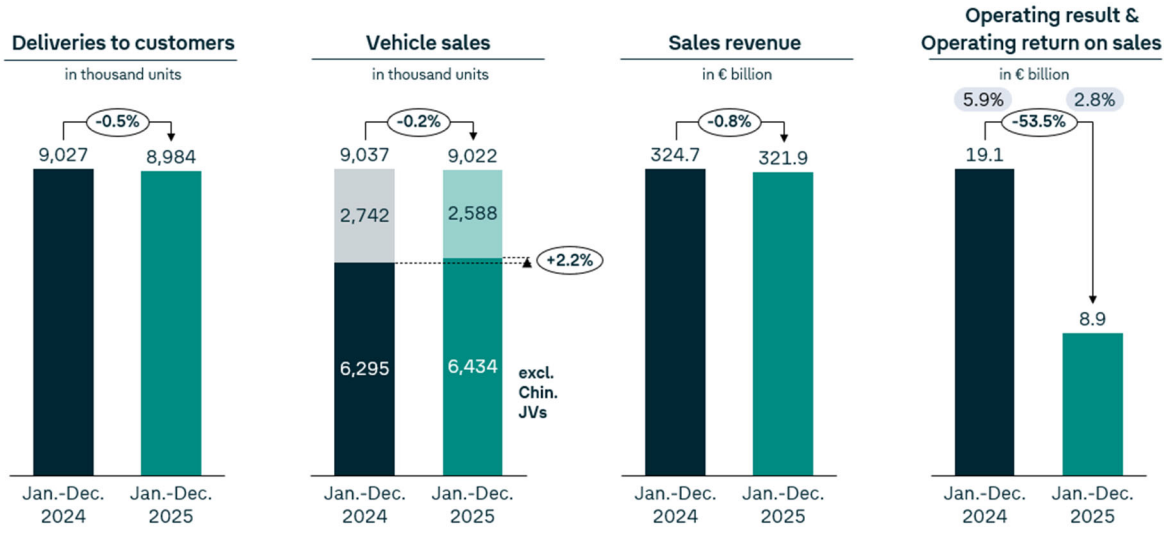
VOLKSWAGEN GROUP



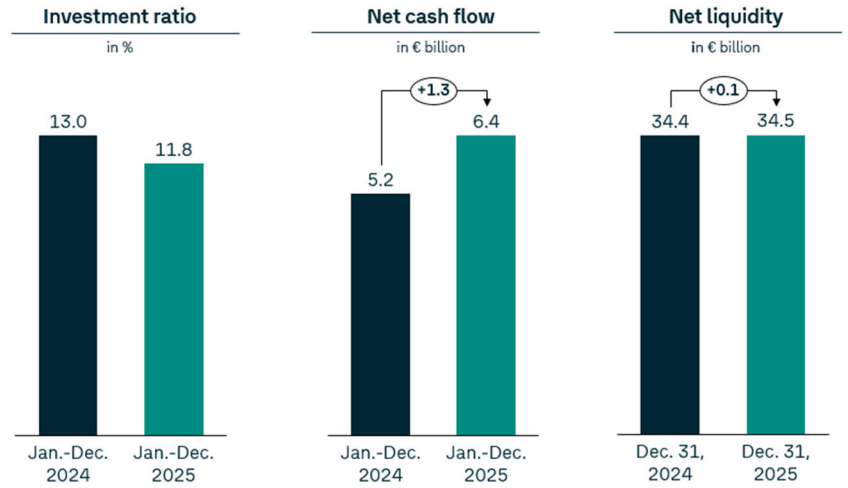
ANNUAL REPORT 2025

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VOLKSWAGEN GROUP[1]



AUTOMOTIVE DIVISION[2]



1 Volume data also includes the unconsolidated Chinese joint ventures (Chin. JVs); prior-year deliveries have been updated to reflect subsequent statistical trends.

2 As of January 1, 2025, the Automotive Division no longer includes the allocation of consolidation adjustments between the Automotive and Financial Services divisions. Figures reflect the reporting structure in force since 2025.

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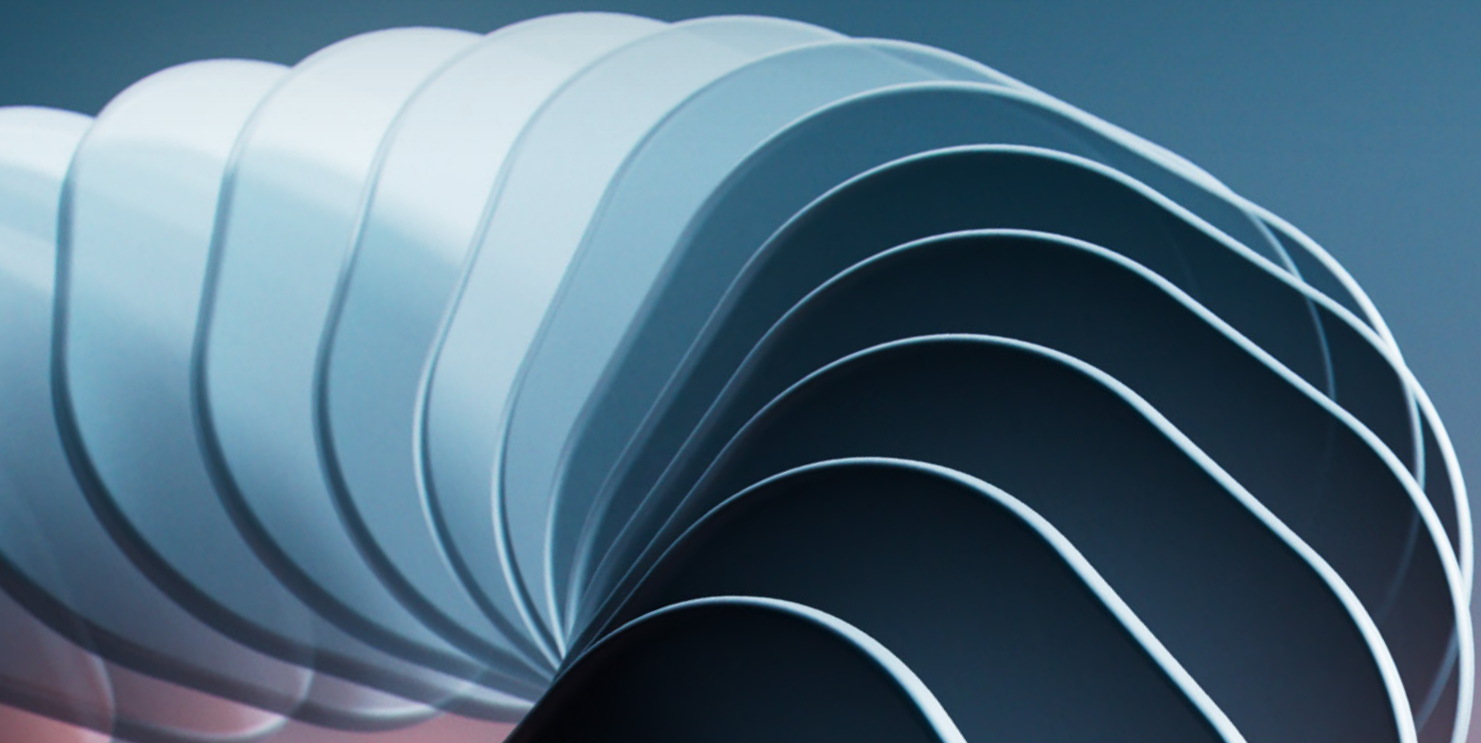
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About this report

The consolidated financial statements of Volkswagen Aktiengesellschaft were prepared in accordance with the IFRS Accounting Standards adopted by the European Union. Moreover, requirements of German commercial law pursuant to the Handelsgesetzbuch (HGB – German Commercial Code), as well as the German Corporate Governance Code have been complied with. Unless otherwise specified, this is the basis for the analysis of financial information.

All figures shown are rounded in accordance with standard commercial practice, so minor discrepancies may arise from addition of these amounts; the same applies to the calculation of percentages. Unless stated otherwise, comparative prior-year figures are presented in parentheses next to the figures for the reporting period.

This annual report contains forward-looking statements on the business development of the Volkswagen Group. These statements are based on assumptions relating to the development of the economic, political and legal environment in individual countries, economic regions and markets, and in particular for the automotive industry, which we have made on the basis of the information available to us and which we consider to be realistic at the time of going to press. Risks are associated with the estimates, and actual developments may differ from those forecast. Any changes in significant parameters relating to our key sales markets, or any significant shifts in exchange rates, prices for energy and other commodities or the supply of parts relevant to the Volkswagen Group will have a corresponding effect on the development of our business. In addition, there may be departures from our expected business development if the assessments of the factors influencing sustainable value enhancement and of risks and opportunities presented in this annual report develop in a way other than we are currently expecting, or if additional risks and opportunities or other factors emerge that affect the development of our business.

We do not update forward-looking statements and do not assume any obligation beyond that required by law to update the forward-looking statements made in this annual report.

Specified vehicle range values correspond to results obtained through the Worldwide Harmonized Light Vehicles Test Procedure (WLTP) on the chassis dynamometer. WLTP range values for series-produced vehicles may vary depending on the equipment. The actual range will deviate in practice depending on various other factors.

The format of this publication is not in line with the uniform electronic reporting format ESEF (European Single Electronic Format). The document in the statutory ESEF format was transmitted to the authority maintaining the German company register and published in that register (www.unternehmensregister.de).

This document is an English translation of the original report written in German. In case of discrepancies, the German version shall take precedence. To conserve resources, both language versions are available in digitalformat only, and can be accessed in the Investors section at www.volkswagen-group.com.

This Annual Report was published on the occasion of the Annual Media Conference on March 10, 2026.



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To our Shareholders

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Letter to our Shareholders



Decide, act, deliver: for the Volkswagen Group, 2025 was all about pitching in and turning ideas into actions. We have forged ahead with our strategic plan, bringing inspiring and exciting products to the public and translating our technical expertise into tangible added value for our customers. 2025 saw us show the world what the new strength of the Volkswagen Group is all about. We made progress in technology, software, design and quality. Our new products have been very well received and have won numerous awards. At the same time, we were carefully aligning our Company with the increasingly demanding underlying conditions and challenges around the world. The transformation of the entire Company is continuing to pick up speed. We are shaping change in a dynamic environment with a clear goal: we aim to become The Global Automotive Tech Driver. We will continue systematically driving forward this transformation in 2026.

With around 9 million vehicles delivered worldwide in 2025, we were close to reaching the previous year's figure – all within a dynamic market environment. We are stronger than ever in our home market of Europe, where we have expanded our share of the market to 25% and increased deliveries by more than 4% to further cement our position at the top. The host of new models launched onto the market this year have proved to be very popular with our customers. This contrasts with the expected declines we experienced in North America (–10%) and China (–8%) as a result of challenging market conditions. However, we succeeded in recording significant growth in South America (+12%), in Asia excluding China (+9%) and in the Middle East/Africa (+10%).

Sales revenue amounted to approximately €322 billion, putting it close to the prior-year level. Operating profit was approximately €8.9 billion, which is significantly less than in 2024. This decline was mainly attributable to high special effects and US tariff policies. Net cash flow in the Group Automotive division increased by €1.3 billion to €6.4 billion and as a consequence net liquidity came in at around €34.5 billion. We further strengthened our position for 2026 with strong financial momentum in the final quarter.

The results reflect the Volkswagen Group's ability to hold its ground in a challenging global environment. The fact that we achieved them in a phase of restructuring and with considerable costs highlights the strength of our substance, as well as our resilience. And the fact that the capital markets look favorably on the path we have taken and the progress we have made is becoming increasingly apparent in our share price. The price of Volkswagen preferred shares grew by around 16% in 2025. For comparison: the EURO STOXX Automobiles & Parts sector index fell by 4% over the same period. Factoring in the dividend on top of this gives our shareholders a total annual performance of no less than 24%.

The Board of Management and the Supervisory Board will be proposing a dividend of €5.26 per preferred share for fiscal year 2025 at the Annual General Meeting in June. That is in line with our unchanged dividend policy, which looks for a payout ratio of at least 30%, and our three-pronged approach of strengthening financial foundations,

making the investments we need for our future and ensuring investor attractiveness. As previously announced, we did not include the non-cash goodwill amortization of Porsche AG in the assessment basis, thus resulting in a payout ratio of 30% of the net result. The calculated payout ratio is 39%.

Our TOP 10 programs for the Group and our brands remain a key tool in managing our operations and strategic activities. With ambitious goals, clear definitions of responsibility, measurable milestones and a systematic roadmap, they provide us with guidance. This year, too, we have set ourselves an ambitious TOP 10 program. In 2026, we will be paying particular attention to expediting the implementation of our cost work with the aim of securing the long-term success of our brands with attractive products in our core regions and ensuring the effective management of the Volkswagen Group and its brand groups.

Our performance programs for our brands, companies and regions have already made an important contribution to increased financial robustness within our Group. With these programs, we are safeguarding our financial and strategic ambitions with concrete, measurable actions. As a result, we were also able to offset much of the impact of the numerous headwinds.

The power of Volkswagen Group lies in the strength of our brands. Our products excite and inspire our customers – and, as a result, boost our Company's competitiveness and its opportunities for growth. We launched around 30 new models in 2025, pushing forward with the product campaign initiated in the previous year. We reinforced our portfolio across all brands and segments, fine-tuned our designs and continued to raise the bar for quality with measurable results.

Our innovative strength was particularly on show in the field of e-mobility. Our global deliveries of all-electric vehicles rose by 32%, with sales figures rising by as much as 66% in our home market in Europe. With a market share of 27% in Europe, we are not only leading the competition in all-electric vehicles, our share has even overtaken the share of business with ICE vehicles for the first time. Five of the ten highest-selling all-electric models in Europe come from our Group. Order figures for Europe increased by 21%.

And we're not stopping there. 2026 will see us bringing over 20 new models to customers around the world, covering all of the various drive systems. In China in particular, we are shifting into delivery mode. Volkswagen Group China will be stepping things up a notch thanks to the biggest product campaign in its history and the first ever models designed in China, for China, which are positioned to become strong competitors in terms of design, technology and cost.

In parallel to this, we will be using our electric urban car family in Europe to showcase how we can take the strength of our Group to the market. Four models, three brands, one platform. Intelligent scaling, employed to achieve customer benefits in a way that only Volkswagen knows how: we are delivering e-mobility with premium technology adopted from higher-class vehicles, all at an entry-level price. With our all-electric compact models from Volkswagen, CUPRA and Škoda, we are tapping into a segment with high growth potential from a position of strength.

Our sense of corporate responsibility for sustainable growth and our aspirations when it comes to profitability call for clear and responsible decision-making, especially in Germany. The Zukunft Volkswagen agreement is a crucial cornerstone of this: it brings competitiveness and job security into alignment on a sustainable basis and also protects the Company's structural realignment at the level of both business operations and collective bargaining.

Audi, Porsche and our software subsidiary CARIAD have also set out comprehensive agreements and launched their own cost programs. In total, around 50,000 jobs are due to be cut by 2030 across the Volkswagen Group in Germany. As a result of collective bargaining agreements and downsizing measures, we managed to achieve cost savings of around €1 billion in fiscal year 2025 as planned. We are on course to meet our goal of achieving net annual cost savings of more than €6 billion across the Group by 2030.

Noticeable progress has also been achieved in the implementation of our restructured global software strategy: our development processes are quicker, we are integrating software into our vehicles even more effectively and we are bringing new functions to production vehicles in even less time thanks to over-the-air system updates that do not

require customers to visit a workshop. We have technically restructured and reorganized our software subsidiary CARIAD, it is now significantly leaner – and more effective. As an overarching software unit, it is now able to really play to its strengths. Our software has begun receiving several awards in comparative testing.

We are working on offering our customers around the world a superior range of digital services, adapted to the different needs and regulations in the various regions. Substantial progress is being made by our joint venture with US company Rivian. Together, we are creating the Group's electronic architecture of the future for the western hemisphere. Around one year on from the joint venture's creation, the very first test mules for the Volkswagen, Audi and Scout brands are undergoing their first winter tests in spring 2026. The new zonal architecture and software architecture are scheduled to be used for the first time in our ID. Every1 compact electric car, launching in 2027.

We are already one step further ahead in China, as required by market conditions there. In the space of just 18 months, working with Xpeng, we transformed the China Electronic Architecture from an idea into a cutting-edge E/E architecture that is ready for use in series production. At the same time, we are creating the technological basis for a wide range of hybrid and all-electric models in higher segments. Simultaneously, we are ramping up development of highly automated driving. Our joint venture established by CARIAD and Horizon Robotics is developing a proprietary Group chip for this for the first time. This is how we are accelerating the development process, increasing our flexibility and reducing costs.

In China, we are demonstrating just how quickly, flexibly and consistently the Volkswagen Group is able to adapt to a fundamentally shifted market and go on the offensive. With our "In China for China" strategy, we are switching into delivery mode after less than three years of transformation. By the end of 2027, we will have launched 30 new all-electric, plug-in hybrid and range-extended models onto the Chinese market. Our strong position in the combustion engine market continues to be a key pillar of our transformation and was further consolidated in 2025.

In China, we have increased the pace of development by up to 30%, while at the same time setting up a very competitive cost base. This is experience that we are carrying over to other regions. Our models developed in China also enable us to tap into export opportunities in new markets.

In the USA, we are firmly aligning our activities with the dynamic competitive environment, specific customer requirements and the evolving tariff situation. We are strengthening the independence of our brands and, with the electric revival of the iconic Scout, are making the most of strategic opportunities in the growing segment of large SUVs and pickups. Our focus is on highly flexible range extender technology, which perfectly combines a battery-electric drive system with a petrol-powered range extender. Our plans for Scout are on track, and we are giving our utmost to prepare for the next step of launching this new brand. At the same time, we are exploring the possibility of localizing the production of imported vehicles from our brands in the North American market.

The future of mobility is electric – and the battery is the key. We are the first European manufacturer to develop and produce battery cells on a large scale with our subsidiary PowerCo. The unified cell provides us with a global, cross-brand platform that reduces complexity and taps into economies of scale. As a crucial element within our electric strategy, it is expected to be used in series production for the first time in our electric urban car family.

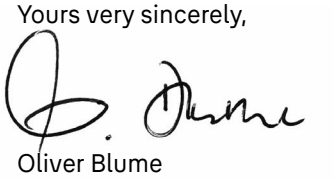
In late 2025, we began operations in the Group's first cell factory, which is based in Salzgitter. With this step, we are safeguarding our technical knowledge, industrial expertise and greater independence along the value creation chain. With the ramp-up of our cell factory in Valencia and the premiere of our first LFP cell, we are expanding our technological spectrum to a further mainstay of e-mobility.

What makes the Volkswagen Group so unique is our global team – people full of passion, expertise and genuine team spirit, this is a team who knows how to get stuck in, shape change and deliver progress – across every brand, every company and every region. To them I extend an extra special thank you, on behalf of both myself and the entire Board of Management.

In 2026, we will continue our journey – together and with a sense of determination. Our focus is clear: strong products, impressive technologies and consistent work on enhancing our competitiveness. Our ambition for 2030 is to achieve an 8% to 10% operating return on sales. This will be built on strict cost and investment discipline. However, we won't be taking this approach just for the sake of cutting costs. It is essential for new investment, growth and a successful future for the Volkswagen Group. The bedrock is our successful realignment of the last three years. We have delivered on our promises and achieved some of our goals ahead of schedule. At the same time, our world has changed dramatically over the past three years. We need to comprehensively transform our Company in the coming years based on what we have achieved so far. We see that our business model of past decades no longer works in today's world. Because of regional market conditions, changes in trade policy, massive regulatory requirements in the various regions of the world and our high-cost position, above all in Europe. That is why we must rework our business model in light of the new environment. It means further developing our product portfolio – tailored specifically to the world regions and their own profit pools. It means refining our technology and software offerings. And, at the same time, it means further improving our financial substance and streamlining the Volkswagen Group's structure and steering model. We will keep you informed about the next steps over the course of the year.

Huge opportunities lie ahead of us. We will be making the most of them. We hope you will join us as we continue to forge ahead with our strategic goals and create sustainable value. Thank you for your trust and support.

Yours very sincerely,



Oliver Blume



The Board of Management

of Volkswagen Aktiengesellschaft



Oliver Blume

Chairman of the Board of Management
of Volkswagen AG,
Sport Luxury brand group



Dr. Arno Antlitz

Finance and Operations



Ralf Brandstätter

China



Dr. Manfred Döss

Integrity and Legal Affairs



Dr. Gernot Döllner

Progressive brand group



Thomas Schäfer

Core brand group, Human Resources



Thomas Schmall-
von Westerholt

Technology



Hauke Stars

IT

Report of the Supervisory Board

(in accordance with section 171(2) of the AktG)

Ladies and gentlemen,

In fiscal year 2025, the work of the Supervisory Board of Volkswagen AG and its committees again focused on the Volkswagen Group's strategic alignment, its further development in the core markets and its transformation. The Supervisory Board regularly deliberated on the Company's position and development in the reporting year. We supervised and supported the Board of Management in its running of the business and advised it on issues relating to the management of the Company, and particularly on sustainability issues, in accordance with our duties under the law, the Articles of Association and the rules of procedure. The Supervisory Board was directly involved in all decisions of fundamental importance to the Group. Additionally, we discussed strategic considerations with the Board of Management at regular intervals.

The Board of Management complied with its disclosure obligations, which are set out in the information policy adopted by the Supervisory Board. The Board of Management provided us with information regularly, promptly and comprehensively both in writing and orally, particularly on all matters of relevance to the Company relating to its strategy, business development and the Company's planning and position. This also included the risk situation and risk management. In this respect, the Board of Management also informed the Supervisory Board of further improvements to the internal control system and the risk and compliance management system. In addition, the Supervisory Board received information about compliance and other topical issues from the Board of Management on an ongoing basis. We were regularly informed about the views and interests of affected stakeholders with regard to sustainability-related impacts within the scope of statutory reporting requirements as well as reporting requirements laid down by the Supervisory Board. We received the documents relevant to our decisions in good time for our meetings. At regular intervals, we also received a detailed report from the Board of Management on the current business position and the forecast for the current year. Any deviations in performance from the plans and targets previously drawn up were explained in detail by the Board of Management, either in person or in writing. Together with the Board of Management we analyzed the reasons for the deviations and determined corresponding countermeasures.

Furthermore, the Chair of the Supervisory Board consulted with the Chair of the Board of Management at regular intervals between meetings to discuss important current issues. These included the Group's strategy and planning, its business development, and the risk situation and risk management, including integrity and compliance issues in the Volkswagen Group and sustainability issues. The Chair of the Supervisory Board regularly discussed Supervisory Board-specific topics with investors and, in consultation with the Board of Management, also non-Supervisory Board-specific topics. One of the focuses of debate was corporate governance. The Chair of the Supervisory Board informed the Supervisory Board of such discussions after they had taken place.

The Supervisory Board held a total of eight meetings in fiscal year 2025. Five of the meetings were held face to face and three as video or conference calls. The attendance rate (calculated for all meetings held during the fiscal year and for all Supervisory Board members in office) was 95%. Where individual members of the Supervisory Board had a lower attendance rate, this was mainly due to urgent professional engagements, especially for persons in public

life, and to urgent personal matters. In addition, several meetings had to be called at short notice in fiscal year 2025. Supervisory Board members who did not attend a meeting for reasons other than a possible conflict of interest were able to engage with the meeting topics using the preparatory documents and could participate in the resolutions by means of a written vote. Particularly urgent matters were decided either at meetings convened at short notice as video or conference calls or using the written circulation procedure, i.e., in writing or using electronic means of communication.

COMMITTEE ACTIVITIES

In order to discharge the duties entrusted to it, the Supervisory Board has established four committees: the Executive Committee, the Nomination Committee, the Mediation Committee established in accordance with section 27(3) of the *Mitbestimmungsgesetz* (MitbestG – German Codetermination Act) and the Audit Committee. The Executive Committee is comprised of four shareholder representatives and four employee representatives. The shareholder representatives of the Executive Committee make up the Nomination Committee. The Mediation Committee is comprised of two shareholder representatives and two employee representatives, while the Audit Committee is comprised of three shareholder representatives and three employee representatives. The members of these committees as of December 31, 2025 are stated in the Group Corporate Governance Declaration.

The Executive Committee met ten times in the reporting year. Seven of the meetings were held face to face and three as video or conference calls. The Executive Committee prepared the resolutions of the Supervisory Board, discussed the composition of the Board of Management and took decisions on matters such as contractual issues other than remuneration concerning the Board of Management, and on consent to ancillary activities by members of the Board of Management. The Executive Committee also functions as a "Remuneration Committee", preparing the Supervisory Board's decisions on questions regarding Board of Management remuneration.

The Nomination Committee is responsible for proposing suitable candidates for the Supervisory Board to recommend to the Annual General Meeting. In doing so, it takes into account the targets set by the Supervisory Board for its composition, and the diversity concept for the composition of the Supervisory Board, and strives to fill the profile of skills and expertise prepared for the full Board. The Nomination Committee also takes care in particular to make sure that there are no gaps in the skills and expertise of the full Board (Skill Gaps Assessment). The Nomination Committee held one face to face meeting in 2025 and, taking the aforementioned requirements into account, proposed candidates for the Supervisory Board to recommend to the Annual General Meeting.

The Mediation Committee established in accordance with section 27(3) of the MitbestG did not need to convene in the reporting year.

The Audit Committee held four meetings in fiscal year 2025. Three of the meetings were held face to face and one meeting was held as a video or conference call. The focus was on the annual and consolidated financial statements, the Risk Management System including the appropriateness and effectiveness of the Internal Control System and the Internal Audit System, and the work performed by the Company's Compliance organization. In addition, the Audit Committee concerned itself with the Volkswagen Group's quarterly reports and the half-yearly financial report, as well as with current issues, the supervision of financial reporting and the financial reporting process, and the examination thereof by the auditors. The Audit Committee regularly concerns itself with the quality of the audit. In consultation with the auditors, it discussed the assessment of audit risk, the audit strategy and audit planning and the results of the audit. The Audit Committee also received reports on sustainability reporting in accordance with the Corporate Sustainability Reporting Directive (CSRD).

Furthermore, the shareholder and employee representatives generally met for separate preliminary discussions before each of the Supervisory Board meetings.

In connection with their seat on the Supervisory Board, members of the Supervisory Board receive support from the Company, both upon beginning their term of office as well as with respect to education and training; the Company particularly supports the organization of seminars and bears the costs thereof. In the reporting year, for example, the Supervisory Board members received training on the subject of software. What is more, Volkswagen AG gives the



Hans Dieter Pötsch

members of the Supervisory Board the opportunity to become more familiar with the Group's products and with market developments. Here, Volkswagen AG offers the members of the Supervisory Board in-house product and innovation presentations, for example, and encourages attendance at trade fairs. Supervisory Board members appointed for the first time are also provided with a detailed introduction to topics that apply specifically to the Supervisory Board of Volkswagen AG (onboarding).

TOPICS DISCUSSED BY THE SUPERVISORY BOARD

The first Supervisory Board meeting in the reporting year took place on March 7, 2025. Following a detailed examination, we approved the consolidated financial statements and the annual financial statements of Volkswagen AG for fiscal year 2024 prepared by the Board of Management. We examined the combined Group management report, the combined separate non-financial report for 2024 and the precautionary Report by the Board of Management on Relationships of Volkswagen AG with Affiliated Companies (dependent company report) in accordance with section 312 of the Aktiengesetz (AktG – German Stock Corporation Act). The other items on the agenda included the issuance of the audit engagements for the 2025 annual and consolidated financial statements, the 2025 sustainability report and other accounting documents, approval of the agenda for the Annual General Meeting on May 16, 2025, and the waiver of remuneration by the members of the Board of Management.

At the Supervisory Board meeting on May 15, 2025, we discussed the agreement of a settlement with an insurance company. We also looked at the preparations for the 65th Annual General Meeting of Volkswagen AG. Further topics that we discussed with the Board of Management included in particular business development and the key performance indicators for the first quarter of 2025, developments in the market, the performance program of the Volkswagen Passenger Cars brand, the status quo with regard to the US tariffs, the status quo with regard to software, and the situation in China.

At the Supervisory Board meeting on July 4, 2025, we considered the extension of Mr. Ralf Brandstätter's appointment to the Board of Management and Mr. Gunnar Kilian's departure from the Board of Management, as well as the election of Ms. Susanne Wiegand as a member and Chair of the Audit Committee and of Mr. Hans Dieter Pötsch as a member of the Audit Committee. In addition, we discussed in particular the situation in China and the status quo with regards to the battery technology development with the Board of Management.

On July 24, 2025, the Supervisory Board met to discuss the status quo with regards to the proceedings concerning the resolutions passed by the general meeting on the settlements concluded to resolve the diesel issue, and the courses of action possible in this respect.

The Supervisory Board meeting on September 25, 2025 deliberated on the extension of Mr. Gernot Döllner's appointment to the Board of Management. We also revisited the status quo with regards to the proceedings concerning the resolutions passed by the general meeting on the settlements concluded to resolve the diesel issue. Furthermore, our discussions with the Board of Management focused in particular on general business development, the impact of the US tariffs and product issues.

On October 17, 2025, the Supervisory Board considered the extension of Mr. Oliver Blume's appointment as a member and Chair of the Board of Management at Volkswagen AG in light of his departure from Dr. Ing. h.c. F. Porsche AG, where he had also been a member and Chair of the Board of Management.

At the Supervisory Board meeting on November 14, 2025, we dealt particularly with the requirements of the German Corporate Governance Code (the Code) and, together with the Board of Management, issued the annual declaration of conformity with the recommendations of the Code. We also discussed the Volkswagen Group's financial planning and decided on the approval of several actions by the Board of Management, for example an internal restructuring at Everllence SE and the internal restructuring of Chinese investees.

At the meeting on December 11, 2025, we addressed questions regarding Board of Management remuneration and deliberated on the status quo with regards to investment projects and the Volkswagen Group's financial planning.

In the reporting year, we voted in writing on matters such as Board of Management remuneration, elections to committees and consent to ancillary activities by a member of the Board of Management.

The following table shows the number of meetings of the full Board and its committees, as well as the participation of the individual members of the Supervisory Board in 2025:

	Meetings of the full Supervisory Board	Meetings of the Executive Committee	Meetings of the Audit Committee	Meetings of the Nomination Committee	Meetings of the Mediation Committee
Hans Dieter Pötsch	8 out of 8	10 out of 10	–	1 out of 1	–
Jörg Hofmann (until March 8, 2025)	1 out of 1	2 out of 2	–	–	–
Christiane Benner (since March 9, 2025)	7 out of 7	7 out of 7	–	–	–
Dr. Hessa Sultan Al Jaber	7 out of 8	–	–	–	–
Mansoor Ebrahim Al-Mahmoud (until May 16, 2025)	0 out of 2	–	2 out of 2	–	–
Mohammed Saif Al-Sowaidi (since May 16, 2025)	5 out of 6	–	–	–	–
Rita Beck	8 out of 8	10 out of 10	–	–	–
Harald Buck	8 out of 8	–	–	–	–
Matías Carnero Sojo	4 out of 8	–	–	–	–
Daniela Cavallo	8 out of 8	10 out of 10	4 out of 4	–	–
Julia Willie Hamburg	8 out of 8	–	–	–	–
Marianne Heiß (until July 4, 2025)	3 out of 3	–	2 out of 2	–	–
Dr. Arno Homburg	8 out of 8	–	–	–	–
Günther J. Horvath	8 out of 8	–	–	–	–
Olaf Lies (since May 20, 2025)	6 out of 6	5 out of 5	–	–	–
Daniela Nowak	8 out of 8	–	–	–	–
Dr. Hans Michel Piëch	8 out of 8	10 out of 10	–	1 out of 1	–
Dr. Ferdinand Oliver Porsche	8 out of 8	–	4 out of 4	–	–
Dr. Wolfgang Porsche	8 out of 8	10 out of 10	–	1 out of 1	–
Gerardo Scarpino	8 out of 8	10 out of 10	4 out of 4	–	–
Karina Schnur	8 out of 8	–	–	–	–
Conny Schönhardt	8 out of 8	–	4 out of 4	–	–
Stephan Weil (until May 20, 2025)	2 out of 2	5 out of 5	–	1 out of 1	–
Susanne Wiegand (since July 5, 2025)	5 out of 5	–	2 out of 2	–	–

CONFLICTS OF INTEREST

A conflict of interest between Volkswagen AG and TRATON SE could not be ruled out in measures to increase the free float of TRATON SE shares. Therefore, and as a precautionary measure, Mr. Pötsch, who is also the Chair of the Supervisory Board of TRATON SE, and Ms. Schnur, who is also a member of the Executive Committee of TRATON SE, did not participate in the discussions or the resolutions adopted by the Supervisory Board of Volkswagen AG on this matter so that they could participate in potential discussions and resolutions adopted by the Supervisory Board of TRATON SE. Mr. Hans Dieter Pötsch was a member of the Board of Management of Volkswagen AG until October 2015. His transfer to the Supervisory Board had already been planned independently of the diesel issue. To avoid possible conflicts of interest, Mr. Pötsch leaves the meeting room in the event of discussions and resolutions by the Supervisory Board that might concern his conduct in relation to the diesel issue. As such, Mr. Pötsch did not participate in the agenda item at the Supervisory Board meeting on July 24, 2025 in which we discussed possible courses of action in the proceedings concerning the resolutions passed by the general meeting on the settlements concluded to resolve the diesel issue.

CORPORATE GOVERNANCE AND DECLARATION OF CONFORMITY

One of the topics addressed at the Supervisory Board meeting on November 14, 2025 was the implementation of the recommendations and suggestions of the Code in the Volkswagen Group. We discussed the Code's requirements in detail and together with the Board of Management we issued the annual declaration of conformity with the recommendations of the Code in accordance with section 161 of the AktG.

The joint declarations of conformity by the Board of Management and the Supervisory Board are permanently available at www.volkswagen-group.com/declaration. Additional information on the implementation of the recommendations and suggestions of the Code can be found in the Group Corporate Governance Declaration.

The Audit Committee has agreed a suitable procedure with the Board of Management for the ongoing monitoring of the Volkswagen Group's related-party transactions. In some cases, related-party transactions are subject to a requirement that the Supervisory Board provide consent and to a disclosure obligation. The procedure for the ongoing monitoring of related-party transactions and the approach taken by the Supervisory Board are described in detail in the Group Corporate Governance Declaration. In the reporting year, there were no cases in which a requirement to provide consent or a disclosure obligation arose under the rules for related-party transactions.

COMPOSITION OF THE SUPERVISORY BOARD AND BOARD OF MANAGEMENT

Mr. Jörg Hofmann, former Chair of IG Metall, resigned from the Supervisory Board of Volkswagen AG as of the end of the day on March 8, 2025. Ms. Christiane Benner, Chair of IG Metall, was appointed by the court as his successor with effect from March 9, 2025.

At the close of the Annual General Meeting on May 16, 2025, Mr. Mansoor Ebrahim Al-Mahmoud, former CEO of Qatar Investment Authority, resigned from the Supervisory Board of Volkswagen AG. The Annual General Meeting on May 16, 2025 elected Mr. Mohammed Saif Al-Sowaidi, CEO of Qatar Investment Authority, as his successor with effect from the close of the Annual General Meeting.

On May 20, 2025, Mr. Stephan Weil, former Minister President of the State of Lower Saxony, resigned from the Supervisory Board of Volkswagen AG. The State of Lower Saxony delegated Mr. Olaf Lies, Minister President of the State of Lower Saxony, as his successor with effect from May 20, 2025.

Supervisory Board member Ms. Marianne Heiß resigned from the Supervisory Board of Volkswagen AG as of the end of the day on July 4, 2025. Ms. Susanne Wiegand, Supervisory Board member and investor, was appointed by the court as her successor with effect from July 5, 2025.

In the 2025 reporting year, Mr. Gunnar Kilian resigned from the Board of Management as of the end of the day on July 4, 2025.

We would like to extend our sincere thanks to the former Supervisory Board members Ms. Heiß, Mr. Al-Mahmoud, Mr. Hofmann and Mr. Weil and the former Board of Management member Mr. Kilian for their work.

AUDIT OF THE ANNUAL AND CONSOLIDATED FINANCIAL STATEMENTS

On May 16, 2025, the Annual General Meeting of Volkswagen AG elected EY GmbH & Co. KG Wirtschaftsprüfungsgesellschaft (EY) as auditor and Group auditor for fiscal year 2025 as proposed by us. The auditor confirmed the annual financial statements of Volkswagen AG, the consolidated financial statements of the Volkswagen Group and the combined Group management report by issuing unqualified audit reports in each case. The Audit Committee had also agreed with the auditor that the auditor would inform the Audit Committee if, while conducting the audit, matters were identified that constituted an inaccuracy in the Declaration on the Code submitted by the Board of Management and Supervisory Board. The auditor did not inform the Audit Committee of any such matters.

The Supervisory Board also commissioned EY to conduct an external audit of the content of the combined non-financial statement for 2025.

In addition, the auditor analyzed the risk early warning and monitoring system that is integrated into the Risk Management System, concluding that the Board of Management had taken the measures required by section 91(2) of the AktG to ensure early detection of any risks endangering the continued existence of the Company. The Report on Relationships of Volkswagen AG with Affiliated Companies as per section 312 of the AktG (dependent company report) submitted by the Board of Management for the period from January 1 to December 31, 2025 was also audited by the auditor, who issued the following opinion: "In our opinion and in accordance with our statutory audit, we certify that the factual disclosures provided in the report are correct and that the Company's consideration concerning legal transactions referred to in the report was not unduly high."

The members of the Audit Committee and the members of the Supervisory Board were provided with the documentation relating to the annual and consolidated financial statements, including the dependent company report, the documentation relating to the combined Group management report, and also the audit reports prepared by the auditor and the report from EY on the external audit of the content of the combined non-financial statement for 2025 in good time for their meetings on March 5, 2026 and March 6, 2026, respectively. The auditor reported extensively at both meetings on the material findings of the audit and was available to provide additional information. The Chair of the Audit Committee was also in close contact with the auditors, including between the meetings and during the preparation of the Audit Committee meetings, about the progress of the audit, and reported to the Audit Committee on this. The Audit Committee and the auditor also consulted regularly without the Board of Management.

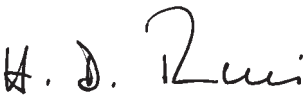
Taking into consideration the audit reports and the discussion with the auditor, and based on its own conclusions, the Audit Committee prepared the documents for the Supervisory Board's examination of the consolidated financial statements, the annual financial statements of Volkswagen AG, the combined Group management report, the dependent company report and the combined non-financial statement for 2025, and reported on these at the Supervisory Board meeting on March 6, 2026. Following this, the Audit Committee recommended that the Supervisory Board approve the annual and consolidated financial statements. We examined the documents in depth in the knowledge and on the basis of the report by the Audit Committee and the audit report, as well as in talks and discussions with the auditor. We came to the conclusion that the documents were drawn up in accordance with generally accepted accounting principles and that the assessment of the position of the Company and the Group presented by the Board of Management in the combined Group management report corresponds to the assessment by the Supervisory Board.

We therefore concurred with the auditor's findings and approved the annual financial statements and the consolidated financial statements prepared by the Board of Management at our meeting on March 6, 2026, which the auditors also attended for the agenda items relating to the annual and consolidated financial statements, the dependent company report and the combined Group management report. The annual financial statements are thus adopted. Upon completion of our examination of the dependent company report, there are no objections to be raised to the concluding declaration by the Board of Management in the dependent company report. We reviewed the proposal on the appropriation of net profit submitted by the Board of Management, taking into account in particular the interests of the Company and its shareholders, and endorsed the proposal. EY conducted an external limited

assurance review of the content of the combined non-financial statement for 2025 and issued an unqualified report; EY conducted a reasonable assurance review of the EU Taxonomy reporting included in the non-financial statement and the decarbonization index reporting and likewise issued an unqualified report. The non-financial statement for 2025 was prepared in full application of the European Sustainability Reporting Standards (ESRS), as these are based on the rules for sustainability reporting under the Corporate Sustainability Reporting Directive (CSRD) in the European Union. At our meeting on March 6, 2026, EY also took part in the discussions on the agenda items relating to the combined non-financial statement for 2025. Following its own independent examination conducted on the basis of the results of EY's review and the preliminary examination by the Audit Committee, the Supervisory Board did not have any objections to the combined non-financial statement for 2025. We also resolved that, together with the Board of Management, we would prepare the remuneration report for fiscal year 2025. As well as reviewing whether the remuneration report contained all of the disclosures required by law, EY went beyond statutory requirements to audit its content and issued an unqualified report.

We would like to express our sincere thanks to the Board of Management, the Works Council, the management teams and all employees of Volkswagen AG and its affiliated companies for their commitment and achievements in the reporting year. 2025 was another year full of challenges to overcome, some of which were substantial. Thanks to their hard work and a high level of personal commitment, they all contributed substantially to the continued development of the Volkswagen Group and to actively driving forward its transformation.

Wolfsburg, March 6, 2026



Hans Dieter Pötsch
Chair of the Supervisory Board

2

Corporate Governance

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Group Corporate Governance Declaration

The following chapter contains the content of the Group Corporate Governance Declaration required by sections 289f and 315d of the HGB and the recommendations and principles of the German Corporate Governance Code.

THE GERMAN CORPORATE GOVERNANCE CODE – A BLUEPRINT FOR SUCCESSFUL CORPORATE GOVERNANCE

Corporate governance provides the regulatory framework for corporate management and supervision. This includes a company's organization and values, and the principles and guidelines for its business policy. The German Corporate Governance Code (the Code) contains principles, recommendations and suggestions for corporate management and supervision. Its principles, recommendations and suggestions were prepared by a dedicated government commission on the basis of the material provisions and nationally and internationally accepted standards of sound, responsible corporate governance. In the interests of best practice, the government commission regularly reviews the Code's relevance in light of current developments and updates it as necessary. The Board of Management and the Supervisory Board of Volkswagen AG base their work on the principles, recommendations and suggestions of the Code. We consider good corporate governance to be a key prerequisite for successful, sustainable business development. It helps strengthen the trust of our shareholders, customers, employees, business partners and investors in our work and enables us to meet the steadily increasing demand for information from national and international interest groups.

DECLARATION OF CONFORMITY

(valid as of the date of the declaration)

The Board of Management and the Supervisory Board of Volkswagen AG issued the annual declaration of conformity with the Code as required by section 161 of the *Aktiengesetz* (AktG – German Stock Corporation Act) on November 14, 2025 with the following wording:

"The Board of Management and the Supervisory Board declare the following:

The recommendations of the Government Commission of the German Corporate Governance Code in the version dated 28 April 2022 (the Code) that was published by the German Ministry of Justice in the official section of the Federal Gazette (*Bundesanzeiger*) on 27 June 2022 were complied with in the period from the last Declaration of Conformity dated 15 November 2024 and will continue to be complied with, with the exception of the recommendations and reasons hereinafter and the periods stated.

- a) Recommendation B.3 (duration of first-time appointments to the Management Board)
  As it has done in the past, the Supervisory Board will determine the duration of first-time appointments to the Board of Management as it deems fit for each individual case and for the good of the Company.

- b) Recommendation B.5 (age limit for members of the Board of Management)
  Pursuant to Recommendation B.5, an age limit is to be specified for members of the Board of Management and disclosed in the Corporate Governance Declaration. This has been complied with. In September 2023, the Supervisory Board re-appointed Dr Manfred Döss and in so doing exceeded the stipulated age limit by way of exception. The Supervisory Board considered this exception to be in the interest of the company in order to ensure that the topics in Dr Döss's area of responsibility (Integrity and Legal Affairs) are implemented as effectively and efficiently as possible within the scope of the transformation of the VOLKSWAGEN Group. The Supervisory Board otherwise adheres to the age limit specified for members of the Board of Management. It cannot, however, be ruled out that legal commentators would regard a company as having deviated from Recommendation B.5 even if it had exceeded a specific applicable age limit only once while the age limit as such remained in force. As a precautionary measure, a deviation is therefore being declared.
- c) Recommendation C.2 (age limit for members of the Supervisory Board)
  In line with Recommendation C.2, the Supervisory Board has stipulated an age limit for its members. According to this provision, proposals for appointments to the Supervisory Board should normally only be made for persons who have not reached the age of 75 on the date of the election. On the date of the 2024 Annual General Meeting, Dr Piëch was 82 years old and at the time of his previous appointment he was 77 years old. Despite this, the Supervisory Board resolved in 2024 to propose that Dr Piëch be reappointed to the Supervisory Board. Dr Piëch is one of the largest individual indirect shareholders of Volkswagen Aktiengesellschaft and has extensive experience and expertise in the company's business areas, thanks in part to his many years working for VOLKSWAGEN AG and for numerous other Volkswagen Group companies. The Supervisory Board is confident that he will continue to apply this in the interest of the company. The Supervisory Board generally adheres to the age limit specified for members of the Supervisory Board. It cannot, however, be ruled out that legal commentators would regard a company as having deviated from Recommendation C.2 if the Supervisory Board were to propose in several cases in close succession that the Annual General Meeting appoint persons who were older than the stipulated age limit. A deviation from Recommendation C.2 is therefore being declared as a precautionary measure.
- d) Recommendation C.5 (mandate ceiling regarding Board of Management mandate)
  The Chair of the Supervisory Board is on the supervisory boards of three listed companies of the VOLKSWAGEN Group, namely VOLKSWAGEN AG (as Chair), Dr. Ing. h.c. F. Porsche AG and TRATON SE (as Chair), as well as being on the Supervisory Board of Bertelsmann SE & Co. KGaA. He is also Chair of the Board of Management of Porsche Automobil Holding SE. Porsche Automobil Holding SE is not part of the same group as VOLKSWAGEN AG, Dr. Ing. h.c. F. Porsche AG and TRATON SE within the meaning of German stock corporation law. We are, however, confident that the Chair of the Supervisory Board of VOLKSWAGEN AG has sufficient time at his disposal to fulfill the duties related to his mandates.
- e) Recommendation C. 13 (disclosure regarding election proposals)
  Under this recommendation, certain circumstances shall be disclosed when the Supervisory Board makes election proposals to the General Meeting, but the requirements are vague and the definitions unclear. Purely as a precautionary measure, we therefore declare a deviation in this respect. Notwithstanding this, the Supervisory Board will make every effort to satisfy the requirements of the recommendation.
- f) Recommendation G.6 (predominance of long-term variable remuneration)
  On 20 July 2022, Dr Ing. h.c. F. Porsche AG (Porsche AG) agreed upon a so-called IPO bonus with Dr Oliver Blume in the event that the IPO of Porsche AG was successful. Since a successful IPO is also in the interest of VOLKSWAGEN AG, we are, as a precaution, treating the IPO bonus agreed with Porsche AG as part of Dr Blume's remuneration at VOLKSWAGEN AG (third-party remuneration arrangement). The Supervisory Board of VOLKSWAGEN AG approved the third-party remuneration arrangement for Dr Blume. The IPO bonus was awarded in the form of phantom shares. These phantom shares were converted into monetary sums in three tranches over periods of one, two, and three years depending on the performance of the price of Porsche AG shares during the relevant time period, and these monetary sums were then paid out to Dr Blume. As a precaution, the Supervisory Board

assumed that the first two tranches of the IPO bonus, with terms of one and two years, would be allocated to the short-term variable remuneration of Dr Blume, whilst the last tranche of the IPO bonus, with a term of three years, would be allocated to his long-term variable remuneration. As a result, the overall target for the short-term variable remuneration approved for Dr Blume for fiscal year 2022 exceeded the target for the long-term variable remuneration. The final tranche of the IPO bonus, which is allocated to the long-term variable remuneration, was settled in the current fiscal year 2025. Following the full settlement of the IPO bonus, Recommendation G.6 is again being complied with, and will be in future.

- g) Recommendation G.10 sentence 2 (four-year commitment period)
  Dr Blume could access the third tranche of the IPO bonus described under f) as part of the long-term variable remuneration after three years; he did not have to wait for four years. As the IPO bonus has been settled in full, the recommendation has since been complied with again.
- h) Recommendation G.13 sentence 1 (severance cap)
  At the end of July 2022, the Supervisory Board of VOLKSWAGEN AG resolved by mutual agreement with Dr Diess to terminate his appointment as member and as Chair of the Board of Management with effect from midnight on 31 August 2022. According to the agreement reached with Dr Diess, his contract continued to run until the end of its regular term, i.e. until midnight on 24 October 2025, following the premature termination of his appointment. In accordance with the agreement, Dr Diess did not and does not receive a severance payment, but might potentially receive his contractual remuneration for a period of more than two years following his departure from the Board of Management. It is not clear to us whether this recommendation refers only to severance payments or also to payments to a retired member of the Board of Management due to a continuing contract of service. In light of the variable remuneration components that have not yet been paid out, we are continuing to declare a deviation from Recommendation G. 13 sentence 1 as a precautionary measure."

The current declaration of conformity and previous declarations of conformity are also published on our website shown hereafter.

The suggestions of the Code are complied with.

Our listed subsidiaries Dr. Ing. h.c. F. Porsche AG and TRATON SE also issued a declaration of conformity with the German Corporate Governance Code. These can be accessed at the websites shown below.

DECLARATION OF CONFORMITY OF VOLKSWAGEN AG
www.volkswagen-group.com/declaration

DECLARATION OF CONFORMITY BY DR. ING. H.C. F. PORSCHE AG
https://investorrelations.porsche.com/en/corporate-governance/

DECLARATION OF CONFORMITY OF TRATON SE
https://ir.traton.com/en/corporate-governance

BOARD OF MANAGEMENT

Volkswagen AG and the Volkswagen Group are managed by the Volkswagen AG Board of Management in accordance with the Volkswagen AG Articles of Association and the rules of procedure for Volkswagen AG's Board of Management issued by the Supervisory Board.

Accordingly, responsibilities in the Board of Management are currently divided among ten Board functions. In addition to the "Chair of the Board of Management" function, the other Board functions are "Technology", "Finance and Operations", "Human Resources and Trucks brand group", "Integrity and Legal Affairs", "Progressive brand group", "Sport Luxury brand group", "China", "IT" and "Core brand group". The Chair of the Board of Management was also responsible for the "Sport Luxury brand group" Board function until December 31, 2025; as of January 1, 2026, the full Board of Management is responsible for this function until further notice. The Board of Management member responsible for the "Core brand group" function is also responsible for the "Human resources" subdivision of the "Human Resources and Trucks brand group" function until further notice; the full Board of Management is responsible for the "Trucks brand group" subdivision until further notice. Further information on the composition of the Board of Management can be found in the "Members of the Board of Management" section.

Directly attached to the Board are a number of Group Management functions that act as an extension to the Board functions. These comprise the "Group Sales", "Group Production", "Group Procurement" and "Group Research and Development" functions.

The allocation of responsibilities on the Board of Management is based on the rules of procedure issued by the Supervisory Board. This is structured in such a way as to help the Board of Management to focus on key tasks such as strategy, central decisions on the Company's direction, capital allocation and financial requirements. The task of the extended Board-level management functions is to leverage synergies in the Group and to connect the brands and divisions.

Board of Management committees exist at Group level for the following areas: products, technologies, investments, digital transformation, integrity and compliance, risk management and management issues. In addition to the responsible Board of Management members, the committees include representatives of the departments relevant to the subject, and of the brands, brand groups and companies involved.

Working procedures of the Board of Management

In accordance with Article 6 of the Articles of Association, Volkswagen AG's Board of Management consists of at least three people, with the precise number determined by the Supervisory Board. As of December 31, 2025, the Board of Management was comprised of eight members.

The Board of Management generally convenes on a weekly basis; however, the rules of procedure for the Board of Management stipulate that they meet at least twice a month. Meetings of the Board of Management are convened by the Chair of the Board of Management. The Chair is required to convene a meeting if requested by any member of the Board of Management. The Chair of the Board of Management conducts the Board of Management meetings. The full Board of Management decides on all matters unless these have been assigned to a single member of the Board of Management by the rules of procedure for the Board of Management or by a resolution of the Board of Management, on matters assigned to the full Board of Management by law or by the Articles of Association, and on matters of general or fundamental importance in accordance with the rules of procedure for the Board of Management. The Board of Management takes decisions after prior debate or – if no other Board of Management member objects – using the written circulation procedure. Resolutions of the Board of Management are adopted by a majority vote. In the event of a tie, the Chair of the Board of Management casts the deciding vote. The Board of Management is quorate when at least half of the members of the Board of Management participate in passing the resolution. Absent members of the Board of Management may participate in passing the resolution orally, in writing or via customary communications media (e.g., by e-mail). Details of the responsibilities of the full Board of Management and of meetings and resolutions of the Board of Management are governed by the rules of procedure for the Board of Management issued by the Supervisory Board and published on Volkswagen AG's website at www.volkswagen-group.com/en/corporate-governance.

Each Board of Management member manages their area of responsibility independently, without prejudice to the collective responsibility of the Board of Management. All Board of Management members are to inform each other of the events within their remit.

All members of the Board of Management must immediately disclose conflicts of interest to the Chair of the Supervisory Board and the Chair of the Board of Management and inform the other members of the Board of Management accordingly.

The Volkswagen Group companies are managed solely by their respective managements. The management of each individual company takes into account not only the interests of its own company but also the interests of the Group, the relevant brand group and the individual brands in accordance with the framework laid down by law.

Cooperation with the Supervisory Board

The Supervisory Board of Volkswagen AG monitors and advises the Board of Management with regard to the management of the Company. The Supervisory Board is directly involved, especially in decisions of fundamental importance to the Company, thanks to the requirement for the Supervisory Board to provide consent. Supervision and consultation offered by the Supervisory Board also cover sustainability topics. In addition, the Supervisory Board and the Board of Management regularly discuss factors affecting the strategic orientation of the Volkswagen Group, including the sustainability strategy. The two bodies jointly assess, at regular intervals, the progress made in implementing the corporate strategy. As part of the statutory reporting obligations and those defined by the Supervisory Board, the Board of Management reports to the Supervisory Board regularly, promptly and comprehensively either in writing or orally on all issues of relevance for the Company, particularly with regard to strategy, planning, the development of the business, the risk situation, risk management and compliance.

The Chair of the Board of Management is responsible for business dealings with the Supervisory Board. The Chair is in regular contact with the Chair of the Supervisory Board and reports to them on all matters of particular significance without delay.

The Supervisory Board has set out the Board of Management's obligations to provide detailed information and reports in a comprehensive information policy; the information policy has been published as Annex II to the rules of procedure for the Board of Management on Volkswagen AG's website at www.volkswagen-group.com/en/corporate-governance. The Board of Management must report conscientiously and faithfully to the Supervisory Board or its committees. With the exception of the immediate reports from the Chair of the Board of Management to the Chair of the Supervisory Board on matters of particular importance, the Board of Management is required to report to the Supervisory Board as a rule in writing.

The documents required for decision-making purposes must be provided to the Supervisory Board members in good time before the meeting. Further statements about the information provided to the Supervisory Board by the Board of Management can be found in the Report of the Supervisory Board.

Related party transactions

The Audit Committee agreed on a suitable procedure with the Board of Management for ongoing monitoring of the Volkswagen Group's related party transactions. As part of this procedure, the Board of Management ensures that related party transactions are generally at arm's length using the best-price principle. In addition, all transactions with the individual related parties are analyzed to determine whether they exceed the threshold of 1.5% of the Volkswagen Group's total fixed and current assets, above which obligations under the rules on related party transactions apply (RPT threshold). Furthermore, Procurement reports all transactions in which the volume of the contract exceeds the amount of €1 billion; in such cases, it is then checked separately whether the contractual partner is a related party within the meaning of the rules on related party transactions.

The Audit Committee continuously monitors the actions of the Board of Management. To this end, the Audit Committee regularly engages the auditor, most recently for the 2025 reporting year, to conduct spot checks of the related parties with whom Volkswagen AG or other Volkswagen Group companies conduct transactions with a total financial

value in the fiscal year exceeding the RPT threshold. If and to the extent that the financial value of the related party transactions exceeds the RPT threshold, these transactions are also checked to establish whether they were conducted at arm's length in accordance with proper business practices.

If a transaction between Volkswagen AG and a related party exceeds the RPT threshold, the Supervisory Board's approval is generally required except in exceptional circumstances as defined by section 111a(2) or (3) of the AktG. Insofar as the Supervisory Board's approval is required, the Supervisory Board of Volkswagen AG generally decides as a full Board. There are no plans to form a committee that decides on the approval of related party transactions; however, the Supervisory Board reserves the right to establish such a committee if required in individual cases in accordance with the provisions of the German Stock Corporation Act. Supervisory Board members who are involved in the transaction as related parties or whose relationship with the related party leads to concerns of a conflict of interest do not participate in decisions on the approval of related party transactions.

The rules of procedure for the Board of Management of Volkswagen AG stipulate that transactions between Volkswagen AG and a related party that is also a direct or indirect shareholder of Volkswagen AG and holds at least 5% of the share capital are generally subject to the approval of the Supervisory Board even if the RPT threshold is not exceeded. The Executive Committee decides on such approval.

Diversity concept and succession planning for the Board of Management

The Supervisory Board has laid down the following diversity concept for the composition of the Board of Management (section 289f(2) no. 6 HGB):

The Supervisory Board must also take diversity into account when considering who would be the best persons to appoint to the Board of Management as a body. The Supervisory Board understands diversity, as an assessment criterion, to mean in particular different yet complementary specialist profiles and professional and general experience, also in the international domain, with both genders being appropriately represented. The Supervisory Board will also take the following aspects into account in this regard, in particular:

- Members of the Board of Management should have many years of management experience.
- Members of the Board of Management should, if possible, have experience based on varied training and professional backgrounds.
- The Board of Management as a whole should have technical expertise, especially knowledge of and experience in the manufacture and sale of vehicles and engines of all kinds as well as other technical products, and experience in the international domain.
- The Board of Management as a whole should have many years of experience in research and development, production, sales, finance and human resources management, as well as law and compliance.
- Efforts are made to achieve a higher proportion of women than the statutory minimum.
- The Board of Management should also have a sufficient mix of ages.

The aim of the diversity concept is for the Board of Management members to embody a range of expertise, experience, perspectives, gender and age. This diversity promotes a good understanding of Volkswagen AG's organizational and business affairs. In particular, it enables the members of the Board of Management to be open to innovative ideas by avoiding groupthink. It will thus contribute to the successful management of the Company.

When deciding who should be appointed to a specific Board of Management position, the Supervisory Board takes into account the interests of the Company and all the circumstances of the specific case. In taking this decision and in long-term succession planning, the Supervisory Board orients itself on the diversity concept. The Supervisory Board is of the view that the diversity concept is essentially reflected by the current composition of the Board of Management. The members of the Board of Management have many years of professional experience, particularly in an international context, and cover a broad spectrum of educational and professional backgrounds. The Board of Management as a whole has excellent technical expertise and many years of collective experience in research and development, production, sales, finance and human resources management, as well as law and compliance. In addition, the Board of Management has a sufficient mix of ages that corresponds to the requirements set by the Supervisory Board in the

diversity concept. The gender balance meets the legal requirements (see also section "Disclosures required by the *Führungspositionen-Gesetz*" [FüPoG – Act on Equal Participation of Women and Men in Leadership Positions]). The aforementioned requirements for the Board of Management's composition ensure that it has relevant experience in the sectors, products and geographical locations of the Volkswagen Group.

Long-term succession planning within the meaning of Recommendation B.2 of the Code is achieved through regular discussions between the Chair of the Board of Management and the Chair of the Supervisory Board as well as regular discussions in the Executive Committee. The contract terms for existing Board of Management members are discussed, along with potential extensions and potential successors. In particular, the discussions look at what knowledge, experience and professional and personal competencies should be represented on the Board of Management with regard to the corporate strategy and current challenges, and to what extent the current composition of the Board of Management already reflects this. Long-term succession planning is based on the corporate strategy and corporate culture, taking into account the diversity concept as determined by the Supervisory Board. In the rules of procedure for the Supervisory Board, the Supervisory Board specified the following age limit for members of the Board of Management in accordance with Recommendation B.5 of the Code: as a rule, members of the Board of Management should be appointed for a term of office ending no later than their 65th birthday. Board of Management members may be appointed to serve beyond their 65th birthday until no later than their 68th birthday, provided this is agreed by a two-thirds majority of the Supervisory Board.

SUPERVISORY BOARD

The Volkswagen AG Supervisory Board fulfills its tasks by means of the close cooperation of its members. It advises and monitors the Board of Management with regard to the management of the Company and is directly involved in certain decisions of fundamental importance to the Company, thanks to the requirement for the Supervisory Board to provide consent.

Information on the composition of the Supervisory Board and the Supervisory Board committees and their chairs can be found in the "Members of the Supervisory Board and Composition of the Committees" section, along with the terms of office of the individual Supervisory Board members. Further information on the work of the Supervisory Board can be found in the Report of the Supervisory Board.

Overview

The Supervisory Board of Volkswagen AG consists of 20 members, half of whom are shareholder representatives. In accordance with Article 11(1) of the Articles of Association of Volkswagen AG, the State of Lower Saxony is entitled to appoint two of these shareholder representatives for as long as it directly or indirectly holds at least 15% of the Company's ordinary shares. The remaining shareholder representatives on the Supervisory Board are elected by the Annual General Meeting. The other half of the Supervisory Board consists of employee representatives. These are elected by the employees in accordance with the *Mitbestimmungsgesetz* (MitbestG – German Codetermination Act). A total of seven of these employee representatives are employees elected by the workforce. The other three employee representatives are trade union representatives elected by the workforce.

The Chair of the Supervisory Board is generally a shareholder representative, and the Deputy Chair is generally an employee representative. Both are elected by the other members of the Supervisory Board.

The business of the Supervisory Board is managed by a separate office of the Supervisory Board Chair. The Chair of the Supervisory Board ensures the independence of the office of the Supervisory Board Chair and its staff and exercises the right to appoint and supervise staff in consultation with the responsible Board of Management members.

The Supervisory Board appoints the Board of Management members and, on the basis of the Executive Committee's recommendations, decides on a clear and comprehensible system of remuneration for the Board of Management members. This is presented to the Annual General Meeting for approval every time there is a material change, but at least once every four years.

Each member of the Supervisory Board of Volkswagen AG is obliged to act in the Company's best interests. Supervisory Board members are not permitted to delegate their responsibilities to others.

In accordance with the rules of procedure for the Supervisory Board, each Supervisory Board member is obliged to disclose any conflicts of interest to the Chair of the Supervisory Board without delay. In its report to the Annual General Meeting, the Supervisory Board informs the General Meeting of any conflicts of interest that have arisen and how these were dealt with. Material and not merely temporary conflicts of interest on the part of a Supervisory Board member should result in termination of the member's mandate.

The rules of procedure for the Supervisory Board stipulate that Supervisory Board members should not hold board or advisory positions at major competitors of Volkswagen AG or major competitors of a company dependent on Volkswagen AG and should not be in a personal relationship involving a major competitor.

Members of the Supervisory Board receive appropriate support from the Company upon induction as well as with respect to education and training. Education and training measures are outlined in the "Report of the Supervisory Board".

Working procedures of the Supervisory Board

As a rule, the Supervisory Board adopts its resolutions in meetings of all its members. It must hold at least two meetings in both the first and second halves of the calendar year. The precise number of meetings and the main topics discussed are outlined in the "Report of the Supervisory Board".

The Chair of the Supervisory Board coordinates the work within the Supervisory Board. The Chair represents the interests of the Supervisory Board externally and represents the Company to the Board of Management on behalf of the whole Supervisory Board. Within reason, the Chair of the Supervisory Board discusses Supervisory Board-specific topics with investors and, in consultation with the Board of Management, may also discuss non-Supervisory Board-specific topics. More information on these discussions with investors is provided in the "Report of the Supervisory Board".

To underline the importance of environmental sustainability, social responsibility and good corporate governance, the Supervisory Board has appointed an ESG (environmental, social and governance) officer. This role is currently performed by Mr. Hans Dieter Pötsch.

The Supervisory Board also meets regularly without the Board of Management. Each Supervisory Board meeting generally ends with a discussion. Board of Management members are not present during this part of the meeting. The Chair of the Supervisory Board convenes and conducts the Supervisory Board meetings. If the Chair is unable to do so, the Deputy Chair performs these tasks.

The Supervisory Board and its committees may decide to call upon experts and other appropriate individuals to advise on individual matters and also on ESG issues as needed. If the auditor is called to a meeting of the Supervisory Board or one of its committees as an expert, the Board of Management members do not attend this meeting provided that the Supervisory Board or the committee does not deem their attendance necessary.

The Supervisory Board is only quorate if at least ten members participate in passing the resolution. The Chair of the Supervisory Board or of the relevant committee decides the form of the meeting and the voting procedure for the Supervisory Board and its committees. Should the Chair so decide in individual cases, meetings may also be held using telecommunications technology, or members may participate in meetings using this technology. The Chair may also decide that members can participate in the Supervisory Board's or its committees' decision-making in writing, by telephone or in another, comparable form. Supervisory Board resolutions require a majority of votes cast, unless legislative provisions or the Articles of Association stipulate otherwise. Resolutions on consent to establish or relocate production sites require a two-thirds majority of the Supervisory Board members. If a vote results in a tie on this item, the vote is repeated. If this vote is also tied, the Chair of the Supervisory Board casts two votes. Minutes must be taken of each meeting of the Supervisory Board and its committees. Minutes of a meeting must record the location and day of the meeting, the participants, the items on the agenda, the material content of the discussions and the resolutions adopted.

Further details on tasks, meetings, resolutions and working procedures of the Supervisory Board are governed by the rules of procedure for the Supervisory Board issued by the Supervisory Board and published on Volkswagen AG's website at www.volkswagen-group.com/en/corporate-governance.

Supervisory Board committees

In order to discharge the duties entrusted to it, the Supervisory Board has established four committees: the Executive Committee, the Nomination Committee, the Mediation Committee established in accordance with section 27(3) of the *Mitbestimmungsgesetz* (MitbestG – German Codetermination Act) and the Audit Committee. The Executive Committee is currently comprised of four shareholder representatives and four employee representatives. The shareholder representatives of the Executive Committee make up the Nomination Committee. The Mediation Committee is comprised of two shareholder representatives and two employee representatives, and the Audit Committee is comprised of three shareholder representatives and three employee representatives.

Which tasks the Supervisory Board has transferred to the respective committees is described below. This does not rule out that the Supervisory Board will not transfer other tasks to committees in individual cases, where legally admissible.

At its meetings, the Executive Committee meticulously prepares the resolutions of the Supervisory Board, discusses the composition of the Board of Management and takes decisions on matters such as contractual issues concerning the Board of Management other than remuneration and consent to ancillary activities by members of the Board of Management. The Executive Committee also exercises the function of a "Remuneration Committee", preparing the Supervisory Board's decisions on questions regarding Board of Management remuneration. The Executive Committee supports and advises the Chair of the Supervisory Board. It works with the Chair of the Board of Management to ensure long-term succession planning for the Board of Management.

The Nomination Committee proposes suitable candidates for the Supervisory Board to recommend to the Annual General Meeting for election. Before presenting such proposals, it ensures that the candidates can commit the expected time to their role and identifies the personal and business relationships of the candidates to Volkswagen AG and its Group companies, to Volkswagen AG's corporate bodies and to shareholders who directly or indirectly hold more than 10% of the voting shares in Volkswagen AG. In its proposals to the Supervisory Board, the Nomination Committee also takes into consideration that proposals made to the Annual General Meeting by the Supervisory Board should fulfill the specific targets set by the Supervisory Board for the composition of the Supervisory Board and the profile of skills and expertise it is pursuing for the Board overall; in so doing, the Nomination Committee also ensures in particular that there are no gaps in the skills and expertise of the Board as a whole (Skill Gaps Assessment). The Nomination Committee furthermore takes into account the diversity concept for the composition of the Supervisory Board.

The Mediation Committee has the task of submitting proposals to the Supervisory Board for an appointment or revocation of appointment of Board of Management members if there is no majority for the relevant measure on the Supervisory Board in the first vote. The majority requires at least two-thirds of the votes of all Supervisory Board members.

Among other things, the Audit Committee discusses the auditing of the financial reporting, including the annual and consolidated financial statements, the combined Group management report and the combined non-financial statement of the Volkswagen Group and Volkswagen AG. In addition, the Audit Committee concerns itself with supervising the financial reporting process, supervising the sustainability reporting process, the audit of the financial statements, in particular the selection and independence of the auditor, the quality of the audit, and any additional services provided by the auditor. Moreover, the Audit Committee concerns itself with compliance, the appropriateness and effectiveness of the risk management system and internal control system, including the compliance management system and the internal audit system; it also concerns itself with internal processes within the meaning of section 111a(2) of the AktG for regularly assessing whether related party transactions were conducted in the ordinary

course of business and at arm's length. In addition, the Audit Committee concerns itself in particular with the Volkswagen Group's quarterly financial reports and half-yearly financial report.
Further details on tasks, meetings, resolutions and working procedures of the Supervisory Board committees are governed by the rules of procedure issued by the Supervisory Board for the respective Supervisory Board committees and published on Volkswagen AG's website at www.volkswagen-group.com/en/corporate-governance.

Objectives for the composition of the Supervisory Board, profile of skills and expertise and diversity concept

In view of the Company's specific situation, its purpose, its size and the extent of its international activities, the Supervisory Board of Volkswagen AG strives to achieve a composition that takes the Company's ownership structure and the following aspects into account:

- At least three members of the Supervisory Board should be persons who embody the criterion of internationality to a particularly high degree.
- In addition, at least four of the shareholder representatives should be persons who, in line with the criteria of Recommendations C.7 to C.9 of the Code, are independent within the meaning of Recommendation C.6 of the Code.
- At least three of the seats on the Supervisory Board should be held by people who make a special contribution to the diversity of the Board.
- Proposals for election should not normally include persons who have reached the age of 75 on the date of the election.

The Supervisory Board is of the view that the above criteria have been met (for information on the deviation from the age limit, see the explanations under the heading "Declaration of Conformity"). Numerous members of the Supervisory Board embody the criterion of internationality to a particularly high degree; various nationalities are represented on the Supervisory Board and numerous members have international professional experience. Several members of the Supervisory Board contribute to the Board's diversity to a particularly high degree, especially Ms. Hessa Sultan Al Jaber, Ms. Christiane Benner, Ms. Daniela Cavallo, Ms. Julia Willie Hamburg as well as Mr. Mohammed Saif Al-Sowaidi and Mr. Matías Carnero Sojo. The Supervisory Board comprises members of various generations. Independent Supervisory Board members within the meaning of Recommendation C.6 of the Code currently comprise at least the following: Ms. Hessa Sultan Al Jaber, Ms. Julia Willie Hamburg, Ms. Susanne Wiegand, Mr. Mohammed Saif Al-Sowaidi and Mr. Olaf Lies.

With regard to the shareholder representatives' independence from the Company and its Board of Management, the shareholder representatives have come to the following assessment in accordance with C.7, 8 of the Code:

Supervisory Board members Mr. Hans Michel Piëch, Mr. Ferdinand Oliver Porsche and Mr. Wolfgang Porsche have been members of the Supervisory Board for more than 12 years and therefore fulfill one of the indicators regarding a lack of independence from the Company and its Board of Management as set out in C.7 of the Code. However, considering all the circumstances of the case in question, the shareholder representatives are of the opinion that the aforementioned Supervisory Board members are nevertheless independent from the Company and its Board of Management. This opinion is based in particular on the following reasons:

- Mr. Hans Michel Piëch, Mr. Ferdinand Oliver Porsche and Mr. Wolfgang Porsche, together with other family shareholders, are indirectly controlling shareholders of Porsche Automobil Holding SE, which is the largest single shareholder of Volkswagen AG. The management of Volkswagen AG by the Board of Management therefore economically affects the personal assets of Mr. Hans Michel Piëch, Mr. Ferdinand Oliver Porsche and Mr. Wolfgang Porsche.
- The composition of the Board of Management has changed fundamentally several times during the tenure of Mr. Hans Michel Piëch, Mr. Ferdinand Oliver Porsche and Mr. Wolfgang Porsche. The incumbent Board of Management members have been in office for a maximum of just under eight years. There are therefore no indications that Mr. Hans Michel Piëch, Mr. Ferdinand Oliver Porsche and Mr. Wolfgang Porsche would stop behaving in an impartial manner towards incumbent members of the Board of Management as a result of a long period of collaboration. There is also no other evidence of "tunnel vision" on the part of Mr. Hans Michel Piëch, Mr. Ferdinand Oliver Porsche and Mr. Wolfgang Porsche.

- Mr. Hans Michel Piëch, Mr. Ferdinand Oliver Porsche and Mr. Wolfgang Porsche are not financially dependent on their remuneration as members of the Supervisory Board.

Aside from their Supervisory Board appointments, Mr. Hans Michel Piëch, Mr. Ferdinand Oliver Porsche and Mr. Wolfgang Porsche have no personal relationship with the Company or the Board of Management that could give rise to a material and not merely temporary conflict of interest. The Supervisory Board work of Mr. Hans Michel Piëch, Mr. Ferdinand Oliver Porsche and Mr. Wolfgang Porsche of previous years has also not given rise to any conflicts of interest.

The Supervisory Board member Mr. Hans Dieter Pötsch moved directly from the Board of Management to the Supervisory Board upon his appointment by the court in the autumn of 2015. This move was less than two years prior to his election as a Supervisory Board member by the subsequent Annual General Meeting in 2016, meaning that one of the indicators of a lack of independence from the Company and Board of Management, set out in C.7 of the Code, applies to Mr. Pötsch. It also cannot be ruled out that Mr. Pötsch still fulfills this indicator. However, considering all the circumstances of the case in question, the shareholder representatives are of the opinion that Mr. Pötsch is nevertheless independent from the Company and its Board of Management; it has now been more than ten years since Mr. Pötsch's move from the Board of Management to the Supervisory Board. Mr. Pötsch was elected as a member of the Supervisory Board for a second time by the Annual General Meeting in July 2021. Since his transfer from the Board of Management to the Supervisory Board in October 2015, the composition of the Board of Management has also completely changed.

Ms. Hessa Sultan Al Jaber, Ms. Julia Willie Hamburg, Ms. Susanne Wiegand, Mr. Mohammed Saif Al-Sowaidi, Mr. Günther Horvath, Mr. Olaf Lies, Mr. Hans Michel Piëch, Mr. Ferdinand Oliver Porsche, Mr. Wolfgang Porsche and Mr. Hans Dieter Pötsch are therefore independent of the Company and of the Board of Management within the meaning of Recommendation C.7 of the Code.

In addition, the Supervisory Board adopted the following profile of skills and expertise for the full Board: to properly perform its supervisory and advisory duties, the Supervisory Board as a whole must collectively have the required expertise, i.e. knowledge, skills and professional experience. For this, the members of the Supervisory Board must collectively be familiar with the sector in which the Company operates – i.e. the automotive industry – and be able to assess the business conducted by the Company. In addition, the Supervisory Board members must collectively have expertise relating to sustainability issues relevant to the Company.

The key skills and expertise that the Supervisory Board must have collectively are, in particular, knowledge, skills and professional experience

- in the manufacture and sale of all types of vehicles and engines or other technical products (vehicles – manufacture/sales)
- in the automotive industry and its transformation, particularly with regard to the topics of e-mobility and mobility services, the business model and the markets, customer needs and product expertise (automotive industry)
- in the field of research and development, particularly of technologies with relevance for the Company (research/development)
- in the fields of digitalization and digital transformation, software, artificial intelligence, automation, information technology and security (digitalization/IT)
- in management positions and supervisory bodies of companies, including holding companies and start-ups, or large organizations (management/supervision)
- in the fields of law and compliance (law/compliance)
- in the field of sustainability, particularly with regard to environmental, social and governance aspects (ESG), e.g. in resources, supply chains, energy supply, corporate social responsibility, sustainable technologies and corresponding business models (sustainability/ESG)

- in finance, accounting and auditing, above all special knowledge and experience in the application of accounting principles and internal control and risk management systems, sustainability reporting, the audit of financial statements and the audit and assurance of sustainability reporting (financial experts) (finance/accounting/auditing)
- in human resources (particularly the search for and selection of members of the Board of Management and the succession process) and knowledge of incentive and remuneration systems for the Board of Management (human resources)
- in codetermination, employee matters and the working environment in the Company (employee matters).

The Supervisory Board has also specified the following diversity concept for its composition:

- The Supervisory Board must be comprised in such a way that its members collectively have the knowledge, skills, and professional experience needed to properly perform its duties.
- It has therefore set targets for its own composition that also take into account the recommendations of the German Corporate Governance Code. The targets set by the Supervisory Board for its composition also describe the concept with which the Supervisory Board as a whole strives to achieve a diverse composition (diversity concept in accordance with section 289f(2) no. 6 of the HGB). Attention should also be generally paid to diversity when seeking qualified individuals to best strengthen the Supervisory Board as a whole with specialist and managerial expertise in line with these targets. In preparing proposals for appointments to the Supervisory Board, it should be considered in each case how the work of the Supervisory Board will benefit from a diversity of expertise and perspectives among its members, from professional profiles, professional and general experience that complement one another (including in the international domain) and from an appropriate gender balance. A wide range of experience and specialist knowledge should be represented on the Supervisory Board. In addition, the Supervisory Board should collectively have an extensive range of opinions and knowledge in order to develop a good understanding of the status quo and the longer-term opportunities and risks in connection with the Company's business activities.
- In proposing candidates to the Annual General Meeting for the election of shareholder representatives to the Supervisory Board, the Supervisory Board should take its diversity concept into account in such a way that the corresponding election of these candidates by the General Meeting would contribute to the implementation of this concept. However, the General Meeting is not obliged to accept the candidates nominated.
- The aim of the diversity concept is for the Supervisory Board members to embody a range of expertise and perspectives. This diversity promotes a good understanding of Volkswagen AG's organizational and business affairs. It also enables the Supervisory Board members to challenge the Board of Management's decisions constructively and to be open to new ideas by avoiding groupthink. In this way, it contributes to the effective supervision of the management.

The Supervisory Board and Nomination Committee, in particular, are called upon to implement the profile of skills and expertise and the diversity concept within the context of their candidate proposals to the Annual General Meeting. The Supervisory Board also recommends that employee representatives and unions (which have the right to submit proposals in representative elections) and the State of Lower Saxony (which has a right to appoint Supervisory Board members) take into account the diversity concept, composition targets and profile of skills and expertise when electing their representatives. The same applies to individuals entitled to make proposals should a court-appointed replacement be necessary.

The current composition of the Supervisory Board implements both the diversity concept and the profile of skills and expertise in its entirety (for information on the deviation from the age limit, see the explanations under the heading "Declaration of Conformity"). The aforementioned requirements of the diversity policy, the profile of skills and expertise and targets for the composition of the Supervisory Board are intended to ensure that the full Board has relevant experience in the business activities and geographical locations of the Volkswagen Group. The qualification matrix shows the extent to which the profile of skills and expertise has been implemented.

QUALIFICATION MATRIX[1]

	Vehicles – manufacture/ sales	Automotive industry	Research/ development	Digitalization/ IT	Management/ supervision	Law/ compliance	Sustainability/ ESG	Finance/ accounting/ auditing	Human resources	Employee matters
Hessa Sultan Al Jaber	x	x	x	x	x	x		x		
Mohammed Saif Al-Sowaidi				x	x			x		
Rita Beck	x	x			x	x	x	x	x	x
Christiane Benner		x		x	x				x	x
Harald Buck	x	x			x			x	x	x
Matías Carnero Sojo	x	x			x	x			x	x
Daniela Cavallo		x			x	x	x	x	x	x
Julia Willie Hamburg					x		x			
Arno Homburg	x	x	x		x	x	x		x	x
Günther Horvath		x			x	x			x	
Olaf Lies		x	x		x	x	x		x	
Daniela Nowak	x	x								x
Hans Michel Piëch	x	x			x	x			x	
Hans Dieter Pötsch	x	x			x	x	x	x	x	
Ferdinand Oliver Porsche	x	x			x	x		x	x	
Wolfgang Porsche	x	x			x	x			x	
Gerardo Scarpino	x	x	x		x			x	x	x
Karina Schnur	x	x	x	x	x	x	x	x	x	x
Conny Schönhardt	x	x			x	x	x	x	x	x
Susanne Wiegand				x	x	x	x	x	x	

1 The skills, knowledge and professional experience associated with the respective key words can be found in the profile of skills and expertise. A skill can be attributed to a Supervisory Board member even if they have expertise in just one subsection of the skill, i.e. for skill in vehicles, for example, either in the area of manufacture or in sales. The allocation of competencies is based on a self-evaluation by the respective Supervisory Board member.

In addition, several Supervisory Board members, including Ms. Susanne Wiegand, Mr. Ferdinand Oliver Porsche and Mr. Hans Dieter Pötsch, have expertise in both accounting, including sustainability reporting, and auditing, including the audit and assurance of sustainability reporting.

Thanks to her Master of Business Administration as well as her experience as Chair of the Management Board of Renk Group AG, as CEO of the Electronic Solutions division at Rheinmetall AG, as Chief Financial Officer of Nobiskrug GmbH and as a long-standing member of the audit committee of the then publicly traded ISRA VISION AG, Ms. Susanne Wiegand has special knowledge and experience in both accounting and auditing. Through the IPO of Renk Group AG, she gained extensive experience in auditing of financial statements, financial reporting and implementing capital market follow-up obligations. As CEO of Renk Group AG, Ms. Wiegand was responsible for sustainability, and she pressed ahead with both the development of processes and organization and the implementation of sustainability ratings.

Mr. Ferdinand Oliver Porsche is a long-standing member of audit committees and worked for an audit firm for several years; Mr. Pötsch is a long-standing member and chair of audit committees and worked for many years as CFO of Volkswagen AG and previously as Head of Controlling at BMW AG. As part of their long-standing work in audit committees, Ms. Wiegand, Mr. Ferdinand Oliver Porsche and Mr. Pötsch have also been involved in the auditing and assurance of non-financial statements, which relate to sustainability in the form of key environmental and social issues. Ms. Wiegand was also involved in sustainability reporting and the auditing and assurance thereof as part of her former activities at Renk Group AG, Rheinmetall AG, Nobiskrug GmbH and ISRA VISION AG, and Mr. Pötsch as part of his activities at Porsche Automobil Holding SE. Ms. Wiegand, Mr. Pötsch and Mr. Ferdinand Oliver Porsche track

and monitor the latest developments in the area of sustainability reporting and the auditing and assurance thereof and contribute their expertise to Volkswagen AG's Audit Committee and Supervisory Board.

Further details on the expertise of the Supervisory Board members can be found in their curricula vitae. The curricula vitae of the members of the Supervisory Board, which are updated annually, are available online at www.volkswagen-group.com/executive-bodies.

The Nomination Committee and Supervisory Board also took into account specific composition targets, the diversity concept and the profile of skills and expertise (as amended in each case) in its proposal to the Annual General Meeting in fiscal year 2025 for the election of a Supervisory Board member. The composition targets, diversity concept and profile of skills and expertise were also taken into account in the court appointments of new Supervisory Board members in fiscal year 2025.

Self-evaluation of the Supervisory Board

Every two years, the Supervisory Board internally evaluates how effectively the Supervisory Board and its committees are performing their tasks overall. This initially involves distributing a survey to all Supervisory Board members, in which they are able to give their view of the effectiveness of the work of the Supervisory Board and its committees, the exchange of information with the Board of Management, and the depth and quality of the presentations to and discussions in the Supervisory Board and may suggest possible improvements. In particular, the members of the Supervisory Board are also asked to make comparative observations with comparable boards of other companies on which they also serve and, drawing on these, to make specific suggestions for improvement as required. Following analysis of the surveys, the findings and potential improvements are usually discussed at the next regular meeting of the full Board. Measures to improve the work of the Supervisory Board are continuously developed and implemented on the basis of these findings. The Supervisory Board members assess whether the measures have achieved the targeted improvements at the latest in the next self-evaluation. The most recent internal self-evaluation took place from late 2025 to early 2026.

DISCLOSURES REQUIRED BY THE FÜHRUNGSPOSITIONEN-GESETZ

The statutory quota of at least 30% women and at least 30% men has applied to new appointments to the Supervisory Board of Volkswagen AG since January 1, 2016 as required by the *Gesetz für die gleichberechtigte Teilhabe von Frauen und Männern an Führungspositionen in der Privatwirtschaft und im öffentlichen Dienst* (*Führungspositionen-Gesetz*, FüPoG – German Act on the Equal Participation of Women and Men in Leadership Positions in the Private and Public Sectors). Shareholder and employee representatives have resolved that each side will meet this quota independently. The shareholder representatives have met the quota of at least 30% women and at least 30% men since the end of the 56th Annual General Meeting on June 22, 2016. The employee representatives have met the quota since the end of the 57th Annual General Meeting on May 10, 2017. Both the shareholder and the employee representatives also fulfilled the quota on December 31, 2025. In total, 45% of the members of the Supervisory Board of Volkswagen AG are currently women.

In line with the *Gesetz zur Ergänzung und Änderung der Regelungen für die gleichberechtigte Teilhabe von Frauen an Führungspositionen in der Privatwirtschaft und im öffentlichen Dienst* (*Führungspositionen-Gesetz II*, FüPoG II – Second Act on Equal Participation of Women and Men in Leadership Positions in the Private and Public Sectors), Volkswagen AG is subject to a mandatory participation requirement under which the Board of Management must have at least one woman and at least one man as members. The participation requirement has applied to the appointment of members of the Board of Management since August 1, 2022. Volkswagen AG complies with this participation requirement.

For the proportion of women in management in accordance with the *Führungspositionen-Gesetz*, Volkswagen AG has set itself the target of 16.5% women in the first level of management and 23.4% women in the second level of management, each as a proportion of the active workforce, to be achieved by the end of 2025. As of December 31, 2025, the proportion of women in the active workforce at the first level of management was 18.2 (16.8)% and at the

second level of management it was 23.8 (22.0)%. For the new period up to the end of 2028, Volkswagen AG has set itself the target of 21.3% women in the first level of management and 27.1% women in the second level of management, each as a proportion of the active workforce. Measured against the total management team in absolute terms, this translates to a target in the current reporting year of 234 women in the first level of management and 427 women in the second level of management for 2028.

REMUNERATION REPORT

The remuneration systems for the members of the Board of Management and Supervisory Board and the Remuneration Report for fiscal year 2025 are available on the website www.volkswagen-group.com/remuneration. Previous years' remuneration reports can also be found at this address. The remuneration reports contain both extensive explanations and descriptions of the remuneration systems for the members of the Board of Management and Supervisory Board as well as information on and explanations of the individual remuneration of members of the Board of Management and Supervisory Board.

CORPORATE GOVERNANCE PRACTICES APPLIED IN ADDITION TO STATUTORY REQUIREMENTS

Code of Conduct and Volkswagen Group Essentials

The Code of Conduct lays out the ethics and underlying values for integrity and compliance in the Volkswagen Group. It serves as the main tool for reinforcing awareness of responsible conduct and decision-making and can be used as an aid and as a way of finding the right contact persons. It is binding for all Group brands and companies. As part of the Code of Conduct, the Volkswagen Group Essentials define the shared underlying values across all of the Group's brands and companies. They form the basis of the corporate culture and describe what the Volkswagen Group stands for around the world in all of its brands and companies: we take on responsibility for the environment and society; we are honest and speak up when something is wrong; we break new ground; we live diversity; we are proud of the work we do; we not me; we keep our word.

Ethics, compliance and risk management

To foster trust in our Company as well as our products, services and innovations, it is essential that we act honestly and with integrity at all times. In all lines of work and all functions we therefore invariably make decisions that are in line with our corporate values, applicable national and international legislation, regulations and in-house voluntary commitments. This includes the following areas:

- Integrity and compliance
  Adherence to statutory provisions, internal company policies, ethical principles and our own values in order to protect the Company and its brands.
- Anti-corruption
  The Volkswagen Group has a zero-tolerance policy on active or passive corruption. This is anchored in both the Group's internal Code of Conduct and its Code of Conduct for Business Partners.
- Risk management and internal control system
  A comprehensive risk management and internal control system (RMS/ICS) helps the Volkswagen Group deal with risks in a responsible manner. The organizational design of the Volkswagen Group's RMS/ICS is based on the internationally recognized COSO framework for enterprise risk management (COSO: Committee of Sponsoring Organizations of the Treadway Commission) and can be accessed on the COSO website. Uniform Group principles form the basis for managing risks in a transparent and appropriate manner.

- Whistleblower system
  The whistleblower system is the central point of contact for reporting cases of rule-breaking involving employees of the Volkswagen Group or suppliers. Employees, business partners and other third parties can report misconduct at any time and in many languages. A wide range of channels is available for this purpose, and the information can be lodged completely anonymously, if preferred. An investigation is only initiated after a thorough review and in the event of concrete indications of rule-breaking. Appropriate sanctions are applied where misconduct is proven. The overarching aim is to use binding principles and a clearly governed process to avert harm to the Company and its employees.
- Human rights
  Volkswagen fully recognizes key international conventions and declarations, particularly the International Bill of Human Rights and the Fundamental Conventions of the International Labour Organization (ILO). We align our business activities with the United Nations Guiding Principles on Business and Human Rights (UN Global Compact), which represent crucial pillars for our actions.
- Diversity and inclusion
  The commitment to diversity and inclusion is one of the fundamentals of the Company's economic success. We are convinced of the innovative power of diverse mindsets and backgrounds. This is the reason why we consistently promote diversity and are committed to ensuring an inclusive culture at all levels, in all areas and in all processes.

Voluntary commitments and principles

The Volkswagen Group has committed itself to sustainable, transparent and responsible corporate governance.

We align our activities with the principles, recommendations and suggestions of the Code. We coordinate our sustainability activities across the entire Group and have put in place a forward-looking system of risk management and a clear framework for dealing with environmental issues in a future-oriented manner, for employee responsibility and for social commitment across our brands and in the regions in which we operate.

Voluntary commitments and principles that apply across the Group are the core basis of our sustainability management. These documents are publicly accessible on the Volkswagen Group's website in the section entitled "Sustainability."

You can also find a description of the Company's business model and strategy in the "Goals and Strategies" and "Structure and Business Activities" chapters of the Group management report. In the Sustainability Report, we describe in particular the role of the management and supervisory bodies with regard to sustainability matters, and of their knowledge, skills and professional experience in relation to fulfilling that role or their access to such expertise.

