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## SUSTAINABILITY ORGANIZATION

Sustainability is enshrined as a central cross-cutting issue in Porsche's Strategy 2030<sup>1</sup>. Throughout the Group, it is anchored in the organization with a clear internal structure and defined responsibilities. This way, the Porsche AG Group is able to address material topics systematically and effectively.

This is underpinned by the Group's sustainability guidelines. They contain binding rules for the entire Porsche AG Group concerning the organization, internal processes, topic management, project implementation, and communication of all sustainability topics. They enable the Porsche AG Group to ensure that the sustainability strategy is known and implemented throughout the Porsche AG Group.

For Porsche AG, the company's sustainability guidelines are seen as the counterpart of the Group's sustainability guidelines. The other Group companies have similar documents.

Sustainability is the responsibility of the Chairman of the Executive Board, supported by the Member of the Executive Board responsible for Production and Logistics and the Member of the Executive Board responsible for Procurement. Their role is that of overseers. The Executive Board is the highest body in charge of sustainable corporate development. It determines the fundamental strategic direction and concrete sustainability targets in regular strategy workshops. It also decides on particularly far-reaching measures and flagship projects.

The Sustainability department within the General Secretary and Corporate Development division is responsible for implementing the sustainability strategy and works continuously to optimize it. It realizes sustainability projects and manages the

sustainability bodies of Porsche AG. In line with the Volkswagen Group Sustainability Guidelines, it also serves as the interface with the Volkswagen Group, where it represents the Porsche AG Group's sustainability management.

The Politics and Society department of the Communications, Sustainability, and Politics division is responsible for internal and external sustainability communications, strategic stakeholder involvement, and non-financial reporting. It engages in sustainability networks and represents the office of Porsche's Sustainability Council.

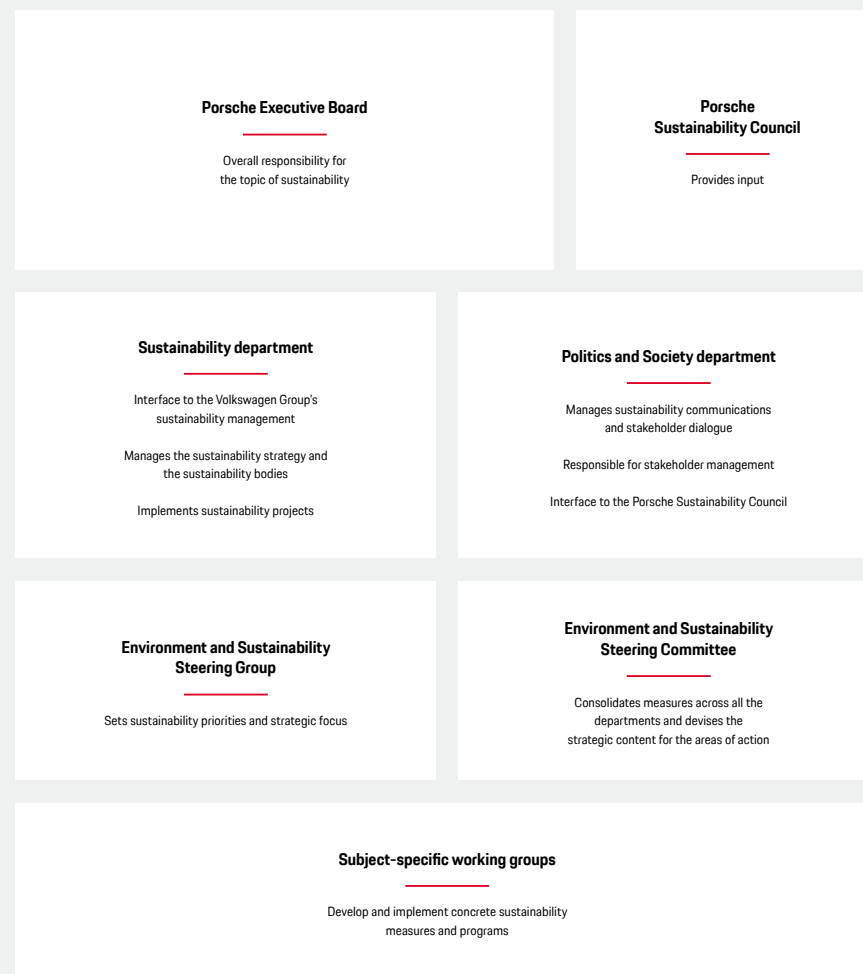
The Environment and Sustainability Steering Committee is a cross-departmental body comprising representatives of all the relevant departments. The Environment and Sustainability Steering Committee determines the direction and content of the sustainability strategy. It convened a total of eight times in the year under review. It also handles decisions regarding the road map and objectives within the strategy. The Environment and Sustainability Steering Committee forms working groups to prepare, evaluate, and refine individual topics, projects, and initiatives relating to sustainability. These assignments are issued by the Environment and Sustainability Steering Group, to which the Steering Committee reports.

The Environment and Sustainability Steering Group determines the focuses and direction of the sustainability strategy. The Environment and Sustainability Steering Group is composed of the heads of the main divisions. It can be expanded flexibly as required. It meets once a quarter and provides regular reports to the Executive Board. In doing so, it prepares its decisions regarding the sustainability strategy.

Another key body is the Porsche Sustainability Council. It was formed in 2016 and institutionalizes the stakeholder dialogue on sustainability. External specialists in business, science, politics, and civil society advise the Executive Board and top management regarding the strategic focus of sustainability on a regular basis. The members are independent and not bound by instructions. The Executive Board has given the Council far-reaching rights to information and consultation, as well as rights of initiative.

<sup>1</sup> The Porsche Strategy 2030 focuses on the four stakeholder dimensions: customers, society, employees, and investors. The Porsche AG Group aims to become more sustainable as part of its Strategy 2030. "Sustainability" is one of six cross-cutting strategies, together with "customer", "products", "digitalization", "organization" and "transformation".

## An overview of sustainability organization







The Porsche Sustainability Council: Adnan Amin, Sarah Jastram, Klaus Töpfer, Raffaella Rein, Ortwin Renn, and Lucia Reisch (from left to right)

In 2022, the Porsche Sustainability Council held two meetings with the Porsche AG Executive Board. The key topics addressed were supply chain decarbonization, sustainability in sales, digitalization and non-fungible tokens (NFTs), partner to society, diversity, the conflict in Ukraine, and the significance of sustainability to the capital market.

Council members also held regular meetings with representatives of its office and with experts from the Porsche AG Group in the year under review. Additionally, the Porsche AG Group regularly involved members of the Council in the development of the Porsche AG Group's sustainability strategy as part of videoconferences.

## SUSTAINABILITY MANAGEMENT

The automotive industry plays a key role in the transformation of business towards sustainability and the fight against climate change. Therefore, the Porsche AG Group intensified its sustainability activities in the year under review, developing the

company systematically in line with the Sustainability Strategy 2030. Greater attention is being paid to the value chain as a whole in the process. The overriding objective is to anchor sustainability in all areas of its business activities.

The Sustainability Strategy 2030 classifies the key challenges facing the Porsche AG Group into six strategy fields:

- **Decarbonization**
- **Circular economy**
- **Diversity**
- **Partner to society**
- **Supply chain responsibility**
- **Governance and transparency**

## The Sustainable Development Goals towards which Porsche is working:



The work done by the Porsche AG Group is systematically aligned with these fields of action. In doing so, the Porsche AG Group wishes to embrace its responsibility, bolster sustainable and value-creating growth, and reduce its environmental footprint continuously. It remains focused on the impact of its business activities and the expectations of its stakeholders all along the value chain.

The Porsche AG Group evaluates its progress continuously in all six fields of action of its Sustainability Strategy 2030. To this end, the Porsche AG Group regularly engages in dialogue with its internal and external stakeholders and with recognized experts. The Porsche AG Group then uses the findings from these dialogues to update its strategy as necessary.

The Porsche AG Group also aligns the six fields in the Sustainability Strategy 2030 and its related activities with the Sustainable Development Goals (SDGs) from the 2030 Agenda of the United Nations. These help guide the Porsche AG Group in its efforts to make its own business activities more sustainable. They indicate how economic progress, social justice, and environmental compatibility can be reconciled.

### Strategy review 2022

The Porsche AG Group reviewed its sustainability strategy in the year under review by comparing its accomplishments so far against the challenges it still faces. Selected subsidiaries were also surveyed on the progress of the sustainability strategy. Building on this, the Porsche AG Group has continued to develop its sustainability strategy.

### Materiality

→ GRI 3-1

The currently valid materiality analysis of the Porsche AG Group was conducted in 2021. In this analysis, the Porsche AG Group evaluated and prioritized 23 sustainability topics in a multistage

process. Customers, business partners, analysts and investors, politicians, and representatives of public authorities, media outlets, NGOs, and academia took part in the anonymous international online survey, as did Porsche's own employees. Internal and external assessments were factored into the results in equal measure. Additionally, expert interviews were held with the members of the Porsche Sustainability Council in person.

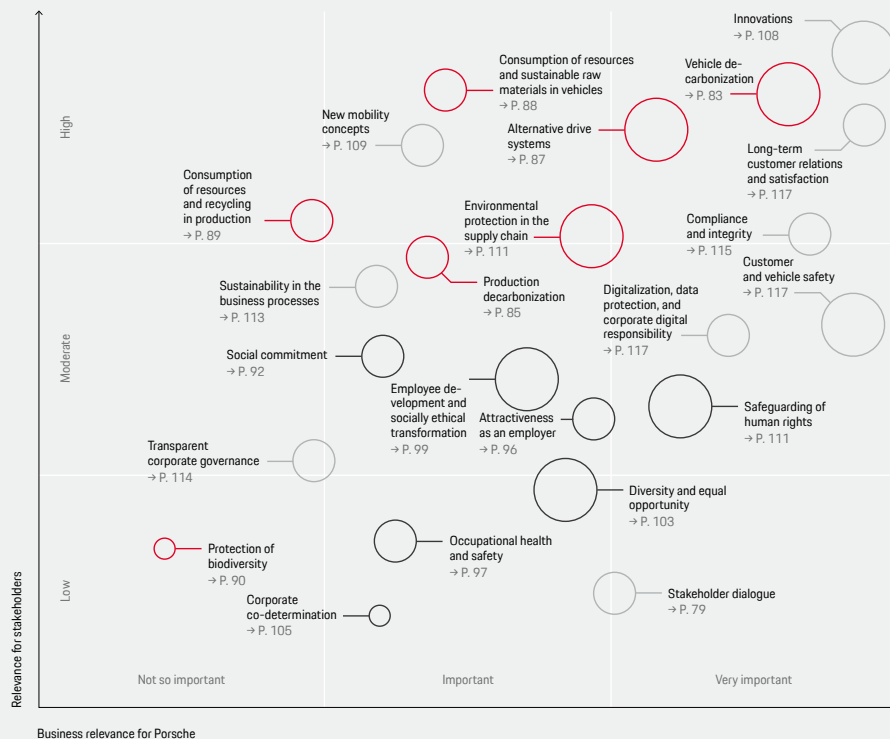
Internally, management representatives from all the relevant departments and representatives of the corporate strategy of the Porsche AG Group took part in materiality workshops. The participants indicated how strongly they believed each sustainability topic affects business development, the corporate strategy, and the business result. They also evaluated the impacts of the Porsche AG Group's business activities on the economy, the environment, and society. The Porsche AG Group combined the results with the external stakeholder evaluations to create a materiality matrix.

This materiality matrix sets the relevance for stakeholders against the relevance for Porsche. Different sizes of circle represent high, medium, and low impacts on the economy, the environment, and society. They are also color coded to symbolize the environment (red), society (gray), and governance (light gray).

The materiality matrix exemplifies the most important topics for the Porsche AG Group and its stakeholders, as well as their impacts on the economy, the environment, and social. The topics with the highest prioritization are in the top right. Some aspects differ from the 2019 materiality matrix in terms of their classification. For example, the topic of "Innovations" was included in the evaluation for the first time in 2021. It was deemed a core topic both by the external stakeholders and by the company's representatives.

## Materiality matrix

→ GRI 3-2



### Field of activity

- Environment
- Social
- Governance

### Impacts on the economy, the environment, and society

- low
- moderate
- high

Both parties also rated the relevance of "Long-term customer relations and satisfaction" more highly in 2021 than in 2019. The same went for "Consumption of resources and sustainable raw materials in vehicles" and "Digitalization, data protection, and corporate digital responsibility", which was featured in the survey for the first time. For the external stakeholders, the topic of "Compliance and integrity" was of exceptional importance.

The results of the materiality analysis were confirmed by the Environment and Sustainability Steering Group and Committee, and by the Executive Board. The next materiality analysis is scheduled for 2023.

The Porsche AG Group presents all the material topics and describes how they are addressed in the following sections. Other topics of relevance to the company are also included in the reports.

The findings of the materiality matrix make an important contribution to the further development of the Sustainability Strategy 2030.

### Non-financial risks

No material non-financial ESG risks were identified within the Porsche AG Group in the year under review. For more information about ESG risks relating to the aspects of Section 289c HGB, see → "Risk and opportunity report" in the combined management report.

## STAKEHOLDER COMMUNICATIONS, DIALOGUE, AND SURVEY

### Stakeholder communications and dialogue

The business activities of the Porsche AG Group touch on the lives and interests of many people around the world. The Porsche AG Group engages in a proactive dialogue with its stakeholders and

continuously expands this dialogue. The dialogue is centered on an open, transparent exchange of information and opinions. This is the foundation for mutual trust and acceptance.

With its holistic approach to stakeholder management, Porsche aims to systematically ascertain the expectations of individual stakeholders. The Porsche AG Group then reviews the feedback and factors the findings into strategic planning processes. The Porsche AG Group can identify key social trends by identifying the interests and perspectives of various stakeholders. They can then be incorporated into its commercial decision-making. In turn, the stakeholders learn more about how much flexibility the Porsche AG Group has to react to current changes, as well as the related requirements and general circumstances.

### Porsche stakeholders

→ GRI 3-1

Identifying and involving stakeholders is immensely important to the Porsche AG Group when it comes to fulfilling its responsibility as a company. A stakeholder is any individual or group with an interest in a decision or activity of the Porsche AG Group, and thus a direct or indirect influence over the actions of the Porsche AG Group — or anyone who is influenced by the actions of the Porsche AG Group. The Porsche AG Group's most important stakeholders are determined on the basis of internal analyses as part of the regular stakeholder survey. The Porsche AG Group has identified the following key players: residents and communities, customers and business partners, investors and analysts, media, employees, policymakers and associations, non-governmental and charitable organizations, scientific community and experts, and competitors.

### Selected stakeholder management tools

An exchange that is both strategic and beneficial for all sides must be based on trust. This serves as the foundations of any long-term relationship between the Porsche AG Group and its

## Stakeholder management — a holistic approach

### Standardization

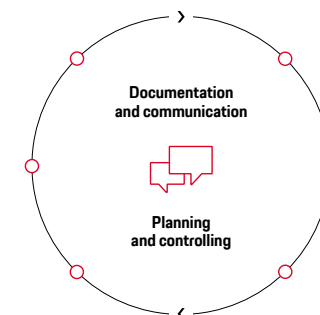
Standardization with guidelines and codes

### Consultation

Dialogue options for communication and interest-sharing

### Cooperation

Trusting cooperation with partner programs, memberships, and multi-stakeholder initiatives



### Evaluation

Systematic documentation and evaluation of stakeholder interests (e.g. materiality analysis)

### Strategy

Derivation of strategic measures and targets in accordance with the corporate strategy

### Participation

Co-determination and influencing across various channels (e.g. Sustainability Council)

dialogue partners. Trusting exchange with our stakeholders must be geared towards the long term and be nurtured on an ongoing basis. The Porsche AG Group believes it is important for people to talk to one another, not about one another. The company aims to understand different positions by adopting different perspectives, jointly overcome challenges, and foster long-term partnerships. The Porsche AG Group does this by using different media and dialogue formats, as well as various internal and external communication channels.

The Porsche AG Group establishes and maintains personal contact in order to maintain a continuous dialogue with its stakeholders. For instance, this entails events like the Neighborhood Dialogues at the company's sites. Since 2016, these have given, among others, local residents the opportunity to regularly engage with experts from the Porsche AG Group and raise specific issues.

The Covid-19 pandemic and the legal requirements meant that the dialogue formats planned for the reporting year could not take place as normal. Instead, the Porsche AG Group increasingly drew on virtual exchange with the key figures and groups in order to obtain direct feedback and input. If necessary, stakeholders can contact the department responsible for sustainability directly using the email address [sustainability@porsche.com](mailto:sustainability@porsche.com).

### Memberships and networks

The Porsche AG Group promotes economic, environmental, and social topics through its involvement in networks, sustainability initiatives, and working groups. This too is part of the Porsche AG Group's stakeholder dialogue.

### UN Global Compact

Porsche AG has been a member of the UN Global Compact, the world's largest and most important sustainable and responsible corporate governance initiative, since 2022. The platform for developing, implementing, and disclosing responsible business practices calls on companies to align their activities and strategies with the ten generally recognized principles in the fields of human rights, labor, environment, and corruption prevention. They are also called on to take action to contribute to the United Nations Sustainable Development Goals. Porsche AG will report to the UN Global Compact on its activities in these fields on a regular basis.

The UN Global Compact was founded in 2000. It is one of the largest sustainability initiatives in the world, with more than 19,000 companies and organizations in more than 160 countries.



In the year under review, Porsche AG joined the UN Global Compact, the world's largest and most important sustainable and responsible corporate governance initiative.

