

A Journey to Tomorrow

CORPORATE SOCIAL RESPONSIBILITY REPORT

2020

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Volkswagen Group

Volkswagen Group

TOMOROAD

One of the best carmakers to become a globally leading provider of sustainable mobility.

With its headquarters in Wolfsburg, Germany, the Volkswagen Group is comprised of 12 strong brands. The Group operates 123 production plants in Europe, the Americas, Asia, and Africa, to sell cars in 153 countries. Every weekday, 671,205 employees worldwide produce vehicles and work in vehicle-related services or other fields of business.

The Group holds a portfolio consisting of various products ranging from passenger cars, supercars, commercial vehicles, and motorcycles. Each brand has its unique characteristics and earned its own independent and privileged position.























6 | 7 Audi Volkswagen Korea **Audi Volkswagen Korea TOMOROAD**

Leading the transformation of mobility in Korea.

Audi Volkswagen Korea (AVK) has four business divisions — Volkswagen, Audi, Bentley, and Lamborghini. It contributes to the growth of the Korean automobile import market by importing and selling brands that meet the various lifestyles and characteristics of Korean customers.

The automotive industry is changing dynamically at a speed that was not seen before. To prepare for this dynamic future, AVK has set a strategic vision to become an enabler, a pioneer, and an innovator in leading the transformation of mobility in Korea.

In achieving this goal, AVK will continue to increase the momentum for attaining its strategic targets and sharpening its focus.











AVK's Corporate Social Responsibility Initiative.

AVK is loved by many in Korea thanks to its leadership and innovative technology that befit its status as a global leader in the automotive industry.

In this time of change, AVK is helping to enhance the future value of Korean society through its corporate social responsibility initiative entitled, 'TOMOROAD.' Under the theme of future mobility, AVK fosters future talents for the sustainable growth of Korean society.

'TOMOROAD' is a word that combines 'tomorrow,' meaning the future, and 'road,' meaning a road to the 4th industrial revolution, or Industry 4.0. Together, this collectively reflects AVK's commitment to becoming a future companion on the path to tomorrow.



TOMOROAD focuses on creating the educational, environmental, and cultural infrastructure to foster future talents in Korea.

The main programs under TOMOROAD are as follows.

I. Education

AVK wishes to foster future talents, who will lead the era of Industry 4.0. It educates them on future mobility, encourages them to take leadership roles in the future and supports them in exploring their future careers.

III. Environment

AVK is attentive to environmental issues in cities. It addresses issues with Korean society to protect and improve the environment and to ensure safety.

II. Culture

AVK offers a variety of cultural programs which people of all ages can enjoy, learn, experience and increase the level of awareness about future mobility.

IV. Local Community

AVK engages in various volunteer activities to make the local community healthier.

The UN SDGs and AVK

The United Nation's Sustainable Development Goals (SDGs) refer to 17 common goals of humanity to take action for realizing sustainable development adopted at the 70th United Nations General Assembly. AVK fully identifies with the ideology of the UN SDGs and is an active participant.