MEMBERS OF THE BOARD OF MANAGEMENT

(appointments as of December 31, 2025 or the date of departure from the Board of Management of Volkswagen AG)

DR. OLIVER BLUME (*1968)

Chair (since September 1, 2022),
Sport Luxury brand group,
Chair of the Executive Board of
Dr. Ing. h.c. F. Porsche AG (until December 31, 2025)
April 13, 2018[1], appointed until 2030
Nationality: German

Appointments:

- ○ CARIAD SE, Wolfsburg (Chair)[3]
- ⊙ VfL Wolfsburg-Fußball GmbH, Wolfsburg[3]

DR. ARNO ANTLITZ (*1970)

Finance and Operations,
April 1, 2021[1], appointed until 2027
Nationality: German

Appointments:

- ○ Dr. Ing. h.c. F. Porsche AG, Stuttgart[3, 4]
- ○ PowerCo SE, Salzgitter[3]
- ○ TRATON SE, Munich[3, 4]
- ○ Volkswagen Financial Services AG, Braunschweig (Chair)[3]
- ⊙ Porsche Austria Gesellschaft mbH, Salzburg (Deputy Chair)[3]
- ⊙ Porsche Holding Gesellschaft m.b.H., Salzburg (Deputy Chair)[3]
- ⊙ Porsche Retail GmbH, Salzburg (Deputy Chair)[3]
- ⊙ Volkswagen (China) Investment Co., Ltd., Beijing[3]
- ⊙ Volkswagen US-Holding, Inc., Reston, VA (Chair)[3]

RALF BRANDSTÄTTER (*1968)

China,
Chair of the Board of Management (CEO)
of Volkswagen (China) Investment Co., Ltd.
January 1, 2022[1], appointed until 2028
Nationality: German

Appointments:

- ○ CARIAD SE, Wolfsburg[3]
- ⊙ Audi (China) Enterprise Management Co., Ltd., Beijing[3]
- ⊙ CARIAD (China) Co., Ltd., Beijing[3]
- ⊙ FAW-Volkswagen Automotive Co., Ltd., Changchun (Deputy Chair)[2]
- ⊙ SAIC Volkswagen Automotive Co., Ltd., Shanghai (Deputy Chair)[2]
- ⊙ Volkswagen Group (China) Technology Company, Ltd., Hefei (Chair)[3]

DR. GERNOT DÖLLNER (*1969)

Progressive brand group,
Chair of the Board of Management of AUDI AG
September 1, 2023[1], appointed until 2031
Nationality: German

Appointments:

- ○ FC Bayern München AG, Munich (Deputy Chair)[2]
- ⊙ Audi (China) Enterprise Management Co., Ltd., Beijing (Chair)[3]
- ⊙ Audi of America, LLC, Reston, VA (Chair)[3]
- ⊙ Audi Sport GmbH, Neckarsulm (Chair)[3]
- ⊙ Automobili Lamborghini S.p.A., Sant´Agata Bolognese (Chair)[3]
- ⊙ Bentley Motors Ltd., Crewe (Chair)[3]
- ⊙ FAW-Volkswagen Automotive Co., Ltd., Changchun[2]
- ⊙ Sauber Holding AG, Hinwil (Chair)[3]
- ⊙ Sauber Motorsport AG, Hinwil (Chair)[3]
- ⊙ Sauber Technologies AG, Hinwil (Chair)[3]
- ⊙ SAIC Volkswagen Automotive Co., Ltd., Shanghai[2]
- ⊙ Volkswagen US-Holding, Inc., Reston, VA[3]

○ Membership of statutory supervisory boards in Germany.
⊙ Comparable appointments in Germany and abroad.

1 Beginning or period of membership in the Board of Management.
2 Appointment outside the Group.
3 Appointment within the Group.
4 Listed company.

DR. JUR. MANFRED DÖSS (*1958)

Integrity and Legal Affairs

February 1, 2022[1], appointed until 2028

Nationality: German

Appointments:

- ○ AUDI AG, Ingolstadt (Chair)[3]
- ○ PowerCo SE, Salzgitter[3]
- ○ TRATON SE, Munich[3, 4]
- ⊙ Grizzlys Wolfsburg GmbH, Wolfsburg[2]

GUNNAR KILIAN (*1975)

Human Resources and Trucks brand group

April 13, 2018 – July 4, 2025[1]

Nationality: German

Appointments (on July 4, 2025):

- ○ AUDI AG, Ingolstadt[3]
- ○ Everllence SE, Augsburg (Chair)[3]
- ○ MAN Truck & Bus SE, Munich[3]
- ○ PowerCo SE, Salzgitter[3]
- ○ TRATON SE, Munich[3, 4]
- ○ Volkswagen Group Services GmbH, Wolfsburg[3]
- ○ Wolfsburg AG, Wolfsburg (Deputy Chair)[2]
- ⊙ Autostadt GmbH, Wolfsburg (Chair)[3]
- ⊙ FAW-Volkswagen Automotive Co., Ltd., Changchun[2]
- ⊙ Scania AB, Södertälje[3]
- ⊙ Scania CV AB, Södertälje[3]
- ⊙ VfL Wolfsburg-Fußball GmbH, Wolfsburg[3]
- ⊙ Volkswagen (China) Investment Co., Ltd., Beijing[3]
- ⊙ Volkswagen Immobilien GmbH, Wolfsburg (Chair)[3]

THOMAS SCHÄFER (*1970)

Core brand group,

Chair of the Board of Management of the Volkswagen Passenger Cars brand

Human Resources (from July 5, 2025)

July 1, 2022[1], appointed until 2030

Nationality: German

Appointments:

- ⊙ FAW-Volkswagen Automotive Co., Ltd., Changchun[2]
- ⊙ SAIC Volkswagen Automotive Co., Ltd., Shanghai[2]
- ⊙ SEAT, S.A., Martorell (Chair)[3]
- ⊙ Škoda Auto a.s., Mladá Boleslav (Chair)[3]
- ⊙ Volkswagen (China) Investment Co., Ltd., Beijing (Chair)[3]
- ⊙ Volkswagen Group of America, Inc., Herndon, VA (Chair)[3]
- ⊙ Volkswagen US-Holding, Inc., Reston, VA[3]

THOMAS SCHMALL-VON WESTERHOLT (*1964)

Technology,

Chair of the Board of Management of Volkswagen Group Components,

January 1, 2021[1], appointed until 2028

Nationality: Brazilian, German

Appointments:

- ○ PowerCo SE, Salzgitter (Chair)[3]
- ⊙ Brose Sitech Sp. Z o.o., Polkowice[2]
- ⊙ FAW-Volkswagen Automotive Co., Ltd., Changchun[2]
- ⊙ Volkswagen Group (China) Technology Company, Ltd., Hefei[3]

HAUKE STARS (*1967)

IT

February 1, 2022[1], appointed until 2028

Nationality: German

Appointments:

- ○ AUDI AG, Ingolstadt[3]
- ○ CARIAD SE, Wolfsburg[3]
- ○ Dr. Ing. h.c. F. Porsche AG, Stuttgart[3, 4]
- ○ Everllence SE, Augsburg (Chair)[3]
- ○ PowerCo SE, Salzgitter[3]
- ○ RWE AG, Essen[2, 4]
- ⊙ Kühne + Nagel International AG, Schindellegi[2, 4]

○ Membership of statutory supervisory boards in Germany.

⊙ Comparable appointments in Germany and abroad.

1 Beginning or period of membership in the Board of Management.
2 Appointment outside the Group.
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4 Listed company.

MEMBERS OF THE SUPERVISORY BOARD AND COMPOSITION OF THE COMMITTEES

(appointments as of December 31, 2025 or the date of departure from the Supervisory Board of Volkswagen AG or the start date after December 31, 2025)

HANS DIETER PÖTSCH (*1951)

Chair (since October 7, 2015),
Chair of the Board of Management of
Porsche Automobil Holding SE
October 7, 2015[1], elected until 2026
Nationality: Austrian

Appointments:

- ○ AUDI AG, Ingolstadt[3]
- ○ Bertelsmann Management SE, Gütersloh[2]
- ○ Bertelsmann SE & Co. KGaA, Gütersloh[2]
- ○ Dr. Ing. h.c. F. Porsche AG, Stuttgart[3, 4]
- ○ TRATON SE, Munich (Chair)[3, 4]
- ○ Wolfsburg AG, Wolfsburg[2]
- ⊙ Autostadt GmbH, Wolfsburg[3]
- ⊙ Porsche Austria Gesellschaft m.b.H., Salzburg (Chair)[3]
- ⊙ Porsche Holding Gesellschaft m.b.H., Salzburg (Chair)[3]
- ⊙ Porsche Retail GmbH, Salzburg (Chair)[3]
- ⊙ VfL Wolfsburg-Fußball GmbH, Wolfsburg (Deputy Chair)[3]

CHRISTIANE BENNER (*1968)

Deputy Chair (since March 14, 2025)
Chair of IG Metall
March 9, 2025[1], appointed until 2027
Nationality: German

Appointments:

- ○ Aumovio SE, Frankfurt/Main[2, 4]

DR. HESSA SULTAN AL JABER (*1959)

Former Minister of Information and Communications Technology, Qatar
Member of supervisory bodies
June 22, 2016[1], elected until 2029
Nationality: Qatari

Appointments:

- ⊙ MEEZA QSTP-LLC (Public), Doha[2, 4]
- ⊙ Trio Investment, Doha (Chair)[2]

MANSOOR EBRAHIM AL-MAHMOUD (*1974)

Minster of Health, Qatar
May 12, 2022 – May 16, 2025[1]
Nationality: Qatari

Appointments (on May 16, 2025):

- ⊙ Qatar Airways Q.C.S.C, Doha (Deputy Chair)[2]
- ⊙ Qatar National Bank (QNB) Q.P.S.C., Doha (Board member)[2, 4]
- ⊙ Qatari Diar Real Estate Investment Company, Doha (Board member)[2]

MOHAMMED SAIF AL-SOWAIDI (*1981)

Chief Executive Officer of
Qatar Investment Authority, Qatar
May 16, 2025[1], elected until 2030
Nationality: Qatari

Appointments:

- ⊙ Harrods Group (Holding) Limited, London (Chair)[2]
- ⊙ Harrods Limited, London (Board member)[2]
- ⊙ Katara Hospitality, Doha (Chair)[2]
- ⊙ Ooredoo Q.P.S.C., Doha (Board member)[2, 4]
- ⊙ Qatar Airways Q.C.S.C., Doha (Deputy Chair)[2]
- ⊙ Qatar Holding LLC, Doha (Chair)[2]
- ⊙ Qatar National Bank (QNB) Q.P.S.C., Doha (Board member)[2, 4]
- ⊙ Qatar Stock Exchange Q.P.S.C., Doha (Deputy Chair)[2]
- ⊙ Qatari Diar Real Estate Investment Company, Doha (Board Member)[2]

RITA BECK (*1970)

Deputy Chair of the Works Council
of AUDI AG, Ingolstadt plant
January 9, 2024[1], appointed until 2027
Nationality: German

Appointments:

- ○ AUDI AG, Ingolstadt[3]
- ○ CARIAD SE, Wolfsburg[3]

○ Membership of statutory supervisory boards in Germany.
⊙ Comparable appointments in Germany and abroad.

1 Start of Supervisory Board appointment or period of office.
2 Appointment outside the Group.
3 Appointment within the Group.
4 Listed company.

HARALD BUCK (*1962)

Chair of the Group Works Council of
Dr. Ing. h.c. F. Porsche AG
October 4, 2022[1], appointed until 2027
Nationality: German

Appointments:

- ○ Dr. Ing. h.c. F. Porsche AG, Stuttgart (Deputy Chair)[3, 4]

MATÍAS CARNERO SOJO (*1968)

Chair of the General Works Council of SEAT, S.A.
April 1, 2021[1], appointed until 2027
Nationality: Spanish

DANIELA CAVALLO (*1975)

Chair of the General and Group Works Councils of Volkswagen AG
May 11, 2021[1], appointed until 2027
Nationality: German, Italian

Appointments:

- ○ PowerCo SE, Salzgitter (Deputy Chair)[3]
- ○ TRATON SE, Munich[3, 4]
- ○ Wolfsburg AG, Wolfsburg[2]
- ⊙ Autostadt GmbH, Wolfsburg[3]
- ⊙ Brose Sitech Sp. Z o.o., Polkowice[2]
- ⊙ Porsche Holding Gesellschaft m.b.H., Salzburg[3]
- ⊙ SEAT, S.A., Martorell[3]
- ⊙ Škoda Auto a.s., Mladá Boleslav[3]
- ⊙ VfL Wolfsburg-Fußball GmbH, Wolfsburg[3]
- ⊙ Volkswagen Group Services GmbH, Wolfsburg[3]

JULIA WILLIE HAMBURG (*1986)

Minister of Education and Cultural Affairs for the Federal State of Lower Saxony
November 8, 2022[1], delegated until 2028
Nationality: German

MARIANNE HEIß (*1972)

Member of Supervisory Board
February 14, 2018 – July 4, 2025[1]
Nationality: Austrian

Appointments (on July 4, 2025):

- ○ AUDI AG, Ingolstadt[3]
- ○ Porsche Automobil Holding SE, Stuttgart[2, 4]
- ⊙ Alfred Ritter GmbH & Co. KG, Waldenbuch[2]
- ⊙ Palfinger AG, Bergheim[2,4]
- ⊙ Paysafe Ltd., London[2, 4]

JÖRG HOFMANN (*1955)

November 20, 2015 – March 8, 2025[1]
Nationality: German

DR.-ING. ARNO HOMBURG (*1968)

Chair of the Board of Management of
Volkswagen Management Association e.V.
May 12, 2022[1], appointed until 2027
Nationality: German

Appointments:

- ⊙ Volkswagen Pension Trust e.V., Wolfsburg[3]

DR. GÜNTHER HORVATH (*1952)

Managing Director of
and self-employed attorney at
Dr. Günther J. Horvath Rechtsanwalt GmbH
February 28, 2023[1], elected until 2028
Nationality: Austrian

Appointments:

- ○ Porsche Automobil Holding SE, Stuttgart[2, 4]

OLAF LIES (*1967)

Minister President of the Federal State of Lower Saxony
May 20, 2025[1], delegated until 2028
Nationality: German

Appointments:

- ○ Meyer Werft GmbH, Papenburg[2]
- ⊙ Transformationsagentur Niedersachsen GmbH, Hanover[2]

DANIELA NOWAK (*1970)

Chair of the Works Council of Volkswagen AG, Braunschweig plant
May 12, 2022[1], appointed until 2027
Nationality: German

DR. JUR. HANS MICHEL PIËCH (*1942)

Supervisory Board
August 7, 2009[1], elected until 2029
Nationality: Austrian

Appointments:

- ○ AUDI AG, Ingolstadt[3]
- ○ Dr. Ing. h.c. F. Porsche AG, Stuttgart[3, 4]
- ○ Porsche Automobil Holding SE, Stuttgart (Deputy Chair)[2, 4]
- ⊙ Porsche Holding Gesellschaft m.b.H., Salzburg[3]
- ⊙ Schmittenhöhebahn AG, Zell am See[2]

○ Membership of statutory supervisory boards in Germany.
⊙ Comparable appointments in Germany and abroad.

1 Start of Supervisory Board appointment or period of office.
2 Appointment outside the Group.
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4 Listed company.

DR. JUR. FERDINAND OLIVER PORSCHE (*1961)

Member of the Board of Management of
Familie Porsche AG Beteiligungsgesellschaft
August 7, 2009[1], elected until 2029
Nationality: Austrian

Appointments:

- ○ AUDI AG, Ingolstadt[3]
- ○ Dr. Ing. h.c. F. Porsche AG, Stuttgart[3, 4]
- ○ Porsche Automobil Holding SE, Stuttgart[2, 4]
- ⊙ Porsche Holding Gesellschaft m.b.H., Salzburg[3]
- ⊙ Porsche Lifestyle GmbH & Co. KG, Ludwigsburg[3]

DR. RER. COMM. WOLFGANG PORSCHE (*1943)

Chair of the Supervisory Board of
Porsche Automobil Holding SE;
Chair of the Supervisory Board of
Dr. Ing. h.c. F. Porsche AG
April 24, 2008[1], elected until 2028
Nationality: Austrian

Appointments:

- ○ AUDI AG, Ingolstadt[3]
- ○ Dr. Ing. h.c. F. Porsche AG, Stuttgart (Chair)[3, 4]
- ○ Porsche Automobil Holding SE, Stuttgart (Chair)[2, 4]
- ⊙ Familie Porsche AG Beteiligungsgesellschaft, Salzburg (Chair)[2]
- ⊙ Porsche Holding Gesellschaft m.b.H., Salzburg[3]

GERARDO SCARPINO (*1962)

Executive Director of the Volkswagen
Group Works Council
April 21, 2023[1], appointed until 2027
Nationality: Italian

Appointments:

- ○ CARIAD SE, Wolfsburg[3]

KARINA SCHNUR (*1977)

Chair of the General and Group Works Councils of
MAN Truck & Bus SE,
Chair of the Group Works Council of TRATON SE and
Chair of the General Works Council of TRATON R&D
Germany GmbH
July 11, 2023[1], appointed until: 2027
Nationality: German

Appointments:

- ○ MAN Truck & Bus SE, Munich[3]
- ○ TRATON SE, Munich[3, 4]
- ⊙ Rheinmetall MAN Military Vehicles GmbH, Munich[2]

CONNY SCHÖNHARDT (*1978)

Union Secretary and Head of the Mobility and Vehicle
Construction Unit attached to the
IG Metall Board
June 21, 2019[1], appointed until 2027
Nationality: German

Appointments:

- ○ CARIAD SE, Wolfsburg[3]
- ○ Dr. Ing. h.c. F. Porsche AG, Stuttgart[3, 4]
- ○ PowerCo SE, Salzgitter[3]

STEPHAN WEIL (*1958)

February 19, 2013 – May 20, 2025[1]
Nationality: German

SUSANNE WIEGAND (*1972)

Member of the Supervisory Board and investor
July 5, 2025[1], appointed until: 2026
Nationality: German

Appointments:

- ○ Brenntag SE, Essen[2, 4]
- ⊙ BWI GmbH, Meckenheim[2]

Supervisory Board committees

Members of the Executive Committee

Hans Dieter Pötsch (Chair)
Christiane Benner (Deputy Chair)
Rita Beck
Daniela Cavallo
Olaf Lies
Dr. Hans Michel Piëch
Dr. Wolfgang Porsche
Gerardo Scarpino

Members of the Mediation Committee established in accordance with section 27(3) of the *Mitbestimmungsgesetz* (German Codetermination Act)

Hans Dieter Pötsch (Chair)
Christiane Benner (Deputy Chair)
Daniela Cavallo
Olaf Lies

Members of the Audit Committee

Susanne Wiegand (Chair)
Daniela Cavallo (Deputy Chair)
Hans Dieter Pötsch
Dr. Ferdinand Oliver Porsche
Gerardo Scarpino
Conny Schönhardt

Members of the Nomination Committee

Hans Dieter Pötsch (Chair)
Olaf Lies
Dr. Hans Michel Piëch
Dr. Wolfgang Porsche

○ Membership of statutory supervisory boards in Germany.
⊙ Comparable appointments in Germany and abroad.

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Remuneration Report 2025

The Board of Management and Supervisory Board of Volkswagen AG must prepare a clear and understandable remuneration report in accordance with section 162 of the *Aktiengesetz* (AktG – German Stock Corporation Act). In this report, we explain the main features of the remuneration system for the members of the Board of Management and Supervisory Board. The remuneration report also contains an individualized breakdown of the remuneration components provided to current and former members of the Board of Management and Supervisory Board.

REMUNERATION OF THE MEMBERS OF THE BOARD OF MANAGEMENT

In the reporting year, the Volkswagen Group's business was impacted by the challenging global market environment. Amid these conditions, the Group delivered 9.0 million units to customers. This was 0.5% fewer vehicles than in the previous year. While sales revenue was on a level with the previous year at €321.9 billion, the operating result declined to €8.9 billion. The operating return on sales was 2.8% and the net cash flow in the Automotive Division amounted to €6.4 billion.

Principles of Board of Management remuneration

The remuneration of the Board of Management is based on the remuneration system adopted by the Supervisory Board on December 14, 2020 with effect from January 1, 2021. This was most recently revised by the Supervisory Board in April 2024, with effect from January 1, 2024, to better reflect the interests of the capital market.

The Annual General Meeting approved the modified remuneration system on May 29, 2024 with 99.48% of the votes cast. This has applied to all active Board of Management members since January 1, 2024. The remuneration system for the members of the Board of Management is clear and transparent. It implements the requirements of the AktG as amended by the *Gesetz zur Umsetzung der zweiten Aktionärsrechterichtlinie* (ARUG II – German Act on the Implementation of the Second Shareholder Rights Directive) and takes into account the recommendations of the German Corporate Governance Code.

For members of the Board of Management already appointed before the Supervisory Board's first resolution on a remuneration system in accordance with section 87a of the AktG on December 14, 2020 and whose service contract has not been renewed since then, the following exceptions applied: the performance share plan continued to have only a three-year performance period, but otherwise corresponded to the performance share plan described in the remuneration system. In these cases, penalty and clawback rules were only to apply upon renewal of their contracts. Exceptions in fiscal year 2025 applied solely to Markus Duesmann, who stepped down in fiscal year 2023.

The level of the Board of Management remuneration should be appropriate and attractive in the context of the Company's national and international peer group. Criteria include the tasks of each individual Board of Management member, their personal performance, the economic situation, and the performance of and outlook for the Volkswagen Group, as well as how customary the remuneration is when measured against the peer group and the remuneration structure that applies to other areas of the Volkswagen Group. In this context, comparative studies on remuneration are conducted on a regular basis. In fiscal year 2025, all active Board of Management members decided to make a financial contribution of their own as a sign of their commitment to the *Zukunft* Volkswagen profit

improvement program. To this end, all members of the Board of Management active in fiscal year 2025 declared that, for a period of up to five years, they will annually waive a portion of their individual remuneration actually received in the respective year. This remuneration consists of the annual base salary and short-term variable remuneration for the respective fiscal year, as well as the long-term variable remuneration paid out in the respective fiscal year.

In the Remuneration Report for fiscal year 2024, the Board of Management and Supervisory Board reported in detail on the remuneration paid to members of the Board of Management in fiscal year 2024. The Annual General Meeting on May 16, 2025 approved the Remuneration Report for fiscal year 2024 with a majority of 98.96% of the votes cast. Comments by investors and investor representatives were also taken into account in the preparation of the Remuneration Report for fiscal year 2025, for example the minimum and maximum achievable amounts in the short-term and long-term variable remuneration of the Board of Management members are presented even more transparently and the link between the non-financial performance criteria in the annual bonus for Board of Management members and the materiality assessment carried out as part of sustainability reporting is described.

In this chapter, we provide an overview of the remuneration system for the Board of Management members in fiscal year 2025 before going into the components of the remuneration in fiscal year 2025.

Overview of the remuneration components

The table below provides an overview of the components of the remuneration system applicable for fiscal year 2025 for the members of the Board of Management. The table also outlines the composition of the individual remuneration components and explains their targets, particularly in respect of how the remuneration will promote the Company's long-term performance. A more detailed description of the remuneration system applicable for fiscal year 2025 for the members of the Board of Management is available at www.volkswagen-group.com/remuneration.

REMUNERATION SYSTEM FOR 2025

Component	Composition	Target
Fixed remuneration components		
Base salary[1]	• Twelve equal installments payable at month-end • Chair of the Board of Management: normally €2,600,000 (scope of activity: 100%)[2]; Board of Management member: €1,500,000 (scope of activity: 100%)	The base salary and fringe benefits are intended to reflect the tasks and responsibilities of the Board of Management members, provide a basic income and prevent them from taking inappropriate risks.
Fringe benefits	• Fringe benefit allowance (Chair of the Board of Management: €350,000; Board of Management member: €175,000) covers certain benefits at the discretion of the Board of Management member, for example: o Company cars o Preventive medical check-ups o Allowances for health and long-term care insurance o Accident insurance • Crediting of benefits against the fringe benefit allowance where these are subject to payroll tax • Payment of the remaining amount	
Occupational retirement provision	• Defined contribution plan by means of direct commitments to retirement, disability and surviving dependents' benefits • Normally when the members reach the age of 65 (or 63 in the case of Board of Management members who took office before January 1, 2020) • Annual pension contribution of up to 50% of the contractually agreed base salary for the Chair of the Board of Management and up to 40% of the contractually agreed base salary for regular members of the Board of Management	The occupational retirement provision is intended to provide Board of Management members with an adequate pension upon retirement.
Variable remuneration components		
Annual bonus[1]	• Plan type: Target bonus • Target amount for the Chair of the Board of Management: €3,500,000 (scope of activity: 100%)[2]; target amount for a Board of Management member: €1,500,000 (scope of activity: 100%) • Minimum payment: €0 • Cap: 200% of the target amount, i.e. Chair of the Board of Management: €7,000,000 (scope of activity: 100%); Board of Management member: €3,000,000 (scope of activity: 100%) • Assessment period: fiscal year • Performance criteria: o Financial subtargets: ▪ Net cash flow in the Automotive Division (50%) and operating return on sales (50%) ▪ The Supervisory Board defines minimum, target and maximum values for the financial subtargets for each fiscal year. The minimum corresponds to subtarget achievement of 0% for net cash flow in the Automotive Division or 50% for the operating return on sales, while the target corresponds to subtarget achievement of 100% in each case and the maximum to subtarget achievement of 175%; interim values are interpolated on a linear basis ▪ Overall financial target achievement = subtarget achievement "net cash flow in the Automotive Division" x 50% + subtarget achievement for "operating return on sales" x 50% o ESG factor: ▪ Subtargets of 50% each for the Environment (decarbonization index) and Social (in principle sentiment and diversity index)[3] as well as the Governance factor of between 0.9 and 1.1 (compliance and integrity, standard value of 1.0) ▪ The Supervisory Board defines minimum, target and maximum values for the Environment and Social subtargets for each fiscal year. The minimum, target and maximum values correspond to subtarget achievement of 0.7, 1.0 and 1.3 respectively; interim values are interpolated on a linear basis ▪ The Supervisory Board sets the Governance factor after the end of the fiscal year taking into account the collective performance of the Board of Management as a whole and the performance of each Board of Management member individually ▪ Calculation of the ESG factor: (Environment subtarget achievement x 50% + Social subtarget achievement x 50%) x Governance factor (0.9 to 1.1) • Annual bonus payment amount = individual target amount x financial target achievement x ESG factor • Payment: in cash in the month following approval of the consolidated financial statements for the fiscal year in question	The annual bonus is designed to motivate Board of Management members to pursue ambitious targets. The financial performance targets support the strategic target of achieving competitive profitability. Integration of ESG factors reflects the importance of sustainability targets. In this context, the decarbonization index, sentiment rating and diversity index[3] and the compliance and integrity factor provide extensive cover for various sustainability aspects.

1 All active Board of Management members waived 11% of their individual gross cash remuneration in fiscal year 2025, comprising the gross base salary for 2025, the gross payment of the 2025 annual bonus and the gross payment from the performance share plan received in fiscal year 2025. The amount calculated in this manner is deducted from the annual bonus, but only up to a maximum of the annual bonus amount.

2 Until December 31, 2025, Mr. Blume received, from Volkswagen AG, 50% of the remuneration for the Chair of the Board of Management of Volkswagen AG and, from Porsche AG, 50% of the remuneration for the Chair of the Executive Board of Porsche AG. The target amount for Mr. Blume thus corresponded to half of the target amount for a Chair of the Board of Management, who receives the full remuneration of a Chair of the Board of Management of Volkswagen AG. Mr. Blume stepped down as Chair and member of the Executive Board of Porsche AG with effect from the close of December 31, 2025. Volkswagen AG will grant Mr. Blume 100% of the remuneration as Chair of the Board of Management of Volkswagen AG from January 1, 2026.

3 Based on the options available, the Supervisory Board uses exclusively the diversity index for fiscal years 2024 and 2025; beginning in fiscal year 2026, in addition to the diversity index the Supervisory Board will use the engagement index, which is set to replace the employee satisfaction index.

Component	Composition	Target
Long-term incentive (LTI)[1]	• Plan type: phantom performance share plan • Performance period: measured forward over four years • Target amount for the Chair of the Board of Management: €5,900,000 (scope of activity: 100%)[2]; target amount for a Board of Management member: €2,500,000 (scope of activity: 100%) • Minimum payment: €0 • Cap: 250% of the target amount, i.e. Chair of the Board of Management: €11,800,000 (scope of activity: 100%); Board of Management member: €5,000,000 (scope of activity: 100%) • The phantom performance shares are a purely mathematical construct and do not confer any ownership or voting rights within Volkswagen AG • Allocation of performance shares: at the start of each fiscal year, the individually agreed target amount is divided by the arithmetic mean of the closing prices of Volkswagen's preferred shares (German Securities Identification Number: 766403) in the Xetra trading system of Deutsche Börse AG on the last 30 trading days prior to January 1 in the respective performance period (initial reference price) • Target-setting: at the start of the performance period, the Supervisory Board defines minimum, target and maximum values for EPS as presented in the annual report as audited, fully diluted earnings per Volkswagen preferred share from the Company's continuing and discontinued operations; the EPS minimum corresponds to target achievement of 50%, the EPS target corresponds to target achievement of 100% and the EPS maximum corresponds to target achievement of 175% • Determination of one-quarter of the allocated performance shares at the end of each fiscal year depending on EPS target achievement • The payment amount is calculated by multiplying the fixed performance shares by the arithmetic mean of the closing prices of Volkswagen's preferred shares in the Xetra trading system of Deutsche Börse AG over the last 30 trading days before the performance period ends (closing reference price). Dividends paid out per Volkswagen preferred share during the performance period (dividend equivalent) are then added. • Payment: in cash in the month following approval of the consolidated financial statements for the last fiscal year of the respective performance period • If the service contract ends before the end of the performance period due to a bad leaver case (extraordinary termination for cause or a breach of a contractual or post-contractual non-compete covenant), all performance shares will be forfeited	The long-term incentive serves to align the remuneration of the Board of Management members with the Company's long-term performance. The EPS (earnings per share) financial performance target in conjunction with share price performance and the dividends paid, measured over four years, ensures the long-term effect of the behavioral incentives and supports the strategic target of achieving competitive profitability.
Other benefits		
Benefits agreed with new Board of Management members for a defined period of time or for the entire term of their service contracts	• Only on the basis of a separate contractual agreement with the new Board of Management member • Payments to offset reduced variable remuneration or other financial disadvantages • Benefits in connection with a relocation	(Compensation) payments are designed to attract qualified candidates.

1 All active Board of Management members waived 11% of their individual gross cash remuneration in fiscal year 2025, comprising the gross base salary for 2025, the gross payment of the 2025 annual bonus and the gross payment from the performance share plan received in fiscal year 2025. The amount calculated in this manner is deducted from the annual bonus, but only up to a maximum of the annual bonus amount.

2 Until December 31, 2025, Mr. Blume received, from Volkswagen AG, 50% of the remuneration for the Chair of the Board of Management of Volkswagen AG and, from Porsche AG, 50% of the remuneration for the Chair of the Executive Board of Porsche AG. The target amount for Mr. Blume thus corresponded to half of the target amount for a Chair of the Board of Management, who receives the full remuneration of a Chair of the Board of Management of Volkswagen AG. Mr. Blume stepped down as Chair and member of the Executive Board of Porsche AG with effect from the close of December 31, 2025. Volkswagen AG will grant Mr. Blume 100% of the remuneration as Chair of the Board of Management of Volkswagen AG from January 1, 2026.

Component	Composition	Target
Other remuneration provisions		
Penalty and clawback rules	• The Supervisory Board can reduce or request repayment of the annual bonus and LTI by up to 100% in the event of relevant misconduct during the assessment period • A clawback is not permissible if more than three years have elapsed since the bonus was paid	Penalty and clawback rules are intended to counteract individual misconduct and negligence on the part of the organization.
Maximum remuneration	• Relevant components are the base salary paid for the respective fiscal year, fringe benefits granted, the service cost in connection with the occupational retirement provision, the annual bonus granted for the respective fiscal year and paid out in the following year, the performance share plan paid out in the respective fiscal year and for which the performance period ended immediately before the respective fiscal year, any benefits granted to new Board of Management members and any special payment granted by third parties (e.g., other Volkswagen Group companies) for the relevant fiscal year • For the Chair of the Board of Management €15,000,000 (gross) per fiscal year and for Board of Management members €8,500,000 (gross) per fiscal year • If the maximum remuneration is exceeded, the annual bonus will be reduced; if a reduction is not sufficient, the Supervisory Board may, at its discretion, reduce other remuneration components or request repayment of remuneration paid out	The aim of the maximum remuneration is to ensure that the remuneration of Board of Management members is not inappropriately high when measured against the peer group.
Cap on cash remuneration	• In addition to maximum remuneration • Cash remuneration includes the base salary paid in the respective fiscal year, the annual bonus granted for the respective fiscal year and paid out in the following year, the performance share plan paid in the respective fiscal year and for which the performance period ended immediately before the respective fiscal year • For the Chair of the Board of Management €12,500,000 (gross) per fiscal year and for Board of Management members €7,000,000 (gross) per fiscal year • If the cap on cash remuneration is exceeded, the annual bonus will be reduced; if a reduction is not sufficient, the Supervisory Board may, at its discretion, reduce other remuneration components or request repayment of remuneration paid out	The cap on cash remuneration is intended to prevent unacceptably high disbursements in the individual fiscal year.

Remuneration of the Board of Management members appointed in fiscal year 2025

Board of Management members in fiscal year 2025

The members of the Volkswagen AG Board of Management in fiscal year 2025 were as follows:

- Oliver Blume, member of the Board of Management since April 13, 2018, Chair of the Board of Management since September 1, 2022, also Chair of the Executive Board of Dr. Ing. h.c. F. Porsche AG until December 31, 2025
- Arno Antlitz, member of the Board of Management since April 1, 2021
- Ralf Brandstätter, member of the Board of Management since January 1, 2022, also CEO of Volkswagen (China) Investment Company Limited
- Gernot Döllner, member of the Board of Management since September 1, 2023, also Chair of the Board of Management of AUDI AG
- Manfred Döss, member of the Board of Management since February 1, 2022
- Gunnar Kilian, member of the Board of Management from April 13, 2018 until July 4, 2025
- Thomas Schäfer, member of the Board of Management since July 1, 2022
- Thomas Schmall-von Westerholt, member of the Board of Management since January 1, 2021
- Hauke Stars, member of the Board of Management since February 1, 2022

Members generally do not receive additional remuneration for discharging other mandates on management bodies, supervisory boards or similar, especially in other companies of the Volkswagen Group, as part of their Board of Management mandate. If such remuneration is nevertheless granted, it is counted toward the remuneration for their work as a member of the Board of Management of Volkswagen AG. For mandates that Board of Management members do not discharge as part of their Board activities, the Supervisory Board shall decide whether and, if any, how much remuneration the members shall receive in addition to the remuneration for their activities as members of the Board of Management of Volkswagen AG. Any remuneration that Board members receive for such mandates shall be determined by the body responsible for the entity in question and reported by this entity where necessary. Currently, no such remuneration is added to the remuneration that the Board of Management members receive from Volkswagen AG.

A different arrangement was reached with Mr. Blume with regard to the performance of his duties as Chair of the Executive Board of Dr. Ing. h.c. F. Porsche AG (Porsche AG) until December 31, 2025: from January 1, 2023 to December 31, 2025, Volkswagen AG granted Mr. Blume 50% of the remuneration for the Chair of the Board of Management based on a newly concluded service contract; an exception was made for fringe benefits – in this respect, Mr. Blume

received the full amount of the fringe benefit allowance for the Chair of the Board of Management of Volkswagen AG; however, Porsche AG reimbursed Volkswagen AG for half of the fringe benefits costs. From January 1, 2023 until December 31, 2025, Porsche AG granted Mr. Blume 50% of the remuneration for the Chair of the Executive Board of Porsche AG. This remuneration was based on the remuneration system for the members of the Executive Board of Porsche AG. Mr. Blume received a base salary, one-year variable remuneration (STI) and multi-year variable remuneration (LTI) from Porsche AG; Mr. Blume did not receive fringe benefits from Porsche AG. In addition, Porsche AG granted Mr. Blume an occupational retirement provision in the form of a defined contribution plan.

In preparation for the IPO completed on September 29, 2022, Porsche AG agreed on an IPO bonus for Mr. Blume. This IPO bonus is structured as a share plan with a one-, two- and three-year term, in each case starting from the time of the IPO. The final tranche of the IPO bonus was due to be paid in September 2025. Remuneration granted to Mr. Blume by Porsche AG is counted towards the cap on cash remuneration and Mr. Blume's maximum remuneration at Volkswagen AG. In the overview in the tables of the remuneration granted and owed to Mr. Blume in fiscal year 2025, the remuneration components granted to Mr. Blume by Porsche AG are included and shown separately.

A different arrangement has also been reached with Mr. Brandstätter for his work at Volkswagen (China) Investment Company Limited: Mr. Brandstätter receives separate remuneration for his work as CEO of Volkswagen (China) Investment Company Limited. Mr. Brandstätter's contractual remuneration under his contract of employment with Volkswagen AG is reduced accordingly for the duration of his work at Volkswagen (China) Investment Company Limited.

Remuneration granted and owed in fiscal year 2025

In accordance with section 162(1) sentence 1 of the AktG, the remuneration report must report on the remuneration granted and owed to each individual member of the Board of Management in the last fiscal year. These terms are understood as follows:

The term "granted" (*gewährt*) refers to the actual receipt (*Zufluss*) of the remuneration component.

The term "owed" (*geschuldet*) refers to all legally existing liabilities for remuneration components that are due but have not yet been fulfilled.

Overview in the tables

The following tables show the remuneration actually received by members of the Board of Management in fiscal year 2025. The remuneration reported as granted in fiscal year 2025 consists of the base salary, fringe benefits and the annual bonus. The bonus was paid in the month following the approval of the Company's consolidated financial statements for fiscal year 2025, along with the LTI for the performance period 2021 to 2024 or 2022 to 2024 paid in fiscal year 2025. The remuneration components granted to Mr. Blume by Porsche AG and to Mr. Brandstätter by Volkswagen (China) Investment Company Limited are presented in the same way.

The relative shares shown in the tables relate to the remuneration components granted and owed in the respective fiscal year in accordance with section 162(1) sentence 1 of the AktG. They thus include all benefits actually received in the respective fiscal year, regardless of the fiscal year for which the Board of Management members received them. The relative shares indicated here are thus not comparable with the respective relative shares of fixed and variable remuneration components as part of total remuneration in the description of the remuneration system according to section 87a(1) sentence 2 no. 3 of the AktG. The shares indicated in the remuneration system relate to the targets agreed for the relevant fiscal year, irrespective of the time at which the respective remuneration component was paid out.

Pension expense is reported as service cost within the meaning of IAS 19. The service cost in accordance with IAS 19 does not constitute remuneration granted or owed within the meaning of section 162(1) sentence 1 of the AktG as it is not actually received by the Board of Management member in the reporting year.

Maximum remuneration corresponds to maximum remuneration within the meaning of section 87a(1) sentence 2 no. 1 of the AktG in accordance with the remuneration system adopted by the Supervisory Board and approved by the Annual General Meeting. As in the past, in addition to maximum remuneration, a limit on cash remuneration, which includes the base salary paid out for the relevant fiscal year, the annual bonus granted for the relevant fiscal year and paid out in the subsequent year, and the performance share plan paid out in the relevant fiscal year and for which the performance period ended immediately before the respective fiscal year, has been agreed with the members of the Board of Management.

The service contracts of all active Board of Management members include penalty and clawback provisions. Only the service contract of former Board of Management member Mr. Duesmann, which was concluded before December 14, 2020, i.e. prior to the first resolution on a remuneration system in accordance with ARUG II, does not contain any penalty and clawback provisions. Volkswagen AG did not make use of the existing penalty and clawback rules in fiscal year 2025.

	OLIVER BLUME[1]	
	Chair, Sport Luxury brand group, Chair of the Executive Board of Porsche AG	
	2025	
	€	%
Fixed remuneration components		
Base salary		
Volkswagen AG	1,300,000.00	20.6
Porsche AG	1,085,000.00	17.2
Fringe benefits		
Volkswagen AG	361,270.00	5.7
Porsche AG	–	–
Total	**2,746,270.00**	**43.5**
Variable remuneration components		
One-year variable remuneration/annual bonus		
Volkswagen AG	2,002,000.00	31.7
Porsche AG	–	–
Multi-year variable remuneration/long-term incentive (LTI)[2]		
LTI (performance share plan) 2022–2024	1,186,829.67	18.8
Other remuneration		
Special benefits paid to the new Board of Management member	–	–
Porsche AG IPO bonus	371,359.00	5.9
Amount deducted under remuneration waiver[3]	–493,771.26	–
Total remuneration granted and owed	**6,306,458.67**	**100.0**
Pension expenses		
Volkswagen AG	669,058.00	x
Porsche AG	444,692.00	x
Total remuneration including pension expenses	**7,420,208.67**	**x**
Maximum remuneration	15,000,000.00	x
Clawback in accordance with section 162(1) sentence 2 no. 4 of the AktG	-	x

1 Until December 31, 2025, Mr. Blume received, from Volkswagen AG, 50% of the remuneration for the Chair of the Board of Management of Volkswagen AG and, from Porsche AG, 50% of the remuneration for the Chair of the Executive Board of Porsche AG. The table shows the remuneration components granted to Mr. Blume separately according to whether they were granted by Volkswagen AG or by Porsche AG.

2 The LTI paid out in fiscal year 2025 was for work performed in fiscal year 2022 (up to and including August 31, 2022). Mr. Blume did not receive any long-term variable remuneration from Porsche AG in fiscal year 2022 that would have to be counted towards the remuneration he receives from Volkswagen AG. Mr. Blume received 100% of the prorated three-year 2022–2024 LTI from Volkswagen AG.

3 All active Board of Management members waived 11% of their individual gross cash remuneration in fiscal year 2025, comprising the gross base salary for 2025, the gross payment of the 2025 annual bonus and the gross payment from the performance share plan received in fiscal year 2025. The amount calculated in this manner is deducted from the annual bonus, but only up to a maximum of the annual bonus amount.

	ARNO ANTLITZ	
	Finance and Operations	
	2025	
	€	%
Fixed remuneration components		
Base salary	1,500,000.00	29.6
Fringe benefits	187,061.00	3.7
Total	**1,687,061.00**	**33.2**
Variable remuneration components		
One-year variable remuneration/annual bonus	1,716,000.00	33.8
Multi-year variable remuneration/long-term incentive (LTI)		
LTI (performance share plan) 2021–2024	1,672,278.19	32.9
Other remuneration		
Special benefits paid to the new Board of Management member	–	–
Amount deducted under remuneration waiver[1]	–537,710.60	–
Total remuneration granted and owed	**5,075,339.19**	**100.0**
Pension expenses	607,886.00	x
Total remuneration including pension expenses	**5,683,225.19**	**x**
Maximum remuneration	8,500,000.00	x
Clawback in accordance with section 162(1) sentence 2 no. 4 of the AktG	-	x

1 All active Board of Management members waived 11% of their individual gross cash remuneration in fiscal year 2025, comprising the gross base salary for 2025, the gross payment of the 2025 annual bonus, and the gross payment from the performance share plan received in fiscal year 2025. The amount calculated in this manner is deducted from the annual bonus, but only up to a maximum of the annual bonus amount.

	RALF BRANDSTÄTTER	
	China, Chair of the Board of Management (CEO) of Volkswagen (China) Investment Co., Ltd.	
	2025	
	€	%
Fixed remuneration components[1]		
Base salary		
Volkswagen AG	262,500.00	6.8
VCIC[2]	1,237,500.00	32.2
Fringe benefits		
Volkswagen AG	42,223.00	1.1
VCIC[2]	579,700.00	15.1
Total	**2,121,923.00**	**55.3**
Variable remuneration components		
One-year variable remuneration/annual bonus		
Volkswagen AG	300,300.00	7.8
VCIC	1,415,700.00	36.9
Multi-year variable remuneration/long-term incentive (LTI)		
LTI (performance share plan) 2021–2024[3]	–	–
Other remuneration		
Special benefits paid to the new Board of Management member	–	–
Amount deducted under remuneration waiver[4]		
Volkswagen AG	–61,908.00	–
VCIC	–291,852.00	–
Total remuneration granted and owed	**3,837,923.00**	**100.0**
Pension expenses	605,344.00	x
Total remuneration including pension expenses	**4,443,267.00**	**x**
Maximum remuneration	8,500,000.00	x
Clawback in accordance with section 162(1) sentence 2 no. 4 of the AktG	-	x

1 Mr. Brandstätter receives 90% (until June 30, 2025) and 75% (from July 1, 2025) of the remuneration of a regular Board of Management member of Volkswagen AG from Volkswagen (China) Investment Company Limited (VCIC) for his work as CEO of VCIC. VCIC accounts for Mr. Brandstätter as if he received his remuneration from Volkswagen AG in Germany. These amounts are disclosed here. The actual gross expense incurred by VCIC may differ on account of Chinese tax law.

2 The fringe benefits presented by VCIC include, in particular, the benefits paid by VCIC for Mr. Brandstätter's assignment to China (such as accommodation, flight expenses). Assignment-specific fringe benefits are not counted against the fringe benefit allowance provided by VCIC.

3 Mr. Brandstätter has been a member of the Board of Management since January 1, 2022. The Supervisory Board allocated Mr. Brandstätter an LTI with a four-year performance period from fiscal year 2022. Mr. Brandstätter therefore did not yet receive a payout from the LTI in fiscal year 2025.

4 All active Board of Management members waived 11% of their individual gross cash remuneration in fiscal year 2025, comprising the gross base salary for 2025, the gross payment of the 2025 annual bonus and the gross payment from the performance share plan received in fiscal year 2025. The amount calculated in this manner is deducted from the annual bonus, but only up to a maximum of the annual bonus amount. Mr. Brandstätter agreed accordingly to a waiver of the VCIC.

	GERNOT DÖLLNER	
	Progressive brand group, Chair of the Board of Management of AUDI AG	
	2025	
	€	%
Fixed remuneration components		
Base salary	1,500,000.00	44.1
Fringe benefits	188,523.00	5.5
Total	**1,688,523.00**	**49.6**
Variable remuneration components		
One-year variable remuneration/annual bonus	1,716,000.00	50.4
Multi-year variable remuneration/long-term incentive (LTI)		
LTI (performance share plan) 2021–2024[1]	–	–
Other remuneration		
Special benefits paid to the new Board of Management member	–	–
Amount deducted under remuneration waiver[2]	–353,760.00	–
Total remuneration granted and owed[3]	**3,404,523.00**	**100.0**
Pension expenses	624,971.00	x
Total remuneration including pension expenses	**4,029,494.00**	**x**
Maximum remuneration	8,500,000.00	x
Clawback in accordance with section 162(1) sentence 2 no. 4 of the AktG	-	x

1 Mr. Döllner has been a member of the Board of Management since September 1, 2023. The Supervisory Board allocated Mr. Döllner an LTI with a four-year performance period from September 2023. Mr. Döllner therefore did not yet receive a payout from the LTI in fiscal year 2025.
2 All active Board of Management members waived 11% of their individual gross cash remuneration in fiscal year 2025, comprising the gross base salary for 2025, the gross payment of the 2025 annual bonus and the gross payment from the performance share plan received in fiscal year 2025. The amount calculated in this manner is deducted from the annual bonus, but only up to a maximum of the annual bonus amount.
3 Mr. Döllner received remuneration of €75,000.00 (gross) from FC Bayern München AG for his mandate on its Supervisory Board in fiscal year 2025, €20,000.00 (gross) from Bentley Motors Ltd. for his mandate on its Board of Directors and €13,286.56 (gross) from Sauber Motorsport AG (now Audi Motorsport AG) for his mandate as Chairman of the Board of Directors. The full amount of remuneration from each company was counted towards the reported base salary granted by Volkswagen AG.

	MANFRED DÖSS[1]	
	Integrity and Legal Affairs	
	2025	
	€	%
Fixed remuneration components		
Base salary	1,125,000.00	44.2
Fringe benefits	133,518.00	5.2
Total	**1,258,518.00**	**49.4**
Variable remuneration components		
One-year variable remuneration/annual bonus	1,287,000.00	50.6
Multi-year variable remuneration/long-term incentive (LTI)		
LTI (performance share plan) 2021–2024[2]	–	–
Other remuneration		
Special benefits paid to the new Board of Management member	–	–
Amount deducted under remuneration waiver[3]	–265,320.00	–
Total remuneration granted and owed	**2,545,518.00**	**100.0**
Pension expenses	450,000.00	x
Total remuneration including pension expenses	**2,995,518.00**	**x**
Maximum remuneration	6,375,000.00	x
Clawback in accordance with section 162(1) sentence 2 no. 4 of the AktG	-	x

1 Mr. Döss receives remuneration in the amount of 75% of the remuneration of a regular member of the Board of Management of Volkswagen AG.
2 Mr. Döss has been a member of the Board of Management since February 1, 2022. The Supervisory Board allocated Mr. Döss an LTI with a four-year performance period from February 2022. Mr. Döss therefore did not yet receive a payout from the LTI in fiscal year 2025.
3 All active Board of Management members waived 11% of their individual gross cash remuneration in fiscal year 2025, comprising the gross base salary for 2025, the gross payment of the 2025 annual bonus and the gross payment from the performance share plan received in fiscal year 2025. The amount calculated in this manner is deducted from the annual bonus, but only up to a maximum of the annual bonus amount.

	GUNNAR KILIAN[1]	
	Human Resources and Trucks brand group (until July 4, 2025)	
	2025	
	€	%
Fixed remuneration components		
Base salary	760,273.97	42.4
Fringe benefits	93,830.00	5.2
Total	**854,103.97**	**47.7**
Variable remuneration components		
One-year variable remuneration/annual bonus	869,753.42	48.5
Multi-year variable remuneration/long-term incentive (LTI)		
LTI (performance share plan) 2021–2024	68,102.31	3.8
Other remuneration		
Special benefits paid to the new Board of Management member	–	–
Amount deducted under remuneration waiver (until July 4, 2025)[2]	–186,794.27	–
Total remuneration granted and owed	**1,791,959.70**	**100.0**
Pension expenses	309,824.32	x
Total remuneration including pension expenses	**2,101,784.02**	**x**
Maximum remuneration	4,308,219.18	x
Clawback in accordance with section 162(1) sentence 2 no. 4 of the AktG	-	x

1 Mr. Kilian was a member of the Board of Management until the close of July 4, 2025. The table shows the remuneration granted for the period until July 4, 2025.
2 All active Board of Management members waived 11% of their individual gross cash remuneration in fiscal year 2025, comprising the gross base salary for 2025, the gross payment of the 2025 annual bonus and the gross payment from the performance share plan received in fiscal year 2025. The amount calculated in this manner is deducted from the annual bonus, but only up to a maximum of the annual bonus amount.

	THOMAS SCHÄFER	
	Core brand group, Chair of the Board of Management of the Volkswagen Passenger Cars brand	
	2025	
	€	%
Fixed remuneration components		
Base salary	1,500,000.00	44.1
Fringe benefits	185,649.00	5.5
Total	**1,685,649.00**	**49.6**
Variable remuneration components		
One-year variable remuneration/annual bonus	1,716,000.00	50.4
Multi-year variable remuneration/long-term incentive (LTI)		
LTI (performance share plan) 2021–2024[1]	–	–
Other remuneration		
Special benefits paid to the new Board of Management member	–	–
Amount deducted under remuneration waiver[2]	–353,760.00	–
Total remuneration granted and owed	**3,401,649.00**	**100.0**
Pension expenses	610,803.00	x
Total remuneration including pension expenses	**4,012,452.00**	**x**
Maximum remuneration	8,500,000.00	x
Clawback in accordance with section 162(1) sentence 2 no. 4 of the AktG	-	x

1 Mr. Schäfer has been a member of the Board of Management since July 1, 2022. The Supervisory Board allocated Mr. Schäfer an LTI with a four-year performance period from July 2022. Mr. Schäfer therefore did not yet receive a payout from the LTI in fiscal year 2025.
2 All active Board of Management members waived 11% of their individual gross cash remuneration in fiscal year 2025, comprising the gross base salary for 2025, the gross payment of the 2025 annual bonus and the gross payment from the performance share plan received in fiscal year 2025. The amount calculated in this manner is deducted from the annual bonus, but only up to a maximum of the annual bonus amount.

	THOMAS SCHMALL-VON WESTERHOLT Technology, Chair of the Board of Management of Volkswagen Group Components 2025	
	€	%
Fixed remuneration components		
Base salary	1,500,000.00	26.6
Fringe benefits	184,686.00	3.3
Total	**1,684,686.00**	**29.9**
Variable remuneration components		
One-year variable remuneration/annual bonus	1,716,000.00	30.5
Multi-year variable remuneration/long-term incentive (LTI)		
LTI (performance share plan) 2021–2024	2,229,615.30	39.6
Other remuneration		
Special benefits paid to the new Board of Management member	–	–
Amount deducted under remuneration waiver[1]	–599,017.68	–
Total remuneration granted and owed	**5,630,301.30**	**100.0**
Pension expenses	606,464.00	x
Total remuneration including pension expenses	**6,236,765.30**	**x**
Maximum remuneration	8,500,000.00	x
Clawback in accordance with section 162(1) sentence 2 no. 4 of the AktG	–	x

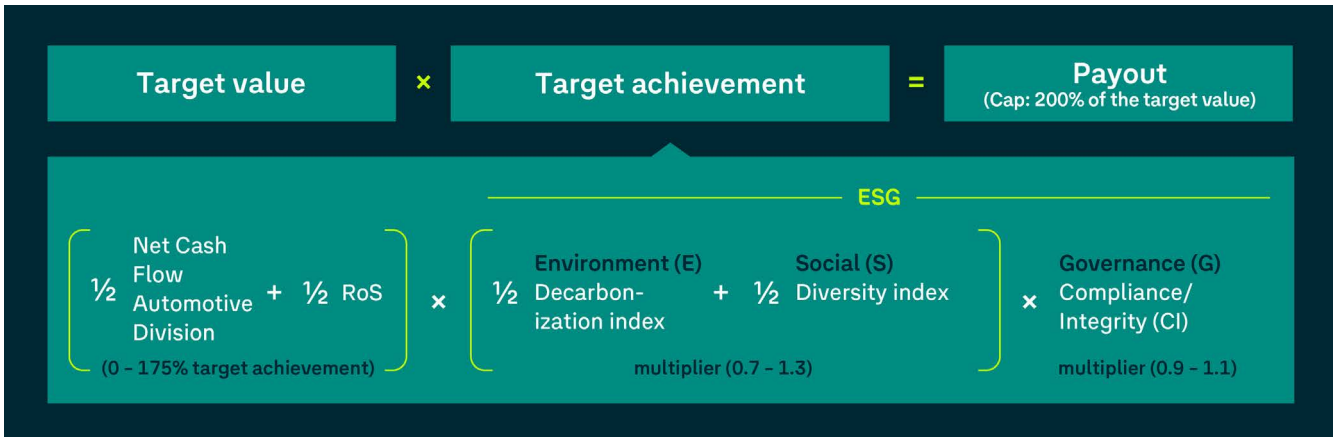
1 All active Board of Management members waived 11% of their individual gross cash remuneration in fiscal year 2025, comprising the gross base salary for 2025, the gross payment of the 2025 annual bonus and the gross payment from the performance share plan received in fiscal year 2025. The amount calculated in this manner is deducted from the annual bonus, but only up to a maximum of the annual bonus amount.

	HAUKE STARS IT 2025	
	€	%
Fixed remuneration components		
Base salary	1,500,000.00	44.1
Fringe benefits	185,076.00	5.4
Total	**1,685,076.00**	**49.5**
Variable remuneration components		
One-year variable remuneration/annual bonus	1,716,000.00	50.5
Multi-year variable remuneration/long-term incentive (LTI)		
LTI (performance share plan) 2021–2024[1]	–	–
Other remuneration		
Special benefits paid to the new Board of Management member	–	–
Amount deducted under remuneration waiver[2]	–353,760.00	–
Total remuneration granted and owed	**3,401,076.00**	**100.0**
Pension expenses	625,710.00	x
Total remuneration including pension expenses	**4,026,786.00**	**x**
Maximum remuneration	8,500,000.00	x
Clawback in accordance with section 162(1) sentence 2 no. 4 of the AktG	-	x

1 Ms. Stars has been a member of the Board of Management since February 1, 2022. The Supervisory Board allocated Ms. Stars an LTI with a four-year performance period from February 2022. Ms. Stars therefore did not yet receive a payout from the LTI in fiscal year 2025.

2 All active Board of Management members waived 11% of their individual gross cash remuneration in fiscal year 2025, comprising the gross base salary for 2025, the gross payment of the 2025 annual bonus and the gross payment from the performance share plan received in fiscal year 2025. The amount calculated in this manner is deducted from the annual bonus, but only up to a maximum of the annual bonus amount.

ANNUAL BONUS



Description of performance criteria for the variable remuneration

Annual bonus – financial subtargets

The following overviews show the threshold values, target values and maximum values set by the Supervisory Board for fiscal year 2025 for the financial subtargets net cash flow in the Automotive Division and operating return on sales (RoS), along with the actual figures and target achievement levels in percent in fiscal year 2025.

COMPONENT 1: NET CASH FLOW IN THE AUTOMOTIVE DIVISION

€ billion	2025
Maximum value (175%)	5.6
100% target level	3.5
Threshold value (0%)	2.5
Actual	6.4
Target achievement (in %)	175

COMPONENT 2: OPERATING RETURN ON SALES

%	2025
Maximum value (175%)	8.8
100% target level	5.8
Threshold value (50%)	3.8
Actual	2.8
Target achievement (in %)	0

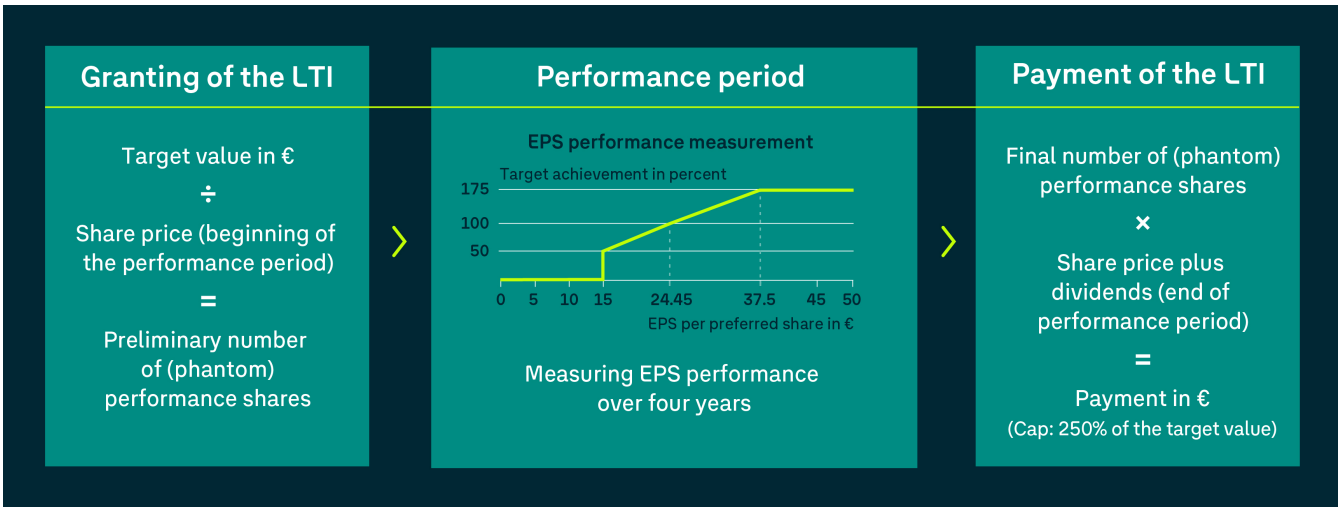
Annual bonus – ESG factor

For fiscal year 2025, the Supervisory Board used the option provided to apply the diversity index only for the social subtarget and to suspend the employee satisfaction index as an ESG criterion. Beginning in fiscal year 2026, the employee satisfaction index will be replaced by the engagement index. The engagement index, together with the diversity index, will serve as a social sub-target of the ESG factor for the annual bonus from fiscal year 2026 onwards. The following overview shows the minimum values, target values and maximum values set by the Supervisory Board for fiscal year 2025 for the environmental (decarbonization index) and social (diversity index) sub-targets along with the actual figures and target achievement levels in fiscal year 2025. The decarbonization index measures the emissions of CO_2 and CO_2 equivalents by the brands producing passenger cars and light commercial vehicles over the entire life cycle and documents the progress made in improving our carbon footprint. The diversity index is used worldwide to measure developments in the proportion of women in management and the international composition of top management. The indicator provides incentives for exemplary leadership and corporate culture. Due to the regulatory framework in the United States, employees of Volkswagen AG's US subsidiaries and their non-US subsidiaries, as well as other employees in the United States, are excluded from the measurement of the proportion of women using the diversity index. Employees of Volkswagen AG's US subsidiaries and other employees in the United States are also excluded from the determination of the internationalization of top management. The governance factor is a means for the Supervisory Board to express its satisfaction with the expected and actual conduct of the Board of Management with regard to the criteria of integrity and compliance. As a rule, the governance factor should be 1.0 and may only be reduced to 0.9 or raised to 1.1 in exceptional circumstances based on the professional judgment of the Supervisory Board. For fiscal year 2025, the Supervisory Board set the governance factor at the standard value of 1.0 for all members of the Board of Management; this takes into account and assesses the collective performance of the Board of Management as a whole and the performance of each Management Board member individually. The ESG factor for fiscal year 2025 totalled 1.30.

	ENVIRONMENT		SOCIAL
	Decarbonization index		Diversity index
in t CO_2e/vehicle	2025	Points	2025
Maximum value	47.5	Maximum value	158.0
100% target level	48.5	100% target level	154.0
Minimum value	50.5	Minimum value	150.0
Actual	46.3	Actual	168.0
Target achievement (factor)	1.30	Target achievement (factor)	1.30

The ESG factors underlying the remuneration system are described in the Group management report within the 2025 Annual Report. They are classed as strategic non-financial key performance indicators and allocated to the topics identified as material in the double materiality assessment of the Volkswagen Group.

LONG-TERM INCENTIVE (LTI): (PHANTOM) PERFORMANCE SHARE PLAN (PSP)



The illustration relates to the LTI with the performance periods 2025 to 2027 and 2025 to 2028. The LTI with the performance periods 2021 to 2024 and 2022 to 2024 that was paid out in fiscal year 2025 and reported in this remuneration report as remuneration granted and owed had a maximum value for the EPS performance measurement of 150% and the payment amount was limited to 200% of the target amount.

Long-term incentive (LTI)

The four-year performance share plan has applied since January 1, 2021 to all Board of Management members with service contracts newly concluded or renewed after the Supervisory Board resolution of December 14, 2020. For the Board of Management members already appointed at the time of the Supervisory Board resolution of December 14, 2020, a three-year performance period continued to apply until their contracts were renewed. For the description of the remuneration granted and owed under the performance share plan to the Board of Management members active in fiscal year 2025, this means that

- During fiscal year 2025, no active member of the Board of Management had a three-year performance share plan. Only Mr. Duesmann, who stepped down in fiscal year 2023, had a prorated performance share plan with a three-year performance period due to his service contract which continued until March 31, 2025.
- The appointment of Board of Management member Mr. Kilian was extended in fiscal year 2021. The performance share plan therefore had a three-year and a four-year performance period on a pro rata temporis basis in fiscal year 2021. In fiscal year 2025, Mr. Kilian received a payment from the prorated four-year performance share plan with the 2021-2024 performance period, which is reported in this remuneration report as remuneration granted. The share of the performance share plan with the three-year performance period 2021-2023 was reported on in the 2024 remuneration report.
- The appointment of Board of Management Chair Mr. Blume was extended in fiscal year 2022. The performance share plan therefore had a three-year and a four-year performance period on a pro rata temporis basis in fiscal year 2022. In fiscal year 2025, Mr. Blume received a payment from the prorated three-year performance share plan with the 2022-2024 performance period, which is reported in this remuneration report as remuneration granted.
- The Board of Management members Mr. Antlitz and Mr. Schmall-von Westerholt already had a performance share plan with a four-year performance period in fiscal year 2021, which was paid out in fiscal year 2025. This performance share plan is reported as remuneration granted in the 2025 remuneration report.
- The remaining active members of the Board of Management did not yet receive payments under the performance share plan in fiscal year 2025, so there is no remuneration granted to be reported.

INFORMATION ON THE PERFORMANCE SHARES

€	Performance period 2021–2024 Number of performance shares allocated at the grant date	Performance period 2022–2024 Number of performance shares allocated at the grant date	Performance period 2022–2025 Number of performance shares allocated at the grant date	Performance period 2023–2026 Number of performance shares allocated at the grant date	Performance period 2024–2027 Number of performance shares allocated at the grant date	Performance period 2025–2028 Number of performance shares allocated at the grant date
Oliver Blume	–	6,828	7,264	22,393	26,617	35,065
Arno Antlitz	9,052	–	10,242	18,977	22,557	29,716
Ralf Brandstätter	–	–	10,242	18,977	22,557	29,716
Gernot Döllner	–	–	–	6,326	22,557	29,716
Manfred Döss	–	–	7,041	14,233	16,918	22,287
Gunnar Kilian	727	–	10,242	18,977	22,557	29,716
Thomas Schäfer	–	–	5,121	18,977	22,557	29,716
Thomas Schmall-von Westerholt	12,069	–	10,242	18,977	22,557	29,716
Hauke Stars	–	–	9,388	18,977	22,557	29,716
Total	**21,848**	**6,828**	**69,782**	**156,814**	**201,434**	**265,364**

EPS performance

The following overviews show the minimum value, target value and maximum value set by the Supervisory Board at the beginning of the performance period for the performance share plans 2021 to 2024 and 2022 to 2024, which were each paid out in fiscal year 2025, along with the actual figure and target achievement levels as a percentage.

PERFORMANCE PERIOD 2021–2024

€	2021	2022	2023	2024
Maximum value (150%)	30.0	30.0	30.0	30.0
100% target level	20.0	20.0	20.0	20.0
Minimum value (50%)	10.0	10.0	10.0	10.0
Actual	29.65	29.69	31.85	21.42
Target achievement (in %)	148	148	150	107

PERFORMANCE PERIOD 2022–2024

€	2022	2023	2024
Maximum value (150%)	30.0	30.0	30.0
100% target level	20.0	20.0	20.0
Minimum value (50%)	10.0	10.0	10.0
Actual	29.69	31.85	21.42
Target achievement (in %)	148	150	107

The following overviews show the minimum values, target values and maximum values set by the Supervisory Board at the beginning of the performance periods 2022 to 2025, 2023 to 2025 or 2023 to 2026, 2024 to 2026 or 2024 to 2027 and 2025 to 2027 or 2025 to 2028 along with the actual figures and target achievement levels attained in percent so far for the individual years of the assessment period up to and including 2025. The performance share plans for the performance periods 2022 to 2025, 2023 to 2025 or 2023 to 2026, 2024 to 2026 or 2024 to 2027 and 2025 to 2027 or 2025 to 2028 were not due in fiscal year 2025 and have not yet been paid out; they therefore do not constitute remuneration granted or owed in fiscal year 2025.

PERFORMANCE PERIOD 2022–2025

€	2022	2023	2024	2025
Maximum value (150%)	30	30	30	30
100% target level	20	20	20	20
Minimum value (50%)	10	10	10	10
Actual	29.69	31.85	21.42	13.35
Target achievement (in %)	148	150	107	67

PERFORMANCE PERIOD 2023–2025

€	2023	2024	2025
Maximum value (175%)	40.5	40.5	40.5
100% target level	27.0	27.0	27.0
Minimum value (50%)	18.0	18.0	18.0
Actual	31.85	21.42	13.35
Target achievement (in %)	127	69	0

PERFORMANCE PERIOD 2023–2026

€	2023	2024	2025
Maximum value (175%)	40.5	40.5	40.5
100% target level	27.0	27.0	27.0
Minimum value (50%)	18.0	18.0	18.0
Actual	31.85	21.42	13.35
Target achievement (in %)	127	69	0

PERFORMANCE PERIOD 2024–2026

€	2024	2025
Maximum value (175%)	40.5	40.5
100% target level	27.0	27.0
Minimum value (50%)	18.0	18.0
Actual	21.42	13.35
Target achievement (in %)	69	0

PERFORMANCE PERIOD 2024–2027

€	2024	2025
Maximum value (175%)	40.5	40.5
100% target level	27.0	27.0
Minimum value (50%)	18.0	18.0
Actual	21.42	13.35
Target achievement (in %)	69	0

PERFORMANCE PERIOD 2025–2027

€	2025
Maximum value (175%)	37.5
100% target level	24.45
Minimum value (50%)	15
Actual	13.35
Target achievement (in %)	0

PERFORMANCE PERIOD 2025–2028

€	2025
Maximum value (175%)	37.5
100% target level	24.45
Minimum value (50%)	15
Actual	13.35
Target achievement (in %)	0

Reference prices/dividend equivalent for the performance periods

The relevant initial reference price, closing reference price and dividend equivalent for the performance periods 2021 to 2024 and 2022 to 2024 can be found in the following overview.

	PERFORMANCE PERIOD
	2021 –2024
Initial reference price	149.14
Closing reference price	84.13
Dividend equivalent	
2021	4.86
2022	7.56
2023	27.82
2024	9.06

	PERFORMANCE PERIOD
	2022 –2024
Initial reference price	175.75
Closing reference price	84.13
Dividend equivalent	
2022	7.56
2023	27.82
2024	9.06

The following overview shows the initial reference price, closing reference price and dividend equivalent for the performance share plans not yet due and not yet paid out for the performance periods 2022 to 2025, 2023 to 2025 or 2023 to 2026, 2024 to 2026 or 2024 to 2027 and 2025 to 2027 or 2025 to 2028.

	PERFORMANCE PERIOD						
	2022 -2025	2023 -2025	2023 -2026	2024 -2026	2024 -2027	2025 -2027	2025 -2028
Initial reference price	175.75	131.74	131.74	110.83	110.83	84.13	84.13
Closing reference price	101.70[1]	101.70[1]	–[1]	–[1]	–[1]	–[1]	–[1]
Dividend equivalent							
2022	7.56	–	–	–	–	–	–
2023	27.82	27.82	27.82	–	–	–	–
2024	9.06	9.06	9.06	9.06	9.06	–	–
2025	6.36	6.36	6.36	6.36	6.36	6.36	6.36

1 Determined at the end of the performance period.

Conformity with the remuneration system

The remuneration granted and owed to the Board of Management members in fiscal year 2025 meets the requirements of the remuneration system for the members of the Board of Management. There was no deviation from the applicable remuneration system in fiscal year 2025. There was no need to reduce the payments related to the annual bonus and performance share plan based on the maximum values of the individual remuneration components being exceeded, as they did not exceed 200% of the target amount for the annual bonus or 250% of the target amount for the performance share plan. The total remuneration granted and owed to the Board of Management members in fiscal year 2025 did not exceed the maximum remuneration envisaged by the remuneration system. Volkswagen AG granted Mr. Blume 50% of the remuneration for the position of Chair of the Board of Management of Volkswagen AG from January 1, 2023 to December 31, 2025. In derogation of this, Volkswagen AG granted Mr. Blume the full amount of the fringe benefit allowance for the Chair of the Board of Management of Volkswagen AG. Mr. Blume was also Chair of the Executive Board of Porsche AG until December 31, 2025. From January 1, 2023 until December 31, 2025, Porsche AG granted Mr. Blume 50% of the remuneration for the position of Chair of the Executive Board of Porsche AG. Mr. Blume stepped down as Chair and member of the Executive Board of Porsche AG with effect from the close of December 31, 2025. Volkswagen AG will grant Mr. Blume 100% of the remuneration as Chair of the Board of Management of Volkswagen AG from January 1, 2026. In preparation for the IPO completed on September 29, 2022, Porsche AG agreed on an IPO bonus for Mr. Blume. This IPO bonus is structured as a share plan with a one-, two- and three-year term, in each case starting from the time of the IPO. Mr. Blume was allocated a total of 19,290 phantom preferred shares in Porsche AG in fiscal year 2022, divided into three tranches of 6,430 phantom preferred shares each. Any remuneration granted and owed from this IPO bonus will be reported in the remuneration report for the fiscal year in which the relevant tranche is paid out to Mr. Blume. The third and final tranche was paid out in fiscal year 2025. As a precaution, Volkswagen AG approved the remuneration from Porsche AG as a third-party remuneration arrangement. The remuneration granted to Mr. Blume by Porsche AG is counted towards the maximum remuneration and the cap on cash remuneration of Volkswagen AG.

Benefits and pension commitments in connection with termination of service

Benefits and pension commitments to Board of Management members for early termination of service

The remuneration system for the members of the Board of Management and the service contracts of the Board of Management members provide for severance payments in the event that an appointment as member of the Board of Management is revoked. In such cases – except where there is good cause entitling the Company to terminate the service contract prematurely or where the appointment is revoked due to a gross breach of duty – the Board of Management member receives a gross severance payment in the amount of the total remuneration of the past financial year up to the end of the regular term of the appointment, for a maximum of two years, calculated as of the date of the termination of the appointment as member of the Board of Management. Any temporary benefits for new Board of Management members are excluded from the calculation. Should a Board of Management member leave during the course of the first fiscal year of the appointment, the calculation may by way of exception be based on the expected total remuneration for the current fiscal year. The severance payment will be paid as a one-off payment or in a maximum of 24 monthly installments from the time of the termination of the appointment as a member of the Company's Board of Management. Contractual remuneration paid by the Company for the period from the termination of the appointment until the end of the service contract will be offset against the severance payment. Should Board of Management members take up other work after the termination of their appointment, the amount of the severance payment will be reduced by the amount of the income earned from that work. Should a post-contractual non-compete covenant be agreed, the severance payment will be offset against the compensation received for observing the post-contractual non-compete covenant.

The members of the Board of Management are also entitled to a pension and to a surviving dependents' pension as well as the use of company cars for the period in which they receive their pension in the event of early termination of their service on the Board of Management.

Also in the case of early termination, the variable remuneration components will generally be paid at the contractually agreed maturity dates in accordance with the terms of the contract. There will be no early calculation and payout – except where the employment relationship ends due to permanent disability or death.

In line with the recommendation under G.14 of the 2022 Code, the service contracts do not provide for change of control clauses. In the event of a change of control, members of the Board of Management are therefore not entitled to payments or other special benefits (for example a commitment to grant shares) from Volkswagen AG.

PENSIONS OF THE MEMBERS OF THE BOARD OF MANAGEMENT IN 2025 IN ACCORDANCE WITH IAS 19

€	Present value	Pension expenses in fiscal year 2025
Oliver Blume	5,142,577.00	669,058.00
Arno Antlitz	2,817,565.00	607,886.00
Ralf Brandstätter	2,332,471.00	605,344.00
Gernot Döllner	1,354,798.00	624,971.00
Manfred Döss	1,541,443.00	450,000.00
Gunnar Kilian	–	309,824.32
Thomas Schäfer	2,068,185.00	610,803.00
Thomas Schmall-von Westerholt	3,162,783.00	606,464.00
Hauke Stars	2,312,644.00	625,710.00
Total	**20,732,466.00**	**5,110,060.32**

Pension commitments to Board of Management members for regular termination of service

In the event of regular termination of their service on the Board of Management, the members of the Board of Management are entitled to a pension, including a surviving dependents' pension, as well as the use of company cars for the period in which they receive their pension. The agreed benefits are paid or made available when the Board of Management member reaches the age of 65, or in Mr. Blume's and Mr. Kilian's case, when they reach the age of 63.

The Board of Management members received a defined contribution plan, which is based in principle on a works agreement that also applies to the employees of Volkswagen AG covered by collective agreements and includes retirement, invalidity and surviving dependents' benefits. A pension contribution in the amount of 40% of the base salary is paid to Volkswagen Pension Trust e.V. at the end of the calendar year for each year they are appointed to the Board of Management. Since fiscal year 2023, the pension contribution for Mr. Blume has been 50% of his base salary. No other changes were made to the defined contribution plans in fiscal year 2025. The annual pension contributions result in modules of what is, in principle, a lifelong pension in line with the arrangements that also apply to employees covered by collective agreements.

The individual pension modules vest immediately upon payment to Volkswagen Pension Trust e.V. Instead of a lifelong pension, benefits can optionally be paid out as a lump sum or in installments when the beneficiary reaches retirement age.

The overview on the previous page shows the pensions earned for the individual members of the Board of Management in fiscal year 2025, indicating the present value and the pension expense for the Company during the last fiscal year.

Benefits and pension commitments to Board of Management members who left in fiscal year 2025

Mr. Kilian stepped down from the Board of Management of Volkswagen AG in fiscal year 2025. Mr. Kilian was originally appointed as a member of the Board of Management until the close of December 9, 2026. He resigned from his position as member of the Board of Management by mutual agreement with the Supervisory Board as of the close of July 4, 2025. Volkswagen AG concluded a termination agreement with Mr. Kilian on the occasion of his resignation from the Board of Management. The object of this agreement includes the continuation of his service contract until the regular termination date, i.e. the close of December 9, 2026. Mr. Kilian will receive the contractually agreed remuneration, including the contractually agreed fringe benefits, from Volkswagen AG for the remaining term of the continued service contract. Variable remuneration components will be paid out on the contractually agreed dates; there will be no early calculation or payout. Each annual bonus will be based on a governance factor of 1.0. Mr. Kilian is available to Volkswagen AG as a consultant, without additional remuneration, until the expiry of his service contract. He shall not receive any severance payment in the form of a lump-sum settlement from Volkswagen AG to settle future remuneration claims.

No clawback claims in fiscal year 2025

Volkswagen AG did not seek to claw back any variable remuneration components from individual Board of Management members in fiscal year 2025. The prerequisites for a clawback claim did not apply.

Remuneration of former Board of Management members

In accordance with section 162(1) sentence 1 of the AktG, the remuneration granted and owed to former members of the Board of Management must also be reported.

Remuneration granted and owed in fiscal year 2025 (individualized)

Under section 162(5) sentence 2 of the AktG, the obligation to report individually on the remuneration granted and owed to former Board of Management members also extends to remuneration granted and owed in the ten years after their most recent term of office on the Board of Management or Supervisory Board at Volkswagen AG.

The following tables show the remuneration granted and owed in fiscal year 2025 to the individual former members of the Board of Management who left after fiscal year 2015. As with the current Board of Management members, the annual bonus paid at the beginning of 2026 to former Board of Management members for the 2025 fiscal year is counted as remuneration granted in fiscal year 2025.

	MURAT AKSEL	
	2025	
	€	%
Pension payments	–	0.0
Base salary	–	–
Fringe benefits	–	0.0
One-year variable remuneration/annual bonus	–	–
Multi-year variable remuneration/long-term incentive (LTI, performance share plan 2021–2024)	2,229,615.30	100.0
Severance payments	–	–
Total remuneration granted and owed	**2,229,615.30**	**100.0**

	KARLHEINZ BLESSING	
	2025	
	€	%
Pension payments	189,505.92	93.5
Base salary	–	–
Fringe benefits	13,200.00	6.5
One-year variable remuneration/annual bonus	–	–
Multi-year variable remuneration/long-term incentive (LTI, performance share plan 2021–2024)	–	0.0
Severance payments	–	–
Total remuneration granted and owed	**202,705.92**	**100.0**

	HERBERT DIESS	
	2025	
	€	%
Pension payments	126,075.20	1.6
Base salary	2,119,565.25	26.7
Fringe benefits	153,987.00	1.9
One-year variable remuneration/annual bonus	3,258,049.32	41.1
Multi-year variable remuneration/long-term incentive (LTI, performance share plan 2021–2024)	2,274,581.21	28.7
Severance payments	–	–
Total remuneration granted and owed	**7,932,257.98**	**100.0**
Pension expenses	1,078,773.00	x
Total remuneration including pension expenses	**9,011,030.98**	**x**
Maximum remuneration	15,000,000.00	x

	MARKUS DUESMANN[1]	
	2025	
	€	%
Pension payments	–	–
Base salary	375,000.00	14.2
Fringe benefits	47,591.00	1.8
One-year variable remuneration/annual bonus	429,000.00	16.3
Multi-year variable remuneration/long-term incentive (LTI, performance share plan 2022–2024)	1,780,051.65	67.6
Severance payments	–	–
Total remuneration granted and owed	**2,631,642.65**	**100.0**
Pension expenses	167,126.00	x
Total remuneration including pension expenses	**2,798,768.65**	**x**
Maximum remuneration	8,500,000.00	x

1 A post-contractual non-compete covenant has been agreed with Mr. Duesmann for a duration of one year starting on April 1, 2025. For observing this post-contractual non-compete covenant, he receives monthly compensation of €187,500.00 gross. For fiscal year 2025, Mr. Duesmann accordingly received total compensation of €1,687,500.00 gross for observing the post-contractual non-compete covenant.

	FRANCISCO JAVIER GARCIA SANZ	
	2025	
	€	%
Pension payments	794,400.00	98.9
Base salary	–	–
Fringe benefits	8,629.50	1.1
One-year variable remuneration/annual bonus	–	–
Multi-year variable remuneration/long-term incentive (LTI, performance share plan 2021–2024)	–	–
Severance payments	–	–
Total remuneration granted and owed	**803,029.50**	**100.0**

	JOCHEM HEIZMANN	
	2025	
	€	%
Pension payments	904,337.28	99.3
Base salary	–	–
Fringe benefits	6,777.00	0.7
One-year variable remuneration/annual bonus	–	–
Multi-year variable remuneration/long-term incentive (LTI, performance share plan 2021–2024)	–	–
Severance payments	–	–
Total remuneration granted and owed	**911,114.28**	**100.0**

	CHRISTINE HOHMANN-DENNHARDT	
	2025	
	€	%
Pension payments	111,847.80	80.6
Base salary	–	–
Fringe benefits	26,886.00	19.4
One-year variable remuneration/annual bonus	–	–
Multi-year variable remuneration/long-term incentive (LTI, performance share plan 2021–2024)	–	–
Severance payments	–	–
Total remuneration granted and owed	**138,733.80**	**100.0**

	GUNNAR KILIAN[1]	
	2025	
	€	%
Pension payments	–	–
Base salary[2]	739,726.03	47.4
Fringe benefits	90,066.00	5.8
One-year variable remuneration/annual bonus	846,246.58	54.2
Multi-year variable remuneration/long-term incentive (LTI, performance share plan 2021–2024)	66,261.70	4.2
Severance payments	–	–
Amount deducted under remuneration waiver (from July 5, 2025)[2]	–181,745.77	–11.6
Total remuneration granted and owed	**1,560,554.53**	**100.0**
Pension expenses	301,450.68	x
Total remuneration including pension expenses	**1,862,005.22**	**x**
Maximum remuneration	4,191,780.82	x

1 Mr. Kilian was a member of the Board of Management until the close of July 4, 2025. The table shows the remuneration granted for the period from July 5, 2025.
2 All active Board of Management members waived 11% of their individual gross cash remuneration in fiscal year 2025, comprising the gross base salary for 2025, the gross payment of the 2025 annual bonus and the gross payment from the performance share plan received in fiscal year 2025. Mr. Kilian's waiver continues to apply following his departure from the Board of Management. The amount calculated in this manner is deducted from the annual bonus, but only up to a maximum of the annual bonus amount.

	MATTHIAS MÜLLER	
	2025	
	€	%
Pension payments	1,266,360.48	99.0
Base salary	–	–
Fringe benefits	12,319.00	1.0
One-year variable remuneration/annual bonus	–	–
Multi-year variable remuneration/long-term incentive (LTI, performance share plan 2021–2024)	–	–
Severance payments	–	–
Total remuneration granted and owed	**1,278,679.48**	**100.0**

	ANDREAS RENSCHLER	
	2025	
	€	%
Pension payments	364,190.10	96.6
Base salary	–	–
Fringe benefits	12,969.00	3.4
One-year variable remuneration/annual bonus	–	–
Multi-year variable remuneration/long-term incentive (LTI, performance share plan 2021–2024)	–	–
Severance payments	–	–
Total remuneration granted and owed	**377,159.10**	**100.0**

	RUPERT STADLER	
	2025	
	€	%
Pension payments	–	–
Base salary	–	–
Fringe benefits	9,672.00	100.0
One-year variable remuneration/annual bonus	–	–
Multi-year variable remuneration/long-term incentive (LTI, performance share plan 2021–2024)	–	–
Severance payments	–	–
Total remuneration granted and owed	**9,672.00**	**100.0**

	HILTRUD DOROTHEA WERNER	
	2025	
	€	%
Pension payments	–	–
Base salary	–	–
Fringe benefits	–	–
One-year variable remuneration/annual bonus	–	–
Multi-year variable remuneration/long-term incentive (LTI, performance share plan 2022–2024)	148,241.21	100.0
Severance payments	–	–
Total remuneration granted and owed	**148,241.21**	**100.0**

	FRANK WITTER	
	2025	
	€	%
Pension payments	496,765.56	98.0
Base salary	–	–
Fringe benefits	10,081.50	2.0
One-year variable remuneration/annual bonus	–	–
Multi-year variable remuneration/long-term incentive (LTI, performance share plan 2021–2024)	–	–
Severance payments	–	–
Total remuneration granted and owed	**506,847.06**	**100.0**

Total remuneration granted to former Board of Management members

Section 162(5) sentence 2 of the AktG does not require the Company to report individually on the remuneration granted and owed in 2025 to former members of the Board of Management whose most recent term of office on the Board of Management or Supervisory Board of Volkswagen AG came to an end before the beginning of 2016 and thus more than ten years before this remuneration report was prepared. A total of €11.7 million was granted and owed to such former Board of Management members and their surviving dependents in fiscal year 2025. Obligations for pensions for this group of persons measured in accordance with IAS 19 amounted to €124.6 million.

Comparative presentation

The following table shows a comparison of the year-on-year percentage change in the remuneration of current and former Board of Management members with the earnings performance of Volkswagen AG and with the average remuneration of employees on a full-time equivalent basis. For members of the Board of Management, the remuneration granted and owed in the reporting year is placed in relation to the equivalent figure for the previous year.

Earnings performance is shown on the basis of Volkswagen AG's net income or loss for the year. However, the remuneration of the Board of Management members is based on Group KPIs. In order to demonstrate more transparently how the remuneration of the Board of Management members has changed compared with earnings performance, the earnings after tax, operating result and operating return on sales of the Volkswagen Group, as reported in the consolidated financial statements, are also used in determining earnings performance. This means that Group KPIs are not only applied in calculating the remuneration of the Board of Management members but also in determining earnings performance. The Group KPIs used in determining earnings performance show the overall effect of the business activities for which the Board of Management is responsible.

The comparison with the growth in average employee remuneration is based on the personnel expenses of Volkswagen AG reported in the notes to the annual financial statements of Volkswagen AG, adjusted for the remuneration of the members of the Board of Management. These adjusted personnel expenses are divided by the number of full-time equivalent employees of Volkswagen AG as of December 31, 2025, excluding the members of the Board of Management.

Peer group

The Supervisory Board regularly reviews and, if necessary, adjusts the level of the remuneration, the total remuneration cap and the individual targets. Among other things, the Supervisory Board performs a vertical comparison with the remuneration and employment terms of the Company's employees and a horizontal comparison with the remuneration and employment terms of other companies' management board members. The Supervisory Board conducts a comparison with what it considers to be a suitable peer group to assess whether the specific total remuneration paid to the members of the Board of Management is customary when measured against that paid in other companies. This peer group is regularly reviewed by the Supervisory Board – most recently at the beginning of 2025 – and adjusted if necessary. The peer group currently comprises the following companies: BMW, Mercedes-Benz Group, Ford, General Motors, Stellantis, Nissan Motor Corporation, Toyota, BYD, Tesla (excluding CEO), hp, IBM, Uber, SAP, Samsung, General Electric, Siemens, Hitachi and Boeing. The companies in the peer group were chosen to reflect the Volkswagen Group's strategic business fields. Technology and services companies, especially in the battery/electronics, IT/software and mobility services segments, have also been included in the peer group along with the global automotive manufacturers. In addition, the peer group includes selected global industrial corporations that, in the view of the Supervisory Board, appear comparable with the Volkswagen Group in terms of their development focus, vertical integration, global orientation and level of complexity. In the view of the Supervisory Board, the composition of this peer group is representative of the Volkswagen Group's specific competitive environment in the sales market and in the recruitment market for top executives.

Annual change in %	2025 compared with 2024	2024 compared with 2023	2023 compared with 2022	2022 compared with 2021	2021 compared with 2020
Board of Management remuneration[1]					
Oliver Blume	–31.4%	+5.4%	+36.1%	+49.1%	+74.8%
Arno Antlitz	+52.5%	–9.5%	–3.5%	+28.8%	–
Ralf Brandstätter	+2.7%	–11.4%	+3.8%	–	–
Gernot Döllner	+2.4%	+164.9%	–	–	–
Manfred Döss	+2.2%	–9.6%	+5.3%	–	–
Gunnar Kilian	–39.9%	+5.1%	–1.6%	+6.6%	+128.3%
Thomas Schäfer	+2.3%	–9.6%	+92.9%	–	–
Thomas Schmall-von Westerholt	+69.3%	–9.6%	–3.5%	–3.4%	–
Hauke Stars	+2.3%	–9.5%	+5.2%	–	–
Murat Aksel	–	–	–	–	–
Karlheinz Blessing	+3.1%	–90.7%	–30.2%	+346.3%	–83.0%
Herbert Diess	–19.1%	–14.8%	+12.5%	+19.0%	+40.1%
Markus Duesmann	–29.5%	+19.8%	+33.4%	–3.5%	–56.6%
Francisco Javier Garcia Sanz	+0.8%	+1.0%	–59.2%	+56.5%	–43.8%
Jochem Heizmann	+10.8%	+2.0%	–5.7%	–31.4%	–50.7%
Christine Hohmann-Dennhardt	–1.5%	–5.1%	+2.7%	+2.0%	+2.7%
Matthias Müller	–0.7%	–34.4%	–72.6%	+408.4%	–71.4%
Andreas Renschler	–0.8%	–73.5%	–74.3%	–0.5%	–0.2%
Rupert Stadler	+15.0%	–63.8%	+2,853.9%	–99.8%	–73.7%
Hiltrud Dorothea Werner	–94.5%	+41.8%	–37.6%	–46.0%	+6.6%
Frank Witter	–72.6%	–22.7%	–27.2%	+22.2%	–34.5%
Earnings performance					
Net income or loss for the year of Volkswagen AG	+46.1%	–17.8%	–50.0%	+208.8%	–36.2%
Operating result of the Volkswagen Group	–53.5%	–15.4%	+2.1%	+14.8%	+99.2%
Operating return on sales of the Volkswagen Group	–52.5%	–15.7%	–8.9%	+2.6%	+79.1%
Earnings after tax of the Volkswagen Group	–44.3%	–30.6%	+13.1%	+2.6%	+74.8%
Employees					
Volkswagen AG employees	–5.4%	+2.9%	–14.6%	+26.9%	+9.2%

1 Remuneration "granted and owed" within the meaning of section 162(1) sentence 1 of the AktG.

REMUNERATION OF THE MEMBERS OF THE SUPERVISORY BOARD

Principles of Supervisory Board remuneration

Following its regular review of Supervisory Board remuneration, the Supervisory Board proposed an adjustment of the remuneration for the members of the Supervisory Board to the 2023 Annual General Meeting. The proposed adjustment of the Supervisory Board remuneration system was approved by the Annual General Meeting on May 10, 2023 with 99.99% of the votes cast. The remuneration of the members of the Supervisory Board is governed by Article 17 of the Articles of Association of Volkswagen Aktiengesellschaft.

The remuneration of the members of the Supervisory Board of Volkswagen AG and remuneration for supervisory board work at subsidiaries is comprised entirely of non-performance-related remuneration components.

Overview of remuneration

The members of the Supervisory Board of Volkswagen AG receive fixed remuneration of €170,000 per fiscal year. The Chair of the Supervisory Board receives fixed remuneration of €510,000; the Deputy Chair receives fixed remuneration of €340,000.

For their work in the Supervisory Board committees, the members of the Supervisory Board also receive additional fixed remuneration of €75,000 per committee and fiscal year provided the committee met at least once that year for the performance of its duties. Membership of the Nomination and Mediation Committees established in accordance with section 27(3) of the *Mitbestimmungsgesetz* (MitbestG – German Codetermination Act) are not taken into account. Committee chairs receive double this amount, while the deputy chairs receive one-and-a-half times the committee remuneration listed previously. Remuneration is paid for work on a maximum of two committees, whereby the two most highly remunerated functions are taken into account if this maximum is exceeded. Supervisory Board members who belonged to the Supervisory Board or one of its committees for only part of the fiscal year receive remuneration on a pro rata temporis basis. A value-added tax incurred on the remuneration is reimbursed by the Company.

Supervisory Board members receive an attendance fee of €1,000 for attending a meeting of the Supervisory Board or one of its committees; if several meetings take place on the same day, the attendance fee is paid only once.

The remuneration and attendance fees are each payable after the end of the fiscal year.

The remuneration enables suitable, qualified candidates to be recruited to the Supervisory Board. As such, the remuneration of the members of the Supervisory Board contributes to the ability of the Supervisory Board as a whole to properly and competently perform its duties of monitoring and advising the Board of Management. Restricting the payment to fixed remuneration is also appropriate to the duties of the Supervisory Board. The restriction provides the Supervisory Board members with an incentive in their monitoring and advisory duties to properly scrutinize the activities of the Board of Management without being guided primarily by the performance of key operating ratios.

