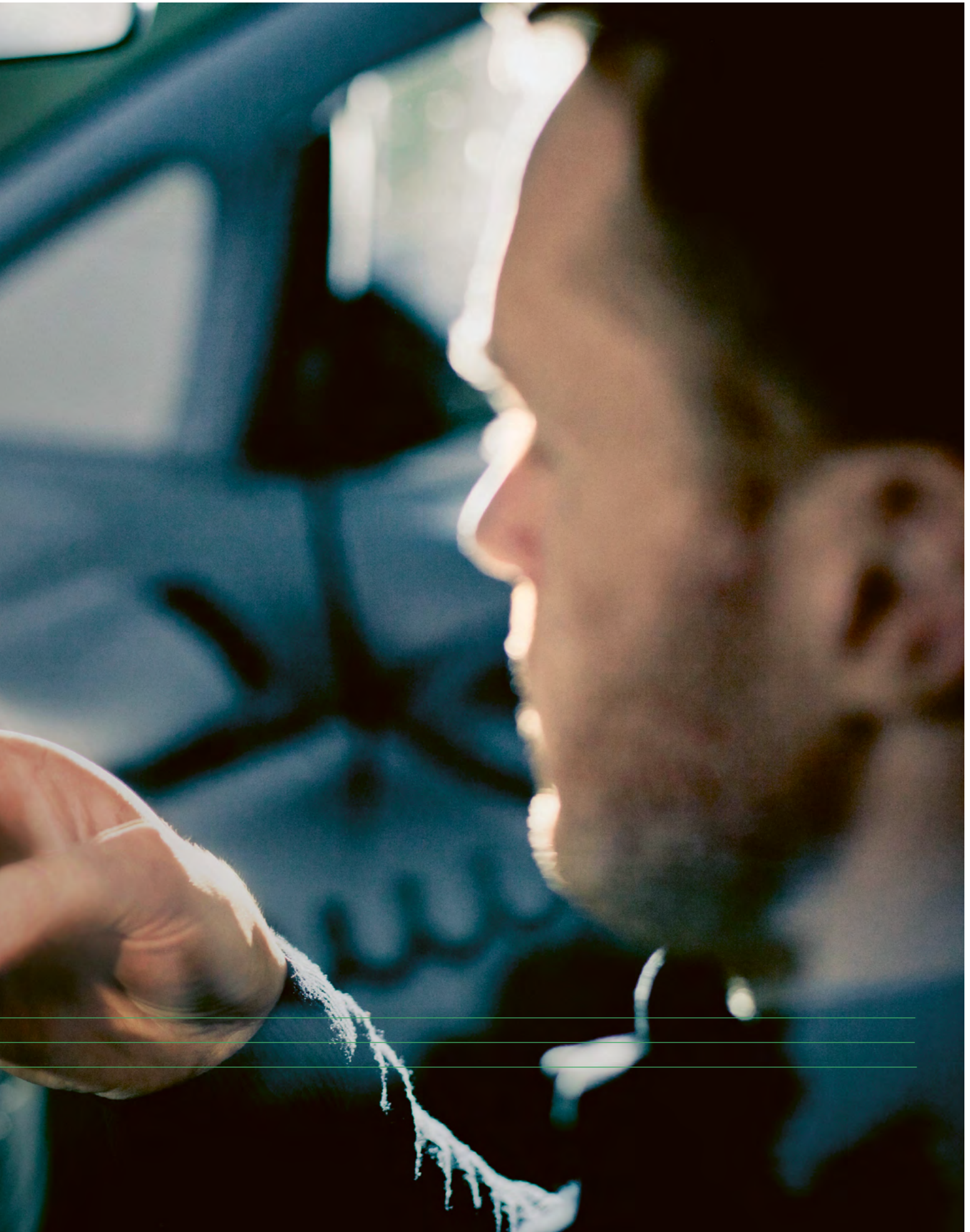
SUSTAINABLE FUTURE

ACCESSIBILITY IS KEY

Climate change is the biggest challenge of our lifetime. Energy and mobility are of vital importance if we are to win the race against time. It requires that new sustainable paths and solutions be not only accepted, but also lived. This is our mission.

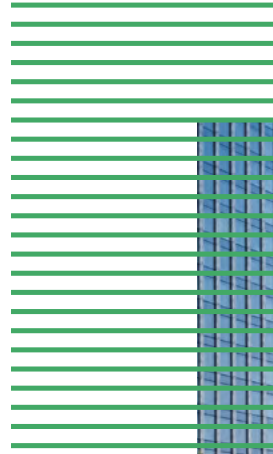
Worldwide.





"WE AIM TO MAKE CARBON- FREE MOBILITY ACCESSIBLE FOR ALL IN THE LONG TERM."

Dr Hans Peter Schützinger, CEO, Speaker
of the Porsche Holding Management Board

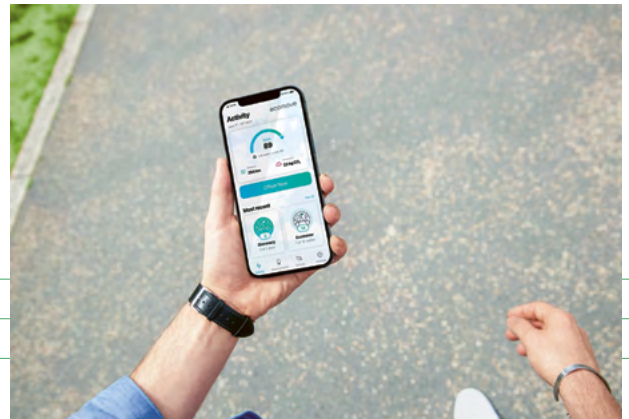


Sustainable mobility for everyone – in good quality, at affordable, fair prices, available at all times. That is the aim of mobility today. However, this is not easy to achieve.

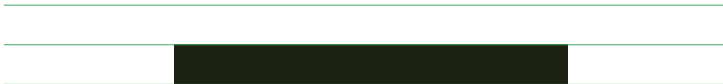
New mobility concepts are one solution: subscription models, car sharing, sharing combined with public transport. One of the ways we as a car dealer can really help here is by giving more and more people access to carbon-free mobility. At our 531 dealerships across 29 countries, we drive sales of battery electric vehicles (BEVs=Battery Electric Vehicle). Yet our ambitions go beyond this. We aim to accelerate technological change, which is why we, along with our subsidiary MOON POWER, are also helping to drive the expansion of charging stations and energy solutions. This makes us an enabler for electric mobility in 21 countries. In addition, car sharing solutions are helping to expand e-mobility. Here, Porsche Bank provides an innovative solution with sharetoo. The digital transformation is also an essential ingredient in achieving carbon-free mobility. To this end, we recently launched two apps. The SMART DRIVER app rewards safe, proactive driving, and the Porsche Mobility app combines our mobility offerings in Vienna.

at least 50%

share of BEV
by 2030



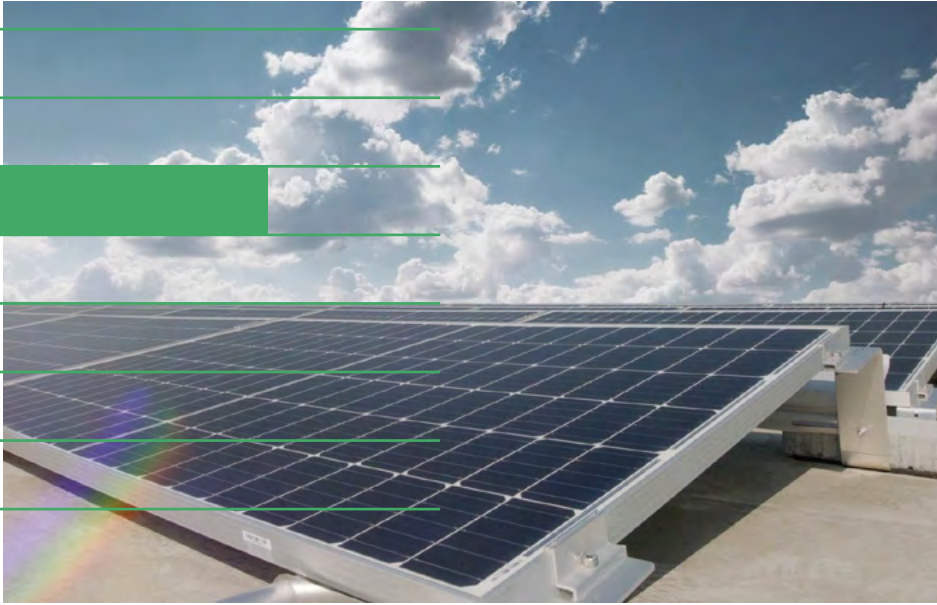
Our apps support new mobility concepts





SUSTAINABILITY OPENS UP NEW AREAS OF BUSINESS FOR US, SUCH AS EXPANDING OUR CHARGING INFRASTRUCTURE AND CAR SHARING

We need everyone on board. Climate action is undoubtedly a pressing issue and achieving carbon neutrality has turned into a race. At the same time, perseverance is required. We need to take immediate action and must not give up or rest on our laurels. For this reason, it is crucial that we get buy-in for the issue of sustainability. We are accomplishing this across Europe with MOONCITY. The fascinating experiences provided at these experience centres focus on electric vehicles and future forms of mobility. The positive effects of the new technologies are brought across in a fun way, making the future of mobility tangible for all. Traffic situations, for instance, can be simulated on a configurator. Yet, MOONCITY also wows from a technical point of view because an Austria-wide repair centre for high-voltage technology is being built, e.g. The Wiener Elektro Tage, organised by Porsche Media & Creative in June 2022, also invited guests to experience the mobility transformation first-hand. The event, which attracted over 110,000 visitors, gave people the opportunity to admire a wide range of electric vehicles, take test drives and speak to leading experts. The successful Wiener Elektro Tage will be held once more in 2023.



at least
80%

electrification of
own fleet by 2030

Real change comes from within – we have therefore set trail-blazing goals for our own company in terms of environmental protection and climate action. Because, here at Porsche Holding Salzburg (from now on referred to as Porsche Holding), we live sustainability. By 2030, for example, we aim to reduce both our carbon emissions and our energy consumption by 30% and to source 30% of the energy we use from renewables. We also intend to completely phase out the use of fossil fuels in our buildings by 2040. How do we plan to do this? One way is by replacing existing gas heating systems and cooling systems with heat pumps and ramping up the installation of photovoltaic systems at dealerships. By installing a total of 26 photovoltaic systems, we have reduced our electricity consumption by 12.4%. Other photovoltaic installations in Austria and at 143 international dealerships are already scheduled. As far as our company car fleet is concerned, we are also aiming to increase the share of electric vehicles to at least 80% by 2030. However, this requires an adequate charging infrastructure, which is why we will progressively expand the number of charging stations installed at our head office in Salzburg, for example, from 75 at present to over 225. These will run on green electricity.

#Project1Hour is a unique corporate initiative. Last year, 670,000 people, i.e. all employees of the Volkswagen Group worldwide, got together for an hour on Earth Day to discuss what they can do to help halt the advance of climate change. Porsche Holding also took part. More than 100 workshops were held at the Salzburg head office alone, attended by over 1,000 participants. With considerable foresight and a sense of responsibility, the employees of Porsche Holding demonstrate that they are pursuing our goals with great enthusiasm and also taking on responsibility for generations to come.

Sustainable premises for our customers. We make ourselves accountable – right down the line. Not only do we aim to sell sustainable products, but we also strive to be sustainable in our building use. This is why we construct any new properties as green buildings that meet the highest standards. The new Porsche Centre Styria is currently being built in Graz. Slated for completion in 2023, the dealership will operate with a zero-carbon balance thanks to an innovative system of heat generation and storage. As a forward-looking dealership, it will be open to customers in both digital and analogue formats.

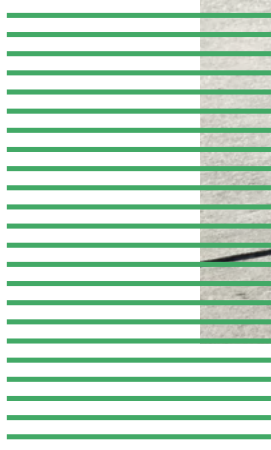
WE AIM TO

1. AVOID

2. REDUCE

3. COMPENSATE

EMISSIONS



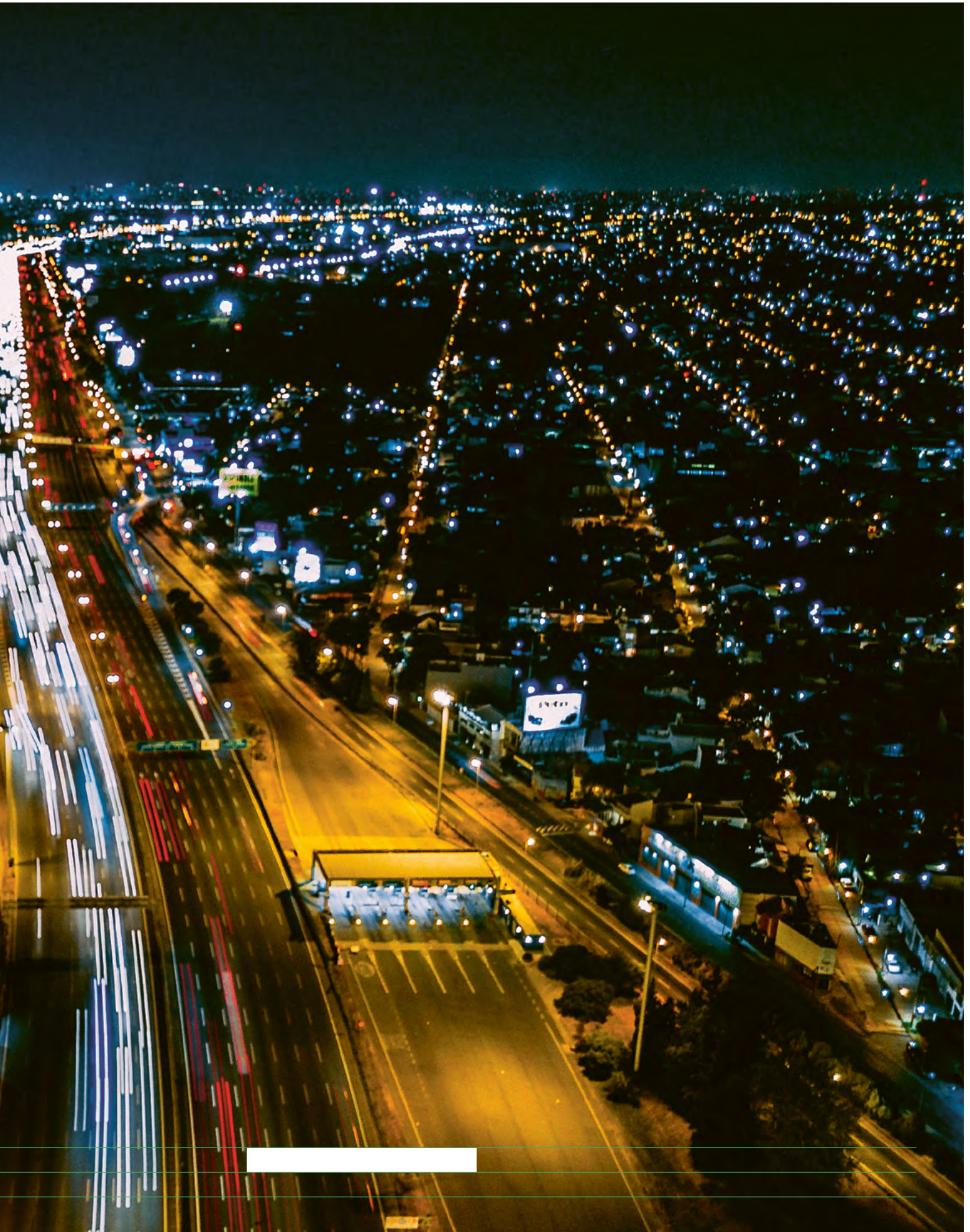
We invest in the charging infrastructure in order to promote the expansion of e-mobility

WORLDWIDE



SETTING THE SAME PACE.

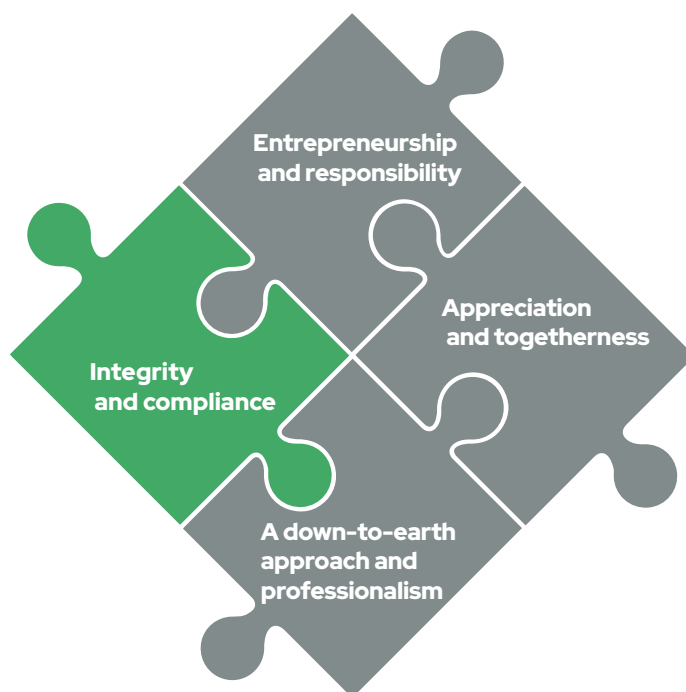
Be it in Austria, Romania, France or China, at all our dealerships, there are people who are deeply concerned about sustainability. The challenge is to set the same pace in 29 countries. In scenarios and legal frameworks which might well differ.



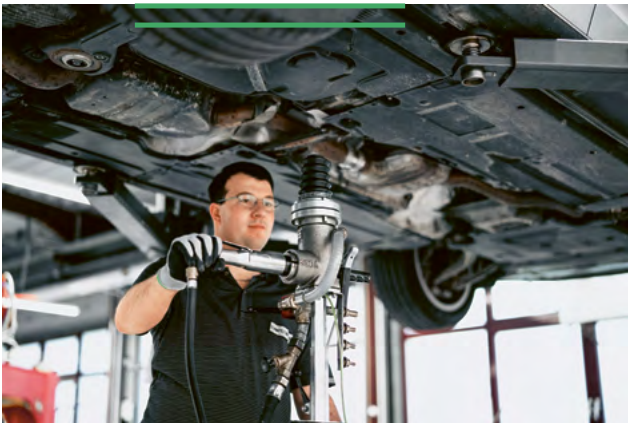
Our values are the compass for all regions and communities. We are internationally attuned, well connected and have an enthusiastic team – all combining to form a solid foundation that is underpinned by the corporate values we share. Even though Porsche Holding has a decentralised organisational structure, this is bearing fruit. We give our employees a great deal of creative freedom, which enables us to respond quickly to changes and tap into new opportunities. Our workforce includes powerful personalities with vision and passion who are helping to shape the future of mobility. Our core values are entrepreneurship and responsibility, appreciation and togetherness, a down-to-earth attitude and professionalism, as well as integrity and compliance. We focus especially on breathing life into the values of compliance and integrity. What does this mean at a practical level? As a matter of principle, we make decisions based on our Code of Conduct. We have introduced a whistleblowing system to identify possible misconduct and penalise it. We foster a culture of open discussion. And we continuously develop a culture of speaking up. One example of our initiatives in this area is our Together4Integrity workshops, which we organised last year for the fourth time. A total of 28 of these workshops were held worldwide and participants evaluated – among other things – how integrity and compliance are implemented at our company. At the workshop held at the Salzburg head office, the 120 people in attendance concluded that both topics are already well-established in the enterprise and are the bedrock for our decisions.

“WE NEED TO BUILD UP THE NECESSARY EXPERTISE IN ALL COUNTRIES AND MAKE PURPOSEFUL USE OF OUR SKILLS.”

Johann Lechner, CFO



The demands on job profiles are also changing in the course of digitalization



We need to organise and promote the development of skills worldwide. Porsche Holding has 531 dealerships in 29 countries with very different characteristics. For example, there are different legal requirements in the individual countries, different levels of maturity in the individual enterprises of our company, as well as different scenarios with regard to the infrastructure of the countries in question. In some Eastern European countries, for example, electricity from coal-fired power plants makes up a large percentage of electricity, whereas in other countries, such as Austria, a large proportion of electricity comes from renewable energy sources, such as hydro-power. Portugal widely promotes the purchase and use of electric vehicles, and in Scandinavia BEV demand is very high. However, many countries – Romania and Spain being two such examples – do not yet have a satisfactory charging infrastructure in place. It is important to take all of this into account in rolling out our expertise and our value systems across the Group. We have therefore set ourselves Group-wide goals, which we break down on a country-by-country basis. This will enable us to optimally meet the very different requirements in each country and each community.

29

countries share the goals and values of Porsche Holding

"FOR CHINA, WE HAVE DEVELOPED AN COMPLEMENTARY STRATEGY THAT ENSURES COMPLIANCE WITH LOCAL LAWS AND TAKES INTO ACCOUNT OTHER LOCAL CONDITIONS."

Kerstin Nemeth, Managing Director of PAIG China

A cross-functional organisational structure spanning business areas and countries provides the framework in our company for making sustainability a reality on an enterprise-wide basis. Here we define sustainability goals centrally, but the specific steps are determined at the local level. This ensures that the measures taken fit in with the circumstances at the location and that their implementation follows a sensible approach. We have established five focus areas across business areas and companies within Porsche Holding for the purpose of overarching internal management. So far, all of them are in the field of climate action, as this is where we believe we can achieve the greatest leverage. However, other focus areas in social and governance are already being developed. What is more, thanks to advances in digitalization, we are now able to record and map the first non-financial key indicators systematically. Alongside this, sustainability coordinators and focus area managers have been appointed in each country within Porsche Holding to actively drive forward topics and measures.



We apply our expertise
systematically worldwide

We have implemented a whole raft of measures to build up expertise throughout the Group and to engage the entire workforce as effectively as possible. For example, we held kick-off events for the sustainability coordinators as well as in all five focus areas. In addition, we have gathered data on the training needs in all countries and are currently drawing up a training concept for all employees. We will start implementing this in 2023. Expertise is also being specifically built up in topic-specific workshops in the focus areas. Training sessions on sustainable procurement have been held for buyers in all countries, for instance. Highlights last year also included the first sustainability convention organised by Porsche Bank, where staff from 14 countries exchanged ideas and best practices and attended interesting presentations and discussions on the topic of sustainable development. At a further international conference as part of the ECMS (environmental compliance management system), environmental managers from 25 countries met in person for the first time to jointly initiate and drive lasting improvements.

**“COMMON
OVERARCHING
OBJECTIVES POINT
THE WAY FOR THE
MEASURES AT OUR
531 DEALERSHIPS
WORLDWIDE.”**

Dr Hans Peter Schützinger, CEO, Speaker
of the Porsche Holding Management Board





TOGETHER

EMPOWERING PEOPLE

Porsche Holding takes on responsibility for the climate, for society and, above all, for our employees. Our staff are the driving force that is powering us forward to the future of mobility. It is for them that we create an environment where commitment and diversity are encouraged and personal development can be accelerated.



"IMPLEMENTING SUSTAINABILITY ASPECTS IS ESSENTIAL IF WE ARE TO REMAIN ATTRACTIVE AS AN EMPLOYER."

Paul Gahleitner, Head of Human Resources of Porsche Holding

The automotive industry is changing – and with it, our human resources development.

This change is being fuelled by new technologies such as electric motors and increasing digitalization, as well as by changes in customer expectations, e. g. low-emission mobility. We are preparing for this by training our staff to cope with the requirements of tomorrow. After all, we are well aware that you are our greatest asset. This is why Porsche Holding offers great development potential, with employees additionally benefiting from its international set-up. In addition, all HR-related topics are built into the HR strategy LIFE@Porsche. Our targeted employee development programme aims to systematically promote our high potential in their careers as managers or specialists. An illustrative example is our cooperation with the Vienna University of Economics and Business: here, a specially developed MBA is offered in the field of "Mobility Management". But even students, apprentices and staff from all areas will find exciting opportunities for development at Porsche Holding. University graduates can take part in a trainee programme: for apprentices, the "Semester Abroad" project was launched in which they work for six months at one of our international subsidiaries. Not only do such placements help to build up expertise and hone language skills, but they also boost participants' personal development. Ultimately, everyone benefits from this semester abroad: it strengthens exchange between the individual countries, creates an international network and enables our employees to co-develop new, cross-border solutions, actively shaping the transformation in the process.