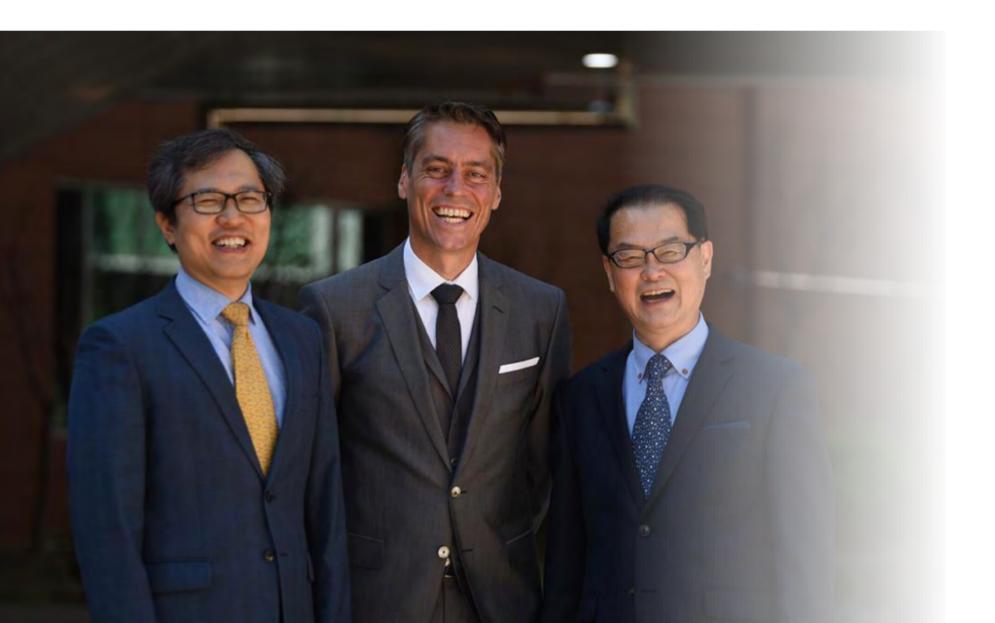
TOMOROAD activities fulfill the UN SDGs of 'Quality Education (SDG 4),'
'Sustainable Cities and Communities (SDG 11),'
'Climate Action (SDG 13),' and so on.



A non-profit organization working with AVK in pursuing the TOMOROAD initiative.

Established in 2012, the Korea Social Investment Foundation (KSIF) specializes in impact investing and business consulting for social innovators.

To this end, it is performing business consulting, accelerating and impact investing to social ventures, social entrepreneurs, etc.



A partner for social enterprises that specializes in supporting the sustainable growth.

Over the last seven years, KSIF made an investment exceeding KRW 70 billion. In particular, KSIF is planning and implementing various corporate social responsibility projects to mitigate the educational imbalance in Korean society with the use of information technology and to foster talents that meet the requirements of Industry 4.0.

By collaborating with large companies in their corporate social responsibility efforts, KSIF hopes to contribute to making our society more sustainable and create a more significant impact.

Together with AVK's TOMOROAD initiative, it is creating a new corporate social responsibility paradigm through fostering future talents and technology, and by conducting environmental, cultural projects.



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TOMOROAD School TOMOROAD

Fostering future talents to lead the era of Industry 4.0.

AVK has been offering the TOMOROAD School since March of 2019 in line with the Korean government's intense drive to prepare for the era of Industry 4.0.

The TOMOROAD School educates students on future mobility. Future mobility commonly refers to changes in the automotive industry, which are represented by autonomous driving, electric vehicles, and connectivity.

The TOMOROAD School aims to foster talented individuals who will lead Korea's future society and offers them a meaningful opportunity to explore their future careers.

Further, it contributes to the development of Korean society by helping future talents to foster essential competencies.



TOMOROAD School Regular Program (Middle School Free Semester)

The curriculum is categorized in the following four areas.





Driving system and structure of a vehicle

The students understand the concepts and technology leading future mobility, including electric vehicles, autonomous driving, and connectivity.

Future Concept Car (EV3) and Future Mobility

In learning future mobility, by utilizing the future concept car (EV3), the students have the opportunity to code autonomous driving functions of a vehicle such as autonomous parking, lane-keeping, and collision avoidance assist.





The Automotive Industry convergence and Future Jobs

The students learn about industry convergence and jobs that will newly emerge under future mobility.

Future City and Society

The students can think about how future mobility will change transportation in the future cities and illustrate that in a drawing. They also discuss considerations for the future society from an institutional and ethical point of view.

TOMOROAD School Curriculum

16 | 17 TOMOROAD School Curriculum

TOMOROAD School Curriculum

TOMOROAD School Curriculum

The Regular Program for Middle School Students (Free Semester Program)

The TOMOROAD School is developed as a free semester program for students in grade 7 in Korea.