### Dialogue with politics

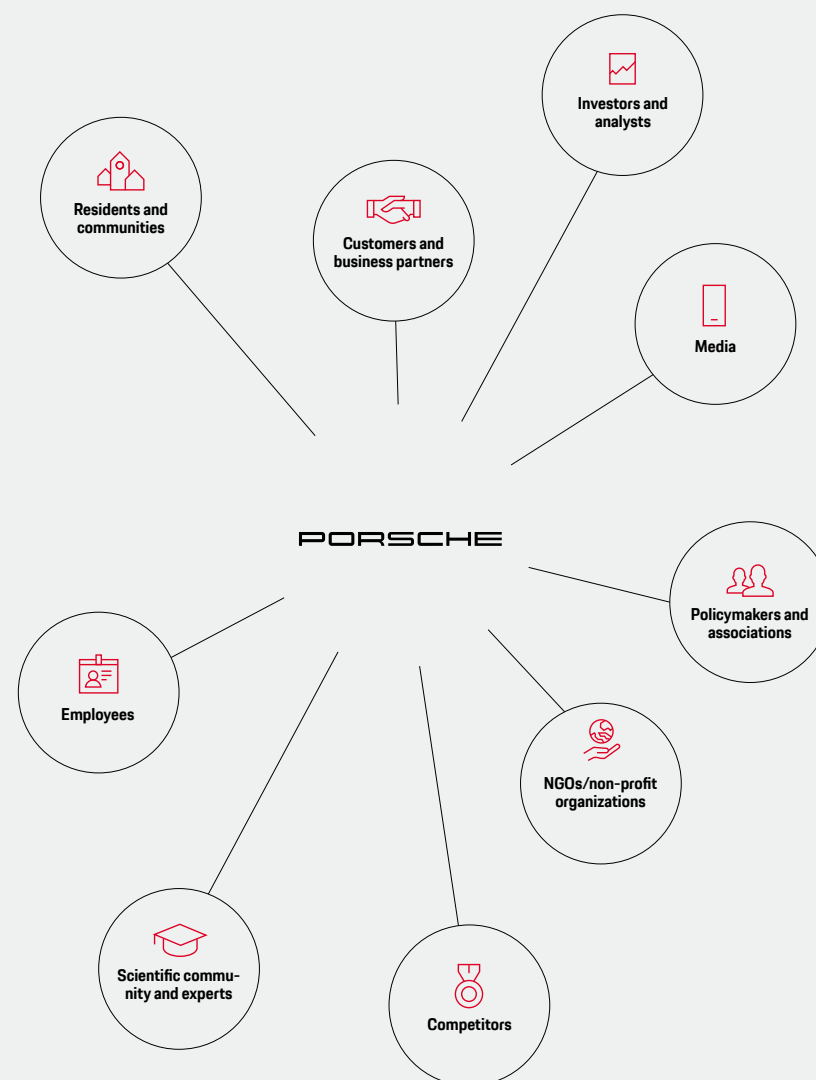
When the Porsche AG Group makes business decisions, the consequences of its actions for society and the environment have to be assessed and incorporated into the internal processes. The Porsche AG Group operates in a complex and heavily regulated field. It is important to engage in transparent and proactive dialogue with representatives from governments, parliaments, authorities, associations, institutions, and representatives of civil society through political lobbying.

The employees of the Politics and Society department who are responsible for political lobbying work in and with associations at times. They are in regular contact with numerous nongovernmental organizations (NGO) as well as civil society, political, and business representatives. In doing so, they set out the positions of the Porsche AG Group in social and political discourse, as well as decision-making processes. This takes place in compliance with binding Group-wide guidelines, as well as in coordination with the Volkswagen Group. Its policy is based on the principles of integrity, compliance, transparency, and traceability. Competition and antitrust legislation, as well as other legal provisions, are always taken into account too. Porsche AG is registered in the Lobby Register (<https://www.lobbyregister.bundestag.de>) for the purposes of lobbying the German Bundestag and the German government.

In the coming financial year, the Porsche AG Group will continue to contribute to the working groups in the existing networks. Likewise, the Porsche AG Group is striving to join other sustainability networks and engage with them.

### Porsche stakeholders

The most important Porsche stakeholders as determined by internal analyses.



The Porsche AG Group does not maintain any representative offices of its own. Therefore, political lobbying is handled by the Volkswagen Group's representative offices in Berlin and Brussels.

The following list features a selection of associations and groups of which the Porsche AG Group is a member:

- German Association of the Automotive Industry (VDA)
- Südwestmetall (Baden-Württemberg employers' association for the metal and electrical industry)
- Chamber of Commerce and Industry of the Stuttgart Region (IHK)
- Leipzig Chamber of Commerce and Industry (IHK)
- American Chamber of Commerce in Germany e.V. (AmCham Germany)
- United Nations Global Compact
- German Environmental Management Association (B.A.U.M.)
- German Business Ethics Network (DNWE)
- Society for the Advancement of the Kiel Institute for the World Economy
- The Industry Association of Baden-Württemberg (LVI)
- Responsible Mica Initiative (RMI)
- Value Balancing Alliance

The Porsche AG Group is working to promote a Europe that is harmonious, sustainable, and internationally competitive. The European Single Market, cross-border trade, the free movement of workers, and the sharing of knowledge are important prerequisites for the Porsche AG Group to be competitive. The Porsche AG Group welcomes the European Green Deal as a key framework for future action, and supports the Paris Agreement including the 1.5-degree target. The Porsche AG Group supports free, sustainable, fair, and rules-based international trading relationships.

As a matter of course, the Porsche AG Group remains impartial in its dealings with political parties and interest groups. The Porsche AG Group does not donate to political parties. During the reporting year, it incurred no expenditure related to supporting party events, advertising in publications affiliated with parties, or external lobbying agencies or services.

### Complaints management

The Porsche AG Group logs its internal and external stakeholders' questions, suggestions, and concerns and advises its subsidiaries on how to communicate with stakeholders. The complaints management function in the Politics and Society

department and in the Environment and Construction Management department at Porsche's site in Stuttgart-Zuffenhausen serves as the central contact point regarding complaints and suggestions for improvements. This enables Porsche AG to respond more quickly, if necessary. The contact information is accessible and visible to the public. Complaints are received, addressed internally, answered, and documented via the email address [nachgefragt@porsche.de](mailto:nachgefragt@porsche.de) and by phone.

### Stakeholder survey

Since 2013, the Porsche AG Group has asked its stakeholders about their views and expectations on sustainability and future challenges. This exchange and the materiality analysis process based on it previously took place every two years. They serve as the cornerstones of reporting on and the reviewing and further development of the Porsche AG Group's sustainability strategy. In keeping with the schedule, no stakeholder survey took place in the year under review.

Before conducting the anonymous international online survey in 2021, the Porsche AG Group had modified the selection of sustainability aspects after consulting internal and external experts, taking into account recent changes and incorporating relevant topics from the Sustainability Strategy 2030. The survey featured 23 key topics. In total, 1,440 people responded, with around 84% of responses coming from European markets and approximately 14% from China. 2% of the responses came from other international markets, but were allocated to Europe due to their low numbers. Alongside customers, business partners, analysts and investors, politicians, and representatives of public authorities, media outlets, and representatives from NGOs and academia, the Porsche AG Group surveyed a large number of employees. Owing to the abundance of employee responses, the opinions of the internal and external stakeholders were assessed using a 50:50 weighting. The Porsche AG Group weighted the responses from individual external stakeholder groups equally. The methodology and weightings are comparable to those of the previous survey conducted in 2019.

The members of the Porsche Sustainability Council also commented on the sustainability topics relevant to the company in personal expert interviews. They discussed their input with the Executive Board in the year under review. Overall, they praised the incorporation of their feedback into the corporate strategy and the Executive Board's active sustainability practices. At the same time, they called for greater attention to be paid to diversity and the socially ethical transformation of the Porsche AG Group.

## ENVIRONMENT

Environmental and climate protection is one of the greatest challenges facing the world. The Porsche AG Group is aware of its responsibility in this context and has signed up to the targets agreed in the Paris Agreement in 2015. Porsche AG has also set itself its own ambitious targets. It aims to restructure key products and its use of raw materials with a view to building a net carbon neutral future in which resources are used responsibly. Important ways open to the Porsche AG Group include vehicle decarbonization, the development of alternative drive systems, making increasing use of sustainable materials, closing resource cycles, and enforcing strict environmental standards in its supply chain.

### > STRATEGY FIELD DECARBONIZATION



The product portfolio represents the core of the Porsche AG Group's activities: the Porsche AG Group is shaping the mobility of the future with innovative products and technologies and attractive services. In particular, these include future-oriented drive concepts that cause significantly lower CO<sub>2</sub> emissions.

It is focusing on electromobility in particular: half of all new Porsche models are to have an electric motor, in other words be all-electric or partially electric, by 2025. Over 80% of new Porsche models are then to be fully electric by 2030. Porsche entered this era back in 2019 with the fully electric Taycan.

Building on its electrification strategy, the Porsche AG Group is striving to further reduce the average CO<sub>2</sub> emissions of its products and business processes. The Porsche AG Group has anchored this goal in its strategy for the entire life cycle of its vehicles. In addition to the CO<sub>2</sub> emissions caused by vehicle production, it takes into account the emissions in its upstream vehicle supply chain and during a vehicle's downstream use-phase, right up to disassembly for recycling at the end of the vehicle's life.

In cooperation with the Volkswagen Group, Porsche AG calculates the volume of greenhouse gas emissions, in tons of CO<sub>2</sub> equivalents per vehicle, all along the value chain using the Decarbonization Index (DCI)<sup>1</sup> → "Vehicle decarbonization".

### Decarbonization Index (DCI) of Porsche AG

| t/vehicle |                   |
|-----------|-------------------|
| 2022      | 63.9 <sup>1</sup> |
| 2021      | 63.8              |
| 2020      | 65.0 <sup>2</sup> |

<sup>1</sup> Due to the changes to the previous methods of collecting logistical data, the actual value for the 2022 financial year is currently unavailable as a calculation basis. In the reporting year, logistical data were therefore acquired on the basis of the average CO<sub>2</sub> emissions of the part of the Volkswagen Group (excluding the Porsche AG Group) included in the DCI for the 2022 financial year, multiplied by 1.3. This value is higher than in the previous reporting year.

<sup>2</sup> In deviation from the publication in the previous year, the DCI value for 2020 has been adjusted from 65.3 to 65.0 t/vehicle. The difference is due to CO<sub>2</sub> reduction measures in the supply chain.

### VEHICLE DECARBONIZATION (DECARBONIZATION PROGRAM)

Advancing climate change means the global automotive industry has obligations. Newly developed vehicles and drive systems need to contribute to a significant reduction in global CO<sub>2</sub> pollution. Therefore, the Porsche AG Group aims to reduce the CO<sub>2</sub> emissions of its entire value chain, including throughout its vehicles' life cycles. The Porsche AG Group is intensively

<sup>1</sup> The Porsche AG Group bases its calculation of the DCI on, among other things, assumptions which are founded on statistics. The Porsche AG Group uses model-based calculations to obtain the DCI on the basis of premises and values specific to the Porsche AG Group, as well as data from Life Cycle Assessment (LCA) databases. A vehicle is assumed to have a total mileage of 200,000 km. Vehicle servicing is not factored into the calculation. Inaccuracies cannot be ruled out of the modeling. The target of net carbon neutrality in 2030 is founded on averaging and involves offsetting. (GRI 2-4)

expediting the electrification and hybridization of its range of vehicles to this end. The vehicles are at the heart of an extensive and comprehensive decarbonization program.

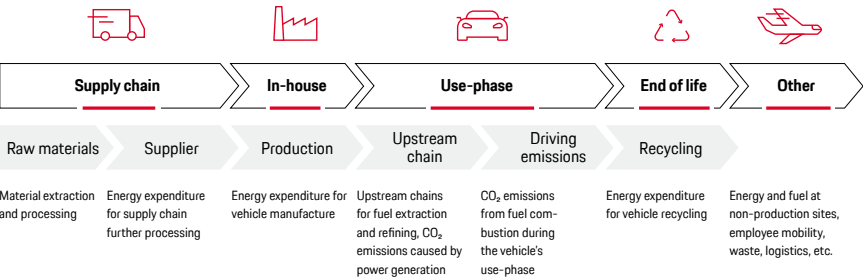
Target: decarbonization and net carbon neutrality

The Porsche AG Group has initiated an extensive decarbonization program. The Porsche AG Group aims to be net carbon neutral<sup>1</sup> across the entire value chain of its vehicles by 2030. This is its contribution to the UN's climate targets being achieved.

The decarbonization program contains concrete measures. They are based on three guiding principles, which also represent the priorities in descending order: the decarbonization program contains concrete measures. They are based on three guiding principles, which also represent the priorities in descending order: at the top of the list are measures to avoid or reduce CO<sub>2</sub> emissions. Second come measures designed to switch the energy sources used in the value chain to less CO<sub>2</sub>-intensive or to renewable energies. Thirdly, unavoidable CO<sub>2</sub> emissions (especially emissions that are technically unavoidable or only avoidable at unreasonable economic cost) are offset via carbon offset projects. These projects are expected to comply with strict, internationally recognized standards.

<sup>1</sup> This target covers Scope 1, Scope 2, and Scope 3 emissions as defined by the Greenhouse Gas Protocol. Net carbon neutrality along the value chain describes Porsche AG's ambition to avoid and reduce CO<sub>2</sub> emissions, especially during production (Scope 1 and Scope 2 emissions), in the supply chain and use phase of the vehicles delivered (upstream and downstream Scope 3 emissions), but also in other Scope 3 categories, such as professional travel. Avoided emissions and removals (offsets) are included in Porsche AG's decarbonization strategy; remaining emissions should therefore be offset in order to achieve net carbon neutrality. Emissions of vehicles delivered prior to achieving net carbon neutrality are not taken into account for the calculation of the carbon balance. The Porsche AG Group's ambition depends upon various factors, for example, technological progress that has not yet been fully developed, as well as regulatory or economic developments that are outside the Porsche AG Group's control and may therefore not be realizable.

Decarbonization Index



Decarbonization Index

The Decarbonization Index (DCI) is a meaningful instrument for reporting and controlling progress across all the divisions. The goal of the DCI is to present the emissions in CO<sub>2</sub> equivalents throughout the entire value chain. It is based on a life cycle assessment of the vehicles. A life cycle assessment examines environmental impacts such as the CO<sub>2</sub> footprint caused throughout a vehicle's life cycle during manufacture, use, and recycling. This encompasses the following:

- **Supply chain and production**  
This includes selected emissions generated during raw material extraction, component production, body construction, paintwork, and assembly.
- **Use-phase**  
The use-phase encompasses the CO<sub>2</sub> emissions related to power supply for battery electric vehicles and the tailpipe CO<sub>2</sub> emissions for internal combustion engines, as well as the CO<sub>2</sub> emissions of upstream fuel chains on the basis of average, region-specific consumption values over an assumed total mileage of 200,000 km per vehicle.
- **Recycling**  
Recycling includes emissions caused by selected disassembly processes.

The DCI also records other emissions within the value chain, such as business trip and logistics emissions.

It includes both direct and indirect CO<sub>2</sub> emissions of production sites (Scope 1 and 2) as well as additional upstream and downstream CO<sub>2</sub> emissions, from raw material extraction to recycling (Scope 3).

In cooperation with the Volkswagen Group, Porsche AG modifies the composition, valuation methods, and methodology of the DCI on a regular basis, due to changes in internal or external

requirements (such as test cycles), or in light of advancements in findings. DCI values previously published can therefore be adapted to new premises and be changed for the purposes of obtaining a methodologically consistent time series.

The DCI is the most important strategic performance indicator in terms of the transparent, comprehensive management of the company's progress towards net carbon neutrality. At Porsche AG, the DCI on a company level is reported by committees up to the level of the Executive Board. With regard to the DCI on a vehicle level, the product development process for individual vehicles involves regular reporting to the relevant Executive Board committees.

The DCI increased slightly by 0.2% year-on-year, even though measures were put in place to accelerate the reduction of CO<sub>2</sub>. This was essentially due to increased consumption by fleet vehicles resulting from supply chain bottlenecks and the limited availability of parts for the first all-electric Taycan model.

More information about vehicle decarbonization is available in the → **non-financial statement**.

PRODUCTION DECARBONIZATION

As part of its decarbonization program, the Porsche AG Group has already reduced the CO<sub>2</sub> emissions per vehicle produced of its own production activities by more than 98% since 2014. Its own production activities are a stepping stone in its efforts to continuously reduce the CO<sub>2</sub> emissions of the Porsche AG Group and throughout the life cycles of its products. Furthermore, the overarching goal is to reduce five selected types of environmental pollution caused by the production of each vehicle (energy, water, waste for removal, volatile organic compounds [VOC], and CO<sub>2</sub>) by 45% by 2025 compared to 2014.

Environmental compliance

Environmental protection is a compliance topic at the Porsche AG Group. Europe-wide regulations and directives, German national laws, federal state laws and ordinances, and municipal bylaws must be observed. We are not aware of any violations of environmental or energy legislation regulations at company sites in the reporting period.

Porsche presents all environmental compliance requirements in its environmental compliance management system (ECMS), which is part of the Porsche AG Group's overall management system. The ECMS requirements are based on the specifications of the Volkswagen Group.

As a Group guideline, the environmental compliance management system (ECMS) standardizes the procedure, responsibilities, and processes in connection with environmental and energy-related matters throughout the Porsche AG Group.

The implementation of necessary measures is the responsibility of the Member of the Executive Board responsible for Production and Logistics, who is assisted by the Environment and Energy Management department. It turns the specifications of the Volkswagen Group into specifications for the Porsche AG Group. Officers from this department follow the relevant legal developments, evaluating their impact on the company and informing the affected areas.