Former members of the Supervisory Board of Volkswagen AG do not receive any remuneration for the period following the termination of office.

Other remuneration

Volkswagen AG reimburses Supervisory Board members for the expenses they incur in the course of their work. In accordance with Article 17(7) sentence 2 of the Articles of Association of Volkswagen AG, the members of the Supervisory Board were also covered in the reporting year by the directors and officers (D&O) insurance taken out by the Company in their interest. The Company paid the premiums for the D&O insurance. There was a deductible equal to the gross annual fixed remuneration amount for Supervisory Board members. There is no voluntary commitment by members of the Supervisory Board to buy and hold shares of Volkswagen AG.

Remuneration to Supervisory Board members in fiscal year 2025

Supervisory Board members in fiscal year 2025

The members of the Volkswagen AG Supervisory Board in office during the 2025 fiscal year are listed in the table below.

Remuneration granted and owed

The following table shows the remuneration individually granted and owed to each of the Supervisory Board members in fiscal year 2025. The term "granted and owed" is understood as set out in the "Remuneration granted and owed in fiscal year 2025" section of this remuneration report. The remuneration reported in the table therefore reflects the amounts actually received in fiscal year 2025.

€ (%)	FIXED REMUNERATION 2025	WORK IN COMMITTEES 2025	MEETING ATTENDANCE FEES 2025	TOTAL 2025	REMUNERATION FOR SERVING ON THE BOARDS OF OTHER GROUP COMPANIES 2025
Hans Dieter Pötsch	510,000.00 (71.7%)	186,986.30 (26.3%)	14,000.00 (2.0%)	710,986.30	679,000.00
Jörg Hofmann (until March 8, 2025)[1]	62,410.96 (72.5%)	20,650.68 (24.0%)	3,000.00 (3.5%)	86,061.64	–
Christiane Benner (since March 9, 2025)[1]	277,589.04 (73.7%)	90,308.22 (24.0%)	9,000.00 (2.4%)	376,897.26	–
Hessa Sultan Al Jaber	170,000.00 (96.0%)	– (0.0%)	7,000.00 (4.0%)	177,000.00	–
Mansoor Ebrahim Al-Mahmoud (until May 16, 2025)	63,342.47 (53.1%)	55,890.41 (46.9%)	– (0.0%)	119,232.88	–
Mohammed Saif Al-Sowaidi (since May 16, 2025)	107,123.29 (95.5%)	– (0.0%)	5,000.00 (4.5%)	112,123.29	–
Rita Beck[1]	170,000.00 (65.9%)	75,000.00 (29.1%)	13,000.00 (5.0%)	258,000.00	116,250.00
Harald Buck[1]	170,000.00 (95.5%)	– (0.0%)	8,000.00 (4.5%)	178,000.00	257,521.00
Matías Carnero Sojo[3]	–	–	–	–	–
Daniela Cavallo[1]	170,000.00 (45.6%)	187,500.00 (50.3%)	15,000.00 (4.0%)	372,500.00	106,000.00
Julia Willie Hamburg[2]	170,000.00 (95.5%)	– (0.0%)	8,000.00 (4.5%)	178,000.00	–
Marianne Heiß (until July 4, 2025)	86,164.38 (66.7%)	38,013.70 (29.4%)	5,000.00 (3.9%)	129,178.08	75,000.00
Arno Homburg[1]	170,000.00 (95.5%)	– (0.0%)	8,000.00 (4.5%)	178,000.00	–
Günther Horvath	170,000.00 (95.5%)	– (0.0%)	8,000.00 (4.5%)	178,000.00	–
Olaf Lies (since May 20, 2025)[2]	105,260.27 (67.0%)	44,794.52 (28.5%)	7,000.00 (4.5%)	157,054.79	–
Daniela Nowak[1]	170,000.00 (95.5%)	– (0.0%)	8,000.00 (4.5%)	178,000.00	–
Hans Michel Piëch	170,000.00 (65.9%)	75,000.00 (29.1%)	13,000.00 (5.0%)	258,000.00	241,500.00
Ferdinand Oliver Porsche	170,000.00 (66.4%)	75,000.00 (29.3%)	11,000.00 (4.3%)	256,000.00	291,500.00
Wolfgang Porsche	170,000.00 (65.9%)	75,000.00 (29.1%)	13,000.00 (5.0%)	258,000.00	471,500.00
Gerardo Scarpino[1]	170,000.00 (50.7%)	150,000.00 (44.8%)	15,000.00 (4.5%)	335,000.00	4,000.00
Karina Schnur[1]	170,000.00 (95.5%)	– (0.0%)	8,000.00 (4.5%)	178,000.00	232,750.00
Conny Schönhardt[1]	170,000.00 (66.4%)	75,000.00 (29.3%)	11,000.00 (4.3%)	256,000.00	139,000.00
Stephan Weil (until May 20, 2025)[2]	65,205.48 (65.2%)	28,767.12 (28.8%)	6,000.00 (6.0%)	99,972.60	–
Susanne Wiegand (since July 5, 2025)	83,835.62 (51.2%)	73,972.60 (45.2%)	6,000.00 (3.7%)	163,808.22	–
Total	**3,740,931.51**	**1,251,883.56**	**201,000.00**	**5,193,815.07**	**2,614,021.00**

1 These employee representatives have stated that they will transfer their Supervisory Board remuneration to the Hans Böckler Foundation in accordance with the guidelines issued by the *Deutscher Gewerkschaftsbund* (DGB – German Confederation of Trade Unions).

2 Under section 5(3) of the *Niedersächsisches Ministergesetz* (German Act Governing Ministers of the State of Lower Saxony), these members of the Supervisory Board are obliged to transfer their Supervisory Board remuneration to the State of Lower Saxony as soon as and in so far as it exceeds €6,200 per annum. Remuneration is defined for this purpose as Supervisory Board remuneration and attendance fees exceeding the amount of €200.

3 Mr. Carnero Sojo waived his remuneration for fiscal year 2025 in its entirety.

Comparative presentation

The following table compares the year-on-year percentage change in the remuneration of the Supervisory Board members with the earnings performance of Volkswagen AG and with the average remuneration of employees on a full-time equivalent basis.

Earnings performance is shown on the basis of Volkswagen AG's net income or loss for the year. The Volkswagen Group's earnings after tax are also used as a Group KPI.

The comparison with the growth in average employee remuneration is based on the personnel expenses of Volkswagen AG reported in the notes to the annual financial statements of Volkswagen AG, adjusted for the remuneration of the members of the Board of Management. These adjusted personnel expenses are divided by the number of full-time equivalent employees of Volkswagen AG as of December 31, 2025, excluding the members of the Board of Management.

Annual change in %	2025 compared with 2024	2024 compared with 2023	2023 compared with 2022	2022 compared with 2021	2021 compared with 2020
Supervisory Board remuneration[1]					
Hans Dieter Pötsch	+2.2%	+7.8%	+35.3%	+2.0%	+1.5%
Jörg Hofmann (until March 8, 2025)	–81.9%	+1.5%	+49.8%	+7.6%	–3.0%
Christiane Benner (since March 9, 2025)	–	–	–	–	–
Hessa Sultan Al Jaber	–1.1%	+1.1%	+59.5%	+4.7%	–2.8%
Mansoor Ebrahim Al-Mahmoud (until May 16, 2025)	–63.9%	+0.3%	+189.2%	–	–
Mohammed Saif Al-Sowaidi (since May 16, 2025)	–	–	–	–	–
Rita Beck	+0.0%	–	–	–	–
Harald Buck	+4.2%	+0.2%	+105.4%	–	–
Matías Carnero Sojo	–	–	–	–	–
Daniela Cavallo	–1.8%	+5.0%	+23.9%	+67.9%	–
Julia Willie Hamburg	–1.1%	+2.3%	+965.3%	–	–
Marianne Heiß (until July 4, 2025)	–38.9%	+0.9%	+35.7%	–0.7%	+2.6%
Arno Homburg	–1.1%	+1.7%	+136.5%	–	–
Günther Horvath	–0.6%	+19.7%	–	–	–
Olaf Lies (since May 20, 2025)	–	–	–	–	–
Daniela Nowak	–1.1%	+1.1%	+137.9%	–	–
Hans Michel Piëch	–1.6%	+1.4%	+33.1%	+5.4%	+13.5%
Ferdinand Oliver Porsche	–	–	+37.6%	–6.8%	+3.1%
Wolfgang Porsche	–0.7%	+0.7%	+55.0%	–2.3%	+8.9%
Gerardo Scarpino	–2.9%	+50.0%	–	–	–
Karina Schnur	–0.4%	+56.3%	–	–	–
Conny Schönhardt	+16.8%	+32.1%	+51.5%	+4.3%	–3.0%
Stephan Weil (until May 20, 2025)	–61.8%	+1.2%	+40.0%	+13.5%	–4.1%
Susanne Wiegand (since July 5, 2025)	–	–	–	–	–
Earnings performance					
Net income or loss for the year of Volkswagen AG	+46.1%	–17.8%	–50.0%	+208.8%	–36.2%
Earnings after tax of the Volkswagen Group	–44.3%	–30.6%	+13.1%	+2.6%	+74.8%
Employees					
Volkswagen AG employees	–5.4%	+2.9%	–14.6%	+26.9%	+9.2%

1 Remuneration "granted and owed" within the meaning of section 162(1) sentence 1 of the AktG.

3

Group Management Report

(Combined Management Report of the Volkswagen Group and Volkswagen AG)

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Goals and Strategies

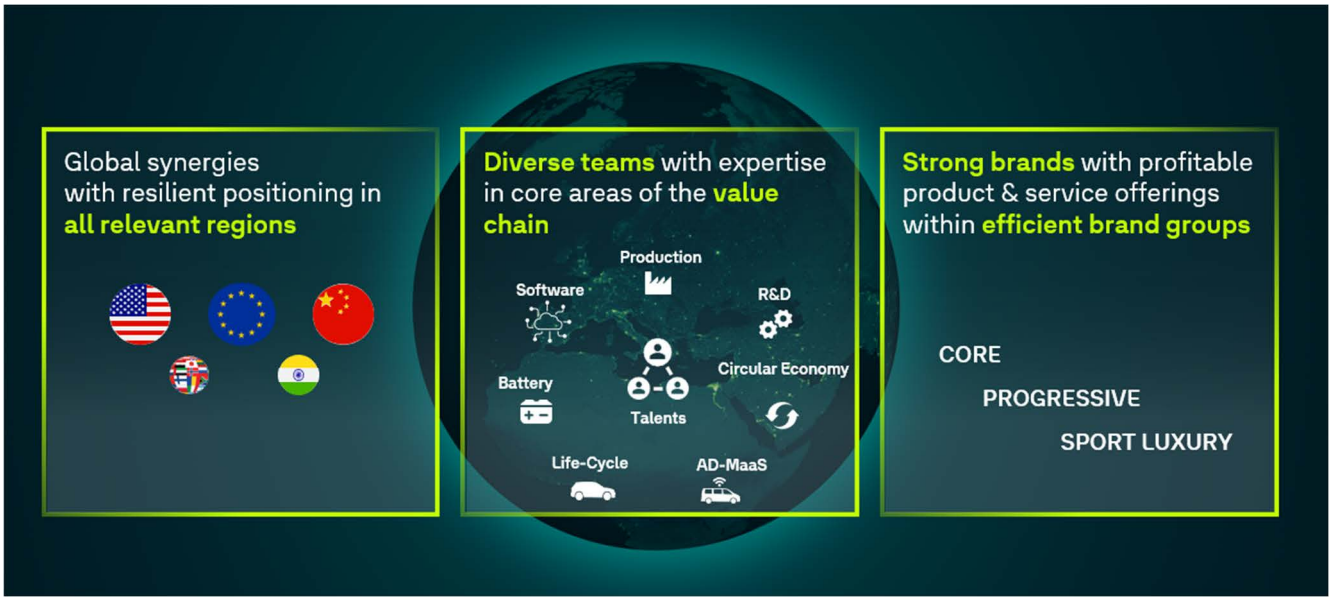
With "The Group Strategy – Mobility for Generations" we are tackling the challenges facing the automotive industry worldwide. Our vision is to be the driving force of mobility worldwide: The Global Automotive Tech Driver.

Fast-moving global megatrends, rapid technological advances, changing customer requirements and last but not least, the macroeconomic and political climate and regulatory framework are presenting the automotive industry with historic challenges. Artificial intelligence is creating opportunities that were not even conceivable until recently and bringing about change in nearly all industries and walks of life. Society and its values are also in a state of flux. Awareness of our planet and how our way of life is impacting on it is becoming increasingly important.

Against this backdrop, we developed "The Group Strategy – Mobility for Generations" in 2024, which remained valid in the 2025 reporting year. This Group strategy addresses important topics from previous strategies and takes these to the next level.

This Group strategy takes account of the requirements we are confronted with and sets overarching targets that address these. These include resilience, so that we position our global business robustly in times of geopolitical tensions; adaptivity, so that we have the capacity to respond quickly to changes in the course of the transformation of the mobility industry; and financial robustness, so that we can finance the necessary investments in product innovations.

REQUIREMENTS AND OVERARCHING TARGETS OF THE GROUP STRATEGY



From these we derive our strategic vision of being "The Global Automotive Tech Driver". This aggregates the material areas for action for the Volkswagen Group in three fields:

- Resilient positioning in all relevant regions in order to leverage global synergies,
- Refocusing areas of expertise within the value chain, also increasingly in collaboration with partners,
- Strong brands with profitable product and service offerings, to be managed by the Group in efficient brand groups.

To realize our vision of becoming "The Global Automotive Tech Driver", we defined clearly delineated corporate goals within the Group strategy. These take the form of nine imperatives that are assigned to three core topics:

- Excite customers globally:
  We aim to excite customers globally by offering a strong product portfolio, an attractive range of services throughout the entire customer and product life cycle and competitive technologies.
- Unleash our full potential:
  We intend to unleash our full business potential by consciously deciding between synergies and the speed of implementation, making our Company more attractive to talented individuals and unlocking the opportunities provided by artificial intelligence (AI).
- Focus on fundamentals:
  We are focusing on creating a robust company base with a reduced cost basis and resilient structures, and we see sustainability as an underlying maxim for our actions.

CORE TOPICS AND IMPERATIVES OF THE GROUP STRATEGY



We continue to use the OKR (objectives and key results) method to implement our strategic objectives. Accordingly, strategic objectives and envisaged key results are defined for the individual imperatives. These are to be realized largely through time-limited projects and work packages, each of which can be measured by specific key performance indicators. The degree of achievement is continuously reviewed and the overall picture is presented to the Board of Management twice per year. As such, the relevance of the imperatives, and their objectives, milestones, projects and work packages are regularly reviewed at Group level. Their focus is continuously monitored and adjusted as necessary.

In the following, we describe the individual imperatives and the basic focus of each one.

Focus on Iconic and Profitable Portfolio

Efficient portfolio management and the exploitation of synergies within the Group are a cornerstone of the Group strategy. Clear, regional management of our customer-centric and distinctive vehicle portfolio is paramount here, with particular emphasis being placed on the positioning of the vehicles in the individual markets, true to the spirit of the brand. This takes into account not only customer wishes but also the systematic orientation towards modern powertrain technologies, emphasis on a successful, profitable portfolio for Europe, reinforced focus on attractive segments in North America, and further strengthening of our activities under the "in China, for China" strategy.

Drive Life-Cycle Customer Excitement

Customer centricity is an important pillar of our Group strategy. Here, our aim is to put customers at the center of our activities and excite them with our products and services throughout the vehicle's entire life cycle. As mobility needs change, we expect to see demand for use-based vehicle and mobility services – for example subscription models and self-driving robotaxis/shuttle services (AD-Maas – Autonomous Driving-Mobility as a Service) – soar up to 2035. To maximize the potential of the use-phase business, we are striving to create a synergetic and holistic ecosystem that incorporates all of our Group products and services. This will enable us to tailor our product offering user-centered and to support and gain the loyalty of our customers throughout the entire life cycle.

Boost Technology Leadership

Software, batteries and mechatronic platforms are the automotive technology areas that will be important in the future and will largely determine the pace of innovation and cost per vehicle.

The Boost Technology Leadership imperative prioritizes consistent, coordinated planning of these automotive technology areas for this reason. Our technology strategy aims for a progressive reorganization of the Group in the coming years, turning it into an efficient, leading global automotive tech driver. Here, we are concentrating on vehicle software, batteries and our platforms.

More than ever before, the car of the future and the associated customer experience will be shaped by software. That is why the Volkswagen Group is pursuing the vision of a software-defined vehicle (SDV). Whereas in the past the starting point for vehicle development was the hardware, vehicle development will now center more on the software and the related electrical/electronic high-performance architecture. Consequently, our development process should start with the software. We are therefore designing the vehicle with the mobile, digital and smart world of our customers in mind. Our collaboration with Rivian and XPeng will provide us with valuable potential for reaching series production rapidly, enabling us to raise the bar in the automotive market of the future.

As the technological and economic centerpiece of electric vehicles, the battery is a decisive factor not only in terms of price, but also in terms of range and charging speed, making it a determining factor for the appeal and market success of e-mobility. The Volkswagen Group bundles business activities along the battery life cycle in the Group's own technology company PowerCo SE with the aim of developing into a profitable provider of sustainable, competitive battery technology for electric vehicles. Going forward, PowerCo will rely on an integrated value chain and

aims to cover the relevant areas – from the procurement and processing of raw materials to cell production and recycling – both independently and in collaboration with partners.

Platform development is a significant area of expertise of the Volkswagen Group. With the Scalable Systems Platform (SSP), we are creating the next generation of an electric, fully digital mechatronics platform based on a standardized software architecture. The Volkswagen Group's aim with this scalable platform is to rapidly and efficiently provide its customers with innovative functions and technologies, across all brands. Through the reduction of complexity and the number of variants, the SSP is intended to provide potential to leverage extensive synergies and enable fast, regular technology updates, while ensuring the necessary differentiation between the products of the individual brands in the Group's portfolio.

The Boost Technology Leadership imperative lends targeted support to innovative production concepts based on automation, digitalization, and AI. The Group-wide PULSE 2035 production and logistics strategy is aimed at establishing highly flexible, scalable, and cost-optimized production that meets the requirements of software-defined vehicles.

Balance Speed and Scale

Implementing the strategic goals by 2035 requires a clear allocation of responsibilities and transparent decision-making structures within the Group. The Balance Speed and Scale imperative therefore aims to achieve an optimal balance between Group synergies and decision-making speed in order to achieve cost efficiency while meeting the necessary reaction rates in the global automotive market.

The imperative seeks to optimize the interplay between corporate functions, brand groups and business areas, which in turn will allow major synergies to be leveraged in relation to software, batteries and the use phase in the Group. In addition, this imperative will focus on management of the China and North America regions so as to enable a rapid response to geopolitical changes in these regions. Since the Group has an extensive portfolio of financial investments in addition to its core automotive business, we also continually strive to future-proof and optimize this portfolio.

Empower Talent across Organization

In order to meet the demanding requirements arising from growing complexity, rapid changes in customer expectations and the unpredictable challenges that lie ahead, we need to ratchet up our performance, becoming more efficient, more agile and more adaptable. As we see it, a key factor here is boosting the efficacy and entrepreneurial spirit of our employees so that we can unleash the full potential of our organization.

This transformation is to be holistically aligned and supported: our employees' skills profiles are to be tailored to the requirements of their jobs in a forward-looking manner. Here, emphasis is also placed on being able to react flexibly to changes and hone the necessary skills in specific areas, for example in the use of artificial intelligence. To maximize the effectiveness of individual strengths, we seek to create a framework for high-performance cooperation between teams, take responsibility for joint results, and develop agile ways of thinking and working to increase our flexibility. Our aim here is not only to contribute to the satisfaction of the employees within our organization, but to remain attractive to skilled workers whose expertise can help us to remain competitive.

Spearhead AI Transformation

The breakneck development of AI is opening up huge potential for optimizing processes and products throughout the entire value chain. The Volkswagen Group is committed to fully exploiting this potential and plans to extensively ramp up AI applications throughout the Group in the coming years. We are working to create the necessary conditions, which includes developing a state-of-the-art IT infrastructure and ensuring data transparency and availability – even beyond the Group's borders. At the same time, we are using this imperative to adapt our business processes so that they are optimally aligned with the use of AI. Our employees are one of the main drivers of this transformation. We focus on providing targeted training and skills development in dealing with AI, ensuring synergetic implementation in the Group so that the advantages of AI transformation can be optimally realized in all areas of the Company.

Drive Cost Disruption

The latest technology developments such as increased automation using AI, reduction of product complexity through e-mobility and rising global cost competition are likely to bring about significant changes to automakers' cost structures in the near future. The Drive Cost Disruption imperative addresses these challenges by developing possible measures to reduce costs and quantify them using the key components of product manufacturing costs. These measures are then transferred into an overarching cost ambition for 2035.

Increase Global Resilience

The Volkswagen Group believes it will face, among other things, a variety of geopolitical challenges in the coming years and decades. These include a global shift in the political and economic balance of power, systemic rivalry, growing geopolitical conflicts and the ineffectiveness of global governance, which could create more instability and lead to a new world order. In the age of "slowbalization", we expect to see a continued slowdown in the pace of globalization, as measured by world trade flows. We will probably see an increase in protectionist measures, disruptions to supply chains and divergent regulations in the future, which is likely to cause market fragmentation. In this imperative, in anticipation of continued global decoupling, we assess the risks for the Volkswagen Group, develop solutions for the different regions and provide Group-wide strategic guidelines for orientation.

Elevate Sustainability

Sustainability is rooted in the Volkswagen Group and is an integral part of our Group strategy. The Group's sustainability strategy regenerate+ provides important stimuli that are aligned with our objectives. Society requires engagement that generates positive added value in order to help our planet to regenerate and to shape a future worth living in for current and future generations. We want to contribute to this, and in doing so we take a broad and comprehensive approach to sustainability – environmentally, socially and economically. Our vision is to become a mobility provider with positive added value for nature and society. We seek to work in partnership with all of our stakeholders in order to learn and further improve. Together, we are pursuing a vision for the Volkswagen Group and driving sustainable value creation. The Group sustainability strategy regenerate+ features clear measures in four dimensions: nature, our people, society, and business. Further information on our Group sustainability strategy is available in the "General Information" chapter in the "Group sustainability strategy" section.

THE TOP 10 PROGRAM

The Group Strategy – Mobility for Generations sets out our long-term direction with nine initiatives. We continue to develop an annual TOP 10 program at Group level so that the long-term goals of our Group strategy can be implemented swiftly in operations throughout the year. This program defines the action areas with top priority for the Group in the current fiscal year, thus contributing to the long-term target achievement of the strategy.

The action areas in the Group's TOP 10 program in fiscal year 2025 were: "costs", "products", "in China, for China", "North American growth", "life cycle offers", "software architecture", "battery", "data and AI", "sustainability", and "people". We report on the main goals achieved under the Group's TOP 10 program during the fiscal year in the chapter "Sustainable Value Enhancement" in particular.

Beyond the Group program, the TOP 10 program methodology has also been adopted by many business units in their functional area strategies and is being used to accelerate the implementation of strategies in a highly focused manner.

Internal Management System and Key Performance Indicators

This chapter describes how the Volkswagen Group is managed and the key performance indicators used for this purpose. In addition to financial metrics, our internal management system also contains non-financial key performance indicators.

The Volkswagen Group's performance and success are expressed in both financial and non-financial key performance indicators.

In the following, we first describe the internal management process and then explain the Volkswagen Group's most significant performance indicators, known as the core performance indicators.

INTERNAL MANAGEMENT PROCESS IN THE VOLKSWAGEN GROUP

Consistent, close integration of the Group and brand strategies with the operational planning process ensures transparency in the Volkswagen Group when it comes to the financial assessment and evaluation of strategic decisions. The operational medium-term planning that is conducted once a year and generally covers a period of five years is incorporated into the strategic planning as a key management element of the Group.

Medium-term planning forms the core of our operational planning and is used to formulate and safeguard the requirements for realizing strategic projects designed to meet Group targets in both technical and economic terms – and particularly in relation to earnings, cash flow and liquidity effects. In addition, this planning also serves as a basis for coordinating all business areas with respect to the strategic action areas concerned, namely functions/processes, products and markets.

When planning the Company's future, the individual planning components are determined on the basis of the timescale involved:

- The long-term sales plan, which sets out market and segment development and then derives the Volkswagen Group's delivery volumes from this,
- The product program as the strategic, long-term factor determining corporate policy and
- Capacity and utilization planning for the individual sites.

The synchronized results of the upstream planning processes are integrated into the medium-term financial planning. These processes comprise the Group's financial planning, which extends to the brand groups, the individual brands and the business fields, and covers the income statement, cash flow and balance sheet planning, profitability and liquidity, as well as upfront investments needed for alternative products and the implementation of strategic options in the future. The first year of the medium-term planning period is fixed and a budget is drawn up for the individual months. This is planned in detail down to the level of the operating cost centers.

The budget is reviewed each month to establish the target achievement level. Key internal management instruments in this respect are target/actual and prior-year comparisons, regularly prepared variance analyses and, where necessary, action plans to ensure that targets are met. Detailed forecasts for the quarters and for the full year are prepared four times in each fiscal year, taking into account the current risks and opportunities. Adjustments are also made whenever major events occur. The focus of internal management in the course of the year is therefore on

adapting ongoing activities. The current forecast serves as the starting point for the subsequent medium-term and budget planning.

CORE PERFORMANCE INDICATORS IN THE VOLKSWAGEN GROUP

In line with our management process, we have defined core performance indicators in the Volkswagen Group for which we provide an estimate for the coming year in the Report on Expected Developments:

- Deliveries to customers
- Sales revenue
- Operating result
- Operating return on sales
- Automotive investment ratio
- Net cash flow in the Automotive Division
- Net liquidity in the Automotive Division

Deliveries to customers (including the Chinese joint ventures) are defined as handovers of new vehicles to the end customer. This figure reflects the popularity of our products and is the relevant measure we use to determine our competitive position in the various markets. In our view, one of the most important prerequisites for the Company's long-term success is a strong brand portfolio that – on the basis of outstanding quality – offers tailor-made mobility solutions in the form of safe, connected, resource-efficient and largely emission-free vehicles. This portfolio comprises a diverse product range and a broad spectrum of services throughout the customer and product life cycle, along with competitive technologies, thereby meeting the diverse needs of customers worldwide. Demand for our products and mobility services forms the basis for unit sales and production and consequently for the capacity utilization of our sites and for employment.

Sales revenue, which does not include the figures for our equity-accounted Chinese joint ventures, reflects our market success in financial terms. Following adjustment for our use of resources, the operating result reflects the Company's actual business activity and documents the economic success of our core business. The operating return on sales is the ratio of the operating result to sales revenue.

The automotive investment ratio indicates the ratio of investment to sales revenue and is calculated by adding the research and development ratio (R&D ratio) and the capex to sales revenue ratio. The R&D ratio in the Automotive Division shows total research and development costs as a share of sales revenue. Research and development costs comprise a range of expenses, from futurology to the development of our marketable products. Particular emphasis is placed on the environmentally friendly orientation and digitalization of our product portfolio, the expansion of our battery expertise, the development of software and new platforms and the creation of new technologies. The R&D ratio reflects the activities we have undertaken to safeguard the Company's future viability. The ratio of capex (investments in property, plant and equipment, investment property and intangible assets, excluding capitalized development costs) to sales revenue in the Automotive Division reflects both our innovative power and our future competitiveness. It shows our capital expenditure – largely for modernizing, expanding, electrifying and digitalizing our product range, for environmentally friendly drivetrains and boosting our market presence in the USA and China, and for adjusting production resources and optimizing production processes – in relation to the Automotive Division's sales revenue.

Net cash flow in the Automotive Division represents the excess funds from operating activities available for dividend payments, for example. It is calculated as cash flows from operating activities less cash flows from investing activities attributable to operating activities.

Net liquidity in the Automotive Division is the total of cash, cash equivalents, securities, time deposits and loans to affiliates and joint ventures not financed by third-party borrowings.

STRATEGIC FINANCIAL PERFORMANCE INDICATORS

We use strategic financial performance indicators for the long-term orientation of our Company beyond our medium-term planning. These indicators are aligned with the Volkswagen Group's strategic objectives and are aimed at enabling us to maintain our position as a financially robust Group and to remain competitive both now and in the future. Particularly against the backdrop of the evolving geopolitical situation, expectations of slower market growth including the delayed ramp-up of e-mobility, and the related adjustment of our product planning, we lowered our 2030 strategic ambition for the operating return on sales from 9 to 11% to 8 to 10%. We are counteracting these negative factors with our extensive performance programs. The strategic financial performance indicators that are currently being applied are presented in the table below:

STRATEGIC FINANCIAL PERFORMANCE INDICATORS

	2025	Ambition 2030
Operating return on sales	2.8%	8 to 10%
Automotive investment ratio	11.8%	~9%
Cash conversion rate in the Automotive Division[1]	122.1%	>60%
Net liquidity in the Automotive Division	10.7%	>10% of consolidated sales revenue

1 Net cash flow as a percentage of the operating result in the Automotive Division

We pursue a holistic approach to significant cost cutting through the Drive Cost Disruption imperative within our Group strategy and the operationalized targets of the Group's Top 10 program. The objective is to secure the Group's competitiveness for the long term. Innovative solutions that create new potential to optimize technical variance and sustainable value chains are to be promoted by means such as the systematic integration of digital technologies, the realization of AI-based pilot projects, and the establishment of regional centers of excellence. In addition, a resilient basis for strategically oriented capital allocation is to be created through the structured development and consolidation of actions at brand and Group level.

Overall, the program makes a key contribution to the transformation of the Volkswagen Group by establishing forward-looking governance models and actively supporting the generation of ideas throughout the Group to achieve our ambitious cost targets by 2035.

Structure and Business Activities

This chapter describes the legal and organizational structure of the Volkswagen Group and explains the material changes in 2025 with respect to equity investments.

LEGAL STRUCTURE OF THE GROUP

Volkswagen AG is the parent company of the Volkswagen Group. It develops vehicles and components for the Group brands, and also produces and sells vehicles, in particular the passenger cars and light commercial vehicles from the Volkswagen Passenger Cars and Volkswagen Commercial Vehicles brands. In its capacity as parent company, Volkswagen AG holds direct or indirect interests in AUDI AG, SEAT S.A., Škoda Auto a.s., Dr. Ing. h.c. F. Porsche AG, TRATON SE, Volkswagen Financial Services AG, Volkswagen Financial Services Overseas AG and a large number of other companies in Germany and abroad. More detailed disclosures are contained in the list of shareholdings in accordance with sections 285 and 313 of the *Handelsgesetzbuch* (HGB – German Commercial Code), which can be accessed at https://www.volkswagen-group.com/Financial-Reports and is part of the annual financial statements.

Volkswagen AG is a vertically integrated company as defined by section 3 no. 38 of the *Energiewirtschaftsgesetz* (EnWG – German Energy Industry Act) and is therefore subject to the provisions of the EnWG. In the electricity sector, Volkswagen AG generates and sells electricity as a group together with subsidiaries. Separate accounts are therefore to be kept for certain activities in the electricity sector in accordance with section 6b(3) of the EnWG (obligation to unbundle accounts). Moreover, the subsidiary VW Kraftwerk GmbH distributes electricity and also operates metering points within the meaning of the *Messstellenbetriebsgesetz* (MsbG – Metering Point Operation Act).

The Volkswagen AG Board of Management has sole responsibility for managing the Company. The Supervisory Board appoints, monitors and advises the Board of Management; it is consulted directly on decisions that are of fundamental significance for the Company.

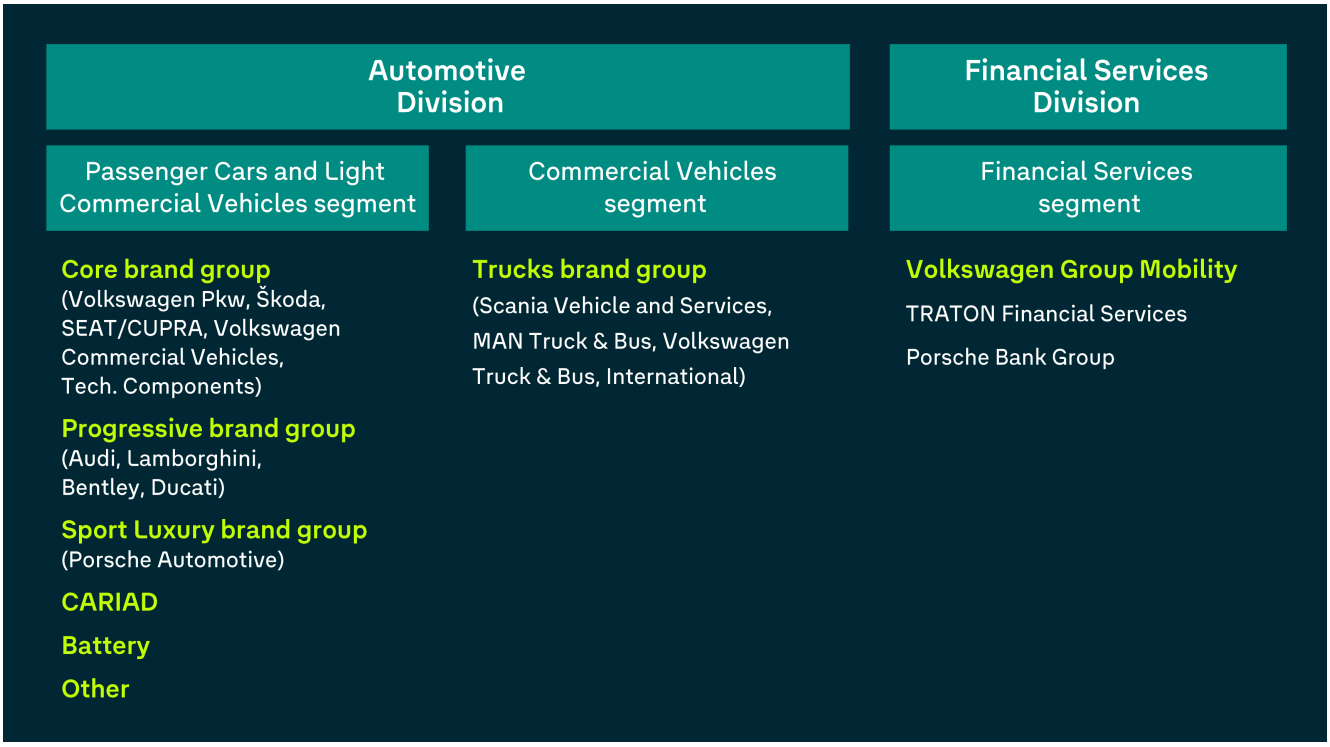
ORGANIZATIONAL STRUCTURE OF THE GROUP AND BUSINESS MODEL

The Volkswagen Group is one of the leading multibrand groups in the automotive industry, with a global workforce (excluding the Chinese joint ventures) of 602,659 (614,082) as of the end of the reporting year. The company's business model covers the Automotive and Financial Services divisions. The Volkswagen Group's significant products include passenger cars and commercial vehicles in the Automotive Division, as well as financial services. Our core brands within the Automotive Division – with the exception of the Volkswagen Passenger Cars and Volkswagen Commercial Vehicles brands – are independent legal entities.

Since fiscal year 2025, the Automotive Division has comprised the two reportable segments Passenger Cars and Light Commercial Vehicles, and Commercial Vehicles.

The Passenger Cars and Light Commercial Vehicles segment primarily consolidates the Volkswagen Group's passenger car brands and the Volkswagen Commercial Vehicles brand. Activities focus on the development of vehicles, engines, motors, vehicle software and batteries, the production and sale of passenger cars and light commercial

REPORTING STRUCTURE OF THE VOLKSWAGEN GROUP



vehicles, and the genuine parts business. The product portfolio ranges from compact cars to luxury vehicles and also includes motorcycles. It is supplemented by mobility solutions.

The Commercial Vehicles segment primarily comprises the development of vehicles, engines, motors, the production and sale of trucks and buses, the genuine parts business and related services. The commercial vehicles portfolio ranges from light vans to heavy trucks and buses. The collaboration between the commercial vehicle brands is coordinated within TRATON SE.

The Financial Services Division corresponds to the Financial Services segment. Its activities comprise dealership and customer financing, leasing, direct banking and insurance activities, fleet management and mobility services.

With its brands, the Volkswagen Group mainly serves individual, corporate and fleet customers in all markets around the world that are relevant for the Group, including Europe and Other Markets, North America, South America and Asia-Pacific. In certain markets, there are restrictions for the product portfolio of the Volkswagen Group under export control and sanction law.

Volkswagen AG and the Volkswagen Group are managed by the Volkswagen AG Board of Management in accordance with the Volkswagen AG Articles of Association and the rules of procedure for Volkswagen AG's Board of Management issued by the Supervisory Board.

Accordingly, responsibilities in the Board of Management are currently divided among ten Board functions. In addition to the "Chair of the Board of Management" function, the other Board functions are "Technology", "Finance and Operations", "Human Resources and Trucks brand group", "Integrity and Legal Affairs", "Progressive brand group", "Sport Luxury brand group", "China", "IT" and "Core brand group". The Chair of the Board of Management was also responsible for the "Sport Luxury brand group" Board function until December 31, 2025; as of January 1, 2026, the full Board of Management is responsible for this function until further notice. The Board of Management member responsible for the "Core brand group" function is also responsible for the "Human resources" subdivision of the "Human Resources and Trucks brand group" function until further notice; the full Board of Management is responsible for the "Trucks brand group" subdivision until further notice. Further information on the composition of the Board of Management can be found in the "Members of the Board of Management" section.

Directly attached to the Board are a number of Group Management functions that act as an extension to the Board functions. These comprise the "Group Sales", "Group Production", "Group Procurement" and "Group Research and Development" functions.

The allocation of responsibilities on the Board of Management is based on the rules of procedure issued by the Supervisory Board. This is structured in such a way as to help the Board of Management to focus on key tasks such as strategy, central decisions on the Company's direction, capital allocation and financial requirements. The task of the extended Board-level management functions is to leverage synergies in the Group and to connect the brands and divisions.

Board of Management committees exist at Group level for the following areas: products, technologies, investments, digital transformation, integrity and compliance, risk management and management issues. In addition to the responsible Board of Management members, the committees include representatives of the departments relevant to the subject, and of the brands, brand groups and companies involved.

We are continually revising and optimizing these and other top management committees in the Group in order to verify that they still align with our Group strategy and to further increase the efficiency of their decision making. This reduces complexity and reinforces governance within the Group.

In line with our Group strategy, the Volkswagen Group's current steering model is based on strong customer orientation, entrepreneurship and team spirit and follows the "value over volume" principle, prioritizing sustainable value creation. This is also reflected in the steering model of the Group's brand groups. The Core brand group comprises the Volkswagen Passenger Cars, Škoda, SEAT/CUPRA and Volkswagen Commercial Vehicles brands. The Progressive brand group comprises the Audi, Lamborghini, Bentley and Ducati brands. The Sport Luxury brand group consists of the Porsche brand. The company responsible for this brand, Dr. Ing. h.c. F. Porsche AG (Porsche AG), is listed on the stock market. In the Trucks brand group, TRATON SE acts as the umbrella for the Scania, MAN, Volkswagen Truck & Bus and International commercial vehicles brands. TRATON SE is also a listed company.

We are confident that our corporate structure, which connects not only the brand groups but also the technology platforms, will enable us to make better use of existing expertise and economies of scale, leverage synergies more systematically and accelerate decision making. In our view, clear responsibilities and a high degree of business responsibility in the brand groups and technology platforms form the basis for our sustainable success.

Each brand within the Volkswagen Group is managed by a brand board of management, which is responsible for the brand's independent and self-contained development and business operations. To the extent permitted by law, the board adheres to the Group targets and requirements laid down by the Board of Management of Volkswagen AG, as well as to the agreements in the brand groups. This allows Group-wide interests to be pursued, while at the same time safeguarding and reinforcing each brand's specific characteristics. Matters that are of importance to the Group as a whole are submitted to the Volkswagen AG Board of Management to enable synergetic implementation, to the extent permitted by law. Group policies decided by the Group Board of Management are an important instrument in this regard. Volkswagen AG employs Group policies as steering instruments to communicate its requirements, such as uniform standards and frameworks for action, to the Group companies. The rights and obligations of the statutory bodies of the relevant brand company remain unaffected by this.

The Volkswagen Group companies are managed independently by their respective managements. The management of each individual company takes into account not only the interests of its own company but also the interests of the Group, the relevant brand group and the individual brands in accordance with the framework laid down by law.

VOLKSWAGEN AG SHAREHOLDINGS
www.volkswagen-group.com/Financial-Reports

MATERIAL CHANGES IN EQUITY INVESTMENTS

After reaching technical milestones and obtaining the necessary official approvals, Rivian and Volkswagen Group Technologies, LLC, Palo Alto/USA (Rivian and Volkswagen Group Technologies), a joint venture between the Volkswagen Group (Volkswagen) and US electric vehicle manufacturer Rivian Automotive, Inc., Irvine/USA (Rivian), commenced activities on November 13, 2024. The two partners hold equal shares in the joint venture, which operates as an independent company.

The aim of the partnership is to develop next generation software-defined vehicle (SDV) architectures to be used in the future vehicles of both companies. The joint venture builds on Rivian's existing software and electrical architecture to facilitate the joint development of best-in-class architectures and software for the SDVs of both partners.

Volkswagen is planning to invest up to USD 5.8 billion in Rivian and the Rivian and Volkswagen Group Technologies joint venture by no later than January 2028. An initial investment in Rivian was made already in June 2024, taking the form of an unsecured convertible note of USD 1 billion, which was converted into ordinary shares of Rivian on December 3, 2024. When the operations of Rivian and Volkswagen Group Technologies commenced, Volkswagen invested an additional approximately USD 1.3 billion in 2024, in particular for the acquisition of the licenses in Rivian's existing architecture technology and for the 50-percent share of the joint venture. A further investment of USD 1 billion was made in June 2025 in the form of the purchase of ordinary shares of Rivian. As a result, Volkswagen's equity interest in Rivian rose to 12.3%. When certain technical milestones are reached in 2026 and 2027, Volkswagen expects to make further investments of up to USD 2.5 billion in the form of equity and debt, of which up to USD 1.5 billion is to be for ordinary shares of Rivian.

LEGAL FACTORS INFLUENCING BUSINESS

Like other international companies, the business of Volkswagen companies is affected by numerous laws in Germany and abroad. In particular, there are legal requirements relating to services, development, products, production and distribution, as well as supervisory, data protection, financial, company, commercial, capital market, anti-trust and tax law regulations and regulations relating to labor, banking, state aid, energy, environmental and insurance law.

GROUP CORPORATE GOVERNANCE DECLARATION

The Group Corporate Governance Declaration can be found in this annual report and is permanently available on our website at www.volkswagen-group.com/en/corporate-governance.

GROUP CORPORATE GOVERNANCE DECLARATION
www.volkswagen-group.com/en/corporate-governance

Disclosures Required under Takeover Law

This chapter contains the Volkswagen Group's disclosures relating to takeover law required by sections 289a and 315a of the HGB.

CAPITAL STRUCTURE

Volkswagen AG's share capital amounted to €1,283,315,873.28 as of December 31, 2025, unchanged from the previous year. It was composed of 295,089,818 ordinary shares and 206,205,445 preferred shares. Each share conveys a notional interest of €2.56 in the share capital.

SHAREHOLDER RIGHTS AND OBLIGATIONS

The shares convey pecuniary and administrative rights. The pecuniary rights include in particular the shareholders' right to participate in profits (section 58(4) of the Aktiengesetz (AktG – German Stock Corporation Act)), the right to participate in liquidation proceeds (section 271 of the AktG) and preemptive rights to shares in the event of capital increases (section 186 of the AktG), which can be disapplied by the general meeting with the approval of the special meeting of preferred shareholders, where appropriate. Administrative rights include the right to attend the general meeting, to speak there, to ask questions, to propose motions and to exercise voting rights. In 2023, the general meeting adopted a resolution to amend Article 19(3) of the Articles of Association of Volkswagen AG, thus authorizing the Board of Management to decide flexibly and in the interests of the Company and its shareholders on the appropriate format for the general meeting for a period of five years.

Shareholders can enforce their pecuniary and administrative rights in particular via actions seeking disclosure and actions for avoidance.

Each ordinary share grants the holder one vote at the general meeting. The general meeting elects shareholder representatives to the Supervisory Board and elects the auditors; in particular, it resolves on the appropriation of net profit, formally approves the actions of the Board of Management and the Supervisory Board, and resolves on amendments to the Articles of Association of Volkswagen AG, capital measures and authorizations to purchase treasury shares; if required, it also resolves on the performance of a special audit, the removal before the end of their term of office of Supervisory Board members elected by the general meeting and the winding-up of the Company.

Preferred shareholders generally have no voting rights. However, in the exceptional case that they are granted voting rights by law (for example, when preferred share dividends were not paid in one year and not compensated for in full in the following year), each preferred share also grants the holder one vote at the general meeting. Furthermore, preferred shares entitle the holder to a €0.06 higher dividend than ordinary shares (further details on this right to preferred and additional dividends are specified in Article 27(2) of the Articles of Association of Volkswagen AG).

The *Gesetz über die Überführung der Anteilsrechte an der Volkswagenwerk Gesellschaft mit beschränkter Haftung in private Hand* (VW-Gesetz – Act on the Privatization of Shares of Volkswagenwerk Gesellschaft mit beschränkter Haftung) of July 21, 1960, as amended on July 30, 2009, includes various provisions in derogation of the German Stock Corporation Act, for example on the exercising of voting rights by proxy (section 3 of the VW-Gesetz) and on majority voting requirements at the general meeting (section 4(3) of the VW-Gesetz).

In accordance with the Volkswagen AG Articles of Association (Article 11(1)), the State of Lower Saxony is entitled to appoint two members of the Supervisory Board of Volkswagen AG for as long as it directly or indirectly holds at least 15% of Volkswagen AG's ordinary shares. In addition, resolutions by the general meeting that are required by law to be adopted by a qualified majority require a majority of more than four-fifths of the share capital of the Company that is represented when the resolution is adopted (section 25(2)), regardless of the provisions of the VW-Gesetz.

SHAREHOLDINGS EXCEEDING 10% OF VOTING RIGHTS

Shareholdings in Volkswagen AG that exceed 10% of the voting rights are shown in the notes to the annual financial statements of Volkswagen AG, which are available online at www.volkswagen-group.com/Financial-Reports. The current notifications regarding changes in voting rights in accordance with the *Wertpapierhandelsgesetz* (WpHG – German Securities Trading Act) are published at www.volkswagen-group.com/distribution-of-voting-rights.

COMPOSITION OF THE SUPERVISORY BOARD

The Supervisory Board consists of 20 members, half of whom are shareholder representatives. In accordance with Article 11(1) of the Articles of Association of Volkswagen AG, the State of Lower Saxony is entitled to appoint two of these shareholder representatives for as long as it directly or indirectly holds at least 15% of the Company's ordinary shares. The remaining shareholder representatives on the Supervisory Board are elected by the General Meeting.

The other half of the Supervisory Board consists of employee representatives. These are elected by the employees in accordance with the *Mitbestimmungsgesetz* (MitbestG – German Codetermination Act). A total of seven of these employee representatives are employees elected by the workforce. The other three employee representatives are trade union representatives elected by the workforce.

The Chair of the Supervisory Board is generally a shareholder representative elected by the other members of the Supervisory Board. In the event that a Supervisory Board vote is tied, the Chair of the Supervisory Board has a casting vote in accordance with the MitbestG.

The goals for the composition of the Supervisory Board and information about its composition are described in the Group Corporate Governance Declaration in this annual report.

STATUTORY REQUIREMENTS AND REQUIREMENTS OF THE ARTICLES OF ASSOCIATION WITH REGARD TO THE APPOINTMENT AND REMOVAL OF BOARD OF MANAGEMENT MEMBERS AND TO AMENDMENTS TO THE ARTICLES OF ASSOCIATION

The appointment and removal of members of the Board of Management are governed by sections 84 and 85 of the AktG, which specify that members of the Board of Management are appointed by the Supervisory Board for a maximum of five years. Board of Management members may be reappointed or have their term of office extended for a maximum of five years in each case. In addition, Article 6 of the Articles of Association of Volkswagen AG states that the number of Board of Management members is stipulated by the Supervisory Board and that the Board of Management must consist of at least three persons. The members of the Volkswagen AG Board of Management must include at least one woman and at least one man.

The general meeting resolves amendments to the Articles of Association (section 119(1) of the AktG). In accordance with section 4(3) of the VW-Gesetz as amended on July 30, 2009 and Article 25(2) of the Articles of Association of Volkswagen AG, general meeting resolutions to amend the Articles of Association require a majority of more than four-fifths of the share capital represented.

POWERS OF THE BOARD OF MANAGEMENT, IN PARTICULAR CONCERNING THE ISSUE OF NEW SHARES AND THE REPURCHASE OF TREASURY SHARES

Under German stock corporation law, the general meeting can authorize the Board of Management to issue new shares for a maximum period of five years. A provision in the Articles of Association is required for this. It can also authorize the Board of Management to issue bonds on the basis of which new shares are to be issued, also for a maximum period of five years. The general meeting also decides the extent to which shareholders have preemptive rights to the new shares or bonds. The maximum amount of authorized share capital or contingent capital available for these purposes is determined by Article 4 of the Articles of Association of Volkswagen AG, as amended.

At the Annual General Meeting on May 10, 2023, a resolution was passed authorizing the Board of Management to increase the Company's share capital, subject to the consent of the Supervisory Board, on one or more occasions by a total of up to €227.5 million (corresponding to around 89 million shares) before May 9, 2028 by issuing new non-voting preferred shares against cash contributions. This authorization had not been used by the date of publication of this report.

Further details regarding the option of issuing new shares and how these shares may be used can be found in the notes to the consolidated financial statements.

MATERIAL AGREEMENTS OF THE PARENT COMPANY IN THE EVENT OF A CHANGE OF CONTROL FOLLOWING A TAKEOVER BID

In March 2025, a banking syndicate granted Volkswagen AG a syndicated line of credit amounting to €12.5 billion, which currently runs until March 2030. With the line of credit, the syndicate members were granted the right to call their portion of the syndicated line of credit in the two forms of a change of control described below. Firstly, a call right exists if one individual or several individuals acting jointly, who as of the date of this agreement exercise control over the Company, have legal or economic ownership of shares that together make up more than 90% of the voting rights of the Company. Secondly, a call right also exists if one individual or several individuals acting jointly, who as of the date of this agreement do not exercise control over the Company, obtain control over the Company. Such a call right does not exist, however, if one shareholder or several shareholders of Porsche Automobil Holding SE or one or several legal entities from the Porsche or Piëch family directly or indirectly obtain control over the Company.

Volkswagen AG and the Ford Motor Company entered into a Master Collaboration Agreement in January 2019. This agreement sets out a framework of obligations, that also apply to the further cooperation agreements, including those entered into between the parties in fiscal year 2021. It also covers the Development Agreement concluded in January 2019 for the development of the current generation of the Amarok. The Master Collaboration Agreement provides for a right of termination with immediate effect in the event of a change of control. A change of control has been defined to mean a change affecting more than 50% of the voting capital of one of the companies or a change in the ability to directly or indirectly control the management of a company through its decision-making bodies. The right of termination must be exercised within 90 days of the company becoming aware of a change of control.

Business Development

The world economy recorded positive growth in 2025. Global demand for vehicles was slightly higher than in the previous year. Amid a challenging market environment, the Volkswagen Group delivered 9.0 million vehicles to customers.

DEVELOPMENTS IN THE GLOBAL ECONOMY

The global economy continued to grow in 2025 at a pace similar to the previous year. In this context, the pace of growth picked up slightly in the emerging markets, while momentum in the advanced economies remained roughly at the prior-year level. While inflation rates fell in many countries, they remained elevated in some cases. Due to these differing conditions, central banks reduced key policy rates to varying degrees. Overall, geopolitical uncertainties, particularly those related to the economic policy stance of the USA and the increase in geo-economic measures, placed a strain on the global economic environment.

Europe/Other Markets

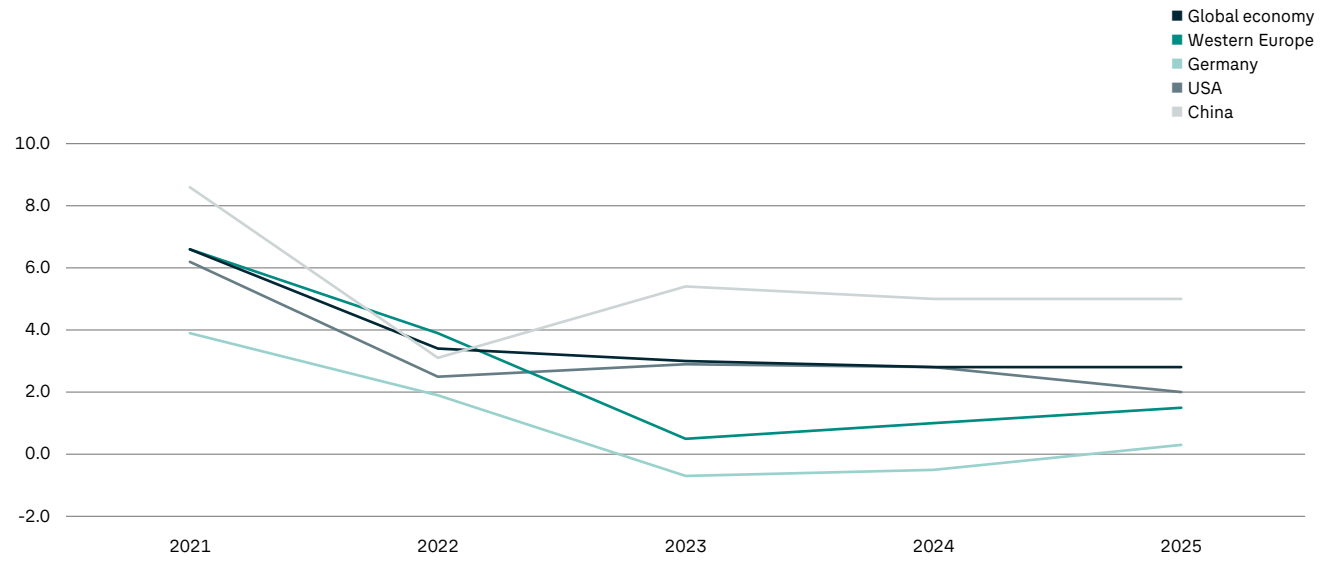
In the reporting year, the economy in Western Europe exhibited positive growth overall, higher than the prior-year level. Development in the individual countries in Northern and Southern Europe was mixed. In response to falling inflation rates, the European Central Bank lowered its key interest rate in eight rate cuts, beginning in June 2024. In 2025, the economies of Central Europe grew overall at a slightly higher pace on average than in the same period of the previous year, while Eastern Europe recorded a smaller increase.

Germany

German gross domestic product stagnated at the prior-year level in 2025 after having fallen in the two preceding years. Compared with 2024, the unemployment rate rose somewhat on average over the year. The harmonized rate of inflation in the reporting year was somewhat lower than the prior-year level.

ECONOMIC GROWTH

Percentage change in GDP



North America

In the USA, gross domestic product in the reporting year grew at a somewhat slower pace than in the previous year. The Federal Reserve had cut its key interest rates in several steps in the previous year but broke with this easing stance in the reporting year due to uncertainty surrounding the impact of the US administration's economic policy actions, and only resumed its monetary policy easing in September 2025. In Canada and Mexico, economic growth was down somewhat year-on-year.

South America

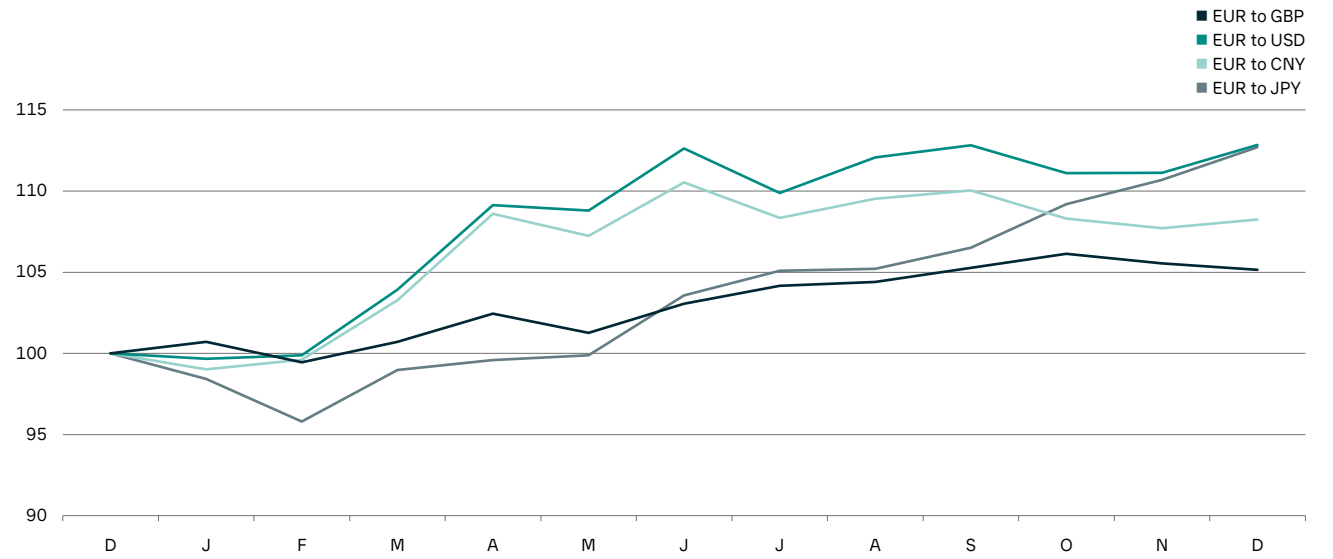
In Brazil, economic output grew at a somewhat slower pace, while economic growth in Argentina picked up considerably following a negative trend over two consecutive years.

Asia-Pacific

Growth in China's economic output was above the global average and hovered around the prior-year level in the reporting year. India's economy grew at a similarly strong rate as in 2024. Japan's economic output increased.

EXCHANGE RATE MOVEMENTS FROM DECEMBER 2024 TO DECEMBER 2025

Index based on month-end prices: as of December 31, 2024 = 100



EXCHANGE RATE TRENDS

The euro appreciated against the US dollar, pound sterling and the currencies of several emerging markets on an annual average in 2025. In particular, the Argentinian peso and Turkish lira lost value against the European single currency due to the persistent extremely high rates of inflation. The Mexican peso, the Brazilian real and the South African rand were also weaker than the euro on average compared with 2024. Similarly, the Chinese renminbi and the currencies of several emerging markets in Asia depreciated against the euro year-on-year.

INTEREST RATE TRENDS

The ongoing trend of falling inflation rates allowed central banks in many countries to cut their key interest rates in the reporting year. On a global average, interest rates in the reporting year were therefore at a somewhat lower level than in the previous year. National central banks in nearly all of the major Western industrialized nations made corresponding adjustments to their key interest rates to differing extents. Key interest rate cuts were also recorded in many emerging markets.

COMMODITY PRICE TRENDS

The commodity markets turned in a mixed performance in the reporting year, with price trends for individual groups of commodities sometimes moving in opposite directions. The fourth quarter of 2025 saw an acceleration in price rises for some industrial metals, battery materials and precious metals. Compared with the previous year as a whole, the average prices for the commodities lithium, crude oil, coking coal, nickel, iron ore, and lead fell significantly in most cases. By contrast, prices for cobalt, aluminum and copper rose. The price of natural rubber remained virtually unchanged. Averaged over the year, the prices of the precious metals rhodium and platinum recorded a strong increase, while the price increase for palladium was significant.

TRENDS IN THE MARKETS FOR PASSENGER CARS AND LIGHT COMMERCIAL VEHICLES

In 2025, the volume of the passenger car market worldwide was slightly up on the prior-year figure, with all regions developing favorably. While Africa, South America, Asia-Pacific, the Middle East, and Central and Eastern Europe recorded significant to slight growth, Western Europe and North America remained in the range of the prior year.

The global volume of new registrations of light commercial vehicles in fiscal year 2025 was in the range of the previous year.

Sector-specific environment

Along with fiscal policy measures, the sector-specific environment was affected by the economic situation, which contributed to the mixed trends in unit sales in the markets in the fiscal year now ended. The fiscal policy measures included tax cuts and increases, the introduction, expiry and adjustment of incentive programs and sales incentives, as well as import tariffs. In addition, non-tariff trade barriers to protect the respective domestic automotive industries made the movement of vehicles, parts and components more difficult.

Europe/Other Markets

In Western Europe, the number of new passenger car registrations in 2025 was in the range of the previous year. The performance of the large individual passenger car markets in this region was mixed. The United Kingdom registered slight growth and Spain significant growth, while the market volume in Italy and France decreased slightly.

In the reporting year, the volume of new registrations for light commercial vehicles in Western Europe was significantly down year-on-year.

In the Central and Eastern Europe region, there was a slight increase in the volume of the passenger car market between January and December 2025. Positive movement was recorded in the number of vehicles sold in the major markets of Central Europe.

In fiscal year 2025, the market volume of light commercial vehicles in Central and Eastern Europe was significantly lower than in the previous year.

Germany

The number of new passenger car registrations in Germany from January to December 2025 was in the range of the previous year. There was positive development primarily in new registrations of all-electric vehicles. Production in Germany increased to 4.2 million vehicles (+2.0%) in 2025, while passenger car exports stagnated at 3.2 million units (-0.3%).

The number of light commercial vehicles sold in Germany in the reporting year was noticeably lower than the 2024 comparative figure.

North America

Sales of passenger cars and light commercial vehicles (up to 6.35 tonnes) were in the range of the previous year in the North America region in fiscal year 2025. The market volume in the USA and Mexico also remained similar to that of the previous year, but increased slightly in Canada.

South America

In the South America region, the volume of new vehicle registrations for passenger cars and light commercial vehicles was noticeably higher in the reporting year than for 2024. The number of new registrations in Brazil increased slightly compared with the previous year, while the Argentinian market recorded very strong growth.

Asia-Pacific

In the Asia-Pacific region, the volume of the passenger car market from January to December 2025 was slightly up on that of the previous year. The number of new registrations in the Chinese passenger car market was slightly higher than the 2024 figure due to measures including extensive government sales incentives and lower prices. The Indian and Japanese passenger car markets also saw slight growth.

In 2025, the volume of demand for light commercial vehicles in the Asia-Pacific region was slightly above the level for the previous year. Registration volumes in China, the region's dominant market and the largest market worldwide, were noticeably higher year-on-year.

TRENDS IN THE MARKETS FOR PASSENGER CARS AND LIGHT COMMERCIAL VEHICLES

	MARKET VOLUME		CHANGE
Units	2025	2024	(%)
Markets for passenger cars			
Western Europe	**11,866,706**	**11,644,494**	**1.9%**
of which: Germany	2,857,851	2,817,331	1.4%
France	1,632,155	1,714,914	-4.8%
United Kingdom	2,020,239	1,952,778	3.5%
Italy	1,534,388	1,567,248	-2.1%
Spain	1,208,138	1,066,544	13.3%
Central and Eastern Europe	**2,532,436**	**2,482,987**	**2.0%**
of which: Czech Republic	248,719	231,600	7.4%
Poland	598,968	553,221	8.3%
Other Markets	**4,803,401**	**4,571,626**	**5.1%**
of which: Türkiye	1,050,000	980,341	7.1%
South Africa	423,043	351,759	20.3%
North America	**19,752,456**	**19,401,459**	**1.8%**
of which: USA	16,331,902	16,042,766	1.8%
Canada	1,895,971	1,854,371	2.2%
Mexico	1,524,583	1,504,322	1.3%
South America	**4,318,683**	**3,953,563**	**9.2%**
of which: Brazil	2,552,177	2,487,536	2.6%
Argentina	577,336	389,885	48.1%
Asia-Pacific	**38,568,225**	**37,380,376**	**3.2%**
of which: China	24,344,262	23,431,254	3.9%
India	4,365,584	4,206,814	3.8%
Japan	3,832,947	3,708,939	3.3%
Worldwide	**81,841,907**	**79,434,505**	**3.0%**
of which: all-electric vehicles (BEVs)[1]	13,254,556	10,811,897	22.6%
Markets for light commercial vehicles			
Western Europe	**1,620,228**	**1,805,339**	**- 10.3**
of which: Germany	273,822	289,716	-5.5
Central and Eastern Europe	**278,065**	**319,504**	**-13.0**
Asia-Pacific	**4,942,468**	**4,800,044**	**3.0**
of which: China	2,540,000	2,411,852	5.3
Worldwide	**7,715,499**	**7,803,270**	**-1.1**

1 Major markets; no data is yet available for individual (minor) markets.

TRENDS IN THE MARKETS FOR COMMERCIAL VEHICLES

In the markets that are relevant for the Volkswagen Group, demand for mid-sized and heavy trucks with a gross weight of more than 6 tonnes was noticeably below the level of the comparative period in fiscal year 2025. Globally, truck markets were on a level with the previous year.

In the 27 EU states, excluding Malta, but including the United Kingdom, Norway and Switzerland (EU27+3), the number of new truck registrations was noticeably down, albeit to differing degrees in the various markets. New registrations in Germany, the largest market in this region, fell significantly short of the prior-year level. The United Kingdom and France registered a noticeable decline year-on-year. The truck market in North America is divided into weight classes 1 to 8. In the segments relevant for Volkswagen – Class 6 to 8 (8.85 tonnes or heavier) – the level of new registrations was significantly lower than in the previous year. In South America, demand for trucks in the reporting year was slightly above that of the previous year.

Demand in the bus markets relevant for the Volkswagen Group was up noticeably on the prior-year level. Demand for buses in the EU27+3 markets was up significantly, with the picture varying from country to country. Demand on the bus markets in North America was on a level with the previous year overall, though the individual markets exhibited very different trends. For example, the school bus segment in the USA and Canada recorded a significant increase, while new registrations of buses in Mexico saw a strong decrease compared with the previous year. Demand for buses in South America was up significantly year-on-year.

TRENDS IN THE MARKETS FOR FINANCIAL SERVICES

Demand for automotive financial services was high in fiscal year 2025.

Movement on the European passenger car market was similar to that of the previous year in the year under review. Sales of financial services products exceeded the prior-year figure, primarily in the new car business. A positive trend was also observed in the sale of after-sales products such as servicing, maintenance and spare parts agreements.

New passenger car registrations in Germany in the period from January to December 2025 were on a level with the prior year. There was an increase in the number of new contracts in the financial services business. This trend is attributable to leasing contracts with individual and corporate customers. New vehicle financing was on a level with the prior year. The penetration of new vehicles exceeded the previous year's figure and trends on the used car business were also positive. The number of new service contracts increased year-on-year, primarily in the field of maintenance. There were fewer new contracts in the insurance business, but there was an increase in the number of passenger car insurance contracts concluded.

In Türkiye, the political environment calmed down in the reporting year. This led to key interest rates being cut, which in turn had a positive impact on the refinancing situation. While the leasing-based fleet business remained challenging, the lending business showed itself to be robust. In the insurance business, a slight decline began to emerge in the premium segment.

In South Africa, there was a strong increase in vehicle sales in 2025 compared with the previous year. As a result, the number of financed purchases also increased. Used cars were popular on account of higher prices for new vehicles. Although the South African Reserve Bank cut key interest rates, financing costs remained high amid challenging economic conditions.

The market environment in the North America region was challenging in the reporting year, particularly in light of tariff discussions and vehicle availability. In the USA, the number of leasing and financing contracts, new vehicle penetration and new contracts for insurance and aftersales products were all down on the respective prior-year figures despite rising penetration figures in the second half of the year. In Canada and Mexico, demand for leasing and financing contracts was lower than in the previous year, while new contracts for insurance and after-sales products were up on the prior-year figures.

In the South America region, the market for financial services remained strong, underpinned by growing demand for mobility and financing solutions. Interest rates remained high in Brazil, although expectations of interest rate cuts improved the market environment. Trends in the demand for mobility and financing solutions were positive thanks to improved consumer sentiment, increased credit availability and brisk business from marketing campaigns. In Argentina, the number of financial services contracts concluded benefited from stabilizing macroeconomic conditions despite political uncertainty.

Demand for electrified vehicles in the Chinese automotive market continued to rise between January and December 2025, and trends in the used vehicles segment were also positive. After the first quarter, which saw an increase in banks edging into the market with their products, the regulatory authorities reined in these competitive measures in June, which in turn boosted demand for automotive financial services. Interest subsidies for consumer loans generated further stimulus in the market. Japan's highly competitive automotive market showed growth in the sale of new and used cars in the reporting period despite rising inflation and refinancing costs. A positive trend was also observed in the electric vehicle sales contained in these figures. There was a strong rise in digital and flexible financing models.

The financial services business for commercial vehicles was down on the prior-year level in 2025.

NEW GROUP MODELS IN 2025

With a total of ten brands, the Volkswagen Group offers its customers a broad selection of vehicles – from all-electric and hybrid models to vehicles with traditional combustion engines – that are tailored to their customers' requirements and serve different mobility needs. We expanded this portfolio by adding further models in the fiscal year now ended.

The Volkswagen Passenger Cars brand presented the second generation of the popular T-Roc in 2025. Along with a new design and innovative drivetrains, it features a broad range of assistance systems and technologies from higher vehicle classes. Another vehicle that was launched was the Tayron, a versatile SUV with up to seven seats that is also available as a plug-in hybrid. South America saw the successful introduction of the Tera SUV in 2025, positioned below the T-Cross. The new Tiguan, tailored to the needs of local customers, and the Taos were introduced to the North American market.

Škoda, which celebrated its 130th anniversary in the reporting year, launched its new model in the Modern Solid design of the battery-electric Enyaq. The electric Enyaq and Elroq SUV series were overhauled and expanded to include sporty RS models. In the Indian market, the Kylaq rounds off the range of vehicles developed and produced locally.

CUPRA introduced the Black Edition and the Tribe Edition to its model lineup in 2025.

SEAT expanded its range for the SEAT Leon and SEAT Leon Sportstourer. The Ibiza and Arona models were refreshed with new design elements and technological updates.

Volkswagen Commercial Vehicles broadened its latest iteration of the Transporter to include the Caravelle model. In addition, the Transporter is now available with an electric drive system, also in double cab variants.

Audi expanded its all-electric model portfolio in 2025 with the market launch of the A6 e-tron, the A6 Sportback e-tron and the sporty Q6 Sportback e-tron. The A6 e-tron is the second model based on the Premium Platform Electric (PPE) and leverages its benefits in terms of performance, range, efficiency and charging. A further highlight was the launch of the new generation of the Q3 and Q3 Sportback. The collaboration between Audi and its Chinese partner SAIC culminated in the 2025 launch of the first production model of the "AUDI" brand mark created specifically for the Chinese market: the E5 Sportback.

In 2025, Porsche unveiled the top-of-the-range model of its 911 series, the new 911 Turbo S with bi-turbo drivetrain featuring T-Hybrid technology. Additional derivatives were also launched, including the 911 Carrera 4S and Taycan GTS.

Bentley launched the new ultra performance hybrid versions of its Continental GT and Flying Spur models in 2025. The new Bentayga Speed was also introduced to the market.

Lamborghini successfully brought out the Urus SE and the new Temerario in 2025.

Ducati launched the new Panigale V4, Multistrada V2, Multistrada V4, and Streetfighter V4 in 2025. The new 890cc V2 engine made its debut in the Streetfighter V2 and Panigale V2.

TRATON GROUP focused its activities on the TRATON Modular System in the reporting year.

Scania added the new Super 11 engine to its drivetrain portfolio.

MAN expanded series production of battery-electric heavy-duty trucks in 2025. In addition, series production of vehicles based on the Group-wide powertrain platform began.

International launched additional models based on the shared powertrain on the market. Moreover, work on the commercialization of Level 4 autonomous driving was also pursued.

Volkswagen Truck & Bus worked with partners to develop holistic e-mobility solutions for customers, thereby supporting creation of the first zero-emission corridor in Brazil.

VOLKSWAGEN GROUP DELIVERIES

The Volkswagen Group delivered 8,983,900 vehicles to customers worldwide in the fiscal year. This was 0.5% or 42,781 units fewer than in the previous year. Sales in both the Passenger Cars and Light Commercial Vehicles and Commercial Vehicles segments were down year-on-year.

VOLKSWAGEN GROUP DELIVERIES[1]

	2025	2024	%
Passenger Cars and Light Commercial Vehicles	8,678,334	8,692,465	–0.2
Commercial Vehicles	305,566	334,216	–8.6
Total	**8,983,900**	**9,026,681**	**–0.5**
of which: all-electric vehicles (BEVs)	983,120	744,571	+32.0

1 The figures include the equity-accounted Chinese joint ventures. Prior-year deliveries have been updated to reflect subsequent statistical trends.

Deliveries of electrified vehicles from the Volkswagen Group saw positive development: we handed over 983,120 all-electric vehicles (including heavy commercial vehicles) to customers worldwide in the reporting year. This was 238,549 units or 32.0% more than in the previous year. The share of the Group's total deliveries rose to 10.9(8.2)%. Deliveries to customers of our plug-in hybrid models rose to 427,980 units (+57.7%). Electrified vehicle deliveries rose by 38.9% overall year-on-year, meaning that their share of total Group deliveries grew to 15.7 (11.3)%. The Group brands' highest-volume all-electric vehicles included the ID.4 and ID.3 from Volkswagen Passenger Cars, the Škoda Elroq and Škoda Enyaq, the CUPRA Born and CUPRA Tavascan, the ID. Buzz from Volkswagen Commercial Vehicles, the Audi Q4 e-tron and Q6 e-tron, and the Porsche Macan.

In the following, we report separately on deliveries in the Passenger Cars and Light Commercial Vehicles segment and the Commercial Vehicles segment.

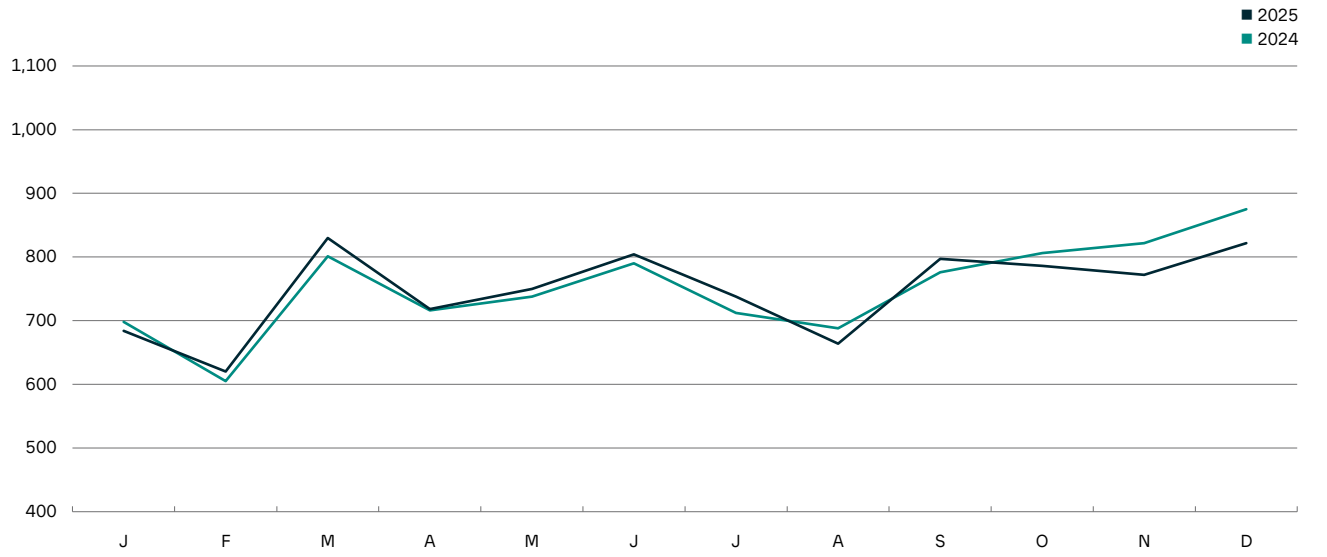
GLOBAL DELIVERIES IN THE PASSENGER CARS AND LIGHT COMMERCIAL VEHICLES SEGMENT

With its passenger car brands, the Volkswagen Group is represented in all relevant automotive markets around the world, including Europe and Other Markets, North and South America and Asia-Pacific.

Sales of Volkswagen Group passenger cars and light commercial vehicles worldwide amounted to 8,678,334 units in fiscal year 2025 amid challenging market conditions. This was 0.2% or 14,131 vehicles fewer than in the previous year. While Škoda and SEAT/CUPRA increased vehicle deliveries and Lamborghini remained on a level with the previous year, Volkswagen Passenger Cars, Volkswagen Commercial Vehicles, Audi, Bentley and Porsche did not achieve their respective prior-year figures. At a regional level, we saw demand rise for passenger cars and light commercial vehicles from the Volkswagen Group in Western Europe, Central and Eastern Europe, South America, Africa and the Middle East. North America and Asia-Pacific by contrast, failed to match their prior-year figures.

VOLKSWAGEN GROUP DELIVERIES BY MONTH

Vehicles in thousands



In an overall global market that saw slight growth, we achieved a passenger car market share of 10.1 (10.5)%. Our BEV market share in the markets assessed was 6.9 (6.6)%.

The table at the end of this section gives an overview of passenger car and light commercial vehicle deliveries to customers of the Volkswagen Group in the regions and the key individual markets. The sales figures for Group models in these markets and regions are explained below.

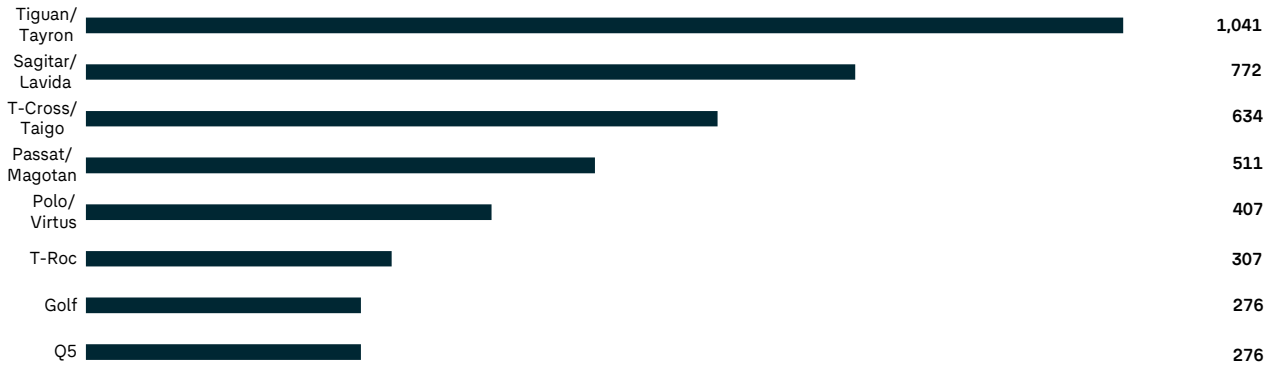
Deliveries in Europe/Other Markets

In Western Europe, the Volkswagen Group delivered 3,265,898 passenger cars and light commercial vehicles to customers in the reporting year, 3.9% more than in the previous year. The overall market in the same period was similar to the previous year. Customer interest in the Volkswagen Group's electrified vehicles was strongest in Western Europe, where we delivered more than 70% of global sales of our all-electric models, or 719,407 units (including heavy commercial vehicles), to customers in the reporting year. The number of all-electric models handed over to customers was up 64.6% year-on-year. Their share of Group deliveries in this region rose to 21.3 (13.4)%. The Group vehicles that achieved the highest sales volumes were the T-Roc, Tiguan and Golf hatchback from the Volkswagen Passenger Cars brand. Other models that recorded encouraging demand included the ID.7 Tourer and ID.3 from Volkswagen Passenger Cars, the Škoda Kodiaq, CUPRA Terramar and CUPRA Tavascan, the ID. Buzz from Volkswagen Commercial Vehicles, the Audi A5 Avant and the Audi Q6 e-tron. The T-Roc and Tayron from Volkswagen Passenger Cars, the Elroq and Enyaq from Škoda and the Audi Q3, Q5, A6 Saloon, A6 Avant and A6 e-tron, among others, were introduced to the market as new or successor models in the reporting year. The Volkswagen Group's share of the passenger car market in Western Europe amounted to 25.0 (24.4)%. The BEV market share increased to 26.9 (21.1)%.

In the Central and Eastern Europe region, the number of vehicles handed over to customers in 2025 was up 8.9% year-on-year. The overall market experienced a slight increase, while there was noticeably positive development in the markets that are relevant for us. The Group vehicles that achieved the highest sales volumes were Škoda's Octavia Combi, Octavia saloon, Kodiaq and Kamiq. The Volkswagen Group's share of the passenger car market in the Central and Eastern Europe region increased to 19.4 (18.2)% and the BEV market share in the markets assessed rose to 23.5 (15.4)%.

WORLDWIDE DELIVERIES OF THE MOST SUCCESSFUL GROUP MODEL RANGES IN 2025

Vehicles in thousands



In Türkiye, where the overall passenger car market expanded noticeably, the Volkswagen Group delivered 15.0% more vehicles to customers in the past fiscal year than in 2024. The T-Roc from Volkswagen Passenger Cars was the most sought-after Group model. In the South African market, which recorded strong growth, the number of Group models sold declined by 4.1%. The Polo Vivo from the Volkswagen Passenger Cars brand was the most sought-after Group model in this region.

Deliveries in Germany

In Germany, the number of vehicles delivered to Volkswagen Group customers increased by 5.5% to 1,184,588 units year-on-year. The overall market in the same period was similar to 2024. At 240,359 units, the number of all-electric vehicles (including heavy commercial vehicles) delivered increased by 75.9% year-on-year. Their share of the Group's total deliveries rose to 19.6 (11.8)%. The Group vehicles that achieved the highest sales volumes were the T-Roc, Tiguan and Golf hatchback from the Volkswagen Passenger Cars brand. In addition, the ID.7 Tourer and ID.3 from Volkswagen Passenger Cars, the CUPRA Terramar and CUPRA Tavascan, and the Audi A5 Avant, among others, saw encouraging demand. Six Group models led the *Kraftfahrt-Bundesamt* (KBA – German Federal Motor Transport Authority) registration statistics in their respective segments: the Golf, T-Roc, Tiguan, Passat, Multivan/Transporter and Porsche 911. The Golf was again the most popular passenger car in Germany in terms of registrations in 2025.

Deliveries in North America

In North America, the number of Volkswagen Group models delivered to customers in the reporting year declined by 8.5% to 880,634 units in an overall market that was similar to the previous year. The volume of all-electric models delivered in North America (including heavy commercial vehicles) increased by 27.3% year-on-year to 82,389 units. Their share of total Group deliveries in this region rose to 8.7 (6.1)%. The Taos, Tiguan and Jetta from the Volkswagen Passenger Cars brand were the most sought-after Group models in North America. The Taos and Tiguan from Volkswagen Passenger Cars, the Audi A5, Q5 and A6 Sportback e-tron and the Porsche 911, among others, were introduced to the market as new or successor models in the reporting year. The Group's share of the market in this region amounted to 4.5 (5.0)%. The BEV market share rose to 5.7 (4.2)%.

In the US market, which was in the range reported in the previous year, the Volkswagen Group delivered 12.4% fewer vehicles to customers in the reporting year than in 2024. This was due in particular to the challenging market environment impacted primarily by the tariff situation. The volume of all-electric vehicles delivered in the USA increased by 45.7% year-on-year to 71,972 units (including heavy commercial vehicles). Their share of the Group's total deliveries rose to 11.5 (6.8)%. The Atlas, Tiguan, Taos and Jetta from the Volkswagen Passenger Cars brand recorded the highest sales volume among all Group vehicles.

In Canada, the number of vehicles delivered to Volkswagen Group customers was up 4.3% year-on-year in 2025. The market as a whole recorded slight growth at the same time. The Group models with the highest volume of demand were the Taos, Tiguan and Jetta from the Volkswagen Passenger Cars brand.

We sold 3.0% fewer vehicles to customers in Mexico in the past fiscal year in an overall market that was similar to the previous year. Demand developed encouragingly for the Tiguan from Volkswagen Passenger Cars, among other vehicles.

Deliveries in South America

In the South American market for passenger cars and light commercial vehicles, which recorded noticeable growth, the number of Group models handed over to customers in 2025 was up 13.8% on the prior-year figure, at 596,352 units. The Polo and T-Cross from Volkswagen Passenger Cars were the Group models with the highest sales volumes. There was also encouraging demand for the Tera, which was newly launched by the Volkswagen Passenger Cars brand. The Group's share of the market in South America rose to 13.8 (13.3)%. In the South America region, the market for all-electric vehicles is still at a low level.

In the Brazilian market, which is exhibiting slight growth, the Volkswagen Group delivered 8.4% more vehicles to customers in the reporting year. Along with the newly launched Tera, the trend in the sales of the T-Cross and Saveiro models from Volkswagen Passenger Cars, for instance, was particularly encouraging.

In Argentina, the number of Volkswagen Group vehicles handed over to customers in 2025 increased by 48.1% year-on-year in an overall market recording very strong growth. The Group vehicles with the highest sales volume were the Amarok and Polo from the Volkswagen Passenger Cars brand.

Deliveries in the Asia-Pacific Region

In the past fiscal year, the Volkswagen Group saw deliveries to customers in the Asia-Pacific region fall by 6.5% to 3,004,945 vehicles, while there was a slight increase in the total passenger car market volume. The number of all-electric vehicles (including heavy commercial vehicles) delivered in this region decreased by 36.1% year-on-year to 143,288 units. Their share of the Group's total deliveries fell to 4.8 (7.0)%. The Group models with the highest sales volume were the Sagitar, Passat and Tiguan Allspace from the Volkswagen Passenger Cars brand. The Group's share of the passenger car market in the Asia-Pacific region declined to 7.8 (8.6)% and the BEV market share in the markets assessed fell to 1.6 (3.2)%.

In China, the overall passenger car market expanded slightly compared with the prior year. The Volkswagen Group's deliveries to customers in this country declined by 8.0% compared with 2024 to 2,692,191 units. The high intensity of competition continued to be the primary factor that negatively impacted sales figures in the reporting year. At 115,453 units, the number of all-electric vehicles (including heavy commercial vehicles) handed over to customers in China was 44.3% lower than the prior-year figure. Their share of the Group's total deliveries fell to 4.3 (7.1)%. The Group vehicles with the highest sales volume were the Sagitar, Passat and Magotan from the Volkswagen Passenger Cars brand. In addition, the T-Cross and Tiguan Allspace from Volkswagen Passenger Cars were among the models that saw an encouraging increase in demand. The Tayron, Teramont, Talagon, Lamando and Sagitar from Volkswagen Passenger Cars, the Jetta VA7 and Jetta VS8, the Audi A5L, A6L e-tron, Q6L e-tron and E5 Sportback and the Porsche 911, among others, were introduced to the market as new or successor models in the reporting year.

In the Indian passenger car market, which registered slight growth, the Volkswagen Group saw demand rise by 34.9% year-on-year in fiscal year 2025. Demand was particularly high for the Škoda Kylaq, which was introduced to the market as a new model. The Virtus from Volkswagen Passenger Cars was among the models that likewise recorded a high volume of demand.

In Japan, the number of Group vehicles delivered to customers in 2025 was up by 20.7% year-on-year in an overall market that recorded slight growth. The Group vehicles with the highest sales volume were the T-Cross and Golf hatchback from the Volkswagen Passenger Cars brand.

DELIVERIES TO CUSTOMERS IN THE PASSENGER CARS AND LIGHT COMMERCIAL VEHICLES SEGMENT[1]

	DELIVERIES (UNITS)		CHANGE
	2025	2024	(%)
Europe/Other Markets	**4,196,403**	**3,992,611**	**+5.1**
Western Europe	**3,265,898**	**3,143,916**	**+3.9**
of which: Germany	1,184,588	1,122,471	+5.5
France	269,922	277,097	–2.6
United Kingdom	493,703	493,758	0.0
Italy	264,561	271,868	–2.7
Spain	278,896	252,633	+10.4
Central and Eastern Europe	**529,059**	**485,620**	**+8.9**
of which: Czech Republic	125,040	112,923	+10.7
Poland	169,114	156,867	+7.8
Other Markets	**401,446**	**363,075**	**+10.6**
of which: Türkiye	205,506	178,713	+15.0
South Africa	65,090	67,878	–4.1
North America	**880,634**	**961,916**	**–8.5**
of which: USA	576,922	658,314	–12.4
Canada	131,628	126,207	+4.3
Mexico	172,084	177,395	–3.0
South America	**596,352**	**524,121**	**+13.8**
of which: Brazil	446,888	412,336	+8.4
Argentina	97,362	65,719	+48.1
Asia-Pacific	**3,004,945**	**3,213,817**	**–6.5**
of which: China	2,692,191	2,926,763	–8.0
India	115,239	85,395	+34.9
Japan	65,963	54,668	+20.7
Worldwide	**8,678,334**	**8,692,465**	**–0.2**
Volkswagen Passenger Cars	4,730,574	4,796,192	–1.4
Škoda	1,043,938	926,567	+12.7
SEAT/CUPRA	586,251	558,159	+5.0
Volkswagen Commercial Vehicles	393,693	408,281	–3.6
Audi	1,623,551	1,671,218	–2.9
Lamborghini	10,747	10,687	+0.6
Bentley	10,131	10,643	–4.8
Porsche	279,449	310,718	–10.1

1 The figures include the equity-accounted Chinese joint ventures. Prior-year deliveries have been updated to reflect subsequent statistical trends.

DELIVERIES IN THE COMMERCIAL VEHICLES SEGMENT

In fiscal year 2025, the Volkswagen Group handed over 8.6% fewer commercial vehicles to customers worldwide than in the previous year. We delivered a total of 305,566 commercial vehicles to customers. Trucks accounted for 239,839 units (–13.9%) and buses for 34,383 units (+23.1%). Deliveries to customers of the MAN TGE van series saw a significant increase compared with the prior year, to 31,344 (+13.3%) vehicles. Overall, the decline in the number of trucks sold was only partially offset by increased sales of buses and the MAN TGE van series in 2025.

In the 27 EU states excluding Malta, but including the United Kingdom, Norway and Switzerland (EU27+3), sales in the reporting year were up by 3.6% on the same period of the previous year to a total of 141,609 units, of which 103,892 were trucks and 7,133 were buses. The decrease in truck sales is attributable to continued buyer reluctance in the EU27+3 region. Deliveries of the MAN TGE van series to customers amounted to 30,584 vehicles.

There was a slight year-on-year increase in deliveries to customers in France to 13,858 vehicles in fiscal year 2025. Trucks accounted for 9,361 units and buses for 729 units, while 3,768 vehicles from the MAN TGE van series were sold. In the United Kingdom, the number of Volkswagen Group commercial vehicles delivered to customers fell noticeably year-on-year by 7.5% to a total of 12,635 vehicles. Of the units sold, 8,902 were trucks and 379 were buses.

Sales in North America declined to 66,201 (95,073) vehicles in the reporting year; this included 50,997 trucks and 15,204 buses. The strong decrease in truck sales compared with the same period of the previous year was partly attributable to buyer reluctance in an economic environment characterized by uncertainty, as well as uncertainty about the further development of the tariff situation, their impact and any reciprocal effects. The bus business, on the other hand, recorded a significant increase in sales figures due to the fact that the volume of the prior year had been impacted by the delayed ramp-up of the new school bus model at International. Declining transport activities resulted in a strong decrease in the number of deliveries in the USA. Sales in Mexico fell by more than 50% due to the tariff situation in the USA.