The middle school can choose either an 8-week or 16-week program depending on the academic calendar of each school.

- 16-week Program: 1 class of 2 periods (90 mins) per week
- 8-week Program: 1 class of 2 periods (90 mins) per week

The TOMOROAD School is also offered online for middle school students who are studying at home due to COVID-19. The online program is offered either as a 7-week or 14-week program.

Expansion of TOMOROAD School

The TOMOROAD School has earned the enthusiastic supports from students, parents, and teachers and was further expanded to include elementary school students in Korea.

The elementary school students in 4-6th graders were invited to a 3-hour long TOMOROAD Summer School or Weekend School.

In its first year, the TOMOROAD School was offered in 9 regions nationwide.





Hours	Title
Week 1 ★	Orientation & Lecture About Cars
Week 2	Changes in the Automotive Industry & Understanding the Concept of Future Mobility I
Week 3	Changes in the Automotive Industry & Understanding the Concept of Future Mobility II
Week 4 ★	Introduction of Future Concept Cars
Week 5 ★	Autonomous Driving Function of Future Concept Cars (Autonomous Driving and Lane-keeping Assist)
Week 6 ★	Autonomous Driving Function of Future Concept Cars II (Safety Functions)
Week 7	The Emergence of Electric Vehicles and Changes in the Automotive Industry
Week 8	Autonomous Driving Function of Future Concept Cars III (Autonomous Parking)
Week 9	Changes in the Automotive Industry: Smart Factory
Week 10★	Develop a Mobility Service App I
Week 11	Develop a Mobility Service App II
Week 12	R&D Project on Future Mobility
Week 13★	Future Mobility and Changes in Future Career
Week 14	Discussion on Future Mobility and Changes in the Future Society
Week 15★	Understanding Electric Vehicles and Social Changes by Playing a Game
Week 16	Sketch My Future City

^{*} Classes marked \star is offered as part of an 8-week program.

^{**} Offline class: 90 mins per week / Online class: about 30-40mins

^{***} The above curriculum is offered for middle schools.

(The syllabus may change depending on academic calendar of participating schools.)

Designing the education model with experts.

The TOMOROAD School encourages the STEAM education.

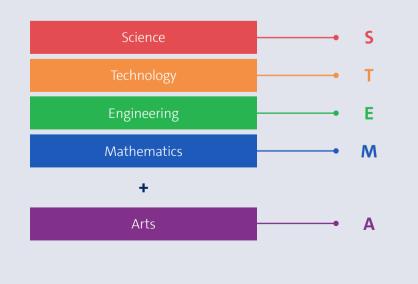
It is designed to help encourage students to feel deep interest and make full use of their senses while using the materials developed in line with liberal art thinking and artistic sensibilities.

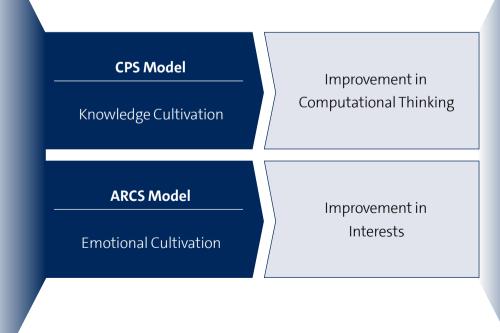
In designing the education model for the TOMOROAD School, the so-called the CPS and ARCS models were utilized.

STEAM Education

STEAM is a term created by combining the initials of science, technology, engineering, arts, and mathematics.

Taking into consideration the need for a grounding in humanism and artistic sensibilities, STEAM was created by adding arts to the STEM curriculum.





The CPS (Creative Problem Solving) model is a learning model that improves the ability to solve problems according to the six-step creative problem-solving process.

As for the ARCS model, it is a learning strategy that enables learners to maintain their motivation and interest in learning and to enhance their learning effects through programs that provide attention, relevance, confidence and satisfaction.