Porsche Holding offers

1,150

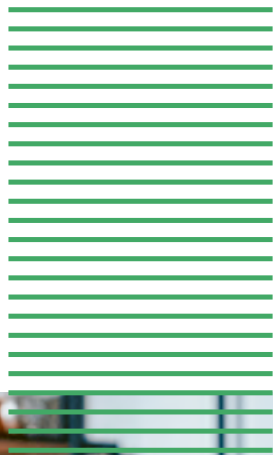
new apprenticeships
worldwide each year





Our employees are constantly developing through a variety of programmes

We regard diversity as both a strength and an opportunity. Harnessing the existing diversity in our company will open many doors to us for developing promising solutions for sustainable mobility. Porsche Holding considers diversity to be an essential competitive factor rather than simply nice to have. This is why we have made diversity an intrinsic part of all strategic processes and, as such, a cornerstone of our “evolve 2023” corporate strategy as well as our HR strategy. Having the right people with their respective skills in the right place at the right time is the supreme art of embracing diversity. What does this mean for our company in practice? We consider our employees’ different personal circumstances, for example, and give them the work flexibility they need to achieve a good work-life balance. This might involve working part-time or remotely. We also offer an on-site kindergarten and holiday care at our Salzburg head office. Over and above this, we create an environment where everyone feels welcome and like they belong – regardless of their social background, religion, age, gender identity or sexual orientation. We welcome, for example, the initiative that came from our employees to set up regular monthly LGBTIQ+ social meetings, which provide a safe, inclusive space for our LGBTIQ+ staff.



GROUP HR



"EFFECTIVE CHANGE CAN ONLY BE ACHIEVED WITH THE INVOLVEMENT OF OUR HIGHLY COMMIT- TED EMPLOYEES."

Rainer Schroll, Porsche Holding Board Member
with responsibility for retail



As a responsible employer, we know that the attractiveness of a company is also measured by the way it deals with the issue of sustainability. While sustainability is an important issue to us as an employer, it is no less important to our staff. We receive a great deal of support from the entire workforce, who need no convincing. For instance, staff at Porsche Holding collaboratively developed measures to save the limited resource that is energy. The catalyst for this was the war in Ukraine. The Energy task force, formed of members from different divisions, met once per month. Employees' commitment and understanding of the situation was very high, particularly in the fourth quarter. Implementation of proposed measures boosted profits and led to significant savings in total energy consumption. Our occupational safety initiatives also underpin our sense of responsibility. Health and safety measures are particularly essential in times of crisis like the coronavirus pandemic or the war in Ukraine. In both of these cases, we quickly took the initiative by setting up crisis units, for example, and arranging vaccinations in the company.

We, as an employer communicate openly and transparently, which makes us predictable and gives us credibility. This pays off in terms of teamwork. We also prioritise open communication and building a relationship of trust with the employee representative committees that play a key role in our company. Our employees are represented by the Works Council, which represents the interests of the workforce up to the Global and European Works Councils of Volkswagen AG.





got the drive?



Social responsibility is firmly rooted in our DNA, both at Porsche Holding itself and among our employees. The wide range of charitable activities undertaken by all our divisions testifies to this. Shortly after the outbreak of the war in Ukraine, for example, the Works Council and the employees and management of Porsche Holding sent a strong signal of solidarity and willingness to help. The employees and Porsche Informatik collectively donated nearly 50,000 euros for the benefit of Ukrainians in their own country as well as those who had to leave their homeland at short notice. These included many Ukrainian staff who fled to neighbouring countries and to Austria. Porsche Holding rented eleven apartments for them in Vienna. In addition, our 24-hour hotline continues to provide comprehensive support to those affected. This has helped get many employees and their family members to safety. Last year, the Works Council's annual Christmas donation campaign also collected 10,000 euros for the Herzkinder Österreich charity that helps children with congenital heart defects. Our mobility support of the Red Cross for providing humanitarian aid to those seeking refuge from the war in Ukraine sent another strong message. We donated a total of 10,000 euros to the Red Cross for this purpose.



Our on-site kindergarten helps working parents



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LET'S WIN THE RACE

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From left to right: Rainer Schroll, Hans Peter Schützing (CEO, Speaker of the Porsche Holding Management Board), Johann Lechner (CFO)



DEAR EMPLOYEES, DEAR CUSTOMERS, DEAR PARTNERS AND OTHER READERS,

This is the first time Porsche Holding is publishing a sustainability report. We are responding to the fact that our stakeholders have a growing interest in sustainability, and beyond that, we are acknowledging that urgent action is required. As a business, we believe it is our duty to act responsibly and sustainably, while maintaining transparency through our communications. From a business perspective, it is absolutely essential that we embrace sustainability and integrate it into all our business activities with a view to securing long-term success. Going forwards, we also want to continue inspiring our customers, recruiting and retaining top talent and securing our financing. This can only be achieved with a sustainable and thus forward-looking focus.

The topic of sustainability is important to us at Porsche Holding. We have the important task of shaping mobility for a brighter future, driving forward the transition and leading the way in the new world of mobility alongside our parent company, Volkswagen AG. As part of the Volkswagen Group, we are committed to achieving the targets of the Paris Agreement and the European Green Deal.

Our sustainability strategy is an inextricable part of our corporate strategy. The environment has been a key strategic area with a focus on climate action so far. From our perspective, global warming is the area where we can have the biggest impact. Our actions are guided by two overarching objectives relating to the proportion of BEVs and CO₂ emissions. We are focusing on reducing CO₂ emissions and ramping up e-mobility across our five existing focus areas. Our aim is to take a responsible approach to CO₂ emissions in our core business of mobility, along the supply chain, at our buildings and within our operational processes. We are shifting investments and financing towards environmentally friendly projects and products. Porsche Holding is obviously also concerned about social and economic aspects alongside the environmental in line with an ESG approach. That is why we are gradually integrating social and governance objectives and actions into our sustainability strategy and working on new focus areas.

As Europe's largest automotive retail company, we cover many bases. With Retail, Wholesale, Financial Services and IT departments plus dealerships in 29 countries, effective sustainability action has to take many different forms. We deal with this by defining the objectives for each focus area centrally but developing the specific measures at the local level. As a result, we find solutions faster. This is only possible, though, because we have a strong team we can rely on. With individuals keen to do their own bit for sustainability, we find that we have ample support within the workforce. During the 2022 financial year, we managed to roll out the sustainability strategy with organisational structures across the countries in which we operate and take a range of actions.

**"THE INTEGRATION OF
SUSTAINABILITY ASPECTS
IS AN ESSENTIAL PART
OF A SUCCESSFUL BUSINESS
MODEL OF THE FUTURE."**

Johann Lechner, CFO and responsible for sustainability

We may deal in cars, but the core of our business is mobility – the mobility of the future, to be precise. And this requires us to think one step ahead. More flexible services and new mobility concepts are the key to more efficient usage and a growing acceptance of electric vehicles. Subscription models and car sharing are two examples. A fully functioning infrastructure is another requirement. We are working towards the shift in technology and creating additional charging stations for electric cars. We do more than just offer our customers a car – we can also provide them with the products they need to supply that car with green electricity.

Digitalization is key to achieving sustainability targets on many levels. It opens up new mobility concepts by connecting people, transportation and infrastructure and creating new customer touchpoints throughout the life cycle of a vehicle. Digitalization allows us to do what we care about most – giving customers what they need. We can also work efficiently with a competitive edge and build up some momentum in tackling sustainability issues. We are lucky to have our own in-house IT department we can rely on.

The motto for our very first sustainability report is “Let’s win the race”. To us, it is clear that achieving climate targets is going to be a race for all of us. Climate change can only be reversed if we make sustainable innovations accessible and usable for all. This is where we come into our own. We make sustainable mobility purchasable, leasable and tangible. We literally put sustainability on the roads – whether for ten minutes or ten years. And that is why we see our business as a powerful runner in the biggest and most important race of all time. Stamina is going to be essential too. For this, we all need to stay strong and pull together.

We would like to take this opportunity to thank all our employees. Porsche Holding is grateful for their commitment, ideas and unwavering support. We can look back at all we have achieved so far – especially in this all-important race – with pride and gratitude. We are looking forward to plenty more inspiring input and hard work as a team going forwards.

We know and respect the value of mobility. And it is down to us to drive its development and continued success.



Hans Peter Schützinger,
CEO, Speaker of the Porsche Holding
Management Board



Rainer Schroll



Johann Lechner
CFO



02

THE THE COM PA NY

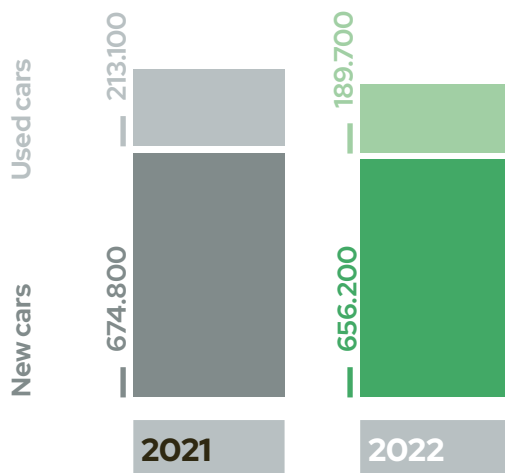
Sustainability is essential for long-term corporate success. As the largest automotive retail company in Europe, Porsche Holding has the power to propel e-mobility forward and take mobility into the future.

28	Company profile
29	Company structure
34	Porsche Holding's management

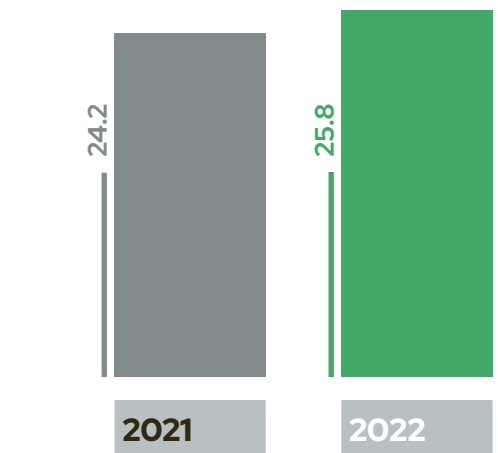
COMPANY PROFILE

DEVELOPMENT OF THE KEY INDICATORS

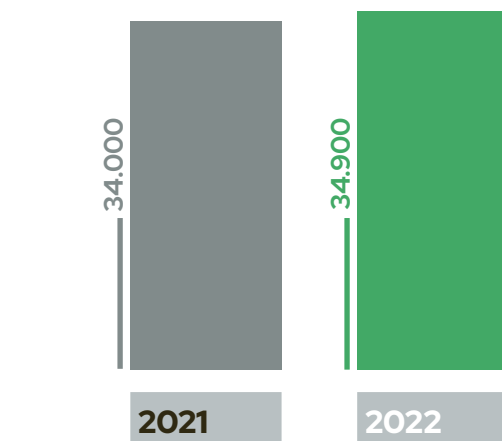
Sales volumes



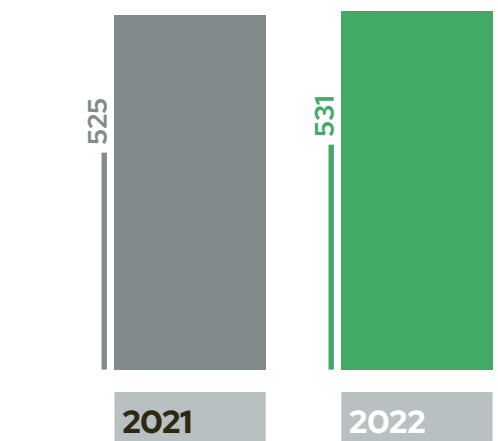
Revenue in EUR billion



Employees



Dealerships



Porsche Holding is the largest automotive retail company in Europe. Porsche Holding has been operating as a subsidiary of Volkswagen AG since 2011.

The company was founded in 1947 by Ferdinand Porsche's two children, Louise Piëch and Ferry Porsche. Today, Porsche Holding represents the brands of

Volkswagen AG in wholesale and retail operations as well as in the after-sales and servicing business. The company also covers the entire spectrum of automotive retail with spare parts distribution, a full range of vehicle financing services and in-house IT systems development.

Porsche Holding contributes its decades of expertise in the automotive trade to the global sales activities of Volkswagen AG. At the end of 2022, the company employed a workforce of around 35,000, selling 656,200 new vehicles and generating a turnover of 25.8 billion euros.

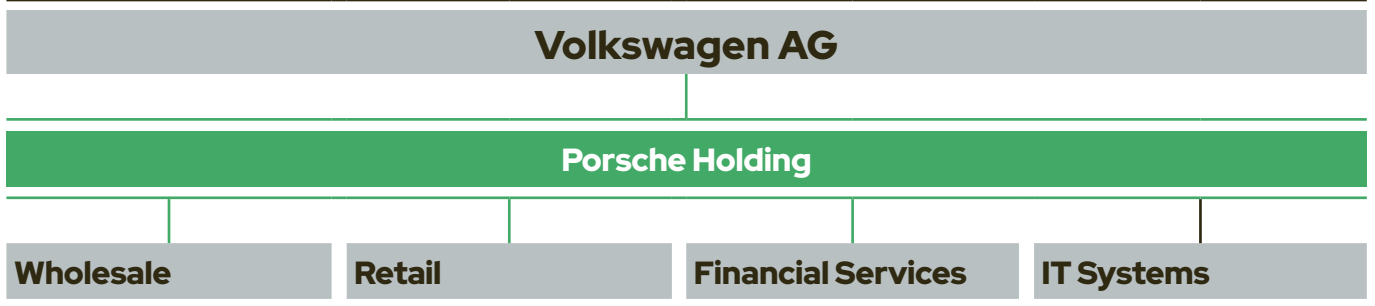
Porsche Holding has wholesale and/or retail operations in a total of 29 countries and is represented worldwide in 531 dealerships.

COMPANY STRUCTURE

Business divisions of Porsche Holding

Porsche Holding is divided into four business divisions: Wholesale, Retail, Financial Services and IT Systems. The four business divisions share the same vision and values. The different areas of responsibility complement each other and together cover the entire value chain in the automotive retail.

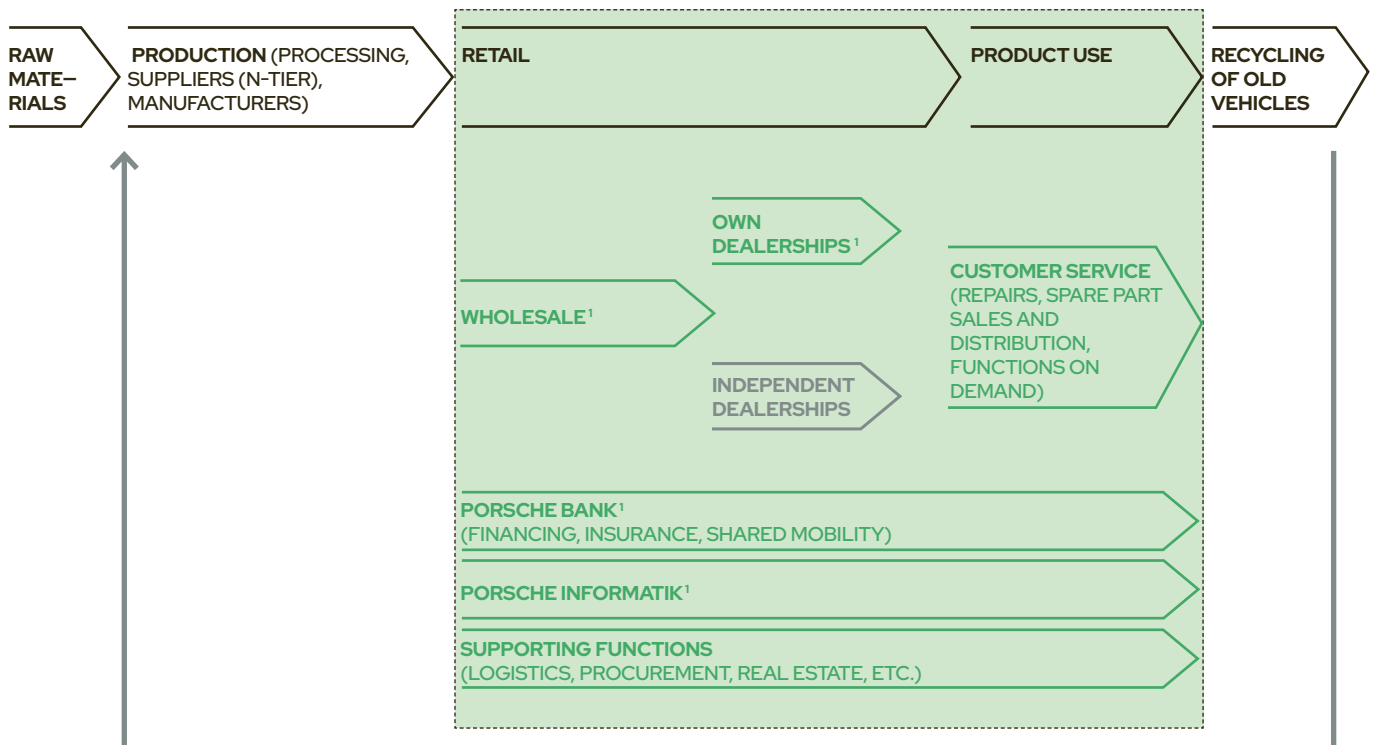
PORSCHE HOLDING AND ITS BUSINESS DIVISIONS



Porsche Holding is responsible for the wholesale import and distribution of the Volkswagen Group brands across Austria, large parts of South-Eastern Europe (CEE), Columbia and Chile, as well as Malaysia and Singapore. It is also involved in after-sales (service) and spare parts distribution. The wholesale division then resells the vehicles to the retail operations and also distributes the original spare parts and accessories through Porsche Konstruktionen GmbH & Co KG. Furthermore, the business division is heavily committed to building up new business areas related to e-mobility and digitalization.

In the retail division, Porsche Holding represents the Volkswagen AG brands at 531 dealerships across Europe, Asia and South America. In China's emerging market, Porsche Holding continues to invest in expanding its network of retail dealerships. At the end of 2022, China had 29 dealerships. With 44 car dealerships, Porsche Inter Auto is by far the largest retail group in Austria's motor vehicle industry. Its primary activities include selling cars and providing the related after-sales and repair services.

THE VALUE CHAIN



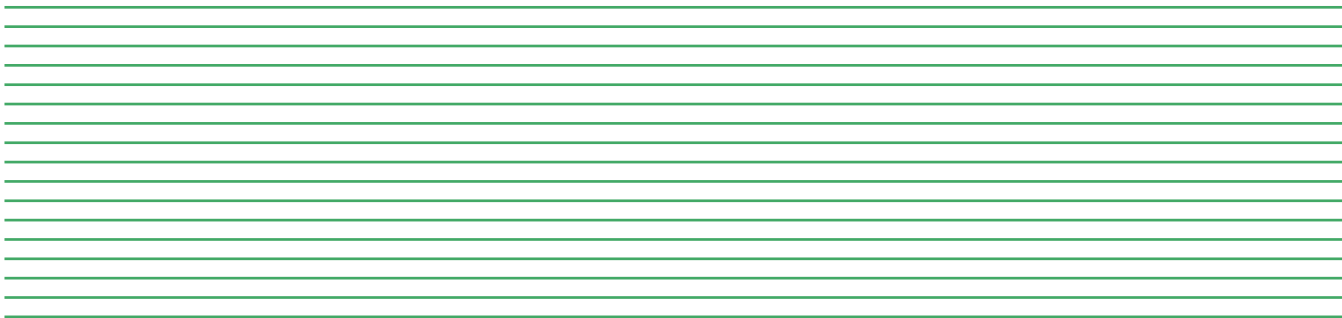
1) Porsche Holding's presence and representation across all four business divisions (Wholesale, Retail, Porsche Bank, Porsche Informatik) varies between different countries.

>50

years as a market
leader in the areas of
vehicle leasing and
insurance

The financial services that Porsche Holding offers its customers range from the leasing and lending services provided by Porsche Bank AG. In terms of vehicle leasing and insurance, Porsche Bank AG has been the market leader in Austria for over 50 years, supporting vehicle sales in most of the markets in which Porsche Holding has wholesale or retail operations, mainly in Austria and Eastern Europe, but also in Chile and Colombia. Also subsumed in the Financial Services division are Volkswagen Versicherungsdienst (VVD) GmbH and ARAC GmbH. VVD offers comprehensive motor vehicle insurance services, while ARAC is responsible for the rental car brand Europcar.

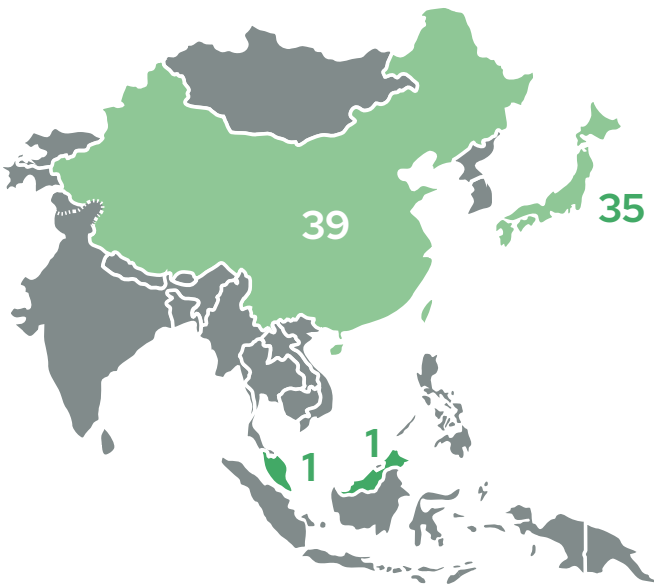
Porsche Informatik develops and operates IT systems for the international Porsche Holding organization, as well as for the parent company, Volkswagen AG, and covers all accompanying consulting, rollout and support services. With dealerships in Salzburg, Vienna and Hagenburg (lab:hagenburg), the company is one of the largest software providers in Austria. Porsche Informatik operates two development hubs in Romania, in Iasi and Bucharest, and has branches in Paris (POI France) and in Ljubljana (DASOF). As a subsidiary of Porsche Holding, it combines decades of expertise in both the IT and car retail sectors, encompassing a holistic vision for digital transformation. It builds on innovative technologies in the areas of software development, cloud and big data.



DISTRIBUTION OF WHOLESALE LOCATIONS AND DEALERSHIPS GLOBALLY

Asia

76

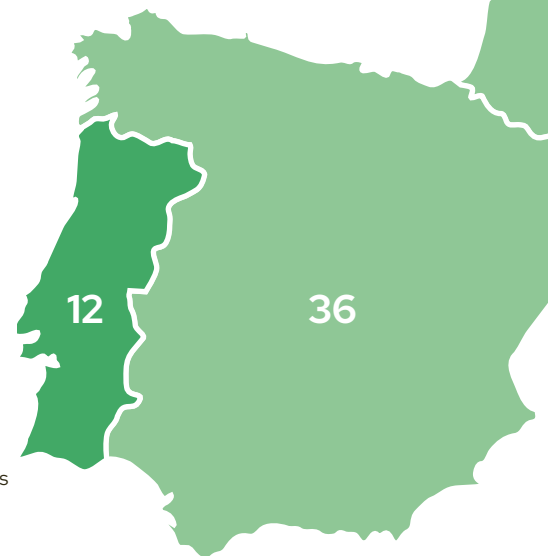


worldwide

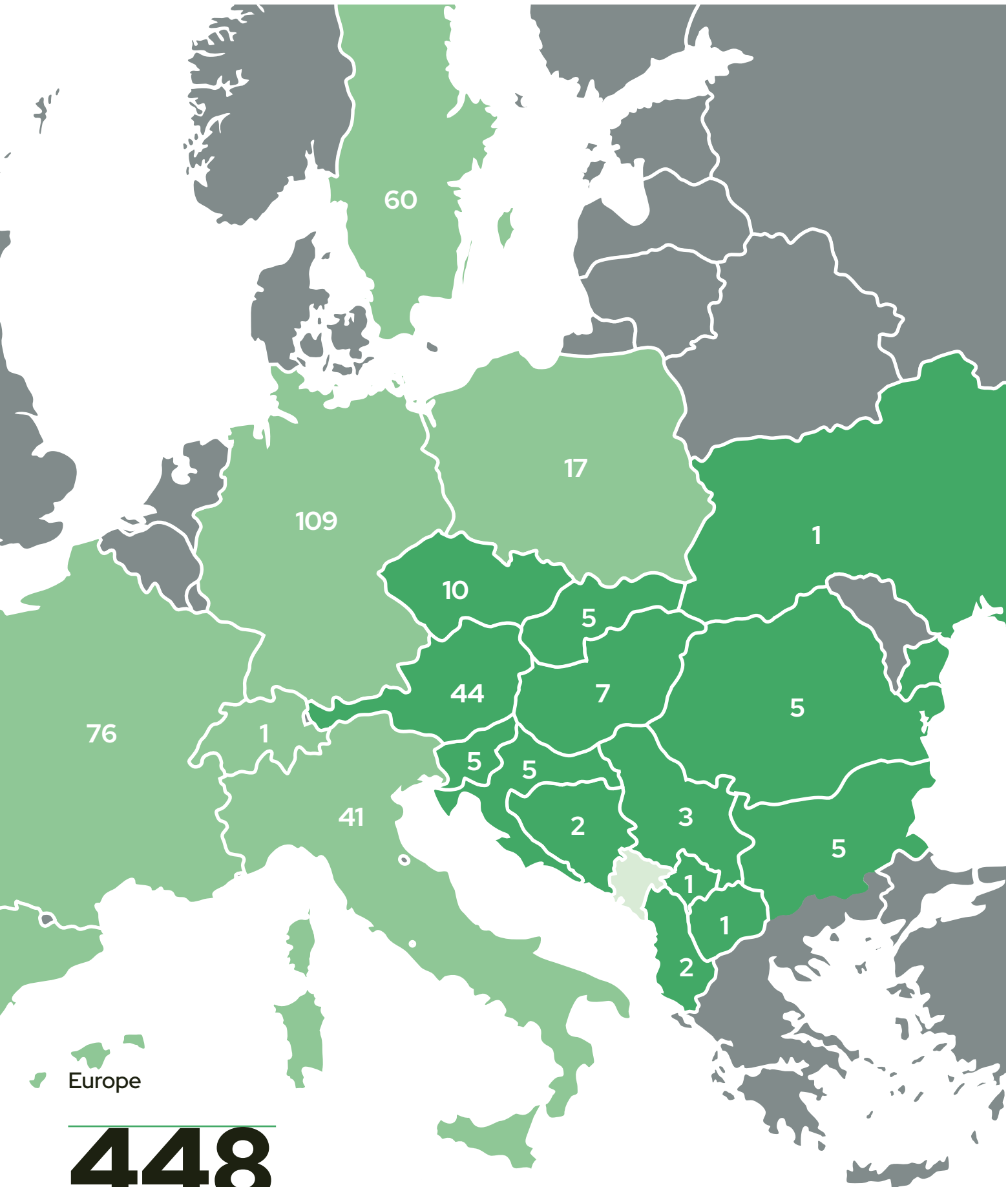
531

South
America

7



- Wholesale and retail businesses
- Retail only
- Wholesale only



448

"SUSTAINABILITY IS KEY TO THE COMPANY'S FUTURE COMPETITIVENESS AND ITS ABILITY TO ACT."