Deliveries to customers in South America decreased to a total of 66,688 units (–4.9%) in 2025; 57,764 of these were trucks and 8,922 were buses. In Brazil, the biggest market in this region, deliveries to customers decreased significantly in the reporting year to 50,930 units (–13.0%). This was mainly due to the economic downturn. Of the units delivered, 44,069 were trucks and 6,861 were buses.

In the Asia-Pacific region, the Volkswagen Group sold 9,230 vehicles in the reporting year, including 7,806 trucks and 1,424 buses. Overall, this was 2.4% less than in the previous year.

DELIVERIES TO CUSTOMERS IN THE COMMERCIAL VEHICLES SEGMENT[1]

	DELIVERIES (UNITS)		CHANGE
	2025	2024	(%)
Europe/Other Markets	163,447	159,529	+2.5
of which: EU27+3	141,609	136,700	+3.6
of which: Germany	39,057	36,168	+8.0
France	13,858	13,242	+4.7
United Kingdom	12,635	13,653	–7.5
North America	66,201	95,073	–30.4
of which: USA	51,482	68,805	–25.2
Mexico	8,815	19,007	–53.6
South America	66,688	70,156	–4.9
of which: Brazil	50,930	58,546	–13.0
Asia-Pacific	9,230	9,458	–2.4
Worldwide	**305,566**	**334,216**	**–8.6**
Scania	94,091	102,120	–7.9
MAN	101,632	95,705	+6.2
International	63,732	90,562	–29.6
Volkswagen Truck & Bus	46,111	45,829	+0.6

1 Prior-year deliveries have been updated to reflect subsequent statistical trends.

ORDERS RECEIVED IN THE PASSENGER CARS AND LIGHT COMMERCIAL VEHICLES SEGMENT

At 3,726,240 units, orders received in the 27 EU member states plus the United Kingdom, Norway, Iceland and Switzerland were up by 12.2% in the reporting year compared with 2024. Almost all major markets recorded a year-on-year improvement. While Italy and France saw single-digit growth, Germany, Spain and the United Kingdom each achieved growth of over 10% compared with the previous year. Orders received for battery-electric vehicles rose by around 55% versus the prior year level. This upward trend was underpinned by the launch of new models.

ORDERS RECEIVED FOR COMMERCIAL VEHICLES

Orders received for mid-sized and heavy trucks, buses and commercial vehicles from the MAN TGE van series amounted to 281,325 vehicles in 2025, noticeably exceeding the previous year's level, mainly as a result of an improvement in the truck business. The biggest rise in truck orders was observed in the EU27+3 region, primarily due to the recovery in business following a slow year for orders in 2024. There was a strong year-on-year decline in incoming orders for trucks in North America, with demand for mid-sized trucks weaker than for heavy trucks. Order intake declined noticeably in South America, with a significant drop in Brazil, but very strong increases in Argentina and Chile. The MAN TGE recorded a strong increase in order intake worldwide.

Order intake in the bus business declined significantly overall, as evidenced in the major regions of EU27+3, North America and South America. The strong decline in North America was due, among other reasons, to buyer reluctance and the impact of the US tariffs.

VOLKSWAGEN GROUP FINANCIAL SERVICES

The activities in the Financial Services Division cover the Volkswagen Group's dealer and customer financing, leasing, direct banking and insurance activities, fleet management and mobility services. The division extends to the financial services activities of Volkswagen Group Mobility, TRATON Financial Services and Porsche Holding Salzburg and also includes the contracts concluded by our international joint ventures.

There was strong demand for the products and services of the Financial Services Division in fiscal year 2025. The number of new financing, leasing, service and insurance contracts signed worldwide amounted to 11.5 (11.1) million. The ratio of leased and financed vehicles to Group deliveries (penetration rate) increased to 37.2 (34.1)% in the Financial Services Division's markets in the reporting year. The total number of contracts stood at 30.0 (28.5) million on December 31, 2025.

In Europe/Other Markets, 8.2 (7.9) million new contracts were signed. At 21.5 (20.4) million, the total number of contracts at the end of the reporting year was above the level reported on December 31, 2024. The customer financing/leasing area was responsible for 7.7 (7.3) million of these contracts.

The number of new contracts signed in North America in the period from January to December 2025 amounted to 1.3 (1.5) million contracts. The total number of contracts stood at 4.3 (4.3) million on December 31, 2025, of which 1.6 (1.7) million were in the customer financing/leasing area.

In the South America region, 1.2 (0.9) million new contracts were concluded in the past fiscal year. At the end of the reporting year, the total number of contracts had risen compared with December 31, 2024 to 2.2 (1.7) million, of which 0.9 (0.7) million contracts related to the customer financing/leasing area.

The number of new contracts signed in the Asia-Pacific region in the reporting year amounted to 808 (775) thousand. At the end of December 2025, the total number of contracts stood at 1.9 (2.2) million. The customer financing/leasing area was responsible for 1.0 (1.2) million of these contracts.

VEHICLE SALES

In the reporting period, the Volkswagen Group's global unit sales, defined as the Automotive Division's unit sales, remained at the prior-year level in a challenging market, at 9,022,111 (9,036,653) units (including the equity-accounted companies in China). Outside Germany, sales volume declined by 0.5% to 7,801,948 vehicles, due mainly to fewer vehicles being sold in China and the United States. The Volkswagen Group's unit sales excluding the equity-accounted companies in China amounted to 6,433,789 (6,294,998) vehicles and were therefore up by 2.2% on the previous year. Spain, India and Brazil in particular recorded growth. In Germany, unit sales increased by 2.1% year-on-year. The proportion of the Group's total unit sales attributable to Germany increased to 13.5 (13.2)%.

PRODUCTION

At 8,866,144 vehicles (including the joint ventures in China), the Volkswagen Group's global production, defined as the Automotive Division's production, from January to December 2025 was down 1.0% on the prior-year figure. The Volkswagen Group's production excluding the equity-accounted companies in China totalled 6,249,942 (6,213,442) vehicles, on a level with the previous year. Production in Germany rose by 6.1% to 1,789,409 vehicles. The percentage of the Volkswagen Group's total vehicle production manufactured in Germany increased to 20.2 (18.8)%.

INVENTORIES

Global inventories of new vehicles at Group companies, the equity-accounted companies in China and in the dealer organization were slightly higher at the end of the reporting year than at year-end 2024.

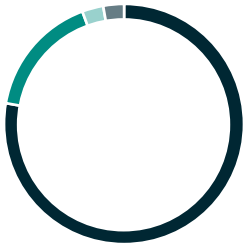
TOTAL WORKFORCE

Including the Chinese joint ventures, the Volkswagen Group employed an average of 667,164 people in fiscal year 2025, a decrease of 2.3%. In Germany, there were on average 286,505 employees under contract; at 42.9 (43.2)%, their share of the total workforce was below the level recorded in the previous year.

The number of active employees in the Volkswagen Group receded by 2.7% to 628,893 as of December 31, 2025. In addition, 16,925 employees were in the passive phase of their partial retirement and 17,124 young people were participating in a traineeship program. At the end of the reporting year, the Volkswagen Group's total workforce including the Chinese joint ventures amounted to 662,942 employees worldwide, 2.4% fewer than on December 31, 2024. There were 284,032 (–3.2%) employees in Germany, while 378,910 employees worked outside Germany (–1.9%). At the end of 2025, the Volkswagen Group's total workforce excluding the Chinese joint ventures had a total of 602,659 employees, which was 1.9% fewer than at the end of 2024.

EMPLOYEES BY SEGMENTS

as of December 31, 2025



Passenger Cars and Light Commercial Vehicles[1]	515,678
Commercial Vehicles	109,894
Financial Services	18,962
Other companies	18,408

1 Including the unconsolidated Chinese joint ventures.

VOLUME DATA OF THE VOLKSWAGEN GROUP FROM JANUARY 1 TO DECEMBER 31[1]

in thousands	2025	2024	%
Vehicle sales (units)	9,022	9,037	–0.2
Production (units)	8,866	8,954	–1.0
Total workforce (as of December 31)	662.9	679.5	–2.4

1 Including the unconsolidated Chinese joint ventures.

Shares and Bonds

The price of Volkswagen AG's ordinary and preferred shares developed encouragingly in the reporting year.

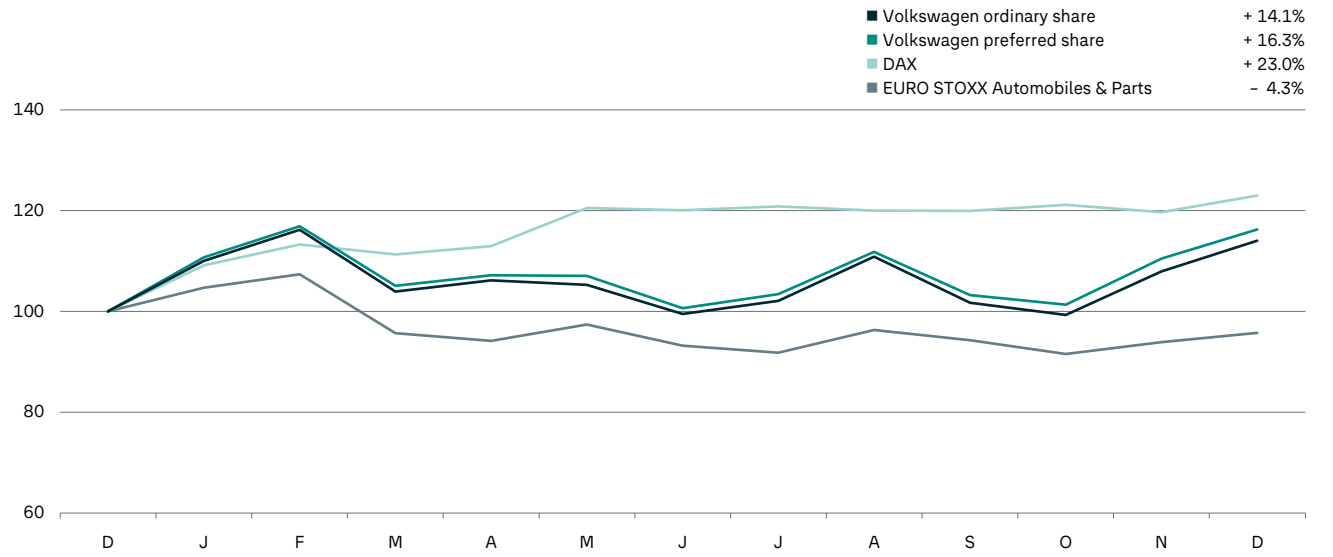
EQUITY MARKETS AND THE PRICE PERFORMANCE OF VOLKSWAGEN'S SHARES

Share prices on the international stock markets turned in a mixed performance in the 2025 reporting year. While the European markets initially outperformed those in the USA, geopolitical uncertainties led to increased volatility. On the US exchanges in particular, concerns arose that the US administration's trade policy could spark a recession in their domestic economy. Combined with the emergence of new competitors from China, this put the stocks of US companies, particularly those in the artificial intelligence and autonomous driving sectors, under pressure in the opening months of the year. Trading activity was also impacted by the escalation of the conflict in the Middle East. Later in the year, expectations of falling interest rates and the positive performance of technology securities initially fuelled a considerable rally in the stock prices in the USA.

The German stock index (DAX) initially got off to a subdued start in 2025 before beginning to climb in mid-January, hitting new all-time highs in quick succession. The German stock market barometer benefited in particular from market participants' hopes that the European Central Bank would cut interest rates. Reports of talks to broker peace in Ukraine and the prospect of economic recovery thanks to the planned investment package of the German government also had a positive impact, as did the European Commission's announcement of a flexibility measure to help the automotive industry comply with emissions regulations. The severe tariff hikes announced by the USA in early April 2025 led to great uncertainty, causing share prices to tumble. The DAX subsequently recouped its losses owing to hopes of advances in the global trade dispute and the decision to temporarily suspend tariff increases. The escalation in the Middle East conflict resulted in falling share prices in June 2025. Early in the third quarter of 2025, the DAX then scaled to a fresh high, due in part to the movement of capital from the USA to Germany as a consequence of the US tariff policy. Towards the end of the reporting year, the benchmark index exhibited a sideways shift but on December 31, 2025 was still 23.0% higher than the level reported at the end of 2024. As a performance index, the DAX takes into account the reinvestment of dividend payments. In the reporting period, the difficult market environment for the automotive industry continued to drag on the pure price index EURO STOXX Automobiles & Parts, which was down 4.3% on year-end 2024.

PRICE DEVELOPMENT FROM DECEMBER 2024 TO DECEMBER 2025

Index based on month-end prices: December 31, 2024 = 100



The prices of Volkswagen AG's preferred and ordinary shares initially developed very positively from the beginning of the reporting period until mid-March. The market reacted favourably to the *Zukunft Volkswagen* collective bargaining agreement reached at the end of 2024, which provides for structural measures and cost savings at Volkswagen sites in Germany. In addition, share price performance benefited from the European Commission's announcement that it will make emissions regulations more flexible, as well as from the Volkswagen Group's figures for fiscal year 2024 and what investors perceived to be a solid outlook for 2025. Starting in mid-March 2025, prices increasingly came under pressure. Deterioration in the industry and trade environment was primarily due to heightened trade policy tensions precipitated by the United States' announcement of considerable tariff increases and the resulting high levels of uncertainty surrounding future earnings performance. Later in the period, solid sales figures initially boosted the share prices until the escalation of the Middle East conflict once again took its toll. At the beginning of the third quarter of 2025, investors rated the Volkswagen Group's advances in its performance programs positively. Though the forecast for 2025 had been revised with the publication of the results for the first half-year, the share prices initially increased. However, a further revision of the 2025 forecast for the Volkswagen Group in September 2025 in light of the impacts from changes in product planning and the medium-term plans of Dr. Ing. h.c. F. Porsche AG initially put downward pressure on share prices. An upward trend was evident at the end of the reporting year, taking preferred shares up 16.3% and ordinary shares up 14.1% year-on-year as of year-end 2025. Both thus outperformed the DAX, and in particular the EURO STOXX Automobiles & Parts benchmark index. Assuming that the dividend paid out in May 2025 (before deduction of taxes) was reinvested in Volkswagen shares at the time of distribution, the total return on the preferred shares was 23.9% and the total return on the ordinary shares was 21.2%.

KEY FIGURES FOR VOLKSWAGEN SHARES AND MARKET INDICES FROM JANUARY 1 TO DECEMBER 31, 2025

		High	Low	Closing
Ordinary share	Price (€)	112.80	86.35	105.10
	Date	Mar. 10	Apr. 9	Dec. 31
Preferred share	Price (€)	110.15	83.84	103.55
	Date	Mar. 10	Apr. 9	Dec. 31
DAX	Price	24,611	19,671	24,490
	Date	Oct. 9	Apr. 9	Dec. 31
ESTX Auto & Parts	Price	593	448	510
	Date	Feb. 26	Apr. 9	Dec. 31

DIVIDEND POLICY

Volkswagen AG pursues a continuous dividend policy that allows shareholders to participate proportionally in the business success. Our dividend policy matches our financial strategy. The dividend proposed to the annual general meeting for the underlying year therefore reflects the financial management objectives – in particular, ensuring a solid financial foundation as part of the implementation of the corporate strategy.

The current dividend proposal can be found in the chapter entitled "Volkswagen AG (condensed, in accordance with the German Commercial Code)" of this annual report. The Board of Management is proposing a dividend of €5.20 (6.30) per ordinary share and €5.26 (6.36) per preferred share for fiscal year 2025. On this basis, the total payout amounts to €2.6 billion and is thus 17.4% below the previous year's figure of €3.2 billion. The payout ratio is based on the Group's earnings after tax attributable to Volkswagen AG shareholders, amounting to 39.2 (29.6)%. In 2025, the non-cash goodwill amortization allocated to the Porsche operating segment was not included in determining the assessment basis for the dividend payment. The payout ratio adjusted for this effect is 30.0% for the reporting year. We are pursuing the strategic goal of achieving a payout ratio of at least 30%.

DIVIDEND YIELD

Based on the dividend proposal for the reporting year, the dividend yield on Volkswagen ordinary shares is 4.9 (6.8)%, measured on the basis of the closing price on the last trading day in 2025. The dividend yield on preferred shares is 5.1 (7.1)%.

EARNINGS PER SHARE

Basic earnings per ordinary share amounted to €13.29 for fiscal year 2025, down 37.8% on the previous year. Basic earnings per preferred share declined by 37.7% to €13.35 compared with the prior-year figure. In accordance with IAS 33, the calculation is based on the weighted average number of ordinary and preferred shares outstanding in the reporting year. Since the number of basic and diluted shares is identical, basic earnings per share correspond to diluted earnings per share.

See also "Earnings per share" in the notes to the 2025 consolidated financial statements for the calculation of earnings per share.

SHAREHOLDER STRUCTURE AS OF DECEMBER 31, 2025

as a percentage of subscribed capital



SHAREHOLDER STRUCTURE

At the end of the reporting year, Volkswagen AG's subscribed capital amounted to €1,283,315,873.28. The chart above shows the shareholder structure of Volkswagen AG as of December 31, 2025.

The distribution of voting rights for the 295,089,818 ordinary shares was as follows at the reporting date: Porsche Automobil Holding SE, Stuttgart, held 53.3% of the voting rights. The second-largest shareholder was the State of Lower Saxony, which held 20.0% of the voting rights. Qatar Holding LLC was the third-largest shareholder with 17.0%. The remaining 9.7% of the ordinary shares were in free float.

Notifications of changes in voting rights in accordance with the *Wertpapierhandelsgesetz* (WpHG – German Securities Trading Act) are published on our website at www.volkswagen-group.com/distribution-of-voting-rights.

VOLKSWAGEN SHARE DATA

	Ordinary share	Preferred share
ISIN	DE0007664005	DE0007664039
WKN	766400	766403
Deutsche Börse/Bloomberg	VOW	VOW3
Reuters	VOWG.DE	VOWG_p.DE
Primary market indices	CDAX, Prime All Share	DAX, CDAX, STOXX EUROPE 600, EURO STOXX 50, EURO STOXX Automobiles & Parts, Prime All Share, MSCI Europe
Exchanges	Berlin, Dusseldorf, Frankfurt, Hamburg, Hanover, Munich, Stuttgart, Xetra	

VOLKSWAGEN SHARE KEY FIGURES

Dividend development		2025	2024	2023	2022	2021
Number of no-par value shares at Dec. 31						
Ordinary shares	thousands	295,090	295,090	295,090	295,090	295,090
Preferred shares	thousands	206,205	206,205	206,205	206,205	206,205
Dividend[1]						
per ordinary share	€	5.20	6.30	9.00	8.70	7.50
per preferred share	€	5.26	6.36	9.06	8.76	7.56
Dividend paid[1]	€ million	2,619	3,171	4,524	4,374	3,772
on ordinary shares	€ million	1,534	1,859	2,656	2,567	2,213
on preferred shares	€ million	1,085	1,311	1,868	1,806	1,559

Share price development[2]		2025	2024	2023[3]	2022[4]	2021
Ordinary share						
Closing	€	105.10	92.15	118.45	147.65	258.40
Price performance	%	+14.1	–22.2	–19.8	–42.9	+51.9
Annual high	€	112.80	151.50	181.65	279.40	327.20
Annual low	€	86.35	82.40	106.40	145.00	165.70
Preferred share						
Closing	€	103.55	89.04	111.80	116.42	177.48
Price performance	%	+16.3	–20.4	–4.0	–34.4	+16.4
Annual high	€	110.15	128.50	142.20	193.10	246.55
Annual low	€	83.84	80.32	99.14	114.88	144.80
Market capitalization at Dec. 31	€ billion	52.4	45.6	58.0	67.6	112.8
Equity attributable to Volkswagen AG shareholders and hybrid capital investors at Dec. 31	€ billion	188.3	182.3	175.0	165.4	144.4
Ratio of market capitalization to equity	factor	0.28	0.25	0.33	0.41	0.78

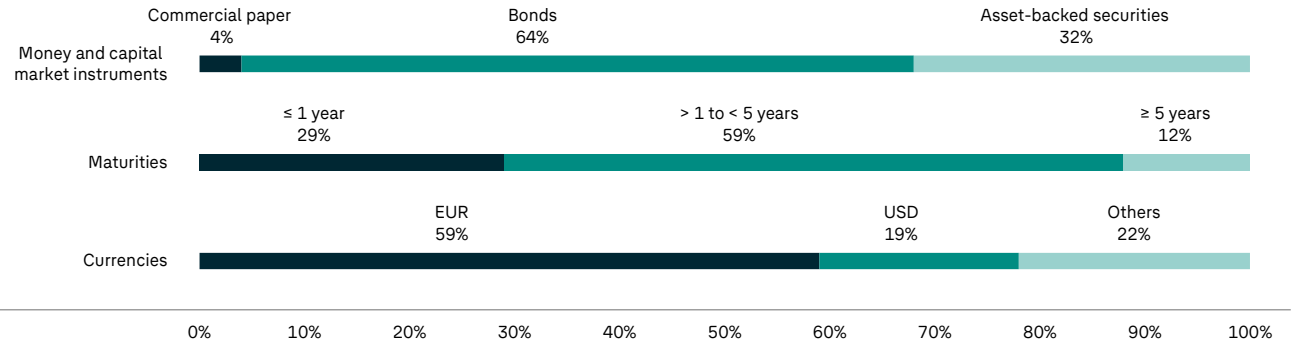
Key figures per share		2025	2024	2023[3]	2022[4]	2021
Earnings per ordinary share[5]						
basic	€	13.29	21.36	31.79	29.66	29.59
diluted	€	13.29	21.36	31.79	29.66	29.59
Equity attributable to Volkswagen AG shareholders and hybrid capital investors at Dec. 31	€	375.58	363.65	349.03	329.90	288.15
Price/earnings ratio[6]						
Ordinary share	factor	7.9	4.3	3.7	5.0	8.7
Preferred share	factor	7.8	4.2	3.5	3.9	6.0
Dividend yield[7]						
Ordinary share	%	4.9	6.8	7.6	5.9	2.9
Preferred share	%	5.1	7.1	8.1	7.5	4.3

Stock exchange turnover[8]		2025	2024	2023	2022	2021
Turnover of Volkswagen ordinary shares	€ billion	1.6	2.0	1.4	2.7	6.1
	million shares	16.6	18.3	10.2	13.5	23.3
Turnover of Volkswagen preferred shares	€ billion	26.6	27.7	31.4	44.9	58.8
	million shares	275.7	263.7	263.2	302.2	300.4
Volkswagen share of total DAX turnover	%	2.6	3.5	4.1	4.7	6.6

1 Figures for the years 2021 to 2024 relate to dividends paid in the following year. For 2021, the figures exclude the special dividend due to the IPO of Porsche AG. For 2025, the figures relate to the proposed dividend.
2 Xetra prices.
3 The year 2023 has been adjusted.
4 The year 2022 has been adjusted.
5 For the calculation see "Earnings per share" in the notes to the consolidated financial statements.
6 Ratio of year-end-closing price to earnings per share.
7 Dividend per share based on the year-end-closing price.
8 Order book turnover on the Xetra electronic trading platform (*Deutsche Börse*).

REFINANCING STRUCTURE OF THE VOLKSWAGEN GROUP

as of December 31, 2025



REFINANCING

The Volkswagen Group successfully refinanced on the international capital markets in a challenging market environment in 2025 by issuing bonds in various currencies and with varying terms.

Volkswagen Group of America Finance, LLC placed bonds with a total volume of USD 5.5 billion on the US capital market in March and September 2025. In November, a note was issued in the Canadian market in three tranches with a total volume of CAD 1 billion.

After Volkswagen International Finance N.V. had already been active locally on the Chinese capital market in previous years, it again issued what are known as Panda bonds worth CNY 2.5 billion in May and November 2025.

In May 2025, Volkswagen International Finance N.V. issued a green hybrid note in two tranches with a total volume of €1.9 billion based on a Green Finance Framework. The net proceeds were used to partially refinance the hybrid note issued in 2020 by Volkswagen International Finance N.V. with a principal amount of €1.5 billion, which was duly called with effect from June 17, 2025. Any net proceeds in excess of this amount will be used to refinance the hybrid note issued in 2014 by Volkswagen International Finance N.V. with a principal amount of €1.75 billion, which was duly called on February 4, 2026 with effect from March 24, 2026. This issuance temporarily increased the outstanding hybrid portfolio to €15.55 billion, which will decrease to €12.3 billion with the call in late March 2026.

In addition, Volkswagen International Finance N.V. issued senior, unsecured green bonds with a total volume of €0.9 billion in May and August 2025 based on the Green Finance Framework.

In January 2025, TRATON Finance Luxembourg S.A., an indirect subsidiary of TRATON SE, issued public bonds with a volume of €1.2 billion, followed by a further public bond of €0.75 billion in August. In addition, the equivalent total of €1.82 billion was raised in 2025 through private placements and bonds denominated in Swiss francs and Swedish krona.

Along with several private placements, public euro benchmark bonds structured as green bonds were also issued for the Financial Services Division. In June, October and December 2025, Volkswagen Bank GmbH placed three unsecured but senior preferred bonds, each in several tranches, totalling €6.0 billion. In fiscal year 2025, Volkswagen Financial Services N.V. issued bonds in Hong Kong dollars, euros, pounds sterling and Swedish krona equivalent to around €700 million.

In addition to this, securities were issued in various currencies and regions via various issuing companies in the respective divisions of the Volkswagen Group.

Another element of our refinancing activities were asset-backed securities (ABS) transactions, along with the issuance of senior, unsecured bonds. In Europe, public ABS transactions were placed with a total volume of €3.5 billion. Public ABS transactions were also issued in the United Kingdom, Australia, Japan and China.

Furthermore, the Volkswagen Group was actively involved in the commercial paper market with several issuing companies.

The proportion of fixed-rate refinancing instruments in the reporting year was twice as high as the proportion of floating-rate instruments.

In our refinancing arrangements, we generally aim to exclude interest rate and currency risks as far as possible with the simultaneous use of derivatives.

The following table shows which financial instruments were utilized on the money and capital markets as of December 31, 2025 and illustrates the financial flexibility of the Volkswagen Group:

Financial instruments	Authorized volume € billion	Amount utilized on Dec. 31, 2025 € billion
Unsecured commercial paper and bonds	302.4	109.6
of which: commercial paper		6.4
bonds		103.2
of which: hybrid issues		14.1
Asset-backed securities	109.3	51.4

Volkswagen AG's syndicated credit line of €12.5 billion agreed in March 2025 remained unused at the end of 2025. Volkswagen AG arranged a green loan in the amount of €1.0 billion in February 2025.

Of the confirmed syndicated credit lines totalling €15.6 billion at other Group companies, €0.0 billion has been drawn down. In addition, the Volkswagen Group had bilateral confirmed credit lines with national and international banks in various countries for a total of €2.5 billion, of which €0.1 billion was drawn down.

RATINGS

In December 2025, rating agency Standard & Poor's confirmed its short-term and long-term ratings for Volkswagen AG of A–2 and BBB+ respectively. However, the outlook was revised down from "stable" to "negative". In March 2025, Moody's Investors Service downgraded the long-term rating by one notch, from A3 to Baa1. The short-term rating remained unchanged at P–2. Both ratings were given a "stable" outlook. In April 2025, Fitch Ratings affirmed its short- and long-term credit ratings of Volkswagen AG at F1 and A– respectively, but revised Volkswagen's outlook from "stable" to "negative".

In December 2025, Standard & Poor's confirmed the ratings of Volkswagen Financial Services AG (VW FS AG), Volkswagen Bank GmbH (VW Bank) and Volkswagen Financial Services Overseas AG (VW FS Overseas AG) with a long-term rating of BBB+ and a short-term rating of A–2. Following the change for Volkswagen AG, the outlook was revised down from "stable" to "negative" for each, with the exception of VW Bank, which maintained its "stable" outlook. Moody's Investors Service cut its long-term rating for VW FS AG and VW FS Overseas AG in March 2025 after downgrading Volkswagen AG to Baa1, affirmed the short-term rating at P–2 and returned the outlook to "stable". By contrast, a long-term rating of A1 and a short-term rating of P–1 were confirmed for VW Bank. The outlook remained unchanged at "negative". In September 2025, Fitch Ratings affirmed the ratings for VW FS AG and VW FS Overseas AG, each with a long-term rating of A– and a short-term rating of F1. The rating for VW Bank was left at long-term senior preferred A and a short-term F1. In April 2025, the outlook was changed from "stable" to "negative" in each case following the revision for Volkswagen AG.

Standard & Poor's affirmed the short- and long-term ratings for TRATON SE at A-2 and BBB respectively in December 2025. Following the change for Volkswagen AG, the outlook was revised down to "negative" in December 2025. Moody's Investors Service maintained the long-term rating of Baa2 in October 2025, but revised the "positive" outlook to "stable". It also affirmed the short-term rating of P-2.

RATINGS

	VOLKSWAGEN AG		VOLKSWAGEN FINANCIAL SERVICES AG		VOLKSWAGEN BANK GMBH		VOLKSWAGEN FINANCIAL SERVICES OVERSEAS AG		TRATON SE	
	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
Standard & Poor's										
short-term	A-2	A-2	A-2	A-2	A-2	A-2	A-2	A-2	A-2	A-2
long-term	BBB+	BBB+	BBB+	BBB+	BBB+	BBB+	BBB+	BBB+	BBB	BBB
outlook	negative	stable	negative	stable	stable	stable	negative	stable	negative	stable
Moody's Investors Service										
short-term	P-2	P-2	P-2	P-2	P-1	P-1	P-2	P-2	P-2	P-2
long-term	Baa1	A3	Baa1	A3	A1	A1	Baa1	A3	Baa2	Baa2
outlook	stable	negative	stable	negative	negative	negative	stable	negative	stable	positive
Fitch Ratings										
short-term	F1	F1	F1	F1	F1	F1	F1	F1		
long-term	A-	A-	A-	A-	A	A	A-	A-		
outlook	negative	stable	negative	stable	negative	stable	negative	stable		

ESG RATINGS

Analysts and investors also refer to companies' sustainability profiles when making their investment recommendations and decisions. They draw on ESG ratings, among other things, to evaluate a company's environmental, social and governance performance. At the same time, these ratings are instrumental in monitoring the progress of our Group strategy, and they are used to determine internal measures.

In fiscal year 2025, Volkswagen's ESG rating from MSCI was unchanged at B, the rating from ISS STOXX was C+ and from CDP A-. In the Sustainalytics rating, the Volkswagen Group further improved its "medium risk" score.

Results of Operations, Financial Position and Net Assets

The year 2025 was marked by volatile geopolitical and geoeconomic conditions and competition that continues to intensify. In this challenging market environment, the Volkswagen Group generated sales revenue on a level with the prior year. The operating result declined, due primarily to the increase in import tariffs introduced in the USA at the beginning of April 2025 and to expenses in connection with the adjusted product planning and the impairment loss on goodwill at Porsche.

Since January 1, 2025, the Volkswagen Group's segment reporting under IFRS 8 has comprised the three reportable segments of Passenger Cars and Light Commercial Vehicles, Commercial Vehicles, and Financial Services. For reasons of materiality, the Power Engineering segment is no longer reported separately. In addition, information on other business activities and segments which are not subject to reporting requirements is summarized in the segment reporting under "Other operating companies". This combines primarily the large-bore diesel engines, turbomachinery and propulsion components businesses. The reconciliation of segment reporting includes the consolidation adjustments between the segments, unallocated Group financing activities, and the holding company function.

In line with this logic, the Volkswagen Group's financial reporting has, since January 1, 2025, been divided into the Automotive Division and the Financial Services Division, and also includes consolidation adjustments between those divisions. The Automotive Division comprises the Passenger Cars and Light Commercial Vehicles segment, the Commercial Vehicles segment, Other operating companies, unallocated Group financing activities and the holding company function. The Financial Services Division corresponds to the Financial Services segment. The consolidation adjustments, which contain the elimination of intragroup transactions between the two divisions, are reported separately. The prior-year figures of the Automotive Division reflect the changed reporting structure.

KEY FIGURES FOR 2025 BY SEGMENT

€ million	Passenger Cars and Light Commercial Vehicles	Commercial Vehicles	Financial Services	Total reporting segments	Other Operating Companies	Reconciliation	Volkswagen Group
Sales revenue	244,484	42,540	62,136	349,160	6,487	–33,733	321,913
Segment profit or loss (operating result)	4,966	2,417	3,708	11,090	198	–2,420	8,868
as a percentage of sales revenue	2.0	5.7	6.0	3.2			2.8
Capex, including capitalized development costs	20,953	2,784	270	24,008	335	3	24,346

PRODUCT STRATEGY REALIGNMENT AT PORSCHE

In fiscal year 2025, Dr. Ing. h.c. F. Porsche AG (Porsche) resolved to realign its product strategy, which specifies that the market launch of certain all-electric vehicles is to be postponed. In addition, models with combustion engines are to be offered for longer. Specifically, development of the planned new electric vehicles platform is to be rescheduled for the 2030s. In collaboration with other Volkswagen Group brands, the platform is to be redesigned from a technological standpoint. This rescheduling resulted in an impairment loss on capitalized project costs as well as expenses from the recognition of provisions for outstanding obligations of €2.0 billion, which were recognized in the Volkswagen Group's cost of sales. This affected not only Porsche, but also the Progressive brand group.

GOODWILL IMPAIRMENT AT PORSCHE

As part of the business planning adjustment at Porsche, the Volkswagen Group tested the goodwill allocated to the Porsche operating segment for impairment in the third quarter of 2025. The Porsche operating segment comprises the Porsche brand excluding those activities assigned to the Financial Services segment. This resulted in a non-cash impairment loss of €2.7 billion, which was recognized in other operating expenses of the Volkswagen Group. The impairment test was conducted using a discounted cash flow calculation that reflects the medium-term operating return on sales of 10 to 15% targeted by Porsche.

EFFECTS OF THE INCREASED IMPORT TARIFFS IMPOSED BY THE USA

Under a new trade agreement between the EU and the USA, a tariff of 15% for imports of European vehicles and vehicle parts into the USA was agreed in the third quarter of 2025. This arrangement applies retroactively from August 1, 2025, replacing the punitive tariffs of 25% in force since April 2025 and the standard tariff rate of 2.5%. Furthermore, tariffs of 25% have applied to vehicle imports from Mexico since April 2025. In addition, new import tariffs of 25% on mid-sized and heavy trucks entered into force as of November 1, 2025. Alongside the increased tariffs on vehicles and vehicle parts sold, the operating result was also weighed down by impairment losses for the measurement of vehicle inventories at net realizable value, as well as by higher provisions required for warranty obligations. In total, the increased import tariffs imposed by the USA resulted in expenses of €2.9 billion in the reporting year, which were recognized in cost of sales.

Restructuring in the Volkswagen Group

In fiscal year 2025, the Volkswagen Group recognized restructuring costs of €1.3 billion, mostly in other operating expenses. They are primarily attributable to AUDI AG, CARIAD SE and Volkswagen Sachsen GmbH. They were offset in this context by income of €0.3 billion from the reversal of personnel-related provisions at AUDI AG, most of which was recognized in cost of sales.

CO_2 FLEET REGULATION

In the reporting year, expenses totaling €0.5 billion were recognized for Europe, in accordance with applicable EU regulations, for provisions in connection with the CO_2 fleet regulation; they are presented in cost of sales. In addition, under the One Big Beautiful Bill Act of July 4, 2025, there was a legislative change in the USA for missing emissions targets in the US market. Overall, income recognized in this context was slightly outweighed by expenses for further US regulations in the reporting year.

RIVIAN

In June 2025, as part of its cooperation with the US electric vehicle manufacturer Rivian Automotive, Inc., Irvine/USA (Rivian), Volkswagen invested a further USD 1 billion in the ordinary shares of Rivian on the basis of the agreement entered into in the previous year. As a result, Volkswagen's equity interest in Rivian has risen to 12.3%. The purchase price was based on a defined average market price for the ordinary shares of Rivian plus a premium. The investment in Rivian is measured at fair value through other comprehensive income in the consolidated financial statements.

A detailed explanation of the cooperation with Rivian can be found in the "Material transactions of the previous fiscal year" section of the notes to the consolidated financial statements.

PLACEMENT OF TRATON SE SHARES

In March 2025, Volkswagen completed the placement of 11 million shares in TRATON SE, Munich (TRATON SE) at a price of €32.75 per share with a total value of €0.4 billion via its subsidiary Volkswagen International Luxembourg S.A., Strassen/Luxembourg. The placement corresponds to an interest of 2.2% in TRATON SE's share capital and reduces the direct interest in TRATON SE from 89.7% to 87.5%. In connection with the transaction, Volkswagen made known its intention to alter its shareholding to 75% plus one share in the medium term.

NORTHVOLT AB

The Swedish company Northvolt AB, Stockholm/Sweden (Northvolt), in which the Volkswagen Group holds an equity investment, filed for bankruptcy in Sweden on March 12, 2025. As a result, inclusion of the investment in the consolidated financial statements using the equity method ended as of March 31, 2025. This resulted in a non-cash loss of €0.1 billion, which is reported in the share of the result of equity-accounted investments. The loss is primarily the result of realizing currency translation effects, which had previously been recognized directly in equity. They were reclassified from other reserves attributable to equity-accounted investments to the share of the result of equity-accounted investments. The carrying amount of the investment had already been written down in full in fiscal year 2024. The write-down of the carrying amount of the investment and of the loan receivables from Northvolt resulted in a total non-cash expense of €0.7 billion in the previous year, which was recognized in the other financial result.

DIESEL ISSUE

As of fiscal year 2025, the effects of the diesel issue are no longer disclosed separately as special items. Expenses of €0.1 billion were recognized in connection with the diesel issue in the reporting year.

RESULTS OF OPERATIONS

Results of operations of the Group

In the period from January to December 2025, the Volkswagen Group generated sales revenue of €321.9 (324.7) billion, which was on a level with the previous year. The rise in vehicle sales excluding the Chinese joint ventures, and the positive sales revenue performance of the Financial Services Division had a beneficial effect, while exchange rate trends had an adverse impact. 80.5 (80.9)% of the Volkswagen Group's sales revenue came from outside Germany. Gross profit decreased by €8.2 billion to €51.2 billion. As a consequence, the gross margin declined to 15.9 (18.3)%.

The Volkswagen Group's operating result amounted to €8.9 (19.1) billion in fiscal year 2025. The operating return on sales was 2.8 (5.9)%. The year-on-year decline was due in particular to non-cash impairment losses on goodwill and capitalized project costs, as well as other expenses in connection with Porsche's adjusted product planning totaling €4.7 billion. Additional expenses of €2.9 billion arose in connection with the increase in import tariffs introduced in the USA at the beginning of April 2025. CO_2 fleet regulation in Europe also weighed on earnings, as did negative mix, price and exchange rate effects, and rising expenses for the establishment of the Battery business field. Adverse impacts from restructuring measures halved in the reporting year compared with the prior-year figure.

The financial result was up on the previous year at €0.4 (–2.3) billion. The share of the result of equity-accounted investments improved compared with the previous year. Adverse effects in connection with the equity investment in Northvolt weighed on this item in both periods; these effects were higher in the previous year than in the reporting year. Declining interest income reduced the interest result. The other financial result increased in fiscal year 2025, due primarily to positive factors affecting net income from securities and funds, while the prior-year period had been adversely affected in particular by impairment losses recognized in connection with the equity investment in Northvolt.

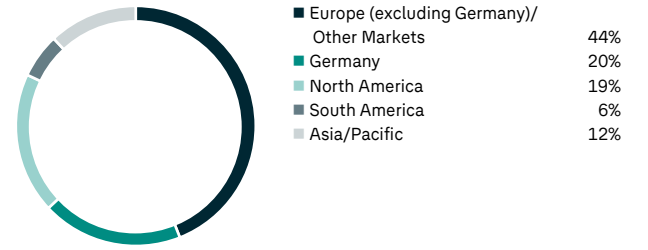
INCOME STATEMENT BY DIVISION

	VOLKSWAGEN GROUP		AUTOMOTIVE		FINANCIAL SERVICES		CONSOLIDATION ADJUSTMENTS[1]	
€ million	2025	2024	2025	2024[2]	2025	2024	2025	2024
Sales revenue	**321,913**	**324,656**	**290,390**	**290,646**	**62,136**	**58,769**	**–30,612**	**–24,759**
Cost of sales	–270,671	–265,184	–248,518	–238,396	–52,422	–50,714	30,270	23,926
Gross profit	**51,243**	**59,472**	**41,872**	**52,250**	**9,714**	**8,055**	**–342**	**–833**
Distribution expenses	–22,804	–22,320	–21,530	–21,474	–1,517	–1,196	243	350
Administrative expenses	–12,541	–12,754	–10,383	–10,352	–2,290	–2,529	132	127
Net other operating result	–7,029	–5,338	–4,680	–4,125	–2,199	–1,211	–151	–2
Operating result	**8,868**	**19,060**	**5,279**	**16,300**	**3,708**	**3,119**	**–119**	**–358**
Operating return on sales (%)	**2.8**	**5.9**	**1.8**	**5.6**	**6.0**	**5.3**	**–**	**–**
Share of profits and losses of equity-accounted investments	930	375	1,138	526	–208	–151	–	–
Interest result and Other financial result	–491	–2,629	292	–1,253	–159	26	–624	–1,402
Financial result	**439**	**–2,255**	**1,430**	**–728**	**–367**	**–125**	**–624**	**–1,402**
Earnings before tax	**9,307**	**16,806**	**6,709**	**15,572**	**3,340**	**2,994**	**–742**	**–1,761**
Income tax expense	–2,403	–4,411						
Earnings after tax	**6,904**	**12,394**						

1 Elimination of intragroup transactions between the Automotive and Financial Services divisions.
2 Figures reflect the reporting structure in force since 2025.

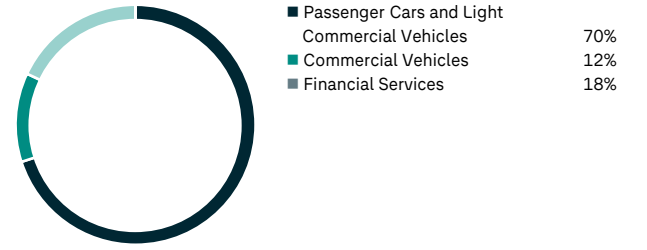
SHARE OF SALES REVENUE BY MARKET IN 2025

in percent



SHARE OF SALES REVENUE BY REPORTABLE SEGMENTS IN 2025

in percent



In fiscal year 2025, the Volkswagen Group's earnings before tax decreased by €7.5 billion to €9.3 billion. The return on sales before tax declined to 2.9 (5.2)%. Income taxes resulted in an expense of €2.4 (4.4) billion, which in turn led to a tax rate of 25.8 (26.3)%. In July 2025, an amendment to the *Körperschaftsteuergesetz* (KStG – German Corporate Income Tax Act) was adopted in Germany. As a result, the corporate income tax rate will be reduced in stages from 15% to 10% from 2028 onwards. In fiscal year 2025, this led to a gain of €0.9 billion from the measurement of deferred tax assets and deferred tax liabilities of the German Group companies. In contrast, the impairment loss recognized on Porsche's goodwill did not reduce the tax burden, resulting in a Group tax rate on a level with the previous year. At €6.9 billion, earnings after tax declined by €5.5 billion on the previous year.

Results of operations in the Automotive Division

In the period from January to December 2025, the Automotive Division recorded sales revenue of €290.4 (290.6) billion, which was on a level with the previous year. The rise in vehicle sales excluding the Chinese joint ventures had a beneficial impact, while exchange rate trends had an adverse impact. At €244.5 (241.5) billion, sales revenue in the Passenger Cars and Light Commercial Vehicles segment was similar to the previous year. It, too, was affected by the rise in vehicle sales excluding the Chinese joint ventures, offset by adverse exchange rate trends. The Commercial Vehicles segment generated €42.5 (46.2) billion, a noticeable decrease on the previous year primarily because of a decline in volumes. As our Chinese joint ventures are accounted for using the equity method, the Group's business performance in the Chinese passenger car market is essentially reflected in the Group's sales revenue only through deliveries of vehicles and vehicle parts.

Cost of sales increased faster than sales revenue than had been the case in the prior-year period. This item related primarily to higher material costs and expenses in connection with Porsche's adjusted project planning, as well as adverse impacts resulting from the increase in import tariffs introduced in the USA in April 2025 and from CO_2 fleet regulation in Europe. The Automotive Division's primary research and development costs in the reporting year amounted to €19.4 (21.0) billion, down –7.7% year-on-year; their share of the Automotive Division's sales revenue – the research and development ratio (R&D ratio) – decreased to 6.7 (7.2)%. The automotive investment ratio, which combines the R&D and capex ratios, declined to 11.8 (13.0)%. In addition to the environmentally friendly orientation of our product portfolio, the focus was mainly on the expansion of our battery expertise, the development of software and new platforms, and the creation of new technologies. The capitalization ratio was 48.1 (48.7)%. The research and development costs recognized in profit or loss rose to €18.4 (18.0) billion, due especially to the impairment loss recognized on capitalized project costs at Porsche.

RESEARCH AND DEVELOPMENT COSTS IN THE AUTOMOTIVE DIVISION

€ million	2025	2024[1]
Total research and development costs	19,412	21,030
of which: capitalized development costs	9,343	10,244
Capitalization ratio in %[2]	48.1	48.7
Amortization of capitalized development costs	8,365	7,209
Research and development costs recognized in profit or loss	**18,434**	**17,995**
Research and development ratio in % (R&D ratio)[3]	**6.7**	**7.2**

1 Prior-year figures adjusted.
2 Capitalized development costs as a share of total research and development costs.
3 Total research and development costs as a percentage of the Automotive Division's sales revenues.

In fiscal year 2025, distribution and administrative expenses and their respective share of sales revenue were virtually unchanged compared with the previous year. The other operating result decreased to €–4.7 (–4.1) billion due mainly to the impairment loss on the goodwill allocated to the Porsche operating segment. In addition, higher negative exchange rate effects weighed on this item. Adverse impacts from restructuring measures halved in the reporting year compared to fiscal year 2024. In addition, the fair value measurement of derivatives to which hedge accounting is not applied had a beneficial impact.

In the period from January to December 2025, the Automotive Division's operating result decreased by €11.0 billion to €5.3 billion. The year-on-year decline was due in particular to non-cash impairment losses on goodwill and capitalized project costs, as well as other expenses in connection with Porsche's adjusted product planning. Additional expenses arose in connection with the increase in import tariffs introduced in the USA at the beginning of April 2025. Moreover, CO_2 fleet regulation in Europe weighed on earnings. Changes in the mix, pricing and exchange rates and rising expenses for the establishment of the Battery business field also weighed on earnings. Adverse impacts from restructuring measures halved in the reporting year. The operating return on sales decreased to 1.8 (5.6)%. The Passenger Cars and Light Commercial Vehicles segment's operating result amounted to €5.0 (13.7) billion, marking a decline in the period from January to December 2025 due primarily to the factors outlined above. In the Commercial Vehicles segment, lower volumes were the main drivers of the €1.8 billion reduction in the operating result to €2.4 billion. With regard to our equity-accounted Chinese joint ventures, our operating result essentially only considers income from deliveries of vehicles and vehicle parts, as well as license income, as these joint ventures are included in the financial result on a proportionate basis.

Results of operations in the Financial Services Division

Boosted by higher volumes, the Financial Services Division's sales revenue rose to €62.1 billion in fiscal year 2025, up 5.7% on the prior-year figure. Cost of sales increased more slowly than sales revenue amid a volume-driven rise in depreciation of the residual values of leased vehicles. As a result, gross profit increased to €9.7 (8.1) billion.

The Financial Services Division's operating result of €3.7 (3.1) billion was up on the previous year, due mainly to higher volumes and margins. The prior-year period had been negatively impacted by foreign exchange losses in connection with the deconsolidation of Volkswagen Bank Rus. The operating return on sales increased to 6.0 (5.3)%. The return on equity before tax was 7.4 (6.8)%.

FINANCIAL POSITION

Principles and goals of financial management

Financial management in the Volkswagen Group covers liquidity management, the management of currency, interest rate and commodity price risks, and credit and country risk management. It is performed centrally for all Group companies by Group Treasury, based on internal guidelines and risk parameters. Some functions of the Everllence (formerly MAN Energy Solutions), Porsche AG, Porsche Holding Salzburg and TRATON GROUP subgroups and of the Financial Services Division are included in the financial management and, in addition, have their own financial management structures.

The goal of financial management is to ensure that the Volkswagen Group remains solvent at all times and, at the same time, to generate an adequate return from the investment of surplus funds. We use a liquidity pooling system to optimize the use of existing liquidity between the significant companies. Among other features of this system, the balances, either positive or negative, accumulating in cash pooling accounts are swept daily into a regional target account and thus pooled. The overriding aim of currency, interest rate and commodity risk management is to hedge, using derivative financial instruments and commodity forwards, the prices on which investment, production and sales plans are based when making planning assumptions and to mitigate interest rate risks incurred in financing transactions. In the management of credit and country risk, diversification is used to limit the Volkswagen Group's exposure to counterparty risk. To achieve this, counterparty risk management imposes internal limits on the volume of business allowed per counterparty when financial transactions are entered into. Various credit rating criteria are applied in this process. These focus primarily on the capital resources of potential counterparties, as well as the ratings awarded by independent agencies. The relevant risk limits and the authorized financial instruments, hedging methods and hedging horizons are approved by the Group Board of Management Committee for Risk Management. For additional information on the principles and goals of financial management, please refer to the chapter on "Financial risk management and financial instruments" in the notes to the consolidated financial statements.

Financial position of the Group

In the period from January to December 2025, the Volkswagen Group's gross cash flow decreased by €4.4 billion to €41.6 billion year-on-year, driven in particular by earnings-related factors. The change in working capital amounted to €–26.6 (–28.9) billion; in the reporting year, this was mainly attributable to an increase in liabilities and other provisions, offset by a rise in lease assets and financial services receivables.

Cash flows from operating activities went down by €2.1 billion to €15.0 billion in fiscal year 2025.

At €25.1 (28.9) billion, the Volkswagen Group's investing activities attributable to operating activities experienced a significant decline. There was a significant decrease both in investments in property, plant and equipment, investment property and intangible assets, excluding capitalized development costs (capex) as well as in capitalized development costs. Expenses for mergers and acquisitions also decreased.

The Volkswagen Group's financing activities generated a total cash inflow of €11.9 (11.1) billion. Financing activities mainly relate to the issuance and redemption of bonds and notes, changes in other financial liabilities and dividend payments. At the end of the reporting year, the Volkswagen Group reported cash and cash equivalents of €38.8 billion in its cash flow statement. At the end of December 2024 this item had amounted to €40.3 billion.

On December 31, 2025, the Volkswagen Group's net liquidity stood at €–178.5 billion; it had amounted to €–169.1 billion at the end of 2024.

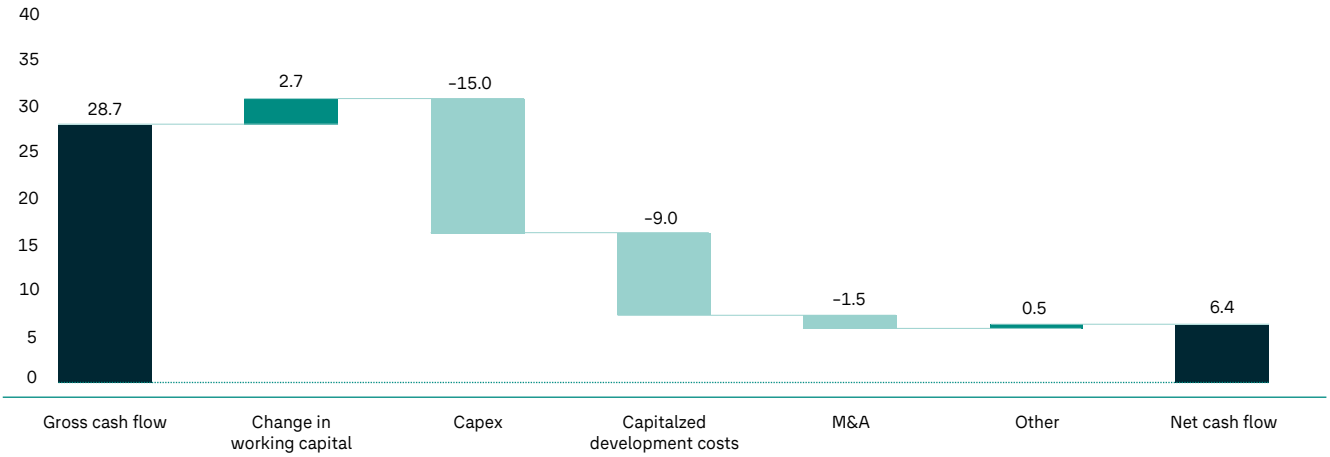
CASH FLOW STATEMENT BY DIVISION

	VOLKSWAGEN GROUP		AUTOMOTIVE		FINANCIAL SERVICES		CONSOLIDATION ADJUSTMENTS[1]	
€ million	2025	2024	2025	2024[2]	2025	2024	2025	2024
Cash and cash equivalents at beginning of period	**40,296**	**43,522**	**28,088**	**31,834**	**16,196**	**14,819**	**-3,988**	**-3,131**
Earnings before tax	9,307	16,806	6,709	15,572	3,340	2,994	-742	-1,761
Income taxes paid	-5,152	-6,187	-4,532	-5,177	-1,255	-1,228	635	217
Depreciation and amortization expense[3]	37,472	32,056	26,823	21,668	12,304	11,201	-1,656	-814
Change in pension provisions	84	-19	80	-25	5	6	-1	-
Share of the result of equity-accounted investments	968	2,362	696	2,135	271	227	-	-
Other non-cash income/expense and reclassifications[4]	-1,042	1,013	-1,114	1,172	-308	-125	379	-34
Gross cash flow	**41,637**	**46,030**	**28,662**	**35,346**	**14,359**	**13,074**	**-1,384**	**-2,391**
Change in working capital	**-26,628**	**-28,879**	**2,744**	**-1,083**	**-29,195**	**-28,907**	**-176**	**1,111**
Change in inventories	-896	-2,695	561	-1,436	-1,468	-1,235	10	-24
Change in receivables	-211	-2,083	478	-2,339	-917	-418	228	674
Change in liabilities	3,165	52	2,054	-1,012	1,720	823	-609	242
Change in other provisions	1,676	4,266	905	4,243	760	98	10	-76
Change in lease assets (excluding depreciation)	-24,166	-19,358	-1,246	-541	-23,487	-19,291	568	473
Change in financial services receivables	-6,196	-9,061	-9	1	-5,803	-8,883	-383	-179
Cash flows from operating activities	**15,009**	**17,151**	**31,406**	**34,263**	**-14,836**	**-15,832**	**-1,560**	**-1,280**
Cash flows from investing activities attributable to operating activities	**-25,060**	**-28,853**	**-24,961**	**-29,077**	**-513**	**-883**	**414**	**1,107**
of which: investments in property, plant and equipment, investment property and intangible assets, excluding capitalized development costs	-15,299	-17,202	-14,952	-16,872	-270	-253	-78	-77
capitalized development costs	-9,047	-10,244	-9,047	-10,244	-	-	-	-
acquisition and disposal of equity investments	-1,447	-2,354	-1,499	-2,591	-305	-672	357	909
***Net cash flow*[5]**	***-10,051***	***-11,702***	***6,445***	***5,186***	***-15,350***	***-16,715***	***-1,146***	***-173***
Change in investments in securities and time deposits, as well as in loans	-2,423	-2,720	-947	-10,630	-959	1,686	-517	6,224
Cash flows from investing activities	**-27,484**	**-31,573**	**-25,908**	**-39,707**	**-1,473**	**804**	**-103**	**7,331**
Cash flows from financing activities	**11,918**	**11,140**	**-1,992**	**1,649**	**12,767**	**16,479**	**1,143**	**-6,989**
of which: capital transactions with non-controlling interests	352	-	352	-	-	-	-	-
capital contributions/capital redemptions	420	-1,144	475	-1,222	257	699	-311	-621
Effect of exchange rate changes on cash and cash equivalents	-938	55	-1,048	48	-73	-73	182	80
Change of loss allowance within cash and cash equivalents	-0	1	-0	2	0	-1	0	-0
Net change in cash and cash equivalents	**-1,495**	**-3,226**	**2,458**	**-3,746**	**-3,615**	**1,377**	**-338**	**-858**
Cash and cash equivalents at Dec. 31[6]	**38,801**	**40,296**	**30,546**	**28,088**	**12,581**	**16,196**	**-4,326**	**-3,988**
Securities and time deposits, as well as loans	47,395	44,662	77,991	79,289	20,377	19,487	-50,973	-54,114
Gross liquidity	**86,197**	**84,959**	**108,537**	**107,377**	**32,958**	**35,683**	**-55,299**	**-58,102**
Total third-party borrowings	-264,703	-254,081	-74,041	-72,963	-247,525	-240,871	56,862	59,754
Net liquidity at Dec. 31[7]	**-178,506**	**-169,122**	**34,497**	**34,414**	**-214,566**	**-205,188**	**1,563**	**1,652**

1 Elimination of intragroup transactions between the Automotive and Financial Services divisions.
2 Figures reflect the reporting structure in force since 2025.
3 Net of impairment reversals.
4 These relate mainly to the fair value measurement of financial instruments and the reclassification of gains/losses on disposal of non-current assets and equity investments to investing activities.
5 Net cash flow: cash flows from operating activities, net of cash flows from investing activities attributable to operating activities (investing activities excluding change in investments in securities, time deposits and loans).
6 Cash and cash equivalents comprise cash at banks, checks, cash in hand and call deposits.
7 The total of cash, cash equivalents, securities and time deposits, as well as loans to affiliates and joint ventures net of third-party borrowings (non-current and current financial liabilities).

AUTOMOTIVE DIVISION NET CASH FLOW 2025

€ billion



Financial position of the Automotive Division

In the reporting period, the Automotive Division recorded gross cash flow of €28.7 (35.3) billion. The decline was primarily attributable to lower earnings, offset by a reduction in income tax payments. Porsche's impairment losses on goodwill and capitalized project costs and measurement effects relating to hedging transactions, which are included in earnings, are non-cash items and therefore have to be eliminated from gross cash flow in the cash flow statement when using the indirect method. The change in working capital rose to €2.7 (–1.1) billion; in the reporting year, this was primarily attributable to an increase in liabilities and other provisions, offset by a rise in lease assets. Cash flows from operating activities went down by €2.9 billion to €31.4 billion.

In the period from January to December 2025, investing activities attributable to operating activities declined by €4.1 billion to €25.0 billion. Within this figure, capex stood at €15.0 (16.9) billion, down significantly on the prior-year figure. The capex ratio was 5.1 (5.8)%. Here, significant portions of capex were allocated to plants for the production of electric vehicles, to the associated battery technologies, and to electric toolkits and platforms as key components of the Company's transformation into a Global Automotive Tech Driver. Other focus areas are the digitalization of our products, measures to cut carbon emissions, the promotion of sustainable production processes, and the expansion of our presence in markets such as North America and China. Additions to capitalized development costs were also down significantly at €9.0 (10.2) billion. The "Acquisition and disposal of equity investments" item amounted to €–1.5 (–2.6) billion; it primarily included the increase in our equity investment in Rivian.

Net cash flow in the Automotive Division went up to €6.4 (5.2) billion, driven in particular by our investment discipline, which was intensified in the course of the year, and a positive change in working capital towards the end of the fiscal year. The cash conversion rate, which is the ratio of the Automotive Division's net cash flow to operating result, stood at 122.1 (31.8)% at the end of 2025.

At the end of the reporting year, the Automotive Division's financing activities led to a cash outflow of €–2.0 billion. This related mainly to the issuance and redemption of bonds and notes, changes in other financial liabilities, the dividends totaling €3.8 billion paid to the shareholders of Volkswagen AG, Porsche AG and TRATON SE from the respective appropriation of net profit for fiscal year 2024, and the redemption of the hybrid note of €1.5 billion called in due time as of June 2025. The sale of shares in TRATON led to a cash inflow of €0.4 billion. The green hybrid notes issued via Volkswagen International Finance N.V. in May 2025 in a total nominal amount of €1.9 billion gave rise to a cash inflow in the reporting year. These notes consist firstly of a note of €1.15 billion with a coupon of 5.994%, which can be called after eight-and-a-half years at the earliest, and secondly of a note of €0.75 billion with a coupon of 5.493%, which can be called after five-and-a-half years at the earliest. Both notes have indefinite maturities and

increase both net liquidity and equity after the deduction of transaction and other costs. In the prior-year period, financing activities had led to a cash inflow of €1.6 billion.

At the end of fiscal year 2025, the Automotive Division reported sound net liquidity of €34.5 billion, compared with €34.4 billion at the end of December 2024. The Automotive Division's net liquidity as a proportion of consolidated sales revenue was 10.7 (10.6)% in the reporting year, almost unchanged from the previous year.

Financial position of the Financial Services Division

The Financial Services Division generated gross cash flow of €14.4 (13.1) billion in the period from January to December 2025. The change in working capital amounted to €–29.2 (–28.9) billion. An increase in lease assets, receivables and inventories was set against a rise in liabilities, leading to a slight year-on-year expansion in funds tied up in working capital. As a result, cash flows from operating activities stood at €–14.8 (–15.8) billion.

Investing activities attributable to operating activities contracted to €0.5 (0.9) billion.

The Financial Services Division's financing activities generated a cash inflow of €12.8 (16.5) billion in the reporting year. This figure relates primarily to the issuance and redemption of bonds, notes and other financial liabilities.

At the end of 2025, the Financial Services Division's negative net liquidity, which is common in the industry, was €–214.6 billion, as against €–205.2 billion at the end of 2024.

NET ASSETS

Consolidated balance sheet structure

As of December 31, 2025, the Volkswagen Group had total assets of €644.5 (632.9) billion. At €203.1 (196.7) billion, the Group's equity was slightly higher than at the end of 2024. The equity ratio was 31.5 (31.1)%.

At the end of the reporting year, the Group had off-balance-sheet commitments in the form of contingent liabilities in the amount of €10.2 (10.3) billion and in the form of financial guarantees in the amount of €0.5 (0.8) billion. The contingent liabilities relate primarily to legal risks in connection with the diesel issue, as well as to potential liabilities from tax risks in the Commercial Vehicles Business segment in Brazil. There were also other financial obligations of €40.9 (44.5) billion. In addition to the other financial obligations, there are purchase commitments for inventories with a short turnover period, which arise primarily from the Master Collaboration Agreement with Ford Motor Company for the joint development of vans and mid-sized pickups for the global market.

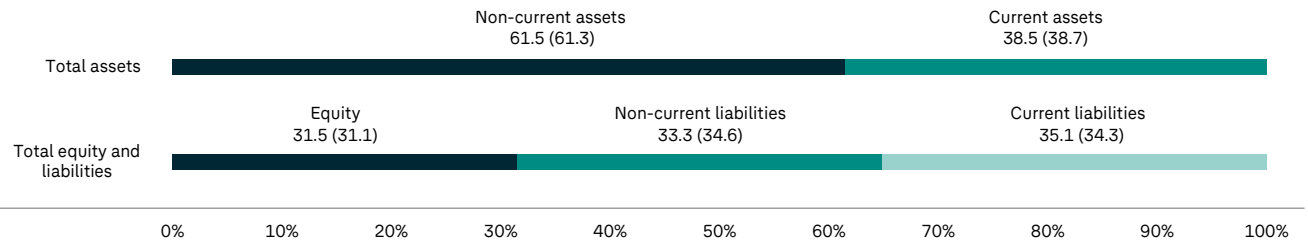
Automotive Division balance sheet structure

Intangible assets were down as of the end of fiscal year 2025 because of the impairment losses recognized on the goodwill and capitalized project costs at Porsche. Property, plant and equipment in the Automotive Division was slightly up on the prior-year figure. Total non-current assets of €254.0 (256.4) billion were almost unchanged from the end of 2024.

Current assets were also on a level with the previous year, amounting to €165.7 (163.4) billion on December 31, 2025. Inventories went down slightly. Current other receivables and financial assets declined, while both cash and cash equivalents, as well as securities increased noticeably.

CONSOLIDATED BALANCE SHEET STRUCTURE 2025

in percent



At the end of the reporting year, the Automotive Division's equity was up slightly, at €180.3 (174.9) billion. Earnings performance, lower actuarial losses from the remeasurement of pension plans following the change in the discount rate, and beneficial effects arising from the measurement of derivatives, which is recognized directly in equity, were set against adverse currency translation effects and dividend payments. Non-controlling interests in equity, which increased slightly as of December 31, 2025 due among other factors to the sale of shares in TRATON, included mostly the non-controlling interest shareholders of the Porsche AG Group and of the TRATON GROUP. The equity ratio improved to 43.0 (41.7)%.

At €127.3 (130.6) billion, non-current liabilities were slightly lower at the end of 2025. Pension provisions decreased significantly, driven primarily by actuarial remeasurement following a change in the discount rate. Other provisions included in non-current other liabilities went up noticeably, due among other factors to provisions for long-term emissions obligations. Lower deferred tax liabilities because of the gradual reduction in corporate income tax adopted in Germany in fiscal year 2025 had an offsetting effect within this item.

At €112.1 (114.3) billion, current liabilities at the end of fiscal year 2025 were slightly down on the figure at the end of 2024. The slight rise in trade payables was set against a decline in current other liabilities, which were mainly impacted by a drop in other provisions. This also includes lower provisions for restructuring measures.

On December 31, 2025, the Automotive Division had total assets of €419.7 (419.8) billion, almost unchanged compared to December 31, 2024.

CONSOLIDATED BALANCE SHEET BY DIVISION AS OF DECEMBER 31

	VOLKSWAGEN GROUP		AUTOMOTIVE		FINANCIAL SERVICES		CONSOLIDATION ADJUSTMENTS[1]	
€ million	2025	2024	2025	2024[2]	2025	2024	2025	2024[3]
Assets								
Non-current assets	**396,602**	**387,674**	**253,957**	**256,386**	**201,372**	**190,550**	**-58,728**	**-59,261**
Intangible assets	91,474	93,333	91,026	92,811	455	529	-7	-7
Property, plant and equipment	73,076	71,452	71,112	69,228	870	949	1,094	1,274
Lease assets	82,486	73,193	5,658	5,502	82,111	73,086	-5,283	-5,395
Financial services receivables	101,230	101,087	8	21	101,719	101,795	-498	-729
Investments, equity-accounted investments and other equity investments, other receivables and financial assets	48,336	48,610	86,152	88,823	16,217	14,191	-54,033	-54,404
Current assets	**247,865**	**245,231**	**165,727**	**163,387**	**120,035**	**121,674**	**-37,898**	**-39,830**
Inventories	56,042	56,720	48,761	50,785	7,501	6,144	-220	-209
Financial services receivables	70,026	68,855	22	3	70,474	69,510	-470	-657
Other receivables and financial assets	53,473	52,033	61,112	61,411	25,244	25,597	-32,882	-34,975
Marketable securities and time deposits	29,522	27,326	25,286	23,099	4,236	4,227	-	-
Cash and cash equivalents	38,801	40,296	30,546	28,088	12,581	16,196	-4,326	-3,988
Total assets	**644,467**	**632,905**	**419,684**	**419,772**	**321,408**	**312,224**	**-96,625**	**-99,091**
Equity and liabilities								
Equity	**203,054**	**196,731**	**180,304**	**174,860**	**45,717**	**45,044**	**-22,967**	**-23,173**
Equity attributable to Volkswagen AG shareholders	174,002	168,404	151,533	146,836	45,314	44,693	-22,845	-23,125
Equity attributable to Volkswagen AG hybrid capital investors	14,275	13,890	14,275	13,890	-	-	-	-
Equity attributable to Volkswagen AG shareholders and hybrid capital investors	188,277	182,294	165,808	160,726	45,314	44,693	-22,845	-23,125
Non-controlling interests	14,777	14,437	14,496	14,134	403	352	-122	-48
Non-current liabilities	**214,887**	**219,134**	**127,284**	**130,577**	**123,079**	**123,949**	**-35,476**	**-35,392**
Financial liabilities	137,214	137,061	55,767	55,011	110,733	111,887	-29,286	-29,837
Provisions for pensions	22,826	27,602	22,454	27,148	373	453	-	-
Other liabilities	54,847	54,472	49,063	48,418	11,974	11,609	-6,190	-5,555
Current liabilities	**226,525**	**217,039**	**112,096**	**114,335**	**152,612**	**143,230**	**-38,183**	**-40,526**
Financial liabilities	127,489	117,020	18,273	17,952	136,792	128,984	-27,576	-29,917
Trade payables	30,490	29,772	32,118	31,286	4,247	3,552	-5,875	-5,067
Other liabilities	68,546	70,247	61,705	65,097	11,573	10,694	-4,732	-5,543
Total equity and liabilities	**644,467**	**632,905**	**419,684**	**419,772**	**321,408**	**312,224**	**-96,625**	**-99,091**

1 Elimination of intragroup transactions between the Automotive and Financial Services divisions.
2 Figures reflect the reporting structure in force since 2025.
3 Prior-year figures adjusted.

Financial Services Division balance sheet structure

At the 2025 reporting date, the Financial Services Division's total assets amounted to €321.4 billion, 2.9% more than a year earlier.

Non-current assets grew to €201.4 (190.5) billion, noticeably higher than the figure as of December 31, 2024. The rise was primarily attributable to a volume-driven increase in lease assets. Other receivables and financial assets were also higher.

The Financial Services Division's current assets amounted to €120.0 (121.7) billion, similar to the figure at the end of 2024. While inventories and financial services receivables increased due to higher volumes, cash and cash equivalents declined.

On December 31, 2025, the Financial Services Division accounted for around 43.4 (42.7)% of the Volkswagen Group's assets.

At the end of 2025, the Financial Services Division's equity stood at €45.7 (45.0) billion, slightly higher than on December 31, 2024. The equity ratio was 14.2 (14.4)%.

At €123.1 (123.9) billion, the Financial Services Division's non-current liabilities at the end of fiscal year 2025 were virtually on a level with the end of 2024. The decline in the non-current financial liabilities included in this item was set against a rise in non-current other liabilities.

Current liabilities increased to €152.6 (143.2) billion, due mainly to higher current financial liabilities and a rise in trade payables.

Deposits from the direct banking business amounted to €68.4 billion on December 31, 2025, compared with €57.5 billion at the end of 2024.

RETURN ON INVESTMENT (ROI)

We use return on investment (ROI) to efficiently manage the use of resources in the Automotive Division and to measure the success of our endeavors. ROI is defined as the return on invested capital for a particular period, and enables us to measure the earning power of our products, product lines and projects.

ROI is calculated as the ratio of operating result after tax (including the proportionate operating result of the equity-accounted Chinese joint ventures) to average invested capital. Based on our companies' income tax rates, which vary from country to country, we assume an overall average tax rate of 30% when calculating the operating result after tax. Invested capital is calculated as total operating assets reported in the balance sheet (property, plant and equipment, intangible assets, lease assets, inventories and receivables) less non-interest-bearing liabilities (trade payables and payments on account received) and a proportionate share of the corresponding items in the accounts of the equity-accounted Chinese joint ventures. Average invested capital is derived from the balance at the beginning and the end of the reporting year.

In fiscal year 2025, ROI decreased to 4.8 (9.9)% year-on-year due to the lower operating result and the rise in average invested capital, and was thus below our minimum required rate of return of 9%.

RETURN ON INVESTMENT (ROI) IN THE AUTOMOTIVE DIVISION[1]

€ million	2025	2024[2]
Operating result after tax	**6,548**	**12,842**
Invested capital (average)	135,159	129,229
Return on investment (ROI) in %	**4.8**	**9.9**

1 Including proportionate inclusion of the Chinese joint ventures (including the relevant sales and component companies) and excluding effects on earnings and assets from purchase price allocation.
2 Figures reflect the reporting structure in force since 2025.

SUMMARY OF BUSINESS DEVELOPMENT AND ECONOMIC POSITION

The Board of Management of Volkswagen AG considers business development and the economic position for 2025 to be satisfactory overall in view of the challenges arising from the volatile geopolitical and geoeconomic conditions, accompanied by measures that are increasingly protectionist and competition that continues to intensify.

Despite this challenging market environment, the Volkswagen Group recorded a stable 9.0 million deliveries to customers in the past fiscal year, a figure that was thus on a level with the most recently adjusted forecast.

The Group's sales revenue amounted to €321.9 billion and thus corresponded to the most recently anticipated figure.

The operating result of €8.9 billion and the operating return on sales of 2.8% were at the upper end of the most recently predicted range for the operating return on sales of between 2.0% and 3.0%. The decline compared to our original forecast was due in particular to non-cash impairment losses on goodwill and capitalized project costs, as well as other expenses in connection with Porsche's adjusted product planning totaling €4.7 billion. Adverse impacts resulted additionally from changes in the external business environment, such as the increase in import tariffs introduced in the USA at the beginning of April 2025.

The investment ratio reflects our research and development expenses, as well as capex to strengthen our competitiveness; the figure of 11.8% represents a reduction compared with the figure anticipated for fiscal year 2025.

Net cash flow rose to €6.4 billion, which was higher than both the most recently adjusted forecast and the original forecast. In addition to the operating result being at the upper end of expectations, positive factors included primarily our investment discipline, which was intensified in the course of the year, and a positive change in working capital toward the end of the fiscal year, which was achieved by measures such as a reduction in inventories of new vehicles.

As a result, net liquidity stood at €34.5 billion on December 31, 2025 and was therefore higher than our most recently adjusted assessment and within the range originally expected.

FORECAST VERSUS ACTUAL FIGURES

in € billion	Actual 2024[1]	Original forecast for 2025	Last valid forecast for 2025	Actual 2025
Deliveries to customers (in million units)	9.0	similar to prior-year level	at prior-year-level	9.0
Volkswagen Group				
Sales revenue	324.7	up to 5% increase	similar to prior-year level	321.9
Operating return on sales (in %)	5.9	5.5 – 6.5	2.0 – 3.0	2.8
Operating result	19.1	in forecast range	in forecast range	8.9
Passenger Cars and Light Commercial Vehicles segment				
Sales revenue	241.5	up to 5% increase	similar to prior-year level	244.5
Operating return on sales (in %)	5.7	6.0 – 7.0	1.0 – 2.0	2.0
Operating result	13.7	in forecast range	in forecast range	5.0
Commercial Vehicles segment				
Sales revenue	46.2	at prior-year-level	noticeable year-on-year decrease	42.5
Operating return on sales (in %)	9.1	7.5 – 8.5	5.0 – 6.0	5.7
Operating result	4.2	in forecast range	in forecast range	2.4
Financial Services Division				
Sales revenue	58.8	up to 5% increase	noticeable year-on-year increase	62.1
Operating result	3.1	~ 4.0	~ 4.0	3.7
Automotive investment ratio (in %)	13.0	12 – 13	12 – 13	11.8
Net cash flow in the Automotive Division	5.2	2.0 –5.0	~ 0	6.4
Net liquidity in the Automotive Division	34.4	34 – 37	~ 30	34.5

1 Figures reflect the reporting structure in force since 2025.

Volkswagen AG

(CONDENSED, IN ACCORDANCE WITH THE GERMAN COMMERCIAL CODE)

The year 2025 was marked by volatile geopolitical and geoeconomic conditions and competition that continues to intensify.

ANNUAL RESULT

As of fiscal year 2025, the effects of the diesel issue are no longer disclosed separately as special items. Expenses of €0.1 billion were recognized in connection with the diesel issue in the reporting year.

Sales increased by 4.1% year-on-year to €98.0 billion in 2025, driven particularly by a more favorable price and product mix. Sales generated abroad accounted for €56.6 billion or 57.8%. Cost of sales went up by 2.7% to €88.2 billion due to higher material costs in the reporting year, among other reasons.

Gross profit on sales rose accordingly to €9.8 (8.2) billion.

The other operating result amounted to €0.9 billion in the reporting year, up €0.5 billion on the previous year. Other operating expenses, which declined due, among other factors, to a drop in expenses for restructuring measures (€50 million; 2024: €0.9 billion), are set against income from the reversal of provisions, which was down €0.4 billion. In the previous year, this item had included, among other things, reversals of various personnel-related provisions in connection with the collective bargaining agreement entered into between Volkswagen AG and the employee representatives in December 2024.

The financial result was up slightly by €0.1 billion to €4.9 billion, mainly because of higher income from profit transfers.

Taxes on income amounted to €–0.1 (–0.2) billion.

Net income for fiscal year 2025 amounted to €7.5 (5.1) billion.

INCOME STATEMENT OF VOLKSWAGEN AG

€ million	2025	2024
Sales	97,968	94,078
Cost of sales	–88,204	–85,924
Gross profit on sales	**9,764**	**8,154**
Distribution, general and administrative expenses	–7,898	–8,023
Net other operating result	882	415
Financial result[1]	4,865	4,809
Taxes on income	–112	–221
Earnings after tax	**7,500**	**5,133**
Net income for the fiscal year	**7,500**	**5,133**
Retained profits brought forward	4	1
Appropriation to revenue reserves	–3,750	–1,960
Net retained profits	**3,755**	**3,175**

1 Including write-downs of financial assets.

NET ASSETS AND FINANCIAL POSITION

Total assets amounted to €215.0 billion on December 31, 2025, up €4.9 billion on the comparative 2024 figure. Intangible assets and property, plant and equipment decreased by €0.4 billion to €10.7 billion because depreciation and amortization charges exceeded investments. Financial assets rose to €157.1 (154.0) billion as a result of a number of capital increases.

In fiscal year 2025, there was restructuring within the US investment portfolio of Volkswagen AG. In the reporting year, the shares in Volkswagen Group of America, Inc., Reston/VA, were contributed to the subsidiary Volkswagen US-Holding, Inc., Wilmington/DE, (Volkswagen US-Holding) at a carrying amount of €4.7 billion. Likewise, the shares in Scout Motors Inc., Tysons/VA, (Scout), were transferred to Volkswagen US-Holding, Inc., Wilmington/DE, by way of contribution at a carrying amount of €0.6 billion. To finance the capital requirements of Scout, further contributions of €0.3 billion were made to the capital reserves of Volkswagen US-Holding. In addition, Volkswagen AG made a contribution of €0.2 billion to Volkswagen US-Holding in fiscal year 2025 to finance the capital requirements of Electrify America, LLC, Reston/VA.

In fiscal year 2025, Volkswagen AG acquired the shares in VW Group Sverige AB, Södertalje, from Volkswagen Finance Luxemburg, S.A., Strassen, (Volkswagen Finance Luxemburg), at a purchase price of €0.2 billion and subsequently contributed them to VW Holding Österreich GmbH, Salzburg.

To finance the acquisition of 35% of the capital shares of Volkswagen (Anhui) Automotive Co., Ltd., Hefei, Volkswagen AG made a contribution of €0.2 billion to the capital reserves of Volkswagen Finance Luxemburg in the reporting year. Also in the reporting year, Volkswagen AG made a contribution of €0.3 billion to the capital reserves of Volkswagen Finance Luxemburg to finance the capital requirements of Green Mobility Holding S.A., Strassen.

Fixed assets accounted for a share of 78.0 (78.6)% of total assets.

Current assets (including prepaid expenses) amounted to €47.3 (44.9) billion as of December 31, 2025. Inventories were down by €0.3 billion to €6.5 billion. The decline in work and services in progress is mainly attributable to lower inventories of transmissions and electric drives. The decrease in finished goods and merchandise is due to the reduction in the inventories of new vehicles toward the end of the year. Receivables and other assets rose to €31.6 (30.8) billion. This was attributable to receivables from loans to affiliated companies, among other factors. Cash-in-hand and bank balances were up, driven in particular by the increase in restricted short-term time deposits at the reporting date.

Equity at the end of the reporting year was €47.1 (42.8) billion. The equity ratio was 21.9 (20.4)%.

BALANCE SHEET OF VOLKSWAGEN AG AS OF DECEMBER 31

€ million	2025	2024
Fixed assets	167,754	165,130
Inventories	6,505	6,842
Receivables[1]	31,644	30,776
Cash-in-hand and bank balances	9,112	7,326
Total assets	**215,015**	**210,073**
Equity	47,133	42,803
Special tax-allowable reserves	17	17
Long-term debt	23,470	29,169
Medium-term debt	75,005	60,580
Short-term debt	69,390	77,504
Total assets	**215,015**	**210,073**

1 Including prepaid expenses.

Other provisions decreased by €0.5 billion to €17.6 (18.1) billion, due mainly to lower provisions for personnel matters. Provisions for pensions fell by €1.6 billion to €21.4 billion, particularly as a result of a change in measurement inputs, and provisions for taxes decreased by €0.2 billion to €1.9 billion.

The €2.9 billion increase in liabilities, including deferred income, to €126.9 billion was due mainly to higher loan liabilities to affiliated companies and higher liabilities to banks.

Volkswagen AG's cash funds, comprising cash-in-hand and bank balances with a maturity of less than three months, less bank liabilities repayable on demand and cash pooling liabilities, dropped year-on-year from €–2.7 billion to €–4.0 billion. The interest-bearing portion of debt amounted to €109.4 (102.0) billion. We consider the economic position of Volkswagen AG for 2025 to be satisfactory overall in view of the challenges arising from the volatile geopolitical and geoeconomic conditions, which are accompanied by measures that are increasingly protectionist and competition that continues to intensify.

DIVIDEND POLICY

Volkswagen AG pursues a continuous dividend policy that allows shareholders to participate appropriately in the business success. Our dividend policy matches our financial strategy. The dividend proposed to the Annual General Meeting for the respective underlying year therefore reflects the financial management objectives – in particular, ensuring a solid financial foundation as part of the implementation of the corporate strategy.

We pursue the strategic goal of achieving a payout ratio of at least 30%. The payout ratio, which amounts to 39.2 (29.6)%, is based on the Group's earnings after tax attributable to Volkswagen AG shareholders. The non-cash impairment loss on the goodwill allocated to the Porsche operating segment was not included in determining the assessment basis for the dividend payment in 2025. Adjusted for this effect, the payout ratio was 30.0% for the reporting year.

DIVIDEND PROPOSAL

In fiscal year 2025, net retained profits amounted to €3.8 billion. The Board of Management is proposing to pay a total dividend of €2.6 billion, i.e. €5.20 per ordinary share and €5.26 per preferred share.

PROPOSAL ON THE APPROPRIATION OF NET PROFIT

€	2025
Dividend payout on subscribed capital (€1,283 million)	2,619,107,694.30
of which: ordinary shares	1,534,467,053.60
preferred shares	1,084,640,640.70
Appropriations in other retained earnings	1,135,000,000.00
Balance (carried forward to new account)	458,566.69
Net retained profits	**3,754,566,260.99**

The Annual Financial Statements of Volkswagen AG (in accordance with the German Commercial Code) can be accessed from the electronic company register at www.unternehmensregister.de/en.

EMPLOYEE PAY AND BENEFITS AT VOLKSWAGEN AG

€ million	2025	%	2024	%
Direct pay including cash benefits	7,287	66.3	7,819	63.8
Social security contributions	1,520	13.8	1,600	13.1
Compensated absence	1,330	12.1	1,371	11.2
Retirement benefits	852	7.8	1,459	11.9
Total expense	**10,990**	**100.0**	**12,249**	**100.0**

VEHICLE SALES

Volkswagen AG sold a total of 2,147,032 (2,106,670) vehicles in fiscal year 2025. Vehicles sold abroad accounted for a share of 64.7 (64.2)%.

PRODUCTION

Volkswagen AG manufactured a total of 836,623 vehicles (+8.3%) in the reporting year at its vehicle production plants in Wolfsburg, Hanover and Emden.

TOTAL WORKFORCE

As of December 31, 2025, a total of 106,123 (112,091) people were employed at the sites of Volkswagen AG, excluding staff employed at subsidiaries; of this figure, 3,749 (4,057) were vocational trainees. A total of 7,602 (7,180) employees were in the passive phase of their partial retirement.

Female employees accounted for 19.3 (18.9)% of the workforce. Volkswagen AG employed 8,565 (7,913) part-time workers. The percentage of foreign employees was 6.3 (6.5)%. In the reporting year, 84.0 (83.2)% of the employees in Volkswagen AG's production area had completed vocational or additional training. The proportion of graduates was 24.2 (23.5)% in the same year. In fiscal year 2025, the average age of the total workforce was 45.8 (45.3) years.

RESEARCH AND DEVELOPMENT

Volkswagen AG's research and development costs as defined in the HGB amounted to €3.5 (4.3) billion in the reporting year. At the end of the reporting year, there were 14,985 (15,419) people employed in this division.

BUSINESS DEVELOPMENT OF VOLKSWAGEN AG

As the parent of the Volkswagen Group, Volkswagen AG is in principle exposed to the same foreseeable developments, risks and opportunities. The forecast is explained in the chapter entitled "Report on Expected Developments" and the risks and opportunities in the chapter entitled "Report on Risks and Opportunities" of this combined management report.

RISKS ARISING FROM FINANCIAL INSTRUMENTS

The risks arising from the use of financial instruments are generally the same for Volkswagen AG as those for the Volkswagen Group. An explanation of these risks can be found in the chapter "Report on Risks and Opportunities" of this combined management report.

DEPENDENT COMPANY REPORT

The Board of Management of Volkswagen AG has submitted the report to the Supervisory Board as required by section 312 of the AktG and issued the following final statement on the matter:

"We declare that Volkswagen AG received appropriate consideration for every legal transaction with affiliated companies within the meaning of section 312 of the AktG in the period from January 1 to December 31, 2025. This assessment is based on the circumstances known to us at the time of the reportable transactions."

Sustainable Value Enhancement

Our goal is to run our business responsibly along the entire value chain. Everyone should benefit from this – our customers, our employees, the environment and society. The Group's sustainability strategy regenerate+ provides important stimuli that are aligned with our objectives.

The main financial performance indicators for the Volkswagen Group are described in the "Results of Operations, Financial Position and Net Assets" chapter. Non-financial key performance indicators also provide information on the efficiency of our Company's value drivers. These include the processes in the areas of research and development, procurement, technology, production, marketing and sales, quality assurance, human resources and information technology. In all of these processes, we are aware of our responsibility towards our customers, our employees, the environment and society. In this chapter we provide examples of how we want to increase the value of our Company in a sustainable way. Comprehensive information on individual topics is provided in the sustainability report within this management report. This chapter also includes descriptions of the key intangible resources.

SUSTAINABILITY

Sustainability means preserving intact environmental, social and economic systems that are viable in the long term at global, regional and local level. The Volkswagen Group is able to influence these systems in a variety of ways, and actively assumes responsibility in order to contribute to their viability. This has led us to develop a sustainable style of company management and to put in place the management structures required.

Sustainability is embedded in the Volkswagen Group and is an integral part of our Group strategy as well as the underlying strategic management structure. The Group's sustainability strategy regenerate+ provides important stimuli that are aligned with our objectives. Society requires engagement that generates positive added value in order to help our planet to regenerate and to shape a future worth living in for current and future generations. We wish to contribute to this, and in doing so take a broad and comprehensive approach to sustainability – environmentally, socially and economically. Our vision is to become a mobility provider with positive added value for nature and society. To this end, we continue to work in partnership and maintain constructive communication with our stakeholders in order to learn and further improve.

The regenerate+ sustainability strategy applies to the entire Volkswagen Group – i.e. to the Group departments, to all brands and companies. As such, it encompasses our products, services and stakeholders, including our customers. Our goal is to use regenerate+ to distinguish ourselves as the Volkswagen Group and, at the same time, enable our brands to position themselves in their specific market environment.

Together, we are pursuing a vision for the Volkswagen Group and driving sustainable value creation. Transforming ourselves into a business that operates sustainably is a process, and we are constantly in motion. We review our targets on a regular basis and continuously adapt them. Our Group sustainability strategy regenerate+ features measures in four dimensions:

- Nature, with the focus areas of climate change mitigation, resources and ecosystem
- Our people, with the focus areas of culture, workforce, occupational safety and preventive health care

> Society, with the focus areas of supply chain, customers & stakeholders and social engagement
> Business, with the focus areas of sustainability-related business areas and financing

Each focus area is linked to clear goals and milestones, KPIs and appropriate packages of measures. ESG-related KPIs such as the decarbonization index and the diversity index are already reflected in the remuneration of members of the Board of Management.

UN Global Compact

Volkswagen AG is a participant in the UN Global Compact (UNGC), the world's largest initiative for sustainable corporate governance, and is involved in national and international initiatives together with other companies from the Group such as AUDI AG, MAN Truck & Bus SE, Porsche AG, Scania AB and TRATON SE. The capital markets view an issuer's membership of the UNGC as an important factor when deciding to invest in its shares and bonds. ESG funds have experienced strong growth in recent years and have gained in importance as stakeholders. As part of the annual Communication on Progress, the Volkswagen Group and its brands report on their progress in implementing the ten UNGC principles and their activities to support the Sustainable Development Goals (SDGs).

Strategic stakeholder engagement

As an international company, our business activities impact the lives of many different people. Appropriately aligned stakeholder engagement is therefore essential for determining the material areas for action within the Group sustainability strategy and recognizing stakeholders' increasing and changing expectations at an early stage. Stakeholders are individuals, groups, or organizations who have an influence on or are influenced by the course or the result of corporate decisions. The Volkswagen Group understands its obligations with regard to stakeholder engagement to include systematic and continuous interaction with our key interest and stakeholder groups within society, actively listening to them, and taking account of their input when developing our strategies. The goal is to establish an open, constructive and also critical exchange with the different stakeholder groups. We endeavor to understand their requirements and expectations of us, to discuss key topics from the Group sustainability strategy regenerate+ with them and to explain how these tie in with the Group strategy and its implementation.

The Volkswagen Group has identified ten groups as its most important stakeholder groups. Employees and customers are at the center of the stakeholder network. Based on continuous stakeholder analysis, we have also identified eight further groups. Continuous communication between internal and external stakeholder groups is important to the Volkswagen Group. In this context, the Supervisory Board and the Works Council act not only as supervisory and advisory bodies but also as interfaces between internal and external stakeholders.

Organization of Environmental Protection

As one of the largest automotive manufacturers, the Volkswagen Group takes responsibility for the environment. The Board of Management of the Volkswagen Group is the highest internal decision-making body for environmental issues. Both it and the brands' and companies' boards of management take not only business, but also social and environmental criteria into account when making key company decisions.

The Volkswagen Group coordinates the activities of the brands and companies, which in turn manage the measures in the regions. The brands and companies are responsible for organizing their own activities in relation to the environment. They base their own environmental protection activities on the targets, guidelines and principles that apply throughout the Group.

In addition to complying with statutory environmental and energy requirements, we endeavor to adhere to additional voluntary commitments and have tailored our processes and corporate culture in line with these. We provide the resources necessary to achieve our environmental and energy targets. Our environmental compliance management system is aimed at ensuring that environmental aspects and requirements are recognized in our business activities and given appropriate consideration when making decisions. Environmental misconduct and intentional non-compliance or fraud are treated as serious rule violations in accordance with our organizational principles. The compliance of our business activities with the requirements of our environmental and energy policy is evaluated annually and reported to the Board of Management of the Volkswagen Group.

INTEGRITY AND COMPLIANCE MANAGEMENT SYSTEM (ICMS)

Integrity and compliance are major priorities in the Volkswagen Group. We firmly believe that, for long-term commercial success, it is important that each and every individual complies with laws, regulations and commitments, which is why integrity and compliance are elements of our Group sustainability strategy regenerate+.

Our objective is to be a role model and deepen the trust of our employees, customers, investors and partners in our Company. Our regulations, processes and corporate culture provide guidance for all employees on acting with integrity and complying with the rules at all times. As performance indicators, integrity and compliance must have the same strategic and operational priority in our Company as sales revenue, profit, product quality and employer attractiveness.

The Group Integrity & Compliance organization provides the Group-wide framework for a comprehensive integrity and compliance management system (ICMS) with corresponding programs, guidelines, processes and practical advice on integrity and compliance. The overarching goal here is to ensure uniform standards in the Group and brand companies, supporting the companies worldwide in conducting their respective business activities in an independently responsible and compliant manner while also complying with the relevant laws and internal regulations.