Through the TOMOROAD School, the students can foster 4Cs — critical thinking, communication, collaboration and creativity — which are essential for talents, who will lead the future society.

Student's Increased 4C Capacity

Critical Thinking

The ability to analyze, evaluate, and classify objectively and logically by judging the situation in the light of objective evidence.

Communication

The ability to logically express what one wants to say and communicate it effectively.

Collaboration

The ability to work with others to solve problems to achieve common goals.

Creativity

The ability to devise something new and original, diverging from traditional thinking.

TOMOROAD School Partners

20 | 21 TOMOROAD School Partners

TOMOROAD School Partners

TOMOROAD School Partners

Collaborating with various partners to provide exciting contents to maximize the education effect.



Education Consulting (Department of Educational Technology of Ewha Womans University)



AVK worked with the Educational Technology Department of Ewha Womans University to maximize the program's educational effect by encouraging the interests and understanding of middle school and elementary school students. AVK continues to upgrade the TOMOROAD School program by collecting the comments and feedback of participating students by means of a survey.



Development of an Educational App

AVK created an educational app for TOMOROAD School to make the program more effective by means of digital devices. In line with the TOMOROAD's objective of fostering talents for Industry 4.0, all classes under the TOMOROAD School program are offered via an app. The app is also used to collect feedback in each class to help tailor and improve the educational content for students.

AVK also signed MOUs with regional educational offices in Seoul to offer the program to many students in Korea.

- Seoul Seongbuk Gangbuk District Office of Education: December 13, 2018
- Seoul Dongbu District Office of Education: April 19, 2019
- Seoul Gangnam Seocho District Office of Education: May 11, 2019



MOU Signing Ceremony with Seoul Seongbuk Gangbuk District Office of Education



MOU Signing Ceremony with Seoul Gangnam Seocho District Office of Education

Development of Teaching Materials and Coding Programs (Department of Industrial Design of Hongik University, Funers, CASESTUDY)



The Department of Industrial Design of Hongik University created teaching materials and designed a future city to help students imagine their future based on an understanding of the basic principles concerning future mobility.



The coding programs that utilize various tools, such as Ozobot, were developed by Funers, an official partner of LEGO® Education. Various online and offline teaching materials have been developed in line with the class objectives to improve the educational effect for students.

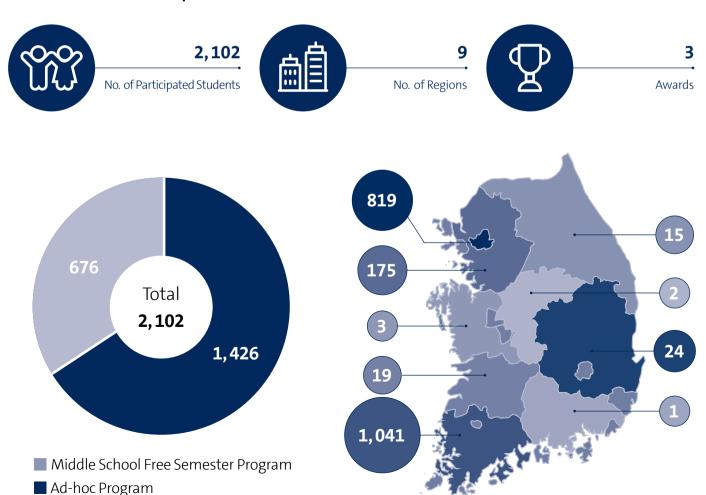
A total of 2, 102 students participated in the TOMOROAD School in 2019.

676 students were enrolled in 2019 under the Free Semester Program at 28 middle schools in Seoul.

Backed by the enthusiastic support of students, parents, and teachers, the TOMOROAD School was expanded to include elementary school students and higher grades in middle schools.

A total of 1,426 elementary and middle school students in grades 4-9 participated in the TOMOROAD School in 2019.