Dr Hans Peter Schützinger, CEO, Speaker
of the Porsche Holding Management Board

PORSCHE HOLDING'S MANAGEMENT

Porsche Holding's management is comprised of the Management Board and the Supervisory Board, who work together constructively in a spirit of trust.

Management Board

Porsche Holding's Management Board consists of the CEO and corporate spokesman of Porsche Holding, the head of the Retail business division and the CFO.

The CEO of the Porsche Holding Management Board, Dr Hans Peter Schützinger, has held several management positions at Porsche Holding since 1989. He has been a member of the Management Board of Porsche Holding since 2002. Dr Schützinger has extensive experience in the automotive industry, particularly in financial services, sales and brand development. Prior to his appointment as CEO in 2017, he was responsible for the Finance and Financial Services divisions as well as the multi-brand companies of the PGA Group in France, the Netherlands, Belgium and Poland.

THE MANAGEMENT BOARD

Hans Peter Schützinger CEO	Rainer Schroll	Johann Lechner CFO
Wholesale	Retail business division	Finance
Financial Services		IT Systems

Rainer Schroll is the Managing Director of the Retail business at Porsche Holding and has been a member of the Management Board since 2013. Prior to this he held several management positions in the IT, Financial Services and Wholesale divisions at Porsche Holding.

Johann Lechner is CFO of Porsche Holding and has been a member of the Management Board since 2021. His remit covers the Finance and IT Systems divisions. He has worked for the company since 2002. He played an important part in setting up the Finance function at Porsche Holding, focusing in particular on the integration into Volkswagen AG. Johann Lechner is a strong advocate of sustainability in the automotive industry. Under his leadership, Porsche Holding has launched a series of initiatives to reduce the company's environmental impact and put sustainability at the front and centre of its activities. He is also responsible for sustainability in the company going forward.

Supervisory Board

At the end of the reporting period the Supervisory Board of Porsche Holding comprised 15 members (including five employee representatives), who were elected by the General Meeting. The Chairman of the Supervisory Board is Hans Dieter Pötsch and the Deputy Chairman is Dr Arno Antlitz.

The Supervisory Board supervises the executive management of Porsche Holding and is responsible for making important strategic decisions. In addition, the Supervisory Board advises the Management Board in questions of corporate strategy and the long-term development of Porsche Holding.

■ GRI 2-1, GRI 2-6; GRI 2-9; GRI 2-11

THE SUPERVISORY BOARD

Dipl. Wirtsch.-Ing. Hans Dieter Pötsch (Chairman)

Dr Arno Antlitz (Deputy Chairman)

_ Daniela Cavallo _ Dr Ferdinand Oliver Porsche _ Peter Daniell Porsche _ Hildegard Wortmann
_ Dr Hans Michel Piëch _ Ferdinand Rudolf Porsche _ Dr Wolfgang Porsche _ Imelda Eleonore Wander-Labbé

Employee representation

_ Andrea Prantler _ Johannes Hack _ Stephan Thuswaldner
_ Gerhard Redolf _ Christine Schweinzger

03

STRATEGY AND MANAGEMENT

The sustainability strategy is a key component of the corporate strategy. Sustainability is managed through central regulations and the measures are implemented in line with local requirements in the 29 countries and at the 531 dealerships as well as at all other business locations.

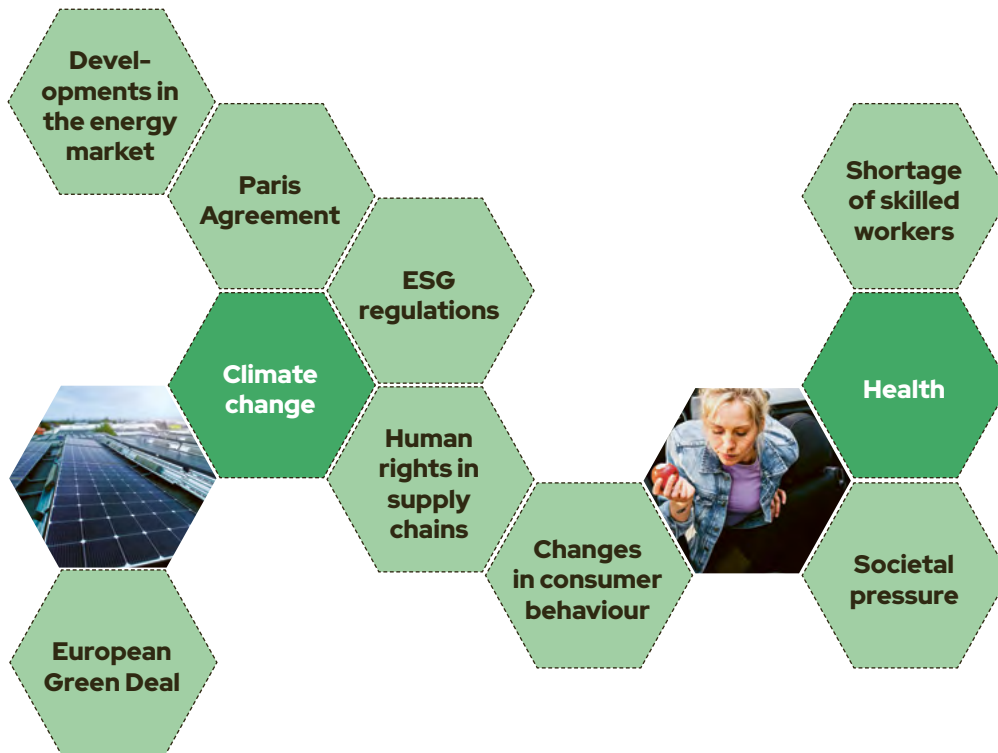
38	Influence of megatrends
40	"evolve 2030" corporate strategy
42	Sustainability strategy

INFLUENCE OF MEGATRENDS

The current economic, social, environmental and technological tensions are giving rise to a raft of global risks. These include delays in mitigating and adapting to climate change, natural disasters and extreme weather events, as well as a loss of biodiversity and ecosystem collapse. Environmental and climate risks will therefore be top-priority issues once again in 2023.

The European Green Deal and the Paris Agreement, with its goal of limiting global warming as a result of climate change to 1.5 degrees, also entails a sea change for the entire automotive industry. Trends in the energy market and their effects on greenhouse gas emissions are other important topics that Porsche Holding needs to keep in its sight. Globally oriented value chains and increased legal requirements, for example, with regard to the supply chain or reporting aspects, likewise play a significant role. Porsche Holding also regards respect for human rights, which is being increasingly spotlighted, as part of its corporate responsibility.

RELEVANT MEGATRENDS



Over and above this, companies have to contend with tighter regulation and comply with the new EU-wide regulations affecting vehicle operation and production. As a car dealer, Porsche Holding purchases vehicles from manufacturing companies, which means that changes at companies that produce vehicles also have an impact on its own business. What is more, social megatrends have an effect on the company: for example, social pressure to buy environmentally friendly and sustainable products brings about changes in consumer behaviour. The health megatrend defines the lifestyle of many people today and makes preventive health care an important task in companies.

The shortage of skilled labour also poses a major challenge for the company. Young people, in particular, are increasingly drawn to employers that can demonstrate a clear sustainability strategy and corresponding action.

Porsche Holding is aware that these megatrends mean that the automotive industry is in a period of fundamental change. The shift to sustainable mobility, the needs of a growing sharing economy, increased expectations of environmental compatibility, autonomous driving and the advancing digital revolution are presenting the company with new challenges. More and more new competitors are

also emerging that will leave a significant mark on the industry in the future. To tackle these challenges head-on, Porsche Holding is continuously developing its strategy with a focus on adapting its sales strategy and customer communication to changing mobility needs.

At the same time, Porsche Holding supports Volkswagen AG's "New Auto" strategy, which will systematically drive forward the transition from vehicles with an internal combustion engine to battery-powered electric vehicles. Autonomous driving is also a cornerstone of this strategy that takes environmental, social and governance (ESG) aspects into account in corporate governance. The company recognises the importance of the sharing economy and is working on new business models to serve these trends. It believes that digitalization and data use provide considerable potential for it to offer its customers innovative solutions and to future-proof the company.

FURTHER STRATEGIC DEVELOPMENT

Change drivers

_ New and changing mobility needs

_ Sharing economy

_ Digitalization and data

Strategic areas of activity at Porsche Holding – evolve2030



_ People
Individual mobility



_ Business
Multi-brand organisation, mobility from a single source



_ Technology
Innovative new business models



_ Responsibility
Sustainability and diversity

_ E-mobility

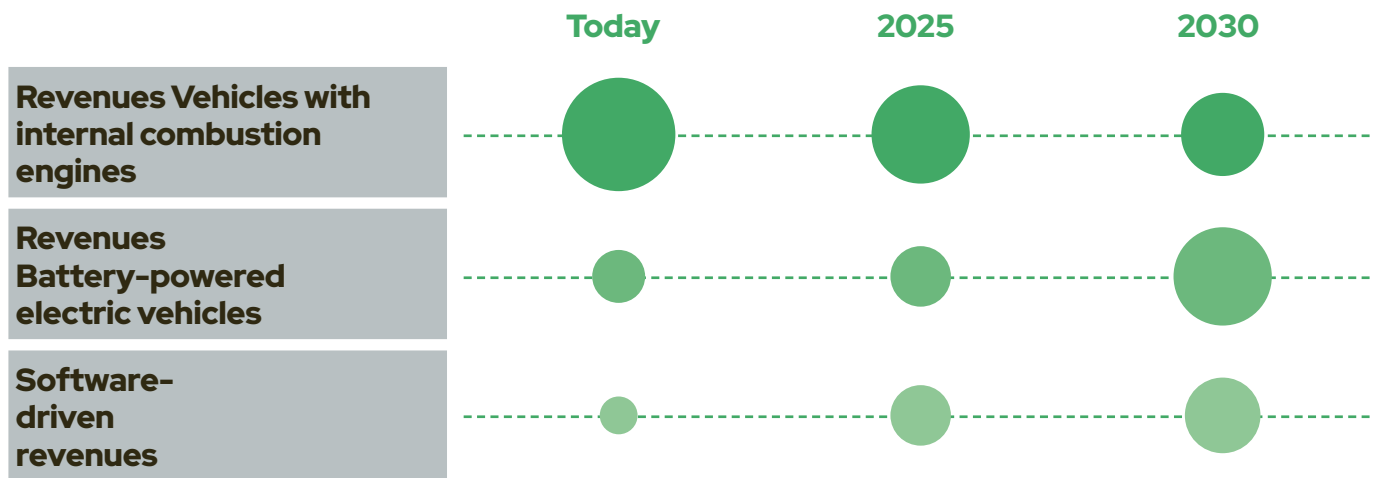
_ Future retail

_ Self-driving vehicles

_ New competitors

_ Regulation (ESG), social trends

THE AUTOMOTIVE INDUSTRY IN TRANSITION



Symbolic representation

“EVOLVE 2030” CORPORATE STRATEGY

Focus on the marketing of BEVs

Sales of vehicles with internal combustion engines (ICE) need to decrease in the future if the emissions that are causing climate change are to be reduced. This is the reason why Porsche Holding is stepping up its marketing of BEVs. Its strategy here is to collaborate closely with brand partnerships so that it can offer a wide range of sustainable and future-proof models. The company is also certain that software will make up an increasingly important component of its sales in years to come, which is why it is working closely with the vehicle manufacturers on developing innovative technologies. Its objective is to give customers unique and innovative driving experiences facilitated by the seamless integration of software, services and vehicles. This forward-looking strategy will provide Porsche Holding with the tools to continue on its successful path in a changing industry and build long-term value.

The “evolve 2030” strategy sets out the framework for corporate action and shows how the vision “We design mobility for a better future” will be achieved in the company. Sustainability, climate action and diversity are cornerstones of this strategy. Porsche Holding intends to be part of driving this change and take a leading role in the new world of mobility with Volkswagen AG at its side.

With its multi-brand sales and service organisation, Porsche Holding is a global, decentrally organised company divided into regional, customer-centric units. Its strength lies in its proximity to customers at a local level. The knowledge the company gains from this, combined with the experience it has built up over many decades, enables it to continuously develop customer-oriented solutions. Not only does its entrepreneurial approach make it possible for everyone to play a part, but it also raises the shared awareness of new mobility for a better future.

Porsche Holding Salzburg
evolve 2030
 shaping our future

The four pillars of the corporate strategy

Climate action and diversity, electromobility, digitalization and new mobility needs are some of the key factors that have an impact on Porsche Holding's business activities. They are also significant for the development of the four strategic focus areas: individual mobility, innovative new business models, one integrated multi-brand organisation, and sustainability and diversity. Which are being implemented in line with our core competencies of "customer focus" and "entrepreneurship".

Individual mobility

Porsche Holding has set itself the goal of further expanding its mobility portfolio by 2030. The company already offers customers individual solutions today, ranging from financial services for new or used cars to fleet solutions for business customers and new mobility formats such as car sharing.

Innovative new business models

To actively shape the change in the automotive industry, Porsche Holding attaches great importance to innovation. MOON POWER is a successful example of this (see p. 54 onwards). "PHS innoVentures" is a further example. With this, the company promotes internal innovation

activities and at the same time also pursues its venturing approach beyond the company boundaries.

One integrated multi-brand organisation

Porsche Holding offers its customers various mobility solutions from a single source. For this reason, it focuses on an agile organisational structure and on utilising the strengths within Volkswagen AG.

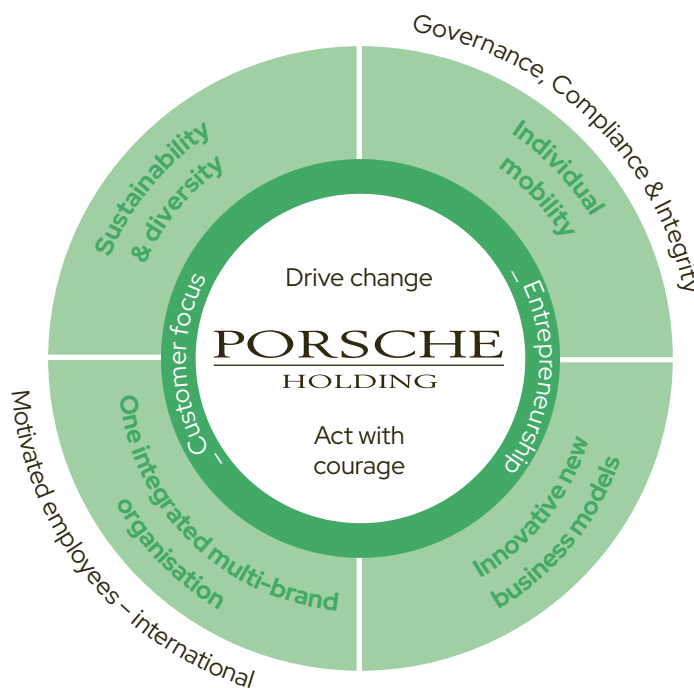
Sustainability and diversity

As Europe's largest automotive retail company, Porsche Holding has a clear responsibility towards society and the environment. With its sustainability strategy, it places responsible and climate-conscious action at the centre of its daily work and aims to provide medium- and long-term zero-emission mobility for everyone. In addition, Porsche Holding actively promotes diversity and thus innovation in its corporate culture, which helps it to shape the future of mobility.

Porsche Holding is thus pursuing a holistic approach to sustainability, which makes it possible to integrate sustainability into all business processes and continuously enhance the company's environmental, social and governance performance.

■ GRI 2-22

STRATEGIC AREAS AND CORE COMPETENCIES



SUSTAINABILITY STRATEGY

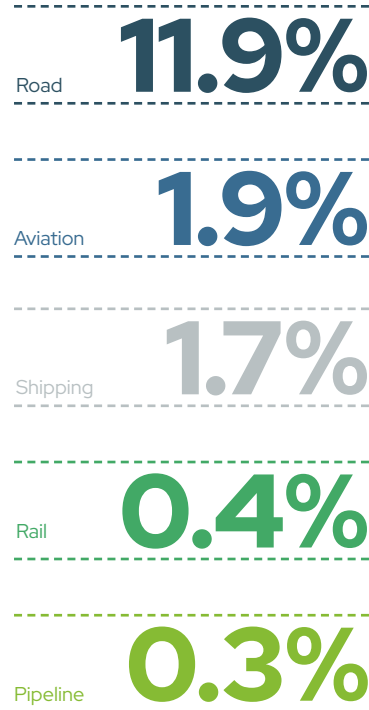
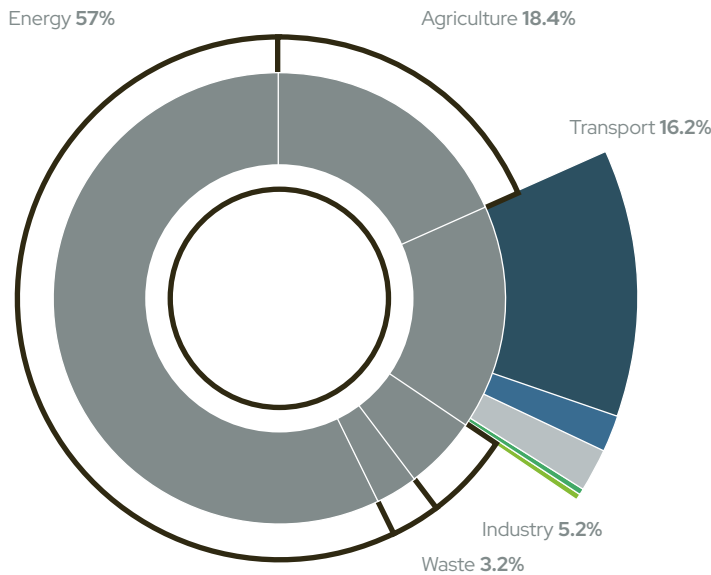
The automotive industry has a major role to play in overcoming the challenges we currently face, especially in relation to climate change. As part of Volkswagen AG, Porsche Holding is committed to pursuing the goals of the Paris Agreement as well as the European Green Deal. Last year, the company pushed ahead with numerous measures designed to promote sustainable development and got others off the ground.

This section generally covers the strategy. Further information on the indicators and measures is provided in the section "Sustainability in action" (see [p. 48 onwards](#)).

Porsche Holding's sustainability strategy is an integral component of the "evolve 2030" strategy. Within this framework, the company has set clear objectives for its business activities:

- We aspire to create lasting value, provide good working conditions, treat the environment and resources with care and yet operate exceedingly profitably.
- Our day-to-day activities will increasingly focus on conducting business in a responsible and climate-conscious way – across all business divisions and throughout the entire supply chain.
- In the medium to long term, we want zero-carbon mobility to be accessible for all: for our customers, for our employees, for our planet.

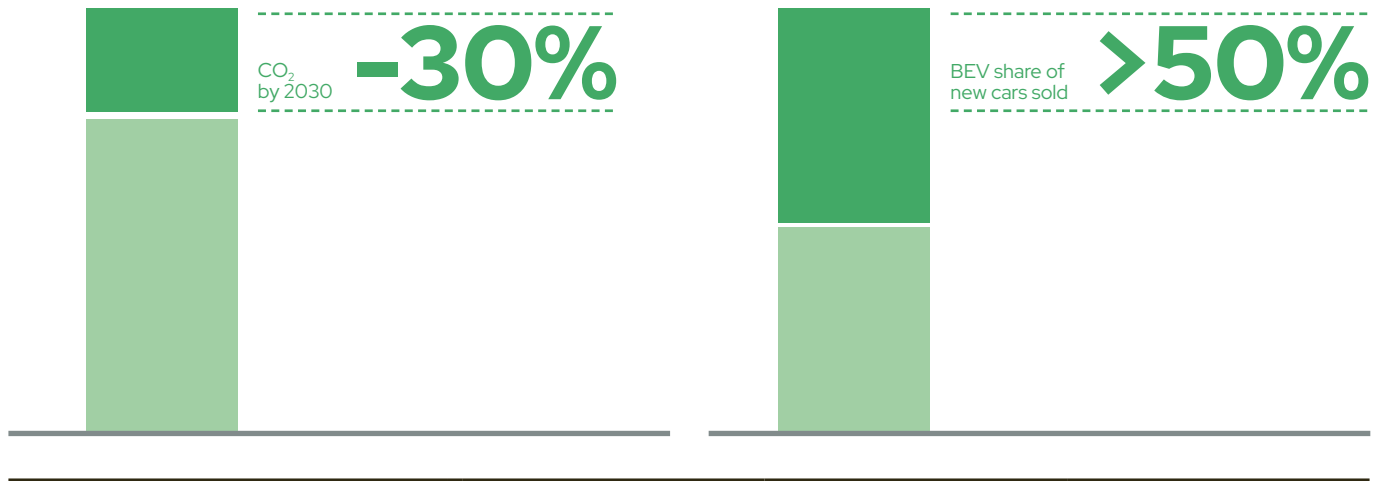
CO₂ EMISSIONS BY SECTOR



CO₂ emissions in the transport sector

Source: Climate Watch, the World Resources Institute (2020)

THE TWO KEY OBJECTIVES OF THE SUSTAINABILITY STRATEGY



The sustainability strategy integrates the main challenges for the company and currently summarises them in five focus areas relating to climate action and environmental protection. This is the field that the company has initially identified as providing the most opportunities. Other focus areas in the fields of social matters and corporate governance are currently being developed. The activities already implemented in these two areas have not yet been incorporated into the sustainability strategy.

Goals and ambitions

The transport sector is responsible for around 20% of global CO₂ emissions. Volkswagen AG, including Porsche Holding, thus indirectly generates approximately 1% of global CO₂ emissions, corresponding to around half of Germany's carbon emissions. Not only that, but Volkswagen AG produces around one in eight vehicles sold worldwide. Going forward, sustainability and environmental protection will become increasingly decisive elements of a company's long-term commercial success. In this context, the following two goals, which are focused on consistently reducing the carbon footprint, have top priority for Porsche Holding:

- reduce CO₂ emissions by 30% by 2030 and
- increase the share of BEVs sold to at least 50% by 2030

FIVE FOCUS AREAS FOR THE SUSTAINABILITY STRATEGY

SHORT DESCRIPTION



ZERO EMISSION MOBILITY

SIGNIFICANT REDUCTION in CO₂ emissions in our core business of mobility and a substantial increase in the share of e-mobility in all markets.



GREEN FINANCE

INVESTMENT IN SUSTAINABLE PROJECTS plus development of new sustainable and innovative financing products along with the expansion of existing ones.



CIRCULAR ECONOMY

REDUCTION OF ENVIRONMENTAL AND SOCIAL IMPACT throughout the entire supply chain as well as systematic reduction and recycling of materials.



GREEN BUILDING

REDUCTION OF ENERGY AND RESOURCE CONSUMPTION as well as the environmental impacts on new and existing buildings.



GREEN RETAIL

REDUCTION OF THE ECOLOGICAL FOOTPRINT where the biggest opportunity presents itself in retail by lowering consumption of resources. Support of the integrally sustainable approach in the processes and in the products sold.

VISION

TARGETS/MEASURES

WE MAKE zero-carbon mobility accessible for all: for our customers, our employees, our planet.

- _ **INCREASE** the share of BEVs sold to at least 50% by 2030
- _ **INCREASE** the share of BEVs in our own fleet to 80% by 2030
- _ **SELL AND INSTALL** photovoltaic systems to customers with a total annual capacity across all markets of 100 MWp by 2030
- _ **REDUCE** CO₂ emissions by 30% before 2030 (2021 baseline)

WE PROVIDE our customers with access to "boundless mobility at the cutting edge" through sustainable investments as well as sustainable, customer-centric, innovative financing products.

- _ **INCREASE** the share of sustainable assets in the financial portfolio to 30% by 2030
- _ **BEVS TO ACCOUNT FOR AT LEAST 50%** of newly financed vehicles
- _ **REDUCE** average CO₂ emissions from new financing contracts by 50% (equates to a reduction to 72.8 g CO₂/km measured against the 2019 baseline)

WE WORK transparently with suppliers that uphold our supply chain standards. We ensure the use of recyclable products and packaging as well as environmentally sustainable services.