Additionally, the Porsche AG Group formed the Environmental Compliance Management Committee in the year under review. Its members are from different divisions and Group companies on an international level. The committee is expected to meet twice a year with all members, and an additional four times a year on a national level. It provides information about legal compliance at the German sites and offers examples for handling German legislation and potential international transferability. The committee also provides information about overarching strategic goals and measures.

Certified management systems

The strategy of the Porsche AG Group defines short-, medium-, and long-term environmental and energy management measures on the basis of its environmental policy. Top management evaluates these targets and measures at least once a year and determines what action is required for further improvements to be made.

Stuttgart-Zuffenhausen is a trailblazer in this context: the Porsche AG Group has noted effects on the environment, including all relevant pollution in the air and water, energy consumption, and waste volumes. The site has met the requirements of the European Eco-Management and Audit Scheme (EMAS) for over 20 years, the environmental management standard ISO 14001 since 1999, and the energy management standard ISO 50001 since 2011.

Additionally, Porsche Leipzig GmbH, the Research and Development Center in Weissach including its external locations, the central parts warehouse in Sachsenheim, and Porsche Werkzeugbau GmbH have all been certified as compliant with ISO 14001 and ISO 50001.

Independent third parties audit the official certifications on a regular basis. In addition, annual system and process audits are conducted at random in order to verify that the Porsche AG Group is adhering to the relevant environmental and energy legislation.

Efficient use of energy

Since 2017, Porsche AG and Porsche Leipzig GmbH have exclusively used electricity from renewable energy sources. The production sites in Stuttgart-Zuffenhausen and Leipzig obtain their energy from green electricity and biomethane. Leipzig also obtains district heating from biomass.

At some sites, the Porsche AG Group generates its own renewable electricity. The Porsche AG Group is subsidizing this share and aims to increase it continuously. In Leipzig, for example, a 4 MWp photovoltaic system generates electricity for the company's own consumption. Additionally, a highly efficient combined heat and power plant generates some of the extra energy that is needed.

The Porsche AG Group aims to exceed the minimum legal energy efficiency requirements in new buildings and has set its own minimum criteria.

Energy consumption of vehicle production sites¹



¹ Sites in Stuttgart-Zuffenhausen and Leipzig.

Zero-impact factory

The Porsche AG Group is pursuing the vision of a zero-impact factory at its vehicle production sites, in other words production that has the smallest negative impact on the environment possible.

Direct and indirect greenhouse gas emissions from vehicle production sites¹



¹ Sites in Stuttgart-Zuffenhausen and Leipzig.

The vision of a zero-impact factory involves eleven areas of action:

- Environmental compliance
- Architecture and perception
- Planning
- Digitalization
- Water
- Energy and CO₂
- Materials
- Soil
- Biodiversity
- Pollutants
- Mobility

With this vision of a zero-impact factory, the Porsche AG Group wants to reduce its environmental impact by means of selected key performance indicator (KPI) and additional qualitative criteria. The vision aims to reduce the environmental impact of Porsche's internal production activities by 95% by 2030 compared to 2018. One exception is the development site in Weissach, where the environmental impact is to shrink by 50% by 2030 compared to 2018, and by 95% by 2040.

In particular, the production sites in Stuttgart-Zuffenhausen and Leipzig are well on the way to realizing the vision of a zero-impact factory: Stuttgart-Zuffenhausen, for example, has been building the fully electric Taycan in a newly built plant in a net carbon neutral process since 2019. All types of environmental pollution, such as energy and resource consumption, water, waste, and sustainable mobility, are being taken into account. On average, the new buildings need 15% less energy than the previous building standard, which makes them surpass the minimum legal requirements.

As part of this structural expansion, Porsche AG has optimized the entire site in Stuttgart-Zuffenhausen, which is now fully net carbon neutral. For example, there are highly efficient Combined Heat and Power Plant (CHP) plants not far from the production and office buildings. It is beneficial that plants with extremely constant heat requirements are installed nearby, such as the paint shop, where the immersion baths and drying areas require a continuous supply of process heat.

With biomethane from organic waste and residues, the plants even generate some of the electrical energy used by the site in an environmentally friendly fashion. The Porsche AG Group offsets the rest of the site's CO₂ emissions.

ALTERNATIVE DRIVE SYSTEMS

In light of the advantages of e-mobility, the Porsche AG Group has decided to adopt a systematic electrification strategy. With this path it has chosen, Porsche AG is seeking to establish itself as a technology leader. Its drive strategy is based on three pillars: petrol engines, hybrid drives, and all-electric drives. As such, the Porsche AG Group reflects the demands and needs of the customers, the environment, and policymakers. Furthermore, the Porsche AG Group complements the three pillars by the use of new technologies available in the market, such as eFuels. An electric vehicle causes fewer CO₂ emissions than a comparable vehicle with an internal combustion engine. As renewable energies can be used during an electric vehicle's use-phase, one of the biggest levers for reducing the CO₂ footprint can be found in this area. The Porsche AG Group is looking to use sustainable energy sources such as wind and solar power in the process.

Promote electrification sustainably

Porsche AG is systematically expanding its range of electromobility offerings. The proportion of new vehicles with all-electric drives is to increase to more than 80% by 2030. Furthermore, Porsche AG aims to be net carbon neutral across the entire value chain by 2030. This vision also includes a net carbon neutral use-phase for all-electric models¹.

Over the next five years, the Porsche AG Group plans to invest more than €20 billion in electrification and digitalization, with a special focus on vehicle projects. Additionally, at least 50% of all newly sold vehicles are to be electrified by 2025, i.e., be all-electric or plug-in hybrid electric vehicles (PHEVs).

Massive expansion of charging infrastructure

To make the breakthrough, e-mobility needs an accessible, available charging infrastructure that meets demand and provides a customer-friendly charging process. The Porsche AG Group is taking a holistic approach to this. That is why the Porsche AG Group is working continuously on upgrading charging technologies and charging infrastructure. New products and services are set to turn charging into a personal customer experience that is fast and attractive.

That is why, last year, the Porsche AG Group took part in another round of funding for the joint venture IONITY, which currently operates a network of around 450 charging stations throughout Europe. In March 2022, Porsche AG also announced its plan to build a fast-charging network of up to 80 stations along main traffic routes in Europe.

Additionally, the Porsche AG Group provides its customers with charging options in the form of Porsche Destination Charging. This service already features more than 5,000 Porsche charging points in 80 countries around the world. They are situated in selected hotels, restaurants, shopping malls, sports clubs, and marinas. Guests at these destinations who drive an electric Porsche can take advantage of free vehicle charging.

The Porsche Charging Service even enables Porsche customers to connect to more than 300,000 third-party charging stations around the world.

The Porsche AG Group also delivers home charging solutions: with a Porsche Mobile Charger, which is built in-house by Porsche, customers can fully charge the battery in their Taycan with up to 22 kW.

Alternative fuels

In addition to this, Porsche AG is exploring other ways to reduce the CO₂ emissions of vehicles with petrol engines and hybrid drives in certain areas by means of efficiency measures. Porsche AG is making use of what are known as eFuels: synthetic, liquid fuels. These are made of hydrogen obtained exclusively using renewable energy and non-fossil carbon dioxide extracted from, for example, the ambient air.

Together with partners in science and industry, Porsche AG is working to develop these alternative fuels on an industrial scale. In doing so, Porsche AG is seeking to develop world-class sites: these are sites at which synthetic fuels can be manufactured under optimal conditions. One important factor in this context is the availability of renewable energy that other industries are not competing to use. Overall, more sources of renewable energy have to be made available in order to bolster the competitiveness of these new energy carriers.

In the year under review, Porsche AG and Siemens Energy worked with a number of international companies to build an industrial eFuels production plant in Punta Arenas, Chile. This site boasts very good parameters in comparison to elsewhere in the world, with consistent and strong winds. This results in very low power generation costs and therefore also low production costs. Furthermore, additional renewable energy is generated which does not compete with other industrial needs. Initially, a pilot facility has been built on this world-class site, and is expected to produce around 130,000 liters of eFuels per year. Production began in the fourth quarter of the year under review. In two phases, capacity will be increased to around 55 million liters of eFuels from 2025 and by another approximately 550 million liters of eFuels from 2028.

More information about alternative drive systems is available in the → non-financial statement.

¹ Usage includes the "tailpipe" CO₂ emissions of the fuel or electricity supply based on an assumed total mileage of 200,000 km or 124,274 miles per vehicle, according to the WLTP.



## ➤ STRATEGY FIELD CIRCULAR ECONOMY



The transition of Porsche models towards electromobility is a significant step. At the same time, entering the strategy field of a circular economy is a key element of Porsche AG's sustainability strategy. Under this principle, materials are to be designed, built, repaired, and recycled in such a way that as little waste as possible is produced. Porsche is striving to use circular materials in its vehicles and develop repair and reconditioning policies. Circular materials often have advantages over other aspects of sustainability, such as in terms of their CO<sub>2</sub> footprint.

The basic criteria of Porsche's principle of a circular economy are the longevity of its vehicles, quality workmanship, and the use of low-wear materials. Porsche AG aims to intensify its engagement on this front. Porsche AG has therefore set itself the goal of closing material cycles.

The transition to a circular economy is also reflected in the vision of the production of the future: According to the vision of a zero-impact factory (for more information, see → "Production decarbonization") as many negative environmental impacts as possible should be avoided in production processes.

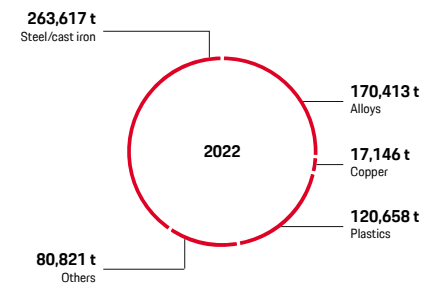
### CONSUMPTION OF RESOURCES AND SUSTAINABLE RAW MATERIALS IN VEHICLES

Many of the raw materials used in automobile production are finite or their extraction has a direct impact on the environment. That is why Porsche AG is working to make efficient use of the materials used in its vehicles. Where technically possible, it is also reducing its primary raw material needs. That is why the Porsche AG Group has anchored targets for the use of circular materials in all new all-electric vehicle projects where production begins after 2026. For example, these targets involve the use of recycled plastic and metal.

#### Efficient use of resources

To promote the use of sustainable materials, Porsche AG has defined criteria that materials have to meet. These criteria are considered met if, for example, their application makes a significant contribution to at least one environmental target without impeding other sustainability goals. This means that, compared to conventional materials, clear advantages will be generated throughout the life cycle.

### Material consumption of Porsche AG



Porsche AG has paved the way organizationally, on a strategic level and within the individual divisions and series, for the goals to be pursued in a systematic manner. In doing so, it has integrated the vehicle goals into the series' target systems and related processes. Selected business divisions are involved in the implementation process.

Alongside this, Porsche AG continues to work on lightweight construction in order to reduce vehicle weight and, in turn, the CO<sub>2</sub> emissions from vehicle use. Lightweight batteries are used in addition to aluminum in the bodywork and carbon fiber-reinforced plastic in the front, side, and rear windows.

Porsche AG aims to continuously improve battery production together with its suppliers, such as by using electricity from renewable energy sources in the upstream supply chain. By increasing energy density and power intensity, the amount of raw materials used in traction batteries can be reduced even further without affecting the range of the vehicle.

In cooperation with the Volkswagen Group and expert development partners, Porsche AG is also optimizing a procedure to recycle high-voltage batteries. In 2021, Porsche and CUSTOMCELLS GmbH founded the Cellforce Group to make it possible to build exceptionally powerful yet also more sustainable batteries. They aim to develop a new battery standard that delivers better range with a higher energy density and improved fast-charging capability. The Cellforce Group has signed agreements with partner companies to recycle production waste into new cathode material for future batteries. This is expected to bolster resilient European supply chains.

As high-voltage batteries contain a considerable percentage of valuable raw materials, Porsche AG is taking a holistic approach. To reduce waste, a repair concept has been developed for the Taycan that makes it possible to open the battery housing and replace each of the 28 or 33 installed battery modules, as well as other components. After operation in a vehicle, other options such as battery recycling by expert partners are evaluated. Porsche is currently examining advanced strategies known as second-life recycling for high-voltage batteries.

#### Sustainable raw materials at Porsche sites

The concept of a circular economy is anchored in the sustainability strategy of the Porsche AG Group as a field of action focused on the efficient use of resources. Therefore, more and more aspects of the circular economy are gradually being taken into account at Porsche's sites. In the case of the Taycan and Cayenne, for example, the material used to protect door coverings and hoods in transit has been switched out for a mono material that is more than 99% recyclable. Porsche AG has formed cross-departmental committees in order to work continuously on improvements to its circular economy.

More information about the consumption of resources and sustainable raw materials in vehicles is available in the → **non-financial statement**.

### CONSUMPTION OF RESOURCES AND RECYCLING IN PRODUCTION

The Porsche AG Group aims for a production with the lowest possible negative impact on the environment. Technology, processes, and logistics can all have a positive effect on resource consumption. Examples of this include using water efficiently on the basis of circulation systems and multiple reuse, and the careful handling of contaminated production wastewater.

The consumption of resources cannot be reduced without the commitment and involvement of the workforce. That is why the Porsche AG Group organizes a variety of initiatives designed to raise employee awareness of the subject matter, such as online training. Since 2015, more than 400 individual resource efficiency measures have been processed and put into practice. Other new measures follow on a regular basis.

#### Resource efficiency

In addition to reducing costs, responsible use of natural resources has a positive effect on the environment. The Porsche AG Group therefore continuously optimizes its processes. For instance, Porsche AG has once again modified the technical processes in its paint shops. In doing so, for example, it has further reduced the amount of water consumed by each cathodic dip coating process. By optimizing a pre-existing paint shop, the Stuttgart-Zuffenhausen site has been able to save over 850,000 kWh of heat energy.

### Waste management

Porsche AG and Porsche Leipzig GmbH's waste management system is based on a closed-loop system. As part of the vision of the zero-impact factory, waste is to be avoided and materials increasingly recycled. This will reduce the need for natural resources and thus make a significant contribution to their conservation. That is why avoiding waste and utilizing low-waste technology and sustainable disposal solutions are key elements of Porsche's waste management strategy. The company's "Environmental protection" resource regulation serves as an internal guideline and is also binding on suppliers.

Porsche AG and Porsche Leipzig GmbH have a system for collecting and separating unavoidable waste that is set for removal. Wherever waste is produced, there are bins which are labeled according to the different types of waste. The valuable materials in the waste can then be used in the subsequent waste disposal process. In addition, when looking to award waste contracts, Porsche AG and Porsche Leipzig GmbH pay special attention to disposal facilities that offer a materials recycling process. Any identified room for improvement is examined by Porsche AG and Porsche Leipzig GmbH's waste management officers on a continuous basis.

The levels of waste can be tracked by means of digital waste logging. This helps with the tracking of target achievement and compliance with the statutory documentation obligations.

#### Water and effluents

Water is becoming increasingly scarce as a resource. Porsche AG and Porsche Leipzig GmbH therefore use it prudently. The aim is to reduce water consumption and the production of effluents, thereby lessening the environmental impact of drinking water and groundwater shortages. Since 2014, the company has reduced the water consumption per vehicle produced of its own production activities by more than 19%.

Porsche AG and Porsche Leipzig GmbH operate in-house process facilities, such as vehicle leak testing equipment and washing equipment, largely in a closed-loop system. The paint shops conserve water by using cascade rinsing to recycle water, while bath treatment helps to extend life in pretreatment and in dip coating. The wastewater generated in vehicle production is pretreated in approved systems. This removes or reduces pollutants. The effluents are regularly analyzed and monitored in accordance with the requirements of the authorities.

All the water pollutants of all hazard classes produced at Porsche AG and Porsche Leipzig GmbH are transported, filled into containers, stored, or reused on site. The Porsche AG Group has reduced the risk of production interruptions when handling water-polluting substances by raising awareness among the employees, fitting technical protective devices to the production systems, and installing binding agent stations at outdoor locations.

## Environmentally friendly transportation logistics

Throughout the value chain, Porsche AG's logistics operations use the available CO<sub>2</sub> reduction potential. In the process, a number of decarbonization measures are identified and implemented continuously.

CO<sub>2</sub> emission reduction measures are the highest priority. One concrete example is the use of Longer Heavier Vehicles (LHV) for deliveries of materials (inbound logistics) and for finished vehicle transportation (outbound logistics). A LHV can transport eight instead of the usual six or seven vehicles. This saves a large number of Heavy Goods Vehicle (HGV) trips each year, not to mention a share of CO<sub>2</sub> emissions.

The next priority is measures that transition the transport chain to less CO<sub>2</sub>-intensive modes of transport, such as rail or alternative, more sustainable HGV drive technology. Since summer 2022, for example, production material for the Taycan has been transported to Stuttgart-Zuffenhausen by rail from a supplier in the south of Italy, instead of exclusively by HGV. Additionally, more than 10% of all HGVs delivering materials to the Stuttgart-Zuffenhausen plant have been converted to alternative drives. The HGVs are fueled by biogas (Bio-CNG) or synthetic diesel (reFuel). This also contributes to a reduction of CO<sub>2</sub> emissions.

## PROTECTION OF BIODIVERSITY

Biodiversity is vital for human life. Protecting biodiversity therefore goes much further than mere nature conservation. Alongside climate change, it is one of the global tasks of the modern age. The Porsche AG Group recognizes this and is actively committed to preserving biodiversity at its sites.

### Evaluating and managing biodiversity

Porsche's engagement here focuses on its sites and their immediate environment in particular. The Porsche AG Group wants to protect the occupied and unoccupied natural landscape and to minimize its own environmental footprint. In doing so, the Porsche AG Group wishes to maintain biodiversity, allow nature to operate and find its own balance, and secure the future capacity of nature and the landscape to recover. The Porsche AG Group therefore pays particular attention to these aspects.