TOMOROAD School Implemented Nationwide





Certification from the Ministry of Education for Best Educational Donation



For the first time in the automotive industry in Korea, AVK was certified by the Ministry of Education and the Korea Foundation for the Advancement of Science and Creativity as the best company for educational donations.

The certification is given to those businesses or public organizations that donate their in-house human or physical resources to educate elementary and middle schools in the form of experience-based programs for students or teacher training programs.



Receipt of Grand Prize in the Business Category for CSR



AVK received a grand prize in the business category of 2020 CSR Award hosted by the Korea Enterprise Federation and the Association of Korean Journalists.

With various organizations participating as sponsors such as the Ministry of Strategy and Finance, the Ministry of Education and the Ministry of Environment, the awards recognizes the companies, who serve as role models in carrying out the CSR activities in Korea.



CSR Award from the Ministry of Culture, Sports and Tourism



In July 2019, AVK received an award from the Minister of Culture, Sports and Tourism for its cultural and social contributions.

The award selected and awarded companies that won respect from the community by fulfilling their social duties through various CSR activities.

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26 | 27 Future Mobility Challenge

4 QUALITY EDUCATION Futur

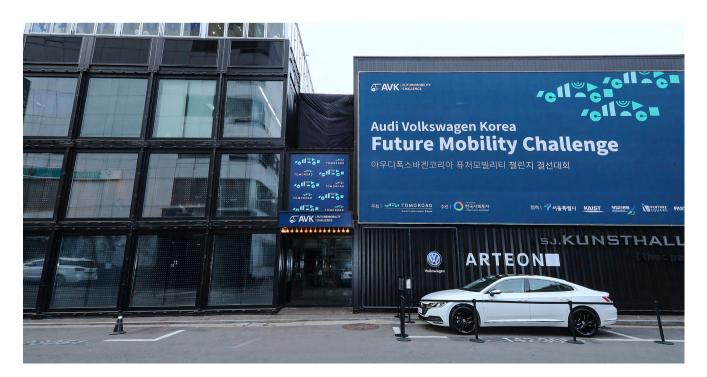
Collecting innovative ideas on mobility services and digitalization.

The Future Mobility Challenge is an idea-based competition to promote creative ideas from university and graduate school students regarding mobility services and digitalization.

Mobility services and digitalization are key trends in the automotive industry in the era of the 4th industrial revolution. Together with various partners including KAIST, the Seoul Metropolitan Government and the Korea Institute of Startup & Entrepreneurship Development, AVK invited innovative ideas from university and graduate school students.

105 teams took part in the competition. 10 teams were screened as part of the 1st round. 5 teams were selected through technical presentations and they underwent the coaching and mentoring processes to sophisticate their ideas further. After the final presentation, 3 teams were awarded at the final round, where about 150 people attended as an audience.





2019 Future Mobility Challenge

Application (Dec, 2018)

Invited ideas related to future mobility from the university and graduate school students.

1st Document Screening

After screening 105 teams, 10 teams proceeded to 2nd round.

2nd Screening through Technical Presentations

5 teams were selected for the final round.

Mentoring

Ph. D. students at KAIST and various experts offered mentoring programs to the teams.

Advice on presentation and visualization strategies, as well as technical feasibility assessments were offered.

Final Competition (Feb. 2019)

5 teams presented their ideas in front of 6 juries and and audience of 150.

2 special lectures were given by NVIDIA and LG Electronics while juries discussed on the final winners.









28 | 29 **Future Mobility Challenge Outcome** Future Mobility Challenge Outcome **TOMOROAD**







50

Period (days)



No. of Mentors



10,000,000

Prize Money (KRW)

5 Finliasts' Presentations

- ★ Linka: Customized car-sharing service using the hologram technology.
- ★ **Serbus:** Mobility service platform that combines bus and commercial space.
- ★ Betterlife: Rear lamp display and V2V image processing to enhance communication among drivers.

Individual Participant: Gridded manless parking lot using wireless electricity technology to reduce parking

Safeworld: Air flap to reduce braking distance and enhance high-speed turns of autonomous electric cars.