- _ **INCREASE** the share of suppliers that take specific sustainability aspects into account
- _ **INCREASE** the number of Purchasing staff who receive training in sustainability criteria

WE CONSTRUCT and operate sustainable, resource-efficient buildings that are as free from harmful emissions as they can be.

- _ **REDUCE** CO₂ emissions in buildings by 30% by 2030 (2021 baseline)
- _ **CERTIFICATION** for all new buildings to the German Sustainable Building Council (DGNB) Gold Standard or similar standards

WE SELL products and services that generate the lowest possible rates of emissions. We also design all processes relating to dealership sales so as to minimise emissions.

- _ **REDUCE** the volume of hazardous waste
- _ **REDUCE** water consumption
- _ **INCREASE** the proportion of recycled water used in car wash facilities
- _ **ENSURE** and comply with vehicle recycling legislation to ensure proper recycling and reuse
- _ **REDUCE** energy consumption

These goals will be achieved by pressing ahead with the five focus areas in which further targets, KPIs and corresponding measures have been defined.

Goals and visions of the five focus areas

Porsche Holding has defined five focus areas in the field of climate and environmental action for achieving its overarching goals of the sustainability strategy. Each focus area represents one vision on the basis of which targets, activities and actions are developed.

KPI-driven management

Porsche Holding uses defined key performance indicators (KPIs) to measure and control the level of target achievement. Strategic KPIs have been defined for all five focus areas. For some of these KPIs, target values have not yet been set. In these cases, 2022 is taken as the base year; building on this, target values will be subsequently defined and suitable measures developed. The two main sustainability KPIs, carbon emissions and BEV share, were established at the highest strategic level and are also presented in the relevant management formats. Moreover, strategic and operational KPIs have already been defined for other areas of the company, such as Human Resources or Compliance, to ensure a holistic sustainability assessment.

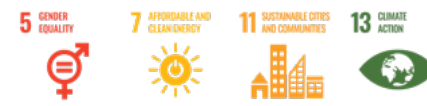
Porsche Holding is working hard to further enhance data quality, processes and KPI systems in 2023. In future, for example, regional and sectoral targets will be formulated, KPIs will be displayed at local dealerships, and additional measures will be identified and moved forward in all focus areas and divisions.

Development of additional focus areas

To ensure a holistic view of all three pillars of sustainability – ESG – social and governance matters will also be incorporated into Porsche Holding's sustainability strategy to an even greater extent in future. A materiality analysis was one of the initiatives completed for this purpose in spring 2023. The findings show that a holistic approach is essential for effective sustainability management. More information on the materiality analysis will be provided in the next sustainability report.

In the Social pillar, the new HR strategy was rolled out in 2022 in the context of entrenching sustainability in the company. In this area, the focus topics of health and safety in the workplace will also be entrenched more deeply in the strategy going forward. Porsche Holding has likewise been implementing measures in the Governance pillar for many years. For more holistic sustainability management, governance topics such as integrity, compliance and corporate security will be even more firmly rooted in the sustainability strategy in future and mapped in new focus areas, just as in the Social area.

Contribution to the SDGs



Further guidance for the sustainable development of Porsche Holding is provided by the 17 Sustainable Development Goals (SDGs), which were adopted by the 193 member states of the United Nations in 2015. As part of the community, the company bears responsibility for ensuring a liveable future and remains firm in its belief that the SDGs will lead to faster progress being made in achieving sustainability. The goals defined in Porsche Holding's sustainability strategy coincide with the priorities of the SDGs that are relevant for the company. Specifically, these are SDG 5 Gender Equality, SDG 7 Affordable and Clean Energy, SDG 11 Sustainable Cities and Communities and SDG 13 Climate Action. The SDGs are also assigned to the respective sections.

THE 17 SDGs



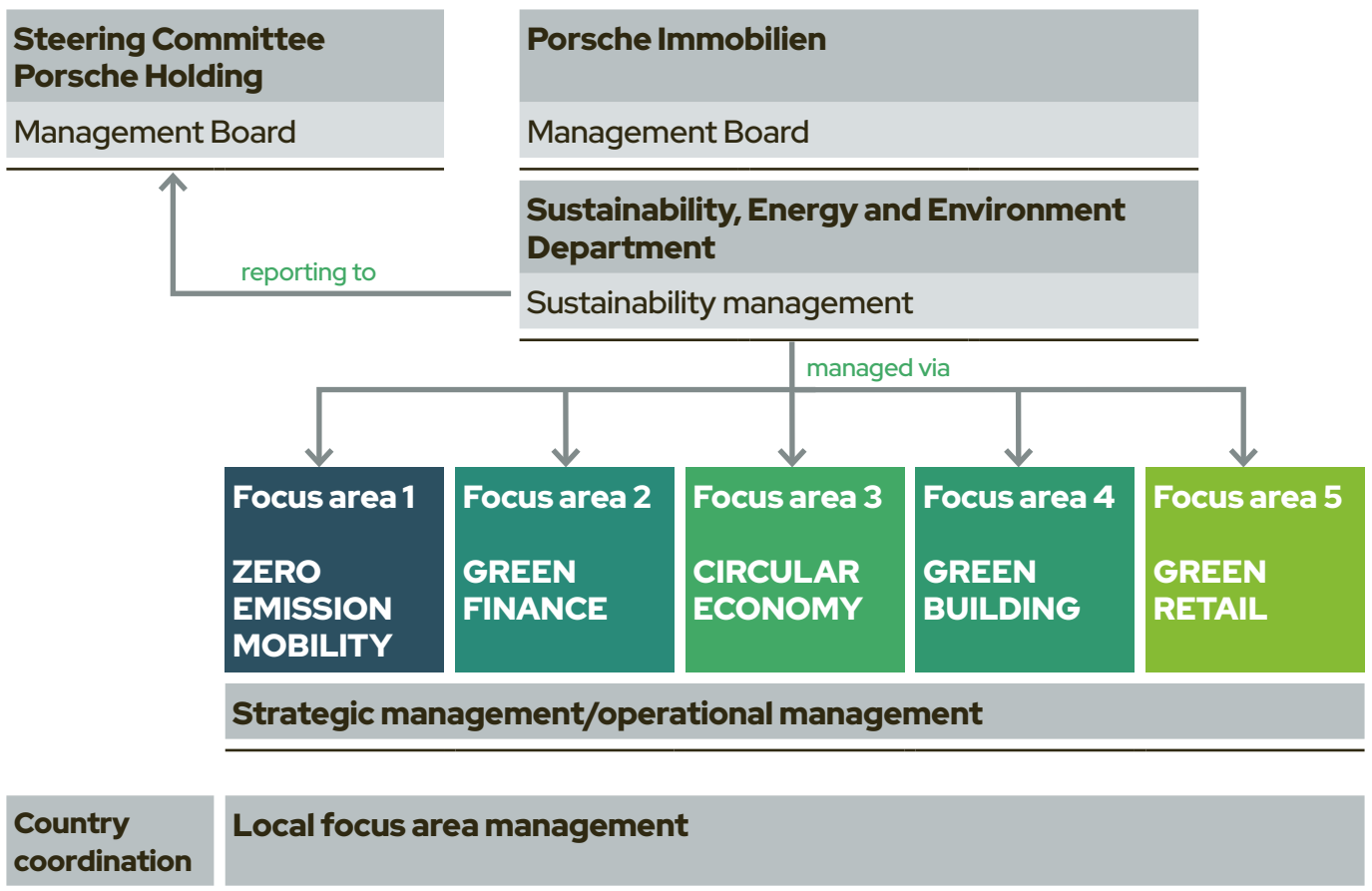
Entrenched in the organisation

Sustainability is lived and breathed throughout Porsche Holding on a daily basis. Porsche Holding's sustainability organisation is therefore divided into several structures and teams to ensure that sustainable ideas and practices are incorporated into all divisions and processes. During 2022, a cross-functional organisational structure was put in place throughout all divisions and countries. In addition to the Sustainability Management corporate unit, there are sustainability coordinators and focus area managers in every country in which Porsche Holding is represented, who build the specific conditions at the dealerships into their activities and drive change at a local level. Although Sustainability Management (the Sustainability, Energy and Environment department) is anchored in the company Porsche Immobilien GmbH, it is also in charge of coordinating sustainable development throughout Porsche Holding. The department

reports at least once a quarter to the Steering Committee, comprised of the members of the Porsche Holding Management Board along with the head of the Strategy department. To increase transparency and improve control, a central reporting system was incorporated into the standard reporting system for the reporting of non-financial information across all international dealerships. Entrenching sustainable development in the organisational structure is essential for setting Porsche Holding on a sustainable course over the long term.

■ GRI 2-9

SUSTAINABILITY IN THE ORGANISATIONAL STRUCTURE



04

SUS TAIN ABILITY IN ACTION

Sustainability is firmly embedded in the company's principles. Climate action is the area that provides the most opportunities. The five focus areas currently defined will help achieve the targets set. Other focus areas in social and governance are constantly being developed.

50 ENVIRONMENTAL PROTECTION AND CLIMATE ACTION

50 Porsche Holding's corporate carbon footprint

52 Five focus areas

72 Climate action and environmental protection across multiple focus areas

74 EMPLOYEES AND SOCIETY

74 HR Strategy

77 Health and safety in the workplace

78 Diversity

81 Social engagement

82 CORPORATE GOVERNANCE

83 Integrity

85 Compliance

89 Business resilience

ENVIRONMENTAL PROTECTION AND CLIMATE ACTION

Porsche Holding believes that it can be most effective in tackling climate change by taking climate action and steps to protect the environment. The automotive retail company's carbon footprint is the main benchmark for measuring progress, so all measures are taken with the aim of reducing this for good.

When it comes to environmental protection and climate action, Porsche Holding's priority is steadily reducing its carbon footprint. This will be achieved by working towards two main goals – reducing CO₂ emissions and increasing the number of BEVs sold – and driven forward by strategically taking steps in the five focus areas. Climate action and the target to reduce CO₂ emissions are broad in scope, spanning multiple focus areas and business segments. With that in mind, they will be broadly introduced at this stage and then elaborated on in the sections that follow.

PORSCHE HOLDING'S CORPORATE CARBON FOOTPRINT



Porsche Holding's corporate carbon footprint provides the company with the data it needs to analyse its emissions and systematically work towards making improvements and taking steps to reduce them.

The company has set itself the clear target of reducing its CO₂ emissions by 30% by 2030, taking 2021 as the baseline. In 2022, Porsche Holding's carbon footprint was 112,382 tonnes (t) of CO₂. This amounted to a saving of 4.4% compared to the base year of 2021, meaning that the intermediate target for 2022 was achieved. This calculation includes direct emissions from the company's own buildings (electricity and heat) and fleet. Scope 3 emissions – indirect emissions within the supply chain – are not included in these KPIs.

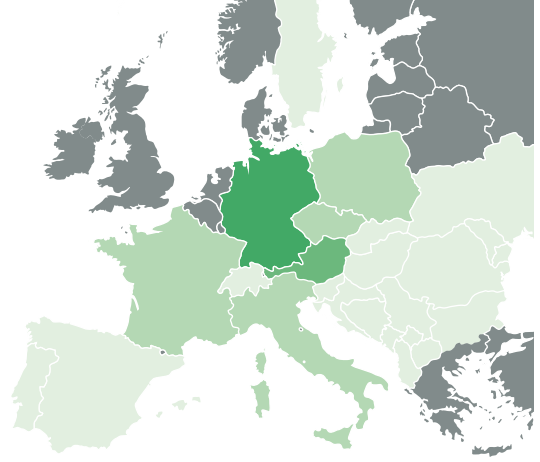
Porsche Holding's carbon footprint varies across the countries it operates in due to the differences in the number of dealerships and the availability of green energy. The dealerships with the biggest carbon footprint are located in China, Germany, Austria, Italy and France. Together, they account for around 60% of the carbon footprint based on Scope 1 and Scope 2 emissions.

CARBON FOOTPRINT AT THE DEALERSHIPS

Asia

South America

Europe



CO₂ emissions (in tonnes)



CARBON FOOTPRINT: EMISSIONS BY ENERGY SOURCE

112,382 t CO₂
in total

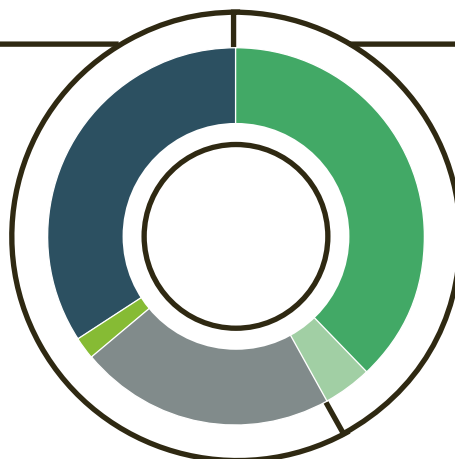
Scope 1
65,631 t CO₂

Scope 2
46,751 t CO₂

Fuels **34%**

Oil **2%**

Gas **22%**



Electricity **38%**

District heating **4%**

The carbon footprint based on Scope 1 and Scope 2 emissions can be divided into three main parts. Just under 40% of the carbon footprint comes from internal electricity consumption. As a result, there is a heavy focus on measures to improve energy efficiency and introduce photovoltaics (PV). As it stands, the procurement of green energy is mostly managed locally, but the plan is for this to be factored into strategic planning more in the future. Just under 30% of the CO₂ emissions are related to heating buildings. On that basis, the heating and cooling systems at the dealerships will be transitioned to renewables in the medium term (see » p. 65 onwards). The remaining 34% of the CO₂ emissions are linked to fuel. Consequently, Porsche Holding's own fleet is gradually being switched to battery-powered electric vehicles or BEVs (see » p. 53 onwards).

Of the total emissions of 112,382 t of CO₂ (previous year 117,515 t CO₂), 65,631 t are categorised under Scope 1 (fossil heating energy and fuels) and 46,751 t under Scope 2 (electricity and district heating). The energy sources stated above provide the basis for calculating the CO₂ emissions. The total energy consumption at PHS in 2022 was 545,492 MWh (2021: 575,434 MWh).

Scope 3 emissions, which account for the majority of Porsche Holding's overall emissions through customers' use of its products (as is so common in the industry), are largely being addressed through the proportion of BEVs (see » p. 53 onwards and » p. 58 onwards). There is further potential to make a significant impact by looking at emissions associated with the procurement of products and services and emissions relating to logistics (see » p. 60 onwards).

FIVE FOCUS AREAS






The Porsche Holding sustainability strategy is currently centred around five focus areas relating to climate action, which have been identified as the areas where the company can have the biggest impact. In focus area 1 – Zero Emission Mobility – the company is working to increase the number of BEVs it sells and includes in its own fleet, while improving the overall conditions and infrastructure for e-mobility. The aim behind focus area 2 – Green Finance – is developing customer-centric, innovative financing products that encourage e-mobility and take sustainability aspects into account. Focus area 3 – Circular Economy – concentrates on sustainable procurement and logistics with a selection process in place to ensure that suppliers meet the expectations for sustainability alongside the likes of scalable return and recycling processes for traction batteries. Through focus area 4 – Green Building – Porsche Holding is dedicated to sustainable buildings that are resource-efficient and as close to emission-free as possible in their construction and operation. To that end, the company is working with the German Sustainable Building Council (DGNB) to broaden the minimum standards and simplify the process for achieving multiple certifications. In focus area 5 – Green Retail – Porsche Holding is looking to make sustainable improvements to operations at its sales sites, such as saving energy, reducing water consumption and cutting down on waste. Sales of BEVs will be driven forward within this focus area in conjunction with focus area 1.

■ GRI 302-1; GRI 305-1; GRI 305-2

“WE ARE FOCUSING ON SUSTAINABLE MOBILITY AS WELL AS ON THE ENERGY AND CARBON FOOTPRINT OF OUR BUILDINGS IN ORDER TO ACHIEVE OUR CLIMATE PROTECTION GOALS.”

Daniela Werdecker-Davies, Head of the Sustainability, Energy and Environment Department

PORSCHE HOLDING SUSTAINABILITY STRATEGY

				
Focus area 1 ZERO EMISSION MOBILITY	Focus area 2 GREEN FINANCE	Focus area 3 CIRCULAR ECONOMY	Focus area 4 GREEN BUILDING	Focus area 5 GREEN RETAIL

Focus area 1: Zero Emission Mobility



Porsche Holding has been focusing on e-mobility and the associated infrastructure ever since 2017. In order to slash CO₂ emissions in its core business of mobility, the company is working on electrifying its own fleet. In addition, it is helping Volkswagen AG forge ahead with its ambitious targets for boosting the proportion of BEVs sold. The vision in this focus area is to make zero-carbon mobility accessible for all in the medium to long term – for the benefit of the customers, the employees and the planet.

It is standard in the industry for emissions that occur in the upstream and downstream activities of a company (Scope 3 emissions) to make up the overwhelming majority (often over 95%) of overall emissions. An initial estimate of Porsche Holding’s Scope 3 emissions revealed that they actually amount to around 150 times the company’s direct emissions (Scope 1 and 2). Determined to minimise this negative impact, Porsche Holding is focusing on making the transition from vehicles with combustion engines to BEVs, thereby reducing these emissions primarily in relation to product use.

If a battery-powered electric vehicle is charged with green energy, it does not produce any emissions that are harmful to the environment when it is being run. But when the entire product life cycle is taken into account, emissions are generated all the way from production to scrapping. There has been a lot of discussion on the topic of how the carbon footprint of electric cars compares with that of vehicles with internal combustion engines. Each calculation seems to reach a different conclusion. Volkswagen AG decided to conduct its own research and performed a life cycle assessment (LCA)

as part of this work. You can read more about this here: How the ID.3 lowers the carbon footprint.



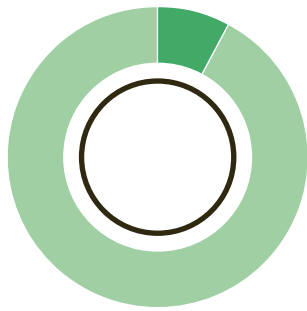
Scan or click this QR code to read the Porsche Bank Sustainability Report

Porsche Holding has set itself the goal of driving forward this shift in technology. It will achieve this by selling BEVs, driven largely by the Green Retail focus area, and building an infrastructure to support all-electric vehicles with a focus on the customer side. This is where MOON POWER comes in. The subsidiary sells charging stations, photovoltaic systems and battery storage units, bringing integrated energy concepts to life for its customers in 21 countries.

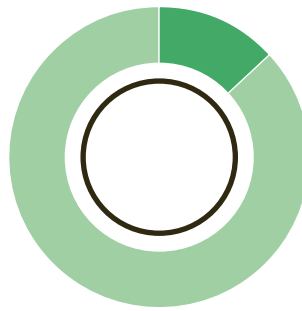
Operational KPIs and targets

One of the main KPIs in focus area 1 – Zero Emission Mobility – is the number of BEVs sold as a proportion of total sales. The company is aiming to increase the percentage of BEVs sold globally to at least 50% by 2030. Achieving these targets depends on the plans made by brands of the manufacturing companies and is also influenced by market fluctuations, e.g. caused by supply shortages. For example, lead times were longer than normal across the entire automotive industry in 2022 due to a temporary shortage of semiconductors. Another key indicator is the proportion of company cars used by Porsche Holding employees that are BEVs. This figure can be used to measure progress towards achieving a low-emission vehicle fleet. The target is for 80% of the company’s fleet of company vehicles to be BEVs by 2030.

PROPORTION OF BEVS

Vehicles
sold

7.8%

Company
vehicles

13.2%

Key indicators	2022	Target for 2030
Percentage of BEVs as share of vehicles sold ¹⁾	7.8%	50%
Percentage of BEVs as share of company vehicles	13.2%	80%
PV systems installed (customers)	3.1 MWp	100 MWp
CO ₂ emissions in mobility	38,036 t	-30%

1) Calculation of the proportion of BEVs based on consolidated unit numbers.

The CO₂ emissions from the company's own fleet are recorded so that the impact on the environment can be measured and steps can be taken to reduce those emissions. Porsche Holding is aiming to reduce all its Scope 1 & Scope 2 CO₂ emissions by 30% by 2030 compared to the base year of 2021. Mobility is critical to achieving this target, as it was responsible for 38,036 t in 2022. This includes all the emissions from fossil fuels such as diesel, petrol, natural gas and kerosene for all vehicles used internally as company cars, pool cars, demo cars, courtesy cars and Porsche Air Service jets. Again, the biggest potential here lies in gradually increasing the proportion of BEVs in the company's fleet and charging them exclusively with green energy.

Another goal is focused on increasing the generation of green electricity by customers under the KPI "Total installed output of customer PV systems" in the unit Megawatt peak (MWp). The aim is for the electricity required by a large number of customers for charging BEVs to be covered by renewable energy sources. Plans are in place for sustainable photovoltaic systems with a total annual capacity of 100 MWp to be sold to customers (including internal companies and dealerships) and installed by 2030.

Measures and best practices

Steps are being taken one after the other to achieve the overarching objectives. The increase in the proportion of BEVs is also being driven forward under focus area 5. The measures and best practices in focus area 1 aim to make BEVs more widespread and develop integrated energy concepts. Many of these measures are being driven by the subsidiary MOON POWER.

"INCREASING THE PROPORTION OF BATTERY-POWERED ELECTRIC VEHICLES SOLD IS ONE OF THE MAJOR LEVERS IN OUR CLIMATE PROTECTION OBJECTIVES."

Markus Tatzer, MOON POWER management team, Focus area 1 strategic leadership

International MOONCITIES

One of the key measures being taken to make BEVs more widespread is the development of the international concept of MOONCITIES. The idea is that potential customers will leave a MOONCITY feeling excited about e-mobility and convinced that it is the way to go. They can also access advice on the charging infrastructure required and on the funding options.

MOONCITIES can be rolled out as permanent stores or pop-up shops. Back in 2020, for example, there was briefly a MOONCITY pop-up shop on the Werksviertel industrial park in Munich, followed by another one in Bratislava shortly after that. Vienna, Zagreb, Ljubljana and Bucharest are some of the cities that are home to permanent MOONCITIES. There will be a new MOONCITY coming to Budapest in mid-2023, with more to follow. The flagship store opened in Salzburg in December 2019.

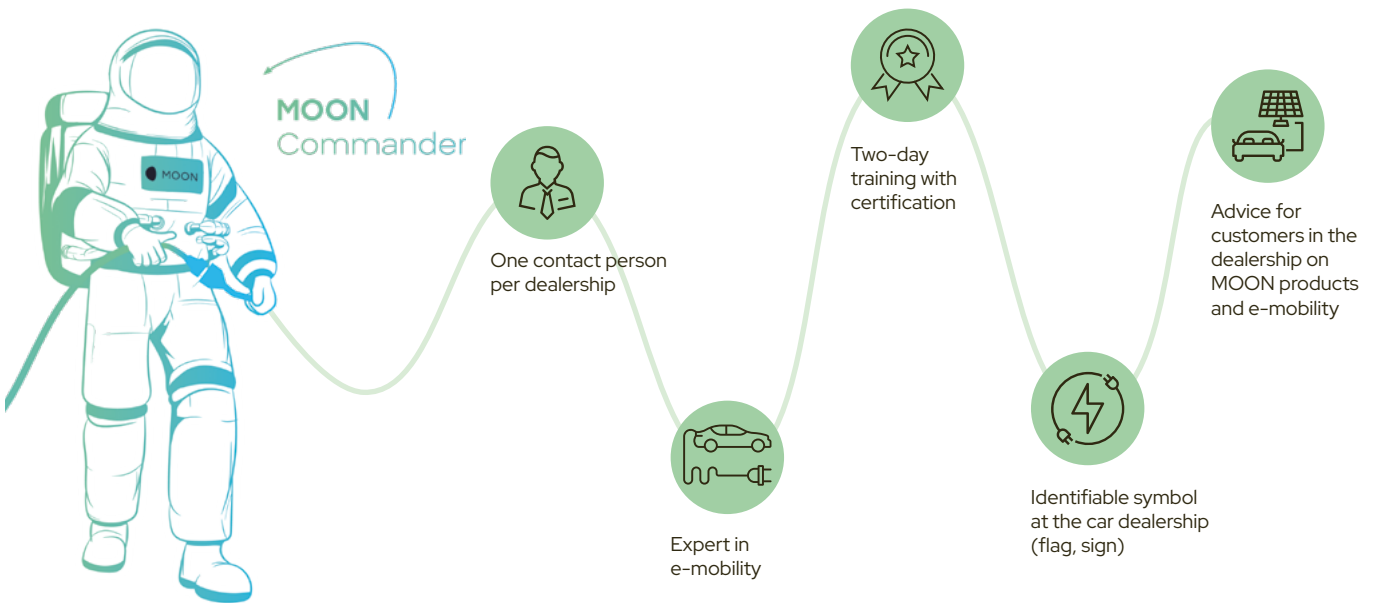
MOON Commander

Another clear action taken to increase the number of BEVs sold has been the appointment of a MOON Commander in every Porsche Holding dealership in Austria. These e-mobility experts are on hand to advise customers about all things e-mobility – cars, charging infrastructure, funding and everything else.