Focus areas

Focus areas relationing to the ICMS include, among others, tackling corruption and preventing embezzlement, fraud, bribery and money laundering.

The starting point for this is the Internal Compliance Risk Assessment (ICRA). It determines the compliance risks in the Group. Compliance measures are defined for each controlled company on the basis of the risk profiles derived from the ICRA, and are then implemented by those companies. These compliance measures also make reference to Group-wide minimum standards for the Code of Conduct, the whistleblower system, integrity and compliance training and communication.

HR (Human Resources) Compliance Policies and Procedures

Integrity and compliance are incorporated into the standard HR processes such as recruitment, training and staff development. In terms of remuneration, misconduct can adversely affect bonus payments. Integrity and compliance are part of annual employee appraisals and a component of the training measures for employees across all levels of the Company.

Awareness Raising and Communication

The Code of Conduct lays out the shared underlying values for integrity and compliance in the Volkswagen Group for all brands and companies. It serves as the main tool for reinforcing awareness of responsible conduct and decision-making and can be used as an aid and as a way of finding the right contact persons. The Code of Conduct is binding for all employees, and the obligation to comply with the Code of Conduct as amended is written into every employment contract. Employees, the Board of Management and all governing bodies are obligated to undertake regular mandatory training on the contents of the Code of Conduct. The offerings of the Group Integrity & Compliance organization are supplemented by events within the departments. The communication team regularly addresses

practical compliance tasks and case studies. Raising awareness of integrity and compliance topics is supported by information and communication activities such as awareness campaigns, film and dialogue formats, newsletters and interactive games.

The Integrity & Compliance information point has established itself as a central advisory office. The team there answers compliance-related questions, offering advice on internal company guidelines and policies.

Training Courses and Standards

With the ICMS, the Group Integrity & Compliance organization sets uniform standards for integrity and compliance training across the Group. This is to enable brands and companies to provide their employees with a consistent quality of risk-based and target-group-specific training that includes predetermined core content. The training courses address the following key topics: the Code of Conduct, anti-corruption, prevention of money laundering and the whistleblower system.

Anti-Corruption

The Volkswagen Group has a zero-tolerance policy on active and passive corruption. This is anchored in both our internal Code of Conduct and our Code of Conduct for Business Partners. Tackling corruption includes developing and implementing mandatory training for employees in companies with a high compliance-risk exposure.

Prevention of money laundering

The Volkswagen Group is committed to strict compliance with statutory requirements for the prevention of money laundering and terrorism financing. The *Geldwäschegesetz* (GwG – German Money Laundering Act) and the applicable regulations in the individual jurisdictions in which the Company operates form the basis for this. For effective prevention, uniform processes and control mechanisms have been established to identify and avert suspicious transactions at an early stage. These include risk-based checks of business partners and mandatory training for employees of those companies with high exposure to risk according to the ICRA. Compliance with money laundering requirements is regularly monitored and updated in line with new regulatory developments as necessary.

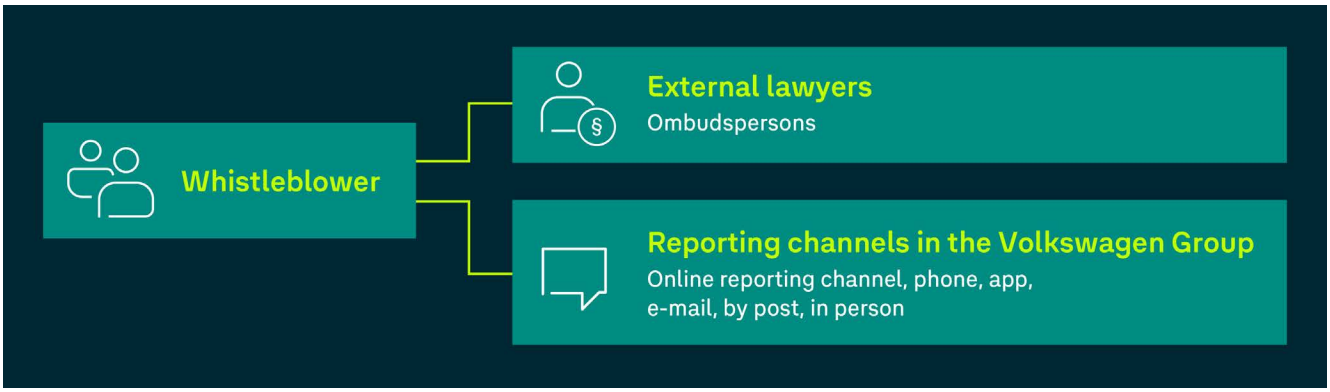
Whistleblower system

The whistleblower system is the central point of contact for reporting cases of rule-breaking involving employees of the Volkswagen Group or suppliers. Employees, business partners and other third parties can report misconduct at any time and in many languages. Various reporting channels are available for this purpose, which can be used completely anonymously, if preferred. An investigation is initiated after a thorough review and in the event of concrete indications of rule-breaking. Appropriate sanctions are applied where misconduct is proven.

The overarching aim is to use binding principles and a clearly governed process to avert harm to the Company and its employees.

WHISTLEBLOWER SYSTEM
www.volkswagen-group.com/whistleblower-system
Phone: +49 5361 9 46300
E-mail: io@volkswagen.de

REPORTING CHANNELS IN THE WHISTLEBLOWER SYSTEM



M&A and NCS Compliance

In the event of planned mergers and acquisitions (M&A transactions), we audit the relevant companies for risks pertaining to commercial law such as corruption, embezzlement and fraud, and for human rights risks. This also applies to joint ventures and to industrialization and cooperation projects with external partners. The analyses provide recommendations for the mitigation of the risks identified. The Group Integrity & Compliance organization also supports compliance management as required in non-controlled shareholdings (NCS), i.e. companies that are not controlled by a Volkswagen Group company as the majority shareholder.

Business Partner Due Diligence

In the Business Partner Due Diligence (BPDD) process, our business partners are reviewed with regard to their integrity, possible corruption risks and compliance with ethical standards. The BPDD reviews must be carried out in accordance with a policy for certain business partners using a risk-based approach. The aim is to identify risks for breaches of the law and disregard of ethical standards at an early stage, avoid risky business partners and, where possible, define actions to minimize risk and implement these jointly with business partners. If this is not possible, the business relationship is not entered into or is terminated as permitted by law.

Product Compliance

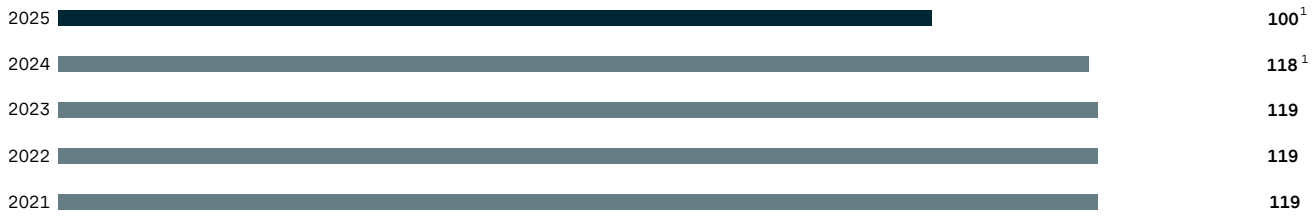
The product compliance management system helps our products comply with the legal and regulatory requirements of the exporting and importing country, internal and external standards, contractually agreed customer requirements and externally communicated voluntary commitments over their life cycle.

Environmental Compliance

Statutory environmental regulations and voluntary commitments are binding at all locations and in all business fields. The Group's environmental and energy policy and the environmental compliance management system stipulate the relevant requirements and responsibilities. They apply to all strategy, planning and decision-making processes in the Group brands and companies. This includes a system of key indicators to determine progress in meeting environmental targets in the fields of renewable energy, CO_2 emissions and resource efficiency. Additional information on the environmental compliance management system is available in the "Introduction to Environmental Management" chapter.

CO_2 EMISSIONS OF THE VOLKSWAGEN GROUP'S EUROPEAN (EU27+2) NEW PASSENGER CAR FLEET

in grams per kilometer (WLTP)



1 Subject to confirmation of CO_2 data within the scope of official publication by the European Commission.

RESEARCH AND DEVELOPMENT

Forward-looking mobility solutions with brand-defining products and services would be unthinkable without innovation. This makes our research and development work essential for sustainably increasing the value of the Company.

Together with our Group brands, we have launched measures based on our Group strategy to integrate development activities across the Group. At the heart of this is an efficient, cross-brand development alliance characterized by a close network of our experts, collaboration on an equal footing, an innovative working environment and the pooling of development activities. The development alliance plays a major role in driving the Volkswagen Group's transformation and in helping to reinforce its future viability.

In view of this strategic focus, we concentrated in the reporting year on continuing to develop forward-looking mobility solutions, establishing technological expertise to strengthen our competitiveness, expanding our range of products and services and improving the functionality, quality, safety and environmental compatibility of our products and services.

CO_2 fleet emissions

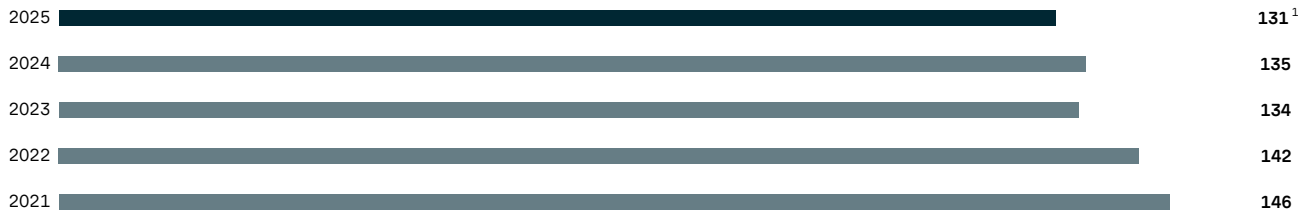
We use the strategic indicator of CO_2 fleet emissions in Europe and the United States to evaluate the effectiveness of our measures to reduce CO_2 emissions of our vehicles.

The Volkswagen Group's new passenger car fleet in the 27 EU member states including Norway and Iceland (EU27+2) emitted an average of 100 g CO_2/km in the reporting year according to the statutory basis for calculation. The CO_2 data are subject to confirmation within the scope of the official publication by the European Commission. The European Commission tightened the target as of 2025, stipulating a 15% reduction in CO_2 compared with 2021. This corresponds to a CO_2 target of 95 g CO_2/km for the Volkswagen Group's new passenger car fleet.

For the 2025 to 2027 period, the European Commission introduced a three-year compensation mechanism for the CO_2 fleet limits for passenger cars. The Volkswagen Group's goal is to achieve the CO_2 fleet limits in EU27+2 in each year over the three-year period from 2025 to 2027 primarily through its own efforts. Given the persistently challenging and volatile market environment, particularly in the field of e-mobility, achieving the targets remains a major challenge.

CO_2 EMISSIONS OF VOLKSWAGEN GROUP PASSENGER CARS AND LIGHT COMMERCIAL VEHICLES UNDER GHG STANDARDS IN THE USA

in grams per kilometer for the model year



1 Subject to submission of the final MY report MY25 and subsequent recognition by EPA (internal data).

In the United States, the emission pool – comprising the Group brands Volkswagen Passenger Cars, Audi, Bentley, Lamborghini and Porsche, plus the Bugatti Rimac joint venture, which is not part of the Group – commits to the two regulations for Greenhouse Gas (GHG) and Corporate Average Fuel Economy (CAFE). Due to a model year – the accounting period used in the USA – differing in length from the calendar year, internal calculations are used to determine the figures for the current and preceding model year. The average GHG CO_2 value (internal data) for the passenger car and light commercial vehicle fleets in model year 2025 is 131 g CO_2/km (model year 2024: 135 g CO_2/km). The statutory target is 110 g CO_2/km (model year 2024: 117 g CO_2/km). Taking into account the statutory flexibilities for the GHG and CAFE regulations, the Volkswagen Group endeavors to comply with applicable requirements – subject to confirmation by the authorities. The figure given for model year 2025 is also subject to confirmation by the US Environmental Protection Agency (EPA). Achieving the CO_2 target of approximately 99 g CO_2/km for 2026 represents a major challenge. For 2030 we aim to achieve an electrification rate of our new vehicle fleet that will enable us to independently meet the legal requirements for fleet regulations.

The current administration is reviewing the regulations to determine their fundamental necessity and structure.

Fuel and drivetrain strategy

In view of the legal regulations on emissions, we are currently developing a forward-looking vehicle and drivetrain portfolio; we have set ourselves the objective of increasing drive system efficiency with each new model generation – regardless of whether it is a combustion engine, a hybrid or a purely electric drive system. The Volkswagen Group closely coordinates technology and product planning with its brands so as to avoid breaches of fleet fuel consumption limits. As part of our electrification campaign, we want to offer our customers worldwide an increasing range of battery-electric models, from high-volume models to premium vehicles. To this end, in addition to the Modular Electric Drive Toolkit (MEB), we have also developed an all-electric platform for our premium and sports brands – the Premium Platform Electric (PPE). Furthermore, we are currently designing the Scalable Systems Platform (SSP), the successor platform for our future all-electric vehicles. The strategic goals of the SSP are to further reduce variance across all segments by consistently enhancing synergies and thus tapping into considerable savings potential.

In order to offer sustainable, affordable mobility in the future for as many people around the world as possible, our range of drivetrains focuses on electrification. From today's perspective, conventional combustion engines will still

continue to make up a large share of the drive portfolio in the coming years. In the interest of using resources responsibly, it is therefore essential to further enhance this engine segment and systematically consolidate it for specific markets. In order to fulfill future emissions standards, it will be necessary to introduce powertrain measures such as significantly more sophisticated exhaust gas purification or increased use of hybridization of drivetrains, as well as vehicle measures such as optimized aerodynamics or reduced rolling resistance. We are working intensively on this in the further development of our product portfolio.

It is important to us to rigorously pursue the modular approach. We are optimizing the number of individual modules so that we can make a broad product portfolio economically viable. For example, we are reducing the number of versions of conventional combustion engines in the Group in the long term as part of our transformation towards e-mobility. This will create capacity for the development and production of new electrified drives.

Connectivity and automated driving

Mobilizing people and goods is a prerequisite for economic growth and social development. But natural resources are dwindling and climate change is advancing. Customers are therefore calling for comprehensive mobility concepts that minimize the environmental impact. Such solutions need to be efficient, sustainable, crisis-proof, customer-oriented and accessible anytime and anywhere.

We are researching and developing such concepts in our Group-wide alliance. In shaping the future of mobility, we are looking not only at the automobile and related services, but at all modes of transport, transport infrastructures and people's mobility habits. Digital connectivity and automated driving allow for new approaches to solving problems. They can help us contribute to a comprehensive mobility system of the future and advance our industry's transformation.

Software forms the basis. Software development is one of the target core competencies of the Volkswagen Group as a global automotive tech driver, and is embedded in the TOP 10 program of the Group strategy through the "software architecture" action area. The aim is to develop a sustainable, convenient, connected, safe automotive experience for the customers of our Group brands, with the support of synergistic Group software entity CARIAD.

The Volkswagen Group systematically enhanced its software governance in 2025. As such, CARIAD is taking the lead on developing synergistic core technologies – automated driving, infotainment, cloud and motion – across all Group architectures and software technologies. The aim is to make the development and delivery of software faster and more efficient for the Group brands and to establish an even closer cooperation model between CARIAD and the Group brands. CARIAD's scalable software can be used in all-electric vehicles as well as in internal combustion engine models and hybrid vehicles. CARIAD's developers work in innovation centers at sites in Germany, Europe, China and the USA.

In the reporting year, CARIAD supplied new software releases and online updates for vehicles based on new and already existing architectures from the Volkswagen Passenger Cars, Škoda, SEAT/CUPRA, Audi and Porsche brands in all major international markets. Models newly introduced or unveiled in 2025, such as the Škoda Elroq and the Porsche Cayenne Electric, also feature CARIAD software.

The next generation of vehicle software is also designed to pave the way for the autonomous driving functions of the future. The development of autonomous driving is a core element of our Group strategy, with CARIAD responsible for developing partially and highly automated driving functions for the Volkswagen Group's brands. These applications are to be introduced gradually in new vehicle models at varying performance levels. Volkswagen Commercial Vehicles is responsible specifically for the areas of Mobility as a Service and Transportation as a Service (MaaS/TaaS). Autonomous driving will be linked to new service models, i.e. shared mobility in these areas with robotic shuttles and vans.

Automated and autonomous drive technologies are both being developed with development partners.

Pooling strengths with strategic alliances

We are pursuing the clear strategy of transforming our core business activities, while at the same time expanding the mobility solutions business area. To achieve these goals, we are reinforcing our innovative strength through a global structure. The Volkswagen Group Innovation unit combines our technological activities at seven international locations, where sustainable solutions for urban and interurban mobility systems are developed and regularly transferred to our Group brands. In this way, we are creating an agile innovation structure that allows us to initiate projects quickly with international partners in the areas of digitalization, sustainability and e-mobility. Growth in the mobility sector is increasingly generated through regional innovation activities, which is why we concentrate our venture capital investments and partnerships specifically within the Group's global innovation ecosystem. This gives us a better understanding of the regional needs of customers, to adjust our product range and to establish competitive cost structures. Engagement activities are selected centrally so as to maximize the value for the Group and its brands.

We have an alliance with the Ford Motor Company for light commercial vehicles and electrification. This has led to the development of three vehicles, which are available on the market. In addition, Ford uses the MEB developed by Volkswagen for two electric volume models. The aim of the cooperation is to place both Volkswagen and Ford in a position to improve their competitiveness, tailor their products to better meet the needs of customers worldwide and at the same time leverage synergies related to cost and investments.

To design the framework conditions for the approval and introduction of our own self-driving system, we are actively involved in public projects. The experience we are gathering here benefits the Group brands and thus our customers.

The software subsidiary CARIAD is responsible for developing automated driving functions for private mobility throughout the Group. In the Automated Driving Alliance, CARIAD and Robert Bosch GmbH are working to make partially and highly automated driving suitable for the volume segment as well. In 2025, the alliance made targeted improvements to its software stack for automated driving functions at Levels 2 and 3 through the use of AI. These are expected to lead to more powerful, smart driver assistance systems that act like natural persons at the wheel. The software has already been deployed in a test fleet and is being continuously trained and refined.

CARIAD also uses local partnerships in the Chinese market to further consolidate development expertise. CARIAD China, Volkswagen Group (China) Technology Company and XPeng are working together to develop the new zonal electronic architecture, China Electrical Architecture (CEA), for the Chinese market.

In the Carizon joint venture, CARIAD is overseeing the development of highly automated driving functions together with its local partner Horizon Robotics.

CARIAD is also committed to open collaboration in the global developer community to create automotive software more efficiently and promote innovation, for example as a platinum member of the Zephyr Project, a member of the Linux Foundation, and a strategic member of the Software Defined Vehicle working group run by the Eclipse Foundation open-source community.

Rivian and Volkswagen Group Technologies, the joint venture established by Volkswagen and US electric vehicle manufacturer Rivian, commenced operations in 2024. The two partners hold equal shares in the joint venture, which operates as an independent company. The aim of the partnership is to develop next generation software-defined vehicle (SDV) architectures to be used in future vehicles of both companies. The joint venture builds on Rivian's existing software and electrical architecture to facilitate the joint development of best-in-class architectures and software for the SDVs of both partners.

Our employees' patents

In fiscal year 2025, we filed 7,915 (6,740) patent applications worldwide for employee inventions, the majority of them in Germany. The trend continued throughout 2025 that an ever-increasing share of these patents were for

important cutting-edge fields, such as driver assistance systems, automated driving, digitalization and automation, electromobility (including battery technology), and artificial intelligence.

As of December 31, 2025, our Research and Development departments – including the equity-accounted Chinese joint ventures – employed 62,954 people (+0.3%) Group-wide, corresponding to 9.5% of the total workforce.

PROCUREMENT

Procurement's main responsibility is to help steer the Company's success in the areas of efficiency, sustainability, resilience and process quality of purchased parts. In 2025, intensive efforts by Group Procurement and our suppliers were once again necessary to address supply bottlenecks in the long term.

Procurement Strategy

The Volkswagen Group procurement organizations make an essential contribution to the Group strategy. A key task is to strengthen the procurement network and deepen collaboration across brands and regions. Making use of global synergies also creates potential for a long-term reduction in costs for raw materials, components and services.

The frequency, duration and intensity of crises and the associated supply chain disruptions have risen significantly since the beginning of the 2020s. As a consequence, the procurement organizations intend to work together with internal interface partners and suppliers to strengthen supply resilience. The establishment of concepts and tools as well as the provision of additional capacities for strategy and risk analyses are intended to facilitate the proactive and comprehensive monitoring of supply chains based on defined criteria, such as political influencing factors, economic developments or environmental risks.

The transformation of the automotive industry toward e-mobility also requires procurement organizations to adapt their supplier networks. The aim is for collaboration with these suppliers to be structured on an individual basis through strategic partnerships, treating the transformation as a joint undertaking. Expansion of partnerships is generally another area of focus in Procurement, both internally within the Group in the form of collaboration across brands and departments as well as externally with the Volkswagen Group's suppliers. Digitalization and efficient processes are the foundation for all such strategic measures. In particular, the future use of a new digital supplier platform and the upcoming central data ecosystem, Catena-X, forms the foundation for data-driven value chains and is a core element of this area of action.

Digitalization of Supply

The supply chain of the future is connected, digital and transparent. This supports the safeguarding of supply, the leveraging of Group-wide synergies and creating transparency. We are therefore creating a shared database and using innovative technologies to enable efficient, networked collaboration in real time – both within the Group and with our partners. Within the Procurement division, the aim is for transactions with suppliers to be standardized in future and, where possible, automated, thus not only reducing transaction costs but also accelerating business processes. In these efforts, an important element is the integration of Catena-X, the data network for the automotive industry. The goal is to identify possible supply risks at an earlier stage, and develop corresponding measures and alternatives faster as a joint effort. With Procurement's digitalization strategy, we not only aim to strengthen Procurement's IT system environment but also to increase the organization's effectiveness, efficiency and future viability. The new IT landscape for procuring production and general materials will be rolled out throughout the Group until 2030 and has already been implemented at some brands.

Structure of Group Procurement

Volkswagen Group Procurement is responsible for ensuring cost-efficient, resilient, sustainable and high-quality supply chains. Procurement is organized at a global level, with a presence in the most important purchasing markets. Alongside local bodies and decision-making structures, Group Procurement manages the brands and regions. On the one hand, this helps us to jointly implement potential cost savings and, on the other hand, to control risks. Organized networking of the procurement organization across the brands will enable us to leverage Group-wide synergies and purchase production materials, investments in property, plant and equipment, and services worldwide in the quality required and on the best possible terms. In addition to the brands' procurement units, Procurement operates regional offices in strategic purchasing markets.

Supply Chain Management in Procurement

We are focusing supply chain management activities in Procurement on safeguarding supplies during start-up phases and for series production. This involves providing support in our suppliers' industrialization processes, monitoring series production and managing supply crises, which could occur, for instance, as a result of geopolitical crises or natural disasters. In 2024, the Volkswagen Group realigned its focus by introducing the strategic semiconductor management system. In doing so, the Volkswagen Group maintains direct business relationships with strategically relevant semiconductor manufacturers and directly influences the selection of components for the electronic architecture. The objective is to keep the Group's product portfolio competitive in the long term and to safeguard supplies of core components at the semiconductor level.

Even in the early stages of new projects, we conduct audits to ensure that our suppliers will be able to deliver. Furthermore, we provide support for purchased parts for the individual project milestones up to the start of production. Complex components in particular frequently require on-site support from our supplier management team. In the final step, an acceptance test of production capacities is carried out to facilitate the timely commencement of series production of the vehicles at our plants.

In addition, regular checks are carried out during series production, for example, checks relating to the continuous matching of demand and capacity or possible capacity adjustments at suppliers. This also safeguards suppliers' capacities when using existing components in new projects.

Thanks to our established crisis management structure and global supplier network, we are able to tackle complex challenges along the supply chain and utilize a wide range of locations and technologies. Cross-divisional work among Procurement, Quality Assurance, Development, Production and Logistics is carried out in order to largely reduce potential losses due to supply risks and to maintain production capability in cases where a reaction is required.

TECHNOLOGY

The "Technology" Board function is divided into four pillars, which are known as tech stacks. These encompass all activities relating to the battery, which are also in the "battery" action area of the Group TOP 10 program, all Group-wide topics relating to charging and energy, the activities of Volkswagen Group Components and the marketing of Volkswagen platforms and components to third parties (Platform Business).

Cross-brand management of all technology activities and the value creation strategy coordinated throughout the Group are designed to improve the Group's future viability and competitiveness. Synergies are to be leveraged across both traditional technologies and future areas to advance the transition to e-mobility.

Battery

With our battery activities, we aim to substantially reduce the complexity and cost of this key technology so as to make electric vehicles attractive and affordable for as many people as possible. The battery business field is divided into two units: the Center of Excellence Battery and PowerCo. The Center of Excellence Battery is the Group business field responsible for all activities relevant to battery systems and battery cells. This includes everything from product management, development, quality assurance and procurement to end-of-life recycling. The unit is also responsible for the Group-wide battery portfolio, including the PHEV batteries for the Modular Transverse Toolkit (MQB) and BEV batteries for the MEB platform. Following the successful production startup of the new all-electric MEB+ platform in early 2026 for the Core brand group's electric urban car family, the focus is now on an update to the previous MEB product portfolio (ID.3, ID.4, Škoda Enyaq, Cupra Born, Audi Q4 e-tron, etc.). The plan is to transition the current MEB platform with batteries based on the present module-to-pack design to cell-to-pack battery systems featuring the unified cell in the coming years. This will involve battery systems based on both LFP (lithium iron phosphate) and NMC (nickel manganese cobalt) cell chemistries. More battery systems based on the cell-to-pack design featuring the unified cell as the Volkswagen Group's new global technology platform are to follow in the next few years in China, Europe and the USA.

We will be bundling worldwide cell production activities within the Group with our own company, PowerCo SE, Salzgitter/Germany. From the European battery hub in Salzgitter, this company will manage the development of international factory operations, continuous development of cell technology, vertical integration of the value chain and supplies of machinery and equipment to factories. PowerCo's approach is based on two key concepts with which it aims to set future industry standards: the unified cell enables flexible use of a wide variety of cell chemistries and is intended to be used in up to 80% of all of the Group's all-electric models in the future. The second key concept is the standard factory, which aims to enable the rapid rollout of in-house production with standardized buildings, equipment, IT and infrastructure and will thus be quickly and flexibly adaptable to future innovations.

The Group's first own cell factory in Salzgitter came on stream in 2025 and delivered the first cells for further validation within the Group. Series production is slated to commence in 2026. In addition to Salzgitter, further cell factories are being built in Valencia/Spain and St. Thomas/Canada. The ramp-up of the factories is based on the expected volume of all-electric vehicles from the Volkswagen Group. Each of these factories is to operate on renewable power and be designed for future closed-loop recycling.

Vertical integration of value creation is another component of the battery strategy. The supply of raw materials is to be safeguarded both through long-term supply contracts and through investments with partners. In 2025, Volkswagen took a 9.9% stake in Canadian lithium company Patriot Battery Metals, which is currently developing the largest lithium resources in North America.

Charging and Energy

The ramping up of e-mobility affords the Charging and Energy area a key role in the Volkswagen Group's e-mobility strategy, with the aim of becoming a leading provider of a smart charging and energy ecosystem. The Group is focusing on two main areas. Firstly, sales of electric vehicles are being promoted with the expansion of a global fast-charging infrastructure. Secondly, the charging ecosystem for customers is to be made simpler and more cost-effective, while at the same time the battery is to be made usable as a flexible storage medium for the transition of energy. The Group operates as one of the largest charging ecosystem providers in Europe with its Elli brand, offering access to over one million charging points with approximately 88,000 fast-charging points in 28 countries. At the same time, the North American charging network Electrify America is expanding to over 5,000 fast-charging points and joint venture CAMS in China is continuing to expand its network, which boasts over 11,700 charging points at present. As part of the Volkswagen Group, Elli provides a seamless ecosystem for sustainable mobility and energy.

2025 was a decisive year for the Group subsidiary on its journey from a charging infrastructure provider to a holistic energy company. With the launch of a pilot project for bidirectional charging, Elli presented a charging solution at IAA Mobility 2025 for the first time that connects a home's solar power system and the electric vehicle via a modular software platform developed by Elli. In parallel, Elli expanded its portfolio to include energy trading as a service product for external customers, offering companies a reliable partner for structured and sustainable energy procurement. The Elli PowerCenter developed for this purpose serves as a platform for energy trading and grid-supportive services. These developments also form the basis for the Managed Battery Network – a virtual power plant in which stationary storage systems and vehicle batteries are interconnected in order to efficiently integrate renewable energy sources, smooth out peak loads and make surplus energy tradable. With these steps, the Volkswagen Group and Elli are unequivocally positioning themselves at the touchpoint between the automotive industry and the energy sector.

Volkswagen Group Components

The independent corporate entity Volkswagen Group Components, under the umbrella of Volkswagen AG, forms the third pillar of the "Technology" Board function. 58,000 staff with expertise in developing and manufacturing vehicle components work worldwide in more than 60 plants at 35 sites. This makes Volkswagen Group Components one of the largest automotive suppliers worldwide. Historically, Volkswagen Group Components has had a strong presence in the components segment for vehicles with conventional drive systems but is systematically moving forward with the transformation of its product portfolio, focusing on strategic core modules for e-mobility. The transformation to a system supplier is being effected gradually: in 2025, 7.7 million internal combustion engines and 6 million transmissions were manufactured worldwide, but 1.2 million electric drives and 1.2 million battery systems were produced at the same time. This change is also reflected in the skill profiles of employees. Core competencies with a focus on future technologies are being developed and expanded, and employees are being specifically trained to meet the requirements of e-mobility. By the end of 2024, around 25% of employees were already working in these strategic cutting-edge fields. This proportion rose to over 30% by the end of 2025, and is expected to continue to grow in the coming years.

The product portfolio comprises technical components such as chassis, axle systems, steering, transmission, electric drivetrains, including the related power electronics, thermal management systems and battery systems.

The entry into e-mobility places the focus on systematically optimizing the electrical powertrain for the Group as well as the transformation of plants for components from internal combustion engine to e-mobility components. The product portfolio has accordingly been strategically defined and focused. A good example is the APP550 electric performance drive, the most powerful and efficient electric drive system from Volkswagen Group Components to date.

In line with the transformation and based on its existing technological expertise, the division has also opened up to cooperation with external partners in order to leverage potential synergies and economies of scale, thereby accelerating the transformation to electric mobility and contributing to the establishment of Volkswagen technologies as the industry standard.

Platform Business

The fourth pillar of the "Technology" Board function is Platform Business (third-party business), which pools Group-wide responsibility for the external sale of platforms and components. This organizational unit is responsible for the initiation, acquisition (including contract design) and support of customer projects including the related order processing (logistics, billing). The tech stack platform business builds on decades-long experience in the Group's internal platform sharing. Ford was the first-ever external partner to use the Volkswagen Group's MEB platform. In this cooperation project, the required cross-brand structures and processes have been established within the Volkswagen organization so that collaborations with other external partners can also be set up in the future. For instance,

the Indian automotive manufacturer Mahindra has been supplied with MEB components for vehicles based on the INGLO platform since June 2024; the PowerCo unified cell is also planned to be delivered to the automotive manufacturer going forward.

PRODUCTION

Our international production network covers a large number of process steps from the supplier to the factories and assembly lines, to the dealerships and our customers. The long-term efficiency of this network is key to our competitiveness. In order to meet the challenges of the future, we rely on comprehensive optimizations, pioneering innovations, stable supply chains and flexible structures. The Volkswagen Group, including the Chinese joint ventures, produced 8.9 million vehicles worldwide in fiscal year 2025. This was a year-on-year decline of 1.0%. Productivity (vehicles per employee and per year), including in the Chinese joint ventures, rose by 4.3% compared with the prior year. Excluding the Chinese joint ventures, the Volkswagen Group produced 6.2 million vehicles worldwide, an increase of 0.6% year-on-year. Productivity climbed by 4.6% versus the previous year.

Production Strategy

Group production is focusing squarely on future viability, efficiency and sustainability with PULSE 2035. This is in response to the far-reaching changes in the automotive industry shaped by technological innovations, geopolitical developments and increasing environmental requirements. PULSE 2035 gives shape to a specific vision for 2035 based on five main targets: factory costs per vehicle; productivity; plant capacity utilization; innovative technologies and processes; and reduction of environmental impacts. These targets make the strategic orientation tangible and provide a clear direction.

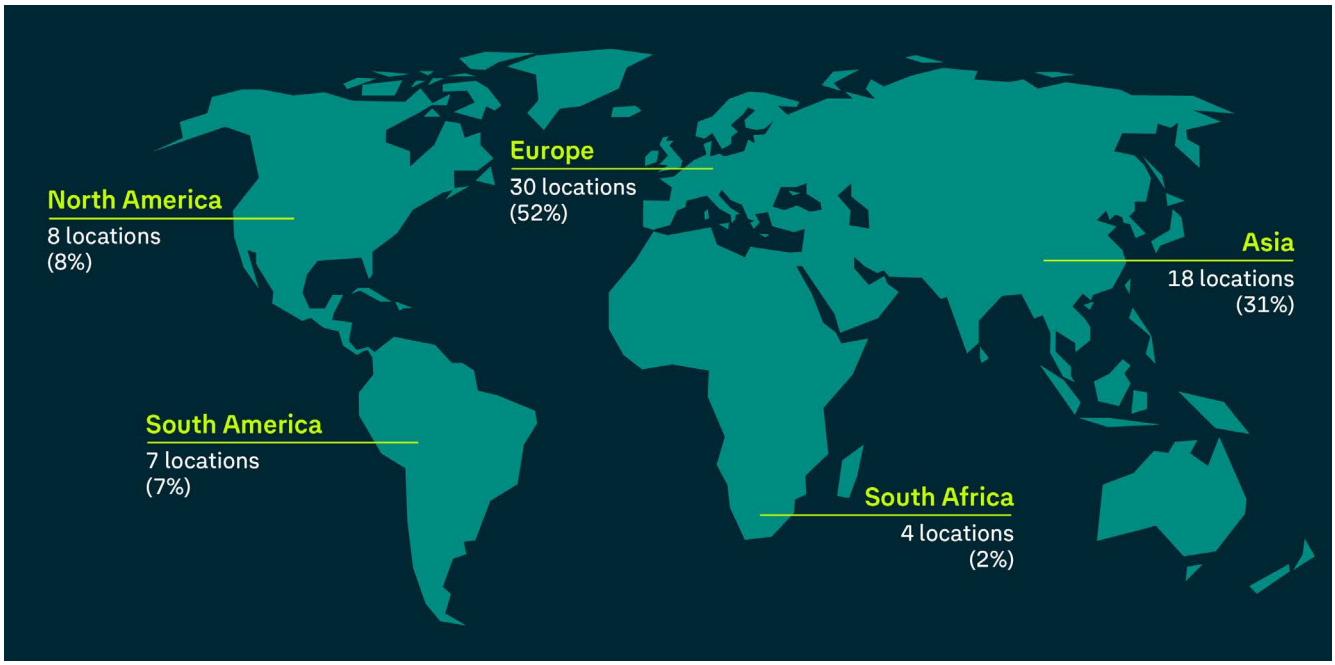
The vision of PULSE 2035 describes a production and logistics that is resource-efficient, optimized for maximum performance and driven by innovation – and is to be realized by 2035. So that this vision can be implemented in a structured manner, the strategy is based on a stable organizational framework comprised of seven categories: product and production processes; production network; supply chain; people; environment and energy; digitalization; operations and governance. This framework will provide the basis for implementation and facilitate consistent internal management of the transformation across all of the sites.

Global Production Network

At the end of the reporting year, the Group's production network encompassed over 111 production sites, including our Chinese joint ventures. Of these sites, 67 are vehicle production plants, including trucks, buses and motorcycles. Standardizing production with uniform product concepts, plants, operating equipment and production processes within a product family is a key factor in our forward-looking production. We are constantly enhancing our production concepts and aligning them with new technologies to achieve ambitious targets in the individual projects. In a challenging environment, the Volkswagen Group succeeded in starting up 46 vehicle projects in 2025, of which 26 were new products or successor products and 20 were product upgrades or derivatives.

VOLKSWAGEN GROUP VEHICLE PRODUCTION SITES

as share of total production in 2025 in percent



The flexible production capacities provided by our platforms allow us to respond to changing market requirements, make needs-based use of the production network and leverage synergies across brands through multibrand sites. Of the vehicle production plants for passenger cars and light commercial vehicles, almost half are already multibrand sites. Models for this approach within the Group are the Bratislava and Zwickau sites. In Bratislava, vehicles of the Volkswagen Passenger Cars, Škoda, Audi and Porsche brands are produced on the joint Modular Longitudinal Toolkit (MLB) and MQB platforms. At present, we manufacture Volkswagen Passenger Cars, Audi and CUPRA brand vehicles on the joint MEB platforms in Zwickau.

The transformation of the Volkswagen Group is focused on mobility solutions that are innovative, efficient, sustainable and customer-oriented, as well as geared towards profitable growth. The introduction of the MEB served as a basis for this, followed by the all-electric PPE for the premium and sports brands, thus leveraging synergies in production across the brands. As of the end of 2025, electric vehicles were manufactured at 19 sites across the global production network for passenger cars and light commercial vehicles.

New Technologies and Digitalization

Focus was placed on speed and the added value of IT products and on the use of AI as part of the Group's Top 10 program, which formed the strategic basis for new technologies and the digitalization of production in fiscal year 2025. The digital transformation is shaping the future development of our process landscape. The reorganization this involves includes a switch to value-stream- and product-oriented software development within the Group. Overall, more than 110 new applications are already available for use in the production and logistics processes. Examples range from virtual training courses for new vehicle start-ups, to identifying and implementing potential energy savings, to the use of AI in support of launching vehicles. The applications are being rolled out via the Digital Production Platform (DPP) developed jointly with our reaffirmed strategic partner Amazon Web Services (AWS). The DPP's capabilities are being continuously expanded in conjunction with AWS. There was a strong focus on data management services in the reporting year.

In the Volkswagen Group, our objective is to systematically validate digital and innovative technologies and to pilot and roll out the usage thereof for production and logistics; the aim is to reduce costs in the value chain and achieve more flexible implementation options, as well as to improve quality. In effecting the digital transformation in production and logistics, our goal is to simplify the entire process chain and make the best possible use of new technologies. In 2025, Volkswagen continued, amongst other points, the expansion of the ONE Log project, a logistics system based on SAP S/4 HANA. Using ONE Log, the Volkswagen Passenger Cars brand aims to shape the future of digital logistics worldwide together with other brands including Audi and Škoda, and Volkswagen Group Components. The goal of this is uniform information processing and the standardization of logistical processes, whereby optimizations are to be made scalable and innovative technologies to be powered centrally. The project includes various processes such as scheduling, shipping and materials management, from goods received to the production line. The targeted digitalization campaign is intended to make our plants more robust.

Innovation activities in 2025 focused on AI, such as for AI robotics and in generative AI. In generative AI, Volkswagen developed prioritized fields of application in 2025 and is using the first cross-brand applications to improve the efficiency of knowledge management in planning and maintenance. Other applications are being used in change and requirements management and directly in production. In using generative AI, Volkswagen aims to leverage cost savings in the context of information generation and processing in production.

SALES AND MARKETING

We regard ourselves as an innovative and sustainable mobility provider for all commercial and private customers worldwide – with a comprehensive product portfolio encompassing our brands and financial services.

The Volkswagen Group's financial strength and profitability is attributable to an extensive portfolio of strong brands. We want to continuously sharpen the brand profiles and to distinguish as clearly as possible between the customer segments served by the brands, supplementing them as required with tailored solutions. Our aim is to achieve high market saturation with great efficiency and a low level of brand cannibalization. To this end, we have established automotive-specific customer segmentation to steer and improve the positioning of our brands.

As part of our Group strategy, we have placed a particular focus on China as the largest single market and on the regions of Western Europe and North America as the largest regions for the Volkswagen Group due to their considerable strategic importance. The Group strategy forms the basis for further developing our sales activities into those of a global technology and mobility provider with the aim of enabling us to provide an even more flexible and targeted response to our customers' wishes and leverage additional revenue potential.

Together with their sales partners and importers, our passenger car brands agreed on a procedure for integrating state-of-the-art products and services into the sales network. The priority thereby is the safe and legally compliant handling of customer data and the way in which this is processed for digital products and services or in connection with the vehicle purchase. The legal requirements for handling customer data are strict. At the same time, the Group is launching a growing number of vehicles that are connected to the internet where available and depending on a vehicle's features. We are increasingly investing in distribution systems and processes with the goal of further digitalizing and improving the individual customer experience in all distribution channels.

Customer Satisfaction, Customer Loyalty and Customer Conquest

The Volkswagen Group aims its sales activities at exciting its customers. This is our top priority, as satisfied customers remain loyal to our brands and recommend our products and services to others. To this end we measure customer satisfaction with our brands at different customer contact points and make it a subject of discussion at Board of Management committee meetings. In addition to satisfaction with our products and services, we value an emotional connection to our brands. It is important for us to retain customers and win new ones. To measure our success in this area, we compile and analyze suitable indicators for the passenger-car-producing brands: The loyalty rate represents the proportion of customers of our passenger car brands who have bought another Group model. Thanks to their faithful customers, the Volkswagen Passenger Cars, Škoda, Audi and Porsche brands have remained in the upper loyalty rankings of the core European markets in comparison with their competitors for a number of years. Compared to other manufacturer groups, the Volkswagen Group continues to hold a top spot in the core European markets in terms of loyalty. The conquest rate shows the share of newly acquired passenger car customers as a proportion of a brand-specific selection of competitors. Volkswagen Passenger Cars continues to have an industry-leading conquest rate. The Škoda, SEAT, and CUPRA brands improved their conquest rates in 2025, while the figures for Porsche were down slightly compared with the previous year.

The brand image of Volkswagen Passenger Cars was similar to the overall market level in the European core markets in 2025, while confidence in the brand was higher than the average for the market as a whole, matching the level usually seen for the premium brands. Audi and Porsche continue to occupy top positions in the image ranking.

E-mobility and Digitalization in Group Sales

As part of our electrification campaign, we aim to gradually expand our offer of completely battery-electric vehicles. This campaign will be complemented by vehicle-related, customer-focused offerings, such as customized charging infrastructure solutions and mobile online services. The Volkswagen Group is thus transforming from an automotive manufacturer into a mobility service provider, which poses new challenges for Sales.

Digitalization provides opportunities for Sales, including improved customer contact. Our actions are based on extensive cooperation between the brands and markets to achieve the greatest possible synergies. We aim to create an optimal product experience for the customers of our brands – one which impresses with a seamless communication process, from the initial interest in purchasing a vehicle to servicing and ultimately to the sale of the used car. In doing so, we are opening up new business models relating to the connected vehicle – in particular with regard to mobility and other services.

Fleet Customer Business

Business relationships with fleet customers are often long-term partnerships. In a volatile environment, this customer group provides greater stability for sales of well-equipped, profitable vehicle models than the private customer segment.

The Volkswagen Group has an established base of business fleet customers, especially in Germany and the rest of Europe. Our extensive product range enables us to satisfy their individual mobility needs from a single source. In an increasingly competitive environment, we secured around 1,000 new fleet customers in Germany in 2025 alone, which meant that together with a dedicated dealer organization we sent out a clear signal of trust and sustainable growth.

In an overall passenger car market in Germany that grew by 1.4% in the reporting year, business fleet customers accounted for 18.0 (19.9)% of total registrations. The Volkswagen Group's share of this customer segment increased to 49.8 (48.0)%. Outside Germany, the Group's share of registrations by fleet customers in Europe was 28.4 (27.6)%. This shows that fleet customers' confidence in the Group remains at a high level. We were able to consolidate our strong market position in the fleet customer business in Europe.

After Sales and Service

In the after-sales business, we regard ourselves as a complete provider of all products and services relevant to customers. Together with our partners, our mission is to ensure lifelong mobility for our customers and vehicles. We are therefore continuously expanding our portfolio of tailor-made offers and services throughout the life cycle with the aim of improving customer experience and increasing the satisfaction of our customers. The partner businesses also offer a comprehensive portfolio of services in all vehicle classes.

In After Sales, we are supporting the changing world of mobility and our systematic focus on e-mobility by developing new services and innovative concepts. We are working towards the transformation with a range of partners specialized in the respective markets. With the resulting connectivity services, we will also be able to generate synergies in After Sales across the Volkswagen Group's brands and take advantage of new opportunities to boost customer loyalty.

In addition to individual service, the timely provision of genuine parts is essential to assure passenger car customer satisfaction in After Sales. The genuine parts supplied by our passenger car brands and the expertise of the service centers stand for the quality, safety and value retention of our customers' vehicles. With our global After Sales network, we are creating the prerequisites to supply almost all our authorized service facilities around the world, generally within 24 hours.

In the Digital After Sales project, we are modernizing processes and IT systems in After Sales. By adopting an approach that focuses product and service development on the individual needs of both dealers and customers, we aim to reduce the time needed for administrative tasks at the dealers through AI-based, interrelated services and also to stabilize existing IT systems and boost efficiency. In addition, innovative digital after-sales services are intended to improve the customer experience.

Around the world, our commercial vehicles business also prides itself on the quality of its products and on customer focus. Our range of trucks, buses and engines is complemented by services that aim to guarantee fuel efficiency, reliability and the ready availability of vehicles. By offering vehicles equipped with an all-electric or hybrid drivetrain, we take into consideration both customers' wishes and our responsibility to contribute to emission-free transportation. Workshop service and service contracts are intended to offer customers a high degree of quality as well as a high level of safety. We are reducing maintenance times and costs with a view to the vehicles' total operating costs.

QUALITY ASSURANCE

The quality of our products and services plays a key role in maintaining customer satisfaction. Customers are satisfied and loyal particularly when their expectations of a product or service are met or even exceeded. Appeal, reliability and service determine quality as it is perceived throughout the entire product experience. Our objective is to positively surprise our customers and inspire enthusiasm in all areas, and thus to win them over with our quality.

Digitalization was once again the beating heart of our work in the past fiscal year: We are continuously sharpening our focus on software-based system development, which is a critical factor for success in respect of customer satisfaction. Consistent application of the "Automotive SPICE" (Automotive Software Process Improvement and Capability Determination) process assessment model that we use to improve our processes is particularly important in our activities. It is a key building block for meeting the requirements of our customers as well as those of the regulatory and legislative bodies.

Group Quality Strategy

We review our New Quality functional area strategy periodically and coordinate it with the brands. Our actions are geared towards generating outstanding products, services and maximum levels of customer satisfaction. In line with the Group strategy, our quality strategy focuses primarily on achieving maximum levels of customer satisfaction throughout the entire customer experience – from ordering through to the digital ecosystem and up to the product as well as aftersales and customer service. The Group's TOP 10 Quality program derived from the Group's TOP 10 program represented one of our additional strategic targets in the reporting year. This program from Group Quality places a constant focus on internal and external customers, defines clear responsibilities for quality throughout the Group and coordinates an expeditious cooperation model between the Group, brand groups and brands. In the course of fiscal year 2025, six of the quality-specific action areas contributing to the Group's TOP 10 program were completed and six new action areas launched (with customer satisfaction being one of the focal points).

Legal and Regulatory Compliance

The legal and regulatory compliance of our products is paramount in our work. We employ the principle of multiple-party verification in our processes – on a risk-based basis, relevant decisions are not made by individuals. Among other things, software development is accompanied by quality milestones at all brands. This principle applies to all systems, components and parts that directly influence a vehicle's safety, type approval and functioning and therefore require particular vigilance. At the series production stage, we see to it that the conformity checks on our products are carried out and assessed. This applies in particular to checks related to emissions and fuel consumption.

We are also dedicating attention to our quality management system, reinforcing the interdisciplinary, process-driven approach throughout the Group. The quality management system in the Volkswagen Group is based on the ISO 9001 standard and the official type approval requirements. These standards and requirements must be complied with for us to obtain type approval for the manufacture and sale of our vehicles. We conducted numerous system audits in the reporting year to verify that our sites and brands continue to comply with these requirements. Particular focus was placed on assessing the risk of non-compliance with defined processes. Our quality management consultants pay attention to the implementation of and compliance with these and other new requirements, as well as official regulations; they are coordinated and supported in this endeavor by a central office in Group Quality.

Observing Regional Requirements

We use a variety of feedback instruments, such as specific customer surveys, to collect information on region-specific customer requirements. In addition, we monitor relevant internet forums and social media posts worldwide to obtain direct customer feedback and identify sentiment and trends at an early stage.

To achieve a perceived quality of our vehicles that is commensurate with that of our competitors, we take the needs of our regional customers into account in our vehicle audits. Every brand works together with the individual regions to decide how its product is to be positioned there. In this way, we strengthen the brands' responsibility. Consistent quality benchmarks apply across all brands and regions to obtain comparable results from the vehicle audit. We are continually adapting these in line with changing requirements. For more than 40 years now, we have been deploying auditors around the world to assess, from the customer's perspective, the vehicles that are ready for delivery and to ensure that these vehicles comply with the quality benchmarks defined.

PEOPLE

The Volkswagen Group is one of the world's largest private employers and seeks to fulfill the responsibility this entails with its human resources policy. As of December 31, 2025, the Volkswagen Group including the Chinese joint ventures employed a total of 662,942 (679,472) people and 602,659 (614,082) people excluding the Chinese joint ventures. This represents a year-on-year decrease of 2.4%. The ratio of our total workforce in Germany to those abroad remained largely stable over the past year, with 284,032 (293,338) employees working in Germany at the end of 2025.

EMPLOYEES BY MARKET

In percent, as of December 31, 2025



Group People Strategy and principles of the human resources policy

The Volkswagen Group has defined empowering and supporting employees for the transformation as a focus topic in its Group strategy. The Group People Strategy plays a key role in this context for our three brand groups Core, Progressive and Sport Luxury, and moving forward the key approaches of the human resources policy that are critical for success.

In our Group People Strategy we have identified a variety of elements with the aim of comprehensively addressing our employees' and the Company's needs and expectations, thereby enabling the best possible performance in terms of the Company's success.

1) "Me" (Me@Volkswagen): We aim to systematically improve the employee experience and ensure that all employees enjoy optimal conditions for the fulfillment of their responsibilities.

2) "My team" (Teams@Volkswagen): As our transformation takes shape, the way in which teams in the Volkswagen Group collaborate is fundamentally changing. Teamwork is shaped by hybrid, digital and agile forms of collaboration.

3) "All of us at Volkswagen" (All of us@Volkswagen): The seven Volkswagen Group Essentials set out in the Code of Conduct define the shared underlying values across all of the Group's brands and companies: We take on responsibility for the environment and society; We are honest and speak up when something is wrong; We break new ground; We live diversity; We are proud of the work we do; We not me; We keep our word.

4) "Volkswagen in society" (We@Volkswagen and the world around us): We are aware that without long-term social legitimacy at our locations and in our markets, we will not be able to continue our business model in times of accelerated changes in values – this applies from an economic, environmental and social perspective. We view our employees as Volkswagen Group ambassadors, representing our values in society.

Our broad range of transformation topics, such as digitalization and e-mobility, have us on a long-term pathway of transformation and continuous renewal. It is important to us to keep checking whether we are keeping to the course we have set out and are achieving our goals. In this context, the continued operationalization of the Group Strategy, encompasses a comprehensive revision of the strategic key performance indicators underpinning the Group People Strategy.

- Engagement index: Three questions from the newly introduced myVOICE employee survey are used to determine the engagement index, which measures the engagement, motivation and commitment of employees along with the attractiveness of Volkswagen as an employer. The survey was conducted for the first time in four entities at the end of 2025 and will be rolled out at further companies from 2026 onwards. For 2025 and 2026, the engagement index in the context of the Group People Strategy will initially be reported as an actual figure that will form the basis for the targets set after 2027. Then, the engagement index will serve as a strategic key performance indicator for the Group People Strategy. The "internal employer attractiveness" KPI, which was based on the *Stimmungsbarometer* (opinion survey) last conducted in 2023, has been discontinued.
- Diversity index: We have defined targets for the percentage of women in management and the international composition of our top management in order to promote diversity and equal opportunities. These two figures have been combined in the diversity index, which continues to serve as a strategic KPI. More information on this target can be found in the section entitled "Targets related to equal treatment and equal opportunities" in the "Employees and Non-Employees" chapter of the sustainability report and in the remuneration report.
- Status of implementation of strategic HR planning: As part of the overhaul of the Group Strategy, this metric will no longer be used as a KPI after 2025.
- Number of training hours per employee: The strategic KPI that records the average number of training hours per employee per year is currently being revised and, as a result, has been suspended for the reporting years 2025 and 2026. During this period, the KPI will not be reported as a strategic KPI in either the Group Strategy or regenerate+. More information on this can be found in the section entitled "Target related to training and skills development" under "Employees and Non-Employees" in the sustainability report.

"People" action area in the Group's TOP 10 program

In addition to the long-term management of our strategic targets in the Group People Strategy, we also run an annual TOP 10 program for Human Resources to support achievement of targets throughout the year, with active contributions from our Group companies in its implementation. Human Resources was represented in the Group's TOP 10 program in the reporting year with the top target "People". Volkswagen considers customer orientation, entrepreneurship and team spirit as the basis of its future success. The Group aims to become more competitive internationally by optimizing processes and enhancing efficiency. Volkswagen strives to be a socially responsible employer for a high performance team by offering innovative training and professional development along with sophisticated management programs and attractive remuneration and participation models. In the TOP 10 program for 2025, the Human Resources department translated this aspiration into ten key focus areas. These included global management of labor costs and systematic promotion of diversity in addition to a new conceptual framework for fostering talent and targeted offerings to promote individual health and resilience. Within these key focus areas, the Group-wide implementation of efficiency programs for selected brands and restructuring of parts of the management structure were also monitored in the reporting year. In the context of the efficiency programs, Volkswagen AG continues the comprehensive severance program, which supports a socially responsible reduction of the workforce along the demographic curve and will continue to be available in 2026 within the remaining budget.

Training and professional development

Due to the transformation in the automotive industry, we are facing the greatest process of change in both expertise and culture in the history of our Company. We are committed to securing the employability of our entire workforce in the long term. We invest extensively in training, which helps to ensure secure employment prospects at Volkswagen for our employees even when requirements change. In 2025, the focus continued to be on creating and expanding a program of digital training. We continue to implement and integrate the Success Factors HR system and the learning platform Degreed as a learning ecosystem for digital learning and self-directed training. In this way, we create a common framework for the training of all employees in the Volkswagen Group, provided and coordinated by the

Volkswagen Group Academy. More information on Degreed can be found in the section entitled "Creation and expansion of digital training" in the "Employees and Non-Employees" chapter.

The core components of training at Volkswagen are vocational training and cooperative education (dual study programs combining university studies with on-the-job training). At the end of 2025, the Volkswagen Group had trained 17,124 (17,201) young people. We have introduced the principle of dual vocational training at many of the Group's international locations over the past few years and are continuously working on improvements. Even after their vocational training has been completed, young people at the start of their careers are encouraged to continue their professional development with our Company.

We in the Human Resources department are contributing to the forward-looking transformation of the Volkswagen Group with our training and professional development offerings, socially responsible reduction of the workforce and targeted management of current focus topics through the TOP 10 program.

INFORMATION TECHNOLOGY (IT)

IT strategy

It is the Volkswagen Group's objective to become The Global Automotive Tech Driver. The field of IT plays an ever more important role in this, both in our vehicles and across the Company, and in opening up new business models.

Digitalized supply chains, automated and AI-optimized processes in all of the Company's business areas, data-driven management of the sustainability targets and a seamless integration of analogue and digital customer experience are all elements of this transformation.

The IT Board function has developed a strategy for Group-wide IT entitled Global IT++. In pursuit of the vision of One Strong Global Network, the strategy is to ensure clear and synchronous orientation, global networking, the sharing of knowledge, and mutual adaptability of the IT strategies of all brands and regions. The objective is to provide standardized cross-brand and cross-regional IT infrastructures, IT services, and IT solutions in appropriate bundles. This serves to reduce costs, utilize efficiencies, and leverage further potential for synergies. Distinctions are made and individual solutions provided only if specifically necessary or required under regulatory provisions.

The target dimensions of the strategy are to achieve a clear value contribution for the departments, to make an active contribution to the digitalization of the Company, to ensure that implementation is fast and adaptable, and to achieve cost efficiency. Long-term IT imperatives were defined to aid achievement of these targets. These focus on issues such as the transformation into a data- and AI-driven company, implementation of consistent infrastructure platforms across brands and regions, realization of a global, digital product landscape through a cross-brand, cross-regional cooperation model based on complementary skills, and operational excellence in implementation. We monitor the progress of implementation of the targeted measures through the annual Global IT TOP 10 program with agile half-yearly sprints that focus on business impact and speed in the One Strong Global Network. This IT network of Group departments, brands, regions and partner companies is known for pragmatic, cross-brand collaboration, transparent communication, and regular dialogue regarding efficient, worldwide staff deployment and avoidance of the duplication of work through synergies.

The measures for optimized data availability under the Global IT TOP 10 program forms the basis for up-to-date AI applications, thus generating the potential for Company-wide efficiencies. Systematic modularization plus the global rollout of large-scale IT programs helps to provide future-proof IT solutions, thereby driving the digitalization of all business areas locally and globally, for instance through the IT China strategy. The development and provision of digital products is to be accelerated through the introduction of the agile product organization. In this context, IT and the business areas work together in cross-functional teams with short development cycles to produce new digital products. We aim to ensure a uniform, strategic orientation by forging technical ties between the "IT" Board function and the chief information officers (CIOs) of the Core, Progressive and Sport Luxury brand groups and of Volkswagen Financial Services AG. This interface between technical and organizational aspects also facilitates the realization of synergies and further economies of scale. The systematic identification and Group-wide sharing of best practices – projects that have been successfully implemented at individual brands and companies – is aimed at enabling the

effective transfer of knowledge within the Company and generate greater speed and synergies, thus also reducing the need for funds.

The focus in the field of IT infrastructure is on further expanding and optimizing cooperation between the Group departments and brands. This course is consistently pursued. To this end, Group IT has a globally uniform structure across five operating platforms/domains (cloud, mainframe, high performance computing, on-premise and digital workplace (DWP)) and in the cross-functional services used in all brands and regions. In this context, we combine our shared resources in the brands and regions, and in the international companies of Global IT, for example in India. The advantages of global cooperation were highlighted in particular by the DWP platform in 2025.

Software development

The IT Board function is responsible for swiftly developing and introducing software and IT solutions for the Group based on the Group's needs. Part of this development work takes place in the Software Development Centers (SDC) around the world. The strategic goal is to safeguard and successively increase the proportion of in-house services relating to software products for critical business processes such as technical development. To this end, the international IT subsidiaries are to be systematically expanded, and new cooperation models are to be entered into with selected partners. This approach addresses the constantly growing need for software development within the Volkswagen Group. The gradual increase in in-house services is to reinforce governance and particularly to ensure the more efficient internal management and cost control of suppliers.

The optimization of processes and the definition of standards for software development remain at the forefront of our activities. Among other things, this entails international, data-driven management of activities in the SDC, strategic alignment of the business-critical enterprise systems and safeguarding intellectual property in the form of software product source codes. In addition, the use of artificial intelligence (AI) in connection with software development is a core component of the SDC's remit.

Use of Digitalization and AI

The Board of Management continuously monitors and supports the digital transformation. The Group Board of Management Committee for Digital Transformation addresses the digital transformation of business processes across the brands and business units. It manages the IT project portfolio and fosters digital cultural change, as well as innovations and synergies between the Group departments and brands. This makes it the highest decision-making body and key navigator in the Group's digital transformation.

The large-scale introduction of applications with AI into multiple business processes was accelerated in fiscal year 2025. The scope of application of AI within the Volkswagen Group is broad. The goal is to achieve tangible monetary savings (e.g. a reduction in process lead times through efficiency enhancements such as acceleration of the product development process), tangible improvements in product quality and the associated indirect cost savings (e.g. improved quality processes and thus also a reduction in ex gratia and warranty costs, and therefore in contracting no longer needed, such as translation and law firm costs), and ergonomic benefits for employees, through help in the use of systems.

AI is only of value to the Group where it delivers measurable benefits, whether through efficiency gains, quality improvements, or new business potential. The clear principle of economic relevance is therefore decisive for its use.

The Group Data & AI Strategy provides the strategic foundation for the scalable and responsible use of AI, the aim being to systematically advance data-driven innovation and leverage the added value of data and AI applications

across the Group for business purposes. This is also implemented in the Group TOP 10 program through the Data & AI action area.

One use case is the *Lastenheftassistent*, an AI-based tool for preparing technical specifications that assists departments with the precise, structured formulation of requirements for development services. The integration of generative AI helps to improve inputs, which are automatically checked against quality guidelines. This reduces the time spent on preparation and keeps sources of error to a minimum, thus yielding higher quality needing fewer alterations.

The Scorpion use case in the after-sales business shows how data-driven solutions can improve business performance in the long term. Scorpion analyzes sales and workshop data across all levels, from company headquarters to the importers, to the dealerships. The system is already being used in over 23 markets worldwide (including China, USA, Japan and Brazil). It facilitates a targeted customer approach, optimizes workshop visits and boosts sales revenue through smart campaign management. The results show significant increases in sales revenue and profits in the after-sales business.

Another forward-looking approach is the development of the large shape model (LSM), a generative AI model for 3D data. The LSM allows 3D objects to be automatically generated and edited from images, texts, or sketches, all in a matter of seconds. The technology, which is made available across the Group in the form of a central platform (LSMaaS), supports multiple use cases in design, engineering, production and marketing.

A further key factor in the success of AI in the Company are Group-wide information and training measures that provide training formats targeted at a variety of job profiles and skill levels. In addition, specific event formats created for specialist groups and internal experts promote the cross-brand and cross-domain transfer of knowledge on topics related to data and AI within the Volkswagen Group. The Group Skill Hub, for instance, is an internal system for continuously reviewing, adapting and expanding role-based skills, including the application of AI technologies in a professional context.

The systematic, responsible use of AI also requires efficient data management. Together with Group Data & AI Governance, the Group Data & AI Platforms & Enablers team of experts is jointly fashioning the cultural and technological transformation into a data architecture viable for the future. Here, the goal is the purposeful (re-)use of data for the consistent integration of AI into the Group's end-to-end processes.

IT Security

Safeguarding data and information throughout the Volkswagen Group worldwide is one of the main tasks of IT and has top priority. Strategic measures continued to be implemented under the Group Information Security Program in fiscal year 2025. The objective of the program is to create uniform processes and solutions across the Group to further enhance information security. The findings and solutions are being implemented within the Group. The main focus is on topics that could one day pose information security risks for the Group and that need to be specially safeguarded as part of the Group's digital transformation strategy. The content and orientation of the program is reviewed annually and updated if necessary.

The Volkswagen Group requires its suppliers to have passed TISAX (Trusted Information Security Assessment Exchange) certification. This sends out a signal regarding the security of cross-company information and data. Key information security processes at Volkswagen are also TISAX-certified. TISAX certification is an assessment method developed by the German Association of the Automotive Industry and is based on the international industry standard and the requirements of the automotive world. The aim is for sensitive data and information to be processed securely by our suppliers.

The task of automotive cybersecurity is to prevent and avert cyberattacks on our vehicles and on the digital vehicle ecosystem, responsibility for which lies with IT Security. We have implemented a Group policy based on the legal

requirements of UNECE Regulation No. 155 (UNECE R155) and have derived a brand-specific organizational guideline, taking the organizational circumstances into account.

To protect our customers' data against cyberattacks, and to implement our solutions in conformity with national and international legislation, we have established integrated, cross-brand, cross-regional management systems for information and cybersecurity. The cybersecurity management system required by UNECE R155 received its first certification in 2021, has undergone annual surveillance audits since then and was recertified by the KBA in 2025.

Key centralized information security processes have been audited and certified in line with the international ISO 27001 framework. This is the most important cross-sectoral standard for information security and is our basis for building an appropriate information security management system for handling all sensitive information in the Group. This system is being gradually expanded. It is audited annually and recertified at the required intervals.

In recent years, the introduction of the data protection management system and the data protection management organization has established the infrastructure for implementing and complying with data protection requirements at Volkswagen AG in the long term. A high level of attention is needed to ensure ongoing compliance with data protection requirements in view of the increasing digitalization and interconnectedness of business processes, new legislative initiatives with data protection relevance, and the sharp rise in the extent of international data protection legislation. Our activities in this respect are focused on continuously raising awareness among the workforce and further automating processes, for example through the use of artificial intelligence.

REPORT ON POST BALANCE SHEET DATE EVENTS

There were no significant events after the end of fiscal year 2025.

Report on Expected Developments

In 2026, the global economy is expected to grow at a similar pace to in the reporting year. Global demand for passenger cars will probably vary from region to region and will be on a level with the previous year.

In the following, we describe the expected development of the Volkswagen Group and the general framework for its business activities. Risks and opportunities that could represent a departure from the forecast trends are presented in the Report on Risks and Opportunities.

Our assumptions regarding external factors are based on current estimates by third-party institutions. These include economic research institutes, banks, international organizations and consulting firms.

DEVELOPMENTS IN THE GLOBAL ECONOMY

Our planning is based on the assumption that global economic output will grow overall in 2026 at a similar pace to 2025. Falling inflation in major economic regions and the gradual easing of monetary policy as a result are expected to boost consumer demand. We continue to see risks in the increasing fragmentation of the global economy and protectionist tendencies, turbulence in the financial, energy and commodity markets, and structural deficits in individual countries. In addition, continuing geopolitical tensions and conflicts are constraining growth prospects; risks stem in particular from the Russia-Ukraine conflict and the confrontations in the Middle East, as well as from growing uncertainties regarding the economic policy stance of the USA and the global increase of geoeconomic measures which could further exacerbate geopolitical tensions. We anticipate that advanced economies will maintain, on average, a momentum comparable to that of the reporting year, while the group of emerging markets is expected to exhibit somewhat softer dynamics.

We also foresee the global economy continuing on a path of steady growth through 2030.

Europe/Other Markets

In Western Europe, we expect the economy to grow at a somewhat slower rate than in the reporting year, with a further decline in the average inflation rate, but we do not expect the European Central Bank (ECB) to make any further key interest rate cuts as a result.

We estimate that the pace of growth in Central Europe will pick up somewhat in 2026, with some countries seeing persistently high though less dynamic price increases than in the previous year. Economic output in Eastern Europe will probably continue to recover at a similar pace to the reporting year following the heavy slump in 2022 as a result of the Russia-Ukraine conflict.

Germany

We expect gross domestic product (GDP) to develop positively in Germany in 2026, with a somewhat higher growth rate than in the previous year. The German inflation rate is likely to decrease somewhat on average over the year, while the labor market situation is unlikely to improve much.

North America

We anticipate continued stable economic growth in the USA in 2026 and expect that, on average, inflation will remain at a similar level to the previous year. The US Federal Reserve is likely to implement further key rate cuts in the course of 2026. For Canada we expect a somewhat slower growth rate than in the previous year, while economic growth in Mexico will probably be somewhat higher than in the reporting year.

South America

The Brazilian economy will most likely record a positive rate of growth in 2026, although it will be somewhat lower than that of the reporting year. Argentina is expected to continue to show positive growth, probably also at a somewhat lower level.

Asia-Pacific

Chinese GDP is projected to grow at a relatively high level in 2026, albeit at a somewhat lower rate than in the previous year. India's economic growth will likely see slightly lower momentum than in the reporting year. Japan's economic output is also expected to grow compared with 2025, but at a somewhat slower pace.

TRENDS IN THE MARKETS FOR PASSENGER CARS AND LIGHT COMMERCIAL VEHICLES

The trend in the automotive industry closely follows global economic developments. We assume that competition in the international automotive markets will continue to increase. Crisis-related disruption to the global supply chain and the resulting impact on vehicle availability may weigh on the volume of new registrations. Moreover, sudden new or intensified geopolitical tensions and conflicts could lead in particular to rising prices for materials and declining availability of energy.

We predict that trends in the markets for passenger cars in the individual regions will be mixed but generally stable overall in 2026. Overall, the global volume of new car sales is expected to be on a level with the previous year. We are forecasting growing demand for passenger cars worldwide in the period from 2027 to 2030.

Trends in the markets for light commercial vehicles in the individual regions will be mixed; on the whole, we expect the sales volume for 2026 to be on a level with the previous year's figure. For the years 2027 to 2030, we expect demand for light commercial vehicles to increase globally.

Europe/Other Markets

For 2026, we anticipate that the volume of new passenger car registrations in Western Europe will be on a level with the reporting year. For the major individual markets of Italy and the United Kingdom, we expect growth in 2026 to be at the prior-year level, with growth in France to be similar to the previous year. We estimate that the Spanish market will come in at slightly below the level recorded in the previous year.

For light commercial vehicles, we expect the volume of new registrations in Western Europe in 2026 to be slightly higher than in the previous year. Mixed development is anticipated in the major individual markets of France, the United Kingdom, Italy and Spain.

We expect a strong year-on-year increase in sales of passenger cars overall in markets in Central and Eastern Europe in 2026 – subject to the further development of the Russia-Ukraine conflict. We expect a mixed development in the major markets of this region.

Registrations of light commercial vehicles in the markets of Central and Eastern Europe in 2026 will probably noticeably exceed the prior-year figures – subject to the further development of the Russia-Ukraine conflict.

Germany

In the German passenger car market, we expect the volume of new registrations in 2026 to be at the prior-year level.

We anticipate that the number of registrations of light commercial vehicles in 2026 will be noticeably up on the figure recorded the previous year.

North America

The sales volume in the markets for passenger cars and light commercial vehicles (up to 6.35 tonnes) in North America overall and in the United States in 2026 is forecast to be slightly lower than the level seen in the previous year. Demand will probably remain highest predominantly for models in the SUV and pickup segments. We expect to see a strong decline in new registrations of all-electric vehicles due to a realignment of BEV subsidies at the federal level. In Canada, the number of vehicles sold is likely to be slightly lower than in the previous year. We also expect the volume of new registrations in Mexico to be slightly under the prior-year level.

South America

Owing to their dependence on demand for raw materials worldwide, the South American markets for passenger cars and light commercial vehicles are heavily influenced by developments in the global economy. We anticipate a slight increase overall in new registrations in the South American markets in 2026 compared with the previous year. The market volume in Brazil is expected to be noticeably higher than in 2025, while in Argentina it is projected to be slightly up on the prior year.

Asia-Pacific

The volume of new passenger car registrations in the Asia-Pacific region in 2026 will probably be in the range of the previous year. We estimate that the market volume in China will likewise be in the range of the 2025 figure. Plug-in hybrid models with long ranges are likely to be increasingly in demand. A weaker-than-expected economic recovery or intensifying geopolitical tensions may have adverse effects. In particular, the volatile trade dispute between China and the United States is likely to continue to weigh on business and consumer confidence, as long as there is no resolution in sight. We expect the Indian passenger car market to be at the same level as the previous year, while demand in Japan will probably slightly exceed the prior-year volume.

The volume of new registrations for light commercial vehicles in the Asia-Pacific region in 2026 will probably be on a level with the previous year's figure. We are expecting demand in the Chinese market to be in the range of the prior year. For India, we project that the volume in 2026 will be slightly higher than in the reporting year. In the Japanese market, we estimate that volumes will also be slightly higher year-on-year.

TRENDS IN THE MARKETS FOR COMMERCIAL VEHICLES

For 2026, we expect that new registrations for mid-sized and heavy trucks with a gross weight of more than six tonnes will be on a level with the previous year in the markets that are relevant for the Volkswagen Group, with regional variations.

In the EU27+3 region, market development is expected to be slightly up on the previous year. The truck market in North America is divided into weight classes 1 to 8. In the segments relevant for Volkswagen – Class 6 to 8 (8.85 tonnes or heavier) – we expect new registrations to be slightly above the level of the previous year. We anticipate a noticeable dip in demand in South America in 2026.

On average, we anticipate that demand in the relevant truck markets will remain at a steady level for the years 2027 to 2030.

A slight year-on-year decrease in demand is anticipated for 2026 in the bus markets relevant for the Volkswagen Group, whereby this will vary depending on the region. In the EU27+3 region, we expect demand to be noticeably

under the prior-year level. We forecast noticeable growth for the bus markets in North America for 2026. New registrations in South America are expected to be significantly lower than the prior-year figure in 2026.

Overall, we predict demand for buses to be steady on average across the relevant markets for the period from 2027 to 2030.

TRENDS IN THE MARKETS FOR FINANCIAL SERVICES

We assume that automotive financial services will continue to prove highly important to global vehicle sales in 2026 in synergy with the development of the vehicle markets. We expect demand to rise in emerging markets where market penetration has so far been low. Regions with already established automotive financial services markets will probably see a continuation of the trend towards achieving mobility at the lowest possible total cost. The shift from financing to lease contracts that has begun in the European financial services business with individual customers will continue. Integrated end-to-end solutions, which include mobility-related service modules such as insurance and innovative packages of services, are likely to become ever more important. Additionally, we expect that demand will increase for new forms of mobility, such as rental and car subscription services. Dealers will remain important strategic partners. The seamless integration of financial services into the online vehicle offering will become increasingly important. We estimate that this trend will also persist in the years 2027 to 2030.

In the mid-sized and heavy commercial vehicles category, we are seeing robust demand for financial services products in the emerging markets. In these countries in particular, financing solutions support vehicle sales and are thus an essential component of the sales process. In the developed markets, we expect to see increased demand for telematics services and services aimed at reducing total cost of ownership in 2026. This trend is also expected to persist in the period 2027 to 2030.

EXCHANGE RATE TRENDS

For 2026, we expect the euro to appreciate against the US dollar and pound sterling. The Chinese renminbi, Brazilian real, Mexican peso and South African rand are expected to depreciate to varying degrees against the European single currency. Due to persistently high inflation in Argentina and Türkiye, strong depreciation is projected for the Argentinian peso and the Turkish lira.

We anticipate that the European single currency will be largely stable against the US dollar and the Mexican peso between 2027 and 2030. We assume that the euro will appreciate slightly against pound sterling on average and that the Brazilian real will depreciate on average. An average rate of appreciation is forecast for the Chinese renminbi and the South African rand for the years 2027 to 2030 compared with 2026. The comparative weakness of the Turkish lira and the Argentinian peso is set to continue. However, there is still a general event risk, defined as the risk arising from unforeseeable market developments.

INTEREST RATE TRENDS

Although almost all major western industrialized countries and many emerging markets made their key interest rate cuts in 2025, further changes in key interest rates in 2026 in the respective countries will depend firstly on further inflation developments and secondly on the scale of a possible economic downturn. Overall, we expect a somewhat lower interest rate level on average in 2026 compared to 2025.

We estimate that, on the whole, interest rates will persist at around this level between 2027 and 2030.

COMMODITY PRICE TRENDS

We expect the prices of many commodities to rise in 2026. Due to the exchange rate effect, price increases will not necessarily always be reflected in the measurement in euros.

We anticipate continued volatility in the commodity markets at higher prices in some cases for the period from 2027 to 2030. We expect significant price increases for battery materials and precious metals in particular.

MODEL INNOVATIONS IN 2026

The Core brand group will focus its model innovations in 2026 on launching entry-level models from the Volkswagen Group's new urban electric family based on the next evolutionary stage of the modular electric drive platform, the MEB+.

One of these is the ID. Polo from the Volkswagen Passenger Cars brand. Furthermore, the ID.3 will receive a refreshed interior and exterior in 2026. The new T-Roc will be available with an economical hybrid engine. In particular the new electric models developed and built in China for China, the ID. UNYX 07, ID. UNYX 08 and ID. ERA 9X, will be introduced to the market.

Škoda will debut the new all-electric Epiq SUV in 2026, also a member of the new urban electric family. The Škoda Peaq, a spacious fully electric seven-seater, will expand the portfolio. In the Indian market, new models from the Kushaq and Slavia series will round off the range of vehicles developed and produced locally.

CUPRA will launch the Raval in 2026 on the basis of the MEB+ platform. The Born will also be available with a refreshed interior and exterior.

The new Transporter from Volkswagen Commercial Vehicles will be launched in 2026 with a plug-in hybrid drivetrain, and further double cab variants will also be introduced. The Caddy and Multivan will be comprehensively overhauled.

Audi will be updating its electric model portfolio in 2026 with the market launch of the new Q4 e-tron and the Q4 Sportback e-tron. Another highlight will be the launch of the new Q7. The AUDI E7X, an all-electric premium SUV, will make its debut in China as the second model of the "AUDI" word brand.

Porsche will press ahead with electrification of its models in 2026 with the new Cayenne Electric and Cayenne Coupé Electric. Other derivatives, including the Macan GTS, will be added to the product range in the course of 2026.

Bentley plans to update the Flying Spur in 2026. In addition, it will be bringing out new versions of the Continental GT and Continental GT Convertible models, which have already been updated.

Ducati will bring the Panigale V4 R and the limited-edition Diavel V4 RS to market in 2026. The Monster V2 and Hypermotard V2 will also be launched. Adventurous bikers will welcome the addition of the Multistrada V4 RS, Multistrada V4 Rally and Desert X to the enduro portfolio.

The TRATON GROUP will forge ahead with e-mobility and autonomous driving in 2026, but will continue to take an open approach to technology in offering the products that customers want.

In early 2026, Scania will commence deliveries of the first trucks to be sold under the new Next Era brand, which are being developed and produced for the Chinese market in China. In addition, other vehicle series will be fitted out with the Super 11 engine.

MAN will launch additional engine variants based on the D30 engine for the various vehicle series on the market in 2026.

International will push the use of the Integrated Powertrain throughout a broad product portfolio.

Volkswagen Truck & Bus will expand its line-up of battery-electric vehicles and offer customers new solutions.

INVESTMENT AND FINANCIAL PLANNING

In order to inspire our customers worldwide with a strong product portfolio and an attractive range of services throughout the entire customer and product life cycle, we are pushing Volkswagen's transformation into a Global Automotive Tech Driver as part of the implementation of our Group strategy. In this context, we wish to unleash our full business potential by means of competitive technologies and by efficiently leveraging synergies within the Group.

Under our current planning for 2026, most of the capex (investments in property, plant and equipment, investment property and intangible assets, excluding capitalized development costs) is earmarked for the production of electric vehicles and the associated battery technologies, electric toolkits and platforms as key components of the transformation taking place in the mobility industry.

Particularly against the backdrop of the delayed ramp-up of e-mobility and in view of evolving market conditions, we continue to keep the appeal of our conventional vehicles, toolkits and platforms firmly in our sights. This approach is also reflected in the strategic alignment of our investment planning, which continues to include investments in our portfolio of vehicles with conventional drive systems. We are aiming to achieve a balance between vehicles with all-electric, hybrid and conventional drivetrains to cater to the needs of our various customer groups.

The focus of our capex further extends to the digitalization of our products and sites, measures to cut carbon emissions and promote sustainable production processes, and the expansion of our presence in markets such as North America (with the Scout brand) and China, where we will also step up our activities at a local level.

In addition to capex, our investing activities also encompass additions to capitalized development costs. Like capex, these costs relate, among other things, to upfront expenditures for measures to update and electrify the model range, as well as for technologies of the future. They also include expenditure for the software architectures of the future, with a synergistic approach for use throughout the Group.

It is with this investment in our facilities and models, in the development of electrified drives and platforms, and in digitalization that we are laying the foundation for profitable, sustainable growth at Volkswagen with a view to safeguarding our future viability. The investment also includes commitments arising from decisions taken in previous fiscal years. We assume that the investment ratio in the Automotive Division will lie between 11% and 12% in 2026.

We aim to finance the investments in our Automotive Division from our own capital resources and expect cash flows from operating activities to exceed the Automotive Division's investment requirements. We expect net cash flow for 2026 to be between €3 billion and €6 billion. This particularly includes cash outflows for investments for the future. Net liquidity in the Automotive Division in 2026 is expected to be between €32 billion and €34 billion.

These plans are based on the Volkswagen Group's current structures.

Our equity-accounted joint ventures in China are not included in the figures above. For 2026, these joint ventures plan to invest in e-mobility, further optimization of the model portfolio, the development of new mobility solutions and digitalization (especially in software). The corresponding capex will probably exceed the level recorded in 2025 and be financed from the companies' own funds.

In the Financial Services Division, we are planning higher investment in 2026 than in the previous year. We expect the development of lease assets and of receivables from leasing, customer and dealer financing to lead to funds tied up in working capital, of which around half will be financed from gross cash flow. As is common in the sector, the remaining funding requirements will be met primarily through unsecured bonds on the money and capital markets, the issuing of asset-backed securities, customer deposits from the direct banking business, and through the use of international credit lines.

SUMMARY OF EXPECTED DEVELOPMENTS

Our planning is based on the assumption that global economic output will grow overall in 2026 at a similar pace to 2025. Declining inflation in key economic regions and the resulting gradual easing of monetary policy are expected to boost consumer demand. We continue to see risks in the increasing fragmentation of the global economy and protectionist tendencies, in turbulence in the financial, energy and commodity markets, as well as in structural deficits in individual countries. Growth prospects are also weighed down by continuing geopolitical tensions and conflicts; risks stem in particular from the Russia-Ukraine conflict, the confrontations in the Middle East, as well as growing uncertainties regarding the policy stance of the USA and the global increase of geoeconomic measures, which could further exacerbate geopolitical tensions. We anticipate that advanced economies will maintain, on average, a momentum comparable to that of the reporting year, while the group of emerging markets is expected to exhibit somewhat softer dynamics.

The trend in the automotive industry closely follows global economic developments. We assume that competition in the international automotive markets will continue to increase. Crisis-related disruptions to the global supply chain and the resulting impact on vehicle availability may weigh on new registration volumes. Moreover, suddenly arising or intensifying geopolitical tensions and conflicts could in particular result in rising material prices and declining energy availability, and necessitate a reassessment of existing resource allocations.

We predict that trends in the markets for passenger cars in the individual regions will be mixed but stable overall in 2026. Overall, global new vehicle sales volumes are expected to be on a level with the previous year. In Western Europe, we anticipate that the volume of new passenger car registrations in 2026 will also be on a level with the reporting year. For the German passenger car market, we also assume that the volume of new registrations in 2026 will be at the prior-year level. We anticipate a strong year-on-year increase in sales of passenger cars overall in markets in Central and Eastern Europe – subject to further developments in the Russia-Ukraine conflict. In the markets for passenger cars and light commercial vehicles (up to 6.35 tonnes) in North America overall, as well as in the USA, sales volumes in 2026 are forecast to be slightly below the previous year's level. The number of new registrations in the South American markets in 2026 is projected to show a slight overall year-on-year increase. The passenger car markets in the Asia-Pacific region in 2026 are expected to be similar to the previous year.

Trends in the markets for light commercial vehicles in the individual regions will be mixed; on the whole, the sales volume for 2026 is likely to be on a level with the previous year.

For 2026, we expect new registrations for mid-sized and heavy trucks with a gross weight of more than six tonnes will be on a level with the previous year in the markets that are relevant for the Volkswagen Group, with regional variations. A slight year-on-year decrease in demand is anticipated for 2026 in the bus markets relevant for the Volkswagen Group, but this will vary depending on the region.

We assume that automotive financial services will continue to play an important role in global vehicle sales in 2026, in conjunction with the development of vehicle markets.

In a challenging market environment, we anticipate that the number of deliveries to customers of the Volkswagen Group in 2026 will be on a level with the previous year.

Challenges will arise in particular from the economic environment, uncertainties related to international trade restrictions and geopolitical tensions, intensifying competition, volatile commodity, energy and foreign exchange markets, as well as stricter emissions-related requirements.

The sales revenue of the Volkswagen Group is likely to develop within the range of 0% to +3% in 2026. The operating return on sales for the Group is projected to be between 4.0% and 5.5%. We assume that the investment ratio in the Automotive Division will lie between 11% and 12% in 2026. We expect net cash flow for 2026 to be between €3 billion and €6 billion. Net liquidity in the Automotive Division in 2026 is expected to range between €32 billion and €34 billion. We remain committed to continuing our robust financing and liquidity policy.

The forecast is based on the assumption that the current tariff situation in international trade will persist.

OVERVIEW OF KPI PROJECTIONS

in € billion	Actual 2025	Forecast for 2026
Deliveries to customers (in million units)	9.0	at prior-year-level
Volkswagen Group		
Sales revenue	321.9	0 to +3.0%
Operating return on sales (in %)	2.8	4.0 to 5.5
Operating result	8.9	in forecast range
Passenger Cars and Light Commercial Vehicles segment		
Sales revenue	244.5	0 to +3.0%
Operating return on sales (in %)	2.0	4.0 to 5.0
Operating result	5.0	in forecast range
Commercial Vehicles segment		
Sales revenue	42.5	–5.0 to +7.0%
Operating return on sales (in %)	5.7	5.0 to 7.0
Operating result	2.4	in forecast range
Financial Services Division		
Sales revenue	62.1	0 to +3.0%
Operating result	3.7	> 4
Automotive investment ratio (in %)	11.8	11 to 12
Net cash flow in the Automotive Division	6.4	3 to 6
Net liquidity in the Automotive Division	34.5	32 to 34

Report on Risks and Opportunities

(CONTAINS THE REPORT IN ACCORDANCE WITH SECTION 289(4) OF THE HGB)

Promptly identifying the risks and opportunities arising from our business activities and taking a forward-looking approach to managing them is crucial to our Company's long-term success. A comprehensive risk management system and an internal control system help the Volkswagen Group deal with risks in a responsible manner.

In this section, we first explain the objective and structure of the Volkswagen Group's Risk Management System (RMS) and the standardized Internal Control System (ICS) and describe these systems, also with regard to the financial reporting process. We then outline the main risks and opportunities arising from our business activities.

OBJECTIVE OF THE RISK MANAGEMENT SYSTEM AND INTERNAL CONTROL SYSTEM

Only by promptly identifying, accurately assessing and effectively and efficiently managing the risks and opportunities arising from our business activities can we ensure the Volkswagen Group's long-term success. The aim of the RMS and the ICS is to identify potential risks at an early stage so that suitable countermeasures can be taken to avert the threat of loss to the Company, and any risks that might jeopardize its continued existence can be ruled out.

Assessing the likelihood of occurrence and the extent of future events and developments is, by its nature, subject to uncertainty. We are therefore aware that even the best RMS cannot foresee all potential risks and even the best ICS can never completely prevent irregular acts.

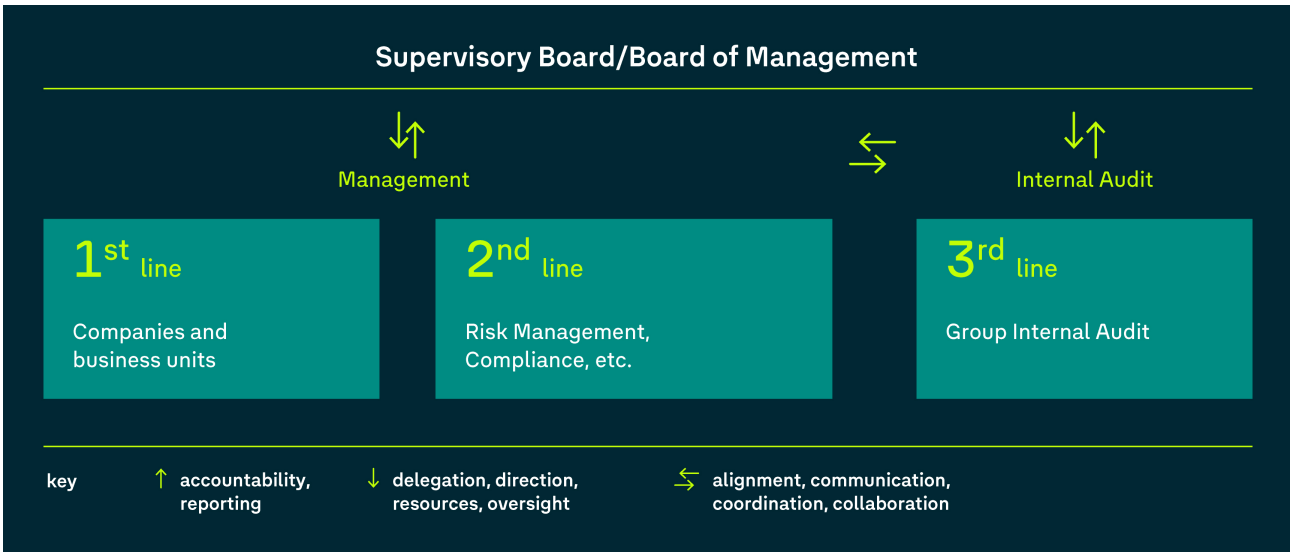
STRUCTURE OF THE RISK MANAGEMENT SYSTEM AND INTERNAL CONTROL SYSTEM

The organizational design of the Volkswagen Group's RMS and ICS is based on the internationally recognized COSO framework for enterprise risk management (COSO: Committee of Sponsoring Organizations of the Treadway Commission). The purpose of structuring the RMS/ICS in accordance with the COSO framework for enterprise risk management is so that potential risk areas are covered in full. Uniform Group principles are used as the basis for managing risks in a standardized manner. Opportunities are not recorded in the RMS processes.

Another key element of the RMS and ICS at Volkswagen is the Three Lines Model, which is required by, among other bodies, the European Confederation of Institutes of Internal Auditing (ECIIA). In line with this model, the Volkswagen Group's RMS and ICS have three lines designed to protect the Company from significant risks occurring.

The minimum requirements for the RMS and ICS, including the Three Lines Model, are set out in guidelines for the entire Group and are regularly reviewed and refined. In addition, regular training is offered on the RMS and ICS.

THE VOLKSWAGEN THREE LINES MODEL



A separate Group Board of Management Committee for Risk Management deals with the key aspects of the RMS and ICS every quarter. Its tasks are as follows:

- to further increase transparency in relation to significant risks to the Group and the management thereof
- to discuss specific issues where these constitute a significant risk to the Group
- to make recommendations on the further development of the RMS and ICS
- to support the open approach to dealing with risks and promote an open risk culture

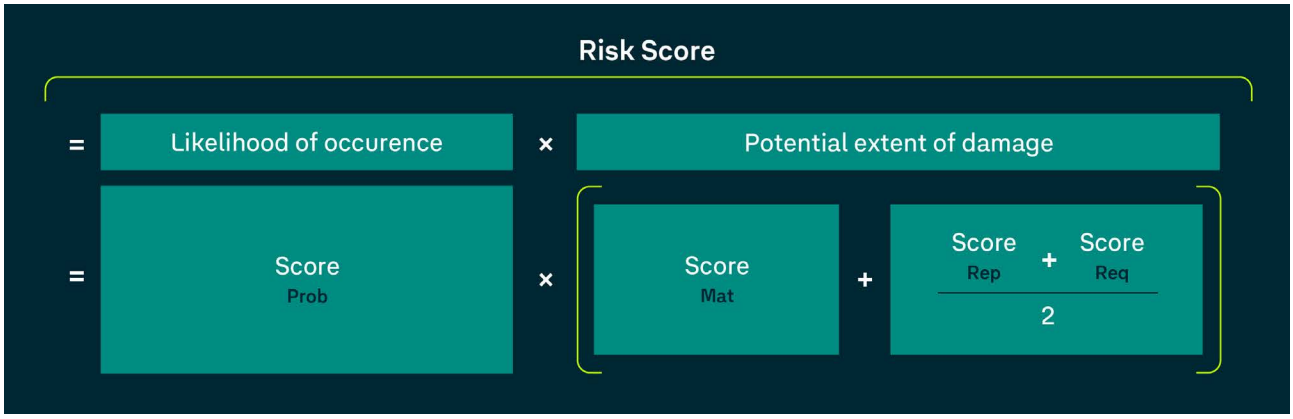
First line: Operational risk management and ICS

The first line comprises the operational risk management and internal control systems at the individual Group companies and business units. The RMS and ICS are integral parts of the Volkswagen Group's structure and workflows. Events that may give rise to risk are identified and assessed locally in the divisions and at the Group companies. Countermeasures are introduced, the remaining potential impact is assessed, and, if necessary, the information is incorporated into the planning in a timely manner. Material risks are reported to the relevant committees on an ad hoc basis. The results of the operational risk management process are incorporated into planning and financial control on an ongoing basis. The targets agreed in the planning rounds are therefore continually reviewed in revolving planning updates. At the same time, the results of risk mitigation measures are promptly incorporated into the regular forecasts regarding further business development. This means that the Board of Management also has access to an overall picture of the current risk situation via the documented reporting channels during the year.