* Teams marked ★ are the final winning teams.











Winning Team's Trip to German Headquarters

The 1st winning team visited the headquarters of both Audi and Volkswagen. By taking a tour of the smart factory, the team was able to see the advanced manufacturing processes and technologies and understand how the best carmaker in the world is preparing for the future.





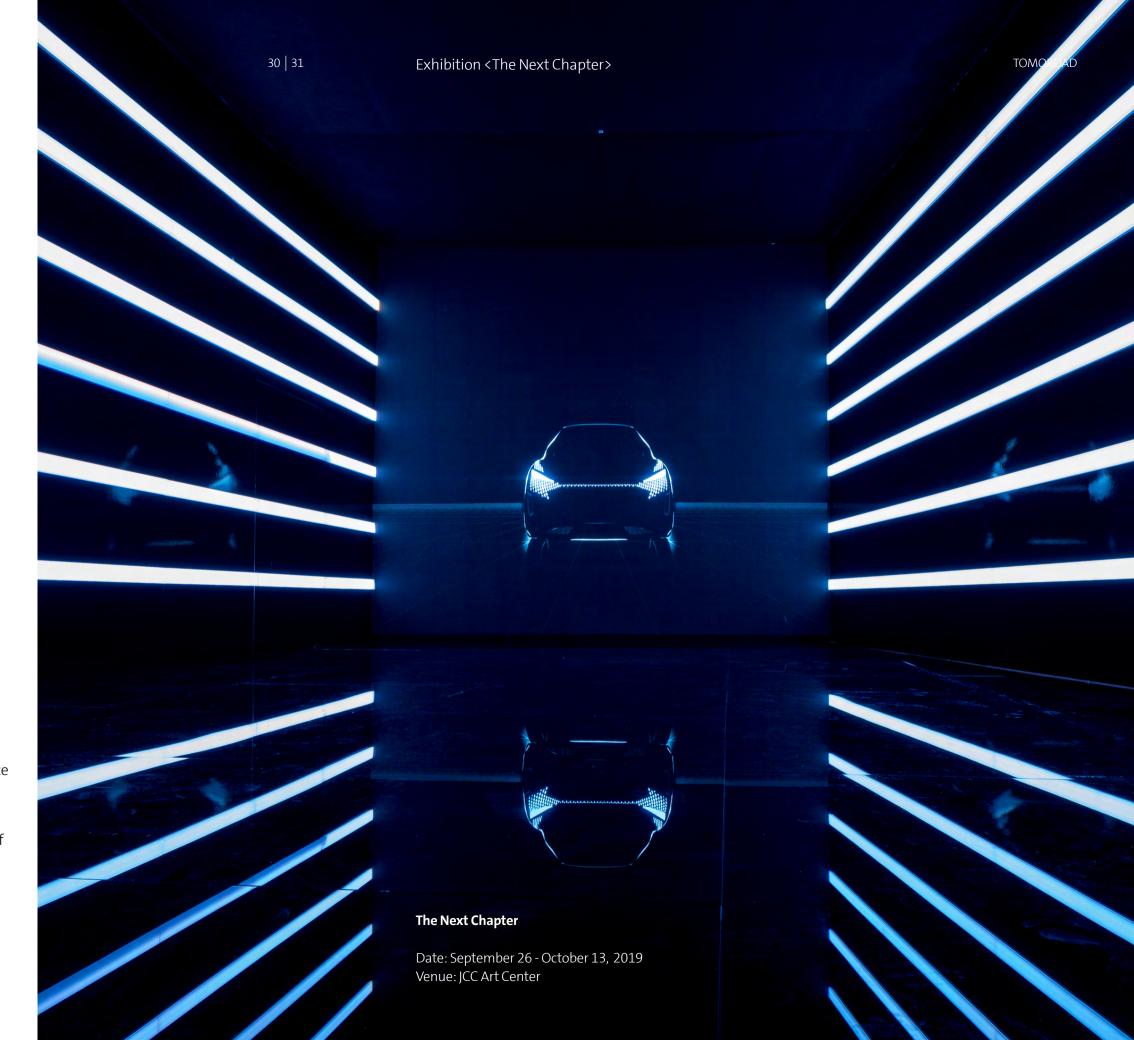


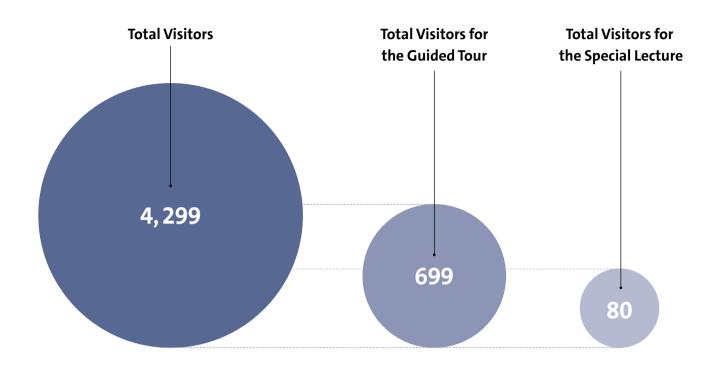
Exhibition The Next Chapter>

Sharing the changes brought about by Industry 4.0 with multiple generations and drawing a vision for the future.

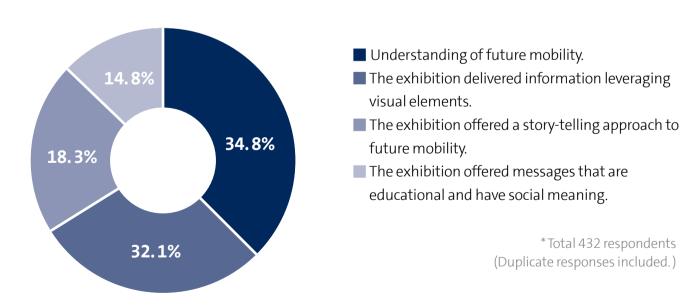
In October of 2019, AVK hosted an exhibition to show the concept of future mobility and how this will change the future society.

As a new chapter in innovation opens, technological changes in future mobility will not just alter the appearance of vehicles. They will bring about fundamental changes