Level of Competence

Porsche Holding is aiming to sell and install photovoltaic systems with a capacity of 100 MWp by 2030. This depends on the necessary skills and expertise being developed and refined in all the countries in which MOON POWER operates. To this end, the "Level of Competence" concept has been introduced. This should ensure that all countries are brought up to the same high level over the next few years. The concept is being launched in June 2023 at the annual international MOON POWER Workshop in Budapest in Hungary.

MOON COMMANDER – TRAINING FOR ELECTRIFIED DEALERSHIPS



The starting point is assigning all the franchise countries to one of the seven designated levels. The next step is to create a development plan for each country with the aim of bringing them up to the ideal level. The target is for all countries to have reached at least Level 6 by 2030.

- **Level 1:** Sale of wall boxes via dealerships
- **Level 2:** Sale of AC products via MOON HC
- **Level 3:** Sale of DC charging stations
- **Level 4:** Sale of storage and PV systems
- **Level 5:** Service engineers
- **Level 6:** Energy management
- **Level 7:** "Strategy 2030"

Development of photovoltaic systems, charging infrastructure and energy storage units

The MOON POWER product portfolio includes photovoltaic systems, charging infrastructure and energy storage units. Wide-ranging service, support and maintenance options are all on offer too. This means that Porsche Holding customers have access to the infrastructure that goes alongside their BEVs.

A photovoltaic system allows customers to generate their own environmentally-friendly solar power for charging their battery-powered electric vehicles. They can then use the power themselves, feed it into the public grid in exchange for payment or consume it in their own battery-powered electric vehicle.

Fixed charging stations are usually located in company and dealership car parks, in public institutions, on motorways (fast-charging stations), in charging parks and in cities. They help make battery-powered electric vehicles more widespread and reduce the use of fossil fuels, which in turn improves air quality.

Besides public charging stations, another option is wall boxes that can be installed at home, in car parks or on business premises, opening up a charging option that does not rely on public charging stations.

An integrated energy concept includes the energy storage units to go with a photovoltaic system and charging infrastructure for all-electric vehicles. Energy storage units reduce the dependence on grid operators and open up the option of self-supply. Not to mention that it is cheaper to use electricity you have generated yourself. Energy storage units also take some of the pressure off the power grid by reducing the peak loads.

Extended charging infrastructure at Salzburg head office

With a view to increasing the number of BEVs within its own fleet and making some progress toward the corresponding target, the company has already installed 75 charging points at Salzburg head office. More will gradually be installed to bring the total to more than 225 by 2023. As the number of BEVs within the company's own fleet increases, Porsche Holding will continually be expanding on its own internal charging infrastructure in all countries and at all dealerships – usually with MOON products.

Outlook

Porsche Holding is concentrating on four core measures for 2023 within this focus area. Firstly, the number of BEVs sold and added to the company's own fleet will be increased. Photovoltaic systems will be used to cut down on emissions during product use and reduce the customer carbon footprint. Another focus will be on training and developing staff internally.

The future of mobility is based on the rapid development and roll-out of new technologies that will make it more sustainable and environmentally friendly. These developments cover electrification, infrastructure and innovative travel concepts like car sharing.

In the present and the near future, MOON POWER will be continuing to focus on the promising project ideas outlined below. With all of them, it will be crucial to develop business models that are viable at every stage of the value chain.

- **Second life storage:** battery life is to be extended, while the costs for customers are reduced.
- **Community charging:** multiple customers can benefit from shared power.
- **Bidirectional charging:** battery-powered electric vehicles can bring redundancy and reliability to the power supply.

Focus area 2: Green Finance



Activities in the Green Finance focus area are being driven by Porsche Bank and Porsche Corporate Finance (Group Treasury). This sustainable transformation at Porsche Holding is centred around the financing and mobility products offered by Porsche Bank and Porsche Holding’s corporate refinancing managed by the Group Treasury.

Within the Green Finance focus area, Porsche Holding has set itself ambitious goals to move forwards with financing e-mobility. Porsche Bank is pushing new financing products with sustainability as a key factor. The company and its customers alike should be able to reap the benefits of sustainable financial products. Porsche Bank is aiming to set the industry benchmark with its products and assume a leading position in promoting e-mobility.

The Group Treasury follows the Porsche Holding sustainability strategy by integrating green refinancing into the existing corporate refinancing portfolio. Part of the long-term refinancing strategy is the establishment of a sustainability-linked finance framework that is based on tangible sustainability goals, created in compliance with international standards and validated externally. Future refinancing is to be linked to this through a wide range of instruments. This way, Porsche Holding will be confirming its strategic commitment to sustainable development to the world.

Operational KPIs and targets

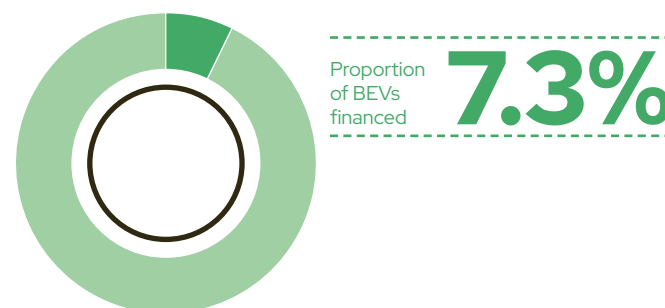
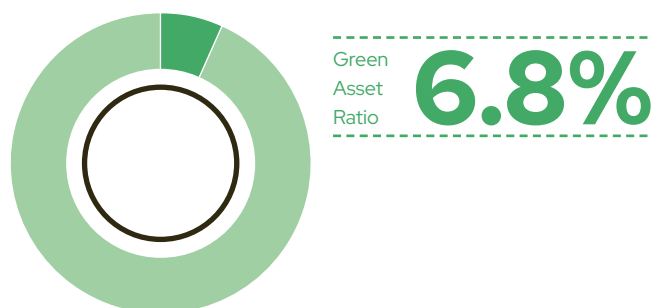
Porsche Holding has defined three main KPIs for this focus area. The first KPI is the green asset ratio. This specifies the proportion of environmentally-friendly or taxonomy-compliant assets in the financial portfolio. Porsche Holding is aiming to achieve a green asset ratio of at least 30% by 2030. A ratio of 6.8% was achieved in 2022.

Key indicators	2022	Target for 2030
Green Asset Ratio	6.8%	>30%
Proportion of BEVs financed	7.3%	>50%
Average CO ₂ emissions from new financing agreements	126.0 g CO ₂ /km	72.8 g CO ₂ /km

Another relevant KPI is the share of financed BEVs, which represents the percentage of all new financing contracts concluded for vehicles during the calendar year that are for BEVs. Porsche Holding has set itself the ambitious target of reaching a share of at least 50% by 2030. The share of financed BEVs during the reporting year was 7.3%.

The average CO₂ emissions associated with new financing contracts will act as another KPI to be used to assess sustainability within financing. This figure reveals how low in emissions vehicles financed by Porsche Bank are and shows the impact of financing practices on the environment. Porsche Holding is aiming to halve the CO₂ emissions associated with new financing contracts, taking the figure from 2019 down to 72.8 g CO₂/km by 2030.

GREEN ASSET RATIO AND PROPORTION OF BEVS FINANCED



Measures and best practices

Porsche Bank also plays a major role in developing new mobility concepts and areas of business that meet the needs of its customers. Key concepts here are car subscription (AutoAbo) and car sharing (sharetoo) services alongside classic leasing. The sharetoo platform, for example, has been available throughout Austria since January 2023.

AutoAbo

AutoAbo is a new product from Porsche Bank that is designed for customers who need flexibility in their mobility. It sits somewhere between highly flexible car rental and a long-term leasing model within the product portfolio. AutoAbo users have 3 to 24 months to trial this future form of mobility to see if it suits them and their way of life – with full flexibility and no long-term commitment.

AutoAbo is an alternative take on mobility that saves on resources. Ample flexibility in the booking periods means that vehicle capacity can be used more efficiently.

For example, someone may only need a car in winter because they mostly travel around on their bike in summer. In that case, the car can be driven by other users during the summer months. AutoAbo is also ideal as a temporary solution or in exceptional circumstances, such as when there is an unusually long waiting time for a car on order or when a company's employees have periods of needing to go on more business trips than normal due to seasonal peaks. This means the use of resources is optimised and more is being done to make mobility more efficient. There are currently

around 80 models from four vehicle segments available on the website, with 71% of those being electric.



Scan or click this QR code to view the various AutoAbo car subscription offers

sharetoo

sharetoo car sharing has been available to municipalities, businesses and communities for a number of years already. Alongside the existing car sharing model, sharetoo has been available to private individuals in Vienna since the autumn of 2021, making it accessible to anyone. In cooperation with Wiener Linien (WienMobil), 100 battery-powered electric vehicles, including the VW ID.Buzz, have been available for car sharing since September 2022. All customers in Vienna now have full access to over 115 stations. Customers make a booking on the app and then receive the car at the right time and place as agreed.

sharetoo car sharing already has over 23,000 users – businesses and individuals alike. In January 2023, the electric car sharing concept received the Austrian Ecolabel in recognition of its contributions to climate action, conservation of resources and the circular economy.

SUSTAINABLE PRODUCT RANGE

Electric vehicle offers	Smart Driver Plus	AutoAbo	sharetoo
Special offers for private/business regarding financing, insurance and service products for battery-powered electric vehicles	App-supported telematics tariff from Porsche Versicherung	Flexible long-term rental offers with a high proportion of battery-powered electric vehicles	App-supported car sharing services for municipalities, companies and private customers
Added value	Added value	Added value	Added value
<ul style="list-style-type: none"> Attractive offers aimed at establishing battery-powered electric vehicles 	<ul style="list-style-type: none"> Promotion of fuel-efficient driving 	<ul style="list-style-type: none"> Focus on e-mobility Interim bridging solution Mobility as a Service 	<ul style="list-style-type: none"> Complementary mobility Fleet of battery-powered electric vehicles Relieving the strain on the public transport network

Smart Driver Plus

The subsidiary Porsche Versicherungs AG has also created an innovative product – Smart Driver Plus – which rewards safe, sustainable and proactive driving. Customers can use the Smart Driver app to track their driving with regard to acceleration, braking, cornering, speed and use of mobile phones at the wheel with a view to proactively making improvements and saving up to 20% on monthly car insurance premiums. This system incentivises customers to drive safely and efficiently, with proactive driving having a positive impact on fuel consumption and emissions too. The number of Smart Driver Plus tariff users equates to 44.5% of all the car insurance contracts in Austria.

Sustainability incorporated into risk management at Porsche Bank

As a way of incorporating sustainability into the relevant risk categories at the Porsche Bank Group, a heat map was created initially with general implications in 2021. A materiality analysis was also performed for the sustainability risk to analyse and assess the impact of sustainability-related risks on other types of risks.

To allow for the CO₂ emissions targets for the vehicle fleet to be monitored over the long term, relevant data on CO₂ emissions, high-risk assets and the share of BEVs is analysed and reported back to the relevant committees on a regular basis.

Within the context of the EBA "Guideline on loan origination and monitoring" (EBA/GL/2020/06), the internal credit rating process was updated in 2022. Specifically, sustainability was added as a new factor to bring in an in-depth sustainability analysis and ensure that ESG risks are considered as part of the credit approval process for business customers. It is now possible to identify business models and practices that are not sustainable before it is too late.

As part of its risk management, Porsche Bank already considers sustainability-related risks within the Internal

Capital Adequacy Assessment Process (ICAAP). This means that the relevant requirements for ESG risks are not at risk of being overlooked. During the overall bank stress test, a specific climate-related scenario was applied and used to map the impact of ESG risks.

Porsche Bank aims to be as transparent as possible when it comes to sustainability, ensuring an accurate indication of its CO₂ emissions, high-risk assets and commitment to social and environmental action at the very least. Further information can be found in the separate Porsche Bank Sustainability Report.



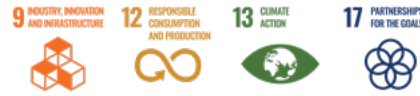
Scan or click this QR code to read the Porsche Bank Sustainability Report

First sustainability conference

Porsche Bank organised its first-ever sustainability conference in 2022. This gave sustainability managers from 14 countries an opportunity to talk about best practices with other experts. The agenda was also filled with interesting talks and round table discussions all about sustainability.



Focus area 3: Circular Economy



Outlook

Sustainability is becoming increasingly important for all financial service providers, including Porsche Bank. Customers and investors are expecting more and more from banks when it comes to sustainability. The current and future requirements under EU regulations have to be factored in too. Against this background, having a sustainable focus provides a competitive edge.

The Green Finance focus area puts Porsche Holding in a strong position to keep aligning its own business models and processes with principles of sustainability.

Determined to follow this trend, the Porsche Bank Group is planning to publish its own sustainability report again, as it has done in previous years. There are also plans to arrange another sustainability conference for all risk managers with a view to raising awareness of sustainability-related risks and ensuring that sustainability is incorporated into risk management.

Porsche Holding has a vision of sustainable supply chains. These are to be established and managed internally and externally in cooperation with suppliers through recyclable products, including packaging, as well as environmentally and socially sustainable services and safety. The aim is to help reduce waste and CO₂, while minimising sustainability-related risks for Porsche Holding.

Working towards this vision, Porsche Holding is committed to sustainable procurement and logistics within the Circular Economy focus area. As a retail company with a focus on marketing, service and IT, Porsche Holding is on a different path to the production-focused subsidiaries in the Volkswagen Group like Audi AG. To map out that path, Porsche Holding has identified three main action areas – Green procurement, green logistics and green battery handling. Because expenditure is so high, procurement is the area with the biggest potential to have a positive impact in terms of sustainability. In addition, logistics and reuse of the batteries from battery-powered electric vehicles are other key areas due to the high emissions associated with these.

Using a system of key indicators, suppliers can be managed more efficiently and sustainably. To this end, Porsche Holding is using a CSR rating as a reliable way of assessing its business partnerships and monitoring these on an ongoing basis. This also lays the foundation for compliance with the German law on corporate due diligence to avoid human rights violations in supply chains (German Supply Chain Act, LkSG). Porsche Holding's business partnerships are also monitored using AI for the duration of the business relationship so that targeted solutions can be found swiftly in the event that problems arise along the supply chains.

Porsche Holding is driving forward with its responsible approach to products at logistics centres too. This involves implementing sustainable delivery processes and optimising stock management to minimise the risk of scrapping and establish recycling processes. Another key aspect of this focus area is recycling traction batteries.

Since it will only be possible for Porsche Holding to achieve its ambitious sustainability targets with a joint effort, this focus area relies on cooperation between departments and promotes communication with stakeholders.

Operational KPIs and targets

Porsche Holding has defined its main KPIs for the focus area 3 – Circular Economy – which it will use to measure its progress towards achieving a circular economy. One key indicator is the number of suppliers that have received a CSR rating (360-degree sustainability rating). This figure is currently sitting at 34%, with the goal having been set to increase it as much as possible by 2030, balancing legal requirements with meaningful environmental and financial criteria.

Key indicators	2022	Target for 2030
Suppliers with a CSR rating	34%	TBD
Proportion of expenditure with a CSR rating ¹⁾	80%	TBD
Trained procurement staff	70%	100% from 2023

¹⁾ Based on the expenditure overview for 2021 as a result of the retrospective evaluation of the supplier base from the start of the CSR rating in Q4 2022.

Another KPI within this focus area is the percentage of expenditure spent with suppliers that have received a CSR rating. The 34% of suppliers that have received a CSR rating already account for more than 80% of Porsche Holding’s procurement-based expenditure (see CSR rating process in procurement » p. 62). This just goes to show how committed Porsche Holding is to the sustainable procurement of products and services.

The procurement of products and services can have a huge impact in social and environmental terms. Committed to keeping the social and environmental impact to a minimum, Porsche Holding is giving its employees the tools they need to make better judgements on matters relating to sustainability. The number of employees working in procurement who have received the relevant training is being recorded as a KPI. By the end of 2022, 70% of all relevant people had already completed training. The target is to have hit 100% by 2023 and then maintain this level, ensuring that all staff working in procurement are fully trained.

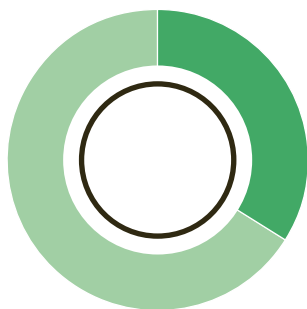
Measures and best practices

A number of pilot projects have been launched in this focus area with the aim of creating a circular economy.

Pilot projects: following a circular approach

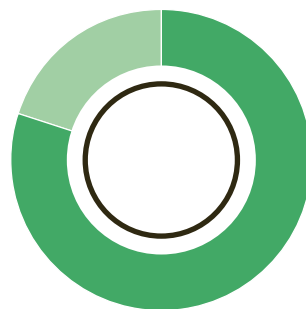
Companies wishing to act sustainably have to consider the entire supply chain, which includes the production and logistics processes upstream and the recycling of resources used to make the products sold. One of the aims of the Circular Economy focus area is to preserve nature’s regenerative capacity by using resources efficiently, reducing waste and emissions, and closing energy and material cycles. After a short pilot phase in Austria, a comprehensive guide to identifying sustainable products and services was rolled out globally by procurement in 2022.

CSR RATING



Suppliers with a CSR rating

34%



Proportion of expenditure with a CSR rating

80%

Green procurement – gatekeeping and multiplying know-how

Sustainability has been a serious factor in decision-making within procurement at Porsche Holding ever since 2022. Alongside the requirement to assess suppliers through a CSR rating, extensive sustainability standards have also been put in place by means of the Code of Conduct through the company's procurement conditions and contracts. Porsche Holding relies on the procurement department to act as a gatekeeper tasked with continually improving the sustainability performance along the supply chains. Before being given the go-ahead, suppliers will be put through a risk-based screening process supported by artificial intelligence (AI) as part of their CSR rating. This will check for environmental, social and corruption risks. For the duration of the business partnership, suppliers will be monitored so that any potential instances of misconduct relating to human rights and sustainability issues can be identified. The pool of over 1,100 existing suppliers has grown by 187 new suppliers since the rating requirement was introduced in Q4 of 2022. The average rating result has been 83 (out of a maximum of 100). In order to work with the company without restriction, suppliers need to achieve a rating of 80 or above. Steps were agreed upon with suppliers who did not meet this threshold to help them improve their sustainability efforts.

Internal divisions are involved in procurement processes at Porsche Holding, with responsibility being assigned to them due to their expertise. This allows for the knowledge in procurement to be shared and multiplied with the help of the available toolboxes.

Green logistics – laying the foundation for sustainability by increasing efficiency over the years

When it comes to logistics, the emissions associated with transportation can be assumed to have the biggest impact on the environment. On that basis, a database has been created to track and monitor the CO₂ emissions related to logistics at Porsche Holding. Modelling has already been carried out for spare parts on the basis of the Global Logistics Emissions Council (GLEC) framework. Based on these calculations, guidelines have been written to standardise the way that emissions are calculated and adopted as a requirement for the procurement of logistics services. The aim is to create consistent transparency surrounding all Scope 3 emissions caused by service providers that the company works with along the supply chain.



CSR RATING PROCESS IN PROCUREMENT



Green battery handling – identifying opportunities for new business models

The transition in propulsion technology will result in the automotive industry becoming a major provider of battery capacity. With that in mind, the aim is to keep full, detailed records on this huge wealth of resource and make use of the collated data. The company mapped out a recycling strategy for batteries in BEVs back in 2022. The first step was to calculate, for the first time, the battery capacity made available through the sale of BEVs in Austria in 2022 while setting out the process for continued tracking. The second supporting pillar is efficient further use in alternative areas – as energy storage units in Porsche Holding dealerships, for example.

The topic of traction batteries overlaps with so many different departments within Volkswagen AG, which makes Group-wide interaction, cooperation and standards essential.

Alongside the strategic direction, multiple operational projects aimed at implementing the strategy in the day-to-day running of the business were launched in 2022. The main focus is on developing innovative products in second-life energy storage and creating safety concepts for that second life.

Saubermacher battery recycling

Porsche Austria launched a cross-industry initiative to improve the infrastructure during the past year in partnership with the companies Denzel and Saubermacher. The joint venture Saubermacher Battery Services GmbH was founded for this purpose in April 2022. The aim is to pool knowledge and develop new digital solutions with a view to making e-mobility more widespread, helping workshops, trading partners and importers to handle electric car batteries, gaining a competitive edge and creating an ecological circular economy. The three companies are coming together to create the first sustainable complete solution for the electric car industry in Austria and, indeed, the whole of Europe.

Tyres made from recycled plastic bottles

The world's first tyres made from recycled PET bottles have been available from Porsche Inter Auto dealerships across Austria since June 2022, thanks to a partnership with Continental. Continental delivers car tyres to PIA dealerships in Austria that are more sustainable because some of the polyester usually used in the tyre casing has been replaced with recycled polyester yarn. One set of tyres contains around 40 recycled PET bottles, which are sourced exclusively from regions without closed-loop recycling. Elsewhere at Volkswagen AG, PET bottles are used in the Volkswagen ID.4 and beyond.

Outlook

The plan for 2023 is to continue with the steps that are already being taken to achieve sustainable supply chains while introducing new measures. Existing best practices, such as making the Code of Conduct for Business Partnerships essential for all contracts, formalising the process for performing CSR ratings and introducing a structured way for dealing with issues along the supply chains at Porsche Holding, have been established within company-wide policies since 1 January 2023. This covers the carbon footprint being included as a factor in tenders for transportation and logistics and the associated data being considered when selecting service providers for the projects lined up for 2023. This will allow Porsche Holding to reduce its Scope 3 emissions – above all in relation to transportation – and ensure that any transportation required is as environmentally friendly as possible. In addition, all buyers in all countries will be trained up on sustainable procurement in 2023. Porsche Holding is also taking the practical application of the content covered in the training very seriously. This explains why pilot projects are already being rolled out in groups of products with high CO₂ emissions and in energy procurement in 2023.

With a view to getting suppliers more involved in sustainability efforts, they will be asked in a structured format what they are already doing to improve their own sustainability performance as a company and how they feel that they can contribute to helping Porsche Holding achieve its sustainability targets. Workshops will also be arranged with strategically important suppliers to provide an opportunity to work together on innovative and sustainable solutions. These measures will help Porsche Holding be more effective in achieving its ambitious sustainability targets, thereby having a positive impact on society and the environment.

■ GRI 308-1; GRI 308-2; GRI 414-1; GRI 414-2

Focus area 4: Green Building



The Green Building focus area will also help to achieve the overarching objective of reducing CO₂ emissions. The main focus of activities here is sustainable buildings that are resource-efficient and virtually emission-free in both their construction and their operation.

To this end, existing buildings at all dealerships are allocated to efficiency categories on the basis of their energy consumption and CO₂ emissions. The measures are designed to make it possible to analyse dealerships, set priorities, identify strengths and weaknesses and determine the appropriate next steps. Porsche Holding is concentrating on carrying out thermal renovations on buildings, implementing energy-efficiency measures, replacing heating and cooling systems, and installing photovoltaic systems. These actions are backed up by a global environmental compliance and management system (ECMS), which is designed to optimise the operation of existing buildings.

Minimum standards have been put in place for quality assurance on new buildings. The checklist used here includes component quality, systems, electrical technology and building quality control. Committed to broadening the minimum standards and simplifying the process for achieving multiple certifications, Porsche Holding is working with the German Sustainable Building Council (DGNB) to implement their criteria. This certification is recognised internationally as the benchmark for sustainability.

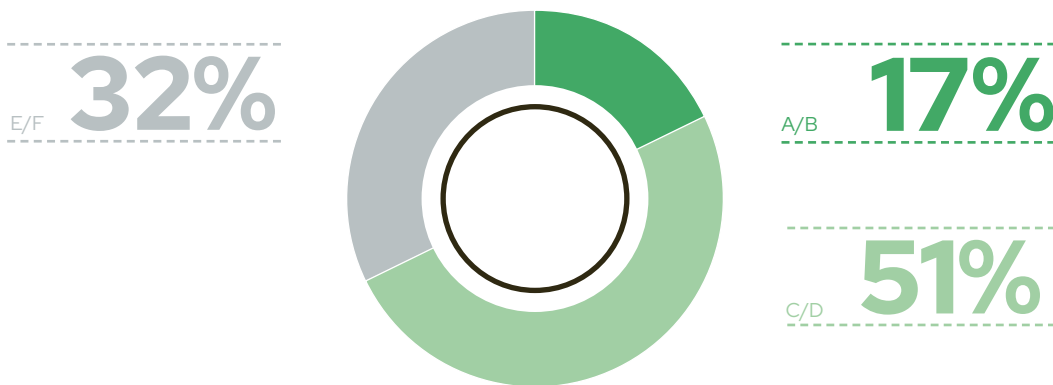
Environmental and technical due diligence must also be performed when buying and selling properties of any kind. This involves environmental risks being identified and assessed, including pollution in the soil, groundwater and building structure. Technical due diligence (TDD) is a thorough examination of a property's structure and systems. Maintenance and repairs are just as important here as the building structure and technology, pollutants, fire protection, escape routes and energy certificate.