Second line: Group Risk Management and ICS

Each quarter, in addition to the ongoing operational risk management, the Group Risk Management department sends standardized surveys regarding the risk situation and the implementation of countermeasures – through the quarterly risk process (QRP) – to all Group brands and significant Group companies. The risks are identified and approved in a multiple-party verification process and then checked for plausibility by Group Risk Management.

CALCULATION OF THE RISK SCORE



A score is calculated for each risk by multiplying the likelihood of occurrence (Prob) by the potential extent of the damage. This enables comparison of the risks. The potential extent of the damage is calculated from the criteria of financial loss (Mat) and reputational damage (Rep) and the potential risk of non-compliance with external legal requirements (Req). A score of between zero and ten is assigned to each of these criteria. The measures taken to manage and control risk are taken into account in the risk assessment (net perspective).

The score for a likelihood of occurrence of more than 50% in the analysis period is classified as high; for a medium classification, the likelihood of occurrence is at least 25%. For the criterion of financial loss, the score rises in line with the loss; the highest score of 10 is reached when the potential loss is upwards of €1 billion. The criterion of reputational damage can have characteristics ranging from local erosion of confidence and loss of trust at the local level to loss of reputation at regional or international levels. The potential risk of non-compliance with external legal requirements is classified based on the potential impact on the local company, the brand or the Group.

In addition to strategic, operational and reporting risks, risks arising from potential compliance violations (compliance risks) and from sustainability issues (ESG) are also integrated into this process.

Volkswagen Financial Services AG and Volkswagen Financial Services Overseas AG have implemented their own RMS and ICS processes and regularly report to Group Risk Management on their current risk situation.

To review the Volkswagen Group's risk-bearing capacity, Group Risk Management uses the risk reports for a regular comparison of the aggregated risk situation and risk-bearing capacity. A simulation is used to check whether individual risks might become a going-concern risk if they are aggregated. There were no indications of insufficient risk-bearing capacity at the Volkswagen Group in the 2025 fiscal year.

Risk reporting to the committees of Volkswagen AG depends on materiality thresholds. Risks with a risk score of 40 or more or potential financial loss of €1 billion or more are presented quarterly to the Board of Management and the Audit Committee of the Supervisory Board of Volkswagen AG. In addition, the reporting includes all risks from the QRP with a risk score of 20 or more.

In addition, significant changes to the risk situation that can arise in the short term, for instance from unexpected external events, are reported to the Board of Management as required. This is necessary if the risk may lead to potential financial loss of €1 billion or more and the likelihood of occurrence is estimated at greater than 50% in the next 24 months.

In recent years, a standardized ICS to better protect against process risks has also been developed and put in place in significant companies. A risk-driven review of the companies to be included in the standardized ICS is per-

formed annually. The ICS thereby goes significantly beyond the requirements for the accounting-related ICS. In 26 catalogs of controls, the Group companies within its scope are presented with guidelines in respect of the process risks and control objectives to be covered to ensure that a standardized approach is taken to safeguard the value chain.

In addition to financial reporting issues, these catalogs address matters such as process risks in development or production, as well as in the areas of compliance and sustainability. The catalogs of controls are checked at regular intervals to verify that they are up to date and are regularly expanded.

Key controls to cover process risks and control objectives are also tested for their effectiveness; any significant weaknesses identified are reported to the responsible bodies at Volkswagen AG and resolved in the departments.

Like the QRP, the standardized ICS is supported by the RiskRadar IT system.

We regularly optimize the RMS and ICS as part of our continuous monitoring and improvement processes. In the process, we give equal consideration to both internal and external requirements. In addition to the RMS and the ICS, our Compliance Management System (CMS) is also subject to these control and adjustment mechanisms. External experts assist in the continuous enhancement of our RMS, ICS and CMS on a case-by-case basis.

Third line: Review by Group Internal Audit

Group Internal Audit helps the Board of Management to monitor the various divisions and corporate units within the Group. It regularly checks the risk early warning system and the structure and implementation of the RMS, ICS and CMS as part of its independent audit procedures. The audit plan adopted by the Board of Management includes the first and second lines, i.e. the risk-mitigating functions in addition to the operational units.

RISK EARLY WARNING SYSTEM

The requirements for a risk early warning system are met by means of the RMS and ICS elements described above (first and second line). The Company's risk situation is ascertained, assessed and documented and therefore also complies with legal requirements. Independently of this, the external auditors check both the processes and procedures implemented in this respect and the adequacy of the documentation on an annual basis. The plausibility and adequacy of the risk reports are examined via spot checks in detailed interviews with the divisions and companies concerned. The auditor examines the risk early warning system integrated into the risk management system with respect to its fundamental suitability to be able to identify risks at an early stage that might jeopardize the Company's continued existence and assesses the functionality of the risk early warning and monitoring system in accordance with section 317(4) of the HGB.

In addition, scheduled examinations are conducted as part of the audit of the annual financial statements at companies in the Financial Services Division. Volkswagen Financial Services AG as a financial holding company is subject to supervision by the European Central Bank, while Volkswagen Versicherung AG as an insurance undertaking is subject to supervision by the *Bundesanstalt für Finanzdienstleistungsaufsicht* (BaFin – the German Federal Financial Supervisory Authority). As part of the scheduled supervisory process and unscheduled audits, the competent supervisory authority assesses whether the requirements, strategies, processes and mechanisms ensure solid risk management and solid risk coverage. Furthermore, the *Prüfungsverband deutscher Banken* (Auditing Association of German Banks) audits Volkswagen Bank GmbH – as part of Volkswagen Financial Services AG – at irregular intervals.

Volkswagen Financial Services Overseas AG also operates a risk early warning and management system. Its aim is to ensure that the locally applicable regulatory requirements are adhered to and at the same time to enable appropriate and effective risk management at Group level. Important components of it are regularly reviewed as part of the audit of the annual financial statements.

MONITORING THE EFFECTIVENESS OF THE RISK MANAGEMENT SYSTEM AND THE INTERNAL CONTROL SYSTEM

Reporting to the Board of Management and Supervisory Board of Volkswagen AG includes the results of the continuous monitoring and improvement of the RMS and ICS along with the evaluation of the Company-wide risk situation based on the QRP and the presentation of the results of the internal control process based on the standardized ICS and downstream control systems at individual brands.

On this basis, an overall conclusion is reached once a year at a Volkswagen AG Board of Management meeting on the adequacy and effectiveness of the Volkswagen Group's RMS and ICS. The Board of Management has received no information to indicate that our RMS or ICS as a whole were inadequate or ineffective in fiscal year 2025. Furthermore, the Board of Management of Volkswagen AG receives regular status updates on the CMS and the topics within the remit of the Group Integrity & Compliance organization – prevention of corruption, money laundering, embezzlement and breach of trust. Here, too, the Board of Management has received no information to indicate that our CMS as a whole was inadequate or ineffective.

Nevertheless, there are inherent limits to the effectiveness of any risk management, compliance management and internal control system. Even a system judged to be adequate and effective cannot, for example, ensure that all risks that actually occur will be identified in advance or that any process disruptions will be ruled out under all circumstances.

THE RISK MANAGEMENT AND INTEGRATED INTERNAL CONTROL SYSTEM IN THE CONTEXT OF THE FINANCIAL REPORTING PROCESS

The accounting-related part of the RMS and ICS that is relevant for the financial statements of Volkswagen AG and the Volkswagen Group as well as its subsidiaries comprises measures intended to ensure that the information required for the preparation of the financial statements of Volkswagen AG, the consolidated financial statements and the combined management report of the Volkswagen Group and Volkswagen AG is complete, accurate and transmitted in a timely manner. These measures are designed to minimize the risk of a material misstatement in the accounts and in external reporting.

Main features of the Risk Management and integrated Internal Control System in the context of the financial reporting process

The Volkswagen Group's accounting is essentially organized along decentralized lines. For the most part, accounting duties are performed by the consolidated companies themselves or entrusted to the Group's shared service centers. In principle, the financial statements of Volkswagen AG and its subsidiaries prepared in accordance with the IFRSs and the Volkswagen IFRS Accounting Manual are transmitted to the Group in encrypted form. A standard market product is used for encryption.

The aim of the Volkswagen IFRS Accounting Manual, which has been prepared taking into consideration external expert opinions, is to ensure the application and assessment of uniform accounting policies based on the requirements applicable to the parent. In particular, it includes more detailed guidance on the application of legal requirements and industry-specific issues. Components of the Group companies' reporting packages that are necessary to prepare the consolidated financial statements are also set out in detail there, and requirements have been established for the presentation and settlement of intragroup transactions and the balance reconciliation process that is based on these.

Control activities at Group level include analyzing and, if necessary, adjusting the data reported in the financial statements presented by the subsidiaries, also taking into account the reports submitted by the auditors and the outcome of the meetings on the financial statements with representatives of the individual companies. These discussions address both the plausibility of the separate financial statements and specific significant issues at the subsidiaries. Alongside plausibility checks, other control mechanisms applied during the preparation of the separate and

consolidated financial statements of Volkswagen AG include the clear delineation of areas of responsibility and the application of the "four eyes" principle.

The effectiveness of the internal control system in the context of the accounting process is systematically assessed in significant companies as part of the standardized ICS. This begins with a risk analysis and definition of controls with the aim of identifying significant risks for the financial reporting process. Regular tests based on random samples are performed to evaluate the effectiveness of the controls. These form the basis for a self-evaluation of whether the controls are appropriately designed and effective.

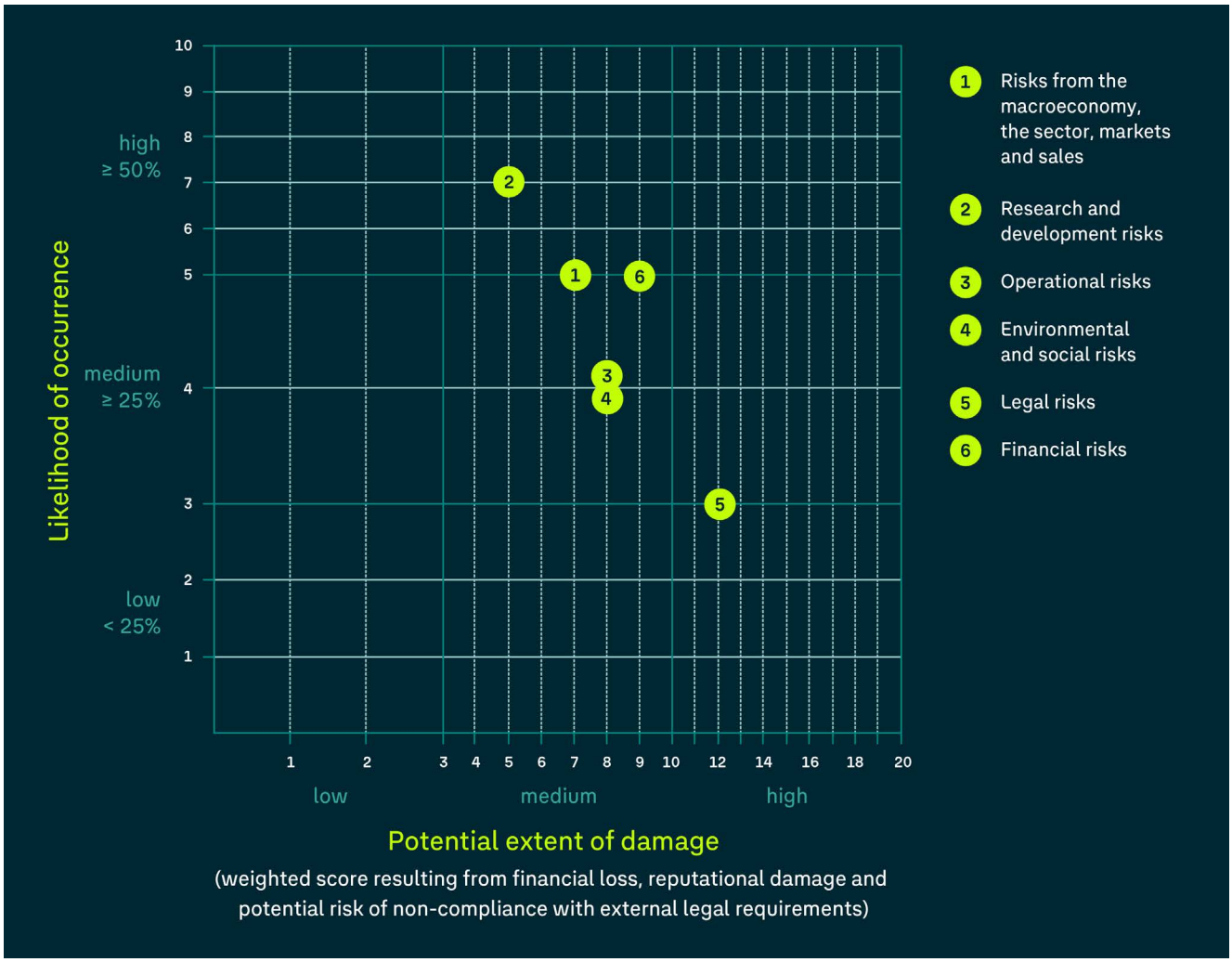
The combined management report of the Volkswagen Group and Volkswagen AG is prepared – in accordance with the applicable requirements and regulations – centrally but with the involvement of and in consultation with the Group units and companies. Specific systems are used for data collection in the Group departments.

In addition, the accounting-related internal control system is independently reviewed by Group Internal Audit in Germany and abroad.

Integrated consolidation and planning system

The Financial Accounting Controlling Tax System (FACTS) enables the Volkswagen Group to consolidate and analyze both Financial Reporting's backward-looking data and Controlling's forward-looking data. FACTS offers centralized master data management, uniform reporting, an authorization concept and the required flexibility with regard to changes to the legal environment, providing a technical platform that benefits Group Financial Reporting and Group Controlling in equal measure. To verify data consistency, FACTS has a multi-level validation system that primarily checks content plausibility between the balance sheet, the income statement and the notes.

AVERAGE SCORES OF THE RISK CATEGORIES



RISKS AND OPPORTUNITIES

In this section, we outline the main risks and opportunities arising in our business activities. In order to provide a better overview, we have grouped the risks and opportunities into categories as presented in the chart above and detailed further below. At the beginning of each risk category, we state the most significant risks in order of their importance as identified using the risk score from the QRP. We then describe the individual risks in no particular order. These individual risks, which are listed over and above the QRP, are generally inherent in nature and do not reach the materiality thresholds previously described. Unless explicitly mentioned, there were no material changes to the specific risks and opportunities compared with the previous year though the weighting of individual risks has changed.

Going forward, we aim to use a uniform risk formulation for the individual risks of the Report on Risks and Opportunities and the risk factors in our securities prospectuses; as such, we have harmonized the formulations in the reporting year. This approach reduces complexity and increases the comparability of both reporting formats.

The assessment of the Volkswagen Group's risk categories and the reports to the Board of Management include, among other things, all risks with a risk score of 20 or more reported to Group Risk Management by the units included

in the QRP. The risk categories are plotted on the graph based on the average scores. There were no risks reported for the "Risks from mergers & acquisitions and/or other strategic partnerships/investments" risk category with these scores.

We use analyses of the competition and the competitive environment in addition to market studies to identify not only risks but also opportunities that have a positive impact on the design of our products, the efficiency with which they are produced, their success in the market and our cost structure. Where they can be assessed, risks and opportunities that we expect to occur are already reflected in our medium-term planning and our forecast. Below, we therefore report on internal and external developments as risks and opportunities that, based on existing information, may result in a negative or positive deviation from our forecast or targets.

Risks and opportunities from the macroeconomy, the sector, markets and sales

For this risk category, the likelihood of occurrence is classified as high (previous year: high) and the potential extent of damage is classified as medium (previous year: medium).

The most significant risks from the QRP arise from a negative influence on markets and unit sales driven among other factors by trade restrictions, increasing protectionist tendencies and intensifying competition.

Macroeconomic risks and opportunities

The demand for and sales volume of our products and services depends upon the general global economic situation.

Risks to the global economy and stability can arise from a global turn away from globalization and the increasing fragmentation of the global economy, volatilities in financial, energy and commodity markets and increasing geopolitical and geoeconomic tensions and conflicts as well as fundamental business cycles. Political uncertainty, primarily due to changed political priorities, protectionist measures, structural supply and demand deficits also pose a threat to the development of individual advanced economies, emerging markets and other regions. Economic growth and developments in advanced economies and emerging markets can also be directly or indirectly affected by regional and global conflicts. Relevant influencing factors include geopolitical confrontations such as the Russia–Ukraine conflict or the confrontations in the Middle East, security-related events such as terrorist attacks and cyberattacks, health challenges due primarily to the spread of infectious diseases and structural changes such as demographic developments. The impact on economic developments can vary from region to region. Economies react differently to external influences depending on their structure, geopolitical situation and global interdependence. Distortions in the global economy, increasing volatilities in the financial, energy and commodity markets and increasing migration movements can be possible consequences. In addition, individual markets may show higher price sensitivity, which are attributable to changed supply and demand conditions as well as increased uncertainties. Changes in monetary policy, structural deficits or high levels of public and private debt can also adversely affect economic growth.

Stagnating economic growth or economic downturns or disruptions, especially in countries and regions with high economic relevance to the global supply chain and interdependence, such as the US and China, can have a direct impact on the global economy and thus pose a significant risk to our business, and lead to, among other things, intensified price competition, rising inventories, increase in tied-up capital and excess capacity in production.

Rising protectionist tendencies in any of our key markets, the introduction or extension of tariff and non-tariff barriers, minimum content requirements or other similar measures as well as the withdrawal from existing free trade agreements, may exacerbate the above-described macroeconomic risks. Direct or indirect trade tensions between the US, Canada, Mexico, the EU and/or China, a reorientation of the economic policies of countries that represent our key markets, for example as part of an effort to strengthen their domestic businesses or manufacturing bases, have

had and could continue to have adverse effects on us. In particular, we are exposed to the potential intensification of ongoing trade disputes as a result of, among other things, existing, as well as abruptly introduced, trade tariffs imposed by the US and retaliatory measures by other countries. Trade disputes, tariff volatility and uncertainty and other geoeconomic pressures, such as sanctions, trade restrictions, investment controls or currency interventions, expose us to unpredictable costs, supply chain disruptions and compliance challenges. Such measures have in the past and could in the future target specific sectors and products, including the automotive sector. Existing and prospective US tariffs and non-tariff barriers adversely impact US sales of vehicles produced by us in other jurisdictions, including Europe.

Any future potential armed international conflict or any escalation in tensions in our key markets, such as the US and China or a direct confrontation of foreign powers with NATO member states, should they occur, are likely to have a significant adverse effect on the Volkswagen Group.

Overall, we expect the global economy to grow in 2026. However, primarily due to the risk factors mentioned, as well as cyclical and structural aspects, a slump in global economic growth or a period of below-average growth rates is also possible.

The macroeconomic environment could also present opportunities for the Volkswagen Group if actual developments turn out to be more positive than expected.

Competition in the Automotive Industry

We operate in highly competitive global automotive markets and we anticipate that this competition will continue to intensify, resulting in sustained pricing pressure and an increased use of sales incentives by market participants.

The automotive industry will continue to undergo significant transformation in the coming years due primarily to ongoing vehicle electrification, digitalization and new technologies. The competitive environment is increasingly shaped by new business models (e.g., Mobility as a Service, Transportation as a Service, car sharing), products (e.g., autonomous driving) and new market participants. For the Volkswagen Group, as a provider of both volume and premium models, the heightened competitive intensity and resulting price pressure represent a risk.

Competitive pressure may arise from the market entry of new manufacturers – particularly from China, the United States, or India – an expansion of production by established manufacturers, or government regulations. This will particularly affect automotive markets in Western Europe, the United States, China, Brazil and India. Competitors may also increasingly seek to serve the Western European market with spare production capacity or new product offerings tailored to European consumers.

Exposure to key markets

A significant percentage of vehicle sales of the Volkswagen Group is attributable to our key markets such as Western Europe, particularly in Germany, and China and we are exposed to risks stemming from deteriorations in economic conditions and financial markets in these regions, which have led to declines in demand in the past and could do so again in the future.

A sustained decrease in demand for our products and services in our key markets, or intensified competitive pressure, has required us to adjust production capacity in these regions and may continue to do so. This could lead to additional costs, one-off expenses, or otherwise reduced profitability.

Our future growth plans significantly also depend on the market development in China. The highly competitive Chinese market environment continued to negatively impact our deliveries in 2025. China's automotive market is fiercely contested, with numerous domestic and foreign manufacturers seeking to maintain or grow market share

through tactical measures. Competition is especially intense in the battery electric vehicle segment. Many Chinese customers currently also prefer domestic manufacturers due to their more locally customized digital service offerings.

An economic slowdown or new, adverse government measures – such as ending subsidies, the introduction of or increase in trade duties, or introducing quota regulations for New Energy Vehicles (e.g., battery electric vehicles and plug-in hybrids) – could weaken demand for automobiles. Additionally, restrictions on vehicle registrations in metropolitan areas such as Beijing, Shanghai and Guangzhou could be extended to other major cities, impacting our deliveries in China.

A sharp decline in demand for vehicles in our key markets – caused by changes in customer behavior, price adjustments, changes in investment activity or economic conditions, intensified competition or political and armed conflicts – would have a particularly strong impact on our earnings, including those of our financial services business.

Growth potential in key markets of Volkswagen Group

The Volkswagen Group embraces growing international competition, including from China, and views it as an opportunity that benefits our customers.

To secure our market share and future success in existing and new markets, it is essential, that we are able to respond to changing customer preferences, especially regarding electric mobility. During this transformation phase, a flexible powertrain offering is essential, as regions worldwide are developing at different speeds. With our broad product portfolio we can meet demand: customers can choose between efficient combustion engines, fully electric models, or high-performance hybrid powertrains.

China

Vehicle demand in China is expected to continue rising in the coming years, driven by the ongoing need for individual mobility. This trend extends to the rapidly expanding e-mobility market, which is currently led by high-volume domestic manufacturers, among others. In addition, demand is expected to shift from major coastal metropolitan areas to the country's interior, accompanied by intensifying competitive pressure from local manufacturers. We are continuously expanding our product portfolio with models specifically developed for this market, aiming to participate in the opportunities this market offers – particularly with regard to e-mobility. To this intend, we are increasingly entering into partnerships to better meet regional customer requirements.

USA

In the US market, the share of light trucks - particularly SUVs and pickups - is expected to continue to increase slightly in the coming years. Overall, as in other markets, the electrification of mobility is strongly influenced by government incentives and regulatory requirements for fleet emissions and fuel consumption. However, changes in government administrations can repeatedly lead to policy shifts.

Under the current administration, for example, there is a significant rollback at the federal level of government purchase incentives for electrified vehicles, as well as the elimination of fuel efficiency standards. A substantial relaxation – or even complete removal – of CO_2 emissions requirements is being pursued.

Volkswagen Group of America is consistently pursuing its strategy to establish itself as a full-scale volume supplier and expanding its market share. The expansion of local production capacity – including electric vehicle manufacturing since 2022 – enables the Volkswagen Group to better serve the North American market. We are also actively developing additional products tailored to US consumer preferences, including a full-size pick-up and a robust SUV, to capture the electric and hybrid vehicle market with the US brand Scout.

Risks in our growth markets

In addition to our performance in our key markets, our commercial success depends on our own and our competitors' efforts in growth markets in Asia, North America, South America and Central and Eastern Europe. We already have a strong presence in numerous established and emerging markets or are pursuing to increase market share.

We have made substantial investments in these growth markets and intend to continue doing so. However, prevailing conditions in these markets could make it more difficult to increase sales volumes. Examples include requirements regarding the share of local production, minimum requirements for homologation and vehicle registrations, import restrictions such as potential bans on certain foreign components and software solutions, as well as other trade barriers, which currently represent a potential challenge in the United States. As a result, it could not be possible to achieve a return on investment in these markets at all or only later than planned.

Several competitors, particularly larger Asian manufacturers, are expanding their production capacities in these markets to meet local demand. Asian - especially Chinese and Indian - manufacturers are increasingly exporting to emerging regions outside their home markets. This further intensifies competitive pressure on the products and services of the Volkswagen Group.

Opportunities in our growth markets

India

India represents a significant future market for us, with demand for new vehicles expected to rise in the coming years, partly as a result of demographic changes. The Volkswagen Group has consolidated its operations in India and offers a range of models tailored to local customer preferences, including the Virtus and Taigun from the Volkswagen Passenger Cars brand, as well as the Škoda Kushaq, Slavia and Kylaq.

Brazil

In Brazil, the demand for individual mobility and demand are expected to increase slightly in the coming years, particularly in the low-price, small-vehicle segments. Given the presence of trade barriers, local production remains a key factor for competitiveness. To strengthen our competitive position in Brazil, we offer vehicles specifically designed for this market and produced locally, such as Polo and Polo Track, T-Cross, Saveiro, Nivus or the new Tera.

Local content requirements

Local content requirements may expose us to compliance risks, competitive disadvantages and investment uncertainty.

Certain governments are implementing, or have proposed, regulations requiring that a specified portion of a vehicle's components, subcomponents (such as semiconductors) or value be sourced or manufactured domestically or regulations imposing restrictions on the use of components and/or subcomponents imported from specific countries. Compliance with these requirements is often a prerequisite for vehicle homologation, registration, participation in public procurement processes or access to government incentives, subsidies, or tax benefits.

Local content requirements add complexity to our supply chain management, thereby increasing the risk of supply chain disruptions. We may be urged to engage with a restricted pool of local suppliers, some of whom may face challenges such as meeting competitive pricing, which potentially results in increased production costs and reduced competitiveness relative to established domestic manufacturers.

In addition, compliance with such regulations as a matter of course for us may lead to higher operational costs. On the other hand we are exposed to the risk of penalties for non-compliance. Local content mandates can also trigger trade tensions and retaliatory measures under international agreements, while frequent changes or lack of clarity in

these regulations may create investment uncertainty and impede effective long-term business planning for us and also our suppliers.

On the other hand, local content quotas offer opportunities, for example to develop alternative sources of supply more quickly.

Customer demand

A decline in purchasing power could significantly affect our business.

Lower disposable income or weakened financial conditions among consumers typically result in reduced vehicle sales. A decline in purchasing power can be caused by increasing unemployment levels, rising inflation and interest rates and similar adverse economic developments. Other factors negatively impacting demand include financing costs, customer dissatisfaction with existing vehicles and shifts in mobility trends or infrastructure, such as increased car sharing and transportation services.

Changes in consumer sentiment or media coverage of the global economy and financial markets – including shifts in unemployment, inflation, interest rates, income and personal wealth – may lead to declines in demand for automobiles that are not directly correlated with underlying macroeconomic factors. Concerns about the economy can deter potential customers, especially in saturated markets like Western Europe, from purchasing or leasing new vehicles and retain their current cars longer or lead them to opt for cheaper models.

The macroeconomic environment and consumer sentiment risks described above can also negatively affect used vehicle resale or the price levels in the used car market. This could have a negative impact on the profitability of the used car business in Volkswagen's dealer organization including Volkswagen's Financial Services Division.

The Volkswagen Group believes it is well positioned with its broad portfolio of products and drive systems, as well as its target-group-focused customer care and thereby insulated from the risk of default of individual fleet customers or markets. The consistently high market share in Europe shows that fleet customers have confidence in the Volkswagen Group.

Brand overlap

With our diverse brand portfolio, it can be difficult to clearly differentiate between the individual brands in the Volkswagen Group, especially where customer segments or product portfolios overlap. These overlaps can lose the distinctiveness of a brand and make it difficult for customers to differentiate between them. This brand convergence can trigger internal competition, which means that different Group brands may compete for the same customer base. This could lead to cannibalization and dilution of the respective brand value.

In addition, jurisdictional or regulatory constraints may occasionally limit brand deployment in certain markets. We are closely monitoring such developments and adapting our strategies accordingly to work towards planned and compliant market entry.

Enhancing brand differentiation and broadening brand perception require dedicated marketing initiatives and investments. Through targeted positioning strategies and the continuous refinement of our brand identities, we are actively working to strengthen the distinctiveness of each brand. While these efforts may involve higher marketing costs and repositioning expenses, they are designed to reinforce long-term brand equity and overall Group value.

Overall, the Volkswagen Group pursues a proactive approach to minimising the risks of brand overlap and securing a clearly structured brand architecture – thereby reinforcing the Group's long-term competitiveness and business resilience.

Corporate customers

The vehicle business with corporate customers is important to us, so we are also dependent on their economic situation and preferences.

Viewed over an extended period, the corporate customer business is more stable than the business with retail customers. Corporate customers need vehicles to travel, distribute their goods and services and visit their customers. They rely on cars, light commercial vehicles, trucks and buses for their daily work and in most cases, they provide a specific budget for the acquisition of the vehicles. By representing approximately half of our registrations in Europe during any given year, fleet registrations for passenger vehicles highlight the importance of these customers to the Volkswagen Group.

While the Volkswagen Group does not depend on any individual corporate customer, the segment is important, making us exposed to risks related to the economic health of these customers. Corporate demand for vehicles primarily depends on the financial health of these customers, their investment outlook and access to financing, satisfaction with existing products and evolving mobility trends and infrastructure. Economic downturns may cause corporate customers to delay or reduce vehicle purchases or leases, impacting our sales.

Furthermore, the corporate customer business is experiencing increasing concentration and internationalization, meaning that the loss of a relatively small number of corporate customers could still result in a significant decrease in vehicle sales.

Corporate customers tend to include CO_2 restrictions in relation to exhaust emissions into their company policies. There is a risk that corporate customers will reduce or eliminate purchases of our products if we are not able to offer products with sufficiently low exhaust emissions values. Additionally, corporate customers have been and continue to be increasingly interested in battery electric vehicles, new forms of mobility as well as mobile online services, as they seek to comply with fleet emission requirements as well as internal ESG policies. There is a risk that we could lose sales if our transformation towards e-mobility or other new mobility concepts does not proceed in a timely manner.

The Volkswagen Group believes it is well positioned through its extensive portfolio of products and drive systems, alongside customer care tailored to specific target groups. This approach mitigates the concentration of default risks among individual fleet customers or specific markets. The Volkswagen Group's consistently high market share in Europe demonstrates the continued confidence of fleet customers in its offerings.

Changing consumer preference

Changing consumer preferences with respect to the choice of modes of transportation could limit our ability to sell traditional product lines at current volume levels.

The size, performance and accessory features of our passenger cars and light commercial vehicles, as well as market-specific functions, have a direct impact on our profitability. For example, larger vehicles from higher-quality segments typically contribute more to operating results than smaller or lighter equipped vehicles or those of more affordable segments.

Rising demand for fuel-efficient vehicles such as hybrid and electric models requires smaller, more efficient engines that are comparatively costly and technically challenging to develop. Competitive market conditions have in the past and could in the future limit our ability to offset rising costs through pricing adjustments, potentially impacting our profitability. Furthermore, stagnating interest in hybrids and electric vehicles could negatively impact our carbon dioxide (CO_2) fleet balance, potentially resulting in higher costs to meet the CO_2 regulatory requirements set in certain jurisdictions.

Due to growing urbanization, we see a sustained shift in mobility patterns, with both private and commercial customers showing a growing inclination toward alternative transportation solutions over privately owned vehicles. A shift in consumer preferences or government policies away from motorized transport in urban areas or a broader

trend towards smaller vehicles and alternative drivetrains, could result in decreased demand for a portion, or all, of our vehicles.

We counter this risk by constantly developing new, fuel-efficient vehicles and alternative drive technologies, based on our drivetrain, fuel and mobility strategies.

Risks arising from government interventions

Demand for our products, in particular hybrid and electric vehicles, is driven to a certain extent by government, tax and other third-party and other environmental incentives promulgated, which may be reduced or terminated at any time.

Automotive markets globally are subject to risks arising from government interventions, including tax increases that curb private consumption, as well as from trade restrictions and protectionist measures – particularly those occurring in the United States and in the form of sanctions. Additionally, our business may be impacted by changes to or the introduction of new free trade agreements. Any amendments or increased restrictive conditions in such agreements could disadvantage us compared to competitors with production facilities in countries benefitting from such agreements. Furthermore, in this context there are prospective risks associated with the sale of electrified vehicles if minimum local content requirements under free trade agreements are not met. Moreover, our reliance on existing free trade provisions poses risks. The use of sales incentives could result in shifts in the timing of demand creating uneven sales.

Government sales incentives could target market segments which are not beneficial for us, potentially reducing our vehicles' appeal to customers. For example, due to political changes, governments may no longer target demand stimulus for electric and hybrid vehicles through direct incentives, tax and other third-party incentives either partially or at all, and may even adopt policies that have the effect of disfavoring electric and hybrid vehicles. Furthermore, governments may introduce other conditions or pre-requisites (e.g. transparency and supply chain due diligence, local content requirements, Diversity & Inclusion obligations) in order to qualify for such stimulus or incentives which we may not be able to comply with.

Further, special sales incentives and increased price pressures in the new car business also influence price levels in the used car market.

Commercial vehicle demand

Key factors for commercial vehicle customers are total cost of ownership, vehicle reliability and the service provided.

Commercial vehicle demand is highly sensitive to economic shifts, requiring manufacturers to adapt quickly to fluctuating transport needs and are capital-intensive goods, and customers may delay or reduce purchases during periods of economic or regulatory uncertainties. Production volumes for trucks and buses are lower than for passenger cars and their technical complexity is significantly higher, which increases manufacturing costs and operational challenges. This complexity might limit our ability to scale production efficiently in response to fluctuating demand. In addition, the capital-intensive nature of commercial vehicles makes inventory management and capacity planning more difficult, potentially leading to underutilized resources or supply chain inefficiencies.

Additionally, global freight delivery may shift from trucks to other modes, reducing demand for Group commercial vehicles.

We address the resulting risk of production fluctuations by a high degree of flexibility.

Research and development risks

For this risk category, the likelihood of occurrence is classified as high (previous year: high) and the potential extent of damage is classified as medium (previous year: medium).

The most significant risks from the QRP result from the inability to develop products in line with demand and requirements, in particular with regard to software and the associated architecture, as well as e-mobility.

Risks arising from research and development

The automotive industry faces a process of transformation with far-reaching changes and our future business success depends on our ability to develop new, attractive and energy-efficient products, especially in view of e-mobility, software and digitalization trends.

The automotive industry has undergone and continues to undergo a fundamental transformation process as customers are increasingly focusing on lower fuel consumption and exhaust emissions as well as automotive digitalization of products and services. Our economic success and competitiveness depend on how swiftly we are able to tailor our portfolio of products and services to changing customer needs.

Due to the intensity of automotive competition and the pace of technological developments, we face potential risks in connection with our ability to timely recognize market trends as well as to develop and commercialize new products and services in line with demand and to improve existing products and services within shorter timeframes. Research and development focuses on alternative propulsion technologies, such as electric and hybrid systems, as well as Range-Extended Electric Vehicles. A key focus is also on Software Defined Vehicles (SDV) and their digital architecture components, including connected services, autonomous driving functions and AI (Artificial Intelligence)-supported applications.

Given our multinational presence, product research and development activities are required to adhere to stringent legal requirements applicable in the jurisdictions where we conduct business. Increasingly rigorous emission and fuel regulations – like China's C6 and Europe's Euro 7 – combined with complex and varied test procedures and cycles (such as WLTP) and homologation requirements, add to operational challenges. Such legislation is continuously evolving, becoming more specific across different jurisdictions which affects on our workflows and raises risks for our research and development.

Research and development of our complex products, software and services entails considerable risk, including uncertainties regarding the widespread adoption by consumers and available infrastructure for such products. These risks also include uncertainties regarding recognizing the market trends and achieving performance targets in timely fashion and in line with cost specifications while satisfying the quality standards and regulatory requirements. Furthermore, there are uncertainties regarding the level of investments required for achieving certain development milestones. For example, starting in 2027, all electric vehicles in North America are expected to use the "North American Charging System" network.

As the Volkswagen Group transitions from traditional automotive manufacturing to offering sustainable mobility solutions, our vehicles are moving from mainly mechanical systems to software-defined platforms. If we are not advanced enough in introducing these software platform concepts, this might result in reduced demand for our products and a decline in our market share. Successfully making this transition depends on building strong technological and organizational capabilities, including hiring skilled programers and therefore creates personnel risks for the Volkswagen Group.

We are investing in e-mobility, battery technology and digitalization to expand our electric vehicle range. These initiatives involve significant risks, including regulatory uncertainty, government support, consumer adoption, charging

infrastructure, investment requirements, cybersecurity threats, supply chain constraints, and scaling production and organizational capabilities to meet market demand, which we may not be always be able to manage successfully.

Furthermore, research and development trends, along with global political conditions and requirements, may evolve in an unforeseen manner that does not align with our strategy.

We have in the past entered and, in the future, will continue to enter into significant cooperative arrangements to research and develop new technologies. Such investments, which can require significant resource commitments, have in the past not been and, might in the future not be successful and we might not achieve our objectives or targeted return on investment and might not be able to recoup or benefit from these arrangements. Our competitors may be able to develop better solutions and manufacture the resulting products more rapidly, in larger quantities, with a higher quality or at a lower cost which could result in decreased demand for our products and loss of our market share.

In the course of our research and development activities, we face a heightened risk of unintentionally infringing on third-party patents, which could lead to legal disputes, financial liabilities, or delays in bringing products to market.

To reduce this risk, we conduct thorough analyses of third-party industrial property rights, increasingly also in relation to communication technologies.

We conduct research such as trend analyses and customer surveys and examine the relevance of the results for our customers. We counter the risk that it may not be possible to develop modules, vehicles, or services – especially in relation to e-mobility, digitalization and software – within the specified time frame, to the required quality standards, or in line with cost specifications, by continuously and systematically monitoring the progress of all projects.

We regularly compare the results of all of these analyses with the respective project targets; in the event of any discrepancies, we introduce appropriate countermeasures. Our end-to-end project organization fosters cooperation across all of the departments involved in the process, ensuring that specific requirements are incorporated into the development process as early as possible and that their implementation is planned in good time.

Risks and opportunities from the modular strategy

In production of vehicles across our Group, we use, among other things, modular toolkits, that while allowing for flexible cross-brand utilization, entail a greater risk of production disruptions. We are continuously expanding our modular toolkits, focusing on future customer requirements, legal requirements and infrastructural requirements.

With higher volumes of vehicles produced using modular toolkits – such as the Modular Transverse Toolkit (MQB) for different vehicle dimensions, and the Modular Electric Drive Toolkit (MEB) and Premium Platform Electric (PPE) for electric drive vehicles – there is a greater risk that supply chain disruptions such as part shortages could affect a large part of our vehicle offerings. Furthermore, non-identified malfunctions or issues with these components or lack of prompt response after the identification thereof would impact a wider range of our brands' vehicles.

The MQB is an extremely flexible vehicle architecture that was created to allow conceptual dimensions – such as the wheelbase, track width, wheel size and seat position – to be harmonized throughout the Volkswagen Group and utilized flexibly. Other dimensions, for example the distance from the pedals to the middle of the front wheels, are always the same, ensuring a uniform system in the front end of the car. Thanks to the resulting synergies, we are able to reduce both development costs and the necessary one-time expenses, as well as manufacturing times. The toolkits also allow us to produce different models from different brands in varying quantities, using the same equipment in a single plant. This means that our capacities can be used with greater flexibility throughout the entire Volkswagen Group, enabling us to achieve efficiency gains.

We have also transferred this principle of standardization with maximum flexibility to the MEB and PPE concepts developed for all-electric drives. The synergies and efficiency gains offered by the modular toolkit strategy are enabling us to bring e-mobility into mass production worldwide with the MEB- and PPE-based vehicles. In future, we aim to reinforce these synergistic effects by combining the MEB and PPE in the Scalable Systems Platform (SSP).

Operational risks and opportunities

For this risk category, the likelihood of occurrence is classified as medium (previous year: high) and the potential extent of damage is classified as medium (previous year: medium).

The most significant risks from the QRP lie particularly in our procurement markets and in the area of quality.

Supply chain risks

Our products and services depend on a complex global supply chain that we need to manage.

Our production depends on the quality of the parts, components, subcomponents, commodities and other materials, as well as reliable and timely delivery by suppliers.

The transformation of the automotive industry towards e-mobility adds further risks in our supply chain. The industry-wide transformation towards e-mobility and the associated restructuring of supply chains has in the past led and could in the future again lead to bottlenecks in supplies and price increases of certain critical materials (e.g. lithium, rhodium or cobalt) and subcomponents (e.g. semiconductors) that could limit us from scaling new technologies profitably. The technological transformation will require significant changes to our supply chain, as we increasingly source parts and supplies designed for new technologies, which also requires finding and developing constructive relationships with new suppliers. Such planned changes are usually challenging. We continuously analyze and assess trends in raw materials and demand on an interdisciplinary basis to enable steps to be taken at an early stage in the event of potential bottlenecks.

We generally source automotive parts and components from several suppliers, however, in some cases, we depend on one or a few suppliers for the delivery of certain parts, components, subcomponents and other materials and therefore face increased risks should the suppliers not fulfill delivery obligations. For example, supply risks arise particularly in the area of battery cell production due to the dependence of automotive manufacturers on a limited pool of suppliers, technological developments and the service life of battery cells. To counter these risks, the Volkswagen Group maintains multiple strategic supplier relationships while extending the scope of its own activities along the value chain, for example with regard to raw material extraction or cell production, at the same time.

Commodity risks can be partially mitigated through backward integration of the value chain. We use partnerships and long-term supply agreements with commodity suppliers, for example, to ensure the supply of the relevant material while also achieving competitive prices.

There is a risk that a potential supply breakdown may not be recognized early enough and that countermeasures may not be initiated in time to maintain adequate production levels.

A significant shortage of a key component within our supply chain or the supply of components that are not in accordance with our specifications has in the past disrupted, and may in the future disrupt our operations or increase our production costs if such components cannot be readily sourced from a different supplier within a reasonable timeframe. Suppliers have, on occasion, been unable to deliver components in a timely manner or in accordance with

agreed specifications. This may also occur in the future due to range of factors including production issues, limited availability of materials, shipping problems, restrictions on transactions with certain countries or companies, geopolitical tensions, natural disasters, escalation of hostilities and the increased frequency of climate-induced extreme weather events.

Financial distress of individuals in the supply chain, highlighted by the industry's transformation towards e-mobility, has resulted and may result in some of our suppliers experiencing financial distress or filing for insolvency which could lead to delivery bottlenecks and prices and cost increases. Suppliers are further challenged by surging commodity, energy and personnel costs, as well as increased financing expenses and tighter lending conditions, which constrain their ability to invest in new projects or expand capacity. Procurement employees specialized in restructuring and supply reliability constantly monitor the financial situation of our suppliers throughout the world, taking measures designed to counter the risk of possible supply disruptions.

The supplier risk management department in Procurement at the Volkswagen Group evaluates in particular the financial situation of suppliers, before they are entrusted with the implementation of projects. Procurement takes into account the recommendations of the supplier risk management department.

Additionally, if vehicle sales decline significantly across the automotive market, competition in the automotive industry will increase, potentially harming the financial stability of some of our suppliers.

Supply risks should be identified in Procurement by means of early warning systems, and task force and mitigation structures to reduce these risks. In addition, strategic measures are to be taken to avoid future impacts in the long term. Moreover, measures to counteract further risks include comprehensive safety and emergency response concepts such as fire prevention, property protection, hazardous goods management and task forces, and we take out corresponding insurance coverage where this makes economic sense.

Procurement costs and raw material risks

Prices of certain raw materials we require have been and continue to be highly volatile.

Increases in prices for commodities, raw materials, subcomponents, energy or other inputs as well as personnel costs that we and our suppliers use in manufacturing products, systems, components and parts, such as steel, precious metals, non-ferrous metals, critical minerals or other similar raw materials, or increases in logistics and related costs, have led and may continue to lead to higher production costs for parts, components, subcomponents and vehicles. More specifically, elevated cost, or reduced availability, of critical materials for our EV propulsion systems, including lithium, nickel, cobalt and certain rare earth metals, could lead to higher production costs for our EVs and could impede our ability to successfully deliver on our EV strategy.

Bottlenecks in the producing countries can lead to shortages of raw materials and energy or price fluctuations.

Trends in raw materials and demand are continuously analysed and assessed on an interdisciplinary basis to enable steps to be taken at an early stage in the event of potential bottlenecks.

Supply chain compliance

As a result of complexity of our supply chain we face social obligations and both we and our suppliers are required to adhere to a range of legal and human rights obligations globally. Failure to meet these requirements, by us or our suppliers, may result in significant fines, penalties, damages, or other materially adverse consequences.

Social or environmental issues may lead to financial costs, reputational harm, or supply instability. The complexity of our products and reliance on suppliers increase our risk if suppliers fail to meet human rights or environmental rights obligations. This risk is particularly significant when sourcing metals for electric vehicle batteries from countries with low sustainability standards and weak enforcement of labor and environmental laws. Compliance with such regulations has previously required, and may continue to require, us to allocate resources to the analysis of our

supply chain. Future legislation can also increase financial risks due primarily to fines, import restrictions or exclusion from public procurement tenders.

To address these risks, we conduct gap analyses to compare legal requirements with existing processes and develops measures to close identified gaps. In 2022, we implemented a Responsible Supply Chain Management System designed to identify, prevent and mitigate human rights, social and environmental risks throughout the supply chain. This system is based on risk analysis and includes both preventive and reactive standard measures as well as deep-dive measures, such as the Human Rights Focus System, the Raw Materials Due Diligence Management System, and collaboration with external partners to advance sustainability within the supply chain.

There is no assurance that our suppliers will always adhere to these standards or that we will always be able to identify and rectify any violations. A breach could result in supply shortages, delivery delays for affected vehicles, reputational harm and possible legal penalties.

Business interruptions

Unforeseen business interruptions to production facilities may lead to production bottlenecks or downtime, and deviations from planning in connection with large projects may hinder their realization.

We have numerous production facilities worldwide and rely on the international network of our suppliers. Both our production facilities and those of our suppliers may experience disruptions or interruptions in their operations.

Disruptions can be caused by external physical risks - such as extreme weather events like floods, droughts, severe storms and heatwaves, or the release of environmentally or health-hazardous substances. At several sites, the Volkswagen Group has already examined the specific exposure to climate hazards and has taken countermeasures. In the coming years, the effectiveness of these countermeasures will gradually be analyzed at additional production sites. The Group's own assets are secured with appropriate insurance policies. These policies are regularly reviewed and adapted to changing risk situations in collaboration with insurers.

Additional risks of interruption might arise from social and political changes, such as workforce availability, epidemics/pandemics, sabotage, or regulatory changes. These could cause operational issues that lead to regional, national, or international restrictions on our business activities or those of our suppliers, potentially resulting in reduced production output or temporary shutdowns at our sites. Countermeasures and precautions are implemented in line with risk management principles to mitigate each identified risk.

Disruptions to our operational capability may also result from the failure of critical infrastructure or from issues within the external part of the production network. The supply of electricity and other energy sources, water, components, services and stable data connections are necessary for uninterrupted production. The Volkswagen Group addresses these risks through measures to lower consumption and by increasing flexibility in the use of raw materials, provided this is economically viable. In addition, we prepare compensatory measures, such as an optimal allocation of resources, between locations that should reduce the economic effects of risks for the Volkswagen Group as a whole.

Furthermore, internal factors such as machine failures, system malfunctions, or human error can also affect production. Our comprehensive preventive maintenance concepts and emergency response concepts should prevent these failures or mitigate their impact.

Production capacity

We might not be able to adjust our production capacity sufficiently and in a timely manner in response to certain scenarios.

Fluctuations in overall or specific vehicle demand require regular adjustments to production capacity across our global facilities.

Excess capacity in global automotive production may result in increased inventories and tied-up capital, and, if demand for vehicles and parts declines, the Volkswagen Group may be forced to adjust capacities or intensify sales measures, presenting risks that could entail additional costs and increased pricing pressure.

Production capacity for each vehicle project is planned several years in advance based on expected sales developments. A significant change of demand for vehicles or their features could require adjustments to our production capacity. An unforeseen and prolonged decline in demand, resulting in excess capacity, might lead to restructuring measures or even site closures. Any inability to adapt production capacity adequately or in a timely manner might lead to inefficient utilization of our production resources. Overestimating demand could leave capacity unused, while underestimating might cause shortages and unmet customer needs. To mitigate this risk, an initial investment can be directed toward a defined minimum number of units, allowing the remaining planned units – or even additional units – to be financed flexibly as needed. Another option for preventive risk minimization is the use of the turntable concepts, in which the workload between production sites can be balanced.

If demand fluctuations exceed our organizational and technical flexibility, we or our suppliers might not be able to adjust production capacities in a timely and sufficient manner. This might result in higher overall costs. In addition, in certain scenarios we might not be able to adjust production capacity as planned for political, regulatory or legal reasons. Measures, such as the closing or relocation of production facilities, could lead to significant one-time costs.

The transition from conventional combustion engine vehicles to electric vehicles could lead to temporary capacity underutilization, particularly in cases where the transformation towards e-mobility occurs unevenly. The international production network enables us to respond flexibly at the sites and adjust capacity utilization between production facilities by means of turntable concepts.

Complex processes and technical systems associated with the variety of models and shorter product life cycles have contributed to an increased risk of production start delays for vehicles in recent years. We address this risk by drawing on the experience of past production starts and identifying weaknesses at an early stage to ensure – to the highest degree possible – that production volume targets and quality standards are met during the start of production of our vehicles throughout the Volkswagen Group.

Regulatory framework changes could impact production by temporarily narrowing the range of available products, which may concentrate demand on specific variants. Additionally, model variants that have not been registered could result in production interruptions. In such cases, until official registration is granted, production can be stabilized by producing and temporarily storing vehicles, including customer-specific vehicles. The resulting tied-up capital and the availability of storage areas are limiting factors.

Moreover, a slow outflow of completed vehicles might create a backlog, thereby restricting the number of production units. We counteract this risk through targeted measures, such as the short-term procurement of additional transport capacities or external storage capacities. Preventively, the risk is mitigated through the early contractual commitment of transport capacities.

Ability to maintain high quality

Our performance is, in part, dependent on complying with quality and safety standards such as safety and security for our employees, emissions or environmental standards, meeting customer expectations and maintaining our reputation for designing, building and selling safe, high-quality vehicles.

We aim to detect and resolve quality issues early in product development to prevent malfunctions and production delays. Due to the increasing use of modular components in our platform strategy, it is essential to quickly identify and rectify any malfunctions. If internally or externally sourced parts, components, or functions do not conform to our specifications, this may require additional time and cost to address, potentially resulting in violations of safety and other regulations, customer complaints, litigation, penalties, fines, waste disposal orders, and recalls, any of which could also adversely impact the Volkswagen Group's reputation. Additional challenges related to quality and safety arise in countries such as US, Brazil, India and China where we develop country specific-vehicles or rely on local suppliers and manufacturers due primarily to among others, local laws and regulations.

Failure to maintain effective quality management could lead to the loss of various certifications, which may in turn result in the withdrawal of type approval from certain authorities.

As part of system audits that include a conformity of production (CoP) component, we evaluate the compliance of series products at vehicle manufacturing facilities. Additional risks may arise from discrepancies detected during conformity of production assessments or in-service conformity (ISC) measurements.

Given the global nature of our business, these standards and expectations may vary across the markets in which we operate. In order to maintain high quality standards for our products and to comply with complex government-prescribed standards, we incur substantial costs for monitoring and quality assurance.

Failure to meet or adhere to required vehicle safety standards or applicable regulation or breach of applicable safety standards or regulation by our products or components or by components sourced from suppliers or by components or designs we supply to third parties could result in fines, penalties, other claims or liabilities. In such a case, we may be required to or voluntarily decide to recall vehicles years after a vehicle's sale. Product recalls may also harm our reputation, force us to halt the sale of certain vehicles and cause consumers to question the safety or reliability of our products. Further, failure to provide adequate support to the customer in the event of issues or during product maintenance could result in warranty and goodwill claims. Moreover, several countries have implemented special, and in some cases continuously new, regulations aimed at protecting customers in their interactions with vehicle manufacturers, which might increase our compliance costs.

Furthermore, with vehicles becoming more technically complex through greater connectivity and shared platforms and toolkit systems in use across brands, ensuring the quality of supplied parts and software is increasingly important.

Quality problems may necessitate technical measures involving a considerable financial outlay where costs cannot be passed on to the supplier or can only be passed on to a limited extent. While we strive to identify and rectify quality problems at an early stage during the development of our products, we face risks for delays to the start of production. As we are using an increasing number of modular components as part of our platform strategy, it is particularly important when malfunctions do occur to identify the cause quickly and eliminate the faults. Nonconformity of internally or externally sourced parts, components or functions may necessitate time-consuming and cost-intensive measures, leading to recalls and therefore damage to the Volkswagen Group's image.

We recognize appropriate provisions for warranty and goodwill cases. Nevertheless, it cannot be ruled out that recalls and field measures will lead to additional expenses.

Product quality significantly influences consumers' decision to purchase vehicles. Customers increasingly demand that we assume the costs of repairs even after the guarantee period has expired.

To meet our customers' expectations and minimize warranty and ex gratia repair costs, we are continuously optimizing the processes at our brands with which we can prevent potential quality issues. We have established quality processes so that the Volkswagen Group brands and their products fulfill all respective applicable requirements and local authorities receive timely notification of all issues requiring reporting. In this way, we reduce the risk of customer complaints or other negative consequences. For example, we have established the *Ausschuss Produkt sicherheit* (APS – Product Safety Committee) to assess and address product safety risks, with responsibilities and processes defined in Group policies and implemented by individual brands and companies. The APS investigates safety defects, legal compliance concerns and quality issues, and manages related authority inquiries, while the Car Security Board (CSB) supports on cybersecurity matters. Central departments handle incoming reports on APS and CSB topics, using a transparent management and tracking system to monitor cases through to APS decisions without employee involvement. Regular training and events are held to raise awareness of safety risks and legal compliance, and the APS process is subject to ongoing internal and external audits to ensure compliance and minimise risks in decision-making.

Furthermore, we constantly analyze the conditions specific to each market and adapt our quality requirements to their individual needs. We counter the local risks we identify by continuously developing measures and implementing them locally, thereby preventing quality defects in the supply chain from arising.

We counter the risk of losing various certifications by continuously training the Volkswagen Group's system auditors, while our quality management system and process quality undergo internal audits.

Additionally, we have established a system for monitoring the conformity of CoP and ISC measurements for manufactured vehicles. To achieve that the results of the emissions CoP and ISC measurements are analyzed systematically, we have implemented an IT system throughout the Volkswagen Group. This is used for status reporting and documenting the results of the series of measurements.

IT infrastructure risks and opportunities

Our ability to keep our business operating effectively depends on the functional and efficient operation of our information, data processing and telecommunications systems, including essential functional processes such as our vehicle design, manufacturing, inventory tracking, billing and payment systems, as well as other central information systems and applications, employee workstations and other information technology (IT) equipment.

These processes cannot be carried out without properly working IT systems and IT infrastructure. The IT infrastructure is adapted to existing requirements and future developments. In doing so, we also take into account the growing demands on data capacity. Our vehicles, processes and industrial facilities are becoming more computerized and increasingly connected to external cloud-based systems.

Our systems, infrastructure and applications along with the systems of our suppliers/service providers, may be vulnerable to damage, disruptions, or shutdowns caused by attacks from hackers and by artificial intelligence, computer viruses, or breaches due to errors or malfeasance by employees, contractors and others who have access

to these systems and applications or otherwise be subject to IT downtime or other interruptions. Further, software and hardware of some of Volkswagen's established IT systems might no longer be supported by their vendors, which could increase the difficulty of ensuring that they continue to operate properly and securely. Any such occurrence could compromise the operational integrity of these systems and applications and could result in data theft, loss of proprietary data, unauthorized access to, modification and extraction of sensitive electronic corporate, customer or employee data, interruptions or delays in our business operations, reputational damage, or damage to our financial performance and to our relationships with customers and suppliers, legal claims or initiation of legal proceedings, or regulatory sanctions as well as limited systems availability as a consequence of downtime.

New vehicle and software development requirements are also the focus of increasing cybersecurity guidelines and standards in the EU, the United States and China. Materialization of any of the IT risks such as unauthorized access to our IT systems, modification and extraction of our data or significant downtime of our IT system could negatively affect our brands and reputation.

We maintain high standards in data handling for both customers and employees, considering cyberattacks as a significant threat. Regulations such as UNECE R155 and data protection regulations guide our vehicle and software development, impacting IT systems and prompting interdisciplinary protection efforts supporting system security, transparency, autonomy and customer safety.

We manage IT risks by using state-of-the-art IT security technologies, defined incident response processes and strict access controls, including recurring identity checks and centralized administration. Backup strategies and system redundancies counteract data loss or service disruptions, informed by business impact analyses. Risks are regularly assessed and reported to top management, especially for critical systems and sensitive data.

An oversight committee, including Information Security, Data Protection, Legal Affairs and other stakeholders, manages information security and reports directly to the Board of Management. Technical measures are reinforced through employee training, awareness programs and crisis simulations. Our IT landscape is protected by state-of-the-art, market-standard technologies, with ongoing standardization and updates to ensure future readiness.

Continuously increasing automation enhances process reliability and the data quality within the process.

The further development and Group-wide use of IT governance processes, particularly the further standardization of the risk management process for IT and information security, also help to identify weaknesses at an early stage and to reduce or avoid risks effectively.

Another focus to reduce risks on IT infrastructure in the reporting year was the continuous advancement of Group-wide security measures to detect and respond cyberthreats. Artificial intelligence is playing an increasingly important role in this context.

In-vehicle IT systems risks

Any unauthorized control or manipulation of our in-vehicle systems could impact the safety of our customers and reduce confidence in our products.

Our vehicles contain increasingly complex IT systems controlling various vehicle functions including engine and battery, transmission, safety, steering, navigation, acceleration, braking and window and door lock functions. These in-vehicle systems could also be impacted by, or a cybersecurity incident might result from, the negligence or misconduct of insiders or third parties who have access to our networks and systems.

Hackers have in the past attempted, and may attempt in the future, to gain unauthorized access to modify, alter and use such systems to gain control of, or to change, vehicles' functionality, user interface and performance characteristics, or to gain access to data stored in or generated by the vehicle. These disruptions are likely to increase in terms of sophistication and frequency as the level of connectivity and autonomy in our vehicles increases as well as a result of the development of the cybercrime and -espionage sector.

We might rely on third parties for connectivity and automation technology and services, including for the collection of our customers' data. These third parties can unlawfully resell or otherwise misuse such information, or suffer data breaches.

A cybersecurity incident, unauthorized access to or control of our vehicles or their systems or any loss of data, or undiscovered software flaws or other malfunctions, could impact the safety of our customers or security of their private data, reduce confidence in our products, or result in legal claims or proceedings, liability or regulatory penalties.

The Volkswagen Group is continuously enhancing its Automotive Cyber Security Management Systems across all brands to better monitor and manage cyberattack risks. By harmonizing processes and sharing information, it shall be ensured that the Volkswagen Group can respond rapidly to incidents and prompt resolution of vulnerabilities. This integrated approach not only protects customers and products but also ensures compliance with UNECE cybersecurity regulations.

Reputation and brand image risks

The image of the Volkswagen Group and its brands is one of the most important assets and forms the basis for long-term business success. Our attitude and strategic orientation with regard to issues such as integrity, ethics and sustainability may face close public scrutiny. Issues in relation to misconduct or criminal acts by individuals and the resulting damage to our reputation can never be completely prevented. Media reactions could adversely affect the image of the Volkswagen Group and its brands. However, our transparent communication and effective crisis response strategies help mitigate the impact of negative media coverage.

Environmental and social risks

For this risk category, the likelihood of occurrence is classified as medium (previous year: medium) and the potential extent of damage is classified as medium (previous year: medium).

The most significant risks from the QRP arise from non-fulfillment of CO_2-related requirements and transformation-related programs for the future.

Risks of employee relations

Our high fix cost base and the employment, legal and social environment may continue to put pressure on our market position compared to our competitors.

In the course of our business activities, we depend on recruiting highly qualified personnel at competitive cost levels and retaining them over the long term. A significant portion of our value creation is located in Europe. Especially in economies affected by demographic change, it may become increasingly difficult to find suitable personnel. Regulatory interventions may increase the cost of labor. An above-average rise in personnel expenses would impair our competitiveness.

Our competitors, particularly foreign companies operating under more flexible conditions, may pose a risk if they are able to realize a significantly lower cost base. For the majority of employees at Volkswagen, collective bargaining agreements apply, and freedom of association is ensured.

Our operations have in the past been, and may in the future be, affected and impacted by industrial actions. We may not be able to conclude new agreements before the end of the applicable peace obligation, or renegotiate existing agreements on terms and conditions that we consider to be reasonable.

We counter the risk that new collective bargaining agreements in Group companies are not compatible with our global cost targets by consistently monitoring the targets agreed between the parties of the collective bargaining agreement and with an internationally coordinated management of the collective bargaining negotiations taking place worldwide in the Volkswagen Group. In addition to the workforce reductions pursued in 2025, further measures to reduce personnel costs were agreed upon. Since the return to a single company collective agreement (*Haustarifvertrag*) at Volkswagen AG in 2024, the complexity of collective bargaining topics has been significantly reduced.

We employ a range of instruments to manage economic risks, market and competition changes, and shortages of supplied components, enabling us to remain flexible in personnel deployment while simultaneously offer job security even when faced with fluctuating order volumes. Time accounts, flexible shift models, extra shifts, closure days and legally regulated options such as *Kurzarbeit* (short-time working) as well as temporary workers are used.

Qualified personnel risks

Our success depends substantially on our ability to continue to attract qualified employees.

Limited availability of key employees due to changed market conditions, turnover, targeted recruiting by competitors or other employers, or due to age can result in a major loss of expertise. The industry is highly competitive for skilled professionals, especially in automotive, electrical engineering, chemistry, IT and R&D. If our staff lack the necessary skills, we might fail to meet our technological and digitalization goals.

We mitigate the risk of a lack of expertise by providing comprehensive training and development opportunities for all employees, with a particular focus on international locations to address technological and industry changes. To counter potential shortages of skilled specialists, especially in digitalization and IT, we align our recruitment tools, engage with talent early, and offer innovative training programs as well as cooperations with universities and business schools. We also enhance our attractiveness as an employer to secure talent in key fields. Additionally, we address risks from employee turnover and loss of expertise through targeted succession planning and training.

In addition, we use our global positioning to build competencies that are critical for the future in countries that are not characterized by talent shortages.

Environmental and other emission regulations

Our business operations worldwide are subject to comprehensive, onerous and constantly changing environmental regulatory and legal requirements that are not always homogeneous.

We are subject to numerous regulatory requirements on the national and international level. This relates to the protection of the environment, pollutant emissions and fuel consumption, health and safety as well as the use, handling and storage of various substances and also includes restrictions or prohibitions on the use of chemicals, heavy metals, biocidal products and volatile organic compounds emissions. They are subject to the manufacturing process and their use in our products, including the use of parts provided by suppliers, as well as in car-related infrastructure designed or built by the Volkswagen Group.

The various regulatory requirements we comply with are not always homogeneous, and we are subject to increasing governmental scrutiny and enforcement. This applies in particular to regulatory requirements for the protection of the environment, health and safety. For example, vehicles are particularly affected by regulatory requirements concerning fuel economy, CO_2 and other emission limits (such as NO_x), as well as tax regulations in relation to CO_2 or fuel consumption-based motor vehicle tax models. Different requirements of various countries prevent worldwide marketing of vehicles with the same specifications.

The costs of compliance with regulatory requirements are considerable, and such costs are likely to increase in the future.

In order to comply with emissions standards, we continuously tailor our range of vehicle model and drivetrain variants to the relevant thresholds in each market. These requirements may lead to higher costs and consequently to price increases and declines in volumes. We invest considerable resources in a product compliance management system. These measures aim to avert or minimize compliance risks.

Failure to comply with applicable regulations could lead to the imposition of penalties, fees, damages, recalls, restrictions on or revocations of our permits and licenses (including vehicle certifications or other authorizations that must be in place before a particular vehicle may be sold in the authorizing jurisdiction), restrictions on or prohibitions of business operations, reputational harm and other adverse consequences.

Regulatory risks

We are subject to governmental regulations in various jurisdictions.

Laws in various jurisdictions include occupant safety, environmental impact, sustainability-related disclosures (including environmental, social and governance issues), automobile design, manufacture, research and development, supply chain, marketing and after-sales services or measures undertaken to encourage customer loyalty to the vehicle and brand following sale, including vehicle recycling, vehicle registration and operation regulations and activities in the financial services sector. The breadth and complexity of the new requirements present implementation challenges.

Volkswagen maintains a selective distribution system. Within the European Union, dealers and service partners are selected – where permissible – by using qualitative and quantitative-qualitative criteria in accordance with the provisions of EU Regulations 461/2010 and 720/2022. The previously relevant EU Regulation 330/2010 was revised by the European Commission and replaced by the new, successor EU Regulation 720/2022, which entered into force on June 1, 2022. As things stand at present, this revised EU regulation does not require any changes to be made to the current distribution system of Volkswagen AG. However, Volkswagen AG is still required to observe the market situation and, if its market share ends up exceeding 40%, to review the quantitative-qualitative distribution system and adjust it as required. On April 17, 2023, with its Regulation (EU) 2023/822, the European Commission extended the block exemption for the vehicle sector (MVBER – Regulation (EU) 461/2010) by another five years. The block exemption would have technically expired on May 31, 2023. However, in view of the aforementioned extension, the European Commission also issued Communication (EU) C/2023/2335 amending the "Supplementary guidelines on vertical restraints in agreements for the sale and repair of motor vehicles and for the distribution of spare parts for motor vehicles" that accompany Regulation (EU) No 461/2010 to allow for the environmental and digital transformation taking place in the vehicle sector. In the updated guidelines, the European Commission no longer focuses solely on "technical information", but refers in general terms only to "input", which, in addition to technical information, will in future include tools, training and vehicle-generated data. The guidelines also expressly clarify that if vehicle manufacturers unilaterally withhold a particular input, including vehicle-generated data, this may be considered abuse under Article 102 of the TFEU. Parallel to its obligation to provide data, Volkswagen AG is required to fulfill its obligation to comply with cybersecurity requirements. It is not yet possible to predict whether and to what extent Volkswagen AG will be affected by these types of claims from independent operators and what economic impact

these claims may have. Competition law requirements, including the Block Exemption Regulation 461/2010 and EU Regulations 2018/858 and 2021/1244, aim to ensure and promote effective competition in the motor vehicle aftermarket. Volkswagen AG, too, is exposed to this competitive pressure and associated risks with regard to its servicing and maintenance offering.

Lastly, recent changes to European (Directive 2024/2823 of October 23, 2024) and German design laws, including the introduction and EU-wide harmonization of the "repair clause", restrict design protection for spare parts used for the repair of complex products, such as car parts, might have an adverse effect on our genuine parts business.

The implementation of the Euro 7 Regulation (Regulation (EU) 2024/1257), which came into force in 2024, introduced stricter and extended requirements for vehicle emissions, including not only exhaust emissions but also emissions from tyre abrasion and brake particles. These enhanced standards will apply to new vehicle types from November 2026 and to all new vehicles from November 2027. As a result, manufacturers will face substantial increases in costs across their whole portfolio.

After the UK Financial Conduct Authority (FCA) banned all discretionary commission arrangements (DCAs) in the motor finance market in January 2021, the Supreme Court of the United Kingdom subsequently ruled that customers were being treated unfairly by motor finance providers charging high levels of commission, especially where these were not disclosed. In October 2025, the FCA published a consultation paper proposing an industry-wide redress scheme for motor finance customers. This seeks compensation for customers who entered into financing arrangements during a specific time frame if they suffered loss or damage due to the commission not being disclosed. The consultation is set to close at the end of March 2026. Depending on the final form of the redress scheme, Volkswagen Financial Services (UK) Ltd., Milton Keynes, could be significantly impacted, especially by payment obligations and also litigation in this connection.

A change in regulatory requirements is also expected in other jurisdictions. Complying with new regulatory requirements can incur significant costs.

Legal risks

For this risk category, the likelihood of occurrence is classified as medium (previous year: medium) and the potential extent of damage is classified as high (previous year: high).

The most significant risks from the QRP are associated with the diesel issue.

Litigation

Volkswagen AG and the companies in which it is directly or indirectly invested are involved in a substantial number of legal disputes and governmental proceedings in Germany and abroad. Such legal disputes and other proceedings occur, among other things, in connection with products and services or in relation to employees, public authorities, dealers, investors, customers, suppliers, or other contracting parties. For the companies in question, these disputes and proceedings may result in payments such as fines or in other obligations or consequences. In particular, substantial compensatory or punitive damages may have to be paid and cost-intensive measures may have to be implemented. In this context, specific estimation of the objectively likely consequences is often possible only to a very limited extent, if at all.

Various legal proceedings are pending worldwide in which customers are asserting purported product-related claims, either individually or in class actions. These claims are as a rule based on alleged vehicle defects, including defects alleged in vehicle parts supplied to the Volkswagen Group.

Compliance with legal or regulatory requirements is another area in which risks may arise. This is particularly true in gray areas where Volkswagen and the relevant public authorities may interpret the law differently.

In connection with their business activities, Volkswagen Group companies engage in constant dialogue with regulatory agencies, including the *Kraftfahrt-Bundesamt* (KBA – German Federal Motor Transport Authority). It is not possible to predict with assurance how government regulators will assess certain issues of fact and law in a particular situation. For this reason, the possibility that certain vehicle characteristics and/or type approval aspects may in particular ultimately be deemed deficient or impermissible cannot be ruled out. This is fundamentally a question of the regulatory agency's specific evaluation in a concrete situation.

A comparable challenge results from the tension between divergent national and international statutory or regulatory requirements regarding obligations to transfer information or documents, on the one hand, and privacy mandates under national and international data protection law on the other. Volkswagen is advised by outside law firms on these issues so as to preclude compliance violations as far as possible despite the sometimes unclear state of the law.

Litigation may furthermore result from demands for more extensive climate protection measures or from allegedly incomplete disclosures regarding the impact of climate change. The response of the Volkswagen Group to this risk includes, among other things, certification of its self-imposed decarbonization targets through independent and internationally respected organizations and systematic alignment of its non-financial reporting with the requirements of the law and the capital markets.

Risks may also result from actions for infringement of intellectual property, including infringement of patents, brands, or other third-party rights, particularly in Germany, before the Unified Patent Court and in the United States. If Volkswagen is alleged or determined to have violated third-party intellectual property rights, it may for instance have to pay damages, modify manufacturing processes, or redesign products, and may be barred from selling certain products; this may result in delivery and production restrictions or interruptions.

Criminal acts by individuals, which even the best compliance management system can never completely prevent, are another potential source of legal risks.

Appropriate insurance has been taken out to cover these risks where they were sufficiently definite and such coverage was economically sensible. Where necessary based on the information currently available, identified and correspondingly measurable risks have been reflected by recognizing provisions in amounts considered appropriate or disclosing contingent liabilities, as the case may be. As some risks cannot be assessed or can only be assessed to a limited extent, the possibility of material loss or damage not covered by the insured amounts or by provisions cannot be ruled out. This is, for instance, the case with regard to the legal risks assessed in connection with the diesel issue.

Unless otherwise explicitly stated, the amounts disclosed for the litigation being reported on refer only to the respective principal claim. Ancillary claims, such as for interest and litigation expense, are generally not considered.

Diesel issue

On September 18, 2015, the US Environmental Protection Agency (EPA) publicly announced in a "Notice of Violation" that irregularities in relation to nitrogen oxide (NO_x) emissions had been discovered in emissions tests on certain Volkswagen Group vehicles with 2.0 l diesel engines in the USA. In this context, Volkswagen AG announced that noticeable discrepancies between the figures recorded in testing and those measured in actual road use had been identified in type EA 189 diesel engines and that this engine type had been installed in roughly eleven million vehicles worldwide. On November 2, 2015, the EPA issued a "Notice of Violation" alleging that irregularities had also been discovered in the software installed in US vehicles with type V6 3.0 l diesel engines.

The so-called diesel issue is rooted in a modification of parts of the software of the relevant engine control units – which, according to Volkswagen AG's legal position, is only unlawful under US law – for the type EA 189 diesel engines that Volkswagen AG was developing at that time. This software function was developed and implemented from 2006 on without knowledge at the level of the Board of Management. Members of the Board of Management did not learn of the development and implementation of this software function until the summer of 2015.

There are furthermore no findings that, following the publication in May 2014 of the study by the International Council on Clean Transportation, an unlawful "defeat device" under US law was disclosed to the persons responsible for preparing the 2014 annual and consolidated financial statements as the cause of the high NO_x emissions in certain US vehicles with 2.0 l type EA 189 diesel engines. Rather, at the time the 2014 annual and consolidated financial statements were being prepared, the persons responsible for preparing these financial statements remained under the impression that the issue could be resolved with comparatively little expense. In the course of the summer of 2015, however, it became progressively apparent to individual members of Volkswagen AG's Board of Management that the cause of the discrepancies in the USA was a modification of parts of the software of the engine control unit that was later identified as an unlawful "defeat device" as defined by US law. This culminated in Volkswagen's disclosure of a "defeat device" to the EPA and the California Air Resources Board (CARB), a department of the Environmental Protection Agency of the State of California, on September 3, 2015. According to the assessment at the time by the responsible persons dealing with the matter, the magnitude of the costs expected to result for the Volkswagen Group (recall costs, retrofitting costs, and financial penalties) was not fundamentally dissimilar to that in previous cases involving other vehicle manufacturers. It therefore appeared to be manageable overall considering the business activities of the Volkswagen Group. This assessment by Volkswagen AG was based, among other things, on the advice of a law firm engaged in the USA for regulatory approval issues, according to which similar cases had in the past been amicably resolved with the US authorities. The EPA's publication of the "Notice of Violation" on September 18, 2015, which the Board of Management had not expected, especially at that time, then presented the situation in an entirely different light.

The AUDI AG Board of Management members in office at the time in question have likewise stated that they had no knowledge of the use of "defeat device" software that was prohibited by US law in the type V6 3.0 l TDI engines until the EPA issued its November 2015 "Notice of Violation."

Within the Volkswagen Group, Volkswagen AG has development responsibility for the four-cylinder diesel engines and AUDI AG has development responsibility for the six- and eight-cylinder diesel engines.

As a consequence of the diesel issue, numerous judicial and regulatory proceedings were initiated in various countries. Volkswagen has in the interim succeeded in making substantial progress and ending many of these proceedings. In the USA, Volkswagen AG and certain affiliates reached settlement agreements with various government authorities and private plaintiffs, the latter represented by a Plaintiffs' Steering Committee in a multidistrict litigation in the US state of California. The agreements in question include various partial consent decrees as well as a plea agreement that resolved certain civil claims as well as criminal charges under US federal law and the laws of certain US states in connection with the diesel issue. Although Volkswagen is firmly committed to fulfilling the obligations arising from these agreements, a breach of these obligations cannot be completely ruled out. In the event of a violation, significant penalties could be imposed as stipulated in the agreements, in addition to the possibility of further monetary fines, criminal sanctions and injunctive relief.

In agreement with the respective responsible authorities, the Volkswagen Group is making technical measures available worldwide for virtually all diesel vehicles with type EA 189 engines. For all clusters (groups of vehicles)

within its jurisdiction, the KBA determined that implementation of the technical measures would not result in any adverse changes in fuel consumption, CO_2 emissions, engine output, maximum torque, and noise emissions.

Following the studies carried out by AUDI AG to check all relevant diesel concepts for possible irregularities and retrofit potential, measures proposed by AUDI AG have been adopted and mandated by the KBA in various recall orders pertaining to vehicle models with V6 and V8 TDI engines. AUDI AG continues to anticipate that the total cost, including recall expenses, of the ongoing largely software-based retrofit program that began in July 2017 will be manageable and has recognized corresponding balance-sheet risk provisions. AUDI AG has in the meantime developed software updates for affected powertrains and, after approval by the KBA, already installed these updates in the vehicles of a large number of affected customers.

In connection with the diesel issue, potential consequences for Volkswagen's results of operations, financial position and net assets could emerge primarily in the following legal areas:

1. Criminal and administrative proceedings worldwide

Criminal investigations, regulatory offense proceedings, and/or administrative proceedings have been commenced in some countries. Criminal investigations into the core factual issues are being conducted by the Offices of the Public Prosecutor in Braunschweig and Munich.

In May 2025, the main trial proceedings relating to type EA 189 engines in connection with the diesel issue, which the Braunschweig Regional Court had commenced in September 2021 against individuals who were in some cases former employees of Volkswagen AG, concluded with the defendants' conviction on the charge of fraud. All four defendants were sentenced to prison terms, which were suspended subject to probation for two of them. The judgment is not yet final; all defendants filed appeals. The trial of a former chair of the Board of Management of Volkswagen AG, which had been severed from the aforementioned proceedings, was terminated on a provisional basis by the Braunschweig Regional Court in July 2025. Volkswagen AG is not party to these proceedings.

In June 2020, the Munich II Regional Court accepted the substantially unchanged indictment of the Munich II Office of the Public Prosecutor, which also named a former Chair of the Board of Management of AUDI AG, and opened the main trial proceedings on charges of, among other things, fraud in connection with the diesel issue involving 3.0 l and 4.2 l TDI engines. The trial before the Munich II Regional Court concluded in June 2023; the former Chair of the Board of Management of AUDI AG and two other defendants were sentenced to prison terms, the enforcement of which was in each case suspended subject to probation. The conditions of probation include the payment of sums set by the court. In December 2025, the *Bundesgerichtshof* (BGH – Federal Court of Justice) rejected the defendants' appeals. The judgment is thus now final.

In August 2020, the Munich II Office of the Public Prosecutor issued a further indictment charging three former members of the Board of Management of AUDI AG and others with, among other things, fraud in connection with the diesel issue involving 3.0 l and 4.2 l TDI engines. The Munich II Regional Court, which decides whether to accept the indictment, definitively terminated the proceedings against one of the three defendant former members of the Board of Management of AUDI AG subject to payment of a sum set by the court. However, the court has since accepted the indictments against the other two former members of the Board of Management of AUDI AG and opened main trial proceedings.

In February 2026, an indictment was brought against Volkswagen AG before a criminal court in Paris in connection with the diesel issue relating to vehicles equipped with engines of type EA 189. The indictment accuses Volkswagen AG of serious deception of customers and environmental criminal offenses. For the most part, the indictment is based not on evidence gathered by the French authorities through their own investigative measures, but on media reports and on reports on criminal proceedings in Germany, including proceedings, inter alia, against former Group employees of Volkswagen AG. The company contests the allegations in their entirety. As early as 2018, the Braunschweig Public Prosecutor's Office brought the administrative offense proceedings, which also covered all vehicles sold in France and also extended to the facts now forming the subject matter of the indictment in France, to a legally binding conclusion by issuing a fine notice against Volkswagen AG. By reason of the Europe-wide prohibition of double

jeopardy (ne bis in idem), the conduct of these further criminal proceedings against Volkswagen AG is inadmissible. This position, which is also shared by the Braunschweig Public Prosecutor's Office, has already been confirmed by numerous courts and authorities in several European countries, including Spain, Belgium, Austria, Switzerland, and Portugal.

As the type approval authority of proper jurisdiction, the KBA is moreover continuously testing Audi, Volkswagen, and Porsche brand vehicles for problematic functions. If certain functions are deemed impermissible by the KBA, the affected vehicles are recalled pursuant to a recall order or they are brought back into compliance by means of a voluntary service measure.

In judgments rendered in July and November 2022, the European Court of Justice (ECJ) ruled that a so-called thermal window (i.e. a temperature-dependent exhaust gas recirculation) in the range of 15°C and 33°C outside temperature represents a defeat device. In this context, the ECJ developed a new, unwritten criterion according to which a thermal window, even if it serves to prevent sudden and extraordinary damage, is impermissible if it is active "for most of the year under real driving conditions prevalent in the territory of the European Union." The KBA commenced formal administrative proceedings relating to certain first and second generation type EA 896 engines that were installed in certain older vehicle models as well as to individual vehicle models with type EA 189 engines. In July and October 2023, the KBA issued two administrative rulings against AUDI AG in which it ruled that the originally incorporated thermal window version failed to meet the ECJ's new vehicle engineering criterion in some of the affected vehicles. AUDI AG has appealed the rulings, and they are therefore not final. The KBA issued corresponding administrative rulings against Porsche AG in December 2023 and against Volkswagen AG in January 2024. Porsche AG and Volkswagen AG have appealed the rulings. The Volkswagen Group had previously already begun rolling out software updates that modify the thermal window in accordance with the ECJ's new vehicle engineering criterion and will continue to do so.

In September 2025, the Higher Administrative Court of Schleswig-Holstein dismissed the appeals filed by Volkswagen AG and the KBA against the February 2023 trial-level decision of the Schleswig Administrative Court. In an action filed against the KBA by *Deutsche Umwelthilfe* (DUH – Environmental Action Germany), the Schleswig Administrative Court had ruled in favor of the plaintiff and invalidated the notice of approval for a software update for certain older Golf Plus model vehicles to the extent this notice classified the thermal window, the so-called altitude correction feature (regulating exhaust gas recirculation as a function of atmospheric pressure), and the so-called taxi switch (regulating exhaust gas recirculation as a function engine idling time) as permissible deactivation devices (defeat devices). The Higher Administrative Court of Schleswig-Holstein affirmed the legal position of the Administrative Court as regards the temperature-dependent and the atmospheric-pressure-dependent regulation of exhaust gas recirculation. It denied leave to appeal its decision. Volkswagen AG is involved in the litigation as an interested party summoned. Volkswagen AG and the KBA have filed complaints on grounds of wrongful denial of leave to appeal. The decision of the Higher Administrative Court of Schleswig-Holstein remains non-final until the Federal Administrative Court has ruled on the petition to grant leave to appeal. In a separate action filed by DUH contesting the notices of approval for further Audi and Porsche brand vehicles equipped with type EA 189 engines or with selected V-TDI engines, the Schleswig Administrative Court issued a judgment in January 2024 applying its initial February 2023 decision to further vehicles with type EA 189 engines and invalidating the KBA's notices of approval for those vehicles; Volkswagen AG and the KBA appealed this judgment in April 2024. This decision is thus not legally final. Prior to judgment, the part of the action contesting the notices of approval for Audi and Porsche brand vehicles equipped with selected V-TDI engines was severed from the rest of the complaint and remains pending in three separate proceedings before the Schleswig Administrative Court. Also still pending before the Schleswig Administrative Court is a further action brought by DUH challenging all of the Group's Euro 5 and Euro 6b/c diesel vehicles.

Moreover, additional administrative proceedings relating to the diesel issue are ongoing in other jurisdictions. The companies of the Volkswagen Group are cooperating with the government authorities.

Risks may furthermore result from possible decisions by the ECJ construing EU type approval provisions.

Whether the criminal and administrative proceedings will ultimately result in fines or other consequences for the Company, and if so what amounts these may entail, is currently subject to estimation risks. According to Volkswagen's estimates, the likelihood that a sanction will be imposed is 50% or less in the majority of these proceedings. Contingent liabilities have therefore been disclosed where the amount of such liabilities could be measured and the likelihood of a sanction being imposed was assessed at not less than 10%.

2. Product-related lawsuits worldwide

A general possibility exists that customers in the affected markets will file civil lawsuits or that importers and dealers will assert recourse claims against Volkswagen AG and other Volkswagen Group companies. Besides individual lawsuits, various forms of collective actions (i.e. assertion of individual claims by plaintiffs acting jointly or as representatives of a class) are available in various jurisdictions. Furthermore, in a number of markets it is possible for consumer and/or environmental organizations to bring suit to enforce alleged rights to injunctive relief, declaratory judgment, or damages.

Customer class action lawsuits and actions brought by consumer and/or environmental organizations were pending in the reporting year against Volkswagen AG and other Volkswagen Group companies in a number of countries including Brazil, England and Wales, France, Germany, the Netherlands, and South Africa. These actions asserted alleged rights to damages and other relief. The pending actions included in particular the following:

In Brazil, two consumer protection class actions are pending. In the first class action, which pertains to some 17 thousand Amarok vehicles, the Superior Court of Justice in August 2022 rejected in part the appeal filed by Volkswagen do Brasil against the May 2019 judgment at the first appeals level that had initially reduced the damage liability of Volkswagen do Brasil considerably to around BRL 172 million. Following Volkswagen do Brasil's appeal, the Superior Court of Justice vacated its own prior decision in its entirety. The case was remanded to the lower appellate court for rehearing of certain issues. In October 2025, the appellate court ruled, among other things, that damages for intangible harm could not be awarded globally and instead had to be determined case-by-case in separate proceedings. The judgment is enforceable but remains non-final. In the second class action, which pertains to roughly 67 thousand later generation Amarok vehicles, the Superior Court of Justice rejected the appeal filed by the plaintiff against the June 2023 appellate court decision in April 2024. Subsequently, the plaintiff filed an interlocutory appeal against this decision with the Superior Court of Justice at the end of April 2024.

Actions have been filed in courts in England, Wales, and Scotland against Volkswagen AG, Volkswagen Group United Kingdom Limited, Volkswagen Financial Services (UK) Limited, and other Volkswagen Group companies in connection with various other diesel vehicles. So-called "outline generic particulars of claim," which provide a rough overview of the grounds of the complaint, were served in England and Wales in September 2024. In Scotland, motions for commencement of a class action and appointment of a representative were formally served, starting in October 2024, on Volkswagen Group United Kingdom Limited, Volkswagen Financial Services (UK) Limited, Volkswagen AG, SEAT S.A., and Škoda Auto a.s. The details of the respective complaints remain uncertain.

In France, a class action is pending that was filed by the French consumer organization *Confédération de la Consommation, du Logement et du Cadre de Vie* (CLCV) against Volkswagen Group Automotive Retail France, Volkswagen Group France, and Volkswagen AG for up to 1 million French owners and lessees of vehicles with type EA 189 engines. This is an opt-in class action in which CLCV is primarily seeking rescission without compensation for use of the vehicle or, in the alternative, damages amounting to 20-30% of the purchase price. In March 2025, a procedural

judgment was rendered holding the opt-in class action to be admissible with respect to Volkswagen Group France and Volkswagen AG. The complaint against Volkswagen Group Automotive Retail France was ruled inadmissible, however. In the further course of the proceedings, the trial court will now consider the substantive merits of the action. The procedural judgment is not yet final. The decision regarding the admissibility of the complaint is subject to review in the context of an appeal against the anticipated trial court judgment.

In the Netherlands, Volkswagen AG signed a settlement agreement in July 2025 with Stichting Volkswagen Car Claim, the Diesel Emissions Justice Foundation (DEJF), and others terminating the class actions in relation to EA 189 vehicles. The opt-out class action lawsuit brought by DEJF seeking monetary damages on behalf of Dutch consumers remains pending in part to the extent it pertains to engines other than the EA 189. In the DEJF action, the appellate court had ruled in August 2024 that the new class action regime – which permits damage awards in addition to declaratory judgment on the existence of claims – is applicable to vehicles in the Euro 6 emissions category. The decision is not yet final.

In South Africa, an opt-out class action seeking damages is pending; the action pertains to some 80 thousand vehicles, including vehicles with type EA 189 engines.

Furthermore, individual lawsuits and similar proceedings are pending against Volkswagen AG and other Volkswagen Group companies in various countries; most of these lawsuits are seeking damages or rescission of the purchase contract.

In Germany, roughly 5 thousand individual lawsuits relating to various diesel engine types are currently pending against Volkswagen AG or other Group companies, with the plaintiffs suing for damages or rescission of the contract in most cases. Fundamental judgments handed down by the BGH in previous years resolve legal issues of major importance for the litigation still pending. Details on these decisions can be found in the chapter entitled "Litigation" in the Annual Report of the Volkswagen Group for the fiscal year in which the respective fundamental judgment was issued.

Volkswagen estimates the likelihood that the plaintiffs will prevail to be 50% or less in the great majority of cases: customer class actions, complaints filed by consumer and/or environmental organizations, and individual lawsuits. Contingent liabilities are disclosed for these proceedings where the amount of such liabilities can be measured and the chance that the plaintiff will prevail was assessed as not remote. Given the early stage of the proceedings, it is in some cases not yet possible to quantify the realistic risk exposure. Furthermore, provisions were recognized to the extent necessary based on the current assessment.

At this time, it cannot be estimated how many customers will choose to file lawsuits in the future in addition to those already pending and what prospect of success such lawsuits might have.

3. Lawsuits filed by investors worldwide

Investors from Germany and abroad have filed claims for damages against Volkswagen AG – in some cases along with Porsche Automobil Holding SE (Porsche SE) as joint and several debtors – based on purported losses due to alleged misconduct in capital market communications in connection with the diesel issue.

Almost all investor lawsuits are now pending before the Braunschweig Regional Court or the Braunschweig Higher Regional Court. In August 2016, the Braunschweig Regional Court issued an order referring common questions of law and fact relevant to the investor lawsuits pending in Braunschweig to the Higher Regional Court in Braunschweig for binding declaratory rulings pursuant to the *Kapitalanleger-Musterverfahrensgesetz* (KapMuG – German Capital Investor Model Declaratory Judgment Act). The investor lawsuits pending against Volkswagen AG in Germany are stayed pending resolution of the common issues, unless the cases can be dismissed for reasons independent of the common issues that are to be adjudicated in the model case proceedings. The resolution in the model case proceedings of the common questions of law and fact will be binding for the pending cases that have been stayed as

described. The model case plaintiff is Deka Investment GmbH. Oral argument in the model case proceedings before the Braunschweig Higher Regional Court began in September 2018. The Braunschweig Higher Regional Court issued several notification rulings stating its position on certain legal issues of fundamental importance for the litigation. In July 2023, the Braunschweig Higher Regional Court issued an order for the taking of evidence including the examination of numerous persons as well as the production and consultation of documents and records. The mandated taking of evidence focuses initially on whether the Board of Management of Volkswagen AG or individual members thereof and/or individual members of Volkswagen AG's Ad Hoc Disclosure Clearing Office (the persons with ad hoc disclosure responsibility in the court's view) had or, as Volkswagen AG's state of knowledge indicates, lacked knowledge of the installation of deactivation devices prohibited under US law in Volkswagen AG vehicles, as well as on the conceptions of these persons regarding the potential share price impact of the information that each respectively possessed. Volkswagen AG has the burden of proof on some issues. The taking of testimony commenced in September 2023 and also continued in 2025. Several witnesses invoked a privilege against giving testimony. In some cases (not as to persons with ad hoc disclosure responsibility), the Braunschweig Higher Regional Court affirmed a comprehensive right to refuse to testify. In other cases, the decision was deferred in light of ongoing criminal investigations against the individuals in question. A large number of witnesses have testified since mid-September 2023. To date, none of the witnesses heard has testified that members of the Board of Management or persons with ad hoc disclosure responsibility at Volkswagen AG had knowledge prior to September 18, 2015 of any information relating to the diesel issue that Volkswagen AG considered to have share price relevance. Pursuant to § 286 of the Code of Civil Procedure, the Braunschweig Higher Regional Court must decide at its discretion and conviction, taking account of the entire content of the hearings and the results of the evidence taken.