that could affect our lives. The exhibition was designed to offer insights into future changes in mobility in the form of electric vehicles, connectivity, autonomous driving, new driving experiences, and climate and environmental protection. Through this exhibition, AVK also set out to help the public openly accept, rather than fear, changes brought by future mobility.



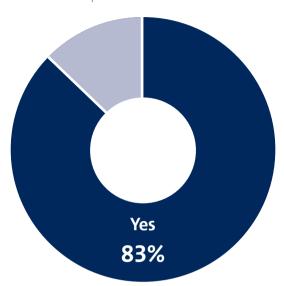


Best Part of The Exhibition

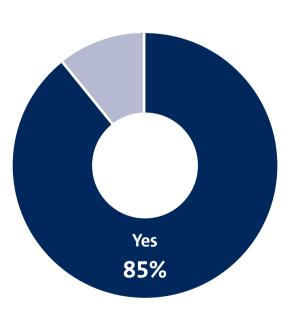


Visitor's Comments

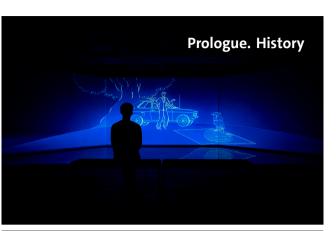
* Total 432 respondents



"Was able to understand the leadership of Audi and Volkswagen on shaping future mobility"



"Was able to understand the changes future mobility will bring to our daily lives"









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Green School Walkway

Green School Walkway

Green School Walkway

Upgrading the old school walkways to make them cleaner and safer.