In order to better evaluate and manage biodiversity at its own production sites, Porsche AG uses an innovative biodiversity tool developed by the Volkswagen Group. Since 2021, Porsche AG has used defined biodiversity criteria to study its Stuttgart-Zuffenhausen site. The tool is being optimized continuously. By 2025, the Porsche AG Group aims to define binding biodiversity targets in connection with its vision of a zero-impact factory.

### Near-natural company grounds

In 2021, Porsche turned an area of 2,000 square meters into green recreational space for its employees and the neighborhood as part of its drive to create near-natural company grounds at the Stuttgart-Zuffenhausen site. The cultivated pastures and native plants also serve as a habitat for insects.

In 2020, in order to conserve nature and species at the Stuttgart-Zuffenhausen site, 13 bee colonies, each with some 50,000 bees, were introduced to a naturally grown fruit orchard located within the perimeter. Porsche AG introduced a further five colonies there in 2021. In addition, another bee site was established in Stuttgart-Zuffenhausen. Consequently, there are ten new bee colonies established at the edge of the woods between the central workshops and the former Bosch grounds.

The plant in Stuttgart-Zuffenhausen is the second site belonging to the Porsche AG Group to get its own bee colonies — since 2017, some three million honeybees have occupied the off-road site at the Leipzig plant, which has been returned to nature.

Porsche AG is also committed to protecting biodiversity around the Research and Development Center in Weissach. A guide was developed to this end together with experts in the fields of landscape planning and species conservation. This gives concrete recommendations for future planting and the creation of green spaces. The aim of the transformations is to create a wildlife corridor leading to the local natural structures and species outside the Research and Development Center. Special attention is paid here to especially protected species of wild bee. To improve their conditions of existence, wild bee pastures were created in selected green spaces. Other measures in the project to create near-natural company grounds are in the pipeline. In this way, biodiversity and habitat variety will continue to be promoted at the Weissach site.

Furthermore, the Leipzig production site's grazing concept is unique in the automotive industry. Back in 2002, Porsche Leipzig GmbH introduced Exmoor ponies and wild oxen to 132 hectares of natural space there. The natural space is also home to Finnsheep and numerous wild animals.

Porsche Taycan: The all-electric sports car has been built net carbon neutral in Stuttgart-Zuffenhausen since 2019



The Porsche AG Group bears great responsibility towards its employees and society. That is why the Porsche AG Group organizes a wide range of activities designed to promote the safety, development, and well-being of employees. At the same time, the Porsche AG Group works to improve diversity and equal opportunities with a view to promoting a corporate culture in which everyone is welcome and able to apply their skills. In particular, the Porsche AG Group wishes to bolster disadvantaged and vulnerable social groups. The Porsche AG Group relies on strategic training courses and initiatives that raise awareness of these topics in order to make a lasting difference.

➤ STRATEGY FIELD PARTNER TO SOCIETY

The Porsche AG Group sees itself as a member of and partner to society, one that is aware of its responsibility. As part of its sustainability strategy, the Porsche AG Group assists regions and communities around the world in conserving the environment, guaranteeing good labor and living conditions, and boosting social cohesion. In the "Partner to society" strategy field, the Porsche AG Group aims to use corporate citizenship projects to focus on the people whose social environment is directly or indirectly related to the Porsche AG Group, be that its own sites or suppliers and business partners. In particular, young or disadvantaged people should receive strategic support and education to enable them to make permanent improvements to their living situation.

Ever since 2020, the Porsche AG Group has had its own core team for the "Partner to society" strategy field, comprising representatives of all relevant organizational units at Porsche AG. The team meets at regular intervals every six weeks: it defines and implements a joint strategy for projects in the strategy field and networks the relevant departments. The company fund, which was set up in 2021, is used to finance Group-wide project ideas. In the year under review, the funds were used to realize initiatives as part of the "Porsche Ride" program in Germany, Switzerland, and France. For more information, see ➔ "Join the Porsche Ride". The fund was also used to finance the expansion of the placement platform "Porsche hilft", in order make more team events possible.

The Porsche AG Group wants to use recognized methods to measure the effectiveness of its projects in the "Partner to society" strategy field. The Porsche AG Group is striving towards objective impact assessments on the basis of quantitative criteria, especially for its strategic flagship projects. The Porsche AG Group also remains in contact with the participants in order to see, with its own eyes, whether a project is really having a lasting positive influence on their lives and how their life situations have changed. Its impact assessment process was expanded further in the year under review, including for initiatives in the "Porsche Ride" program. Moreover, it has developed consistent KPIs for all strategic projects in order to map their footprint (i.e., their range and impact). The results will also be used to adapt current and future projects to the needs of the people affected.

The following sections present individual initiatives as part of the Porsche AG Group's social commitment in more detail.

Social activities around the world  
PORSCHE HILFT

Voluntary engagement is an integral part of the Porsche corporate culture. In the year under review, Porsche AG broadened its support in view of the impacts of global crises such as the Covid-19 pandemic, climate change, and other geopolitical challenges. The "Porsche hilft" initiative complements the Porsche AG's extensive financial aid with the placement of voluntary helpers.

A digital platform lists organizations and associations that need the support of volunteers. Individuals and teams, be they newcomers or retirees, can then quickly and straightforwardly see where help is needed. The selection of projects and organizations is aligned with the company's strategy, especially the sustainability aspects of engagement and empowerment. Porsche AG is expanding the platform continuously and broadening the array of possible assignments.

The platform is being put to good use, with volunteers performing more than 1,400 hours of voluntary work in the year under review. Among other things, they helped redesign playgrounds for disadvantaged children and young people, planted several thousand trees, and marked World Cleanup Day by picking up almost four tons of waste from around Porsche sites worldwide as part of an international campaign.

With "Porsche hilft", Porsche AG is focusing on people. The initiative makes it clear that each and every one of us can make an important contribution to society and help bring about positive change.

For its extensive commitment as part of the conflict in Ukraine, the initiative received the Trendence Award in the "Companies Help People" category.

RESPONSIBLE MICA INITIATIVE

Like many other manufacturers, Porsche AG processes the raw material mica and is involved in the Responsible Mica Initiative. Porsche AG was represented on the initiative's Board of Directors in 2022. In 2021, it published the the Global Mica Standard, which is a global workplace standard dedicated to occupational safety and fair working conditions and wages. For more information, see ➔ "Supply chain responsibility".

PORSCHE AFTERSALES VOCATIONAL EDUCATION

The Porsche Aftersales Vocational Education (PAVE) program has been training highly qualified employees in technical professions for more than ten years. The trainees attend training at international sites — in accordance with European standards — and are then appointed to the dealer organizations of the Porsche AG Group and other Volkswagen Group brands around the world. Everyone benefits from the PAVE program: the young adults, many of whom are from socially disadvantaged backgrounds, gain access to first-class vocational training, and the dealer organizations are provided with highly qualified employees. Long-term, strategic school partnerships also ensure that vocational training skills are embedded locally, which means that PAVE has a lasting effect. At the same time, changes in vocational training requirements are responded to flexibly and in advance by the program. All in all, PAVE offers young people highly promising development opportunities, which not only promotes individual self-determination, but also leads to improvements in society as a side effect.

CASCADE

In cooperation with Michelin, Porsche AG is campaigning for the sustainable extraction of natural rubber: the project CASCADE (Committed Actions for Smallholders Capacity Development) champions greater transparency and better labor conditions during extraction of this raw material. With the initiative, the partners are supporting numerous smallholders on the Indonesian island of Sumatra. Indonesia is one of the world's primary rubber regions.

Representatives from both companies identified potential sustainability risks in the natural rubber supply chain, especially the smallholders' heavy dependence on natural rubber cultivation and a lack of knowledge about efficient cultivation methods. Consequently, the project provides training in efficient cultivation methods, income diversification, and occupational safety, in order to enable the smallholders to make their cultivation methods more environmentally friendly and more efficient while also improving their living conditions and economic situations on a long-term basis. Around 1,000 smallholders are to be trained by local partners overall, with more than 400 smallholders making use of the option in the year under review. So far, Porsche AG and Michelin have invested a combined total of around €1 million in the project, which is initially set to run until 2024.

"JOIN THE PORSCHE RIDE"

The global "Join the Porsche Ride" initiative is closely aligned with the United Nations Sustainable Development Goals. In order to make a successful contribution to these goals, "Join the Porsche Ride" is centered on the empowerment of various local target groups. The initiative's projects range from environmental and sustainability-related education programs for children to the inclusion of people with disabilities to improved occupational health and safety. The implementation is accompanied by a Porsche Taycan. It serves as both a catalyst and an ambassador for sustainability. The projects are set to take place at selected sites across five continents. As the goals cannot be accomplished and upheld going forward without a long-term commitment, engagement on a local level is indispensable. Therefore, the initiative is supported by Porsche's dealer organization as well as partnerships with specialized non-governmental organizations (NGOs) at each site. In this context, it is important that the various projects are set up with sound structures and strategies, so as to guarantee that they are able to run successfully on a long-term basis. "Join the Porsche Ride" underlines the Porsche AG Group's complete understanding of the notion of social commitment. In the year under review, the Porsche Taycan set out from Porsche's site in Leipzig and called at intermediate destinations in Switzerland and France.

Diverse aid initiatives for Ukraine  
REFUGEE RELIEF DONATIONS

In the year under review, Porsche AG donated €1.5 million to the victims of the conflict in Ukraine. Of this amount, €750,000 went to the German charity UNO-Flüchtlingshilfe, a long-term partner of the Volkswagen Group. Another €250,000 went to the Ferry Porsche Foundation, which supports children and young people. The funds were also used to provide counseling and language courses for Ukrainian refugees. Subsidiaries donated €500,000 to people in Ukraine, with a focus on the United Nations High Commissioner for Refugees. Under the "Porsche hilft" initiative, employees were given the option to make hassle-free donations to the people in Ukraine.

Besides quick and effective financial aid for the Ukrainian population, Porsche AG launched numerous funded projects to support refugees:

ACES FOR CHARITY

The initiative in association with the Porsche Tennis Grand Prix has supported charitable projects for a number of years. The year under review was no exception, with €100 being added to the total donations whenever a player hit an ace. The total amount raised, €30,000, benefited two organizations: half was given to Agapedia, an initiative that helps Ukrainian child refugees and their families, breaks down language barriers, helps overcome intercultural expectations, and supports traumatized children. The other half went to the Baden-Württemberg Sports Federation, whose competitive members include Ukrainian refugees. It aims to provide young athletes with training opportunities and help them — as well as their trainers and families — face upcoming challenges without any delays or red tape.

DONATED TOYS AND PLAYBUSES

Not far from Schleyer-Halle in Stuttgart, there is emergency accommodation for refugees which took in numerous children in 2022. Porsche AG managed to put smiles on their faces by donating sets of Lego and Playmobil. As the accommodation often lacks the space needed to play, the donations were accompanied to the center by a "Mobifant". Belonging to Stuttgarter Jugendhausgesellschaft, these playbuses are equipped with all kinds of creative and movement activities. Qualified educators take them to places where children have especially limited space to play. Porsche AG subsidized this special form of proactive work with children and young people back in 2016, to help Stuttgarter Jugendhausgesellschaft purchase a Mobifant after the initial influx of refugees from Syria.

MEDICAL SUPPLIES FOR ARTHELPS

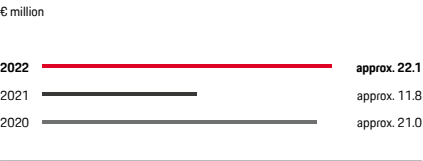
Ukraine remains desperate for medical supplies, so in the year under review, Porsche AG donated more than 200 first-aid kits from development and test vehicles, containing dressings, plasters, and much more. The donations went to the charitable organization ARTHELPS, which delivers aid to Ukraine on a regular basis. In the Ukrainian city of Smila, ARTHELPS is also offering another type of aid to children and young people who are refugees: psychological support and art therapy — which can be extremely effective in children especially — aim to make it easier to process the trauma of war and counteract any potential long-term effects.

Support for the most vulnerable in society  
CHILDREN'S RUN FOR LIFE

The nationwide Children's run for life, which is organized by the children's charity Bundesverband Kinderhospiz e.V., aims to bring a sensitive issue into the public eye and constantly raise awareness in order to dispel the taboo. Founded in 2002, the charity aims to improve medical care for around 50,000 children and young people with life-shortening diseases, improve their families' quality of life, and raise public awareness of the issue.

Porsche AG was the main sponsor of the children's run for life in 2022. With a total length of 7,000 km, the race called at 120 children's hospices between April and October, including Stuttgart-Zuffenhausen.

Donations made by the Porsche AG Group<sup>1</sup>



<sup>1</sup> The disclosure contains all donations made by Porsche AG as well as donations of more than €5,000 made by fully consolidated subsidiaries.

BÜRGERSTIFTUNG STUTTGART – SUPP\_OPTIMAL

The project "Supp\_Optimal" coordinates the preparation and distribution of food and hot meals to homeless people in Stuttgart. The initiative calls on citizens to get involved and raises public awareness of the desperate situation in which homeless people find themselves. Porsche AG has been supporting the project since 2020, which has enabled it to expand. In the year under review, around €600,000 was donated to the

organization thanks to an initiative run by Porsche employees. Instead of using the temporary VAT reduction during the Covid-19 pandemic to lower prices at Porsche Gastronomy, the Executive Board and Works Council decided to use the money saved to provide food to those in need. Thanks to Porsche AG's donation, around 53,000 meals were distributed to people in need in Stuttgart.

PROJECT "LUKAS" FOR CHILDREN WITH DISABILITIES

More than seven million people in Germany are living with a serious disability. They and their families often have to face serious challenges. Through project "Lukas" — a German abbreviation for "A smile for company children with other strengths" — Porsche AG supports employees whose children need special support due to a mental and/or physical disability by making donations to the institution that provides care for the child. Porsche AG launched the initiative in 2019. So far, the initiative has helped 24 integrative kindergartens as well as care centers and all-day nurseries. Just under €100,000 was donated through project "Lukas" in the year under review.

PORSCHE 911 SALLY SPECIAL: A UNIQUE MODEL FOR A GOOD CAUSE

At Monterey Car Week in California, Sotheby's auctioned off a truly special unique specimen: the 911 Sally Special. It was inspired by the Sally Carrera from the movie series "Cars". Just like its famous inspiration, the 911 Sally Special is literally unique: it will only ever be one of a kind. The dream vehicle was unveiled at the auction by Porsche AG and Pixar Animation Studios — this was the first time that Pixar had supported such a project.

The car sold for 3.6 million US dollars. The money went to two charitable organizations: Girls Inc., an initiative that wants to help girls be strong, clever, and brave, and USA for UNHCR, which provides emergency aid to the almost 6.2 million Ukrainians who have fled to other European countries since the outbreak of the conflict.

PORSCHE KOREA: PORSCHE DO DREAM

Through its campaign "Porsche Do Dream", Porsche Korea aims to open up new opportunities and prospects to disadvantaged children and young people. A scholarship program named "Porsche Dream Up" supports bright young talents in the fields of art and sports. The "Dream Playground" initiative creates play opportunities inside buildings. Other projects under this initiative include Porsche Dream Circle for environmental education in schools, Bee'lieve in Dreams, a honeybee project for greater biodiversity in Seoul, and Smart Traffic Safety Solution for Children.

"Turbo for Talents" — youth development in sports  
PROMOTING YOUNG TALENT IN VARIOUS CLUBS

Under its "Turbo for Talents" initiative, Porsche AG works to promote talented young people in various types of sports. In soccer, it has partnerships with RB Leipzig, the Stuttgarter Kickers, the Red Bull Football Academy, Borussia Mönchengladbach, and FC Erzgebirge Aue. In ice hockey, the company supports talented young people at the Bietigheim Steelers. In basketball, the Porsche Basketball Academy (BBA) in Ludwigsburg — the elite training center for MHP RIESEN Ludwigsburg — is named after Porsche AG. In addition to high-quality sports training, this program promotes the social and personal development of children and young people. The football world champion Sami Khedira is a prominent sponsor of the program.

FOOTBALL CAMPS FOR UKRAINIAN CHILDREN AND YOUNG PEOPLE

In cooperation with partner clubs FC Erzgebirge Aue, Borussia Mönchengladbach, SV Stuttgarter Kickers, and RB Leipzig, the Porsche youth development initiative "Turbo for Talents" launched football camps for children and young people who had fled Ukraine. More than 100 participants came together from lots of different areas. Besides an age-appropriate training unit, the day with each club featured other highlights, including an exclusive stadium tour and a kick around with the professional team.

PORSCHE TURBO AWARD ON THE HOCKENHEIMRING  
FOR THE FIRST TIME

The Porsche Turbo Award has been an integral part of the "Turbo for Talents" program for many years — once a year, Porsche AG awards prizes to selected up-and-coming players from partner clubs in the following categories: best sporting development, best academic performance, and exceptional social engagement. Every prizewinner receives €500 towards the cost of driving lessons. The seventh awards ceremony took place in the Porsche Experience Center on the Hockenheimring for the first time in 2022.

Besides the prize-giving ceremony, the young athletes were given the chance to co-pilot a car on the Hockenheimring track.



ATTRACTIVENESS AS AN EMPLOYER

The employees are one of the four most important target groups in the Porsche AG Group's Strategy 2030 alongside the customers, society, and investors. First and foremost, the Porsche AG Group wants to remain an attractive employer. Therefore, this goal is embedded deeply in its HR strategy. For the Porsche AG Group, this primarily means always putting employees at the heart of its business decisions and embracing its responsibility as an employer.

Porsche's corporate culture

For the Porsche AG Group, a strong corporate culture is a fundamental key to success. It enables the Porsche AG Group to overcome strategic challenges and create the conditions for a successful transformation. The Porsche Code offers long-term guidance here as well as a target vision for the employees and managers. The ongoing development allows them to actively co-determine Porsche's corporate culture and contribute to ongoing improvement.