Further investor lawsuits are pending before the Stuttgart Regional Court against Volkswagen AG, in some cases along with Porsche SE as joint and several debtor. An additional investor action for model declaratory judgment was filed with the Stuttgart Higher Regional Court against Porsche SE; Volkswagen AG is involved in this action as a third party intervening in support of a party to the dispute. The Wolverhampton City Council, Administrating Authority for the West Midlands Metropolitan Authorities Pension Fund, was appointed model case plaintiff. The Stuttgart Higher Regional Court rendered a model declaratory judgment in late March 2023. Based on the determinations made in the model declaratory judgment and the current substantive status of the underlying actions, all of the suspended investor lawsuits against Porsche SE would in effect have to be dismissed. The model declaratory judgment is not yet final. The model case plaintiff, several interested parties summoned, and Porsche SE petitioned the BGH for review on points of law. Volkswagen AG joined the proceedings as a third-party supporting the petition for review of Porsche SE. In a ruling dated November 18, 2025 that was made public in late January 2026, the BGH suspended proceedings on the petition for review and referred to the European Court of Justice (ECJ) various questions that the BGH regarded as material to the outcome concerning the interpretation of Directive 2003/6/EC of the European Parliament and of the Council of January 28, 2003 on insider dealing and market manipulation (Market Abuse Directive). In addition to questions probing the conditions that must be met in order for Porsche SE to have an ad hoc disclosure obligation with respect to matters arising within the organizational sphere of Volkswagen AG, the BGH also asked whether Art. 6 (1) of the Market Abuse Directive is to be construed as requiring the disclosure of inside information only where knowledge thereof is imputable to the issuer. Once the ECJ renders its decision, the BGH will rule on the petition for review in accordance with the ECJ's guidance.

As in the preceding year, the claims being asserted worldwide against Volkswagen AG in connection with the diesel issue in the form of investor lawsuits, judicial applications for dunning and conciliation procedures, and claims registered under the KapMuG amount to approximately €8.6 billion despite the withdrawal and legally final dismissal of various actions in the reporting year. Since the beginning of the proceedings, investor lawsuits in excess of €1 billion have been withdrawn or finally and conclusively dismissed. Volkswagen AG remains of the opinion that it duly complied with its capital market obligations. Therefore, no provisions have been recognized for these investor lawsuits. Contingent liabilities have been disclosed where the chance of success was estimated to be not less than 10%.

4. Special audit

In a November 2017 ruling, the Higher Regional Court of Celle ordered, upon the request of three US funds, the appointment of a special auditor for Volkswagen AG. The special auditor was supposed to examine whether the members of the Board of Management and Supervisory Board of Volkswagen AG breached their duties in connection with the diesel issue from June 22, 2006 onwards and, if so, whether this resulted in damages for Volkswagen AG. Volkswagen AG had filed a constitutional complaint with the German Federal Constitutional Court against this decision, which was originally unappealable as a formal matter. Volkswagen AG also filed a constitutional complaint against the subsequent (and likewise formally unappealable) decision by the Higher Regional Court of Celle to appoint a special auditor other than the one initially appointed. Following November 2022 rulings by the Federal Constitutional Court that upheld both of the constitutional complaints and remanded the cases to the Celle Higher Regional Court, this court dismissed the motion for appointment of a special auditor as well as the petitioners' motion in the action for replacement of the special auditor by rulings of November 2024 and December 2024 respectively. The petitioners have filed appeals on points of law with the BGH against both decisions. Volkswagen AG had in addition previously filed an action before the Braunschweig Regional Court seeking to enjoin the special auditor from performing the audit as long as he had not furnished sufficient proof of his independence. The Braunschweig Regional Court dismissed the action for injunctive relief in the summer of 2022; Volkswagen AG then appealed this decision to the Braunschweig Higher Regional Court.

A second motion seeking appointment of a special auditor for Volkswagen AG to examine matters relating to the diesel issue was filed with the Regional Court of Hanover. The proceedings in this matter were resumed after initially being stayed pending the decision of the Federal Constitutional Court in the first special audit case.

5. Risk assessment regarding the diesel issue

An amount of around €0.4 (0.6) billion has been included in the provisions for litigation and legal risks as of December 31, 2025 to account for the currently known legal risks related to the diesel issue based on the presently available information and the current assessments. Where adequately measurable at this stage, contingent liabilities relating to the diesel issue have been disclosed in the notes in an aggregate amount of €4.0 (4.0) billion, whereby roughly €3.8 (3.8) billion of this amount results from lawsuits filed by investors in Germany. The provisions recognized, the contingent liabilities disclosed, and the other latent legal risks in the context of the diesel issue are in part subject to substantial estimation risks given the complexity of the individual relevant factors, the ongoing coordination with the authorities, and the fact that the fact-finding efforts have not yet been concluded. Should these legal or estimation risks materialize, this could result in further substantial financial charges. In particular, adjustment of the provisions recognized in light of knowledge acquired or events occurring in the future cannot be ruled out.

In line with IAS 37.92, no further statements have been made concerning estimates of financial impact or regarding uncertainty as to the amount or maturity of provisions and contingent liabilities in relation to the diesel issue. This is so as to not compromise the results of the proceedings or the interests of the Company.

Additional important legal cases

In 2011, *ARFB Anlegerschutz UG* (*haftungsbeschränkt*) filed a claim for damages against Volkswagen AG and Porsche SE for allegedly violating disclosure requirements under capital market law in connection with the acquisition of ordinary shares in Volkswagen AG by Porsche SE in 2008. The damages being sought based on allegedly assigned rights currently amount to approximately €2.26 billion. In late September 2022 the 1st Antitrust Chamber of the Higher Regional Court of Celle issued a model case ruling by which all of the plaintiffs' objects of declaratory judgment

were either dismissed or declared to be irrelevant. The legal positions of the model case defendants were thus upheld in their entirety. Two appeals alleging error of law in the model case ruling have been received, one of which is also directed against Volkswagen AG.

In Brazil, the Brazilian tax authorities commenced tax proceedings against Volkswagen Truck & Bus; at issue in these proceedings are the tax consequences of the acquisition structure chosen for Volkswagen Truck & Bus in 2009. In December 2017, an adverse administrative appeal ruling was rendered against Volkswagen Truck & Bus. Volkswagen Truck & Bus challenged this ruling before the regular court in 2018. In 2024, new legislation led to significant reductions in the penalties. In May 2025, the Brazilian Attorney General for the National Treasury reviewed the first phase of the proceedings. This led to a reduction of the risk due to the partial deduction of penalties, the related interest, and the allocable litigation costs. The partial success in the first phase reduced the risk from approximately BRL 3.1 billion to approximately BRL 2.3 billion for the entire contested period from 2009 onwards; this amount has been included in contingent liabilities in the notes. Estimation of the risk in the event the tax authorities were to prevail on all points of their original legal position remains subject to uncertainty because of differences in the amount of penalties and interest that might then apply under Brazilian law.

The Indian customs authorities initiated investigations into the question of the application of local customs duties at ŠKODA Auto Volkswagen India Private Limited (ŠKODA Auto India) and issued a "Show Cause Notice" in 2024. A final decision by the Indian authorities has not yet been made. In response to the allegations, ŠKODA Auto India filed an action with the High Court. However, due to the early stage of the investigations and the resulting uncertainty surrounding the information currently available, risks in this regard cannot yet be conclusively quantified.

After Volkswagen do Brasil had successfully brought an action in the Brazilian courts against what was held to constitute unconstitutional double taxation of vehicles on the part of the Brazilian federal government, Volkswagen do Brasil received a refund of the excess amount paid from the state of Brazil. In December 2023, the Brazilian dealership association Associação Brasileira Dos Distribuidores Volkswagen (Assobrav) and individual dealers, among others, filed lawsuits against Volkswagen do Brasil alleging that the dealers were at least partially entitled to the refunded amount. Eight such actions are pending. The lawsuit brought by Assobrav with a provisionally estimated amount in dispute of roughly BRL 2.4 billion is by far the largest of these actions. In January 2024, the court dismissed the dealership association's lawsuit in its entirety. In February 2026, the appellate court upheld the dismissal, the judgment is not yet final.

In 2011, the European Commission conducted searches at European truck manufacturers for suspected unlawful exchange of information during the period from 1997 to 2011; in November 2014, the Commission issued a statement of objections to MAN, Scania, and the other truck manufacturers concerned. In its settlement decision of July 2016, the European Commission assessed fines against five European truck manufacturers. MAN's fine was waived in full as the company had informed the European Commission about the irregularities as a key witness. In September 2017, the European Commission imposed a fine of €0.88 billion on Scania, which the European Court of Justice upheld in 2024 as the court of last resort. Furthermore, antitrust lawsuits seeking damages have been received from customers. As is the case in any antitrust proceedings, this may result in further lawsuits for damages. No provisions have been recognized for a large number of these legal disputes as they are not expected to result in final damage awards at the highest appeals level. Provisions have been recognized for those actions in which, after reassessing the risks, the final outcome at the highest appeals level appears more likely than not to result in the payment of damages by MAN or Scania.

In July 2021, the European Commission assessed a fine totaling roughly €0.5 billion against Volkswagen AG, AUDI AG, and Dr. Ing. h.c. F. Porsche AG pursuant to a settlement decision. Volkswagen declined to file an appeal, hence the decision became final in 2021. The subject matter scope of the decision was limited to the cooperation of German automobile manufacturers on individual technical questions in connection with the development and introduction of SCR (selective catalytic reduction) systems for passenger cars that were sold in the European Economic Area. The manufacturers were not charged with any other misconduct such as price fixing or allocating markets and customers. Following the European Commission's July 2021 administrative fine decision, several class actions were filed in the United Kingdom beginning in late 2021 against Volkswagen AG, among others. Neither provisions nor contingent liabilities have been reported as a realistic estimate of risk exposure is not possible at the present stage of the proceedings. After analyzing potential violations based on the facts of the EU case, the Korean competition authority KFTC issued its administrative fine decision in April 2023. No fine was imposed on Volkswagen AG, and Porsche AG is not affected by the decision. A fine equaling just under €3 million was assessed against AUDI AG. AUDI AG and Volkswagen AG have appealed the decision to the relevant court in Seoul/Korea. The Turkish competition authorities, who investigated similar matters, issued a final decision in January 2022 in which they determined anticompetitive behavior to allegedly exist, but found that it had no effect on Türkiye, for which reason they refrained from imposing fines on the German automakers. The written grounds of the final decision are not yet available. Volkswagen AG, AUDI AG, and Porsche AG have filed appeals. Based on comparable matters, the Chinese competition authority has instituted proceedings against Volkswagen AG, AUDI AG, and Porsche AG, among others, and issued requests for information. On the basis of comparable matters, the Brazilian competition authority *Conselho Administrativo de Defesa Econômica* (CADE) likewise opened proceedings in July 2024 against Volkswagen AG, AUDI AG, Porsche AG, and others.

In April 2025, the European Commission and the English Competition and Markets Authority (CMA) assessed fines against various automobile manufacturers and automotive industry organizations pursuant to settlement procedures. This followed an investigation of European, Japanese, and Korean manufacturers as well as national organizations operating in such countries and the European organization European Automobile Manufacturers' Association (ACEA) on suspicion of having agreed in the period from 2001/2002 and up until the initiation of the proceedings – in particular through the ACEA Working Group Recycling and related sub-groups thereof – to avoid paying for the services of recycling companies that dispose of end-of-life vehicles (ELV) (specifically passenger cars and light utility vehicles). Also alleged was an agreement to refrain from competitive use of ELV issues, that is, not to publicize relevant recycling data (recyclates, recyclability, recovery) for competitive purposes. The European Commission assessed a fine of approximately €128 million against Volkswagen AG. The CMA imposed an overall fine of approximately GBP 15 million on Volkswagen AG and Volkswagen Group UK jointly. These proceedings are thereby terminated. In June 2024, the Chinese competition authorities also served Volkswagen AG with a request for information in this matter. The Korean competition authority KFTC also carried out a search of Volkswagen Group Korea in the same context and issued requests for information to Volkswagen Group Korea and Volkswagen AG, among others. The Spanish competition authority issued a request for information to SEAT S.A. in February 2026.

In October 2024, the Brazilian competition authority CADE opened proceedings against numerous companies on charges of improper anti-competitive exchange of human resources information. Within the Volkswagen Group, Volkswagen do Brasil is party to the proceedings.

In addition, a few national and international authorities initiated antitrust investigations. Volkswagen is cooperating closely with the responsible authorities in these investigations. An assessment of the underlying situation is not possible at this early stage.

The lawsuit brought by an organic farmer with Greenpeace support against Volkswagen AG remains pending. In his complaint filed in November 2021 with the Detmold Regional Court, the plaintiff in the action had sought, among other things, to compel Volkswagen AG to initially reduce in stages, and by 2029 completely cease, its production and placement into the stream of commerce of vehicles with internal combustion engines, as well as to reduce greenhouse gas emissions from development, production, and marketing (including third party vehicle use). The lawsuit further seeks to compel Volkswagen to exercise influence over Group companies, subsidiaries, and joint ventures so as to cause them to fulfill these demands as well. In February 2023, the Detmold Regional Court dismissed the action as unfounded. In April 2023, the plaintiff appealed this decision to the Hamm Higher Regional Court.

In the action brought in Russia by Automobile Plant GAZ LLC (GAZ) alleging claims of approximately RUB 28.5 billion, in October 2025 the Supreme Court of Russia – following the court of cassation and the appellate court – also upheld the July 2024 judgment ordering Volkswagen AG to pay damages in an amount of approximately RUB 16.9 billion. The judgment thereby became final. Volkswagen AG will continue to mount a comprehensive defense in the enforcement proceedings. In April 2025, the plaintiff GAZ assigned its alleged claims to a third-party entity, Kameya JSC, which in this manner assumed the procedural role of plaintiff in the lawsuit.

In line with IAS 37.92, no further statements have been made concerning estimates of financial impact or regarding uncertainty as to the amount or maturity of provisions and contingent liabilities in relation to additional important legal cases. This is so as to not compromise the results of the proceedings or the interests of the Company.

Data Protection

Any unauthorized dissemination of personal data could have detrimental effects on our corporate reputation, disrupt operational continuity and erode stakeholder trust.

We process personal data encompassing information about our customers, employees and business partners within data centers and across information technology networks, some of which are managed by third-party service providers. As the scope and intricacy of electronically processed personal data continue to expand, the regulatory obligations imposed on our IT infrastructure have grown markedly more rigorous.

Operating on a global scale, we are subject to a diverse array of national and international data protection statutes. These include, but are not limited to, the European Union's General Data Protection Regulation and the Personal Information Protection Law. The regulatory environment in this domain remains fluid, characterized by evolving interpretations, frequent legislative amendments as well as court decisions. These invariably necessitate greater compliance efforts and may drive up associated costs.

Failure to comply with pertinent data protection laws may subject us to regulatory scrutiny, significant financial penalties and potential litigation, particularly in instances of data breaches or the improper handling of personal information. The rapid adoption of artificial intelligence technologies further augments the complexity and heightens the risk landscape in this arena.

In response to these challenges and to ensure robust compliance with data protection mandates, we have instituted a comprehensive management system dedicated to data protection. This system incorporates regular, systematic risk assessments using a standardized methodology deployed across our organization. Relevant risks are promptly reported to the appropriate member of our Board of Management. Additionally, a cross-functional committee promotes the exchange of information regarding data protection issues throughout our business units. We implement targeted awareness initiatives and training programs to enhance our employees' proficiency in data protection and regulatory compliance. Test simulations are routinely conducted to validate our data protection protocols and maintain operational preparedness. Furthermore, we maintain vigilant oversight of legal developments to swiftly identify and adapt to regulatory changes.

We also undertake structured monitoring activities to assess the efficacy of our data protection measures. These processes are aligned with international and local standards, among which – where applicable – is the Standard Data Protection Model (SDM), also applied by German supervisory authorities. This systematic approach enables us to rigorously evaluate adherence to data protection principles and to perpetually refine our protective measures.

Tax and tariff risks

We are exposed to risks, that could arise in particular as a result of tax and custom audits.

We operate globally and are subject to ongoing audits by local tax and customs authorities. Amendments to tax laws, customs regulations and changes in legal precedent or their interpretation by authorities in the respective countries may result in tax payments and customs duties that differ from the estimates reflected in our consolidated financial statements.

Additionally, risks particularly arise from the tax assessment of cross-border supply of intragroup goods and services.

Furthermore, German tax authorities may not accept all expenses incurred by Volkswagen and its subsidiaries in Germany as a result of the diesel issue as tax deductible business expense.

We have recognized appropriate provisions for potential future retrospective tax payments, customs duties and ancillary tax payments for previous years; however, these provisions could be insufficient to cover any actual settlement amounts. Further risks may arise from changes in tax laws or accounting principles.

Through organizational measures, we continually track the development of tax and customs risks and their impact on our consolidated financial statements and thus try in particular to counteract the risk arising from cross-border, intra-group deliveries and services. We minimize risks in this context for example also by implementing advance pricing agreements and by monitoring compliance with transfer pricing and customs regulations.

Our tax and customs principles are outlined in relevant Volkswagen Group policies. They undergo annual reviews to ensure they remain current. These principles are intended to help identify and assess financial, regulatory and reputational risks related to taxes and tariffs. Such risks are communicated, managed and monitored as part of the Volkswagen Group's overall risk management processes and systems. Additionally, standardized requirements are defined for the implementation of a Group-wide tax compliance management system; these requirements must be met by the Group companies and serve to monitor compliance with tax regulations.

The Board of Management has also published its tax strategy principles, that focus in particular on complete fulfillment of applicable tax obligations. Among other things, these principles require Group companies to conduct transactions with each other at arm's length in order to satisfy relevant OECD guidelines for multinational enterprises. Inappropriate legal arrangements, and particularly an "aggressive" tax strategy must be avoided.

Financial risks

For this risk category, the likelihood of occurrence is classified as high (previous year: medium) and the potential extent of damage is classified as medium (previous year: medium).

The most significant risks from the QRP arise mainly from exchange rate risks and the deterioration of financing opportunities.

Strategies for hedging financial risks and the resulting risks arising from financial instruments

We operate across numerous jurisdictions around the world, conducting business in multiple currencies and as a result, are exposed to financial risks that may arise from changes in interest rates, exchange rates, raw material prices, or share and fund price – as well as from unforeseeable events such as a sudden outbreak of geopolitical or geo-economic tensions and conflicts or the intensification of existing tensions and conflicts. We continuously monitor these financial and liquidity risks and mitigate them using non-derivative and derivative financial instruments. These give rise to counterparty risks, which we mitigate using our counterparty risk management.

Interest rate risk is the possibility of losses in business operations or financial transactions due to fluctuations in market interest rates. This risk arises when there are differences in interest rates between assets and liabilities within a portfolio or on the balance sheet. For example, variable interest rate exposures on the liability side have arisen due to the issuance of a floating rate bond by the Automotive Division in the past, which was intentionally not hedged with a derivative instrument. We hedge interest rate risk – where appropriate in combination with currency risk – and risks arising from fluctuations in the value of financial instruments by means of interest rate swaps, cross-currency interest rate swaps and other interest rate contracts with generally matching amounts and maturities. The principle of matching amounts and maturities applies to financing arrangements within the Volkswagen Group in the Automotive Division. In the Financial Services Division, the risk of changes in the interest rate is managed on the basis of limits using interest rate derivatives as part of the defined risk strategy.

We are exposed to the effects of changes in the exchange rates especially against the euro – of several currencies that play a role in our worldwide operations. Such currencies include but are not limited to, the Australian dollar, Brazilian real, British pound sterling, Canadian dollar, Chinese renminbi, Czech koruna, Hong Kong dollar, Hungarian forint, Indian rupee, Japanese yen, Mexican peso, Norwegian krone, Polish zloty, Singapore dollar, South African rand, South Korean won, Swedish krona, Swiss franc, Taiwan dollar and US dollar. As a result, we are also exposed to financial risks that might arise from changes in interest rates. Foreign currency risk is reduced in particular through natural hedging, i.e. by adapting our production capacity at our locations around the world, establishing new production facilities in the most important currency regions and also procuring a large percentage of components locally. We partially hedge the residual exchange rate risk using hedging instruments. These mainly comprise currency forwards and currency options. We use these transactions to limit the exchange rate risk associated with forecasted cash flows from operating activities, intragroup financing and liquidity positions in currencies other than the respective functional currency, for example as a result of restrictions on capital movements. The currency forwards and currency options can have a term of up to ten years, Volkswagen applies a layered hedging approach in this regard. We use these to hedge our principal foreign currency risks, mostly against the euro and primarily against the currencies already mentioned above.

We have used and are expected to continue to use hedging instruments in the future to manage commodity and energy price fluctuations. There are risks in hedging raw materials with regard to raw material availability and price trends. We manage commodity and energy price risks by entering into forward contracts and swaps. We have hedged aluminum, copper and lead needs for up to six years and cobalt and lithium for less than three years. Nickel is hedged strategically for up to ten years, mainly covering the next six years. The hedge ratios decrease with longer maturities. We also have contracts in place to hedge electricity and gas prices. The hedging periods for platinum, palladium and rhodium are typically limited to a maximum of three years. In the case of certain commodities, this may include adjustments in physical inventories. Transactions involving emission allowances have also been conducted to hedge the prices associated with CO_2 emissions that are expected to exceed free allocations under the European Union Emissions Trading System (EU ETS) for the coming years.

We invest surplus liquidity into special funds which are subject to equity price risks and fund price risks. These risks are managed by diversifying investments and adhering to the limits specified in the relevant investment guidelines. Hedging measures are executed, when required by market conditions.

Channeling excess liquidity into investments and entering into derivatives contracts gives rise to counterparty risk. We counter this risk through our counterparty risk management, which we describe in more detail in the section entitled "Principles and Goals of Financial Management" in the "Results of Operations, Financial Position and Net Assets" chapter. The financial instruments held for hedging purposes give rise to counterparty risks, and also to balance sheet risks, which we limit using hedge accounting.

In addition, financial instruments used in risk hedging strategies may result in losses if the hedging exchange rates are less favorable than the rates achievable on the market at the maturity of the financial instrument.

Our hedging policy, the hedging rules, the default and liquidity risks and the quantification of the hedging transactions mentioned, risks that arise in connection with trade receivables, and risks arising from financial services are explained in the notes to the consolidated financial statements. We also disclose information on market risk within the meaning of IFRS 7 in the notes.

Liquidity risk

The Volkswagen Group's ability to meet its financing requirements depends on maintaining sufficient liquidity. There is an inherent risk that existing capital needs may not be met if the Company cannot obtain funding or if financing is only available under unfavorable conditions.

The Automotive Division and the Financial Services Division generally pursue independent refinancing strategies, though both encounter comparable refinancing risks. Within the Automotive Division, liquidity is maintained primarily through retained earnings, utilization of credit lines and the issuance of financial instruments in the money and capital markets. For the Financial Services Division, capital demands are predominantly addressed by sourcing funds from both domestic and international markets – this includes securitizing receivables, issuing unsecured bonds and attracting customer deposits via direct banking operations.

Our investment activities are also financed through loans sourced from national development banks such as *Kreditanstalt für Wiederaufbau* (KfW) and *Banco Nacional de Desenvolvimento Econômico e Social* (BNDES), as well as from supranational development banks.

In addition to committed credit lines, our diversified refinancing framework is further supported by uncommitted credit lines provided by commercial banks.

Our financing opportunities might be adversely affected by a deterioration in financial and general market conditions – also resulting from a sudden outbreak of geopolitical tensions and conflicts or an intensification of existing ones –, a weakening of our credit profile and outlook as well as by a rating downgrade or withdrawal or increasing relevance of ESG ratings to investors. In these cases, the demand from capital market participants for securities issued by us may decrease, which could adversely impact the rates of interest we have to pay and may result in lower capacity to access the capital markets.

If financial and general market conditions deteriorate or credit spreads and/or the general level of interest rates increase, this would result in higher interest expenses. Unlimited exposure to fluctuations in interest rates could result in materially higher financing costs, which, in turn, would adversely affect our profitability.

Credit risks and opportunities and counterparty risk in the financial services business

We are exposed to the risk that the credit quality of our retail customers and business partners such as dealers and other corporate customers may deteriorate and in the worst case that they may default.

Credit risks and opportunities

Credit risk describes the risk of losses arising from defaults in customer transactions, specifically due to the default of the borrower or lessee. The default is caused by the insolvency or unwillingness of the borrower or lessee to pay. This includes the fact that the contractual partner does not make interest and principal payments on time or in full.

The aim of a systematic credit risk monitoring system is to identify the potential insolvency of a borrower or lessee at an early stage, to take appropriate account of the facts in the loss allowance calculation and, if possible, to prevent a potential default.

The consequence of a default could be a loss of entrepreneurial assets. If, for example, an economic downturn leads to increased insolvencies or unwillingness of borrowers or lessees to make payments, higher loss allowances and losses must be recognized.

An essential basis for credit decisions is the credit assessment of the borrowers. Rating/scoring procedures are used to provide an objective basis for decision-making of granting a credit or leasing.

Credit risks are managed and monitored on the basis of defined guidelines and processes. All loans are monitored with regard to the economic circumstances of the borrower or lessee, the meeting of contractual obligations, external or internal conditions defined in the credit approval process, existing collateral and adherence to any granted limits. For this purpose the commitments – according to their risk content – are managed in an appropriate monitoring level (normal, intensified and problem loan management). Furthermore, the management of the credit risk is made by credit approval or reporting limits and defined credit approval competencies, which are determined individually for each branch or subsidiary.

An opportunity from credit risks may arise if the losses from the credit and leasing business are lower than the previously expected losses and the corresponding risk provision recognized on this basis. Particularly in countries where an increased need for risk provision has been identified due to the uncertain economic situation, a stabilization of the economic situation and the associated improvement in the creditworthiness of borrowers may result in a chance that the losses realized will be lower than expected.

Counterparty risk/issuer risk

We are exposed to the risk that the creditworthiness of our contractual counterparties in the money and capital markets may deteriorate. In our Automotive and Financial Services Divisions, we maintain extensive business relationships with banks and financial institutions, in particular, to control liquidity through call money and fixed term deposits as well as to hedge against such risks as currency exchange rate, interest rate and commodity price risks using derivatives. In this context, we are exposed to default risks with respect to the repayment of and interest on the deposits and the fulfillment of obligations under such derivatives. It might become necessary to sell financial instruments prior to or at maturity – for example, due to concerns about the creditworthiness or insolvency of the issuer – which might result in losses. Under certain circumstances, this could even lead to a complete default on the receivable by the underlying issuer.

If the macroeconomic environment were to deteriorate in the future, the risks described above could rise and require higher risk provisions.

Residual value risks and opportunities

A residual value risk arises if the forecasted market value upon disposal of the leased or financed asset at the end of the contract is lower than the residual value calculated at the time the contract was concluded, or if the sales proceeds are lower than the book value of the vehicle in the event of early termination of the contract due to contractual termination options. On the other hand, there is a chance that the sale will generate more than the calculated residual value or book value.

A decrease in the residual values or the sales proceeds of leased vehicles or vehicles financed with a product with balloon rate and return option could have an adverse effect on our business.

As a lessor under leasing contracts, including financing contracts with a balloon rate and return option for the customer, the Financial Services Division generally bears the risk that the market value of vehicles sold at the end of the term may be lower than the contracted residual value at the time the contract was entered into (so-called residual value risk). The Financial Services Division takes such differences into account in establishing provisions for the existing portfolio and in its determination of the contractual residual values for new business.

Volkswagen distinguishes between direct and indirect residual value risks. If the Financial Services Division carries the residual value risk, it is referred to as a direct residual value risk. The residual value risk is indirect when that risk has been transferred to a third party (such as a dealer) based on a residual value guarantee. The Financial Services Division frequently enters into agreements that require dealers to repurchase vehicles, so dealers, as residual value guarantors, would bear the residual value risk. In these cases, there is a counterparty default risk with regard to the residual value guarantor. If a residual value guarantor defaults, the residual value risk pass onto the Volkswagen Group.

Residual value risk can be affected by various external factors. Changes in consumer confidence and preferences, economic conditions, government policies, exchange rates and perceptions of vehicle quality, safety, or reliability can all increase this risk. Among other things, Volkswagen was required to increase existing loss provisioning for residual value risks in the past. It cannot be ruled out that a similar scenario due to renewed deterioration of the macro-economic environment could occur in the future. The evolution of e-mobility also plays a role; advancements in battery technology may increase residual value risks for existing electric vehicles as demand for outdated technologies wanes. Equally, growing sales of electric cars due to shifting consumer behavior could negatively affect the residual values of conventional combustion vehicles. On the other hand, component shortages, rising costs of raw materials, energy and logistics, as well as procurement and delivery challenges, might lead to a decrease in new vehicle production or sales, and conversely an increased in used car values, potentially reducing our residual value risk.

Estimates of provisions for residual value risks might be less than the amounts actually required to be paid due to miscalculations of initial residual value forecasts or changes in market or regulatory conditions.

Management of the residual value risk is based on a defined control cycle, that ensures risks are fully assessed, monitored, responded to and communicated. This process structure enables us to manage residual risks professionally and also to systematically improve and enhance the way we handle residual value risks.

As part of risk management procedures, the adequacy of the provision for risk and the potential residual value risk are regularly reviewed in respect of direct residual value risk. The preparation of the risk management report includes a review of adequacy wherein the level of existing direct residual value risk is compared to the level of the provisions recognized for risks. Based on the resulting potential residual value risk, various measures are initiated as part of an active risk management approach. With regard to new business, the residual value recommendation must take into account current market circumstances and factors that might have an influence in future.

Dependency of the Financial Services Division

Volkswagen's Financial Services Division is dependent on the Volkswagen Group's sales, and any risk that negatively influences the vehicle delivery of the Volkswagen Group might have adverse effects on the business of the Financial Services Division.

Volkswagen's Financial Services Division business model is mainly the sales support of products of the Automotive Division. Thus, the financial success of the Financial Services Division depends largely on the success of the Auto

motive Division. The development of vehicle deliveries to customers of the Volkswagen Group is crucial and material to the generation of new contracts for the Financial Services Division.

Risks and opportunities from mergers & acquisitions and/or other strategic partnerships/investments

No risks with a score of 20 or more were reported for this risk category.

Joint ventures and minority investment risks and opportunities

Cooperation with joint venture partners or other partners might entail risks that could endanger our market position and cause financial losses.

We are increasingly concentrating on joint ventures and minority investments with strategic partners aimed at research and development, market launches and large projects. Such joint ventures and minority investments focus on strategic areas such as e-mobility, battery development, battery value chain, digitalization, vehicle software architecture, autonomous driving, mobility concepts and infrastructure. Participation in such joint ventures and minority investments has in the past required, and might continue to require, substantial investment amounts from the Volkswagen Group.

Failure to meet our obligations under joint venture, investment or related business agreements could, among other things, result in claims for damages, contractual penalties, or even termination of the agreement. A breach of contract by our partners or divergent interests between us and our partners or other unforeseen events include the risk of an unsuccessful implementation of a project. Risks may also arise in connection with data sharing, particularly regarding compliance with national data protection legislation and adherence to internal confidentiality standards, including the application of our need-to-know principle. Disputes with joint venture partners can be costly and distract management from business operations. Such joint ventures and investments could also increase coordination complexity and involve the risk of internal knowledge loss. Additionally, our partners might use technologies or intellectual property gained through joint ventures outside the intended scope. Changes or terminations of these agreements could negatively affect our areas of strategic focus. Should we decide to divest our shareholdings or exit a joint venture, finding a buyer might be challenging or we might face other obstacles in selling our shares. In addition, our partners could raise claims for damages under the investment agreements or otherwise.

We are particularly exposed to risks in relation to our joint ventures in China, due to their strategic importance in terms of our growth strategy in Asia. Any disruption to the business activities of these joint ventures, whether due to internal partnership issues or differing strategic objectives among partners, could materially impair their operations and adversely affect our interests.

In addition, the loss or disruption of such joint ventures or investments might lead to the loss of customers or orders and could harm our competitive position in the affected markets.

To mitigate the aforementioned risks, where we do co-development, such companies receive not only technical support but also assistance on IT-related aspects.

Joint ventures and investments offer significant opportunities in strategic areas and key future-oriented fields. With these, we can accelerate technological innovation, share investment risks and realize economies of scale. In addition, joint initiatives open up further growth and revenue potential. Overall, joint ventures and investments make an important contribution to sustainably strengthening our competitiveness in a dynamically evolving market environment.

Acquisition and investment transaction risks and opportunities

We may be exposed to risks in relation to corporate acquisitions and equity interests in companies.

We have in the past made, and will in the future make significant acquisitions of companies and equity interests on different share participation. These acquisitions involve substantial investments and risks during the transaction process. It therefore cannot be ruled out that we might not gain full access to all relevant information needed to fully assess a target company before finalizing an acquisition, or that doing so might incur high costs.

Target companies may also be located in countries where the underlying legal, economic, political and cultural conditions do not correspond to those that are customary in the European Union, or have other national peculiarities that we are not familiar with. Additionally, acquisitions may need to be reviewed by competition and other regulatory authorities, that could delay or prevent their completion. Consequently, we may not in advance be able to identify all associated risks or adequately protect ourselves against them. Additionally, acquisitions and their integration require significant management resources, and there is a risk that acquired technologies or assets may not hold legal validity or intrinsic value. We might also face challenges in retaining and integrating employees, business relationships and operations of acquired companies.

We might not achieve our growth targets, economies of scale, cost savings, or other strategic goals from acquisitions. Anticipated synergies might not materialize, purchase prices might be too high in retrospect, or unforeseen restructuring costs might arise. Additionally, changes in interest rates, capital costs, or market demand might adversely affect business plans and valuations. Furthermore, we might not recover guarantees and indemnities from third parties, and acquired entities' partners might cancel contracts or make disadvantageous claims. In asset disposals, we face risks such as potential liabilities from warranties and regulatory challenges in obtaining necessary approvals. Finally, should we decide to divest our shareholdings or exit a joint venture, we are exposed to risks typically associated with such transactions, including potential liabilities resulting from contractual warranties and indemnities, as well as regulatory risks of not being able to obtain required approvals to close the transactions.

If these risks materialize, or if we misjudge them, it could lead to impairments, reputational damage and compliance risks.

To mitigate the aforementioned risks, a comprehensive due diligence review of potential targets is conducted before any acquisition or investment. This assessment covers e.g., financial strength, compliance and ESG performance, technological capabilities, governance structures and market reputation. In addition, a strategic fit analysis ensures that the target's objectives, values and time horizons are aligned with our overall strategy. Furthermore, we strive to design the future governance structure in such a way that we gain an appropriate level of influence over key decisions, even in cases of minority shareholdings.

Corporate acquisitions and equity interests offer opportunities to strengthen our competitive position and accelerate transformation. Targeted investments provide access to innovative technologies, new business models and growth markets – particularly in the areas of e-mobility, battery development and value chain, digitalization, vehicle software architecture, autonomous driving, mobility concepts and infrastructure. They also enable portfolio diversification and long-term value creation through participation in emerging industries and sustainability-focused ventures.

Risks from the disposal of equity investments

Adverse market conditions may lead to a situation in which we could not raise capital on favourable terms. In the event of an unforeseen funding requirement, we might be compelled to dispose of assets at short notice, potentially realizing proceeds below their fair market value. Such forced sales could result in financial losses for us.

Risks arising from the impairment of goodwill, brand names or capitalized development costs

The value of goodwill, brand names or capitalized development costs reported in our consolidated financial statements has been impaired in the past as a result of revaluations and might be impaired again in the future; in addition, accounting assessments might result in further negative effects.

At least once a year, we review whether the value of goodwill, brand names or capitalized development costs might be impaired based on the underlying cash-generating units. An impairment loss may be incurred if there is objective evidence that the recoverable amount of an asset is lower than its carrying amount. Such impairments may result, for example, from rising interest rates or deteriorating business expectations. Assessing whether goodwill and acquired brand names are impaired largely relies on prediction of future cash flows and determination of appropriate discount rates. Given the ongoing transformation towards e-mobility and digitalization in the core business, the shift to self-driving vehicles and stricter environmental regulations, there are uncertainties that must be taken into account when estimating our future market share in BEVs, potential margins and long-term growth rates. Additionally, potential delays in e-mobility adoption, strong competition from China as well as the potential risk of protectionist measures must be considered. The estimates are subject to risk and may be revised if environmental regulations or market conditions change.

SUMMARY OF THE RISK AND OPPORTUNITY SITUATION

The overall risk and opportunity situation of the Volkswagen Group is derived from the individual risks and opportunities presented above. To ensure that these risks are controlled, we have established a comprehensive risk management system. The most significant risks across all risk categories for the Volkswagen Group arise from a negative trend in markets and unit sales – driven by increasing trade restrictions, protectionist tendencies and intensifying competition –, failure to meet CO_2-related requirements, the development of products that are not in line with demand or requirements, in particular with regard to software and the associated architecture, as well as e-mobility and demanding procurement markets. For 2026, there may be negative impacts from limited availability of parts, energy and other raw materials as well as from geopolitical and geoeconomic tensions and conflicts – such as the Russia-Ukraine conflict, the confrontations in the Middle East, and increasing uncertainties regarding the economic policy stance of the USA. Furthermore, there are residual risks for the Volkswagen Group from the diesel issue. Based on the information available to us today, there are no risks that could endanger the continued existence of material Group companies or the Volkswagen Group.

This annual report contains forward-looking statements on the business development of the Volkswagen Group. These statements are based on assumptions relating to the development of the economic, political and legal environment in individual countries, economic regions and markets, and in particular for the automotive industry, which we have made on the basis of the information available to us and which we consider to be realistic at the time of going to press. Risks are associated with the estimates given, and actual developments may differ from those forecast. Any changes in significant parameters relating to our key sales markets, or any significant shifts in exchange rates, prices for energy and other commodities or the supply of parts relevant to the Volkswagen Group will have a corresponding effect on the development of our business. In addition, there may be departures from our expected business development if the assessments of the factors influencing sustainable value enhancement and of risks and opportunities presented in this annual report develop in a way other than we are currently expecting, or if additional risks and opportunities or other factors emerge that affect the development of our business. We do not update forward-looking statements and do not assume any obligation beyond that required by law to update the forward-looking statements made in this annual report.

Outlook for 2026

Our planning is based on the assumption that global economic output will grow overall in 2026 at a similar pace to 2025. Declining inflation in key economic regions and the resulting gradual easing of monetary policy are expected to boost consumer demand. We continue to see risks in the increasing fragmentation of the global economy and protectionist tendencies, in turbulence in the financial, energy and commodity markets, as well as in structural deficits in individual countries. Growth prospects are also weighed down by continuing geopolitical tensions and conflicts; risks stem in particular from the Russia-Ukraine conflict, the confrontations in the Middle East, as well as growing uncertainties regarding the policy stance of the USA and the global increase of geoeconomic measures, which could further exacerbate geopolitical tensions. We anticipate that advanced economies will maintain, on average, a momentum comparable to that of the reporting year, while the group of emerging markets is expected to exhibit somewhat softer dynamics.

The trend in the automotive industry closely follows global economic developments. We assume that competition in the international automotive markets will continue to increase. Crisis-related disruptions to the global supply chain and the resulting impact on vehicle availability may weigh on new registration volumes. Moreover, suddenly arising or intensifying geopolitical tensions and conflicts could in particular result in rising material prices and declining energy availability, and necessitate a reassessment of existing resource allocations.

We predict that trends in the markets for passenger cars in the individual regions will be mixed but stable overall in 2026. Overall, global new vehicle sales volumes are expected to be on a level with the previous year. In Western Europe, we anticipate that the volume of new passenger car registrations in 2026 will also be on a level with the reporting year. For the German passenger car market, we also assume that the volume of new registrations in 2026 will be at the prior-year level. We anticipate a strong year-on-year increase in sales of passenger cars overall in markets in Central and Eastern Europe – subject to further developments in the Russia-Ukraine conflict. In the markets for passenger cars and light commercial vehicles (up to 6.35 tonnes) in North America overall, as well as in the USA, sales volumes in 2026 are forecast to be slightly below the previous year's level. The number of new registrations in the South American markets in 2026 is projected to show a slight overall year-on-year increase. The passenger car markets in the Asia-Pacific region in 2026 are expected to be similar to the previous year.

Trends in the markets for light commercial vehicles in the individual regions will be mixed; on the whole, the sales volume for 2026 is likely to be on a level with the previous year.

For 2026, we expect new registrations for mid-sized and heavy trucks with a gross weight of more than six tonnes will be on a level with the previous year in the markets that are relevant for the Volkswagen Group, with regional variations. A slight year-on-year decrease in demand is anticipated for 2026 in the bus markets relevant for the Volkswagen Group, but this will vary depending on the region.

We assume that automotive financial services will continue to play an important role in global vehicle sales in 2026, in conjunction with the development of vehicle markets.

In a challenging market environment, we anticipate that the number of deliveries to customers of the Volkswagen Group in 2026 will be on a level with the previous year.

Challenges will arise in particular from the economic environment, uncertainties related to international trade restrictions and geopolitical tensions, intensifying competition, volatile commodity, energy and foreign exchange markets, as well as stricter emissions-related requirements.

The sales revenue of the Volkswagen Group is likely to develop within the range of 0% to +3% in 2026. The operating return on sales for the Group is projected to be between 4.0% and 5.5%. We assume that the investment ratio in the Automotive Division will lie between 11% and 12% in 2026. We expect net cash flow for 2026 to be between €3 billion and €6 billion. Net liquidity in the Automotive Division in 2026 is expected to range between €32 billion and €34 billion. We remain committed to continuing our robust financing and liquidity policy.

The forecast is based on the assumption that the current tariff situation in international trade will persist.

OVERVIEW OF KPI PROJECTIONS

in € billion	Actual 2025	Forecast for 2026
Deliveries to customers (in million units)	9.0	at prior-year-level
Volkswagen Group		
Sales revenue	321.9	0 to +3.0%
Operating return on sales (in %)	2.8	4.0 to 5.5
Operating result	8.9	in forecast range
Passenger Cars and Light Commercial Vehicles segment		
Sales revenue	244.5	0 to +3.0%
Operating return on sales (in %)	2.0	4.0 to 5.0
Operating result	5.0	in forecast range
Commercial Vehicles segment		
Sales revenue	42.5	–5.0 to +7.0%
Operating return on sales (in %)	5.7	5.0 to 7.0
Operating result	2.4	in forecast range
Financial Services Division		
Sales revenue	62.1	0 to +3.0%
Operating result	3.7	> 4
Automotive investment ratio (in%)	11.8	11 to 12
Net cash flow in the Automotive Division	6.4	3 to 6
Net liquidity in the Automotive Division	34.5	32 to 34

Wolfsburg, February 24, 2026
The Board of Management

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Sustainability Report

(Combined non-financial statement of the Volkswagen Group and Volkswagen AG.
Part of the combined Management Report)

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General Information

Sustainability is rooted in the Volkswagen Group and is an integral part of our Group strategy. Important stimuli that are aligned with our objectives are provided by our Group sustainability strategy regenerate+, which takes a broad and comprehensive approach to sustainability – environmentally, socially and economically.

ABOUT THIS SUSTAINABILITY REPORT

For reporting year 2025, Volkswagen AG is issuing a combined, non-financial statement (sustainability report) for the Volkswagen Group and Volkswagen AG. The combined, non-financial statement is drawn up in accordance with section 315c in conjunction with sections 289c through 289e of the *Handelsgesetzbuch* (HGB – German Commercial Code). The European Sustainability Reporting Standards (ESRS) were applied in full as a framework for the sustainability report (sustainability statement) for the reporting year 2025, as they provide the basis for the provisions on sustainability reporting in accordance with the European Union's Corporate Sustainability Reporting Directive (CSRD).

Notes on use of the ESRS

General explanations on the standards.

The ESRS currently comprises 12 standards, two of which are cross-cutting standards setting out general requirements (ESRS 1) and general disclosures (ESRS 2). An additional ten topical standards address environmental, social and governance topics:

- Environmental information (Environment, E standards): climate change (ESRS E1), pollution (ESRS E2), water and marine resources (ESRS E3), biodiversity and ecosystems (ESRS E4), resource use and circular economy (ESRS E5);
- Social information (Social, S standards): own workforce (ESRS S1), workers in the value chain (ESRS S2), affected communities (ESRS S3), consumers and end-users (ESRS S4);
- Governance information (Governance, G standard): business conduct (ESRS G1).

Each standard is based on disclosure requirements containing specific datapoint requirements. The disclosure requirements relevant to the Volkswagen Group were determined by means of a double materiality assessment. The Annex to the Sustainability Report contains a detailed index indicating which ESRS disclosures can be found in which section of the report.

Scope of the report

Volkswagen AG's sustainability report was prepared on a consolidated basis. The scope of consolidation was identified on the basis of the consolidated financial statements. The report generally covers all of the consolidated companies within the Volkswagen Group. The following adjustments were made for the gathering of environmental and governance data:

- E standards: data is gathered primarily for the consolidated production companies. The two controlled, but unconsolidated companies Volkswagen Sarajevo d.o.o., Vogosca, Bosnia and Herzegovina, and Audi Formula Racing GmbH, Neuburg an der Donau/Germany are also included in this scope. In addition, certain disclosures pertaining to greenhouse gas emissions and energy, emissions to air and water, and biodiversity-sensitive areas

primarily take into account the Chinese vehicle and component production joint ventures over which the Group has operational control.

- G standard: the disclosures regarding corruption and bribery in the chapter on "Business Conduct Information" take all controlled companies into account. The controlled companies are also the companies in which awareness-raising and training measures are conducted, depending on their individual risk profiles pursuant to the internal compliance risk assessment (ICRA).

Both the upstream and downstream value chain is taken into account when assessing impacts, risks and opportunities in the double materiality assessment process. The option of gradual introduction was taken when selecting datapoints.

Methodological specifications

Methodological specifications were used in the preparation of the sustainability report. The following time horizons were applied in the report unless otherwise indicated:

- The short-term time horizon corresponds to a period of less than one year after the end of the reporting year.
- The medium-term time horizon is the period from the end of the short-term reporting period up to a period of five years.
- The long-term time horizon comprises all periods in excess of five years.
- Where disclosures are required in relation to specific circumstances within the meaning of ESRS 2 (ESRS 2 BP-2), this is clearly indicated for the relevant datapoints.
- The sustainability report also contains an index for ESRS datapoints that derive from other EU legislation. This can be found in the Annex to the Sustainability Report.

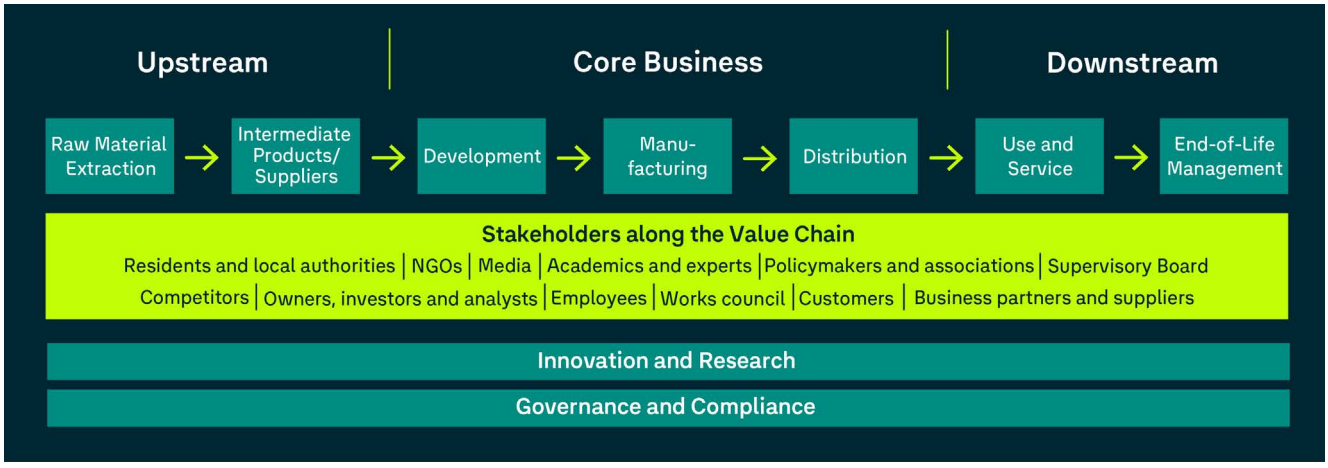
BUSINESS MODEL, VALUE CHAIN AND STRATEGY

Business model and Group structure

The commentary on the business model and Group structure is provided in the "Structure and Business Activities" chapter.

The Volkswagen Group value chain

The Volkswagen Group's business is based on a broadly distributed and complex value chain. Both the upstream and the downstream process steps in this value chain are being vertically integrated into the Group's own business activities to an ever increasing degree.



Upstream value chain

The upstream segment of the value chain comprises the extraction of raw materials and the production of components and parts. The Volkswagen Group maintains close relationships with a large number of suppliers that provide raw materials and intermediates.

The Group also operates its own production facilities and plants in which key components such as engines, motors, transmissions and suspensions are made. By controlling these key production steps, high quality standards are guaranteed and at the same time innovative technologies and processes can be implemented directly.

This is also aided by our close cooperation with many suppliers who provide specialized components and services.

Core business

The core business comprises the following central activities: the development of vehicles, engines, motors, vehicle software and vehicle batteries, the production and sale of passenger cars, light commercial vehicles, trucks, buses and motorcycles, and trading with genuine parts and components. The employees and the Works Council have particular relevance as stakeholders in this area.

In the development phase, the Volkswagen Group invests in advanced technologies and innovative designs with the aim of producing state-of-the-art and environmentally friendly vehicles. Production takes place in production facilities located around the world, which focus on efficiency and quality. Efficient logistics processes are designed to ensure the seamless integration of all stages from production to delivery, while at the same time helping to reduce emissions and costs. Distribution takes place via a global network of dealers and distributors whose remit is to promptly and reliably make the vehicles available to customers.

This is where the value chain of the Financial Services Division comes in, with its range of services including vehicle leasing and financing, insurance and other vehicle-related mobility products – for private and individual commercial buyers, as well as for fleet customers. In addition, the dealers and business partners also offer maintenance contracts.

Downstream value chain

The downstream segment of the value chain covers the vehicle's use phase and end-of-life management. The use of the vehicles and associated services play a key role in this phase. The dealers and service partners offer comprehensive servicing and repair services. Their remit is to ensure that customers always have access to high-quality replacement parts. On top of this, the growing mobility services segment addresses the customer's need for flexibility and comfort. This includes offering vehicles to end customers as needed, such as through leasing, rental and car subscriptions. In addition, MOIA – an autonomous mobility services provider – has a turnkey platform that will support operators of future autonomous ridepooling fleets. It provides all necessary services, from fleet management and booking systems to software integration and all the way to operational support and training.

The rapid expansion of the charging infrastructure is and remains an important prerequisite for ramping up e-mobility. In light of this, the Volkswagen Group is driving the expansion of the charging infrastructure with its partners Elli in Europe, CAMS in China and Electrify America in North America. Elli is also active within the energy sector with the aim of transitioning from a provider of charging infrastructure into a full energy service provider.

End-of-life management is an integral part of the Volkswagen Group's sustainability strategy. The focus here is on product and battery recycling. In addition, within the context of circular materials, it facilitates access to our raw materials from used vehicles.

Group strategy

CORE TOPICS AND IMPERATIVES OF THE GROUP STRATEGY



Sustainability is rooted in the Volkswagen Group and is an integral part of our Group strategy, which is presented in the "Goals and Strategies" chapter of the Group management report. Our Group sustainability strategy regenerate+ is enshrined in the Group strategy through the "Elevate sustainability" imperative within the core topic "Focus on Fundamentals".

Group sustainability strategy

The Group's sustainability strategy regenerate+ provides important stimuli that are aligned with our objectives. Society requires engagement that generates positive added value in order to help our planet to regenerate and to shape a future worth living in for current and future generations. We wish to contribute to this, and take a broad and comprehensive approach to sustainability – environmentally, socially and economically. Our vision is to become a mobility provider with positive added value for nature and society. To this end, we continue to work in partnership and maintain constructive communication with our stakeholders in order to learn and further improve.

The regenerate+ sustainability strategy applies to the entire Volkswagen Group – i.e. to the Group departments, to all brands and companies. As such, it encompasses our products, services and stakeholders, including our customers. Our goal is to use regenerate+ to distinguish ourselves as the Volkswagen Group and, at the same time, enable our brands to position themselves in their specific market environment.

Together, we are pursuing a vision for the Volkswagen Group and driving sustainable value creation. Transforming ourselves into a business that operates sustainably is a process, and we are constantly in motion. We review our targets on a regular basis and continuously adapt them. Our regenerate+ Group sustainability strategy features measures in four dimensions: nature, our people, society, and business.

The dimensions of regenerate+

Nature

The Volkswagen Group's core aim in its Group sustainability strategy is to do more than simply reduce emissions. Our vision is to have a positive impact on people and the environment, and to contribute to the restoration and improvement of ecosystems and living conditions by means of regenerative actions.

Climate change mitigation: The Volkswagen Group wishes to achieve net carbon neutrality

The Volkswagen Group is committed to the Paris Climate Agreement. We aim to achieve net carbon neutrality by 2050. Our intermediate target is to reduce the carbon footprint per customer-kilometer traveled during the use phase of our passenger cars and light commercial vehicles by 30% by 2030 (compared to 2018).

A further goal is for our global production sites to achieve net carbon neutrality by 2040 – ten years earlier than originally planned. To this end, we aim to reduce greenhouse gas emissions by 90% by 2040 compared to 2018, among other measures. In order to achieve this, the Volkswagen Group intends, for example, to adapt its energy supply and increase energy efficiency. The objective is to be procuring 100% of external electricity from carbon-neutral sources at all sites by 2030. The European sites are already currently obtaining 100% of their external electricity from renewable sources.

Our objective in the context of the Zero Impact Factory strategic vision is to gradually reduce the absolute environmental impacts of our production sites for passenger cars, light commercial vehicles and components by 37.5% by 2030, by 68.8% by 2040, and ultimately towards achieving net neutrality by 2050, all compared to 2018 levels. Further information on the climate change mitigation focus area is provided in the "Climate Change" chapter under Environmental Information.

Resources: The Volkswagen Group is working to continuously reduce its demand for primary raw materials

The finite nature of natural resources and the social and environmental consequences of mining raw materials make the development of a circular economy a key sustainability topic. The focus here is primarily on conserving resources. In this context, the Volkswagen Group has formulated Group-wide ambitions: we aim to achieve a circular materials use rate of 40% in our passenger cars and light commercial vehicles by 2040. This applies to vehicle projects for which start of production is planned from 2040 onward (excluding China). The Group defines circular materials as materials from technical or natural cycles, i.e. not only recycled materials, but also bio-based and carbon-based materials. Throughout the entire ID. family, headliners, fabrics, carpets, seats, door trims and decorative panels are already made of recycled materials, examples being seat covers made with yarn from ocean plastics and recycled PET bottles. Further information on the resources focus area is provided in the "Resource Use and Circular Economy" chapter under Environmental Information.

Ecosystem: The Volkswagen Group promotes biodiversity

The production of our vehicles, and their use by our customers, impact biodiversity through emissions, land use and transportation. We wish to minimize this impact by working to reduce our land use and thus create added value for nature and achieve an improvement in species diversity. We aim not only to maintain biodiversity, but to promote it throughout the value chain, from raw material extraction to production and recycling. The Volkswagen Group is aware of its responsibility. We support conservation projects worldwide and have been involved in protecting and preserving biodiversity since 2007. As a founding member of the Biodiversity in Good Company e. V. initiative, we acknowledge the three goals of the international Convention on Biological Diversity (CBD). Moreover, we have defined corresponding action areas that will allow us to contribute to achieving these goals within the framework of our business activities. We report on this every two years in our progress report.

To promote biodiversity beyond its own value chain, the Volkswagen Group launched a biodiversity fund for external nature and biodiversity projects in 2025. The fund has an annual allocation of up to €25 million and a planned term of five years (2025-2029). The aim is to facilitate effective measures to protect and promote biodiversity beyond the Group's sites and supply chain. Further information on the ecosystem focus area is provided in the "Biodiversity and Ecosystems" chapter under Environmental Information.

Our people

The Volkswagen Group is a socially responsible employer. We stand for a diverse, inclusive, and non-discriminatory culture. By paying fair wages, we help to secure our employees' standard of living at our locations. We invest extensively in the qualification, safety and health of our employees.

Culture: The Volkswagen Group promotes a diverse, inclusive, and non-discriminatory culture

At the Volkswagen Group, we reject discrimination in any form. We promote cooperative behavior in the workplace and are committed to inclusion. We are convinced that integrity and compliance can only be practiced in a culture free of fear, and we create the conditions for this. We are particularly focused on increasing the proportion of women at all levels of the workforce. As a company traditionally dominated by engineers and technical workers, we face special challenges, as do all automotive companies.

Diversity is also important to us with regard to culture, origin, and native language. Every year, we use the diversity index to measure the degree of internationalization in the top management of the Volkswagen Group, and our goal is to continuously increase this. For 2025, it was planned to increase the diversity index to 154. This target value for 2025 was exceeded with a score of 168. Further information on the design of the diversity index is provided under the heading "Targets related to equal treatment and equal opportunities" in the "Employees and Non-Employees" chapter under Social Information.

People: The Volkswagen Group wishes to be a unique employer and lead teams to success

The transformation of the automotive industry is making work at a company like the Volkswagen Group more diverse and interesting. Coding is taking its place alongside traditional engineering, artificial intelligence is relieving employees of routine tasks, and digital business models are increasingly taking their place alongside physical products. At the Volkswagen Group, we wish to capitalize on these advantages to provide the employees with a unique working experience. It is important to us that our employees can keep pace with change, and we therefore invest heavily in training. Further information is provided in the "Working conditions" section of the "Employees and Non-Employees" chapter under Social Information.

Health and safety in the workplace: The Volkswagen Group is known for its holistic approach to occupational health and safety

Ensuring a safe and healthy working environment is a not only a key component of sustainable corporate management but also an important factor in employer attractiveness. It is also an effective way of reducing risks related to occupational health and safety and guarding against process disruptions. We plan to further expand our prevention programs for employees in the coming years. The Volkswagen Group favors preventive approaches to promote the physical and mental health and well-being of its employees. In the area of accident statistics, our goal is also to establish a lead in the accident frequency rate at all brands and companies. All Volkswagen Group production sites with more than 1,000 employees are to be certified in accordance with ISO 45001 by the end of 2026 to facilitate the systematic management and quality assurance of our health and safety activities.

Society

As one of the world's largest automotive manufacturers, the Volkswagen Group bears great responsibility toward its partners, stakeholders and society. The aim is not only to live up to this responsibility and role but to have a positive impact above and beyond this. The holistic approach of regenerate+ provides the basis for advancing sustainability together with our partners and stakeholders.

Supply chain: The Volkswagen Group creates responsible and sustainable supply chains

The Volkswagen Group is committed to enabling sustainable mobility for future generations. This entails meeting our legal, social, and environmental responsibilities not only within the Group but also in our supply chain, which includes more than 63 thousand supplier locations in 93 countries around the world. The aim is to organize the Volkswagen Group's supply chain responsibly by identifying, mitigating and minimizing risks to the people who are potentially affected. Where possible, and going over and above statutory requirements, positive impacts are also achievable.

Our aim is to be able to show by 2040 that over 95% of the relevant direct suppliers have a positive sustainability rating (S-Rating) in terms of sales revenue. Further information on the supply chain focus area is provided in the "Sustainability in the supply chain" chapter under Social Information.

Stakeholders: The Volkswagen Group is a reliable partner

The Volkswagen Group prides itself on being a trustworthy partner and wishes to remain so in future. The basis for this comes not only from our rich heritage but above all from our clear commitment to sustainable mobility and social responsibility.

As a globally active company, our business activities impact the lives of many people. This means that we have a responsibility to actively shape the framework for our business activities in cooperation with our stakeholders. We therefore consider an ongoing dialogue with our stakeholders to be of paramount importance. The aim of this constructive and critical dialogue is to understand our stakeholders' needs, build trust and establish long-term partnerships. Further information on the stakeholders focus area is provided in the section on "Interests and views of stakeholders".

Social engagement: The Volkswagen Group is enhancing its positive societal impact

Society and the Volkswagen Group are inextricably linked, each shaping and influencing the other. With this interconnectedness comes a profound responsibility to promote positive change – at our own sites and beyond. To achieve this goal, the Volkswagen Group supports a variety of projects through donations. Our employees' direct involvement in voluntary work also contributes to this goal. Through the Group sustainability strategy regenerate+, we consolidate and harmonize these efforts under the banner of societal impact, integrating them into our holistic approach to sustainability.

At the heart of our societal impact efforts is the promotion of corporate citizenship projects in the form of forward-looking initiatives that prioritize environmental protection, education and community development at many of our sites around the world. In addition to donations made by the Group, our companies and our employees, the Volkswagen Group established a new Sustainability Impact Fund in 2025 with an annual allocation of up to €20 million. This fund is specifically dedicated to sustainability projects aimed at improving our societal impact. Further information on the societal impact focus area is provided in the "Societal Impact" chapter under Social Information.

Business

The Volkswagen Group is advancing its business model through the holistic approach of regenerate+. New business areas, new products, services and financing models are expanding and strengthening the core business and supporting its transformation. In aligning its business activities with sustainability, the Volkswagen Group also takes account of investor requirements and feedback as well as insights from relevant ratings.

Sales revenue: The Volkswagen Group is engaged in and promotes sustainability-oriented business areas

Sustainability remains fundamental for our business. The increasingly perceptible impact of climate change, growing consumer awareness of sustainable living and not least voluntary frameworks such as the Paris Agreement are key drivers in this context.

Electric mobility plays a key role in reducing emissions from road traffic. In 2025, the share of BEVs in Volkswagen Group deliveries was 10.9% (8.2%).

In addition, the Volkswagen Group has been investing in decarbonization efforts through the Leitmotif venture capital fund since 2023. Launched with an initial anchor investment of USD 300 million, Leitmotif aims to promote innovative technologies and solutions throughout the entire mobility value chain and beyond, accelerating their market readiness.

Further information on the revenue focus area is provided under Environmental Information in the "EU Taxonomy" chapter.

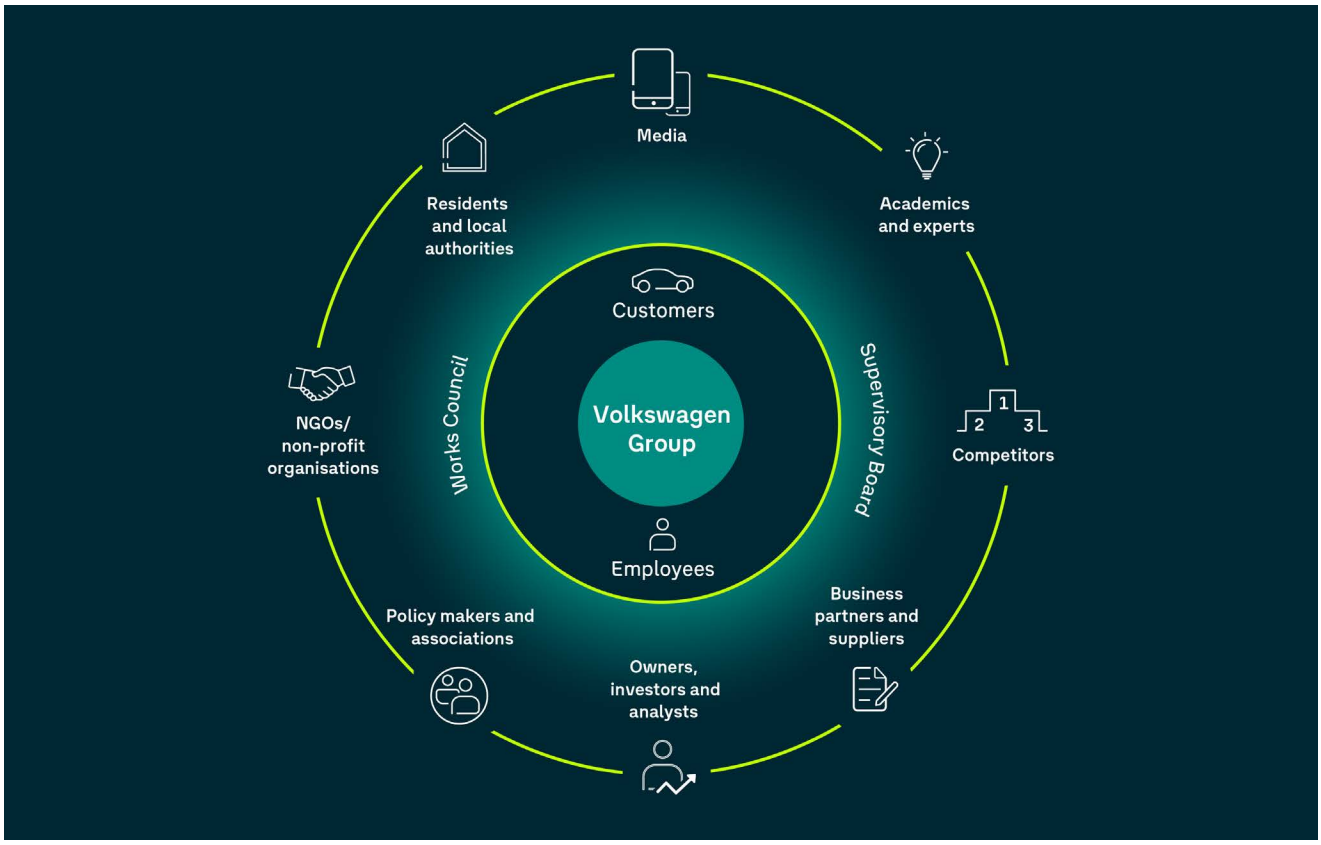
Financing: The Volkswagen Group is strengthening and intensifying its sustainable financing.

Sustainability and climate-friendly business practices are of central strategic and operational importance to the Volkswagen Group and represent a key pillar of its Group sustainability strategy as well as a major factor in investment decisions. Accordingly, our goal is to actively shape sustainability-oriented financing.

By 2030, the Volkswagen Group aims to finance at least 30% of its outstanding bond volume through green bonds. The Volkswagen Group wants to increase this proportion to 50% by 2040. In order to achieve these goals, the majority of our annual euro bond issues are already structured as green bonds or comply with the EU taxonomy classification system. Further information on the financing focus area is provided under Environmental Information in the "EU Taxonomy" chapter.

INTERESTS AND VIEWS OF STAKEHOLDERS

As an international company, our business activities impact the lives of many different people. Appropriately aligned stakeholder engagement is therefore essential for determining the material areas for action within the Group sustainability strategy and recognizing stakeholders' increasing and changing expectations at an early stage. The Volkswagen Group understands its obligations with regard to stakeholder engagement to include systematic and continuous interaction with our key interest and stakeholder groups within society, actively listening to them, and taking account of their input when developing our strategies. The goal is an open, constructive and also critical exchange with the stakeholder groups shown in the chart. We endeavor to understand their requirements and expectations of us, to discuss key topics from the Group sustainability strategy regenerate+ with them and to explain how these tie in with the Group strategy and its implementation.



Our stakeholders are defined as individuals, groups or organizations who have an influence on or are influenced by the course or the result of corporate decisions. The Volkswagen Group has identified ten groups as its most important stakeholder groups. Employees and customers are at the center of the stakeholder network. Based on continuous stakeholder analysis, we have also identified eight further groups. Continuous communication between internal and external stakeholder groups is important to the Volkswagen Group. In this context, the Supervisory Board and the Works Council act not only as supervisory and advisory bodies but also as interfaces between internal and external stakeholders. As the supervisory body, the Supervisory Board of the Volkswagen Group is regularly informed of the views and interests of the relevant stakeholders with respect to sustainability-related impacts within the scope of reports required by law or by its own regulations. In particular, it is directly involved in decisions of fundamental importance for the Company due to the fact that its consent is required for these decisions. It has equal numbers of shareholder and employee representatives. Interests, views and rights of the Group's own workforce are thus represented at the highest level in the Group.

The Volkswagen Group aims to systematically integrate the interests of its stakeholders into the strategic direction and operational implementation of its business activities. This is addressed at brand and regional level as well as at Group level. The brands and regions have their own stakeholder engagement strategies, designed to ensure through various mechanisms such as customer surveys, market research tools and other dialogue-focused formats that products and services meet the expectations of their customers.

The Volkswagen Group's task is to bring together and coordinate these activities in an integrated framework. This framework covers:

- Stakeholder engagement at a Group level with specific formats and a focus on stakeholders that are relevant across the Group;
- Advising the brands and regions on the implementation of their stakeholder engagement activities and coordinating these;
- Carrying out regular stakeholder analyses and surveys.

Key elements of stakeholder engagement are described in the Group's stakeholder relationship strategy, which was refined and continued in the current reporting year following its realignment in 2024. The aim of this strategy is to facilitate open and constructive dialogue with our stakeholders and to systematically incorporate their input into the ongoing development of the Group strategy. The principles of the stakeholder engagement strategy are guided primarily by our Group strategy. The key instruments of the strategy are regular communication formats geared toward the interest groups being addressed, annual stakeholder forums on strategic orientation and the Group's development, and topic-specific dialogue formats.

In addition, stakeholder interests concerning topics relevant to sustainability are taken into account by the corresponding departments at Group level. Further information is provided in the relevant topical standards, particularly in the chapters under Social information.

The implementation of the Group sustainability strategy regenerate+ continued to be accompanied by stakeholder engagement formats in 2025. The aim was to inform all relevant stakeholder groups about the status and progress of implementation of the sustainability strategy and to engage in direct dialogue. Employees were able to obtain details on the progress of the strategy via the regenerate+ progress report, intranet articles, presentations and digital information events. In addition, they were able to ask questions and express interest via a variety of communication channels.

Human rights matters are integrated via the compliance management system for complying with human rights due diligence obligations and via the Responsible Supply Chain System. Further information is provided under Social information in the "Employees and Non-Employees", "Sustainability in the supply chain" and "Affected communities" chapters. The latter two chapters also explain how the interests and views of workers in the supply chain and affected communities are taken into account.

In accordance with the requirements of the ESRS, a double materiality assessment was again carried out in the reporting year. A detailed description is provided under the section "Procedure for and results of the double materiality assessment". The resulting content and topics were routinely incorporated into the ongoing development and implementation of the Group strategy and into dialogue formats such as the reputation study. This annual study was conducted between 2017 and 2023 to determine the level of trust that external stakeholders have in the Volkswagen Group and to allow us to present this in the form of a metric. Due to the changing economic, social and regulatory parameters, the conceptual framework of the reputation study was fundamentally revised and refined in 2024 and 2025. The reputation metric is based on an expanded theoretical framework that encompasses the dimensions of

trust, appeal and respect and systematically maps the main reputation drivers. The Global Reputation metric determined in this way makes a vital contribution to anchoring stakeholder engagement in the Group's sustainability strategy and is reported to the Board of Management and Supervisory Board together with other regenerate+ metrics.

In 2025, the study was carried out not only in the core markets – Germany, the USA, and China – but also in other European and American countries for the first time to obtain a comprehensive and differentiated picture of the Group's reputation in strategically important regions. In addition to Germany, the survey was also carried out in the United Kingdom, Italy, France, Spain, Poland – collectively referred to as Europe – as well as in Mexico and Brazil. The results of the current survey show the following reputation metrics for the individual regions:

- Germany 81%
- Europe (United Kingdom, Italy, France, Spain, Poland) 86%
- USA 73%
- Mexico 100%
- Brazil 96%
- China 98%

Each region's reputation KPI summarizes how the Group is rated there on the dimensions of trust, appeal, and respect. The percentage of respondents who give a positive rating is determined for each dimension, before combining all three scores to obtain an average. The KPI therefore indicates the proportion of respondents who perceive the company's reputation as positive overall. The Global Reputation KPI corresponds to the arithmetic average of the regional metrics and totals 89%. Because the concept and methodology for the survey have been refined, the current figures are not directly comparable with the results from prior years. However, these results show that the Volkswagen Group has a high level of trust, respect and appeal in the markets surveyed.

The Volkswagen Group Sustainability Forum, which took place for the second time in June 2025, is a central element of our stakeholder engagement. The aim of the event was to facilitate an open and constructive dialogue between external stakeholders from industry, science and NGOs, and internal representatives of the Group and its brands. The focus of the event was to jointly reflect on current challenges, discuss progress and expectations, and develop concrete ideas for the ongoing development of the Group sustainability strategy.

Another key instrument for stakeholder engagement is the independent Sustainability Council, which was realigned in 2024 and continued and further consolidated its work in the 2025 reporting year. The council is organized according to the four strategic dimensions of the Group sustainability strategy regenerate+. A Sustainability Practice Group was established for each dimension; three external experts work with three Volkswagen Group employees in each practice group. These groups provide a forum for regular, topic-specific discussion in which everyone is on an equal footing, and facilitate continuous scrutiny of strategic targets and measures. In the 2025 reporting year, the practice groups provided input on matters including the evolution of the Group-wide KPI system and the design of topic-specific roadmaps. The results of the group work were discussed in regular dialogue formats with the Group Board of Management in order to ensure that the Group sustainability strategy dovetails closely with corporate governance. In the reporting year, the practice groups focused among other things on consulting on and refining strategic initiatives such as the Group strategy, Group megatrends and the theoretical framework for the reputation study.

The council's twelve external members have been allocated to the four dimensions of regenerate+ as follows:

NATURE

DR. FRAUKE FISCHER
Agentur Auf!
University of Würzburg
Specialist area: Biodiversity
Regional focus: Germany and Africa

REBECCA TAUER
WWF Deutschland
Specialist area: Circular economy
Regional focus: Germany

DR. JULIAN ZUBER
GermanZero e. V.
Specialist area: Climate legislation
Regional focus: Germany

OUR PEOPLE

DR. JOEL HARTTER
Parallel Labs
University of Colorado
Specialist area: Human-centered strategies
Regional focus: USA

CHRISTINA SCHILDMANN
Hans-Böckler Foundation
Specialist area: Work of the future
Regional focus: Germany

HANNAH ZOLLER
University of Labour
Specialist area: Continuing professional development
Regional focus: Germany

SOCIETY

ARON CRAMER
BSR
Specialist area: Corporate responsibility
Regional focus: USA

DR. MAJA GÖPEL
Leuphana University
Mission Value
Specialist area: System transformation
Regional focus: Germany

MARCIN PIERSIAK
Alliance for Responsible Mining
Specialist area: Sustainable procurement
Regional focus: Colombia, Europe and Africa

BUSINESS

ROSALINE MAY LEE
Rensselaer Polytechnic Institute
Specialist area: Transformation and innovation
Regional focus: USA and China

WILLIAM TODTS
Transport & Environment
Specialist area: Sustainable mobility
Regional focus: Belgium and Europe

JEAN-LOUIS WARNHOLZ
Future Inc.
Specialist area: Future strategies and financial technology
Regional focus: USA

INFORMATION ON THE BOARD OF MANAGEMENT AND SUPERVISORY BOARD

Composition and diversity of the Board of Management

Pursuant to article 6 of the Volkswagen AG Articles of Association, the Board of Management consists of at least three persons. As of December 31, 2025, there were eight members of the Board of Management.

When appointing the Board of Management, the Supervisory Board takes a variety of aspects, including diversity, into account. As an assessment criterion, diversity is understood by the Supervisory Board to mean in particular differing yet complementary specialist profiles, professional and general experience, both in Germany and in the international domain, with all genders being appropriately represented. The Supervisory Board also takes the following aspects into account in this regard, in particular:

- Members of the Board of Management should have many years of management experience.
- Members of the Board of Management should, if possible, have experience based on different training and professional backgrounds.
- The Board of Management as a whole should have technical expertise, especially knowledge of and experience in the manufacture and sale of vehicles, motors and engines of all kinds, as well as other technical products, and should also have experience in the international domain.
- The Board of Management as a whole should have many years of experience in research and development, production, sales, finance and human resources management, as well as legal affairs and compliance.
- The Board of Management should also have a sufficient mix of ages.
- Efforts are made to achieve a higher proportion of women than the statutory minimum. In line with the Gesetz zur Ergänzung und Änderung der Regelungen für die gleichberechtigte Teilhabe von Frauen an Führungspositionen in der Privatwirtschaft und im öffentlichen Dienst (Führungspositionen-Gesetz II, FüPoG II – Second Act on Equal Participation of Women and Men in Leadership Positions in the Private and Public Sectors), Volkswagen AG is subject to a mandatory participation requirement under which there must be at least one woman and at least one man on the Board of Management. The proportion of women on the Board of Management is currently 12.5%.

The aim of the diversity concept is for the Board of Management members to embody a range of expertise, experience, perspectives, gender and age. This diversity promotes a good understanding of Volkswagen AG's organizational and business affairs. In particular, it enables the members of the Board of Management to be open to new ideas by avoiding groupthink. It thus contributes to the successful management of the company. The reasoning behind the aforementioned requirements for the composition of the Board of Management is to ensure that it has experience relevant for the divisions, products, and geographical locations of the Volkswagen Group.

Composition and diversity of the Supervisory Board

The Supervisory Board of Volkswagen AG consists of 20 members, half of whom are shareholder representatives. In accordance with Article 11(1) of the Articles of Association of Volkswagen AG, the State of Lower Saxony is entitled to appoint two of these shareholder representatives for as long as it directly or indirectly holds at least 15% of the Company's ordinary shares. The remaining shareholder representatives on the Supervisory Board are elected by the Annual General Meeting. The other half of the Supervisory Board consists of employee representatives. These are elected by the employees in accordance with the *Mitbestimmungsgesetz* (MitbestG – German Codetermination Act). A total of seven of these employee representatives are employees elected by the workforce. The other three employee representatives are trade union representatives elected by the workforce.

To properly perform its supervisory and advisory duties, the Supervisory Board as a whole must collectively have the necessary expertise, i.e. knowledge, skills and professional experience. For this, the members of the Supervisory Board must collectively be familiar with the sector in which the Company operates – i.e. the automotive industry – and be able to assess the business conducted by the Company. This includes in particular knowledge, skills and professional experience relating to the transformation of the automotive sector, for example where e-mobility and mobility services are concerned. In addition, the Supervisory Board members as a whole must collectively have

expertise relating to sustainability issues relevant to the Company. This encompasses, for instance, knowledge, skills and professional experience in connection with resources, supply chains, energy supply, corporate social responsibility, sustainable technologies and corresponding business models. The Supervisory Board and its committees may decide to call upon experts and other appropriate individuals to advise on individual matters and also on ESG issues as needed. Further information on the qualification of the Supervisory Board can be found in the qualification matrix in the "Group Corporate Governance Declaration". The allocation of competencies is based on a self-evaluation by the respective Supervisory Board member.

Attention is paid to diversity when seeking qualified individuals to best strengthen the specialist and managerial expertise of the Supervisory Board as a whole. This applies particularly to the Supervisory Board and Nomination Committee within the context of which shareholder representatives they propose as candidates to the Annual General Meeting. When preparing such proposals, the extent to which the work of the Supervisory Board will benefit from a diversity of expertise and perspectives among its members, from professional profiles, professional and general experience that complement one another (including in the international domain) and from an appropriate gender balance should be considered for each case. A wide range of experience and specialist knowledge should be represented on the Supervisory Board. In addition, the Supervisory Board as a whole should have an extensive diversity of opinions and knowledge so as to enable it to develop a good understanding of the status quo and the longer-term opportunities and risks in connection with the company's business activities. The Supervisory Board also recommends that the employee representatives and unions (which have the right to submit proposals in employee representative elections) and the State of Lower Saxony (which has a right to appoint Supervisory Board members) take into account the requirements of the Supervisory Board regarding its composition. The same applies to individuals entitled to make proposals should a court-appointed replacement be necessary. The aforementioned requirements for the composition of the Supervisory Board are intended to ensure that the full Board has relevant experience in the business activities and the geographical locations of the Volkswagen Group. Attention is also paid to members' independence when appointments are made to the Supervisory Board. According to the definition under the ESRS, all ten workers' representatives and five of the shareholder representatives on the current Supervisory Board are independent, which is equivalent to 75%.

The statutory quota of at least 30% women and at least 30% men applies to the Supervisory Board under the *Gesetz für die gleichberechtigte Teilhabe von Frauen und Männern an Führungspositionen in der Privatwirtschaft und im öffentlichen Dienst* (*Führungspositionen-Gesetz*, FüPoG – German Act on the Equal Participation of Women and Men in Leadership Positions in the Private and Public Sectors). In total, 45% of the members of the Supervisory Board of Volkswagen AG are currently women.

Sustainability-related aspects of the remuneration system for members of the Board of Management of Volkswagen AG

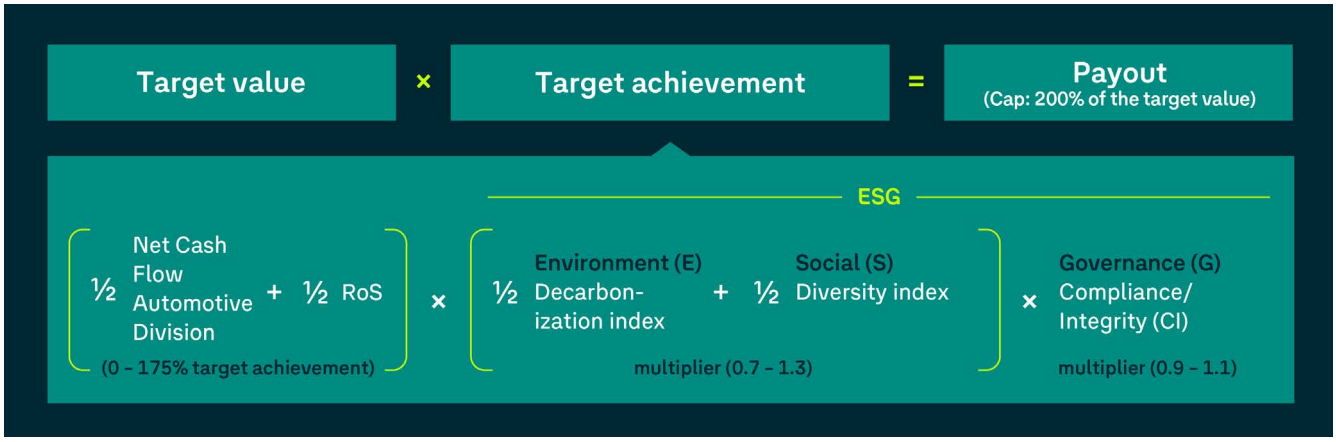
The remuneration of the Board of Management is based on the remuneration system adopted by the Supervisory Board on December 14, 2020 with effect from January 1, 2021, which the Supervisory Board most recently revised in December 2023 and April 2024 with effect from January 1, 2024 in order to better reflect the interests of the capital market in particular. The remuneration system for the members of the Board of Management is clear and transparent. It implements the requirements of the AktG as amended by the *Gesetz zur Umsetzung der zweiten Aktionärsrechte-richtlinie* (ARUG II – German Act on the Implementation of the Second Shareholder Rights Directive) and takes into account the recommendations of the German Corporate Governance Code.

The remuneration of the members of the Board of Management comprises fixed and variable components. The fixed components are the base salary, fringe benefits and occupational retirement provision. The variable components are the annual bonus with a one-year assessment period, and the performance share plan with a four-year assessment period (long-term incentive). The remuneration of the Board of Management and Supervisory Board members appointed in fiscal year 2025 can be found in the "Remuneration report".

The long-term incentive serves to align the remuneration of the Board of Management members with the Company's long-term performance. The aim of the financial performance target of earnings per share in conjunction with share price performance and the dividends paid, measured over four years, is to ensure the long-term effect of the behavioral incentives and to support the strategic target of achieving competitive profitability.

The annual bonus is tied to the financial performance targets of net cash flow in the Automotive Division (Net cash flow in the Automotive Division) and operating return on sales of the Volkswagen Group (RoS) and also to achievement of sustainability objectives (environmental, social, governance, or ESG), each of which is taken into account using a multiplier (the ESG factor). The integration of the ESG factor highlights the importance of the sustainability targets. The various sustainability aspects are covered by the decarbonization index, the sentiment and diversity index and the governance factor.

For fiscal year 2025, the Supervisory Board used the option provided to apply the diversity index only for the social subtarget and to suspend the employee satisfaction index as an ESG criterion. Beginning in fiscal year 2026, the employee satisfaction index will be replaced by the engagement index. The engagement index, together with the diversity index, will serve as a social subtarget of the ESG factor for the annual bonus from fiscal year 2026 onwards. The decarbonization index measures the emissions of CO_2 and CO_2 equivalents by the brands producing passenger cars and light commercial vehicles over the entire life cycle and documents the progress made in improving our carbon footprint. The decarbonization index operationalizes the Volkswagen Group's climate change mitigation targets and is therefore the core parameter for climate change mitigation in the Group. Further information on the greenhouse gas emission reduction targets (Scopes 1, 2 and 3) is provided in the "Climate change" chapter. The diversity index is used worldwide to measure developments in the proportion of women in management and the internationalization of top management. The indicator provides incentives for exemplary leadership and corporate culture. Due to the regulatory framework in the United States, employees of Volkswagen AG's US subsidiaries and their non-US subsidiaries, as well as other employees in the United States, are excluded from the measurement of the proportion of women using the diversity index. Employees of Volkswagen AG's US subsidiaries and other employees in the United States are also excluded from the determination of the internationalization of top management. The governance factor is a means for the Supervisory Board to express its satisfaction with the expected and actual conduct of the Board of Management with regard to the criteria of integrity and compliance.



The ESG factors underlying the remuneration system are described in the Group management report within the 2025 Annual Report. They are classed as strategic non-financial key performance indicators and allocated to the topics identified as material in the double materiality assessment of the Volkswagen Group.

The following overview shows the minimum values, target values and maximum values set by the Supervisory Board for fiscal year 2025 for the environmental (decarbonization index) and social (diversity index) subtargets along with the actual figures and target achievement levels in fiscal year 2025.

	ENVIRONMENT		SOCIAL
	Decarbonization index		Diversity index
in tonnes of CO_2e/vehicle	2025	Points	2025
Maximum value	47.5	Maximum value	158.0
100% target level	48.5	100% target level	154.0
Minimum value	50.5	Minimum value	150.0
Actual	46.3	Actual	168.0

As a rule, the governance factor should be 1.0 and may only be reduced to 0.9 or raised to 1.1 in exceptional circumstances based on the professional judgment of the Supervisory Board. For fiscal year 2025, the Supervisory Board set the governance factor at the standard value of 1.0 for all members of the Board of Management; this takes into account and assesses the collective performance of the Board of Management as a whole and the performance of each Management Board member individually.

The remuneration of the members of the Supervisory Board consists of fixed remuneration and the meeting attendance fee, and if applicable, fixed remuneration for work in the committees.

SUSTAINABILITY MANAGEMENT

Sustainability means preserving intact environmental, social and economic systems with long-term viability at global, regional and local level. The Volkswagen Group can influence these systems in various ways and actively takes responsibility to help safeguard their sustainability. The vision is to become a mobility provider with positive added value for nature and society. Our sustainability management is an important pillar in the continuous improvement of our sustainability performance. The related structures, processes, and responsibilities are codified in the Group policy on sustainability management.

The Chair of the Board of Management of Volkswagen AG has overall cross-functional responsibility for sustainability. Support in this regard is provided by the members of the Board of Management in line with their responsibility for specific management systems relating to sustainability, and from the Chief Sustainability Officer at Group level. The Group Sustainability department reports to Group and Product Strategy and the Office of the Corporate Secretary, which in turn reports to the CEO. The purpose of incorporating sustainability into the strategic arm of the Company is to help improve the Company's resilience through the creation of solid foundations for sustainable development and resistance to external influences.

Sustainability and the Group sustainability strategy regenerate+ are part of the Group's Top 10 program and are managed through the strategic management structure of the Group strategy. In order to make progress on the dimensions and focus topics of our Group sustainability strategy as transparent as possible in line with the Group strategy and the objectives of the Group's Top 10 program valid for the fiscal year, the strategic objectives and milestones are structured using the OKR (Objectives and Key Results) method, and are measured regularly. Accordingly, strategic objectives and envisaged key results are defined for all dimensions and focus topics. The intention is for them to be realized largely through time-limited projects and work packages, each of which is measured by the metrics and other key performance indicators. The level of achievement is monitored on an ongoing basis, and the overall situation presented twice a year to the Board of Management, among others. In this way, the relevance of the focus topics, and their objectives, milestones, projects and work packages, are reviewed regularly at Group level. Their focus is continuously monitored and adjusted as necessary.

Metrics have been defined for regenerate+ to aid its systematic implementation and to make progress transparent. The targets and metrics of the Group sustainability strategy are used not only for internal management purposes, but are also discussed often with partners, society, and the capital market.

In addition to this, the Group Sustainability department coordinates all sustainability-related activities and the Group-wide, cross-functional network for sustainability. Communication with Group functions, brands and compa-

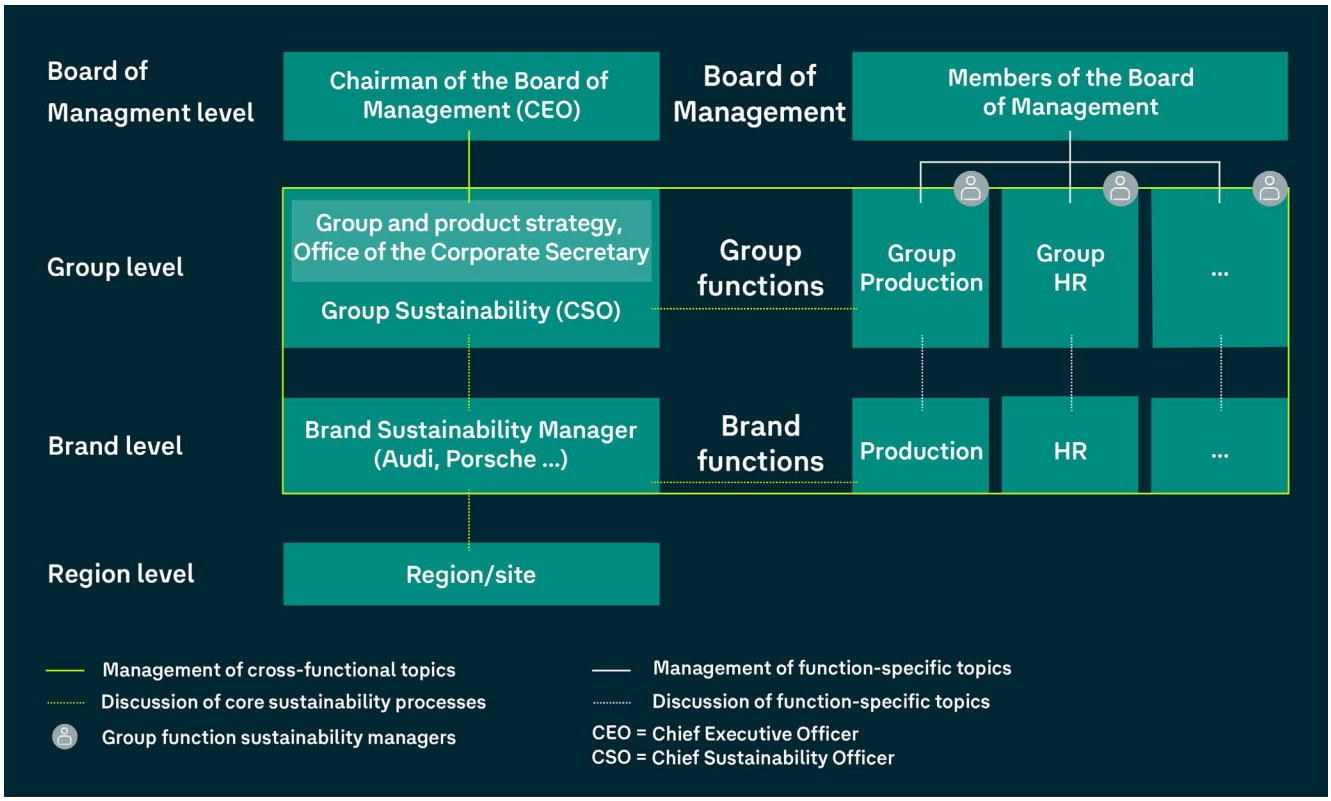
nies is structured via clearly defined core processes. The objective is to create transparency regarding external requirements and to translate these requirements into corporate action with the aim of continually improving the Group's sustainability performance.