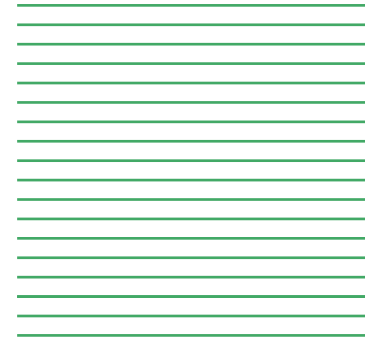
Operational KPIs and targets

In focus area 4 – Green Building – the KPIs track the progress towards sustainable buildings. One key indicator here is CO₂ emissions from operations in tonnes (t). This is used to measure the environmental impact of buildings operated by Porsche Holding. In 2022, the emissions from electricity, gas, oil and district heating amounted to 74,346 t. The target is to reduce these emissions by 30% by 2030 compared to the figure in 2021. Emissions had already been reduced by 7.2% in 2022 compared to the previous year. Significant reductions were achieved in relation to building heating, in particular due to the energy-saving measures introduced in response to the gas shortage and the fact that it was a mild winter.

ENERGY EFFICIENCY RATING PER DEALERSHIP (A-F)



“WE FOLLOW A SIX-POINT PLAN WHEN REFURBISHING OUR BUILDINGS, AIMED AT REDUCING CO₂ EMISSIONS.”



Wilhelm Strigl, Board Member at Porsche Immobilien, Focus area 4 strategic leadership

Key indicators	2022	Target for 2030
CO ₂ emissions for buildings	74,346 t	-30%
Certified new buildings ¹⁾	No new buildings in 2022	100% from 2023
Energy efficiency rating per dealership (A-F)	A/B 17% C/D 51% E/F 32%	TBD

¹⁾ Gold DGNB certification or equivalent (e.g. LEED, BREEAM, etc.)

The number of new buildings with Gold DGNB certification or equivalent (e.g. LEED, BREEAM, etc.) is another KPI. These certificates are issued when a building meets high ecological, financial and sociocultural standards. According to the target set, all new buildings will achieve Gold DGNB certification or equivalent from 2023.

The number of existing buildings that fall into each of the A–F energy efficiency ratings is recorded as another KPI. Buildings are categorised on the basis of two criteria – CO₂ emissions and energy consumption per m² (gross conditioned floor area).

The ratings are defined as follows:

- **Energy efficiency rating A:** energy consumption ≤85 kWh/m² and CO₂ emissions ≤10 kg/m²
- **Energy efficiency rating F:** energy consumption >300 kWh/m² or CO₂ emissions >70 kg/m²

This KPI indicates the progress being made in modernising and renovating buildings to improve their energy efficiency and environmental impact. The findings can be used to set long-term goals relating to energy efficiency ratings in the future.

Measures and best practices

A series of measures aimed at optimising energy efficiency and reducing CO₂ emissions was introduced in this focus area in 2022. Some of these measures are outlined below.

“Green Dealer” renovations

Renovating existing sales sites is a key aspect of the Porsche Holding sustainability strategy. A six-point plan for optimising energy efficiency and reducing CO₂ emissions was created. It covers the following points:

- Replacing existing gas heating and cooling systems with heat pumps and installing low-temperature heating systems
- Performing thermal renovations on buildings (insulating and sealing roof structures, windows, sectional doors, façades) and installing sun shading
- Implementing energy-efficiency measures in the short term (central energy monitoring and regulation optimisation)
- Extending the charging infrastructure at dealerships (including load management)
- Upgrading lighting to LED technology
- Expanding photovoltaic systems at dealerships and parts distribution centres



12%

own electricity generated
through photovoltaic systems

The installation of photovoltaic systems has been ongoing at various dealerships for a number of years. In Austria, for example, photovoltaic systems with a total output of 2.3 MWp were installed at 26 dealerships between 2017 and 2020. This led to a 12% reduction in the amount of electricity procured at these locations. An expansion programme is planned for 2023 – within Austria and beyond. Systems with a total output of 0.8 MWp have already been installed at another five dealerships in Austria, and ten more are in the pipeline, with the output set to total another 1.8 MWp. As this step is taken globally, photovoltaic systems with a total output in the region of 22 MWp are due to be installed at 143 dealerships across Europe by 2028.

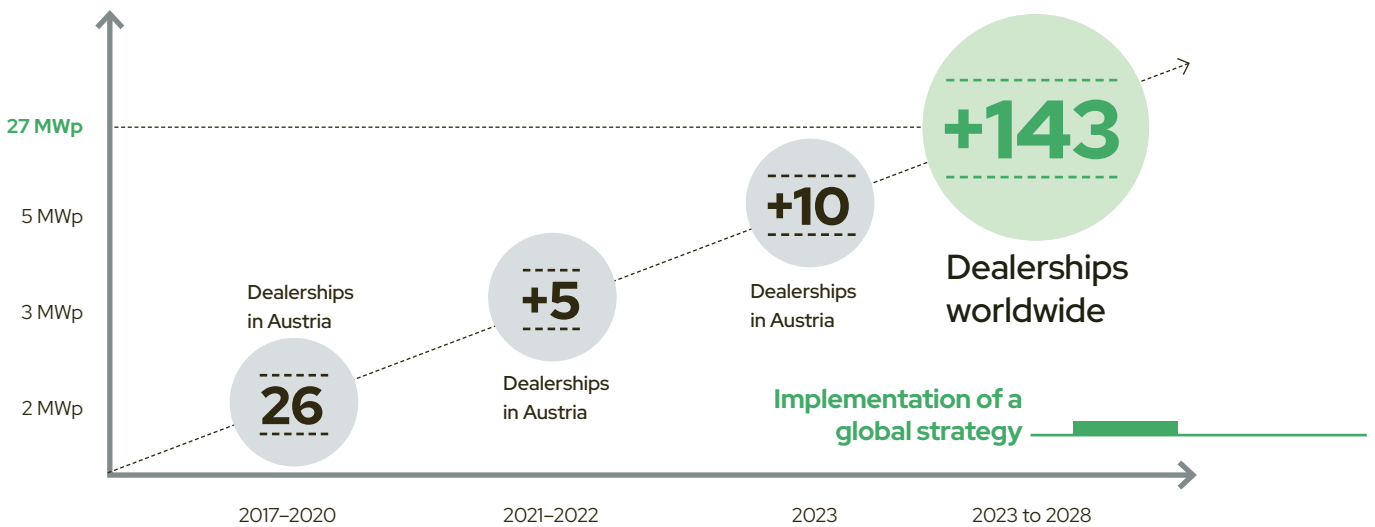
With this initiative and many others aimed at optimising energy efficiency, Porsche Holding is being proactive in its efforts to reduce its carbon footprint and move away from fossil fuels as far as buildings are concerned.

Implementation of the environmental compliance management system

The Group environmental guidelines developed in recent years include the gradual implementation of an environmental compliance management system (ECMS) across all the countries in which Porsche Holding operates. The process of establishing structures and training local representatives for this began in 2021.

The key processes covered in the ECMS are legal compliance management, operational environmental risk management, staff training and communication and management and reporting of energy and environmental data – and the actions to be taken on that basis. All of this goes towards achieving the overarching objectives in this area at Porsche Holding.

ACCELERATED EXPANSION OF PHOTOVOLTAIC SYSTEMS



The expansion of PV systems has been organised on a decentralised basis up until now. Plants are also being promoted centrally as part of the PV campaign.

The environmental policy adopted by Porsche Holding in conjunction with the ECMS set out Group goals relating to energy and the environment ahead of the sustainability strategy, with various action plans and measures put in place:

- Increase energy efficiency by 30% by 2030
- Expand the use of renewables by 30% by 2030
- Phase-out oil use by 2030
- Phase out fossil fuel energy from property operations by 2040

An international ECMS workshop was held in September 2022 to deliver training to all environmental managers at Porsche Holding.

Sustainable building certifications

Porsche Holding constructs new properties as green buildings that meet the highest of standards. The new Porsche Centre Styria is currently being built in Graz. It had already been awarded GOLD certification by the Austrian Sustainable Building Council (ÖGNI) by the groundbreaking ceremony. Due for completion in 2023, the dealership will operate with a zero-carbon balance thanks to an innovative system of heat generation and storage as well as decentralised power generation. Considered as the dealership of the future, it will bring together the digital and analogue worlds to meet customer requirements better than ever.

The Porsche Wels PIA dealership that opened in 2017 has been awarded BREEAM certification. BREEAM – short for Building Research Establishment Environmental Assessment Methodology – evaluates buildings according to ecological and sociocultural aspects. Most of the power required is provided by the photovoltaic system on the roof, and no fossil fuels are used whatsoever.

Energy task force

In response to the gas shortage caused by the war in Ukraine and the dependence on gas from Russia, the Energy task force was formed in 2022. This task force called on all dealerships to temporarily reduce their energy consumption by at least 20%. The priority was to drop the amount of energy being consumed to secure the supply. This also had the positive knock-on effect of minimising the impact on the environment and lowering costs.

Outlook

Porsche Holding dealerships have a significant impact by reducing their own Scope 1 and 2 emissions. This is why Porsche Holding will be continuing to ensure its dealerships are becoming more sustainable under the Green Building focus area in 2023. A long list of measures needs to be addressed if the ambitious goals are to be achieved.

Energy consumption still needs to be reduced as far as possible, with energy-efficiency measures being implemented in parallel.

A general distinction is to be made between individual actions and extensive upgrades. For example, there are plans to insulate the top-floor ceiling/roof and replace the windows/skylights at some dealerships.

Other energy-efficiency measures include performing hydronic balancing on heating and cooling systems, continuing to reduce cooling systems and refrigerants known to damage the environment, changing the running times for ventilation and cooling systems, and shifting to a decentralised hot water system.

In addition, even more dealerships will make the transition from fossil fuels to renewable energy. This will be achieved by installing more photovoltaic systems and swapping gas heating systems for heat pumps that run on green energy.

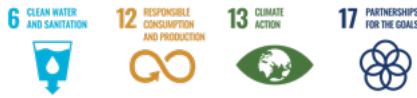
Improvements will also be made to the way energy is monitored locally with a view to reducing energy consumption at the individual dealerships and thereby optimising energy efficiency and usage patterns.

The ECMS will be fully implemented by the end of 2023. As part of the ECMS, mandatory e-learning on energy, the environment and sustainability was introduced for all staff in 2022. This will be rolled out globally during 2023.

In line with the reporting requirements for Volkswagen AG under the German Supply Chain Act (LkSG), Porsche Holding also needs to run risk assessments.



Focus area 5: Green Retail



Experience suggests that retail holds the biggest potential to make an impact by taking action. With over 500 dealerships around the world and over 10,000,000 workshop hours sold in 2022, along with 656,200 new vehicles and 189,700 used cars, dealership operations account for a significant proportion of the overall energy and water consumption and waste generation.

For that reason, focus area 5 – Green Retail – is centred on the vision of offering sustainable mobility by selling products and services that generate minimal – and ideally zero – harmful emissions as a priority. Porsche Holding has also set itself the goal of reviewing and further improving existing disposal and scrapping concepts while cutting down considerably on waste. The company also wants to keep optimising its processes at the dealerships, continually reducing water and energy consumption by taking appropriate steps.

Alongside the key figures and action areas already outlined (waste, water, vehicle disposal), focus area 5 also covers two other strategic key figures – the proportion of deliveries to customers that are BEVs and the CO₂ emissions associated with the company’s own buildings.

As already mentioned under focus area 1, increasing the end customer BEV figures to achieve the goals depends heavily on the delivery capacities of the manufacturing companies. Despite that fact, some Porsche Holding markets, such as Sweden, have already achieved a share of BEVs just under 30%. This factor is influenced largely by the political and financial situation, e.g. funding for battery-powered electric vehicles and absorbing the costs for wall boxes. With these conditions varying and purchase prices still being very high compared to standard vehicles with internal combustion engines, the share of BEVs varies widely between countries. For example, the share was almost 15% last year in Austria compared to 10% in Portugal and 6% in Romania.

When it comes to after-sales and repairs in particular, BEVs have a significant edge over vehicles with internal combustion engines. This is because they are less complex to repair and are associated with little – if any – hazardous oil waste, which, as it stands, accounts for a significant proportion of the overall hazardous waste.

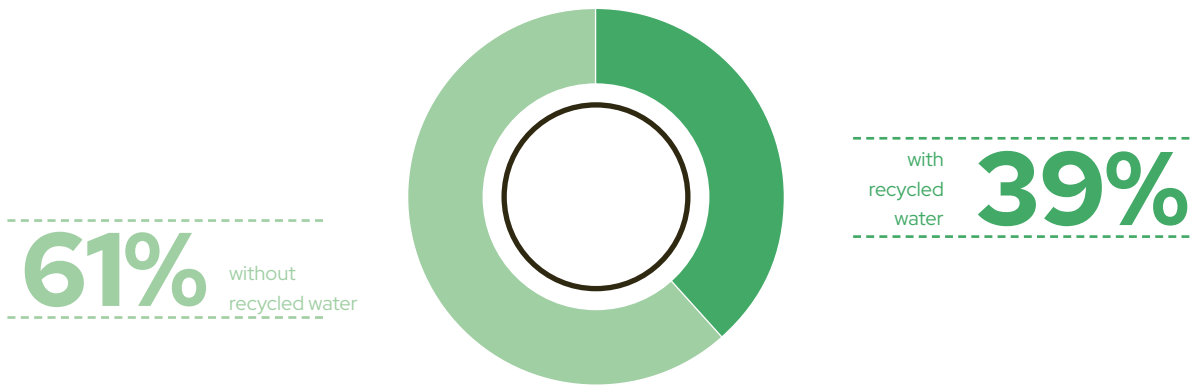
Mechanics are also being trained in high-voltage technology to ensure they are up to speed with the latest standards in e-mobility. Porsche Holding is also running all sorts of training and retraining courses on this subject to build up expertise and share it widely.

Operational KPIs and targets

All the KPIs in focus area 5 aim to continually optimise processes at the dealerships and in the workshops while saving resources. One of the main action areas is the hazardous waste produced (in t). In 2022, this was caused predominantly by engine oil (3,160 t), oil separator contents (1,632 t) and fuel (1,003 t). There are many other categories, including batteries, packaging and other liquids.

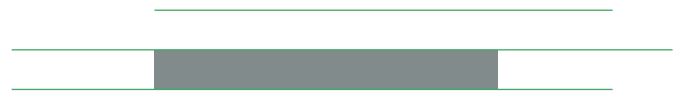
Key indicators	2022	Target for 2030
Hazardous waste	10,291 t	TBD
Water consumption	938,267 m ³	TBD
Vehicles disposed of	4,184 units	TBD
Car-washing facilities with recycled water	39%	TBD

PROPORTION OF CAR-WASHING FACILITIES WITH RECYCLED WATER



Within focus area 5 – Green Retail – water consumption is also measured in cubic metres for the purpose of tracking its reduction. This figure was 983,267 m³ in 2022. Water consumption includes all the dealerships, wholesale and retail buildings, Porsche banks, parts distribution centres and Salzburg head office. In other words, this key figure covers the water consumed in the workshops, by the sanitation facilities in the buildings and by the car-washing facilities. Some areas that have such a minor impact on the overall consumption according to the materiality analysis, such as external car rental offices (Europcar), training centres and standalone spaces (e.g. at airports), are not included in the figure as it stands.

On top of water consumption, the proportion of car-washing facilities that already have a water cycle (including water treatment) is also recorded. This reduces the volume of water consumed per car washed considerably. This figure is already at around 90% in some countries and even higher in others (e.g. 100% in the Czech Republic, 98% in Germany and 88% in Austria). Across the whole of Porsche Holding, almost 39% of car-washing facilities had water treatment at the end of 2022.

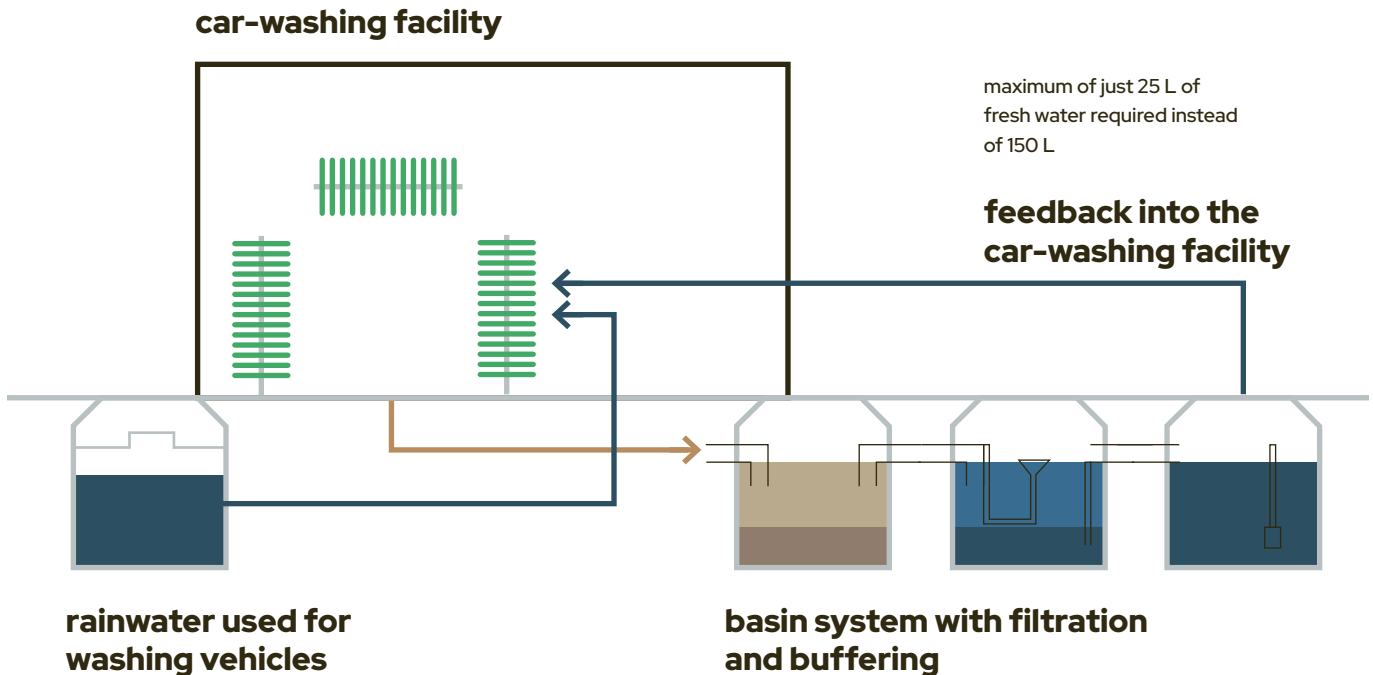


Another KPI in focus area 5 is the number of vehicles disposed of. Porsche Holding is keeping track of this key figure to comply with the rules for vehicle recycling and to ensure that the individual components are recycled. This will mean that everything that can be recycled is recycled, increasing the recycling rate significantly. The number of vehicles that were reported as being disposed of at Porsche Holding in 2022 was 4,184. It is important to note that this figure only includes vehicles where Porsche Holding has recorded the recycling, which applied to 13 countries¹⁾ last year. In the other countries, consumers are responsible for delivering their vehicles directly to certified/recycling companies, meaning that the dealerships are not involved in the process at all. Unfortunately, it is thus not possible to gather the data for these countries retrospectively.

Looking ahead, the plan within focus area 5 is to build on the absolute figures for water consumption (in m³) and hazardous waste (in t) and add relative aspects. Expanding on the KPIs, for example, by indicating the surface area or number of employees, would make it possible to focus even more closely on action areas and introduce even more targeted measures.

1) Austria, Bosnia and Herzegovina, Bulgaria, Croatia, France, Germany, Italy, Kosovo, North Macedonia, Poland, Serbia, Spain and Sweden

WATER RECYCLING CIRCUIT



Measures and best practices

Porsche Holding has implemented a whole raft of measures to achieve the overarching objectives. Some of these measures are outlined below by way of example.

Measures to save and recycle water

The most significant contribution to water consumption at Porsche Holding comes from the car-washing facilities at the dealerships. The aim is to ensure that as many car-washing facilities as possible have a water treatment system so that water consumption and withdrawal can be reduced.

Around 150 litres of water are needed to run one standard wash in a gantry car wash using only fresh water. By adding a water recovery system, however, the water consumption can be reduced significantly, and the costs dropped in the process. In this case, a single wash programme only uses 15 to 25 litres of fresh water. The water used in a car wash runs through a tank system that tends to be underground. There, the water is withdrawn, filtered and buffered before being returned to the car wash.

up to

135 L

of water saved with water recycling for each car wash

Progress is also being made with plans to systematically introduce sensors and water-saving tools to sanitation facilities, such as taps and adjusted flow rates, to reduce water consumption even further.

Trade-in initiative for old vehicles

Trade-in initiatives have been designed and are ready to be adopted by the importer and political institutions to increase the number of vehicles being recycled, and boost the recycling rate. This gives customers additional financial incentives to replace their old car with a new one that is more environmentally friendly. As a result, the old car is recycled and the valuable raw materials can be reused. The vehicle recycling rates can be improved, waste can be reduced, and resources can be saved. These initiatives are managed by retail in direct communication with customers.

Workshop waste reduction

Porsche Holding is also working to reduce waste in workshops by switching to reusable equipment and resources. Reductions are encouraged, for instance, by keeping the use of disposable equipment such as seat and steering wheel covers and small accessories to a minimum and favouring reusable alternatives wherever possible. This reduces the impact on the environment and saves on costs. As an added benefit, these measures raise awareness of sustainability and environmental protection, encouraging employees and customers alike to be kinder to the environment.



Outlook

Future developments at dealerships are at the heart of the Green Retail focus area. In addition to the current trend towards e-mobility, this includes digitalization, which is changing the face of the industry and transforming the traditional dealership, with efficient, paperless, digital processes being introduced at the operational and customer-facing level. In addition to the current digitalization projects such as the digital customer portal, mobile service reception, home check-in, and digitalized back-office issues, further measures will be introduced in future aimed at achieving digital dealerships and making significant contributions towards environmental and social sustainability efforts (ESG).

Porsche Holding will also be focusing on fleet customers to achieve the goal to increase the proportion of BEVs. It is important to note that more and more companies are focusing on their own goals to reduce the emissions in their own fleets. The Green Retail focus area is developing tailor-made offers for local and international fleet customers. Private customers will also increasingly be making the switch towards battery-powered electric vehicles, particularly the younger customer groups. In response to this shift, Volkswagen AG will be extending its portfolio of BEVs significantly over the coming years and reducing the purchase costs for individual customers by scaling up production. This also provides an opportunity for Porsche Holding to increase the proportion of BEVs that it sells in the private customer segment.



CLIMATE ACTION AND ENVIRONMENTAL PROTECTION ACROSS MULTIPLE FOCUS AREAS

Porsche Holding is taking action that spans multiple focus areas in parallel with the specific measures under each of them individually. Examples include organising the Wiener Elektro Tage to promote e-mobility and getting involved in Group-wide projects such as #Project1Hour and the Porsche Bank sustainability conference.

Wiener Elektro Tage



The Wiener Elektro Tage event was held in June 2022 with the goal of delivering information about all things e-mobility, including charging infrastructure, financing and subsidies. This provided businesses within the industry an opportunity to showcase their product portfolios and offer advice to visitors. Dr Herbert Diess, the former Chairman of the Board of Management of Volkswagen AG, also gave a keynote speech about the transformation of the automotive industry. There was also time for some first-rate discussions about new mobility models such as sharetoo (see [»](#) p. 58 onwards). It is safe to say that the Wiener Elektro Tage event was an important initial milestone in the efforts to promote and expand e-mobility. The Wiener Elektro Tage event will take place again in September 2023.

#Project1Hour

The #Project1Hour initiative from Volkswagen AG took place for the second time in 2022. All employees across the Group, Porsche Holding included, came together at each dealership around the world for one hour to do their bit for the environment as a company and as individuals. This joint effort in the name of the planet highlights the urgency of the situation and helps each individual employee to feel that they have done something to make a difference. Tangible progress has been made since – in the form of measures like a repair café and the “Save a Meal” initiative to avoid food waste in canteens. #Project1Hour is an inspiring and important step towards a sustainable future. It has the potential to make real change by raising awareness and encouraging everyone to pull together towards a common goal.

Expertise building



The key to successfully taking all the steps to protect the environment – within the individual focus areas and beyond – is an in-depth understanding of sustainability topics. This is why we held kick-off events for the country coordinators as well as in all five focus areas. An online survey was also used to identify any gaps in training across the countries. Workshops were arranged on specific topics within the focus areas to improve expertise among staff. For example, training on sustainable procurement was delivered to all buyers in all countries under focus area 3. Other highlights included the international ECMS workshop in Vienna (see [»](#) p. 67) and the Porsche Bank international sustainability conference in Vienna (see [»](#) p. 59).

Climate action and research project in Austria and Colombia



In addition to the many measures taken to reduce its own CO₂ emissions, Porsche Holding is also involved in a major climate action project in Austria and Colombia. The project is being implemented by the Austrian Institute for Sustainable Development (ÖIN) together with the University of Natural Resources and Life Sciences, Vienna (BOKU Wien).