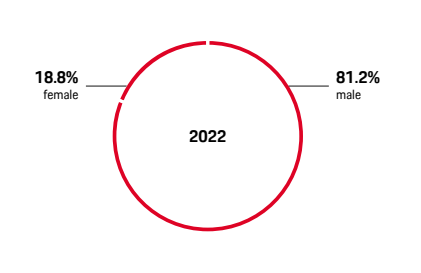
First and foremost, to be an attractive employer means that the Porsche AG Group keeps its promises to its employees and turns them into a reality in everyday working life. The Porsche AG Group wants to be seen as a top employer by talented individuals in the labor market. This all depends on a high degree of credibility: it is the only way the Porsche AG Group can attract the most qualified staff and retain them in the long term. The Porsche AG Group has intensified its efforts to recruit IT and digitalization experts in the fields of the future.

Porsche AG is constantly looking for new employees who will actively help shape the future of mobility. Porsche AG has taken various steps to this end, such as the "Porsche Tech Talents" recruitment initiative, which is specially designed to appeal to talented young people in digital and technological fields. In the reporting period, Porsche AG also partnered with universities and organizations such as Formula Student Germany and CODE University of Applied Sciences.

Employees of the Porsche AG Group

|      |        |
|------|--------|
| 2022 | 39,162 |
| 2021 | 36,996 |
| 2020 | 36,359 |

Employees of the Porsche AG Group by gender



Work-life balance

The Porsche AG Group recognizes the immense value of a work-life balance and supports its employees with a wide variety of different measures and options: for example, local cooperation partners ensure that regular childcare places are available in kindergartens close to selected Porsche AG sites. In emergencies, additional childcare places are also available at day care centers in Stuttgart. Parents can also take their children to work at Porsche AG for a few hours. In summer, the children of employees can attend a school holiday program that runs throughout the holidays. With its family service, Porsche AG offers extensive, free, and individually tailored advice and support on all aspects of family life, in particular for parents-to-be and with caring for relatives.

In doing so, the Porsche AG Group is taking account of its employees' individual needs and promoting flexible working options with regard to workplace and working hours. This gives employees a high degree of flexibility. Porsche AG further enhanced this flexibility in 2021 with the amended works agreement regarding mobile working, and facilitated mobile working on up to twelve full days per calendar month in the reporting year. Mobile working by the hour is also an option. Looking ahead, Porsche is focusing on a healthy mix of on-site and mobile working in order to uphold the unique Porsche culture, which is characterized by personal relationships and shared experiences.

Further options range from flexible working hours aligned to the employee's current phase of life and diverse part-time options to a wide range of flexitime policies, such as during parental leave and sabbaticals, as well as care leave to support family members.

Outstanding employer

Porsche's high level of attractiveness as an employer is demonstrated by the number of applicants, which remains high — in the reporting year, the Porsche AG Group received more than 140,000 applications for just under 5,000 vacancies.

In 2022, Porsche AG was once again ranked as a top employer by students in verified employer rankings. In the Universum Student Survey, Porsche AG was again named the most attractive employer for students of engineering and business sciences. Up-and-coming IT specialists ranked Porsche as the fifth most attractive employer based in Germany. And in the Universum Young Professionals Survey, Porsche AG defended its top spot in engineering and business sciences. In the field of IT for young adults, the company managed to greatly improve its rank and rating. In fourth place, Porsche AG is the best-positioned employer brand in Germany by far.

In the reporting year, Porsche AG performed better in the eyes of students of engineering and business sciences in the Trendence Institute's annual survey. It remained in the same position as the previous year in the hotly contested IT and informatics segment. Porsche AG only fared slightly more poorly among the target group of engineers and IT specialists in the "Young Professional Ranking".

And last but not least, Porsche AG was again voted the most attractive employer in the automotive industry in a study conducted among students and future graduates by "Automobilwoche" and the Institute of the Automotive Industry (IfA). This means that Porsche AG won the Automotive TopCareer Award again, as it did in the previous year.

Porsche AG also won the Glassdoor Award for employee satisfaction: Porsche AG was named the fifth best employer in Germany out of 25 (previous year: ninth place), which means that it has ranked among the ten best employers at Glassdoor for the third time in a row. Glassdoor is a website where employees can rate their current and former employers anonymously and voluntarily.

Measuring employee satisfaction

It is very important to the Porsche AG Group that its employees are actively involved in processes and that their opinions, views, and suggestions are all listened to. Once a year, Porsche AG and selected subsidiaries carry out an employee survey. This mood barometer gauges employee satisfaction and determines the company's attractiveness as an employer internally. The mood barometer covers topics such as "handling pressure and requirements", "work-life balance", "advanced qualification opportunities", and "leadership style of your direct superior".

The results of the mood barometer are used to identify potential areas for improvement and provide managers with information

on areas requiring attention in their organizational units. In fixed follow-up processes, the managers and their employees jointly define suitable measures. They are supported by the team responsible for the mood barometer, which has various tools at its disposal. The aim is to secure the long-term implementation of the measures in the organizational units. More than 16,000 Porsche AG employees participated in the 2022 mood barometer survey, which corresponds to a participation rate of 73%. The mood index, one of the mood barometer's primary metrics, came in at 78 out of a possible 100 index points in the year under review, thus largely remaining at the previous year's level.

OCCUPATIONAL HEALTH AND SAFETY

At Porsche AG, occupational health and safety are foundations for motivation and willingness to work. Occupational safety is therefore an important goal for Porsche AG and its employees. An organized and structured occupational health and safety management system ensures a uniform approach and is designed to ensure that legal provisions are implemented. This helps to prevent workplace accidents and occupational diseases as far as possible.

Occupational safety

In line with the statutory regulations, the central occupational safety processes are standardized and set out in the Group guideline on occupational safety. This guideline is a major element of Porsche's compliance management system. It applies to the whole workforce at Porsche AG and selected subsidiaries in Germany. The managers are to ensure that their employees are familiar and comply with the provisions of this guideline. Specialists in occupational safety and works doctors are available to all employees in an advisory capacity. Generally speaking, the entire workforce of the relevant companies is represented through the legally defined representatives in the occupational safety committees in accordance with the Occupational Safety Act. The revision of the guideline was completed in the reporting year. It will be extended to include provisions on health protection to form the basis for a certifiable occupational safety management system in the future.

Due to ongoing automation and digitalization, the world of work is changing and becoming more challenging at an ever-faster pace. Therefore, safe working conditions and ergonomic workplaces are exceptionally important. According to Germany's Act on Occupational Physicians, Safety Engineers, and Other Occupational Safety Specialists (ASiG), the Occupational Health and Safety department is responsible for advising in this field. Each department is responsible for realization. Representatives of the department tour the existing workplaces on a regular basis and assist with risk assessments and standard operating procedures.

Safety experts offer advice on the design of workstations, equipment, and installations. Their main focus is on preventing accidents and risks to health. Construction and installation sites are overseen and monitored by special construction experts beyond what is required by law. Porsche AG refines current safety standards on a continuous basis.

In the event of workplace accidents, the causes are analyzed in detail and measures are implemented to avoid future accidents. Porsche AG measures the occurrence of workplace accidents in all organizational units with the "occupational accident index" and reports them internally each month. Every year, Porsche AG and selected subsidiaries in Germany set targets to continuously improve employee safety in the workplace.

### Preventative health management

At Porsche AG, health management encompasses all of the measures that contribute to the health of employees. In addition to safety systems and the provision of local medical care for employees working at German sites, there are services for preventative health promotion in the workplace. Health Management also offers courses on topics such as healthy eating, relaxation techniques, and effective self-management. Employees can access individual physiotherapy advice and seek treatment for acute disorders. On the basis of the Occupational Safety Act, works doctors assist with the design of healthy and ergonomic workplaces. They also perform preventative examinations on

employees, offer advice, assist with the organization of first aid, and help reintroduce employees to the workplace after illness. Regular safety inspections are conducted to verify that the specifications are being implemented. Key occupational safety indicators are collected and compiled in a detailed occupational safety report.

The Health Management division is responsible for all health promotion activities, structures, and processes. Moreover, a number of company health departments are responsible for providing medical care at work. As a preventative discipline, occupational health care plays a key role in occupational health management. The works doctors' responsibilities include analyzing the effects of work on employees. They also promote the employees' health and productivity and assist Porsche AG in planning and creating healthy labor conditions. Occupational health care also encompasses emergency paramedics as part of first-aid organization, meaning acute and emergency health care is always guaranteed at the plants.

Porsche AG has a targeted occupational reintegration management system in place for restoring employees' capabilities after longer periods of illness: for example, the affected employees are reintroduced to the strains of working by means of gradual workplace reintegration. Porsche AG's Health Management division also provides social counseling to those with psychosocial stress and support for those in difficult life conditions.

### Vision of occupational safety



### Employee integration

All the employees are represented in occupational safety committees by statutory representatives. The site-specific committees meet four times each year. All employees are briefed on occupational safety at least once a year to ensure that they are kept up to date on specific hazards and rules of conduct. The intranet also contains a broad range of information and education on health and safety in the workplace.

In 2022, Porsche AG rolled out a communication campaign designed to raise employee awareness and motivate them to behave safely at work: the campaign provides information in various ways about hazard spots, current topics, and statements from the management and employee representatives.

To avoid risks to other companies' employees at its sites as much as possible, Porsche AG stipulates detailed rules of conduct. These apply to construction sites in particular, but also to the procurement and assembly of machinery and equipment.

### Ongoing support during the Covid-19 pandemic

Porsche AG's emergency response organization dealt in detail with the coronavirus crisis during the reporting year. Porsche AG initiated a range of measures to protect the health of its employees, such as notifying affected departments and communicating with authorities. A telephone help desk and central mailbox were used by employees as a point of contact for all queries relating to coronavirus. Administrative employees can work remotely for their own protection. All employees have access to first, second, and booster vaccinations. The comprehensive safety policy also featured self-tests for employees and testing points offering PCR tests.

More information about occupational health and safety is available in the → **non-financial statement**.

### EMPLOYEE DEVELOPMENT AND SOCIALLY ETHICAL TRANSFORMATION

In light of the transformation of the automotive industry, employees should be taught technical and interdisciplinary skills for changing responsibilities and roles in various future fields. In this context, Human Resources is a driver, a catalyst, and a controller. The content, processes, and tools for employee development and shaping the transformation are adapted and implemented in cooperation with the individual fields.

Centralized qualification opportunities are available for developing interdisciplinary skills and in the form of development programs for the management. Opportunities are also available to individual target groups, such as the "Procurement Academy" and the "Porsche Academy" for the global dealer organization. Changes are overseen by HR Business Partners, managers, and the integrated Change@Porsche program.

The Porsche AG Group has defined five targets in its interdepartmental cooperation:

1. Identify strategic needs for skills and proactively shape the transformation
2. Qualify and develop employees as needed
3. Help managers shape the transformation
4. Support employees and managers through change processes
5. Evaluate and optimize the effectiveness of measures

Every target is accompanied by a selection of appropriate measures. So far, these are applied by Porsche AG in particular. Other Group companies are free to adapt them to suit their own requirements and apply them too.

#### Regarding 1. Identify strategic needs for skills and proactively shape the transformation

Strategic competency management has been in place at Porsche AG since 2019. Since then, representatives of the departments have been observing the need for technical and interdisciplinary development. In 2022, Porsche AG compiled these updated needs in a company-wide road map. It contains short-, medium-, and long-term plans for strategic skills. There are also field-specific road maps.

On this basis, Porsche AG is planning its need for human resources in the form of professional profiles and designing measures to develop the entire organization and the skills of employees. That is why Porsche AG has also set up new bodies, such as the Transformation Office, as well as the Transformation Committees under the works councils in Stuttgart-Zuffenhausen and Weissach.

In the reporting year, Porsche AG also established a cross-divisional qualification organization to coordinate all qualification and development measures. With this "Portfolio Management Qualification Transformation", Porsche AG is able to compile opportunities throughout the company that are aligned with its corporate targets perfectly.

## Regarding 2. Qualify and develop employees as needed

In the reporting year, Porsche AG developed or expanded existing qualification opportunities. For example, the qualification course "Maintenance Engineer 4.0" for the digitalization of industrial production has been expanded for people who maintain plant IT, robotics, and control technology. Porsche AG has created a qualification tool kit with new systems engineering methods and tools for development engineers. There is also a new mechatronics tool kit and a new cybersecurity management professional program.

A central budget is available to promote strategically relevant skills, such as the key skills of trainers and trainees. The budget is to be used to fund the comprehensive qualification of entire employee groups, as well as for individual transformation qualification. Furthermore, various centralized tools and opportunities were created in the reporting year.

In the second half of 2022, Porsche AG started offering standardized, system-based qualification and development interviews. They are expected to be in place throughout the company by 2023. Managers will then be able to hold annual interviews with employees who are covered by a collective agreement with a focus on qualification and development.

In these interviews, managers and employees will be able to find out what skills an employee already possesses, how they can build on them with a view to future challenges, and how they can grow strategically in the process. This way, Porsche AG wants to gradually document the skills of all employees in a uniform, centralized fashion. Building on this, Porsche AG will be able to plan further employee development, such as by identifying potential for promotion to the management as well as the scope and content of the qualification portfolio.

To account for the huge significance of internal development opportunities, Porsche AG conducted an anonymous, representative employee survey on HR development as part of the cross-cutting strategy "Transformation Driving Change" in 2021. For example, Porsche AG wanted to know how they see their current development paths and what they expect from their development at the Porsche AG Group. It also took a random sample from the overall workforce, in which more than 60% of the questions were answered. An external benchmark was also carried out on the same topic.

The results of this survey gave Porsche AG a sound insight into its employees' career opportunities. Porsche AG then derived new HR development opportunities in the reporting year:

- Porsche AG introduced a curriculum on "Personal development and self-reflection" for all employees in 2022. This curriculum complements the existing module "Self-reflection on the way to management", as self-reflection is an

important skill for everyone to possess. The new curriculum should help employees identify their strengths and needs for development, and utilize the findings to shape their future professional development.

- Porsche AG promotes digital skills through the Porsche Digital Academy. The Porsche Digital Academy provides employees of the Porsche AG Group with a range of cross-departmental qualification opportunities in cooperation with internal and external experts. In the reporting year, Porsche AG expanded the range of opportunities in the fields of software development, AI and data, IT architecture, cloud computing, and digital security in particular. Training in agile methods of working, such as the Scaled Agile Framework, was particularly popular in 2022. This reflects the increasing agility of Porsche AG, such as in terms of its digital product organization. Porsche AG even licenses external training portals for the Porsche Digital Academy, enabling it to offer more high-quality technical qualification courses and meet urgent qualification needs at short notice.
- Beyond the Porsche Digital Academy, Porsche AG introduced digital methods to its training courses in the reporting year. For instance, Porsche AG is making use of gamification: from the Digital Fitness Check to the Smart Factory Exit Room, Porsche AG has made use of a variety of exceptionally engaging and experience-driven blended-learning formats.
- In the reporting year, Porsche AG tested the "LearningExperience@Porsche" platform. This platform aims to offer guidance to help employees across departments and hierarchical levels navigate the large number of options. It is an AI-based search engine that employees can use to find qualification and development measures which are suitable for their roles and fields of responsibility. At the same time, "LearningExperience@Porsche" complements Porsche's existing training platform with an optimized, comprehensive training environment. For example, it offers additional personalization options, adaptive learner journeys, and new ways to study with one another.

In summer 2021, Porsche AG opened the Learning Lab in Stuttgart-Zuffenhausen to provide more room for employees to learn from and with one another in an everyday working environment. With an area of more than 200 square meters, the Learning Lab gives employees the room they need to experiment, network, and create. It also features a studio for recording videos and professional live streams, as well as room for creating podcasts.

In 2022, in close cooperation with its departments, Porsche AG organized events in the Learning Lab designed to promote people's learning skills and their confidence in their own learning abilities. A wide range of target groups were able to book moderated formats that supported their personal development either individually or as part of a team.

For instance, the "Forward Thinkers" format guided employees to pass the knowledge of an expert on to colleagues. This form of structured knowledge transfer is becoming increasingly significant for the more dynamically organized organizations and fields of work change.

Additionally, the "Pit Stop Future" workshop showed how the transformation of the automotive industry is reflected in employees' everyday work and training: teams in the Learning Lab used innovative methods to paint a picture of the future of their work, determine what skills their fields will need in the future, and draw up study plans.

This all makes Porsche AG's Learning Lab more than just a "development showroom"; it has opened the door to novel formats designed to promote idea-sharing and training. More sites and formats are in the pipeline as part of Porsche's evolution into a learning organization.

## Regarding 3. Help managers shape the transformation

Managers play an important role in the transformation of the Porsche AG Group. In the reporting year, Porsche AG placed a heavy emphasis on expanding managerial skills and the personal development of its managers so that they are able to fulfill this responsibility. Porsche AG also strengthened its management culture, which motivates employees to do outstanding work and builds anticipation for change.

- Every year, on the basis of a closed management culture, Porsche AG redesigns the Porsche Leadership Lab with which it empowers managers to embrace their managerial responsibilities. In 2022, managers with disciplinary responsibility prepared for their crucial roles in the successful transformation in the Leadership Lab.
- Managers can learn about relevant topics and obtain further qualifications at their own pace, supported by the "Leading my team through the transformation" learning stream. The formats range from short bursts of inspiration to modules spanning several days to detailed documents for team workshops. The modules help participants see the transformation as a common leadership responsibility.
- Strengthening the leadership skills of hybrid teams was one key focal point. Following the Covid-19 winter in 2021/22, Porsche AG took the opportunity to convert valuable experience from the previous months into a hybrid post-Covid scenario. It combines the flexibility and efficiency of virtual collaboration with equally important personal communication. New general conditions for mobile working mean a new role and new responsibilities for managers. With comprehensive information and dialogue events as well as integrated tool kits and workshop sets, Porsche AG helped its managers establish the hybrid era within their fields.