With the objective of addressing environmental issues, including climate change and air quality, AVK is taking part in the Green School Walkway Project, which is launched as a part of the Seoul Metropolitan Government's "2022-3000 Tree Planting Initiative." *

Investment of KRW 1 billion over 3 years

AVK, KSIF, and the Seoul Metropolitan Government signed an MOU in 2019 and agreed to invest KRW 1 billion from 2019 to 2021 to upgrade the school walkway of one school per year to bring about positive effects, including the creation of green spaces.



3-party MOU Signing Ceremony for the Green School Walkway (AVK, Seoul Metropolitan Government, KSIF)

The First Green School Walkway Opened in 2019

The first project was carried out in 2019 to upgrade the school walkway located in Gangdong-gu, Seoul.

The school walkway between the Seoul Gangmyeong Elementary School and the Seoul Gangmyeong Middle School was upgraded with 6,483 trees of 19 types. Cherry dogwoods, yellow plums, fringe trees, evergreens, among others were selected to be planted right in front of the school. Various plants and trees provide the students with a beautiful walkway, one that changes colors with the seasons and which cleans the air year-round.

With greeneries, the 700 meter-long school walkway helped to reduce the students' exposure to fine dust, while having an educational effect by cultivating their emotions.

Moreover, some 13,000 beneficiaries enjoyed the same benefit using the school walkway.

No. of Tree Species

6, 483

No. of Trees

700

Length of the Walkway

13,036

(meter)

No. of Beneficiaries



Before

36 | 37



School Walkway in front of Gangmyeong Elementary School, Feb 2019

After



School Walkway in front of Gangmyeong Elementary School, June 2019

^{*} The 2022-3000 Tree Planting Initiative aims to plant 30 million trees by 2022.

IV. Local Community Together

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Green Gift Box Be My Secret Santa



Green Gift Box

40 | 41 Green Gift Box

TOMOROAD

Supporting the children to overcome COVID-19.

Together with KSIF and Tree Planet, an eco-friendly social venture, AVK provided support to children living in group homes.

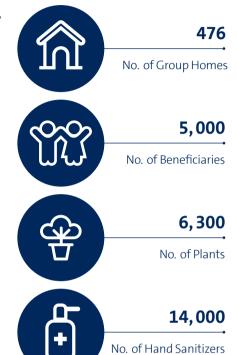
AVK delivered 6, 300 plants and 14,000 bottles of hand sanitizer to about 3,400 children, adolescents and their guardians living in 476 group homes nationwide.

In particular, the trees that were included in the Green Gift Box were planted in so-called, "smim" flower pots* allowing the children to grow the trees more easily.

The donated plants are aimed at addressing the depression faced by children living in group homes nationwide, while also helping to improve the indoor air quality by 30 percent.

Also, the bottles of hand sanitizer delivered together with the plants help to cut down on the spread of the COVID-19 among the children.

* With a 'Smim' flower pot, it is possible to limit the watering schedule to just once a month. The pot consists of an inner section holding the plant and an outer section that stores the water. As the inner pot is baked without applying glaze, the pot has pores that allow water and air to enter and exit freely.





Group home

Group home is a small-sized childcare facility that provide customized protection and nurturing services to children in need. These children require protection due to family dissolution, neglect, abuse, poverty, and abandonment.





Green Gift Box Donation Ceremony, April 2020



Package Preparation for Group Homes, April 2020



Tree Planet

Tree Planet is an eco-friendly company, which aims to provide solutions for global environmental issues by planting trees. It is a social enterprise that arouses people's awareness by creating forests which emphasize the values that need to be shared socially.

42 | 43

Supporting children as valuable members of Korean society.

Through a 1:1 matching fund, AVK and its employees hold a Christmas party named, "Be My Secret Santa" for the underprivileged children in the metropolitan area.

Some 60 employees volunteered in the program to support about 200 children over the last two years.



2019-2020

200

No. of Participated Children



21

No. of Participated Centers



62







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