This project has the following objectives:

- Long-term protection and recovery of cultivated land through protective measures and conversion to "nature cultivation land"
- Water protection and pollution control
- Sustainable cultivation and use of products like wood
- Prevention of deforestation to protect the environment by CO₂ being continually absorbed by biomass
- Sustainable storage of carbon in soil through the formation of humus in farming and forestry

5,800

hectares of valuable tropical dry forest protected over the long term as a climate and nature reserve



The "La Esmeralda" climate, biodiversity, water and forest conservation project in Magdalena Medio in Colombia through nature conservation agreements

The "La Esmeralda" nature conservation project is being implemented over a total area of more than 5,800 hectares with the aim of providing long-term protection for the world's most endangered tropical dry forest (Bosque Seco Tropical) with its aquatic, animal and plant life. Although the area could be subject to intensive use for agriculture and forestry, the forest area is preserved for posterity as a nature reserve thanks to long-term nature conservation agreements. This includes the establishment of ecotourism in the region and the development of model agriculture in which traditional cattle-fattening farms are replaced by water buffaloes that are more suited to the area.

The "Dunkelsteinerwald" nature cultivation project near Wölbling in Lower Austria – forest regeneration and biomass development through long-term nature conservation agreements

Relatively large areas of commercial forests are being leased for several decades as part of the "Dunkelsteinerwald" nature cultivation project; these will not be used for forestry purposes. All of the forest management and necessary forestry activities required by law will, however, continue as normal. This will allow the forest to regenerate over several decades, improving the biodiversity, while organic carbon will be bound in trees, shrubs and the forest floor over the long term.

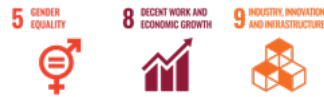
EMPLOYEES AND SOCIETY

Porsche Holding takes its responsibility towards people and society very seriously. As an automotive retail company, it follows a service-based business model and promises extensive expertise. This means that employees have an important role to play in upping sustainability efforts.

Developing employees and promoting diversity within the company are the core pillars of a comprehensive HR Strategy. The targeted measures relating to health and safety in the workplace protect the employees and provide them with a safe place to work. The company works closely with the employee representatives on the Works Council, having built a relationship of trust. Porsche Holding is also committed to working towards the common good and donates to charitable organisations.

The Human Resources units – including HR Strategy, Diversity and Health and safety in the workplace – report to the Head of Human Resources of Porsche Holding, who in turn reports to the CEO.

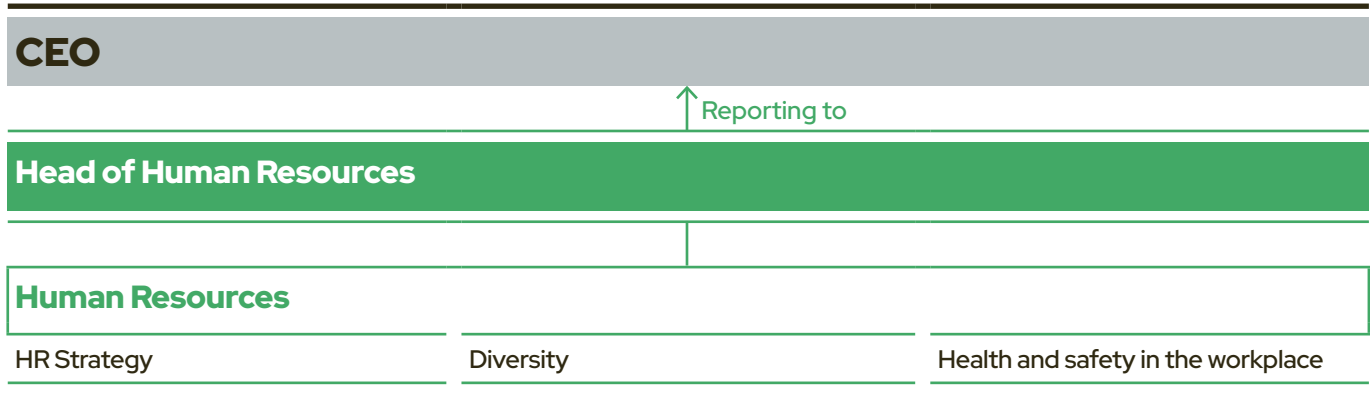
HR STRATEGY



Human Resources is driving the culture change at Porsche Holding with the aim of being equipped for tomorrow's job market. The company's ability to attract top talent is critical to its success in light of demographic change. Flexible working hours, remote working options, team spirit, mutual appreciation and respect, and good leadership are all essential when a company is looking to recruit and retain employees.

There are five key factors causing staffing challenges at the moment: new work, labour market, business, culture and diversity.

ORGANISATIONAL STRUCTURE OF PERSONNEL RESPONSIBILITY



HR STRATEGY

LIFE@PORSCHÉ

Leading by example	International drive	Finding and keeping the best talents	Excellence in expertise	Digit@ employee journey
<ul style="list-style-type: none"> _ Succession planning _ Leadership _ Culture _ Diversity, equality and inclusion _ The company's social responsibility 	<ul style="list-style-type: none"> _ Semester abroad _ International career paths _ Knowledge transfer 	<ul style="list-style-type: none"> _ Strengthening the employer brand _ Recruiting through different channels _ Onboarding and offboarding _ Innovative worlds of work _ Remuneration management 	<ul style="list-style-type: none"> _ Skilled workers _ Strategic HR Planning _ PHS Academy 	<ul style="list-style-type: none"> _ Data cleansing _ SAP SuccessFactors _ TI:ME _ Digitalization of HR processes _ Predictive analyses in Human Resources

Rethinking the strategy: LIFE@Porsche

"New work" refers to new ways of working and new models of working with others. Flexible working hours and remote working/working from home fall into this category. Ever since the COVID-19 pandemic, Porsche Holding, like many other companies, has seen an uptick in requests for flexible working arrangements.

"Labour market" covers the shortage of qualified workers and experts and the increase in labour costs caused by inflation.

"Business" relates to the transformation of Porsche Holding's business model, largely in response to digitalization and electrification. New skills and job profiles are required as a result.

"Culture" is all about cementing the company values – e.g. entrepreneurship and responsibility – and fostering a company culture based on trust and the concept of people first.

"Diversity" is becoming an increasingly important factor in a company's success. Porsche Holding prides itself on being a diverse and inclusive place to work and has no doubt that this is key to boosting innovation within the company.

With a view to tackling these challenges head-on, the LIFE@Porsche HR strategic concept was developed to describe each of the fields of action.

At the heart of this HR Strategy is the vision that Porsche Holding will be in a strong position to shape the future of mobility. It underpins the corporate strategy since it portrays the Human Resources department as leading the way forward for transformation – as a service provider and business partner that management and staff can rely on for all HR matters.

"L" stands for "Leading by example". Porsche Holding leads by example. The keywords here are leadership, culture and diversity. There is also a focus on women in management positions, with a goal to increase their representation, especially in the automotive subgroup.

"I" stands for "International drive". Porsche Holding strives to offer its employees international career opportunities to encourage interaction and knowledge sharing between workers beyond national borders. "Semester Abroad" was one project initiated to provide employees, and especially skilled workers, with exciting development opportunities.

“F” stands for “Finding and keeping the best talent” – the key focus of the HR Strategy. The company is aiming to keep attracting and retaining skilled staff into the future. Flexible working arrangements, including flexitime, are available to some employees depending on their job role and individual requirements. Porsche Holding has also introduced a bonus system for existing employees as another way of recruiting skilled workers. A bonus is awarded when a member of staff recommends someone who goes on to be recruited.

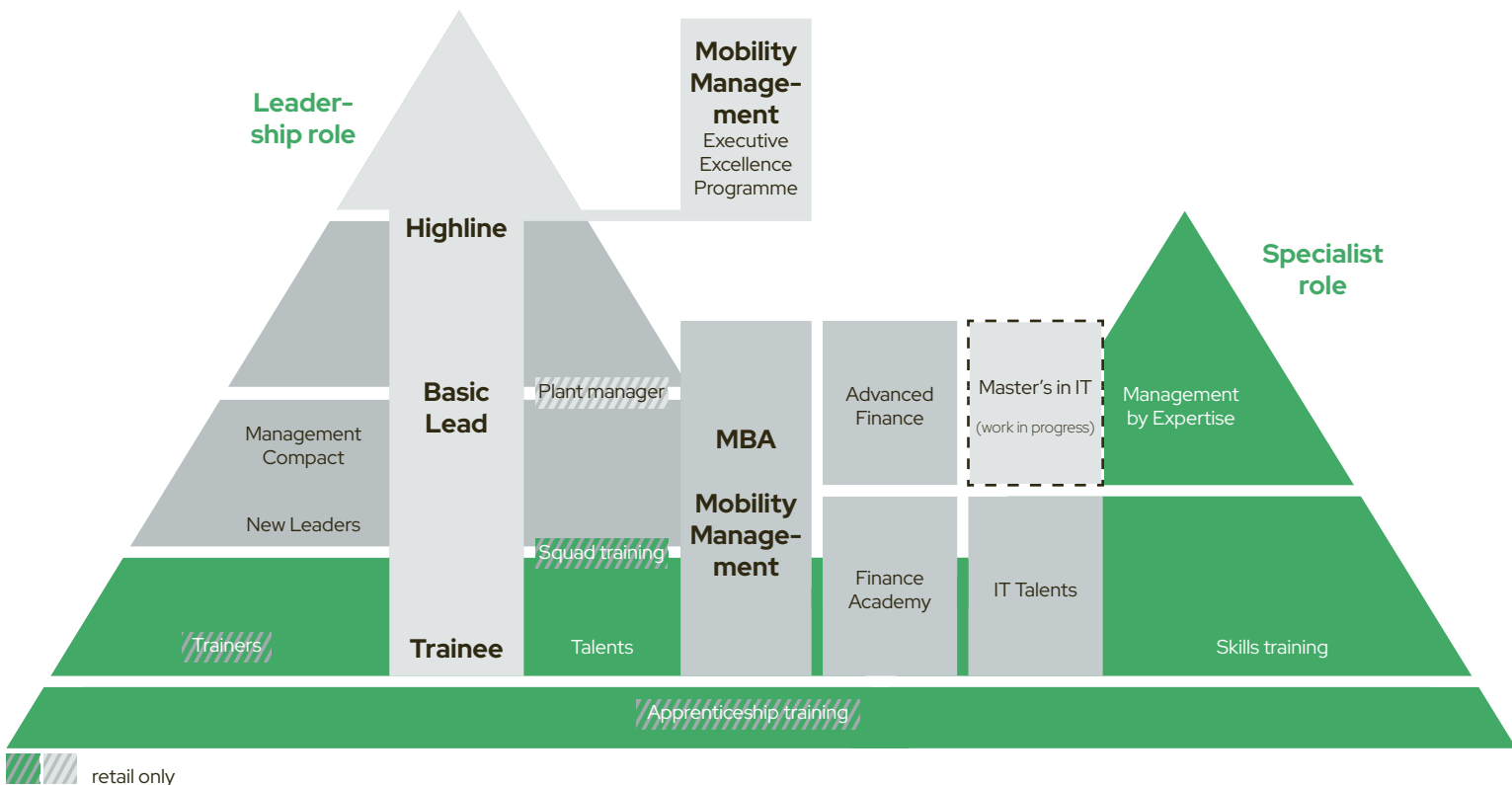
“E” stands for “Excellence in expertise”. Passionate about preparing the workforce for future challenges as fully as possible, Porsche Holding takes great pride in its internal training and learning opportunities. Sustainable development pathways are created as a priority so that employees can gain the qualifications they need internally to meet the requirements of new job profiles. For example, the company has partnered with the Vienna University of Economics and Business to develop its own MBA in Mobility Management.

“@” symbolises digitalization within Human Resources. The goal is to simplify and automate internal processes so they are as practical as possible. New digital tools are also being used to ensure that communications between employees are efficient and transparent.

Range of programmes for strategic staff development

Porsche Holding is committed to helping employees hone their skills so they can realise their full potential. On that basis, the company offers a range of opportunities for professional and personal development to set employees up for careers in specialist and leadership roles at various levels. Specific programmes have been created for roles in sales, finance and IT as a way of focusing on the skills that will be in highest demand in the future. To that end, the company has also established partnerships with a number of higher education institutions like the Vienna University of Economics and Business and HEC Paris. Porsche Holding is constantly updating and adding to its training portfolio. There is a clear focus on training young people in a variety of areas and professions. An annual trainee programme is designed to provide an attractive route into the company for young academics.

TWO CAREER PROGRAMMES



HEALTH AND SAFETY IN THE WORKPLACE



Health and safety in the workplace is one important factor in guaranteeing responsible and sustainable business operations at Porsche Holding. The company does everything in its power to protect its employees and provide them with a safe place to work. This involves upholding the highest of safety standards. The safety guidelines in place at Porsche Holding are based on the standards set out by Volkswagen AG.

Ongoing training and risk assessments form the foundation

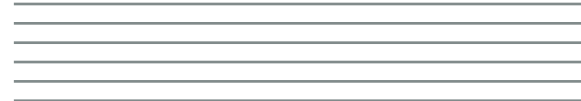
Porsche Holding delivers ongoing training and performs regular on-site risk assessments in the interests of health and safety in the workplace and so that all employees know they have a safe place to work. With most of the training being delivered online, employees are taught how to identify and avoid potential risks. Site visits make it easier to spot the problem areas and take appropriate steps to improve occupational health and safety. Action is taken regularly to minimise risks and avoid accidents and incidents with a negative impact on people and the environment. Following accidents in the workplace, health and safety officers are brought in to help evaluate the causes and take appropriate steps to prevent the same thing happening again.

It goes without saying that all the laws that apply locally in all the countries where Porsche Holding operates are upheld. The management team at each company is responsible for ensuring compliance with the legal and internal provisions. Human rights and environmental due diligence obligations must be met as a matter of priority. The plan is to gradually achieve ISO 45001 certification for larger and strategically important dealerships from 2024 to ensure that health and safety in the workplace is properly addressed at the company.

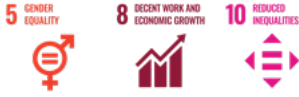
Additional initiatives for active health promotion

Specific measures are also taken in many of the 29 countries, including vaccination campaigns – most recently for COVID-19 – to stop the spread of infections in the workplace. Health days are also organised to give employees a chance to learn about health-related topics such as nutrition and exercise. Workshops and training sessions on managing stress can help employees with their mental health. Based on a referral from the company doctor, preventive physiotherapy can be provided as a way of avoiding musculoskeletal conditions. All of these initiatives help to improve staff health and safety, which in turn boosts productivity and well-being in the workplace.

Specific KPIs have been reported for all Porsche Holding countries since January 2023 with the aims of improving safety for employees and putting the company in a stronger position to react appropriately to accidents and incidents. These KPIs include the number of accidents at all dealerships, the number of days off caused by accidents and the number of audits and certifications.



DIVERSITY



In the face of constant change in this dynamic world, a commitment to diversity and inclusion is proving to be absolutely essential in ensuring sustainable success. As a leading company within the automotive sector, Porsche Holding is well aware of the importance of diversity and inclusion. That is why the company is committed to being a diverse and inclusive place to work. During times of transformation, it is all the more important to create a working environment where talented individuals of any age, gender, ethnic origin and cultural background are free to use their individual skills and share their different perspectives. This requires an open and positive culture centred around partnerships as well as inspiring managers who lead by example. Employees become more motivated and engaged as a result, which translates to customer satisfaction. Porsche Holding has already implemented a long list of measures and made huge progress towards building an even more diverse and inclusive future.

Discrimination of any kind is not welcome at Porsche Holding. The company believes in diversity, respect, tolerance and equal opportunities for everyone regardless of their ethnic origin, skin colour, gender, physical ability, world view, religion, nationality, sexual orientation, social background or political views – provided that they are based on democratic principles and tolerance towards people with different beliefs. Clear rules are set out in our behavioural guidelines, and breaches result in sanctions. Every employee and manager is responsible for treating others as partners and taking direct action in the event of breaches of the guidelines.

96

children will be looked after at the Porsche childcare facility going forward

Anti-discrimination workshops

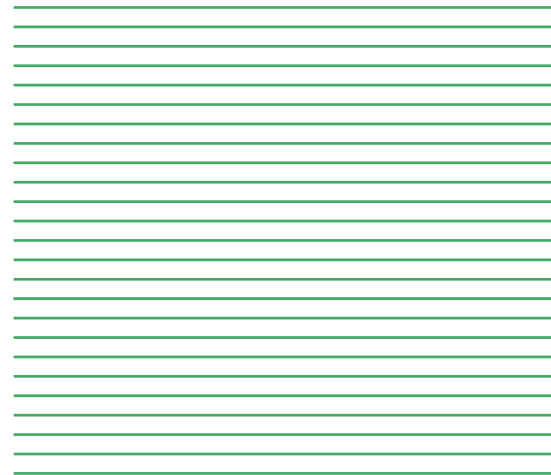
Diversity and inclusion workshops were organised with all managers in all Porsche Holding countries and companies as a way of promoting diversity. The workshops aimed to raise awareness of the important topic of diversity and how to deal with unconscious bias. Specific fields of action were also defined and measures developed.

International women's network

Even though the situation is gradually improving, the automotive sector is still a male-dominated world. A network called "The Female Link x PHS" has been set up to support women working in the sector and showcase the career paths and opportunities available. At this initial stage, the target group is women who are already working in middle and top management positions. They are invited to network with like-minded women and share examples of best practice with one another. As part of their day jobs, they will also act as mentors to other women. A launch event was held in Vienna at the start of October 2022.

"DIVERSITY ENRICHES OUR COMPANY. INCLUSION CHANGES OUR CORPORATE CULTURE IN A POSITIVE WAY."

Dr. Hans Peter Schützinger, CEO, Speaker of the Porsche Holding Management Board



Target to increase the number of women in management positions

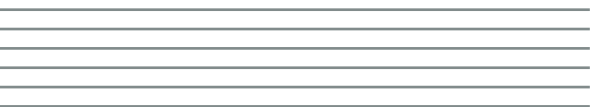
Targets for the number of women in management positions were set for all Volkswagen AG companies in accordance with Section 76 (4) of the AktG. Porsche Holding is guided by these goals. The aim is to employ a 20% share of women in management positions by 2030. As of December 31, 2022, the share of women was 15.93%. To support the achievement of the target, an annual target path has been formulated for all companies. Management is regularly informed of the actual status achieved and the current target paths.

■ GRI 405-1

Expanding company childcare facility at the Salzburg head office

The Porsche childcare facility was set up at the Salzburg head office in Austria back in August 2019. An office area spanning around 300 m² was repurposed and transformed into a childcare setting. There, an external provider called Spielzeugschachtel GmbH takes care of two groups of children aged one to three and one group of preschoolers. The childcare facility proved popular with employees and had reached full capacity by September 2020. Due to the high demand, it was extended to double the number of spaces available. Now, Porsche Holding can offer childcare on two levels for up to 64 children, who are looked after and supported by 14 early years practitioners while their parents are at work at the company. Plans are currently underway to extend again and increase the capacity to up to 96 children in total.

By offering an on-site childcare facility, the company is making it easier for employees to work while maintaining a healthy balance between their personal and professional lives. This goes a long way towards helping Porsche Holding recruit and retain its staff. The work-life balance of its employees is one of the company's top priorities.



Strong sense of belonging through LGBTIQ+ initiative

Porsche Holding works hard to create an inclusive workplace where all employees feel safe and respected.

This includes, for example, supporting the employees' initiative to establish an LGBTIQ+ Jour Fixe. This takes place monthly and provides a safe and inclusive space for LGBTIQ+ employees.

#diversitywins intranet campaign positioning diversity as a key factor in company success

Diversity is lived and breathed at Porsche Holding. Having the right people with their respective skills in the right place at the right time is the true definition of diversity.

In 2020 Porsche Holding launched an intranet campaign called "#diversitywins". Various employees from different departments introduced themselves and the focus was on the experiences and perspectives of employees from different backgrounds to demonstrate how diversity is instrumental in the company's success.

Workspaces for people with disabilities

Porsche Holding understands diversity to refer not only to gender equality, sexual orientation and internationality but also to the inclusion and integration of employees with disabilities. It considers this to be an essential part of its social responsibility. In 2022, the company entered into a cooperation agreement with MyAbility for the purpose of attracting people with disabilities and employing them at Porsche Holding. At the Parts Distribution Centre (TVZ) in Wals-Siezenheim, for example, we have been integrating people with disabilities for many years. The company currently employs 13 people with disabilities.

Advocating for workers' interests

Employees are represented by the Works Council, with one committee for PIA dealerships and one at the Salzburg head office. Employee representatives are also selected at some of the international dealerships. Members of the Works Council based in Salzburg are in regular direct contact with the other committees and the chairs in particular. The Salzburg Works Council is also represented on the Global and European Works Councils of Volkswagen AG with full voting rights. The employee representatives make sure that the rights and interests of the employees are respected. For example, they are involved in defining working conditions and hours as well as promoting equal opportunities and diversity at the company.

SOCIAL ENGAGEMENT



Porsche Holding is involved with a number of social projects in the 29 countries in which it operates. Whether they focus on education, the environment, healthcare or the fight against poverty, helping children and families is always the main priority. The company works with local partners and organisations on these projects, so there is no doubt that the specific needs and challenges of the local community will be met. Porsche Holding is proud to do its bit to further social and economic growth within the communities it is part of.

The company gives money to selected partners and initiatives in the form of donations – voluntarily without expecting anything in return – and sponsorships – as part of a formal two-way agreement that boosts the company’s image and reputation. It is important to avoid conflicts of interest and follow a standard approach within the company, so donations and sponsorships must always be made within the framework of the applicable legal system and the internal provisions currently in place at Porsche Holding.

Company policy sets the framework

The company donates money and gifts in kind to be used in the following areas: science and research, education, charitable causes, sport, culture, churches and religious institutions. Furthermore, donations are only made to not-for-profit organisations unless an organisation is eligible to accept donations in line with special provisions.

Focus on aid for Ukraine in 2022

During the past year, Porsche Holding has been working hard for employees in Ukraine affected by the war. The Human Resources department set up a hotline so that employees who had managed to cross the border could get help fast. In the beginning, this hotline was monitored 24/7 by Porsche Holding colleagues who can speak Ukrainian.

Employees who called the hotline were collected at the border along with their families, given what they needed and taken to safety. Our country organisations in Poland, Slovakia, Romania and Hungary proved instrumental in these efforts. More than 200 people received help quickly and without all the red tape.

Long-term accommodation was found for the families next. In Vienna, for example, several apartments were rented in one apartment block to provide a home for 13 families. Other families moved in with employees or family members of employees who offered up a place to stay in exchange for compensation from Porsche Holding.

In addition, employees at Porsche Holding Salzburg organized a fundraising campaign for the “Neighbors in Need – Help for Ukraine” program. Within a few weeks, almost 27,000 euros were collected by the employees. Porsche Informatik donated a further 25,000 euros.

Smaller-scale projects dedicated to good causes have been supported in all countries Porsche Holding operates in over the past year too. For example, Porsche Ukraine supported charitable projects being run by SOS Kinderdorf, which works to prevent child abandonment and helps children who are at risk of losing their parental care.

■ GRI 3-3

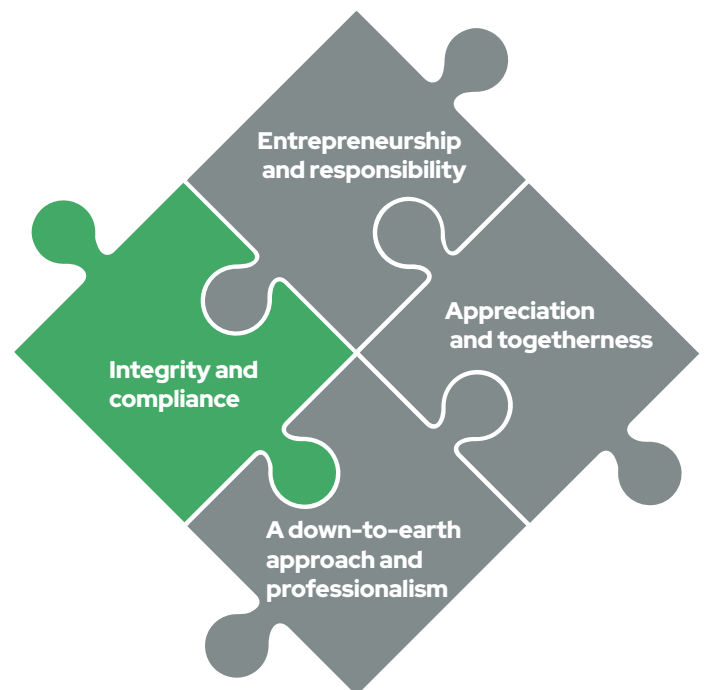


CORPORATE GOVERNANCE

Porsche Holding believes that running a business involves acting responsibly and keeping one eye on the future at all times. This means taking on responsibility and always acting ethically as a business partner and member of society. Here, Porsche Holding is guided by its values and compliance with regulations and standards.

The basic principles are set out in the company's core values. There are four core values at the heart of Porsche Holding: entrepreneurship and responsibility, appreciation and togetherness, a down-to-earth approach and professionalism, integrity and compliance. The core values set the tone for working with others and acting responsibly within the company. Integrity and compliance is a key value when it comes to sustainability efforts. The company is committed to providing premium products and high-end services but also aims to uphold the highest ethical standards in the process. With that goal in mind, Porsche Holding introduced a set of principles and took a number of steps to create a culture centred around integrity. The company is also focused on ensuring business resilience and managing the potential risks effectively in these challenging times.