- A new management program is in place for employees who have assumed a management role for the first time due to the revised requirements. The program assists them with their new responsibilities. The three focal points are strengthening the management role faced with the conflicting priorities of operational versus innovative tasks, managing in-person, hybrid, and virtual teams, and molding one's own scope for action to create value.
- Porsche AG developed the "Porsche Preparatory Management Module" for employees with the potential to have a career in management, and expanded it in 2022. High-potential employees and their managers select the modules that best match their personal development status and requirements.

## Regarding 4. Effectively support employees and managers through change processes

A sustainable and socially ethical transformation cannot happen unless Porsche AG focuses on the people within the company throughout the change process. That is why integrated change management is of such great importance to Porsche AG: it wants to build a common understanding of the upcoming changes, make it possible to overcome the change more quickly, bolster acceptance, control concomitants, and safeguard the effectiveness of the organization.

Porsche AG therefore established the central unit Change@Porsche in 2022. It makes change-related guidelines, responsibilities, and tools transparent and offers guidance. It oversees individual change projects for this purpose. At the same time, it works to ensure that the entire organization shares common ground in terms of willingness to change, adaptability, courage, curiosity, and openness. Porsche AG supports this process with diverse communication measures, events, and tools.

Porsche AG has started to build an external network of partners to attract additional expertise in change projects. The first idea-sharing formats, through which Porsche AG encouraged transfers of knowledge and experience-sharing, took place in the reporting year. Having obtained their basic qualifications in the previous year, the first HR Business Partners underwent a new, multi-week "learner journey" in 2022. This journey prepared them for their roles in change processes and taught practical skills. Additional qualification opportunities were also made available to managers in order to prepare them for change processes.

The reporting year also saw the launch of the initiative "#neverstoplearning", with which Porsche AG promoted its culture of learning on an organizational, individual, and team level throughout the company. For instance, it has developed an online community with more than 1,300 members under this initiative.

## Regarding 5. Evaluate and optimize the effectiveness of measures

Porsche AG regularly assesses how satisfied employees are with the advanced qualification opportunities and how the processes behind these are working. This helps support change processes with appropriate measures. New quality assurance methods were developed in the reporting period.

As in previous years, Porsche AG and selected subsidiaries were able to reach even more employees with their opportunities in the reporting year. The number of participants in advanced training courses, based on the active workforce, increased by 9.2%. For one, this is due to the improved communication of the courses, such as the new intranet site.

### Total number of advanced training program participations at Porsche AG and selected subsidiaries

|      |         |
|------|---------|
| 2022 | 242,992 |
| 2021 | 210,611 |
| 2020 | 125,297 |

The same applies to the number of participants in advanced training courses. This also increased by 15.4% year-on-year. Exceptionally frequent use was made of measures that are not based on dates and times, which caused them to increase by 18.6% year-on-year in 2022.

Although measures that are not based on dates and times are often shorter than ones with set dates and times, the amount of time each employee spends working on qualification increased by 15% in 2022. This shows that Porsche AG and selected subsidiaries addressed the need for advanced training more effectively in the reporting period.

In the reporting year, managers took part in 23.5 hours of advanced training on average.

Every six months since 2021, Porsche AG has evaluated employee satisfaction with existing advanced training opportunities. To do so, Porsche AG uses a standardized questionnaire developed in 2020, which participants receive automatically after completing a course on the Porsche training platform. The questionnaire asks about the learning outcome directly upon the conclusion of the course, yet participants are also invited to review it again 90 days later. In particular, they are asked to rate the extent to which they are able to apply what they have learned to their everyday work.

Porsche AG used this questionnaire to conduct a half-yearly internal evaluation in the reporting year. Porsche AG sent it to the people in charge of the qualification courses as well as representatives of the management.

A new questionnaire has been in use for the second year in a row. At 4.61 out of a possible five points, the feedback gathered directly after an interdisciplinary qualification course was positive in the reporting year. The evaluation of the learning outcome and transfer of learning 90 days after the conclusion of the interdisciplinary qualification course also scored 4.18 out of a possible five points.

Furthermore, Porsche AG has collected two key indicators for the purposes of monitoring the quality of its strategic work since 2021: the People Development Score and the Training Quality Score.

The People Development Score merges two questions from the internal mood barometer: whether employees are able to participate in advanced training if necessary for their work, and whether they see interesting development opportunities for themselves at the Porsche AG Group. The index was around 1.0% lower than in the previous year.

The Training Quality Score consists of three components: the learning outcome right after the end of the measure, the transfer of learning 90 days later, and the willingness to recommend after 90 days. In the reporting year, this index increased from 83.7 to 85.2 out of a possible 100 points.

Porsche AG analyzes both key indicators and reports them to the Executive Directors of Human Resources and Development, as initiators, on a regular basis.

More information about employee development and socially ethical transformation is available in the → **non-financial statement**.

## > STRATEGY FIELD DIVERSITY



At the Porsche AG Group, our focus is on people. Knowing that every employee applies their own unique skills to further the interests of the company, the Porsche AG Group is actively committed to diversity and inclusion in the workforce.

In its sustainability strategy, the Porsche AG Group attributes great importance to diversity and equal opportunity. Besides equal opportunities between the genders, the focus is on the

diversity of the international workforce. The Porsche AG Group values openness towards people of different origins and sexual orientations, and encourages harmonious, productive cooperation between generations, regardless of whether or not people have a disability.

In the reporting year, the Porsche AG Group emphasized cooperation in mixed teams: in an environment characterized by diversity, the various strengths and skills of everyone involved should complement one another optimally, enabling every single person to tap their full potential.

## DIVERSITY AND EQUAL OPPORTUNITY

The Porsche AG Group actively champions diversity and equal opportunities, and firmly believes that this also serves its interests as a company. Diversity of views leads to new ideas and drives innovation, which makes it a key success factor. Active diversity management creates a better understanding of the market and leads to greater employer attractiveness.

### Inclusion of stakeholders and society

Porsche AG involves internal and external stakeholders in its activities relating to diversity and equal opportunities. It is for this reason that the company has internal committees, such as the Equal Opportunities working group and the Porsche Sustainability Council, and maintains a dialogue with representatives of subsidiaries, such as in the context of the International Diversity Community.

The Porsche AG Group promotes diversity and inclusion outside of the factory gates too. The Porsche AG Group supports social projects and finds voluntary placements for employees. Its voluntary engagement serves society and broadens people's horizons. The Porsche AG Group seeks a dialogue with non-governmental organizations, for example, for this very purpose.

### Diversity as a corporate principle

Safeguarding and promoting diversity and equal opportunity are hugely important to the Porsche AG Group. The Porsche AG Group rejects all forms of discrimination. It wants to establish a tolerant, inclusive culture that promotes diversity of views and appreciates people's differences. All employees should be able to contribute their personalities and develop their personal potential. This results in a high level of productivity, competitiveness, innovative capacity, creativity, and efficiency.

At the same time, the Porsche AG Group wants to bolster its employees' sense of belonging and communal spirit. As an integral part of its corporate culture, diversity shapes the cultural self-image of the "Porsche family". It perceives employees' differences in terms of gender, nationality, ethnic background, religion, disability, age, sexual orientation and identity, and other protected characteristics as an advantage and a competitive factor for the Porsche AG Group.

Porsche AG has enshrined diversity as a corporate principle and signaled this to the general public: the Executive Board and Works Council signed a voluntary undertaking known as the "Charta der Vielfalt" (Diversity Charter) in 2019. In the reporting year, the Executive Board and top management renewed their commitment to these values by signing the Porsche Diversity 911: this display vehicle is decorated with lots of messages and facts relating to "Diversity@Porsche".

The Culture, Diversity, and HR Communication department has been tasked with implementing and safeguarding these values at Porsche AG on a long-term basis. It serves as a trailblazer and expert partner, and is part of the Employee Development and Corporate Culture division.

Equal opportunities and the promotion of diversity are enshrined in the Code of Conduct and the "Porsche Code" management mission statement.

Porsche AG has set itself the goal of further increasing diversity within the company by 2030. To this end, Porsche AG is promoting collaboration in mixed teams with a variety of different views. This is driven by a way of thinking that encourages diversity and an awareness of the positive effects and complexity of diversity.

As a criterion for diversity through mixed teams, Porsche AG has set itself the goal to reach a proportion of women of 20% on the first management level and 18% on the second management level by 2025, based on the gender quota required by law.

### Protection against infringements

Porsche has a whistleblower system in place via which possible violations of equal opportunity and equal treatment can be reported. With this system, Porsche AG can take a standardized approach to investigating possible violations of the rules, taking into account data protection, labor law, and co-determination requirements. If violations are identified, action is taken accordingly.

Furthermore, Porsche AG has set up a company complaints desk known as "AGG" (the German abbreviation for the General Equal Treatment Act) to which employees can turn in potential cases of discrimination or to which they can submit a specific complaint.

Porsche AG was not aware of any instances of discrimination in 2022. There were six cases of sexual harassment, each of which resulted in disciplinary action in the form of a warning. No structural relationship was evident.



Gender pay gap analysis

Porsche AG takes diversity and equal opportunities very seriously and pays wages and salaries in line with uniform standards, regardless of gender, religion, origin, age, disability, or sexual orientation.

For employees covered by a collective bargaining agreement and management within and outside of the collective bargaining agreement, the remuneration policies and amounts are based on collective/company regulations, whereby the basic remuneration is calculated on the basis of described work tasks, with consideration for knowledge and abilities, problem-solving skills, potential influence, and fields of responsibility. The variable remuneration is performance-based as a rule. The amount of variable remuneration is calculated on the basis of general or individual performance criteria as well as selected KPIs, according to uniform benchmarks and standards. Collective and company regulations also provide for one-off payments. Market-specific particularities and benchmarks are also taken into account for the purposes of offering competitive remuneration.

The goal is to provide employees with attractive, competitive, and non-discriminatory remuneration while identifying and eliminating alleged injustices.

For data availability reasons, only data relating to Porsche AG will be used in subsequent evaluations. Of the 20,803 employees being taken into consideration in this way (excluding part-time retirees), 3,139 are women (15%) and 17,664 are men (85%).

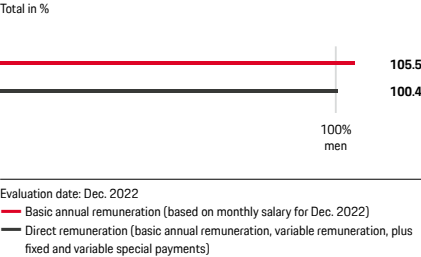
Looking at the bigger picture, a comparison of the average remuneration of all women with the average remuneration of all men reveals a 5.5% difference in basic annual remuneration and a 0.4% difference in direct remuneration in the favor of women.

Spread per age category

|       | < 30     |                         | 30–50    |                         | > 50     |                         | Absolute total |
|-------|----------|-------------------------|----------|-------------------------|----------|-------------------------|----------------|
|       | Absolute | Relative proportion (%) | Absolute | Relative proportion (%) | Absolute | Relative proportion (%) |                |
| Women | 684      | 22                      | 2,064    | 66                      | 391      | 12                      | 3,139          |
| Men   | 3,094    | 18                      | 11,847   | 67                      | 2,723    | 15                      | 17,664         |

Consideration of all Porsche AG employees in Germany (excluding part-time retirees), evaluation date: Dec. 2022

Comparison of remuneration between women and men at Porsche AG



In particular, this difference is due to the distribution of men and women across the various hierarchical levels, with 52% of all employed men being in the lower collectively agreed pay scales (including incentive wage earners), compared to just 24% for women. Consequently, the average remuneration for all men is lower than the average for all women.

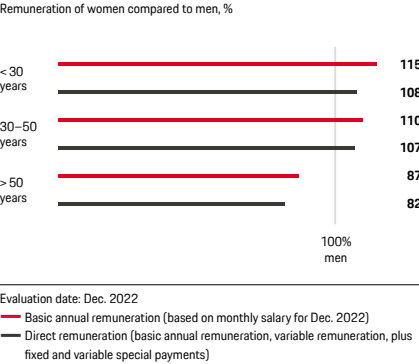
With regard to non-union employees, there is a difference of –2.5% for the basic annual remuneration and of –1.8% for direct remuneration to the detriment of women.

This is because the proportion of non-union women is gradually declining as the pay scale rises.

With regard to employees covered by a collective agreement, there is a difference of 9.9% for the basic annual remuneration and of 5.0% for direct remuneration in favor of women.

Essentially, just like the overall evaluation, this effect is due to the distribution of men and women within the individual collectively agreed pay scales.

Consideration of all Porsche AG employees (excluding part-time retirees)



Gender pay gap analysis by age categories

The total population at Porsche AG falls into the following age categories:

The age distribution across the total population shows that two-thirds of all men and women fall into the 30–50 years category. Additionally, there is a relatively high proportion of women in the < 30 years category (22%). There is a higher relative proportion of men in the > 50 years category (15%).

The remuneration assessment by age categories shows that women in the < 30 years and 30–50 years age categories earn more money on average. In the > 50 years category, the average remuneration of men is higher than for women.

The aforementioned distribution of men and women across the various salary groups is particularly evident in the < 30 years category, as the proportion of young men in lower-paying salary groups is even higher by comparison.

Overall, men earn more on average in the > 50 years age category, in a complete reversal of the effect. In this category, the proportion of men in higher-paying salary groups is significantly higher than for women. As such, the average remuneration for all men is higher.

Furthermore, the remuneration of the entire Porsche AG workforce is subjected to a differentiation analysis on a regular basis. Descriptive and econometric methods are used to identify potential needs for action.

More information about diversity and equal opportunity is available in the → **non-financial statement**.

For more details, please refer to the → **non-financial key figures**.

CORPORATE CO-DETERMINATION

Porsche AG's main site is in Germany, which means it is required by national law to engage in corporate co-determination. At the same time, it is an important pillar of the corporate culture. Porsche AG wants its employees to share in its success and to safeguard their jobs.

Corporate co-determination is based on a constructive, cooperative dialogue between the employer and employee representatives. The Porsche AG Group has a long tradition of open, trusting cooperation, and it always strives to balance both sides' interests fairly. This position has been codified in the Code of Conduct. The Code of Conduct has been implemented throughout the Porsche AG Group.

Porsche AG has been systematically meeting the obligations arising from corporate co-determination for decades and has positive experience in this area. For one, it is natural for employees and their legal representatives to be informed as soon as possible and in as much detail as possible about, and to be involved in, any significant changes regarding operational workflows or the organization of the company. This is done in compliance with national laws, applicable collective bargaining agreements, and works agreements. Porsche AG is also a member of the employers' association Südwestmetall and is therefore part of the social partnership actively practiced between the metal and electrical industry and the IG Metall trade union. As such, the collective wage agreement applies to Porsche AG employees.

Porsche Leipzig GmbH has been a member of the Saxony Employers' Association for the Metal and Electrical Industry (VSME) since January 1, 2019. Its employees are also subject to the transitional bargaining agreement agreed with IG Metall. Other companies, for example, are subject to company-level collective agreements and/or work with elected employee representatives. Consequently, the interests of more than 98% of all employees in the national Group companies in Germany are represented through collective bargaining agreements or elected works councils.

Additionally, the employees of Porsche AG, Porsche Leipzig GmbH, Porsche Deutschland GmbH, Porsche Engineering Group/Services GmbH, Porsche Financial Services GmbH, Porsche Lifestyle GmbH & Co. KG, Porsche Niederlassung Hamburg GmbH, Porsche Niederlassung Berlin Potsdam GmbH, Porsche Niederlassung Berlin GmbH, Porsche Niederlassung Stuttgart GmbH, Porsche Werkzeugbau GmbH, MHP GmbH, and Porsche Digital GmbH appointed representatives in accordance with the relevant election principles in the reporting year.

The Supervisory Board of Porsche AG has equal representation and is therefore able to represent the interests of each side.

Collective bargaining agreements apply at the Porsche AG Group in order to guarantee better working conditions for the parent company and numerous national subsidiaries. In the reporting year, for example, the core workforce of the majority of the national Group companies enjoyed employment protection governed by job security agreements. This protection also provides for taking on trainees and students on dual study programs. Rules on mobile working have also been put in place, and a common understanding of the internal transformation at Porsche AG has been established.

Besides collective agreements, co-determination is therefore a key driver of excellent work and helps enable employees to actively involve themselves in the Porsche AG Group.

### Open communication channels

Porsche AG offers numerous ways of making suggestions, reporting problems, or registering complaints with committees and decision-making bodies. It is also possible to talk directly to individual members of the Works Council at any time. Alongside the Works Council at Porsche AG, there are, for example, interest groups for employees with severe disabilities and representation for young workers and trainees. Both of these bodies are closely integrated with the Works Council and involved in its decision-making processes. At all times, employees can view the current regulations in the conventional communication portals, such as the intranet at Porsche AG.

Furthermore, the Works Council provides employees at Porsche sites in Germany with comprehensive information on a regular basis at its workforce meetings, which also serve as an open platform for discussion. The coronavirus restrictions during the reporting year meant that works meetings could only take place on a limited basis. Nevertheless, communication with the workforce continued through the intranet, information videos, and email.

If employees have complaints or concerns, corresponding points of contact are available. If they have questions or doubts about the Code of Conduct or compliance in general, an employee's first point of contact is their line manager. A central compliance help desk is also available. All inquiries are treated as confidential in keeping with the data protection regulations. More information about the whistleblower system is available under → "Compliance and integrity".

General information about complaints procedures is available under → "Safeguarding of human rights and environmental protection in the supply chain".



Attractiveness as an employer: The Porsche AG Group always puts employees at the heart of its business decisions

Good corporate governance is reflected in the company's rules and culture. For example, it is a matter of the company's values, ethics, and perception of responsibility in the supply chain. However, it is also about creating a corporate culture that facilitates innovation.

INNOVATIONS

In Strategy 2030, the strategy field "Innovative capacity" falls under the cross-cutting strategy "High-performance organization". In doing so, the Porsche AG Group is enhancing the various innovation units' collaboration and focusing it on common content. This organizational structure also contributes to the efficient use of resources. The Porsche AG Group aims to become a technological leader in certain core areas by 2030.

In the reporting year, the strategic work of the Porsche AG Group was centered on five focal points:

- 1. Develop the Porsche innovation agenda
- 2. Strengthen cooperation with venture capital investors in the early stages of projects
- 3. Strengthen the network between innovation activities in the Chinese market and local activities
- 4. Intensify cooperation with strategic partners
- 5. Continue to increase the number of innovation projects relating to sustainability

With regard to the fifth focal point, the Porsche AG Group set up a special budget for sustainability projects in 2022.

People's expectations of the Porsche AG Group are rising constantly. In particular, new customer groups expect the Porsche AG Group to operate sustainably and provide a range of sustainable products. At the same time, future products must also live up to people's expectations regarding performance and quality.

At the Porsche AG Group, employees have the space they need to work creatively. This creates a fertile environment for innovation: 80 to 100 employees apply themselves every year either individually or in teams; their suggestions range from product improvements and production line changes to new, digital solutions. This enables Innovation Management to source and implement ideas from throughout the Porsche AG Group continuously.

An idea has to fulfill three criteria in order for the Porsche AG Group to consider it an innovation:

- 1. New and unique
- 2. Profitable
- 3. Relevant customer benefit

If this is the case and if the feedback given is positive, the project is directly initiated with next to no preliminary work. The person who came up with the idea on their own initiative generally assumes responsibility for project management. The Innovation Management department offers assistance with methodology, invests money if applicable and, if needed, contacts potential internal and external development partners. In this way, Innovation Management has the opportunity to evaluate innovative project ideas in a structured manner. In the event of success, they can be developed through to series production.

The Innovation Management department determines the success of its work with the aid of what's known as the transfer rate: the percentage of all projects that make it further, such as to series development. In the reporting year, the target transfer rate was 55%.

Organization

Organizationally, Innovation Management at Porsche AG is a cross-divisional team with one person in charge per department. The team pursues a defined innovation agenda and focuses its activities on the future topics of relevance to the Porsche AG Group in the areas of the customer, products, company, and sustainability. Innovation Management has its

own innovation budget that it can use to fund innovative project proposals throughout the company. Other innovation units support projects in early phases, such as pre-development, or in subsidiaries such as Porsche Digital.

Examples of measures

In the context of innovation, the Porsche AG Group works exceptionally closely with start-ups and universities. Innovation Management has been supporting sustainable innovation projects since 2017, including through scouting formats with partners like STARTUP AUTOBAHN. In the reporting year, Innovation Management and STARTUP AUTOBAHN coordinated a deep-dive event whose theme was "Sustainability Meets Performance". This event gave innovative start-ups from around the world the opportunity to discuss topics such as sustainability in supply chains and digital business models with experts, in order to identify potential future collaborations. The Porsche AG Group has also been a partner to the CODE University of Applied Sciences in Berlin and the Leipzig Graduate School of Management since 2017. Partnerships like these serve to examine future topics with teams of students in a structured fashion with scientific methods. For example, a team from the Leipzig Graduate School of Management analyzed business models worldwide and derived potential market entry strategies for the Porsche AG Group in a project entitled "Data Driven Business meets Sustainability". The results of this work will be incorporated into the strategic activities of the Porsche AG Group.

The Porsche AG Group also makes direct investments in up-and-coming businesses or launches initiatives to accelerate the digitalization process and promote its own brand strategically. The ecosystem created in this way has included the company builder Forward31 since 2019. With the venture capital unit Porsche Ventures and Porsche Digital GmbH, the company is always scanning the market for promising start-ups. An annual budget of up to €75 million is available for investments in start-ups and venture capital companies.

The Porsche AG Group entered into a partnership with UP.Labs in the year under review. Based in Los Angeles, the American company promotes innovative start-ups in an international framework. For this purpose, it has developed a new type of venture platform to combine the strengths of both parties — the typical agility and innovation of a start-up fuse with the size and resources of established companies. What makes this partnership special is that, in direct cooperation with Porsche, UP.Labs will develop start-ups that are tailored to the Porsche AG Group. The Porsche AG Group will then be able to integrate them into its organization. Their shared goal is to establish six start-ups with new business models in various mobility segments between 2023 and 2025. The first start-ups are expected to be established in 2023.

Innovation plays a key role in the preliminary development stage at Porsche AG: this stage focuses on the cycle plan's target vehicles and their concrete requirements, as well as the brand identity focuses, performance, fast travel, the driver experience, design, quality, and sustainability.

Even in the early stages, the Porsche AG Group tries to ensure that its innovation projects are as likely as possible to succeed, which is why interdisciplinary teams of experts evaluate the projects on the basis of set criteria. The actual project work does not begin until a positive score is awarded.

More information about innovation is available in the → **non-financial statement**.

NEW MOBILITY CONCEPTS

To keep pace with the changing requirements, the Porsche AG Group pooled the responsibility for mobility services under the auspices of Porsche Financial Services GmbH. The mobility offerings are developed and scaled globally in close collaboration with Porsche AG, the importers, the subsidiaries of Porsche Financial Services GmbH, and other internal and external partners. The products offered are to be as efficient as possible and represent a premium user experience for customers. The development of digital solutions in close cooperation with Porsche Digital GmbH is therefore a high priority.

Agile, interdisciplinary teams develop concepts that are focused primarily on new customer requirements and implement these in a targeted manner. Success is made possible by the intensive collaboration of the company's different departments, an open information policy, early piloting in various markets, and prompt stakeholder involvement. Synergies within the Volkswagen Group are systematically exploited in the development and implementation of services.

Managing mobility at the sites

The expansion of a sustainable range of mobility options for the employees at Porsche sites is a priority. The aim of company mobility management is to make the employees' commutes and professional travel more environmentally friendly. Porsche AG has been taking a range of action for a number of years for this purpose. For instance, travelers on the S-Bahn light rail link between the company's Weilimdorf and Zuffenhausen sites in Stuttgart can present their Porsche works ID card in lieu of a travel ticket when on company business. Frequent shuttle buses run back and forth between the sites for all other work trips in the Stuttgart area in order to reduce the amount of individual traffic.

An additional cycling initiative was rolled out at the Stuttgart-Zuffenhausen site in the reporting year. In addition to the construction of a bicycle repair point, this initiative involves creating bicycle-friendly commuting routes in cooperation with the German Cycling Association. More information about the initiative can be found on the mobility dashboard. Finally, the initiative also features a centralized information page on the intranet.

Porsche AG is also planning to offer more alternative forms of mobility at its sites. For instance, Porsche AG wants to provide employees in Stuttgart-Zuffenhausen with a micromobility service featuring electric scooters and bikes for short-distance professional travel. A pilot project was launched in late 2022. Other new developments include the relaunch of a car-sharing and commuting app as well as the expansion of bike services, such as the development of bike service points.

As part of the expansion of sustainability and alternative forms of mobility, the Porsche AG Group is promoting the electrification of its motorized site traffic. The internal charging infrastructure is being extended and powered by certified electricity from renewable sources, and new electric vehicles are being added to the fleet of company and leased vehicles all the time. In addition to the infrastructure, other management measures and complementary services were realized in the year under review.

Porsche AG conducts employee surveys and traffic flow analyses to gauge the impact of the projects on the targets. The most recent employee survey took place in 2020. No further employee surveys have been conducted due to the Covid-19 pandemic. The last survey showed that the total volume of traffic is declining continuously. There has also been a positive change in the modal split, i.e., the distribution of traffic across a range of transport options. Specifically, commuting in motorized private vehicles has fallen by around 7% between 2015 and 2020, the years covered by the survey. In contrast, significantly more employees traveled by public transport and bicycle.

More information about new mobility concepts is available in the → [non-financial statement](#).

## > STRATEGY FIELD SUPPLY CHAIN RESPONSIBILITY

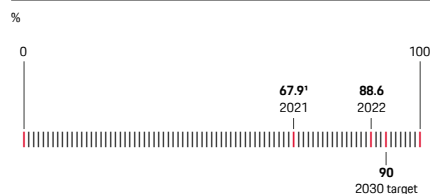


Porsche AG's corporate responsibility does not end at the factory gates — it extends across the entire value chain, which encompasses more than 1,400 direct suppliers of production materials and 5,400 direct suppliers of non-production materials.

As the product portfolio expands and technological diversity grows, so does the importance of the supply chain. Porsche AG is therefore systematically focusing its strategy on the management of its supplier relations in terms of sustainability aspects. Porsche AG wants to ensure that its direct suppliers practice ecologically sustainable procurement, adhere to human rights standards, implement social employment practices, and practice responsible resource management. One driving force for this is the industry dialogue on the German federal government's National Action Plan for Business and Human Rights (NAP), which addresses decent working conditions. Porsche AG is involved in this dialogue.

Specifically, by 2030, Porsche AG aims to comply with the strictest internal quality standards relating to sustainability with 90% of the production material it purchases from direct suppliers with a sustainability rating (S-rating). This means that direct suppliers of production materials are expected to achieve a positive S-rating in the highest category (A) by this point in time. (For details about the S-rating and its application, please refer to the → [non-financial statement](#).) In the reporting year, the degree of fulfillment was already around 88.6%.

### Degree of fulfillment of the highest quality standards based on purchasing volume of Porsche AG



<sup>1</sup> In deviation from the publication in the previous year, the S-rating for 2021 has been adjusted from 69.0% to 67.9%. The difference is due to changes in the procurement volume for 2021. (GRI 2-4)

## Complaint management system

As described in the → [non-financial statement](#), Porsche AG implemented a multi-stage complaint management system in 2022. It provides internal and external complainers with a confidential channel through which to report potential violations of human rights and/or environmental obligations. Porsche AG publishes the details about this complaint management system on the intranet and Internet. Porsche AG has a standardized process for handling complaints about potential breaches within its own organization and within its supply chain.

## Sustainability requirements for the raw material mica

Porsche AG defined material-specific sustainability requirements for the raw material mica in 2022. The product requirements document sets out concrete transparency requirements and calls for the Global Workplace Standard for Mica Processors to be enshrined in each supply chain. Furthermore, separate due diligence measures concerning mica mining are implemented for high-risk countries — for example, supply chain inspectors are expected to monitor the processes on site as they happen. Starting in the reporting year, the product requirements document has been mandatory for all new contracts awarded to selected direct suppliers: all contracts awarded in connection with paint containing mica or mica plates are based on it.

For Porsche AG's engagement in the Responsible Mica Initiative, see → [non-financial statement](#).

## SAFEGUARDING OF HUMAN RIGHTS AND ENVIRONMENTAL PROTECTION IN THE SUPPLY CHAIN

The significance of the supply chain is growing constantly in the context of sustainability management. More and more new components and technologies are arriving, and the number of suppliers is rising. At the same time, as vehicles are increasingly electrified, the level of demand for high-risk raw materials — especially to build batteries — is also growing. The percentage of CO<sub>2</sub> emissions attributable to the supply chain will rise significantly. Overall, the importance of responsible, environmentally friendly raw material procurement methods that respect human rights is growing as a result.

## Protection of human rights

As before, human rights are not respected in every region in the world. The United Nations has therefore called for immediate, effective action in order to bring an end to forced labor, modern slavery, human trafficking, and child labor.

Porsche AG rejects child labor, forced labor, and compulsory labor, as well as all forms of modern slavery and human trafficking, and takes consistent action to prevent such violations of human rights in its supply chains. The S-rating sets a clear priority in this context and is an important road map towards the UN goal: a rising proportion of direct suppliers of production material with a positive S-rating helps prevent modern slavery and child labor while bolstering decent, sustainable employment in the supply chain.

In 2022, preparations began to train security personnel in human rights policies and procedures. The measures are set to be implemented in subsequent years.

In the year under review, Porsche AG issued a declaration of its intent to observe and promote human rights, in which the Executive Board and Group Works Council commit to observe and promote human rights and safeguard good working conditions and fair trade. More information is available under "Safeguarding of human rights" in the → [non-financial statement](#).

## Demanding sustainability from suppliers

Trust-based cooperation between Porsche AG and its direct suppliers is based on shared values. The Code of Conduct for Business Partners translates these values into requirements. The Code of Conduct compels all parties to observe environmental, social, and human rights standards:

- The direct suppliers of Porsche AG are forbidden to knowingly engage in any form of forced labor or compulsory labor, as well as any form of modern slavery, human trafficking, or child labor. Moreover, employees may not be harassed or discriminated against, whether due to their ethnic background, religion, nationality, sexual orientation, age, gender, physical or mental limitations, or membership in a union.
- Porsche AG also expects all direct suppliers to follow the OECD Due Diligence Guidance for Responsible Supply Chains of Materials from Conflict-Affected and High-Risk Areas.

## Application of the sustainability rating

The S-rating is applied to all direct suppliers of production materials and selected direct suppliers of non-production materials. Porsche AG employees who deal with these suppliers are required to undergo mandatory training in this context. A digital learning module for employees in other divisions is also available. For details about the content and procedure, see the → [non-financial statement](#).



## Responsible procurement of raw materials

Porsche AG endeavors to uphold human rights standards in the raw materials supply chain. Porsche AG and the Volkswagen Group have developed a responsible raw material procurement management system in line with the OECD guidance. During the reporting year, the Volkswagen Group conducted several projects in which raw materials were analyzed in turn. Porsche AG is working in close cooperation with selected direct suppliers to verify the materials leather and mica. This improves transparency in the raw material supply chains. This enables Porsche AG to detect human rights risks at an early stage and take action accordingly.

Porsche AG is a member of the Responsible Mica Initiative, where it is involved in several responsible functions and programs. Via the Volkswagen Group, Porsche AG is also represented in the World Economic Forum's Global Battery Alliance as well as the Initiative for Responsible Mining Assurance. For leather as a raw material, Porsche AG uses a product requirements document that requires the disclosure of the country of origin along with a specific sustainability certificate. Ever since the year under review, it has been mandatory for all newly awarded contracts to direct leather suppliers.

In the reporting year, Porsche AG summarized and published the most important findings and measures relating to responsible raw material supply chains in its Responsible Raw Materials Report. Since 2020, Porsche AG has been engaged in a pilot project together with a start-up to provide even greater transparency: it monitors freely available Internet sources and uses artificial intelligence to identify possible breaches by suppliers.

## CO<sub>2</sub> emissions in the supply chain

Porsche AG has set itself an ambitious target — Porsche AG aims to be net carbon neutral across the entire value chain of its vehicles by 2030. The supply chains are currently responsible for around 20% of the CO<sub>2</sub> emissions that are relevant to the Decarbonization Index (DCI).

Porsche AG held numerous workshops with direct suppliers from relevant industries in the reporting year. Based on a hotspot analysis, they identified procurement volumes that had exceptionally high CO<sub>2</sub> emissions.

Of all the parts, high voltage battery cells are a key factor for CO<sub>2</sub> emissions in the supply chain for electric vehicles. Therefore, to reduce these emissions, measures have been defined which direct suppliers must now implement as requirements for all-electric series production car projects. In this context, the process of awarding contracts now encompasses requirements

relating to the use of green electricity, CO<sub>2</sub>-optimized primary materials, and recycled materials. This has been the case for all new contracts relating to production material for all-electric series production car projects from the reporting year.

Porsche AG holds strategic sustainability dialogues with selected direct suppliers, ensuring there is ongoing exchange regarding relevant topics. Together, they consider the opportunities and challenges and come up with ways to operate sustainably.

## Certified environmental management system for direct suppliers

Porsche AG modified the environmental criteria of the S-rating in the reporting year: if a business partner employs more than 100 staff at its production sites, Porsche AG expects it to have in place an environmental management system certified under ISO 14001 or the European Union's EMAS Regulation.

More information about safeguarding human rights and environmental protection in the supply chain is available under → "Environmental standards in the supply chain" in the non-financial statement.

## › STRATEGY FIELD GOVERNANCE AND TRANSPARENCY

The Porsche AG Group sees acting and doing business with integrity as an essential foundation for all business activities. In the strategy field of governance and transparency, Porsche AG is therefore working continuously to increase transparency and responsible corporate governance.

In the reporting year, Porsche AG further expanded the ESG management system that was introduced in 2021: the central compliance qualification concept has been harmonized and a mechanism for filing complaints relating to human rights has been introduced. A new "Tone from the Middle" policy has also been developed in order for managers to raise employee awareness.

In order to monitor the requirements of Germany's Supply Chain Due Diligence Act (LkSG), Porsche AG published the Group Business and Human Rights Guidelines in the reporting year. These Group guidelines establish an overarching framework for controlling the duties of care relating to human rights and the environment under the Supply Chain Due Diligence Act. The Group guidelines also provide for the formation of a Business and Human Rights Council, which will monitor compliance with these duties of care within Porsche AG in the future.

In the reporting year, the Supervisory Board of Porsche AG decided that sustainability targets should be a criterion in the remuneration system for the Executive Board from the 2023 financial year onwards. The Executive Board has made the same decision for the management of Porsche AG and selected national subsidiaries. For more information, see → "Remuneration report".