By taking action under the Group-wide Together4Integrity (T4I) programme, Porsche Holding has helped to make integrity and compliance measures an integral part of Group operations. A global integrity and compliance management system has been set up as part of this programme. Organisationally speaking, integrity and compliance fall under different departments at Porsche Holding, with each of them having separate processes.



INTEGRITY AND COMPLIANCE MANAGEMENT

	INTEGRITY	COMPLIANCE
Department	Human Resources	Compliance and Risk Management
Responsibility	Chief Integrity Officer	Chief Compliance Officer
Reporting to	<ul style="list-style-type: none"> _ Porsche Holding Management Board/ CEO _ Volkswagen AG Group Integrity Officer 	<ul style="list-style-type: none"> _ Porsche Holding Management Board/CFO _ Volkswagen AG Divisional Compliance Office "Volume"
Global implementation by	Integrity Officers within all local Porsche Holding companies	Dedicated Compliance Officer at Porsche Holding subsidiaries or local management, depending on the risk situation
Core initiatives	Integrity programme <ul style="list-style-type: none"> _ Decision-making principles of the Porsche Holding Management Board _ Inspiring culture change 	<div style="display: flex;"> <div style="flex: 1;"> <ul style="list-style-type: none"> _ HR compliance guidelines and processes _ Behavioural guidelines – Code of Conduct for employees _ Environmental compliance: ECMS _ Business partner check _ Anti-corruption _ Whistleblower system _ Risk management and internal monitoring processes _ Product compliance </div> <div style="flex: 1; padding-left: 20px;"> Responsible department <ul style="list-style-type: none"> _ HR _ HR _ Sustainability, Energy and Environment _ Central Purchasing _ Compliance and Risk Management _ Compliance and Risk Management _ Risk Management _ Wholesale International </div> </div>
Central measures	<ul style="list-style-type: none"> _ Workshops _ Training _ Awareness campaigns 	<ul style="list-style-type: none"> _ Training/e-learning _ Reporting and monitoring: compliance management system

INTEGRITY



Integrity is essential to the success and resilience of Porsche Holding. The company also intends to lead by example when it comes to integrity and build trust among its employees, customers, shareholders and partners. With this aim in mind, the behavioural guidelines in the Code of Conduct and the Group principles were established to guide the company and its employees in their day-to-day operations.

Clearly defined rules and processes come together with the corporate culture to provide guiding principles that every employee can follow to act with integrity and in compliance with the regulations without fail.

For Porsche Holding, integrity is about always doing what you believe to be the right thing. This principle holds true even in difficult situations, such as when you find yourself under financial or social pressure. Integrity is more an attitude. It provides direction and guidance, for example, when there are no explicit (compliance) rules in place or when there is a conflict of interests.

Integrity applies at both the individual and the organisational level, meaning that it is integrated into processes and decision-making at the company. Beyond that, integrity can be viewed as an intangible asset. It reinforces trust on the part of the stakeholders and makes the company more attractive in the eyes of investors, customers and employees.

Integrity is firmly anchored in the organisation

The Brand Chief Integrity Officer at Porsche Holding reports back to the Porsche Holding Management Board on a regular basis. The line manager for this role is the Volkswagen AG Group Integrity Officer, who in turn reports Volkswagen AG Integrity Officers are also appointed at the local Porsche Holding companies. They report to their respective management team and also the Brand Chief Integrity Officer.

Integrity programme in action

Decision-making principles of the Porsche Holding Management Board

Non-negotiable standards are in place across all departments to ensure that integrity and compliance form the core of business activities at Porsche Holding. When making decisions with a wide-reaching impact, such as in relation to major investment plans and new business activities, it is essential to consider all aspects for which the company is responsible. The Porsche Holding Management Board agreed to five decision-making principles called the "Commitments of the Board" to ensure that this does indeed happen. These are highlighted in every written proposal and are at the heart of every decision made by the Management Board.

Inspiring and activating

The existing corporate culture is being further developed as part of the Together4Integrity (T4I) program. T4I aims to strengthen uniform corporate governance on integrity and compliance across the Group as well as to reinforce the culture of integrity. It is intended to help Porsche Holding employees to act with integrity in all situations. Launch events and perception workshops are absolutely key in achieving that. These kinds of events are always included in T4I activities at the local level. They allow for employees and managers who are representative of the workforce to be involved in the change process across hierarchies. This serves as an important reminder that every individual is in a position to make a valuable contribution. They also offer an opportunity to ask questions, raise issues and discuss solutions. The events focus on integrity and compliance as the employees view them in their day-to-day work.

COMMITMENTS OF THE BOARD

OUR ACTIONS

We ensure that our actions are always lawful but also aligned with clear values and ethical principles.

OUR CUSTOMERS

We do everything in our power to meet the needs of our customers and provide them with access to mobility.

OUR PRODUCTS

We innovate to reduce the negative impact on the environment caused by our processes, products and services over the entire life cycle.

OUR PARTNERS

We strive to make sure that our suppliers, service providers and sales partners meet our standards for compliance and sustainability.

OUR EMPLOYEES

We follow our company values in our staffing decisions and our actions towards our employees.

T4I workshop in Austria

A Together4Integrity (T4I) perception workshop was held at the Salzburg head office in October 2022. The plan was to find out how much of a shift there had been in awareness of the areas covered by the T4I programme since the previous workshops. And so, more than 120 attendees evaluated how integrity and compliance are lived and breathed at the company. The aim was to build up a picture of how familiar the attendees are with the rules and regulations and the extent to which integrity and compliance are valued in their own teams. The results revealed that Porsche Holding is at a consistently high level in many areas. Having been taken on board by employees, integrity and compliance are now used as the basis for making decisions. Further potential for improvement was identified too. For example, integrity and compliance need to be mentioned even more often in team meetings going forward.

COMPLIANCE

Porsche Holding can only continue to achieve success if each individual follows the applicable laws and the internal rules and regulations. There is an expectation that every employee is fully committed to compliance. They are provided with structured compliance support in the form of programmes, guidelines, processes and practical advice within the Group compliance management system. All compliance measures are planned by Group Compliance following an internal risk assessment. They are published in a standardised catalogue of measures. The Compliance department continually updates and monitors the measures and programmes, amending them to account for the ever-changing regulations. This is happening at the moment in response to the German Supply Chain Act (LkSG).

Compliance built into the organisation

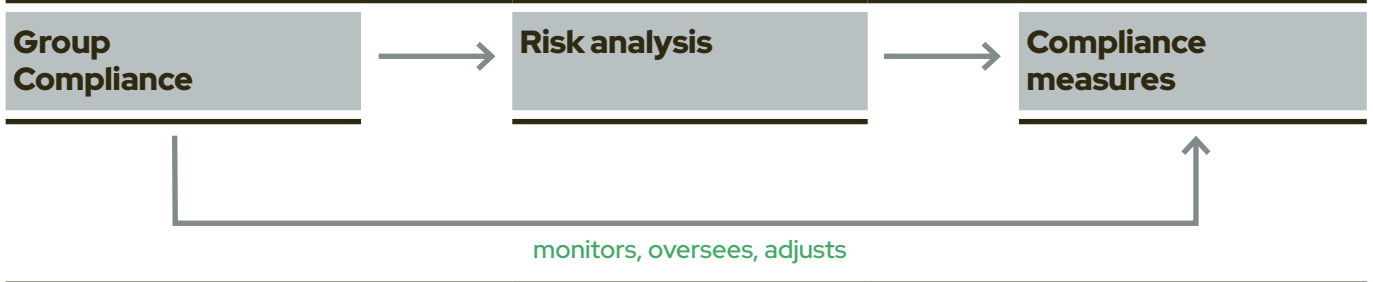
The Chief Compliance Officer at Porsche Holding interacts directly with Volkswagen AG on compliance matters and is the Porsche Holding Management Board’s point of contact for compliance issues across the Group. In the company hierarchy, this role sits beneath the CFO of Porsche Holding. The Chief Compliance Officer also reports to the Divisional Compliance Office (DCO) “Volume” at Volkswagen AG.

A risk assessment is performed on each company and the risk situation determines whether a dedicated Compliance Officer should be appointed for the Porsche Holding subsidiaries or local management should take responsibility for the local compliance management system (CMS). Local Compliance Officers are the first port of call for all compliance-related matters at the local level. They sit beneath the local management and report to the Chief Compliance Officer of the Porsche Holding Group.

With the aim of collating knowledge and resources as effectively as possible, some countries/regions have established a “Centre of Competence” (CoC) to take care of compliance, data protection, legal matters and organisational guidelines for multiple companies in a country (e.g. Wholesale and Retail or Financial Services).

The Legal department is responsible for legal monitoring, while the Human Resources department monitors the internal guidelines. The operational departments are responsible for ensuring compliance.

COMPLIANCE PROCESS



Core initiatives drive compliance forward

A number of core initiatives cover the main compliance matters at Porsche Holding. The actual implementation of many of the areas outlined below falls to the responsible departments under the umbrella of compliance.

Behavioural guidelines – Code of Conduct (CoC) for employees

The Porsche Holding CoC is designed to make employees more aware of the need to be responsible in their actions and decisions. It also acts as a guide and point of reference that tells employees who they need to contact in a specific situation. In other words, it lays the foundation for compliant behaviour within the company. Since the CoC for employees is covered in their employment contracts, it must be followed by everyone who works at the Group. It is also discussed at annual performance reviews in connection with the criterion "Act with integrity". Human Resources is the department responsible at the operational level.

HR compliance guidelines and processes

Integrity and compliance are woven into standard HR processes, including recruitment, training, promotion and remuneration (bonus payment). It is also a requirement for integrity and compliance to be covered in annual performance reviews and in the training offered to employees at different levels. Human Resources is the department responsible at the operational level.

Environmental compliance

The Porsche Holding environmental policy and environmental compliance management system (ECMS) state that environmental matters must be brought into all strategic, planning and decision-making processes. This includes actual and potential environmental risks. Equally, thought is also given to the opportunities for the business model that might come out of changes to the environmental situation and regulations. Potential risks are prepared for, too, so that employees, customers, wider society and the environment can all be protected. Porsche Holding employees are also offered training on relevant environmental guidelines. Sustainability, Energy and Environment is the department responsible at the operational level.

Business partner check

Before Porsche Holding gives its business partners the go-ahead, they are informed about their duty to meet the requirements set out by Volkswagen AG in the Code of Conduct for Business Partners. During the selection process, suppliers are put through their paces and checked to rule out any risks to business and the company. Depending on the order volume and the group(s) of products, various risk-based checks can be used as well. This includes comprehensive sustainability ratings for suppliers according to the criteria of the German Supply Chain Due Diligence Act (Lieferkettensorgfaltspflichtengesetz) in procurement, credit checks and detailed checks of business partners in product groups and business models with high exposure to corruption and integrity risks (business partner due diligence). Compliance supports the operationally responsible units in carrying out business partner due diligence. The aim

is to identify risks of infringement, such as corruption and the disregard of ethical standards at an early stage. Risky business partners are also to be avoided, and measures to minimise risks are to be defined and implemented with the business partners. If this is not possible, the business relationship is to be terminated or not entered into at all. The business partner in question may be barred from doing business with Porsche Holding and all its brands and companies. Throughout the business relationship, business partners are monitored with regard to sustainability risks and their compliance with laws and ethical standards. At the operational level, the central procurement department is responsible for this.

Fighting corruption

Porsche Holding has a zero-tolerance policy in the face of active or passive corruption. This is firmly anchored in both the Code of Conduct for Employees and the Code of Conduct for Business Partners. Additionally, the Group guidelines regulate how to handle conflicts of interest, gifts, invitations, donations and sponsorships. Regular training sessions and face-to-face training for so-called "focus groups" create a link between practical experience and case examples while also preparing employees in the best possible way for critical situations. At operational level, the Compliance and Risk Management department is responsible for this.

Whistleblower system

The Volkswagen AG Central Investigation Office was charged with operating an independent, impartial and confidential whistleblower system for Porsche Holding. This is because there needs to be a way of identifying possible misconduct on the part of individual employees or suppliers so

action can be taken to stop it in the interests of integrity and compliance. The concept of a fair trial is at the heart of the whistleblower system. This way, maximum protection is provided for whistleblowers, people affected and employees who report misconduct or are involved in investigating misconduct. Whistleblowers can choose to remain anonymous when they report misconduct and in all communications. Porsche Holding promises that it will not try to identify anonymous whistleblowers who are not abusing the whistleblower system. Porsche Holding will not tolerate any discrimination against whistleblowers or anyone who contributes to the internal investigations. Compliance and Risk Management is the department responsible at the operational level. Further information on the whistleblower system is available online here:



Scan or click this QR code to view more information about our whistleblower system

Risk management

Risks can be defined as events or developments that have the potential to derail efforts to achieve set goals. Risk management is all about identifying these risks early, assessing them realistically and taking meaningful action. The risk management system/internal monitoring system (RMS/IMS) in place at the Porsche Holding Group follows the three lines of defence model. The management team has overall responsibility for ensuring that the RMS/IMS is effective. The operational departments are the first line of defence. Risk Management is the second line of defence for the RMS/IMS in place at the Porsche Holding Group. There are other functions/departments that also play a specific part in providing this second line of defence for their specific remit, such as Legal and Compliance. The third line of defence comes in the form of audits.

Zero-

tolerance policy in the face of active or passive corruption.

"WHEN IMPLEMENTING THE COMPLIANCE SYSTEM, WE FOCUS ON THE KEY INITIATIVES THAT ARE SUPPLEMENTED BY CENTRALLY MANAGED MEASURES."

Christine Schuh, Chief Compliance Officer
Head of Compliance and Risk Management

Product compliance

The aim is to identify and factor in the legal requirements for product conformity in good time so that appropriate steps can be taken to ensure compliance and minimise the risk of non-compliance. All processes in place to guarantee product compliance all the way up to the end of life (EoL) and end of service (EoS) are covered by the product compliance management system (PCMS), including vehicles (with software) and replacement and original parts across the entire product life cycle. Wholesale International (PCMS PHS Officer) and Approval/Environment (PCMS Coordinator Austria) are the departments responsible for product compliance.

Centrally managed compliance measures support implementation

Ongoing training must be provided to all employees if compliance rules are to be upheld consistently at the company. A compliance management system is also a transparent way of ensuring that potential compliance risks are monitored constantly. These measures are managed centrally by the Chief Compliance Officer.

Regular training

All employees are required to complete standardised Code of Conduct (CoC) training on a regular basis. The training content is updated every two years by Volkswagen AG and rolled out by Porsche Holding in all countries. The content was last updated in the reporting year, with the sections on business and human rights, environmental compliance, product conformity and safety, and occupational health and safety having been modified. Employees who completed their Code of Conduct training during the reporting year – either for the first time or as a regular update – have been sufficiently briefed in these areas. Focus groups are also offered in-person training on specific areas. For each of the risk areas (e.g. anti-corruption), there are different focus groups made up of people who are most affected by the area in question. Relevant case studies provide a more practical approach and ensure that employees are as prepared as they can be to respond to critical situations.

Depending on the exact nature of their work, employees also complete e-learning modules on topics relevant to them. These topics range from behavioural guidelines to anti-corruption and anti-money laundering. At the end of each e-learning module, the employee is asked to complete a test to make sure they have understood and remembered everything they have just learnt. The format of the e-learning may vary or be replaced by face-to-face training at some

of the companies in other countries. Porsche Holding upholds the standards of Volkswagen AG in the training it offers.

“Tone from the middle” events – compliance workshops run by line managers for their teams – were also introduced at Porsche Holding in 2022.

Reporting and monitoring

Regular documented reporting is a transparent way of ensuring that potential compliance risks are monitored constantly. The way compliance is organised at the company ensures that there is structured and independent oversight of the introduction and operation of an effective compliance management system. The local management team and Chief Compliance Officer also receive regular and reasonable reports on the risk-related status of the compliance goals, programmes and activities.

Now that the compliance management system has been implemented, it is audited internally and externally on a regular basis. As part of a process of monitoring and making improvements, external auditors check how effective the compliance measures with high-risk exposure are at the company with a focus on the risks. The compliance management system also evolves within the scope of continuous improvement processes.

BUSINESS RESILIENCE

In such a dynamic world faced with constant change, international groups like Porsche Holding are constantly confronted with risks and challenges. Factors that might have a negative impact on business resilience include global pandemics (COVID-19), political instability in key markets (war in Ukraine) and unpredictable fluctuations in energy prices.

The company works hard to manage these risks and keep its own employees safe. Areas to focus on include fire protection, site security, travel protection, personal protection and event security. Over the past three years, the COVID-19 pandemic has also been a major factor. Crisis committee meetings were held regularly throughout 2022 to discuss how the company was being affected by the war in Ukraine, supply shortages and the ongoing COVID-19 pandemic and to ensure appropriate action was taken to mitigate any negative impact.

As a subsidiary of the Volkswagen AG and, therefore, part of the supply chain, Porsche Holding had to work hard in preparation for the Supply Chain Act, which came into effect in Germany on 1 January 2023. One main focus of this legislation is identifying and preventing – or at least minimising – human rights and environmental risks and violations of legally protected interests along the supply chain. In relation to business resilience, for example, contracts awarded for security services at all Porsche Holding companies were checked and shared with Volkswagen AG.

■ GRI 3-3

**“IN SETTING UP CRISIS UNITS,
PORSCHE HOLDING RESPONDS
TO INCREASINGLY VOLATILE
CONDITIONS.”**

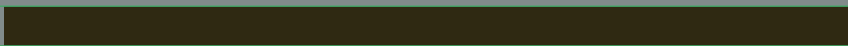
Bernhard Gupper, Head of Group Security



05

FUR THER INFOR MATI ON

92	About this Report
92	Key issues and stakeholders
94	Strategic key indicators from the five focus areas
95	GRI Index
96	Contact and legal notice



ABOUT THIS REPORT

Reporting period

1 January to 31 December 2022

Reporting cycle

Annually

Reporting limits

The reporting limits are based on two categories of key indicators. The first category comprises key indicators according to the "Operational Control". For this purpose, all companies and dealerships within Porsche Holding's sphere of influence provide data via their own non-financial reporting tool.

The second category of "Financial Control" includes key indicators that are provided via Porsche Holding's regular financial reporting tool. All fully consolidated companies and dealerships are included in this, as well as Volkswagen Group Retail Deutschland and Volkswagen Group Retail Spanien, which are not fully consolidated but report on corresponding key indicators via the financial reporting tool.

The key indicators are listed in the table "Strategic key indicators from the five focus areas" and are assigned to both of the categories.

Only fully consolidated companies are reported in the financial statements.

The Porsche Holding sustainability strategy includes all 29 countries in which we operate (see [p. 32](#) onwards). A Swiss dealership was taken over for the first time in 2022 and included in the consolidation. As an additional new country, Switzerland will, therefore, only be included in the non-financial key indicator reporting from 2023 onwards.

■ GRI 2-3; GRI 2-2

KEY ISSUES AND STAKEHOLDERS

Carrying out the materiality analysis

Porsche Holding has carried out a materiality analysis based on the latest criteria from the EU Corporate Sustainability Reporting Directive (CSRD). The analysis was started in November 2022 with an international stakeholder survey and completed in spring 2023 following further impact analyses. To this extent, it provides an outlook at this point and will be fully incorporated into the next sustainability report.

The process for carrying out the materiality analysis followed the principle of double materiality. Accordingly, it takes into account the material sustainability aspects from two perspectives, analysing both the impact of business activities on the environment and people as well as the opportunities and risks of sustainability issues for business success. A stakeholder survey was conducted online in order to align the materiality concept with the needs of stakeholders.

The entire value chain of Porsche Holding was documented and analysed as part of the first step. This also included a review into whether the standard CSRD topics covered everything or whether further sustainability topics needed to be taken into account.

Following this, the environmental and social impacts of Porsche Holding's core business were assessed by experts in relation to the individual sustainability issues. The criteria used were the scope, reach and irreversibility of the various impacts.

The economic impact of the individual sustainability topics on Porsche Holding's core business was assessed by internal experts from the worlds of finance, risk management and sustainability management. They assessed the scope of various assumed developments in the individual topic areas and the likelihood of these assumptions occurring.

The stakeholder survey was conducted online and included internal and external stakeholder groups. Internal stakeholders surveyed included, e.g. the top management team, the sustainability officers in all countries, the Works Council, the sales managers and the B2B customer advisors. The external stakeholders involved included Volkswagen AG, logistics partners, strategic suppliers and interest groups.

The individual results were then consolidated and revealed the following key issues for Porsche Holding:

■ **Key environmental issues**

- Climate and energy
- Use of resources and the circular economy

■ **Key social issues**

- Own workforce
- Consumers and end users

■ **Key governance issues**

- Sustainable action and integrity

The findings from the materiality analysis will be incorporated into the sustainability strategy in 2023 and used for the development of the focus areas. The aim is to continue analysing the main issues in detail and actively drive forward improvements.

■ GRI 3-1; GRI 3-2



STRATEGIC KEY INDICATORS FROM THE FIVE FOCUS AREAS

FOCUS AREA	KPI + DESCRIPTION	2022	TARGET FOR 2030	CATEGORY ¹⁾
CO ₂	Reduction in CO ₂ emissions (since 2021)	4.4%	-30%	c
Focus area 1	Percentage of BEVs as a share of vehicles sold ²⁾	7.8%	50%	f
	Percentage of BEVs as a share of company vehicles	13.2%	80%	f
	PV systems installed (customers)	3.1 MWp	100 MWp	c
	CO ₂ emissions in mobility	38,036 t	-30%	c
Focus area 2	Green Asset Ratio	6.8%	>30%	f
	Proportion of BEVs financed	7.3%	>50%	f
	Average CO ₂ emissions from new financing agreements	126.0 g CO ₂ /km	72.8 g CO ₂ /km	f
Focus area 3	Suppliers with a CSR rating	34%	TBD	c
	Proportion of expenditure with a CSR rating ³⁾	80%	TBD	c
	Trained procurement staff	70%	100% from 2023	c
Focus area 4	CO ₂ emissions from buildings	74,346 t	-30%	c
	Certified new buildings ⁴⁾	No new buildings in 2022	100% from 2023	c
	Energy efficiency rating per dealership (A-F)	A/B 17% C/D 51% E/F 32%	TBD	c
Focus area 5	Hazardous waste	10,291 t	TBD	c
	Water consumption	938,267 m ³	TBD	c
	Vehicles disposed of	4,184 units	TBD	c
	Car-washing facilities with recycled water	39%	TBD	c

1) Category of key indicators (c) Operational control, (f) Financial reporting tool.

2) Calculation of the proportion of BEVs based on consolidated unit numbers.

3) Based on the expenditure overview for 2021 as a result of the retrospective evaluation of the supplier base from the start of the CSR rating in Q4 2022.

4) Gold DGNB certification or equivalent (e.g. LEED, BREEAM, etc.).

Information on calculating the carbon footprint

Key indicators expressed as CO₂ equivalents were calculated according to the principles of the Greenhouse Gas Protocol. Electricity-related emissions are stated using market-based reporting.

GRI INDEX

Statement Porsche Holding has reported the information specified in this GRI Index for the period between 1 January 2022 and 31 December 2022 in accordance with the GRI Standards.

GRI 1 applied GRI 1: Foundation 2021

GRI STANDARD	DISCLOSURE	LOCATION/ COMMENT
GRI 2: General Disclosures 2021	2-1 Organisational details	Section 2, page 35
	2-2 Entities included in the organisation's sustainability reporting	Section 5, page 92
	2-3 Reporting period, frequency and contact point	Section 5, page 93
	2-4 Restatements of information	This is a first report
	2-5 External assurance	This first report is not subject to an external audit
	2-6 Activities, value chain and other business relationships	Section 2, page 35
	2-9 Governance structure and composition	Section 2, pages 35, 47
	2-11 Chair of the highest governance body	Section 3, page 35
	2-22 Statement on sustainable development strategy	Section 3, page 41
GRI 3: Material Topics 2021	3-1 Process to determine material topics	Section 5, page 93
	3-2 List of material topics	Section 5, page 93
	3-3 Management of material topics	
GRI 302: Energy	302-1 Energy consumption within the organisation	Section 4, page 92
GRI 305: Emissions	305-1 Direct (Scope 1) GHG emissions	Section 4, page 52
	305-2 Energy indirect (Scope 2) GHG emissions	Section 4, page 52
GRI 308: Supplier Environmental Assessment	308-1 New suppliers that were screened using environmental criteria	Section 4, page 63
	308-2 Negative environmental impacts in the supply chain and actions taken	Section 4, page 63
GRI 405: Diversity and Equal Opportunity	405-1 Diversity of governance bodies and employees	Section 4, page 79
GRI 414: Supplier Social Assessment	414-1 New suppliers that were screened using social criteria	Section 4, page 63
	414-2 Negative social impacts in the supply chain and actions taken	Section 4, page 63

■ GRI 2-4; GRI 2-5

CONTACT AND LEGAL NOTICE

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Note

Minor differences may arise in arithmetical values due to the commercial rounding of individual items and percentages in this report. This report contains forward-looking statements provided based on all of the information available at the present time. These are usually described using words such as "expect", "plan", "anticipate", etc. Actual developments may differ from the expectations presented here. Equally, some changes to the non-financial performance indicators from previous years may have arisen in individual cases due to internal control loops that improve the quality of the data.

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