## SUSTAINABILITY IN THE BUSINESS PROCESSES

The Porsche AG Group is distinguished by its excellent profitability. In the medium term, the Porsche AG Group is striving for a return on sales of 17%–19% on a Group level, although it is expected to rise to 20% in the long term. The company intends to ensure that it continues to meet its own profit targets in the future on the basis of continuous productivity and process improvements, as well as strict cost management — major investments in e-mobility and digitalization notwithstanding.

The management of the Porsche AG Group is focused on maintaining a flexible and scalable organizational and cost structure. The cost-effectiveness of strategic projects and plans in the product portfolio is therefore prioritized and safeguarded within defined budgets. The Porsche AG Group gauges and reports on the success of its measures on the basis of financial data, including the value creation calculation. More information about the value creation calculation is available under → "Key financial figures".

## FISCAL TRANSPARENCY

In 2022, the Group-wide profit before tax under IFRS was €7,069.30 million.<sup>1</sup> The total tax expenditure of all fully consolidated Porsche AG Group companies was €2,112.36 million. This contained deferred taxes of €184.96 million, which were the tax expense or income resulting from deviations between the IFRS result and the taxable base. This is already covered in the current financial year, although it will not lead to the actual tax expense or income as well as tax payments or refunds until future years. The total tax rate in the Porsche AG Group was 29.88% in 2022.

The difference between the income tax expenditure of all fully consolidated Porsche AG Group companies and their income tax payments was largely due to differences in maturity dates: normally, the tax expense or income leads to tax payments or

refunds in subsequent years, whereas the listed payments also encompass payments and refunds for previous years.

In 2022, Porsche AG and its consolidated companies in Germany were still part of the income tax group with Porsche Holding Stuttgart GmbH. Therefore, the income tax payments were payments to the controlling entity Porsche Holding Stuttgart GmbH on the basis of a stand-alone assessment of Porsche AG and its consolidated companies. However, the amount of the actual tax payment to the financial authorities depends on the taxable income of the controlling entity Porsche Holding Stuttgart GmbH.

In 2022, the tax payments by the fully consolidated Porsche AG Group companies in Germany amounted to €2,002 million, and contained €570 million in payments attributable to other periods for 2021. At €59 million, the tax payments of the fully consolidated companies of the Porsche AG Group in the USA include €101 million in refunds attributable to other periods, tax credits of €60 million, and changes in tax assets and tax liabilities that were recognized as cash items. For more information, please refer to → "Key financial figures".

## The Porsche AG Group is focusing on sustainable financing

Business and the ability to compete are heavily dependent on the transition to carbon neutral and more closed-loop-oriented products and production forms. With the European Union's Sustainable Finance Strategy, capital will be directed into sustainable investments. The EU taxonomy defines verifiable criteria to make it possible to classify an activity as environmentally sustainable. Financial products that are used to pursue sustainable objectives form part of this development. (More information about the taxonomy and on taxonomy-related reporting by the Porsche AG Group is available under → "EU taxonomy" in the non-financial statement.)

In the automotive division of the Porsche AG Group, the proportion of sustainable finance was over 60% in the reporting year. This is to be increased to 100% by 2030.

## Government grants

In the reporting year, government grants totaling €20 million (2021: €33 million, 2020: €38 million) were deducted from the acquisition costs of property, plant, and equipment. All the conditions associated with the grant are assumed to have been met. Performance-based government grants amounted to €41 million in 2022 (2021: €53 million, 2020: €72 million).

<sup>1</sup> Calculation of profit before tax under IFRS after consolidation per country: for the sake of simplicity, this report presents a percentage-based breakdown of the consolidation entries relative to the profit before tax under IFRS and consolidation entries.

## TRANSPARENT CORPORATE GOVERNANCE

The Porsche AG Group is aware of the importance of its reputation to the success of its business. The Porsche AG Group regularly takes its stakeholders' interests into account when it makes relevant decisions. In particular, its stakeholders include customers, employees, investors, business partners, and non-governmental organizations. The Porsche AG Group sets great store by living up to the expectations of these stakeholders and society as a whole.

As the general public demands greater transparency, credible communication on ethical and responsible behavior is increasingly important. The significance of intensive communication with stakeholders is also rising: in a dynamic and increasingly complex environment, interactions between the Porsche AG Group and its stakeholders must be open and constructive. The Porsche AG Group wants to critically analyze social and ecological challenges, take the diversity of different viewpoints into account strategically, and discuss perspectives and priorities with stakeholders. A Group-wide policy has to ensure that internal and external communications are active, professional, transparent, consistent, and credible. Its purpose is to make sure that the Porsche AG Group represents its positions with one voice and consistent arguments.

### Transparency and communication

A company cannot be credible or enjoy robust relationships with its stakeholders without clear communication and transparency. Substantial communication content is also crucial to success. Therefore, the Porsche AG Group prioritizes informing the general public and selected target groups about certain issues in an open, specific manner, such as: why is sustainability crucial to the Porsche AG Group? What ambitious targets have been agreed? Have these targets been achieved using the reported methods? Transparency and dialogue about these topics are integral aspects at the Porsche AG Group.

### ESG management at the Porsche AG Group

The Porsche AG Group completed its IPO in the reporting year, which means that the expectations of the capital market have become more relevant. It is important to the Porsche AG Group to be seen as sustainable and valuable by analysts and other professional stakeholders. In particular, it aims to meet the sustainability expectations of investors and other market players who focus on environmental, social, and governance

(ESG) aspects. ESG describes a series of sustainability-related requirements that the Porsche AG Group has to meet, and helps it categorize and evaluate its sustainability efforts more effectively. The Porsche AG Group wants to accomplish outstanding results here to impress its stakeholders.

To this end, it initiated a project to launch a software-based ESG management system in 2021, which continued in the reporting year. Adopting an integrated approach, it complements the strategy with additional key topics.

The ESG management system should make it easier for the Executive Board and the relevant departments to monitor and manage their ESG contributions, interpret results, and produce regular reports. In the year under review, work started on the construction of a centralized IT system for this purpose. The outcome of this system is pooled centrally within the Sustainability department.

Furthermore, the Porsche AG Group has determined performance indicators, which illustrate material non-financial ESG contributions and transparently demonstrate the Porsche business model's contribution to sustainable development. The Porsche AG Group aims to control and measure its ESG contributions strategically on the basis of these key indicators.

### ESG ratings

The Porsche AG Group has itself rated by external organizations to this end and bases its improvement measures on the results of these ratings. Selected independent rating agencies analyze the sustainability efforts of the Porsche AG Group.

In its sustainability strategy, the Porsche AG Group aims to be rated "in best class" in independent sustainability ratings, which would make it one of the leading companies in the automotive industry. The Porsche AG Group considers this independent, external assessment to be an important tool and source of impetus: building on this, it can continuously improve its sustainability management. The Porsche AG Group has already received ESG ratings from third parties in the past: the Porsche AG Group considers the ESG rating of B- it received from ISS in October 2021 to be one of its most important achievements. The Porsche AG Group received one of the highest scores in the automotive industry. ↗ <https://www.issgovernance.com/esg/ratings>

## COMPLIANCE AND INTEGRITY

### Compliance at Porsche

The following disclosures about compliance at Porsche AG complement the disclosures in the non-financial statement. Compliance and integrity are addressed in the → section entitled "Responsible corporate governance, compliance, and integrity".

At Porsche AG, the Code of Conduct sets out the most important principles and expectations of compliance in three different aspects: as a member of society, as a business partner, and in the workplace. Another code, the Code of Conduct for Business Partners, states that Porsche AG expects its business partners to adhere to the relevant laws, recognize basic ethical values, and act in a sustainable manner. Both of these codes explicitly bring the whistleblower system at Porsche AG to people's attention. Furthermore, the Executive Board has adopted the Compliance Management guidelines: these represent an undertaking by Porsche AG to ensure compliance with laws and guidelines.

### Compliance organization and compliance measures

The compliance management system (CMS) at Porsche AG is a preventative framework for the totality of all principles, measures, and objective processes that serve to safeguard and implement compliance in six areas of compliance. It is intended to ensure that violations of the law and/or directives in these areas of compliance are prevented, or at least rendered significantly more difficult.

Employees can report potential breaches of the rules using an internal whistleblowing mechanism that has been set up and communicated. Outside the company, employees and external individuals can report breaches to two ombudsmen who are subject to professional duties of secrecy under German law. These internal and external points of contact for the whistleblower system can be contacted in a variety of ways at any time, even anonymously, free of charge. Porsche AG acts on incoming reports, taking into account data protection, labor law, and co-determination regulations. Whistleblowers need not fear any disciplinary measures or other repercussions from Porsche AG. Porsche AG reacts to identified violations in compliance with the data protection, labor law, and co-determination regulations. Regardless of the outcome of the investigation, suitable countermeasures are introduced on a case-by-case basis, and individual misconduct is punished on a case-by-case basis depending on the outcome of the investigation.

Overall, Porsche's whistleblower system was responsible for following up on 63 of 168 submitted reports. The plausibility check rated 34 of these 63 reports as plausible. Of the 34 plausible reports, 13 were categorized as potentially severe breaches of the rules, and investigated through Porsche's

whistleblower system. The focal points of the potential misconduct were violations of the German Trade Secrets Act (GeschGehG) and offenses against property (such as fraud and embezzlement).

Eight cases concluded in the identification of a serious breach of the rules and resulted in sanctions. Four investigations ended without identifying a breach of the rules. One case was still open at the end of the reporting year.

The central Compliance department has been conducting compliance monitoring since 2021. Besides interviews with managers, it involves risk-oriented activities such as random inspections of transactions that are of relevance in terms of compliance. The results are compiled in a report that also describes appropriate action if there is an evident need for improvement.

Compliance communication at Porsche AG focused on intranet posts in the reporting year, addressing topics such as the updated Code of Conduct leaflet and International Anti-Corruption Day. The compliance officers also released various internal communications in the form of info sessions, posts in departmental groups, and messages to managers.

### Compliance training

In cooperation with the HR department, the compliance officers provide compliance training at Porsche AG and selected subsidiaries. The basis is a subject-specific plan which uses risk analyses to identify the relevant target groups and key areas of content. There are mandatory training formats for managers, junior managers, and new employees. The compliance officers also provide organized training for specific departments and target groups, such as on legally mandatory or current topics, or on request.

In the reporting year, 5,817 employees at Porsche AG and its relevant German subsidiaries received compliance training at in-person and virtual events, and 57,337 participants received compliance training through digital training modules. The digital Code of Conduct training module was completed by 17,296 employees from Porsche AG and 7,458 employees from its relevant German subsidiaries. This training module covers the directive of the same name and provides information about the whistleblower system and the contact details of the compliance help desk. The training also covers the content of the "Avoidance of conflicts of interest and corruption" and "Human rights" guidelines. By the end of the reporting year, the rate of training in face-to-face and virtual events within the target group at Porsche AG and its relevant German subsidiaries was 93% on average for the defined areas of compliance. In 2022, Porsche AG piloted a digital training module on fraud prevention within Procurement.

Employees can find further information about compliance-related training and communications at Porsche AG on the intranet. Aside from the relevant Group and company guidelines, the intranet provides information on the compliance culture and organization, as well as details about points of contact and reporting channels. This is complemented by videos, flyers, note cards, and brochures.

### **Anchoring integrity organizationally**

At the Porsche AG Group, the topic of integrity is based within a central management function. It is anchored within the Employee Development and Corporate Culture division of the Human Resources department. The purpose of integrity management is to anchor sustainability in the corporate culture on a long-term basis. It aims to enable managers and employees to act with responsibility, conviction, and steadfastness in keeping with ethical principles.

Aside from the principle of honesty, integrity, and ethical conduct, the Code of Conduct emphasizes the special example that managers and Executive Board members are expected to set. Furthermore, integrity is an integral part of the management mission statement, the Porsche Code, which makes it a high priority at work.

Integrity is even enshrined in internal processes and decisions, especially in onboarding, recruitment, development, remuneration, and disciplinary processes within Human Resources. The Group's HR Compliance guidelines set out the minimum standards. For instance, aspects of integrity are even discussed in the selection phase of the recruitment process. The development path to become a manager covered by a collective agreement, as well as the paths into and within management, all pay particular attention to the topic. Whenever proposals for decisions are submitted to the top boards of Porsche AG, the process involves an integrity assessment.

### **Integrity structure strengthening program**

The Porsche AG Group has rolled out the topic of "Culture and Integrity" internationally as part of its Together4Integrity (T4I) program. Under the program, long-term measures have been drawn up to strengthen the integrity culture. The management teams of the 97 subsidiaries that are currently part of the T4I program, including Porsche AG, are responsible for local implementation in line with the schedule and milestone plan. The packages of measures and implementation times can vary depending on the local circumstances. However, the subsidiaries of the Porsche AG Group can base their local implementation on the centrally developed policies.

Within the Porsche AG Group, a central reporting system details the implementation of T4I measures by degrees of implementation. Besides the measures relating to "Culture and integrity", the system contains the minimum integrity standards from Porsche's Group HR Compliance guidelines. The T4I committees also report on its progress on a regular basis.

The importance of the topic is reflected in the half-yearly progress reports to the Compliance Council, the special-purpose reports to the Executive Board, and the Supervisory Board's annual integrity report. Reporting to the management and other relevant committees is an object of the T4I measures in connection with "Culture and integrity".

### **Raising awareness of integrity**

Acting with integrity on a daily basis at work requires the ability to make decisions with integrity. Therefore, the training for newly recruited or promoted managers at Porsche AG and relevant national subsidiaries has been enhanced in the context of the new development path into management: it is based on a skill model that identifies and strengthens the skills needed for decisions to be made with integrity. In doing so, the training offers guidance and practical assistance with moral dilemmas.

The training has been part of integrity training courses for managers covered by collective agreements since the third quarter of 2022. Here, it makes an important contribution to the practical application of integrity in real-world scenarios.

New dialogue formats have also been developed especially for managers, in order to help them build a common understanding of integrity with their teams and promote integrity within the team. At Porsche AG, integrity is generally incorporated into training formats for new and existing employees on the basis of specific target groups.

### **Networks and tools**

The interdisciplinary multiplier network covering the brand, culture, and integrity provides Porsche AG employees with a platform to share their experience, ideas, and presentations. It helps the ambassadors embed the topic of integrity within the departments. The intranet provides employees with packages of information about integrity. Intranet users can also access a series of internal podcasts about corporate culture, which also feature content relating to integrity.

Managers at Porsche AG have access to a tool kit in their own special integrity section. It features self-reflection tools, dialogue formats, and other information and ideas relating to integrity. This way, as role models, managers can hold their own workshops to hone their understanding of integrity and, working with their employees, define and implement measures designed to improve integrity. A workshop format, in which the team actively deals with everyday situations and decisions that require people to act with integrity, was added to the range of measures in the reporting year. As part of the transfer phase of the annual Leadership Lab for all disciplinary managers at Porsche AG, Porsche Logistik GmbH, and Porsche Dienstleistungs GmbH, they were given the opportunity to take part in integrity deep dives, such as on the topic of psychological security as a prerequisite of a "speak-up culture".

### **Integrity in employee surveys**

The Porsche AG Group endeavors to enshrine integrity in day-to-day work and bring it to life everywhere and on all levels. Surveys help the Porsche AG Group understand where it currently is. For example, a poll on acting with integrity and lawful behavior within the corporate organization is part of the annual employee survey known as the mood barometer. The poll illustrates how the culture of integrity is developing and what additional measures can be derived. In the year under review, around 31,000 employees were surveyed in the Porsche AG Group.

The results of the mood barometer are then discussed within the organizational units. These compulsory discussions integrate into the team dialogue on the culture and values of the Porsche AG Group — an open discussion at eye level about cooperation within the organizational unit. The purpose of the format is for managers and employees to work together to draw up measures that will improve the way they work together as a team. The team dialogue is an object of the T4I measures.

If the mood barometer fails to meet a given integrity score, a special process within Porsche AG is activated to investigate the reasons for the score and introduce appropriate measures if necessary, with the involvement of HR and the relevant line manager.

The results of the annual employee survey on integrity within the Porsche AG Group show that the culture of integrity is highly advanced. The question about every individual's opportunity to behave with integrity scored in the highest category on the underlying five-point scale. The integrity question has consistently been in third place out of 24 questions in the mood barometer since 2019. Thus confirming the previous year's level.

## **DIGITALIZATION, DATA PROTECTION, AND CORPORATE DIGITAL RESPONSIBILITY**

In the year under review, no complaints regarding data privacy incidents were lodged with Porsche AG either externally or by any authorities. Internally, however, incidents were identified and reported thanks to the internal control measures and vigilant employees. The rate of internal reports was higher than in previous years once again, due to factors including continuous awareness measures and employee training. None of the reported cases resulted in serious risks regarding the rights and freedoms of data subjects. In all of the justified cases, Porsche AG took steps to remedy the causes. Where prudent, additional steps were taken to prevent similar incidents from happening in the future. More information about Porsche AG's activities in connection with digitalization, data protection, and corporate digital responsibility is available in the non-financial statement. The topics can be found under → **"Digitalization and corporate responsibility"**.

## **CUSTOMER AND VEHICLE SAFETY**

Porsche AG's response to vehicle safety extends far beyond merely meeting the legal requirements. The company's focus is always on providing the best possible protection for its customers on the road, with the safety of the vehicle's occupants being the top priority. In addition, making sure that other road users are also kept safe is another crucial aim. Information about the activities of Porsche AG in connection with customer and vehicle safety is presented in the → **non-financial statement**.

## **LONG-TERM CUSTOMER RELATIONS AND SATISFACTION**

Porsche AG strives to excite its customers, not merely satisfy them, which is why this has been codified in the Porsche Strategy 2030. This requires close communication with customers throughout the product life cycle: as it continues to develop its products and services, Porsche AG wants to ensure that it always meets its customers' needs perfectly. More detailed information about long-term customer relations and satisfaction at Porsche AG is available in the → **non-financial statement**.