The central core processes include development of the Group sustainability strategy and materiality assessment, stakeholder management, ESG ratings, sustainability policies and reporting on sustainability matters related to the Group sustainability strategy.

In addition, the individual board-level management functions are responsible for and manage the function-specific sustainability topics. Responsibility for implementing policies that address impacts, risks, and opportunities lies with the relevant Group function. If resolutions on topics relevant to sustainability are recommended to the Board of Management, their impact on sustainability strategy issues must be assessed and agreed in advance with the Chief Sustainability Officer.

The Supervisory Board of Volkswagen AG supervises and advises the Board of Management in the management of the Company and is directly involved in the decision-making process, in particular in decisions of fundamental importance to the enterprise for which its consent is required. Supervision and advisory activities on the part of the Supervisory Board also extend to sustainability topics. For example, the Audit Committee deals with matters such as the audit of the sustainability report and the monitoring of processes relating to the sustainability report. The Supervisory Board takes this prior examination and the findings of the audit of the sustainability report by the auditor engaged for the purpose into account when it also considers the sustainability report within the scope of its examination of the management report. In addition, the Supervisory Board has appointed an ESG officer. This role is currently held by Mr. Hans Dieter Pötsch. Ms. Susanne Wiegand, Mr. Hans Dieter Pötsch and Mr. Ferdinand Oliver Porsche, track and monitor the latest developments in the area of sustainability reporting and the auditing and assurance thereof, and bring this expertise to the work of the Supervisory Board and Audit Committee of Volkswagen AG. Regular status reports in accordance with the statutory Board of Management reporting obligations, as well as the requirements stipulated by the Supervisory Board, ensure that the Supervisory Board is informed at all times about all developments and changes relevant for its duties. When necessary, the Supervisory Board consults renowned external experts who support the Supervisory Board with their specialized knowledge and objective assessments.

At brand and company level, the brand sustainability management carries out the cross-functional coordination of sustainability topics. It refines the brand-specific sustainability strategy and is responsible in its own right for its content, implementation and management, as well as for reporting on sustainability matters within the brand. It is also the outward representative for the brand on the subject of sustainability and liaises with the Group Sustainability department in this respect.



The Board of Management of Volkswagen AG regularly reviews the results of the interdisciplinary core sustainability processes to obtain an overview of the company's sustainability performance. In the 2025 reporting year, for example, the results of the double materiality assessment were confirmed by the Group Board of Management in this context. In addition, the Audit Committee of the Supervisory Board reviewed the results of the materiality assessment.

These results were also compared with the objectives of the Group sustainability strategy regenerate+, where they served as input for an assessment of the general resilience of the strategy and to ensure that the impacts, risks and opportunities identified are being taken into account in an appropriate manner.

The review initially focused on a qualitative assessment of the coverage of the impacts, risks and opportunities identified with regard to regenerate+. With their time horizon of ten years or more, the strategic targets and ambitions of regenerate+ fall under the definition of the long-term time horizon stipulated in the ESRS. In addition, the realization of short and medium-term intermediate targets and actions is the responsibility of the respective specialist functions and is reported in the topical standards.

This comparison demonstrated that regenerate+ covers all sustainability-specific topics in the long term that are of relevance for the strategic development of holistic sustainability performance. The only exceptions are a small number of topic-specific impacts, risks and opportunities, for example in the customers topic area, and the political engagement and lobbying activities topic area, which are covered by specific activities in the relevant departments or brands. Risks are mitigated via the policies in the Group departments. Established management tools, such as the Risk Management System, are available to facilitate the identification of potential risks at an early stage.

In addition to the analysis described above of the coverage with regard to regenerate+, a resilience analysis was carried out in 2024 of the material impacts, risks, and opportunities in the areas of Climate Change (ESRS E1) and Biodiversity and Ecosystems (ESRS E4). These analyses show the business and operating models to be resilient in

principle in the short, medium and long term. Details of the approach and findings of the respective resilience analyses are provided in the "Climate Change" and "Biodiversity and Ecosystems" chapters under Environmental Information.

RISK MANAGEMENT AND INTERNAL CONTROLS OVER SUSTAINABILITY REPORTING

The aim of the Volkswagen Group's Risk Management System (RMS) and standardized Internal Control System (ICS) is to identify potential risks at an early stage so that suitable countermeasures can be taken to avert the threat of loss to the Company, and any risks that might jeopardize its continued existence can be ruled out. In recent years, the standardized ICS was developed to better protect against process risks and was introduced in key companies. A risk-driven review of the companies to be included in the standardized ICS is performed annually. In 26 catalogs of controls, the Group companies within the scope of the review are presented with guidelines in respect of the process risks and control objectives to be covered to ensure that a standardized approach is taken to safeguarding the value chain. In addition to financial reporting issues, these catalogs address matters such as process risks in development or production, as well as in the areas of compliance and sustainability. The catalogs of controls are checked at regular intervals to verify that they are up to date and are regularly expanded. To meet the sustainability reporting requirements and to safeguard the associated reporting process, mitigating internal controls were implemented in the standardized ICS in the reporting year using a catalog of controls for the sustainability reporting process.

In this context, the components of the reporting process – from ensuring that the scope is complete and correct, through the materiality assessment and the opportunities, risks, and impacts identified, to the completeness and accuracy of the presentation in the external reporting – were identified as risks and included in full in the catalog of controls as process risks to be covered.

A risk-oriented policy was created to address the risk of incorrect calculation, recording or processing of datapoints. This takes into account aspects such as the complexity of the data generation, for example. Depending on the risk classification of the datapoints, they are included in the central approach of the standardized ICS or are documented decentrally.

The standardized ICS covers the regular review of the material risks identified along the reporting process, the associated controls, the identification of potential control weaknesses and their rectification, and the corresponding reporting. Reports are submitted each quarter to the Group Board of Management and the Audit Committee of the Supervisory Board regarding the degree to which rectification work has been completed on the control weaknesses identified. Further information on the risk management approach is provided in the next section.

PROCEDURE FOR AND RESULTS OF THE DOUBLE MATERIALITY ASSESSMENT

The ESRS stipulates that a double materiality assessment must be performed to determine which topics must be reported in the sustainability report. This process involves identifying and evaluating the Volkswagen Group's material impacts, risks and opportunities in relation to sustainability matters. In 2023, a methodology was established within the Volkswagen Group that provided both the Volkswagen Group and Volkswagen Group companies that are considered to be subject to reporting requirements in future with guidance on implementing the materiality assessment in reporting year 2024. The aim of this approach was to ensure that the assessment is carried out in accordance with standardized steps and criteria. As such, separate double materiality assessments were performed in line with the defined assessment methodology both for the Volkswagen Group and for the subgroup comprised of Volkswagen Financial Services AG (including Volkswagen Bank GmbH and Volkswagen Leasing GmbH) and for Volkswagen Financial Services Overseas AG, the Porsche AG Group and the TRATON GROUP for fiscal year 2024. The results of these were used to update the assessments in the materiality assessment for fiscal year 2025. The materiality assessment is updated annually.

Methodology, assumptions and input parameters

The materiality assessment covered both the Volkswagen Group's own operations and the upstream and downstream value chain process steps described under "Business model, value chain and strategy". As we are a global Group, we took a global perspective on impacts, risks and opportunities. Experts from Volkswagen AG carried out the identification and assessment for the Group as a whole based on a standardized assessment scale. Selected experts from Group companies were involved for certain impacts. The aim of this approach was to lower uncertainties in the assessment process and validate assumptions. Existing analyses and classifications were used where available to facilitate a data-based assessment. This included analyses from other ESG due diligence processes, such as the *Lieferkettensorgfaltspflichtengesetz* (LkSG – German Supply Chain Due Diligence Act) for the S-Standards, life cycle assessments for ESRS E1 and ESRS E5, an SCIP chemical analysis for ESRS E2, our water footprint for ESRS E3 and a location analysis for ESRS E4. Where there was uncertainty about impacts (particularly in the case of impacts on business relationships and further down the value chain), conservative assumptions that had been harmonized across the Group were used. In addition, a climate risk analysis (see "Climate Change" chapter) and an analysis of impacts on biodiversity (see "Biodiversity and Ecosystems" chapter) were carried out.

Process steps in detail

The process within the Volkswagen Group is divided into four basic steps.

- Analysis of context
- Collection of impacts, risks, and opportunities
- Assessment of impacts, risks, and opportunities
- Validation of the results of the double materiality assessment

Analysis of context

In fiscal year 2024, the Volkswagen Group used a context analysis to define the relevant stakeholder groups, its business model and the value chain in relation to the ESRS requirements. The 37 subtopics of the ESRS were specified as a binding basis for the materiality assessment topic list, with the sub-subtopics also taken into account. In addition, entity-specific characteristics were analyzed and corporate citizenship was defined as an additional subtopic. Consequently, 38 topics were used for the materiality assessments in the Volkswagen Group. These were also used as the basis for the 2025 materiality assessment. To improve consistency with the Group sustainability strategy regenerate+, the entity-specific topic of corporate citizenship was renamed "societal impact".

Collection of impacts, risks, and opportunities

The 38 topics were used as a basis when collecting positive and negative impacts, risks and opportunities in fiscal year 2024. In particular the impacts, risks and opportunities already identified for the Group, including the Report on Risks and Opportunities, were used as a starting point, supplemented by additional information supplied by the Group companies. The impacts, risks and opportunities were honed at subtopic level using the ESRS sub-subtopics. These granular impacts, risks and opportunities were combined into clusters at a level considered appropriate for the reporting of a global group. Some of these were further honed in expert discussions and modified on the basis of the Volkswagen Group's existing ESG due diligence processes. The Group companies also used the clusters as the basis for their materiality assessment, supplemented by entity-specific aspects in certain cases.

Updated collection and assessment of impacts, risks, and opportunities

The collection and assessment of impacts, risks and opportunities from fiscal year 2024 was updated for the 2025 materiality assessment, whereby the Group exercised the option of using the results of the materiality assessment from the previous year provided there were no significant changes.

In step one, experts from various departments assessed whether there had been any significant changes in the organizational and operational structures or in external factors relating to their specialist topics.

In step two, if a significant change had occurred, the topic was discussed in depth; if necessary, the assessment was revised. If the assessment was not revised or if no significant change was identified, the assessment from the previous year was adopted.

Validation of the results of the double materiality assessment

In a final step, the Volkswagen Group's materiality assessment was validated. The harmonization of the results of the materiality assessments in the Group companies was a key part of this validation. Each company considered to be subject to the reporting requirements in the future documented its results and submitted them for consolidation at Group level. The consistency of the assessments was reviewed, discrepancies were discussed for appropriateness, and assessments were adjusted in some cases.

A further part of the harmonization took the form of a validation from a human rights perspective. Here, the severity of negative human rights impacts was considered and compared with the prioritized risks according to the LkSG.

Finally, the results of the materiality assessment were compared with the strategic direction of the Group sustainability strategy regenerate+, discussed and agreed in a cross-departmental validation process, and approved by the Board of Management. The process described is protected by corresponding controls in the standard ICS. To facilitate the collection and assessment of impacts, risks and opportunities relevant for the materiality process in the remainder of the fiscal year, existing stakeholder formats and the findings from the Risk Management System were checked for material changes.

Interests and views of stakeholders

The Volkswagen Group indirectly integrated the concerns of its relevant stakeholder groups into the materiality assessment; direct consultations did not take place. Internal experts were involved in the materiality assessment. As such, we were able to leverage the knowledge of our own departments regarding relationships between the sustainability topics and the relevant stakeholders – for example from analyses and ESG ratings. Feedback from individual dialogues between departments and stakeholders was also integrated into the process. Furthermore, the departments that carry out cross-departmental validation also include those that have also taken the perspective of the stakeholder groups into account, such as Sustainability, Human Resources, the Works Council, Environment and Procurement.

Assessment methodology in detail

Impact materiality

In accordance with the ESRS, both positive and negative impacts were used to assess the materiality of the impacts. The positive and negative impacts were assessed separately in the two categories of actual impacts and potential impacts. Actual impacts in the context of the materiality assessment are impacts that are actually being experienced now or have already been experienced. This time horizon applies to all actual impacts named in the sustainability report. Potential impacts are impacts that are sufficiently likely to occur. The most relevant time horizon for potential impacts is described as short term (< 1 year), medium term (1 - 5 years) or long term (> 5 years).

To determine the negative impacts, the parameters of scale, scope and irremediable character were evaluated separately and then consolidated as an average to give the severity of the impact. Scale and scope were assessed to evaluate the positive impacts. Here, too, the average of these two criteria expresses the severity of the impact.

In the case of potential impacts, the likelihood of occurrence was assessed for both positive and negative impacts. A likelihood of occurrence of 100% was assumed for actual impacts.

The impacts were divided into severity categories on the basis of scale and scope, as well as irremediable character in the case of negative impacts. The materiality of the impacts is assessed by multiplying the factors for severity with the likelihood of occurrence. In terms of impact materiality, impacts are classed as material if their risk score is 50 or higher on a scale of 1 to 100.

Financial materiality

The Volkswagen Group's risk management processes are described in the Report on Risks and Opportunities in the Group management report. The quarterly risk process covers all acute situations irrespective of the type of risk, such as sales risks, environmental risks, or personnel risks. An additional risk and opportunity identification process was created to meet the requirements of the ESRS. The process to identify and assess risks and opportunities for the sustainability report is based on the quarterly risk process already established in the Group. A score is determined for each risk and each opportunity in the area of sustainability on the basis of the ESRS requirements. The score is calculated by multiplying the likelihood of occurrence by the potential severity and makes the risks and opportunities comparable. The severity is calculated by combining the weighted criteria of financial effect and reputational effect. A score of between 0 and 10 is assigned to each of these criteria. The management and control measures taken are included in the assessment on the basis of the ESRS requirements.

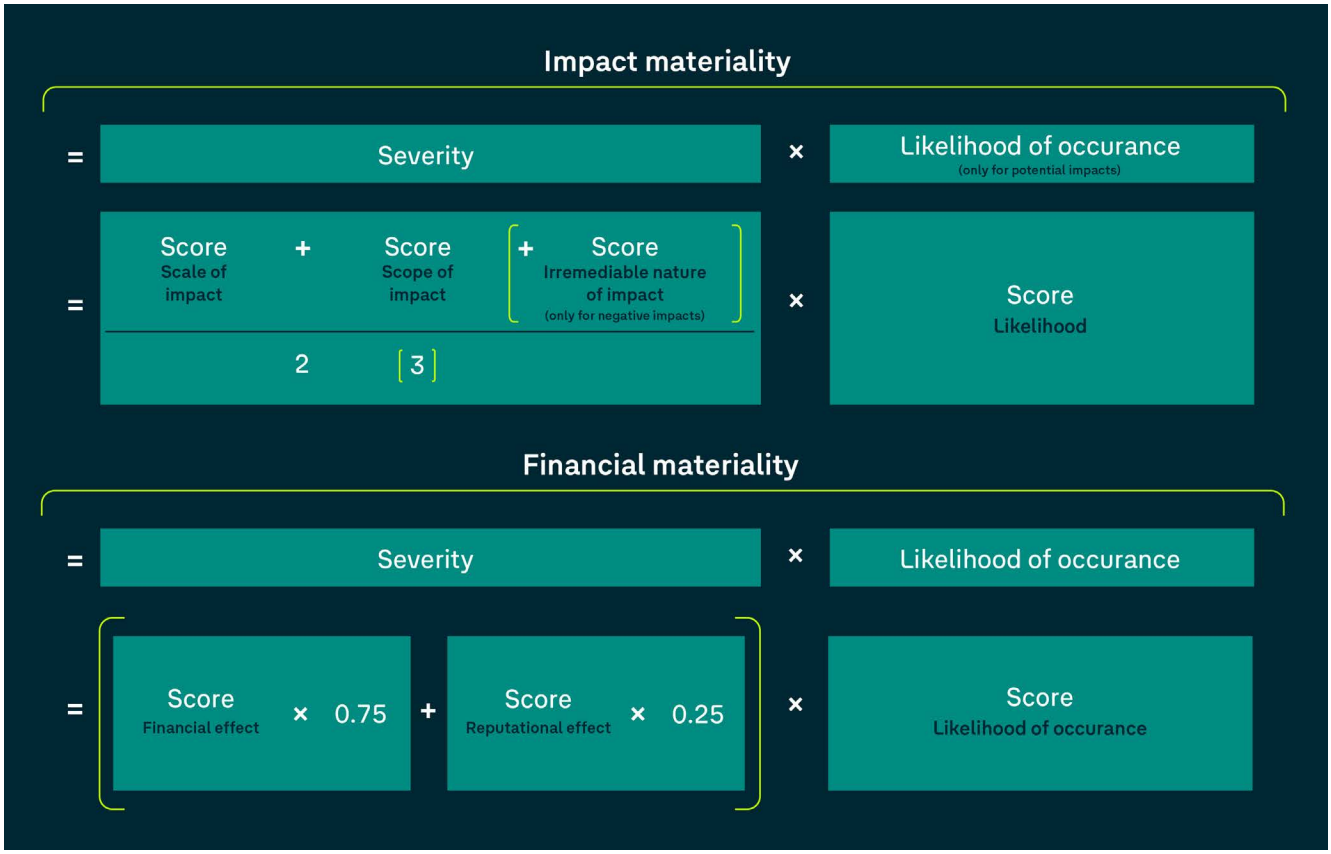
The score for the likelihood of occurrence increases as the probability increases until it reaches the highest score of 10 for a likelihood of more than 90% in the period under review. For the criterion of financial effect, the score rises in line with the scale of the loss; the highest score of 10 is reached when the potential loss is upwards of €1 billion. The criterion of reputational effect can have characteristics ranging from the erosion/building of local confidence and loss/gain of trust at local level to loss/gain of reputation at regional or international level.

The assessment is carried out for each risk or opportunity in terms of the financial impact on the operating result in the relevant time horizon in which it may occur. A distinction is made here between short term (< 1 year), medium term (1 –5 years) and long term (> 5 years). Acute sustainability risks are also identified, assessed, and managed in the quarterly risk process. Sustainability risks are addressed with the same importance as other risk types identified.

Sustainability risks and opportunities are considered to be material in the sense of financial materiality if their risk score is 50 or above or their potential financial effect is €1 billion or more. This approach is analogous to the established reporting requirements for the quarterly risk process.

The assessments were discussed at Group level with the relevant departments in a process based on the materiality assessment.

The RMS and ICS are regularly optimized within the scope of the continuous monitoring and improvement process, with equal consideration being given to both internal and external requirements, particularly the requirements of the ESRS. External experts assist in the continuous enhancement of our RMS and ICS on a case-by-case basis.



Procedure for identifying material information

The relevant disclosure requirements from the ESRS for the report on fiscal year 2025 were identified on the basis of the material impacts, risks and opportunities and are presented in the respective ESRS chapters.

To determine which information should be reported, the Volkswagen Group first allocated the datapoints to one or more of the 38 subtopics. Datapoints relating exclusively to subtopics assessed as not material were then excluded from the reporting process. Voluntary datapoints and datapoints with phased-in disclosure requirements considered to have no relevance for the report were eliminated in a subsequent step. Finally, metrics that were allocated to a material subtopic but were not categorized as relevant were excluded for a variety of reasons.

Results of the materiality assessment

In the context of the double materiality assessment, 28 of the 38 subtopics considered were identified as material, whereby it is sufficient if either an impact or a risk or an opportunity is considered material. A total of 17 positive impacts, 20 negative impacts, 8 risks and no opportunities were categorized as material. Compared with the previous year, a material negative impact was identified in each of the sub-topics "Pollution of soil", "Equal treatment and opportunities for all (sustainability in the supply chain)", and "Communities' economic, social and cultural rights". These emerged from a comparison with existing supply chain analyses. As a result, the subtopics of "Pollution of soil" and "Communities' economic, social and cultural rights" were added as new material subtopics. In addition, a more holistic consideration of biodiversity, with a stronger focus on the supply chain and logistics, as well as on the influence of the Volkswagen Group, led to two negative impacts being classified as no longer material. As a result, the subtopics of "Impacts on the state of species" and "Impacts on the extent and condition of ecosystems" are no longer classified as material and are no longer reported on. The subtopic "Management of relationships with suppliers including payment practices" has been renamed "Management of relationships with suppliers", as payment practices were not assessed as material. Further impacts, risks and opportunities that have not reached the threshold for reporting were also identified in all topical standards. Inherent risks are described in the "Report on Risks and Opportunities" chapter. It was possible to assign the material impacts, risks and opportunities to the subtopics of the ESRS (see chart). Societal impact alone is covered by additional entity-specific disclosures. The option of presenting the material impacts, risks and opportunities under the respective topical standards was applied for the reporting year. Current financial effects – where they are both material and measured – are also described in the chapters on the topical standards.

Topical Standard	Subtopic	Impact/ Risk/ Opportunity	Actual/ Potential Impact	Value Chain	Time Horizon
Environmental Information					
E1: Climate Change	Climate Change Mitigation				
					
					
					
	Climate Change Adaptation				
	Energy				
					
					
E2: Pollution	Pollution of Air				
					
	Pollution of Water				
					
	Pollution of Soil				
	Substances of Very High Concern				
					
	Microplastics				
E3: Water	Water				
E4: Biodiversity and Ecosystems	Direct Impact Drivers of Biodiversity Loss				
	Impacts and Dependencies on Ecosystem Services				
E5: Resource Use and Circular Economy	Resource Inflows, including Resource Use				
					
					
					
					
	Resource Outflows				
					
					
					
	Waste				
					

	Topical Standard	Subtopic	Impact/ Risk/ Opportunity	Actual/ Potential Impact	Value Chain	Time Horizon
Social Information	S1: Employees and Non-employees	Working Conditions	⊕	⧗	▷▷▷	
				⧗	▷▷▷	●●●
			⊖	⧗	▷▷▷	
		Equal Treatment and Equal Opportunities for All	⊕	⧗	▷▷▷	
			⊖	⧗	▷▷▷	
		Other Work-Related Rights	⊕	⧗	▷▷▷	
				⧗	▷▷▷	●●●
	S2: Sustainability in the Supply Chain	Working Conditions	⊕	⧗	▶▷▷	
			⊖	⧗	▶▷▷	
				⧗	▶▷▷	●●
		Equal Treatment and Equal Opportunities for All	⊕	⧗	▶▷▷	
			⊖	⧗	▶▷▷	
				⧗	▶▷▷	●●
		Other Work-Related Rights	⊕	⧗	▶▷▷	
			⊖	⧗	▶▷▷	
				⧗	▶▷▷	●●
					▶▷▷	●●
	S3: Affected Communities	Communities' Economic, Social, and Cultural Rights	⊖	⧗	▶▷▷	
				⧗	▶▷▷	●●
	S4: Customers	Personal Safety of Customers	⊕	⧗	▷▷▷	
				⧗	▷▷▷	●●●
			⊖	⧗	▷▷▷	
				⧗	▷▷▷	●●●
	Company-specific Topic	Societal Impact	⊕	⧗	▷▷▷	
				⧗	▷▷▷	●●

Topical Standard	Subtopic	Impact/ Risk/ Opportunity	Actual/ Potential Impact	Value Chain	Time Horizon
Business Conduct Information					
G1: Business Conduct	Corporate Culture	Positive Impact	Actual Impact	Upstream, Own Operation, Downstream	
	Protection of Whistleblowers	Positive Impact	Actual Impact	Upstream, Own Operation, Downstream	
			Potential Impact	Upstream, Own Operation, Downstream	Short-term, Medium-term
	Political Engagement and Lobbying Activities	Positive Impact	Actual Impact	Upstream, Own Operation, Downstream	
		Risk		Upstream, Own Operation	Short-term, Medium-term, Long-term
	Management of Relationships with Suppliers	Positive Impact	Actual Impact	Upstream, Own Operation, Downstream	
			Potential Impact	Upstream, Own Operation	Short-term, Medium-term, Long-term
	Prevention of Corruption and Bribery	Positive Impact	Actual Impact	Upstream, Own Operation, Downstream	
			Potential Impact	Upstream, Own Operation, Downstream	Short-term, Medium-term

Opportunity
Positive Impact
Actual Impact
Upstream Value Chain
Short-term Time Horizon (< 1 year)
Risk
Negative Impact
Potential Impact
Own Operation
Medium-term Time Horizon (1–5 years)
Downstream Value Chain
Long-term Time Horizon (> 5 years)

Introduction to Environmental Management

The Volkswagen Group is aiming to do more in environmental terms than simply cut emissions. Our vision is to have a positive impact on people and the environment, and to contribute to the restoration and improvement of ecosystems and living conditions by means of regenerative actions.

OVERARCHING POLICIES

Five policies are instrumental in connection with the ESRS environmental standards:

- Decarbonization
- Pollution prevention
- Sustainable water management
- Biodiversity
- Resource use and circular economy

The policies are based on our Group Environmental Compliance Management System (ECMS) policies, which play a major role in corporate governance. The Code of Conduct, our Group strategy, our Group sustainability strategy regenerate+, the Code of Conduct for Business Partners, our environmental mission statement goTOzero, the environmental policy, our decarbonization strategy and the Biodiversity Commitment are also of importance. They address the environmental compatibility of products, services and processes, as well as the Volkswagen Group's environmental footprint.

These documents, which are applicable Group-wide, are available internally and, with the exception of the Group policies, also publicly. We set out the relevant content of these documents in the following chapters. Thematic specifications are provided in the relevant "Policy" section in the chapters on Environmental Information.

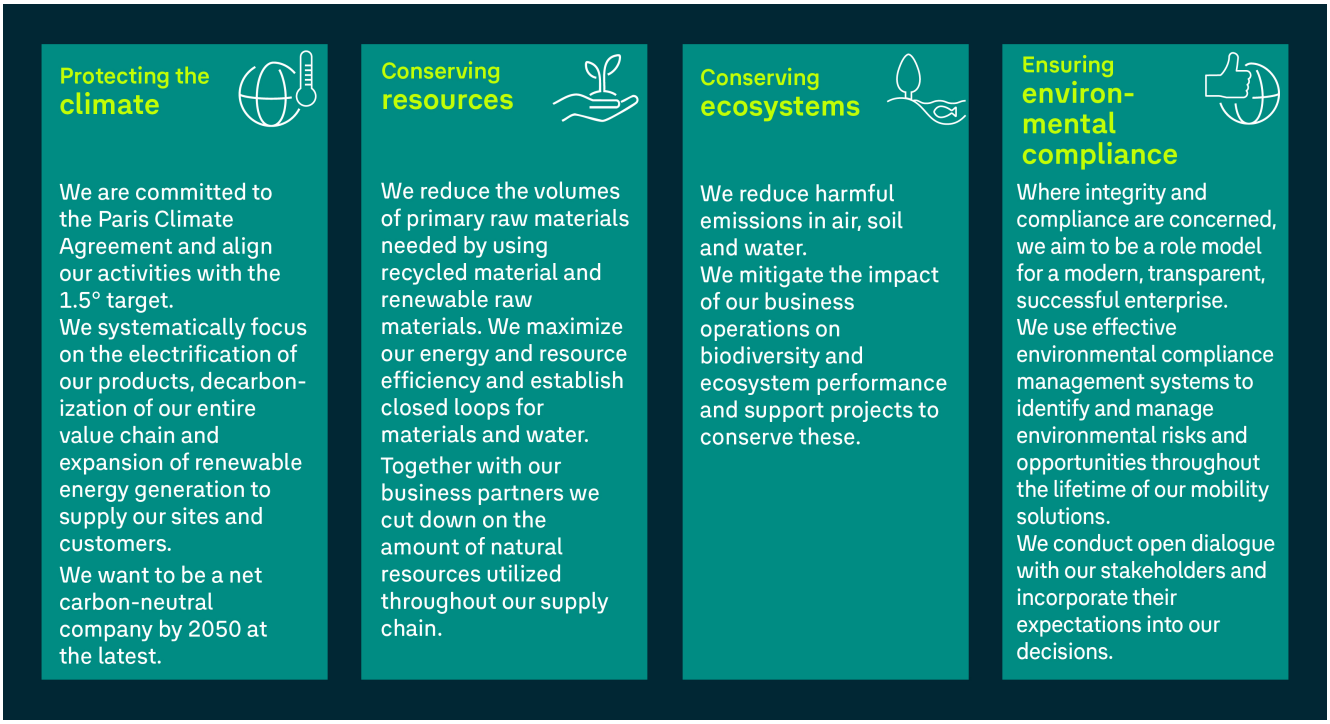
Environmental protection is embedded as a key corporate principle in the Code of Conduct. As a globally active company, the Volkswagen Group is responsible for the environmental compatibility and sustainability of its products, sites and services. Its mission is to be a global provider of sustainable mobility and a role model in environmental protection. The Volkswagen Group is committed to using environmentally compatible, advanced and efficient technologies and implements them throughout the life cycle of its products. As early as the development and production stage, the Group pays attention to the sustainable use of natural resources, works continuously to mitigate environmental impacts and ensures compliance with environmental legislation and regulations. In addition, the environmental compatibility of products and manufacturing processes is continually assessed and optimized as necessary.

The topics of climate change mitigation and energy are a key element of the Group sustainability strategy relating to the decarbonization of the Group's business activities. The Group aims to harness its innovative power to reduce its environmental footprint over the entire life cycle of its products and mobility solutions. The innovations are also intended to help customers act in a more environmentally friendly way.

The Volkswagen Group aligns its regenerate+ activities with the principles of environmental protection and enhancement. Decarbonization, establishing a circular economy, and preserving biodiversity are focus topics within this framework. The nature dimension is a material element of the regenerate+ framework program. The Volkswagen Group strives to shape the positive impact of its actions in this area in a way that is quantifiable and transparent. Consequently, one of the core objectives of the nature dimension is to achieve more than just a reduction in emissions. Our vision is to have a positive impact on people and the environment, as well as to contribute to the restoration and improvement of ecosystems and living conditions through regenerative actions.

The Code of Conduct for Business Partners contributes to Group-wide sustainability progress. We also require that suppliers, in order to extend the requirements of the Code of Conduct for Business Partners further down the supply chain, pass the requirements on to their direct business partners. The Volkswagen Group is also committed to being a responsible member of society and a partner to policymakers and the business community. The Company actively seeks dialogue on the mobility concepts of the future and environmentally sustainable development.

Our goTOzero environmental mission statement serves as the framework for all of the Volkswagen Group's environmental activities. With this mission statement, we strive to reduce the environmental impact throughout the entire life cycle of our products and mobility solutions. As such, compliance with environmental regulations, standards and voluntary commitments is a prerequisite for our actions. The mission statement links our targets, metrics, programs and actions, and places the focus of our activity on four central fields of action and their underlying objectives (see illustration).



At the time of going to press, the goTOzero environmental mission statement is undergoing a review process that includes revising the statements relating to the 1.5 degree target of the Paris Climate Agreement to reflect current external and internal developments (see also the section on "Commitment to the Paris Climate Agreement and our climate targets" in the "Climate Change" chapter). An updated version of the mission statement will be published on the Volkswagen Group website in the course of fiscal year 2026.

The Volkswagen Group attaches the same high importance to environmental compliance as it does to active commitment to environmental protection. This not only comprises adherence to legislative and internal requirements, but also intensive dialogue and cooperation with stakeholders. The Volkswagen Group deems it vital that employees, customers, business partners, legislators, authorities, neighboring communities and other stakeholders be engaged. It aims to deepen its understanding of their expectations and requirements in relation to the environment. Their suggestions are fed into the ECMS, carefully assessed, and subsequently reflected in the Group's processes, products and services.

The Volkswagen Group has created an environmental policy that sets out guidelines for environmental decision-making, for the management of projects and for the Group's environmental stewardship. This policy actualizes the overarching environmental mission statement, goTOzero and sets parameters for the conduct and working methods of management and employees in five areas: management behavior, compliance, environmental protection, collaboration with stakeholders and continuous improvement. The environmental policy highlights, for example, the integration of renewable energies, decarbonization, sustainable supply chains and energy efficiency. The Volkswagen Group also intends to reduce the environmental impacts of its processes, products and services, and to continuously improve its ECMS and environmental performance.

Based on the environmental mission statement and the environmental policy, environmental protection is firmly embedded in the Volkswagen Group divisions, including in Production, Logistics and Sales:

- As part of the strategic vision of the Zero Impact Factory initiative, the Volkswagen Group is developing specific steps towards more sustainable production. The vision describes an idealized factory which employs manufacturing methods that are as climate, resource and environmentally friendly as possible, thereby reducing any adverse environmental impacts of vehicle and component production. The brands and locations have been using the measurement methods and management tools developed for this purpose. Further information on this is provided in the "Overarching targets and metrics" section. The measurement methods and management tools enable the quantitative environmental impact of the production sites to be recorded and reduced, particularly in the action areas of climate change mitigation and energy, emissions, water and waste. In addition, the focus is also on qualitative aspects such as the appearance of the factories, the commitment to biodiversity, protection of the soil, a functioning environmental compliance management system, improvement of resource efficiency, and environmentally friendly mobility management for employee and goods transport.
- Under the goTOzero Impact Logistics initiative, the logistics departments across the Group are working to realize the Volkswagen Group's environmental mission statement. By optimizing transport networks and logistics processes on an ongoing basis – supported by digital solutions – the Group aims to avoid unnecessary shipments and reduce emissions. In addition, the targeted use of lower-emission technologies and alternative energy sources for transporting production materials and vehicles is being tested, piloted and pursued.
- The Volkswagen Group's sales network extends globally to more than 150 markets with almost 17,000 dealer and service locations. In addition to the broad range of all-electric vehicles and hybrid models, we kicked off the goTOzero Retail project that is focused on decarbonizing all of our dealer and service locations and increasing their ESG performance, helping our sales partners to move over to a climate-neutral business model.

A Group policy for the ECMS sets out the requirements, tasks and responsibilities with regard to the environment and compliance. It provides the framework for implementing the ECMS across all phases of the business and the entire life cycle of vehicles in the brands and companies. The policy defines the minimum requirements for the companies and gives them the flexibility to implement them in a way that suits their business activities. The systematic implementation of requirements from the Group policy on the ECMS reinforces the effectiveness and robustness of the environmental compliance management systems at the Volkswagen Group sites. Defined roles and responsibilities allow for clear allocation of tasks and competencies. In addition to internal audits, external certifications enable objective assessments of these management systems and aim to ensure their continual enhancement. The ECMS is also used to regularly check the effectiveness of actions. A detailed explanation can be found in the "Actions and resources" section in each of the chapters under Environmental Information. In line with its ECMS, the Volkswagen

Group stipulates that the employees of its companies and brands must receive regular training on environmental protection and environmental compliance. In line with the Group policy, all production and development sites in the Group are also requested to have their environmental management systems certified to ISO 14001 or validated by the Eco-Management and Audit Scheme (EMAS).

With the Responsible Supply Chain System (ReSC-System), we have established a comprehensive management system designed to identify human rights and environmental issues in the supply chain at an early stage and address them systematically. It aims to counteract or eliminate negative impacts and risks, enhance positive impacts and potential opportunities, and continuously improve the sustainability performance of suppliers. The Volkswagen Group's ReSC-System is geared toward respecting and promoting globally valid regulations related to the protection of human rights.

The Volkswagen Group's environmental responsibilities are clearly defined. The Group-wide management of operational environmental protection is the responsibility of the Chief Executive Officer of the Volkswagen Passenger Cars brand and of the Group Steering Committee Environment and Energy, which is supported by numerous specialist bodies. The Group Steering Committee Environment and Energy regularly informs the Group Board of Management on environmental and energy-related topics. It coordinates Group-wide dialogue and makes decisions on environmental and energy issues. Its tasks include implementing resource efficiency programs and monitoring target achievement. As the highest environmental body in the Volkswagen Group, the Group Steering Committee Environment and Energy plays a key role in decision-making relating to environmental matters. Other bodies are responsible for managing important individual aspects, such as the Group Steering Committee for Fleet Compliance. Climate-related topics are coordinated and managed by regular meetings of the Group steering committees and by continuous communication with the heads of the Group's and the brands' various research and development units and other Group functions. Cross-divisional and cross-brand working structures have been developed at Group level to support this coordination process. These structures build on the work of committees such as the Group Steering Committee Environment and Energy, the Group Steering Committee for Product Recycling and the Group Platform Sustainability Product. Group Regulation Management is the key contact for Group policies and monitors the entire Group policy process. Each responsible division must verify at least once a year that the Group policies and annexes it manages are up to date, and revise them if necessary.

OVERARCHING TARGETS AND METRICS

Reduction of specific environmental impact of production

The 2025 reporting year was the long-term target year for achieving an improvement in the *Umweltentlastung Produktion* (UEP – environmental improvement production) metric by 45% per vehicle or component as compared with 2010. The UEP metric was developed in-house. It is calculated as the weighted average of five metrics: energy consumption, CO_2 emissions, water withdrawal, solvent emissions or volatile organic compounds (VOCs), and waste for disposal.

In base year 2010, energy consumption was 2,519 kWh per vehicle, CO_2 emissions 1,096 kg per vehicle, water withdrawal 4.54 m^3 per vehicle, production-specific waste for disposal 23.3 kg per vehicle, and VOC emissions 4.13 kg per vehicle.

In 2025, many successfully implemented actions continued to have a positive impact on the development of the specific environmental indicators per vehicle. The UEP improved from 48.5% in 2024 to 53% in 2025. The target of a 45% improvement by 2025 has thus been exceeded by a large margin. The table below shows the changes in specific environmental metrics per vehicle, and illustrates the changes compared to base year 2010.

ENVIRONMENTAL IMPROVEMENT PRODUCTION (UEP)

per vehicle	Unit	2025	2024
Environmental improvement production	%	-53.0	-48.5
Specific energy requirement	%	-23.8	-21.5
Specific CO_2 emissions	%	-71.0	-62.8
Specific VOC emissions	%	-69.5	-67.5
Specific water withdrawals	%	-33.3	-27.1
Specific waste for disposal*	%	-81.9	-79.4

*Only production-specific volumes

The UEP target is in line with the goTOzero environmental mission statement and supports the achievement of climate targets and improvement of energy and resource efficiency. The target also contributes to the achievement of the United Nations' Sustainable Development Goals (SDGs), in particular SDG 6 (clean water and sanitation), SDG 7 (affordable and clean energy), SDG 9 (industry, innovation and infrastructure), SDG 12 (responsible consumption and production), SDG 13 (climate action) and SDG 15 (life on land).

The UEP metric is directly connected with the environmental standards ESRS E1, E2, E3 and E5. With regard to Climate change (E1), the UEP takes into consideration the metrics energy consumption and CO_2 emissions per vehicle. VOC emissions per vehicle are factored into the UEP with respect to Pollution (E2). Water withdrawal per vehicle is included under Water resources (E3). Finally, the UEP addresses the Circular economy standard (E5) by means of the assessment of waste for disposal.

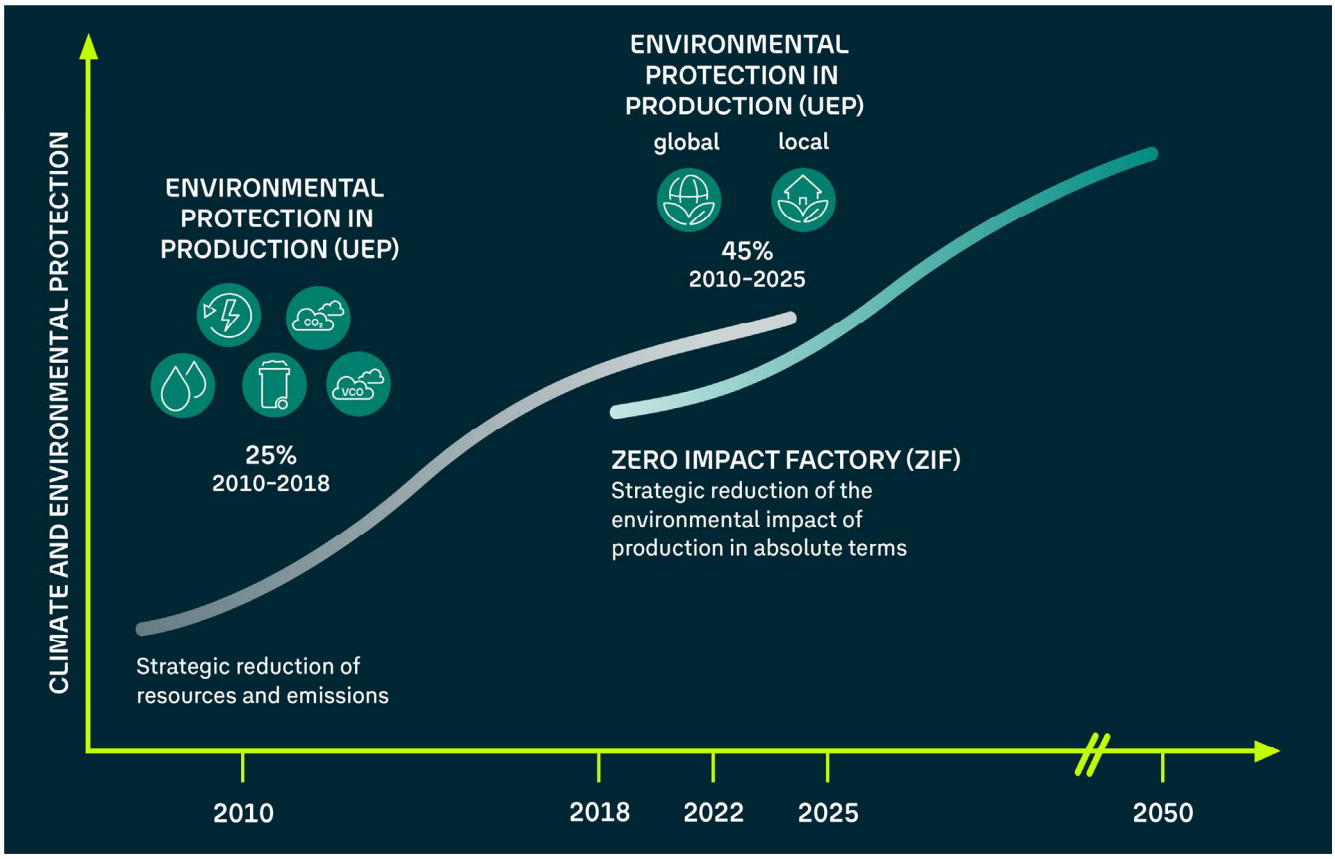
Reduction of absolute environmental impact of production

The aim of the Volkswagen Group's Zero Impact Factory strategic vision is to measure and assess the environmental impacts of its production sites worldwide in a uniform and holistic manner. Two independent methods were developed for this purpose: the Site Checklist analyzes qualitative aspects of a site in eleven action areas, while the Impact Points method facilitates a quantitative assessment of the absolute environmental impacts of a site.

The Volkswagen Group's objective in using the Impact Points method is to gradually reduce the absolute environmental impacts of its production sites for passenger cars and light commercial vehicles and components by 37.5% by 2030, by 68.8% by 2040, and ultimately further towards the Group's final vision of net neutrality by 2050, all compared with 2018 levels. Progress is reviewed annually and shall be communicated publicly in the future.

The targets for reducing the impact points are in line with the goTOzero environmental mission statement. They support the achievement of internal and external climate targets, improvement of energy and resource efficiency, and reduction of harmful emissions to air and water. The target contributes to the achievement of the overarching SDGs, in particular SDG 6 (clean water and sanitation), SDG 7 (affordable and clean energy), SDG 9 (industry, innovation and infrastructure), SDG 12 (responsible consumption and production), SDG 13 (climate action) and SDG 15 (life on land).

Measuring the environmental impacts of production by means of impact points forms the methodological foundation for achieving our vision of production with minimal effects on the environment. The following graphic illustrates the transition from using the UEP performance indicator to using the Impact Points method.

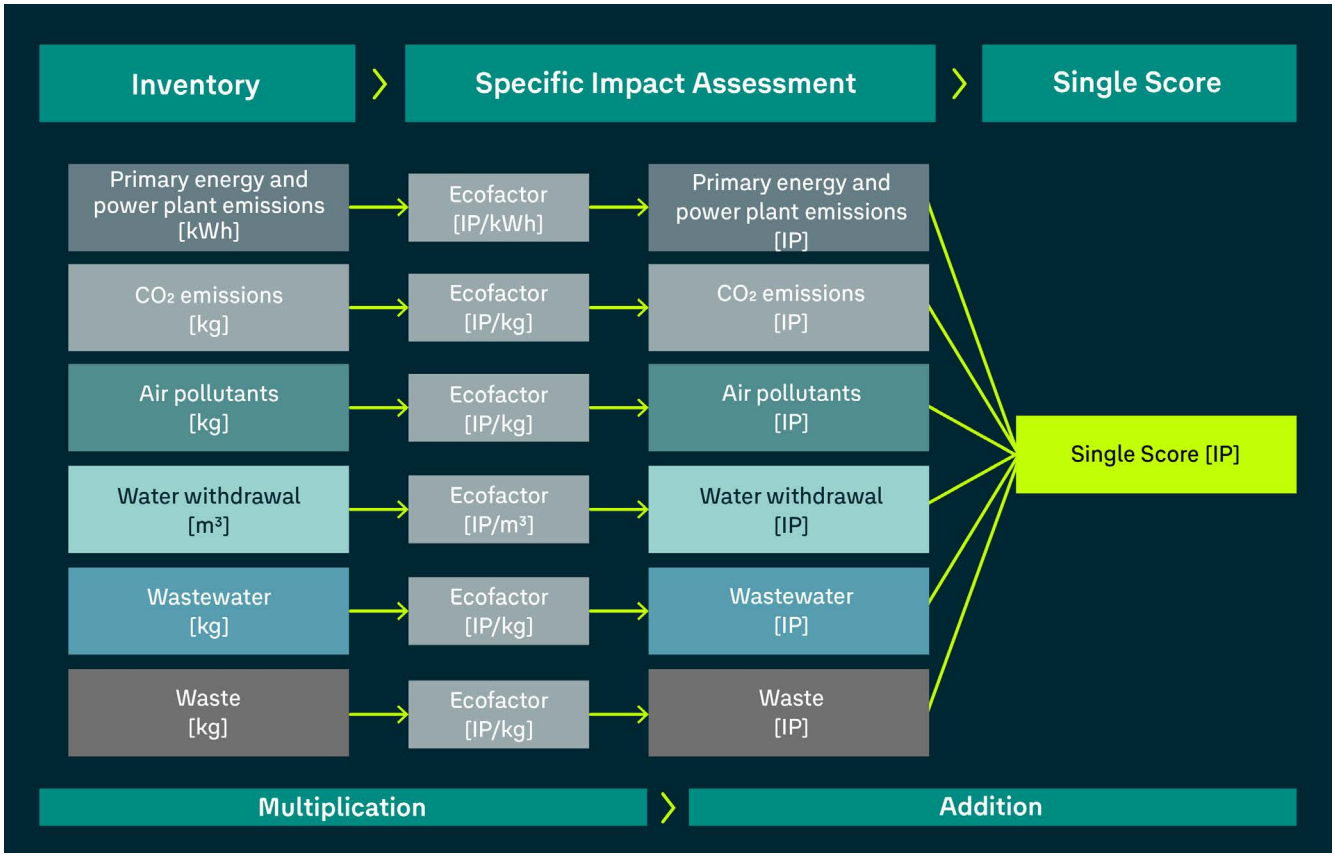


The Impact Points method was developed in close cooperation with partners from the scientific community, primarily the Technical University Berlin, and published in two scientific papers. These are publicly available at https://www.sciencedirect.com/science/article/abs/pii/S0959652622052209 and https://www.mdpi.com/2071-1050/16/7/3011. The Impact Points method is based on the ecological scarcity method, which assesses the environmental impact of pollutant emissions and resource extraction. The method also compares current environmental impacts with impacts considered acceptable from a sociopolitical point of view. These environmental carrying capacities were derived for the Impact Points method from national legislation, international targets and scientific principles. The Impact Points method includes six overarching environmental aspects:

- Primary energy and power plant emissions relate to the provision and transmission of energy through the energy infrastructure, as well as emissions from power plants such as VOCs, nitrogen oxides (NO_x) and dust (particulate matter (PM)).
- CO_2 emissions comprise greenhouse gas emissions (GHG emissions) emitted directly from the site (Scope 1) and indirectly through the use of energy (Scope 2).
- Air pollutants comprise the local emission of pollutants such as VOCs, nitrogen oxides and dust directly from the site.
- Water withdrawal refers to the local abstraction of water and use of the external freshwater infrastructure.
- Wastewater refers to the discharge of pollutants such as nitrogen (N), phosphorus (P), nickel (Ni) and zinc (Zn) into local water bodies and the use of the external wastewater infrastructure.
- Waste includes both the transportation and the processes for disposal of waste generated in production (e.g. landfill, thermal and material recycling, and use as a substitute raw material).

The first step in determining environmental impacts is to compile a data inventory (life cycle inventory). The environmental impacts of each environmental aspect are then determined by multiplying this by eco-factors (impact assessment). The level of an eco-factor illustrates the relevance of the respective environmental aspect, such as CO_2e emissions, as compared with other aspects. The eco-factors take into account both planetary limits and the political objectives of the countries in which the Volkswagen Group's production sites operate. For instance, water withdrawal at a site with low local water risk generates fewer impact points than at a site with high local water risk. This results in a weighting of environmental aspects.

The following graphic provides a schematic illustration of the impact point calculation method.



The Impact Points metric is directly connected with the environmental standards ESRS E1, E2, E3 and E5. With regard to Climate change (E1), the impact points take into consideration not only the environmental aspects of primary energy and power plant emissions but also CO_2 emissions. Air pollutants and wastewater are factored into the Impact Points method with respect to Pollution (E2). The water withdrawal environmental aspect is included under Water (E3). Finally, the impact points address the Circular economy standard (E5) via the environmental aspect of waste.

Addressing qualitative environmental aspects in production

The Site Checklist developed in-house is the second assessment method after the Impact Points method to be used in alignment with the strategic vision of the Zero Impact Factory. The checklist is used to monitor the implementation of defined criteria regarding the environmental characteristics of a factory in eleven action areas. The Volkswagen Group aims to achieve an average compliance rate of at least 60% of the Site Checklist at its production sites by 2030.

This is set to increase to 73.4% by 2040 and to 87.2% by 2050. This objective applies to sites producing passenger cars as well as light commercial vehicles and components. The jumping-off point in base year 2022 was a Group-wide average achievement of 44.5% of the Site Checklist. Progress is reviewed annually and shall be communicated publicly in the future.

The targets contribute to the achievement of the overarching SDGs, in particular SDG 6 (clean water and sanitation), SDG 7 (affordable and clean energy), SDG 9 (industry, innovation and infrastructure), SDG 12 (responsible consumption and production), SDG 13 (climate action) and SDG 15 (life on land).

The Site Checklist was developed in cooperation with various Group departments, brands and companies and is based on internal and external requirements, such as the EU Green Deal and the EU BREF documentation for the best available techniques (BAT).

The Site Checklist comprises 11 action areas with a total of over 140 largely qualitative environmental criteria: environmental compliance, architecture and perception, planning, digitalization, water, energy and CO_2, materials, soil, biodiversity, pollutants and mobility. The action areas and criteria are regularly evaluated and updated as necessary. The sites assess each criterion as met or not met. Criteria may be assessed as met only if appropriate evidence is provided. The permitted forms of evidence and minimum criteria are defined in an internal manual. Achievement of individual criteria for each of the 11 action areas produces a fulfillment level from 0% (no criteria met) to 100% (all criteria met). The site results are calculated as the average of the fulfillment levels, with each of the action areas weighted equally. The result for the Group is determined as the average of all site results.

The Site Checklist method and its eleven action areas are directly related to the environmental standards ESRS E1 to E5. The energy and CO_2 and mobility action areas in particular relate to the Climate change standard (E1). The soil and pollutants action areas have a direct link with the Pollution (E2) standard. With regard to Water (E3), the Site Checklist includes an action area of the same name that incorporates relevant screening criteria. The biodiversity action area relates to the Biodiversity and ecosystems (E4) standard. Finally, the materials action area addresses the Circular economy standard (E5).

Increasing the number of suppliers with environmental certification

The Volkswagen Group is pursuing the aim of improving its environmental impacts in the upstream supply chain. This has involved setting a target as part of regenerate+ of proving by 2040 that, in terms of sales revenue, more than 95% of relevant direct suppliers have established a certified environmental management system (e.g. pursuant to ISO 14001 or EMAS). The target applies to suppliers with production sites that employ more than 100 people and is contractually binding under the Code of Conduct for Business Partners. Evidence has also been required based on the Volkswagen Group sustainability rating (S-Rating) since 2022.

2023 serves as the base year for measuring progress; in that year, 80% of suppliers already had certified environmental management systems. In the reporting year, the proportion was increased to 86%.

Annual progress is monitored by the sustainability management team in Procurement to ensure that the target is reached by 2040. The methodology is based on a standardized self-assessment questionnaire, with the responses and documents reviewed and validated centrally by an external service provider. A risk analysis is also performed using data from external service providers and risk-based audits. This is intended to work towards target achievement and identify any deviations at an early stage.

Uniform collection of environmental data

Environmental data from the sites forms an important basis for determining quantitative metrics that are reported in the sections ESRS E1 to E5. The scope of the sites included is described in the "General Information" chapter. The internal Group standard VW 98000 sets out how these environmental indicators are to be uniformly determined and documented within the Company. A total of around 200 environmental indicators are recorded at site level and reported via the internal Environmental Information System (EIS). Each site is responsible for providing the environmental indicators.

The following are acceptable methods of recording environmental indicators. Direct measurements of physical quantities should be given the highest priority. This includes, for example, measuring wastewater volume by means of a flow meter, establishing waste volumes by means of weighing, or determining energy consumption by procuring readouts of energy meters. If direct measurement is not technically or economically feasible, the environmental indicators can be calculated based on measured variables. This method has a lower priority. This applies, for example, to the volume of CO_2e emitted from the use of combustible materials, or emissions of pollutants into wastewater, which are generally extrapolated on the basis of random sample measurements. The permissible method with the lowest priority is an estimation of indicators based on transparent assumptions, such as the proportional dependency between waste volume and the number of manufactured units. All processes used must generally be transparent and verifiable by independent third parties such as certifiers or auditors.

Environmental data is presented in accordance with the ESRS requirements for E1-5 (energy), E1-6 (GHG emissions), E2-4 (emissions to air and water) and E4-SBM3 (biodiversity-sensitive areas) for the Volkswagen Group and companies with operational control (in accordance with the scope of reporting of the "General Information" chapter). Metrics that go beyond these disclosure requirements are reported voluntarily for the companies with operational control.

Climate Change

The Volkswagen Group is committed to the Paris Climate Agreement and aims to become a net carbon-neutral company by 2050.

MATERIAL IMPACTS AND RISKS AND THEIR INTERACTION WITH STRATEGY AND BUSINESS MODEL

IMPACTS AND RISKS RELATING TO CLIMATE CHANGE MITIGATION AND ENERGY

Description	Impact/Risk/ Opportunity	Actual/Potential Impact	Value Chain	Time Horizon
Climate Change Mitigation				
The Volkswagen Group aims to reduce greenhouse gas (GHG) emissions across its value chain. The greatest effects can be found in the downstream value chain due to the transition to e-mobility in the use phase of vehicles and the resulting increase in the proportion of electric drivetrains. Upstream GHG emissions can be reduced by switching to more climate-friendly processes and products. Within its own operations, GHG emissions can be reduced by developing products with a low GHG footprint, for example by using sustainable materials or developing high-efficiency engines.				
				
GHG emissions arise in particular during the use phase, that is, when our customers use their vehicles. GHG emissions also arise from the mining and processing of raw materials, the manufacture of components in the supply chain, and the Company's own operations.				
The risk of failing to meet statutory worldwide fleet emission targets, for example due to an insufficient transition to electric drivetrains or lack of market resonance, was defined as a material transition risk for the Volkswagen Group. Financial effects result primarily from penalty payments. In this context, an amount in the mid-three-digit-million euro range was added to provisions in the reporting year. Financial effects are also expected to be associated with this risk in 2026.				
Climate Change Adaptation				
The upstream supply chain is monitored and examined based on processes and data for both the short term and the long term. Based on current climate change predictions, the Volkswagen Group's upstream supply chain will also be more exposed to climate-related hazards in the future. Consequently, there may be supply disruptions and adjustments to production programs at the Group's production sites. This was identified as a material physical risk in the double materiality assessment.				

Energy				
The positive effects in reducing the use of fossil fuels stem from the use of renewable energy – primarily to power vehicles – by making changes to production and making adjustments to the supply chain. These include, for example, a higher proportion of electrically powered vehicles charged using renewable energy; using green electricity at production sites; and setting upper limits for CO_2 emissions per relevant component.	⊕	⧗	➤➤➤	
Transforming the Volkswagen Group towards e-mobility will have a particular impact on the use phase of vehicles. Though current market conditions indicate a slowdown in this transformation, the increasing use of electric vehicles will reduce primary energy requirements.		⧗	➤➤➤	●●●
The impact stems from the continued use of fossil fuels along the value chain, as their production and use are associated with GHG and other emissions.	⊖	⧗	➤➤➤	



The processes for identifying potential impacts are described in the "Procedure for and results of the double materiality assessment" section in the "General Information" chapter.

Process description and results of the climate risk analysis

Transition risks

Possible transition risks and opportunities were identified using a scenario analysis and on the basis of additional internal sources within the double materiality assessment (see the "Procedure for identifying material information" section of the "General Information" chapter for further information).

The time horizons of the analysis correspond to the general definitions in this report. The connections between the service lives of capital goods and the time horizons from strategic planning are set out in the "Procedure for identifying material information" section of the "General Information" chapter.

The "Announced Pledges" scenario (APS) and the "Net Zero Emissions by 2050" (NZE) scenario from the International Energy Agency (IEA) were used for the scenario analysis. The main sources used were the IEA report "Net Zero Roadmap: A Global Pathway to Keep the 1.5°C Goal in Reach –2023 Update", and the "Global EV Outlook 2024". The reports take into account the latest progress reports of the Intergovernmental Panel for Climate Change (IPCC) at the time of preparation, and therefore the current state of climate science. The IEA's "Global Energy and Climate Model" on which they are based, models not only the transformation of the transportation sector, but also additional sectors relevant for the Group's value chain and business model, such as energy and raw materials production.

The ambition level of the NZE scenario is aligned with the ideal goal of the Paris Climate Agreement of limiting global warming to 1.5°C; the scenario provides for a limited overshoot of the 1.5°C target, with a decline in the global temperature rise to around 1.4°C by 2100.

This makes it suitable for estimating a maximum expected intensity and speed of the transition events, and thus the maximum risk exposure. However, due to its normative nature and limited practical applicability, it is not used as a guideline for strategy development. The IEA's APS scenario, on the other hand, is based on the currently published commitments of government actors. It corresponds to a global temperature increase of well below 2°C. As part of

strategy development, the Volkswagen Group also investigated trajectories with lower intensity and speed of transition events to address uncertainties regarding the forms of risk driver (see the "Strategy: Climate change resilience" section for further information). This did not reveal any additional risks.

The IEA scenarios consider various time horizons. Specific projections relating to the transportation sector in particular are made for 2030, 2035 and 2050. The focus of the analysis was on development until 2030 for the medium-term time horizon and until 2035 for the long-term time horizon.

Several relevant transition events were identified based on the scenarios. The scenarios are based on the assumption that governments around the world will be implementing ambitious climate policies, including carbon pricing, stricter fleet emission standards, and bans on new registrations of internal combustion engine vehicles in key markets. The expansion of incentive schemes to promote battery-electric vehicles is also anticipated.

In terms of the market, the scenarios assume that increasing availability and decreasing costs will be additional factors driving the demand for battery-electric vehicles – provided that the charging infrastructure is expanded quickly. Under these assumptions, electric vehicles will account for between half and two-thirds of passenger cars sold worldwide in 2030, depending on the scenario. However, this development may vary widely between regions.

This will cause increased demand for battery raw materials and sustainably produced and circular materials in the medium to long term, which may result in limited availability and price increases.

From a technological perspective, the scenarios assume that current battery technology will continue to develop and that energy efficiency will continue to improve across all sectors. This could noticeably reduce emissions from the upstream value chain.

The transition events were mapped along the value chain and were analyzed qualitatively in terms of impacts on strategy and business model in the form of potential risks and opportunities. These were compared with the risks and opportunities formulated in the double materiality assessment.

The evaluation was performed in the double materiality assessment by the relevant departments in consultation with Group risk management and sustainability management (see the "Procedure for and results of the double materiality assessment" section of the "General Information" chapter).

Material risks resulting from the need for sustainable raw materials are described in the chapter "Resource Use and Circular Economy".

Physical risks

The assessment of climate-related risks for the Group's own sites involved examining climate-related hazards for around 200 of the most important sites. These included all production sites in addition to key sales, administration and development sites. To assess climate-related physical risks in the upstream value chain, climate hazards were examined for approximately 1,000 key supplier sites.

The analysis was conducted with a software tool that uses the geo-coordinates of the sites. Both chronic hazards such as heat and cold stress, and acute physical hazards such as river flooding and storm surges, were analyzed.

The periods examined were based on those of the software tools employed and were largely in line with the periods used in this report. The short term period corresponds to the status quo view in the tool. The medium term period refers to development until 2030 and corresponds to the Group's strategic planning period, including capital allocation planning. The long-term time period refers to development until 2050, to reflect the potential service lives of the assets.

The IPCC Shared Socioeconomic Pathway (SSP5-8.5) scenario was used for the forecast. This represents a high emission scenario based on the current state of climate science, and therefore plausibly reflects the maximum expected risk exposure in terms of severity and likelihood of occurrence. It predicts global warming of 3.3°C to 5.7°C

by the end of the 21st century and is based on intensive use of fossil fuels, economic growth, and energy-intensive lifestyles.

With regard to our own operations, it was determined that some of the sites analyzed are already exposed to relevant climate hazards, such as river flooding or storm surges. Additional stress factors (for example heat stress, cold stress, precipitation) were also analyzed as part of the risk analysis.

Overall, based on the expected financial impacts for the Volkswagen Group over all time horizons considered, the risk of direct damage and a resulting production outage was deemed not material in the materiality assessment.

In the upstream value chain, it was found that nearly one-seventh of the supplier sites examined are already exposed to relevant climate hazards, such as river flooding or storm surges.

Particularly in the high emission scenario, many climate hazards such as flooding would increase significantly in the coming decades, which could lead to more frequent and more severe future disruptions in the supply chain.

Depending on the severity and duration of the delivery delay, the component groups affected and the specific sourcing situation, longer and more extensive operational disruptions cannot be ruled out and could potentially affect multiple production lines and/or locations. This was identified as a material risk over all time horizons in the double materiality assessment.

Interaction with strategy and business model

The material impacts and risks identified with respect to climate change mitigation and energy have an effect on the Group's business model and strategy. A detailed strategic classification of material impacts and risks is provided in the "Strategy: climate change and transition plan" section.

Information on the future adaptability of the strategy and business model with a view to material transition risks is provided in the "Strategy: climate change resilience" section.

The material impacts and risks are addressed through policies, actions and targets at various levels. The focus is on mitigating negative impacts, reinforcing positive impacts, and avoiding or mitigating material risks.

The policies and overarching actions regarding the material positive and negative impacts described in the areas of climate change mitigation and energy are presented in the "Climate change mitigation and energy efficiency" section. The section on "Use of renewable energies" describes additional actions relating to the impacts from the Group's own operations and the upstream and downstream value chain, including the use phase of products.

Further details and examples of implementation of the actions can be found in the "Actions and resources: Climate change" section. The actions set out in the "No decarbonization without e-mobility", "Increasing vehicle efficiency", "Net CO_2e-neutral use phase" and "Contribution to climate-friendly logistics and hard-to-abate sectors" sections addresses impacts from the use phase of the products. The actions set out in the "Climate change mitigation in manufacturing", "Zero Impact Logistics", and "Decarbonization of the dealership networks" sections relate to impacts in own operations and parts of the downstream value chain. The actions relating to the upstream supply chain are presented in the "Requirements for decarbonization in the supply chain" section.

Policies and actions to manage material risks are presented in the "Strategy: Climate change resilience" section.

The target set out in the "Reduction of Scope 3 GHG emissions in the use phase" section also contributes to the identified material transition risk. The same applies to the actions presented in the sections "No decarbonization without e-mobility" and "Increasing vehicle efficiency".

STRATEGY: CLIMATE CHANGE AND TRANSITION PLAN

Climate change strategy

Sustainability will remain a significant topic in the business world and will continue to gain in importance, driven by the increasingly noticeable consequences of climate change, greater awareness of sustainable lifestyles among customers and, not least, underlying conditions such as the Paris Climate Agreement.

Decarbonization is a core component of the Group's activities and plays a key role in the Volkswagen Group decarbonization strategy. Our decarbonization strategy applies to the entire Group. We have not yet implemented a

Group-wide decarbonization plan within the meaning of ESRS E1 paragraph 16, since the TRATON GROUP and Everllence (formerly MAN Energy Solutions) do not have transition plans. The following actions and metrics for implementing the decarbonization program focus on the passenger cars and light commercial vehicles area of the vehicle-related business. The transformation driven by digitalization and electrification requires extensive investment, which is incorporated in the Group strategy and taken into account in medium-term planning.

Operationalizing the decarbonization program

Our decarbonization program covers the entire life cycle of our products. It is implemented via a clear hierarchy of actions, which is configured as follows for the passenger cars and light commercial vehicles segment: The top priority is to take action to avoid CO_2e emissions. In second place are actions with which the Group aims to gradually shift the energy supply to renewable energy across the entire value chain and in all phases of a vehicle's life. Finally, unavoidable CO_2 equivalent (CO_2e) emissions are compensated in selected cases through climate change mitigation projects that meet the highest international standards. Further information is provided in the "GHG removals and GHG mitigation projects" section.

Within the hierarchy of actions, the Volkswagen Group defines four material decarbonization levers for achieving the emission reduction targets. These decarbonization levers are explained in more detail in the "Actions and resources: Climate change" section. Concrete actions for this target achievement are described for example in the sections on "Climate change mitigation in manufacturing" and "No decarbonization without e-mobility".

Commitment to the Paris Climate Agreement and our climate targets

We are committed to the Paris Climate Agreement[1]. It is our aim to be a net carbon-neutral company by 2050. We plan to achieve this through the hierarchy of actions described above, with clear priority placed on first reducing and avoiding emissions, and only applying offsetting actions for emissions that are difficult to avoid or completely unavoidable. We have already set this target for 2040 for production and the associated Scope 1 and 2 emissions. For more information, see the "Reduction of Scope 1 and 2 GHG emissions" section. There are further certified targets for the use phase (Scope 3, category 11), which are described in more detail in the "Reduction of Scope 3 GHG emissions in the use phase" section.

Strategic implementation through Group-wide sustainability management

A Group-wide sustainability management system that includes the issue of climate change mitigation is established in the Volkswagen Group. The related structures, processes and responsibilities are documented in an internal Group policy.

The progress of the transition plan is measured through the strategic metrics, which include Scope 1, 2 and 3 emissions, the decarbonization index (DCI) and the proportion of electric vehicles (see the "GHG emissions" section as well as the "General Information" chapter for further information). These metrics are also used to track the progress of the Group sustainability strategy regenerate+.

Activities with respect to the EU Taxonomy

Detailed information on the EU Taxonomy is provided in the "EU Taxonomy" chapter.

1 Due to changing political and economic conditions and volatile markets, it is not possible at present to reliably identify a 1.5 °C climate transition pathway, for which there are currently no final requirements from the SBTi, particularly for Scope 3 emissions, which we cannot directly influence and which depend heavily on sales of all-electric vehicles.

Production capacity and technical equipment

Production capacity and technical equipment that focus on the manufacture of vehicles with internal combustion engines run the risk of losing value and potentially becoming "stranded assets" during the transition to a decarbonized economy. The share of these investments in Scope 1 and 2 is secondary compared to the Company's Scope 3 emissions, as it is largely limited to the production of vehicles. The Group counters this risk by focusing its investment program on innovative production concepts that serve the transformation of the Company.

Exposure to coal-, oil- and gas-related activities

The Volkswagen Group focuses on the manufacture, sale and marketing of motor vehicles and mobility solutions. The Company's main area of economic activity is the manufacture of motor vehicles. The investments in this economic activity are the only ones classified as material. The analysis of economic activities revealed that activities involving coal, oil, and gas primarily take place in the context of vehicle-related business and are attributable to this business.

Disclosure on EU Paris-aligned Benchmarks

The exclusion criteria for EU Paris-aligned Benchmarks were reviewed in the context of the Climate Benchmark Regulation, and it was determined that Annex 12.1 does not apply. Paris-aligned EU benchmarks are indices subject to specific criteria and compiled by providers in line with such criteria in addition to their own. In addition, there is no knowledge of any exclusions by administrators of EU Paris-aligned Benchmarks pursuant to Annex 12.2.

Responsibilities for sustainable implementation

In-depth information on responsibilities is provided in the "Sustainability management" section of the "General Information" chapter.

STRATEGY: CLIMATE CHANGE RESILIENCE

The resilience analysis was performed in the year 2024 and is based on the results of the climate risk analysis (see the "Process description and results of the climate risk analysis" section) and the materiality assessment (see the "Procedure for identifying material information" section of the "General Information" chapter). The critical assumptions made regarding the development of the sector derived from the scenario analysis were also included. The resilience analysis covers the key elements of the business model and focuses on impacts, risks and opportunities identified as material and their material drivers along the value chain. Several aspects were taken into account to assess the resilience of the Volkswagen Group: operational control mechanisms with regard to the material impacts, risks and opportunities, their inclusion in corporate planning and strategy, as well as the capacities required for a more far-reaching alignment of the business model. The time periods correspond to those in the "General Information" chapter in the "Notes on use of the ESRS" section, and are used in the same way as they were in the double materiality

assessment. For the long-term time horizon, we are focusing on the period through 2035, the target year for the Group's current strategy.

A key element in increasing resilience to climate change is the positioning of decarbonization as a cornerstone of the Group's strategy, as explained above in the "Strategy: Climate change and transition plan" section. In addition, climate change mitigation is firmly anchored in the Group sustainability strategy regenerate+ and is measured and managed using relevant metrics, including the decarbonization index (see the "Targets: Climate change" section).

The *Konzern-Steuerkreis Flotten-Compliance* (KSK FC – Group Steering Committee for Fleet Compliance) is responsible for managing fleet-related greenhouse gas emissions. It includes experts from all passenger car brands and relevant departments. The KSK FC monitors compliance with regulatory requirements and can initiate, in particular, short- and medium-term actions, for example in sales management, in the event of potential deviations. The regulatory requirements and market development forecasts are also factored into the medium- and long-term planning process.

The central lever for complying with ambitious fleet limits is the further electrification of our product range (see the "Actions and resources: Climate change" section). The relevant targets are defined with the brands in the planning process, and capital expenditure requirements and necessary adaptations to the production sites are identified over a five-year time horizon. Uncertainties remain with regard to the speed and consistency at which electrification is being driven forward by regulatory actions in the various markets. As a result, a number of different scenarios were examined during the development of the Group strategy. Specific courses of action were developed and evaluated on this basis, allowing the Group to adapt flexibly to different conditions in the regulatory environment.

The operational control mechanisms presented and their explicit inclusion in the integrated planning primarily have an impact in the short-term, while the adjustment to the Group strategy described above will have a medium- to long-term impact.

The Group has sufficient capacity to implement the adjustment measures. In recent years, a double-digit number of sites have already been successfully converted to the production of battery-electric vehicles or the components required for them. This approach serves as a blueprint for the further transformation of the Group's sites. Implementation of the Group strategy to reduce emissions in the context of the decarbonization strategy, requires extensive retraining and upskilling actions, some of which are already being implemented. A strategic approach is in place and regular discussions are held within the Volkswagen Group on training-related topics (see also the "Creation and expansion of digital training program" section in the "Employees and Non-Employees" chapter).

The Volkswagen Group has access to a range of money market and capital market instruments to cover its capital requirements, including for the further implementation of its decarbonization strategy (see the "Refinancing" section in the "Shares and bonds" chapter). The Volkswagen Group's Green Finance Framework enables the Company to refinance EU Taxonomy-aligned capital expenditure, for example for developing and manufacturing all-electric vehicles, through sustainable financial instruments (see also the "Strategy: Climate change and transition plan" section).

The Volkswagen Group has implemented processes and methodologies in supply chain management that are intended to effectively mitigate short-term supply disruptions. These include an established crisis management structure in Procurement and cross-departmental coordination between Procurement, Quality Assurance, Development, Production, and Logistics. In conjunction with a worldwide supplier network, this may help to compensate for the loss of individual supplier locations in many cases. In the medium to long term, resilience to the impacts of climate-related hazards will be a key component of the procurement strategy.

Overall, the resilience analysis revealed that the company is addressing the material impacts and transition risks comprehensively, specifically and in an integrated way. The ability to adapt the business model to the challenges of climate change is therefore considered to be secured for the short, medium and long-term time horizons.

Due to the large number of Group sites, it has not yet been possible to conduct a comprehensive analysis of specific countermeasures at site level to assess physical climate risks. This has been done as part of the risk analysis for the EU Taxonomy for the relevant sites. More detailed information on this can be found in the "EU Taxonomy" chapter.

As a general rule, Business Continuity Management requires all operating units to carry out a risk assessment and, if necessary, to develop appropriate contingency plans. Furthermore, the Volkswagen Group continuously and regularly calls on its suppliers to make their own supply chains resilient to climate-related hazards.

In addition, the Group has already examined specific exposure to climate hazards and the countermeasures taken at some sites. This will gradually be rolled out at other production sites over the coming years. Another aspect of resilience is comprehensive coverage of the Group's own assets with corresponding insurance policies, which are regularly reviewed and adapted to changing risk situations in consultation with insurers for the Group's own sites.

As a result, it can be assumed that the sites analyzed in detail in the context of the EU Taxonomy are largely resilient to physical climate risks over the observed periods. In light of the existing overarching control mechanisms, the remaining sites and direct upstream value chain are assumed to be basically resilient. This resilience will be further strengthened in the medium term.

With regard to climate-related hazards in the indirect or further upstream supply chain, there are still uncertainties in the short to medium term that will be addressed in the future across the entire automotive and supplier industry.

POLICY: DECARBONIZATION

Decarbonization is a key focal point for the Group and is supported by a corresponding policy. This is based on scientific principles and aims to achieve the goals of the Paris Climate Agreement. That is why we derive our climate strategy from the requirements of the Greenhouse Gas (GHG) Protocol and the Science Based Targets Initiative (SBTi), among other frameworks. We are committed to the Paris Climate Agreement and have defined corresponding climate change mitigation targets. A detailed description of our commitment to the Paris Climate Agreement can be found in the "Strategy: Climate change and transition plan" section. Targets in this context are explained in the "Targets: decarbonization Climate change" section. The "Introduction to Environmental Management" chapter specifies the corresponding monitoring processes of the decarbonization policy.

The double materiality assessment identified impacts and risks for the "Climate Change" topical standard (see the "Material impacts and risks and their interaction with strategy and business model" section). The identified impacts and risks are analyzed using the risk management process described above and addressed with actions as part of the decarbonization policy. The Group sustainability strategy regenerate+ with a focus on decarbonization, the environmental mission statement goTOzero, and our supplier strategy, which we have anchored in the Code of Conduct for Business Partners, play a particularly important role in this. A detailed description of the relevant content can be found in the "Introduction to Environmental Management" chapter.

In addition to other material topics, energy and CO_2 are focal points of the Zero Impact Factory strategic vision, under which the Volkswagen Group is pursuing goals including the gradual reduction of the absolute environmental impact of its production sites for passenger cars, light commercial vehicles and components, measured in impact points, by 2050. Moreover, the Volkswagen Group aims to ensure that its production sites meet at least 60% of the requirements from the internally developed Site Checklist in 2030. Energy and CO_2 are two specific action areas here.

Reducing GHG emissions and using renewable energy sources are sustainability requirements in environmental protection for our suppliers and are stipulated in the Code of Conduct for Business Partners accordingly.

Climate change mitigation and energy efficiency

The topic of climate change mitigation is part of our Group sustainability strategy regenerate+ and one of the action areas of our environmental mission statement goTOzero. We systematically focus on the electrification of our products, decarbonization of our entire value chain and expansion of renewable energy generation to supply our sites and customers. We aim to achieve net carbon neutrality by 2050. Our primary focus is on reducing emissions and increasing efficiency. Once these actions, as outlined in the "Strategy: Climate change and transition plan" section, have been implemented, we intend to neutralize particularly hard-to-abate emissions through carbon offset projects. These remaining emissions account for less than 10% of the total. Our actions on these will be based on SBTi requirements.

A detailed description of the decarbonization levers and corresponding actions can be found in the "Actions and resources: Climate change" section.

Efficient use of energy in production enables cost savings and avoids environmental impacts while maintaining or increasing production performance. Reduced energy requirements have the potential to reduce the impacts associated with the provision of energy. A CO_2e-free energy supply is not currently feasible for all aspects of global energy needs, so energy efficiency remains an important basis for effective climate change mitigation (a detailed explanation can be found in the "Conversion of energy supply" section).

Climate change adaptation

The current strategic focus in the area of climate change is primarily on decarbonization and the associated climate change mitigation, as well as on energy-related topics. The climate change mitigation dimension is part of our Group sustainability strategy regenerate+ and one of the action areas of our environmental mission statement goTOzero. Building on the risk assessment of our supply chain and sites, we are placing greater emphasis on developing policies and guidelines for climate change adaptation. These will be expanded and integrated into the strategy process in the future in line with the Increase Global Resilience imperative of our Group strategy (see the "Strategy: Climate change resilience" section for further information).

Use of renewable energies

A central element of the Group sustainability strategy regenerate+ is to achieve more than just a reduction of GHG emissions. In this context, the ramping up of e-mobility and expansion of charging networks and renewable energies go hand in hand with one another. In addition to the Volkswagen Group's increased focus on e-mobility, we are concentrating on integrating renewably generated electricity in the use phase and switching the entire power supply for our plants to renewable energy.

The Volkswagen Group also has clear targets for decarbonization in the supply chain. For example, in new procurement contracts, suppliers of selected focus components are already contractually obliged to comply with CO_2e limits. A detailed description of this can be found in the "Requirements for decarbonization in the supply chain" section. In our Code of Conduct for Business Partners, we require our suppliers to take appropriate actions to reduce air emissions that are harmful to the environment and health, including GHG emissions. With a view to improving the environmental compatibility of products and services, we require our suppliers to take proactive steps to reduce GHG emissions along the supply chain, for example by increasing their use of carbon-neutral energy sources. Suppliers that deliver products to the Volkswagen Group provide information to us when requested on the total energy consumption in megawatt hours (MWh) and CO_2e emissions in tonnes (Scope 1, 2 and 3) at product level. This allows the Volkswagen Group to improve the environmental indicators of its products. We also recommend that our suppliers set science-based and time-bound emission reduction targets as well as targets for the use of renewable energies in

line with the Paris Climate Agreement, and that they take actions to promote decarbonization along the supply chain. In addition, they are encouraged to commit to achieving net carbon neutrality by 2050.

TARGETS: CLIMATE CHANGE

Overarching targets

The overarching *Umweltentlastung Produktion* (UEP – environmental improvement production) metric includes aspects such as the specific energy consumption and CO_2e emissions needed to produce a vehicle or component. The corresponding metric is reported in the "Reduction of specific environmental impact of production" section of the "Introduction to Environmental Management" chapter.

The inclusion of GHG emissions and energy requirements also establishes a connection to the Impact Points method (see the "Reduction of absolute environmental impact of production" section in the "Introduction to Environmental Management" chapter). This concerns, for instance, Scope 1 and 2 emissions and the use of fossil, nuclear, and renewable energy.

The Site Checklist (see the "Addressing qualitative environmental aspects in production" section in the "Introduction to Environmental Management" chapter) is also clearly linked to the topic of climate change through its Energy and CO_2e action area. The main focus is on decarbonization and energy efficiency. Specific Site Checklist criteria relating to energy efficiency in production include optimization of the electrical base load during non-production periods, or climate control and ventilation based on use. Criteria relating to decarbonization include external procurement and internal generation of renewable energy.

Reduction of Scope 1 and 2 GHG emissions

The Volkswagen Group has set itself the target of reducing absolute GHG emissions in production (Scope 1 and 2) by 50.4% worldwide by 2030 compared with base year 2018. The Group met this target ahead of time, in 2024. The Scope 1 and 2 target set for 2030 is in line with the 1.5°C pathway of the SBTi and was also validated by the SBTi. Base year 2018 was defined in the course of certification by the SBTi and based on its requirements.

This year continues to be seen as a representative year for production as the structure (type and number of sites) has not changed significantly since then. The baseline value for GHG emissions in 2018 was 9.03 million tonnes of CO_2e. Starting in 2030, regular updating of the base year is planned in order to reflect changes in the corporate structure. The target is based on the definitions for Scope 1 and 2 emissions under the GHG Protocol and the ESRS. The reduction targets are accounted for using the market-based method and relate to the GHGs: CO_2, methane (CH_4), nitrous oxide (N_2O), sulfur hexafluoride (SF_6), hydrofluorocarbons (HFCs) and chlorinated hydrocarbons (CHCs). The data for monitoring the target is collected annually via the Environmental Information System (EIS) in accordance with the internal standard 98000, which is based on the current ESRS specifications. The data is part of the internal Decarbonization Report Production, which is also used for internal target tracking, among other things. For information on stakeholder engagement, see the "General Information" chapter.

By the end of 2025, the Volkswagen Group had already reduced absolute GHG emissions (Scope 1 and 2 combined) by 60% compared with 2018 and therefore already met its 2030 target for reducing greenhouse gases. Based on the reduction actions currently planned, such as the conversion of energy supply (additional reduction of around 10%) and the increase in energy efficiency (additional reduction of around 8%), an additional 18% reduction in emissions is expected by 2040. Further actions are being identified and evaluated on an ongoing basis.

Reduction of Scope 3 GHG emissions in the use phase

The Volkswagen Group aims to reduce CO_2e emissions in the use phase (Scope 3) in the passenger car and light commercial vehicle sector by 30% from 2018 to 2030, which the SBTi confirmed as in line with the limitation of global warming to a maximum of 2°C. The use of battery-electric vehicles plays an important role in achieving this target, in combination with the use of renewable electricity. This is crucial because, to date, around 70% of the CO_2e emissions from a vehicle with a conventional powertrain arise in the use phase (well-to-tank and tank-to-wheel). The Volkswagen Group is anticipating continuous growth in e-mobility worldwide, which should help to achieve this target. The baseline value for emissions in the use phase (Scope 3 category 11) is 191.5 g/CO_2e per vehicle-kilometer for 2018 after the recalculation of the base year. This was determined based on the requirements of the SBTi Standard and the GHG Protocol.

The objectives were set in line with the requirements of the SBTi, which develops climate roadmaps for various sectors based on scientific findings, and aims to quantify the ambition of the Paris Climate Agreement and implement it in every sector.

In addition, potential discrepancies in the emissions reports are recorded and evaluated in accordance with the GHG Protocol, which provides for a recalculation of company emissions if material new findings or changes have occurred. Details on the recalculation of historical emissions can be found in the "CO_2e emissions over the entire life cycle (DCI)" section. The DCI measures the average CO_2e emissions per vehicle over the whole life cycle of the Volkswagen Group's light-duty vehicle portfolio and is used as a strategic KPI for managing and monitoring the achievement of Group-wide climate targets.

In determining and reviewing internal goals, the Volkswagen Group also considers future developments, such as changes in market requirements and general political and environmental conditions, to work toward ensuring that the emission reduction targets are feasible and constructive even when conditions change. Continuous adjustments to calculation parameters are a contributing factor here.

Increasing energy efficiency at production sites

The Volkswagen Group has set itself the goal of implementing actions to improve energy efficiency at its global production sites from 2018 to 2030, with the aim of saving a total of 4.9 million MWh of energy annually. This target is based on certifying production sites in accordance with ISO 50001 Energy management systems. All energy targets are tracked as part of the internal Decarbonization Report Production. For information on stakeholder engagement in setting energy targets, see the "General Information" chapter. Information on the actions implemented and the energy efficiency achieved in 2025 can be found in the section "Energy efficiency in manufacturing".

Generating renewable electricity

The Volkswagen Group is actively driving the energy transition at its own sites and has set itself the goal of generating 1.2 million MWh of electricity per year from renewable sources by 2030. The plan is to generate this energy directly at the Group's production sites worldwide or in their immediate vicinity. A total of 608,720 (574,801) MWh of electricity was generated from renewable sources in 2025, which represents significant progress compared with the base year 2020 (200,000 MWh).

Procurement of electricity in production

The Volkswagen Group aims to ensure that 100% of the electricity it purchases externally for its plants worldwide, with the exception of China, comes from renewable sources by 2030. As of 2025, the Group has already improved from 90.9% to 95 (94)% relative to the base year 2020. The goal in China is to supply production sites with 100% carbon-neutral electricity by 2030. This may include electricity from nuclear sources due to the short supply of

renewable energy in some provinces of China. This target helps to reduce our greenhouse gas emissions and is therefore in line with the Paris Climate Agreement.

Reduction of carbon emissions in the retail and service network

The Volkswagen Group has also set itself the ambitious target of reducing the carbon emissions of its global dealership and service partner network for all Group brands as part of the initiative to operate a retail and service network with the lowest possible negative environmental impacts. Based on the first measurement, taken in 2020, in which CO_2 emissions amounted to a baseline value of 3.22 million tonnes, these emissions are to be reduced by at least 30% by 2030, at least 55% by 2040 and at least 75% by 2050. The reduction is measured in absolute percentages and covers the entire retail network, which includes both own retail and the dealerships and service partners under contract of all Group brands worldwide.

CO_2 emissions are recorded annually directly at the dealerships based on the actual consumption figures of the energy sources. The calculation is supported by internal carbon emission factors in order to achieve a standardized figure, and is linked to the DCI. This target derivation method was developed with the input of external experts and is based on sources such as the National Energy and Climate Plan (NECP), the International Energy Agency (IEA), the Energy Information Administration (EIA), the China Energy Outlook and Statista.

Data to determine the emissions inventory of dealers is collected in accordance with internal standards and norms and is validated annually to ensure it is up to date. This means that the carbon emissions of the entire retail network are measured annually and the results compared with the defined target pathway. The tracking process also includes a regular reconciliation with legal requirements, in order to make any necessary adjustments.

Annual metrics are recorded and reviewed using a business intelligence tool (WINSTON) in order to track milestones and deviations from targets. In 2024, the Group's absolute carbon emissions had already been reduced by 1.02 million tonnes of CO_2 compared with the base year (2020).

Key decarbonization levers to achieve the GHG emission reduction targets

Achieving the Volkswagen Group's GHG emission reduction targets is based on four primary decarbonization levers: (1) e-mobility, (2) conversion of energy supply, (3) energy efficiency and (4) decarbonization in the value chain. Further information on this is provided in the "Actions and resources: Climate Change" section.

Plans to achieve targets through new technology

Technology is the key to progress in the Group sustainability strategy regenerate+. As the Volkswagen Group, we are one of the few companies in the world that is taking the strategic expansion of technology leadership in e-mobility largely into its own hands – from cell and battery research to the development and production of electric vehicles.

The Volkswagen Group aims to make use of new technologies not only in its own value chain but also further afield. It is also supporting decarbonization in other sectors in conjunction with Everllence. For example, the company supplies the shipping and energy industry with engines that can be powered by climate-neutral fuels and converts diesel or heavy fuel oil engines to future fuels. Everllence is also a system supplier in carbon capture, utilization and storage, hydrogen and heat pump technology.

Consideration of climate scenarios with respect to the decarbonization levers

The Volkswagen Group's climate targets are derived from the SBTi requirements for the transportation sector and are therefore based on factors including the climate scenarios included in those requirements. For example, the SBTi

climate scenarios are based on the IEA climate scenarios, as well as other sources. Consequently, the material decarbonization levers were identified based on an analysis of the DCI and the emissions inventory.

The Volkswagen Group also uses model data and assumptions in a variety of contexts to make forward-looking statements. As a member of the IEA Transport project working group, for example, we use the IEA APS, Stated Policies Scenario (STEPS) and NZE scenarios, which are based on the GEC model (the IEA's Global Energy and Climate Model). We are concentrating on the 2030 target year, which represents a milestone on the path to the goal of Group net CO_2e neutrality by 2050 and acts as a reference for internal metrics. The scenario analysis focuses on the areas of production, sales and technology, the impact of products, and materials procurement.

CO_2e emissions over the entire life cycle (DCI)

The decarbonization index (DCI) is a reliable measuring instrument that makes our progress and interim results in the area of decarbonization transparent and comprehensible and is recorded using software developed in-house. The methodology is based on the GHG Protocol and measures the CO_2e emissions by the brands that produce passenger cars and light commercial vehicles in the regions of Europe (EU27, United Kingdom, Norway and Iceland), China (including the Chinese joint ventures) and the USA over the entire life cycle. In this index, the use phase is calculated over 200,000 km per vehicle and with reference to region-specific fleet values without statutory flexibilities. The intensity of the CO_2e emissions from the electricity used to charge battery-electric vehicles is also calculated on the basis of region-specific energy mixes. Vehicle maintenance is not taken into account here. Our vehicle life cycle assessments, which provide the data used to calculate supply chain and recycling emissions, have been verified externally and independently in accordance with the ISO 14040 and ISO 14044 standards. Scope 3 also includes emissions from other Group entities and regions in some categories (see "Metrics on Scope 3 GHG emissions" in the "Metrics: Climate change" section for a detailed description). The DCI calculation methodology is regularly adjusted depending on internal and external requirements, such as new test cycles for fleet emissions. Published DCI values can therefore also be adjusted to the new methodology and changed to facilitate the presentation of a time series that is methodologically consistent.

In the reporting year, the DCI value averaged 46.3 (48.6) tonnes of CO_2e per vehicle. This represents a reduction of 2.3 tonnes of CO_2e per vehicle compared with the previous year (after recalculation). While the clear shift in the portfolio towards vehicles with electric drivetrains slightly increases emissions in the supply chain, it results in considerably lower emissions in the use phase.

The GHG Protocol requires the recalculation of corporate emissions in the event of material new findings or if changes occur. There may be various reasons to remeasure previous years' emissions to enable a fair comparison with current emissions. These include structural changes in the company, changes in the calculation method, an increase in the precision of emission factors, activity data, and findings regarding significant errors. At the Volkswagen Group, changes to the calculation are decided annually in a set process. A recalculation of the previous year (2024) and the base year of the current climate change mitigation targets for Scope 3 GHG emissions (2018) and for all DCI values since 2018 was carried out in the reporting year. Changed calculation assumptions were generally taken into account for the recalculation if the expected overall effect on the DCI was more than 0.1 tonnes of CO_2e per vehicle or more than 1 million tonnes of CO_2e on a category of Scope 3 GHG emissions in the base year of the current climate change mitigation targets (2018).

The recalculation includes the following topics:

- update of LCIA factors to IPCC AR6 (recalculation for categories 1 and 11) (since 2025)
- extrapolation of known logistics emissions to global Group production of passenger cars and light commercial vehicles in the Scope 3 inventory (since 2025)
- use of company-specific cutting rates for steel and aluminum components in production instead of generic data (aluminum since 2022, steel since 2023) and calculation of generic life cycle assessments with zero percent recycled aluminum content (since 2022). All new vehicle life cycle assessments in the Volkswagen Group are calculated on the basis of the new calculation assumptions. Because life cycle assessments for vehicles based on the previous calculation assumptions are still being used to calculate supply chain emissions, recalculation of the base year value is subject to a phase-in.

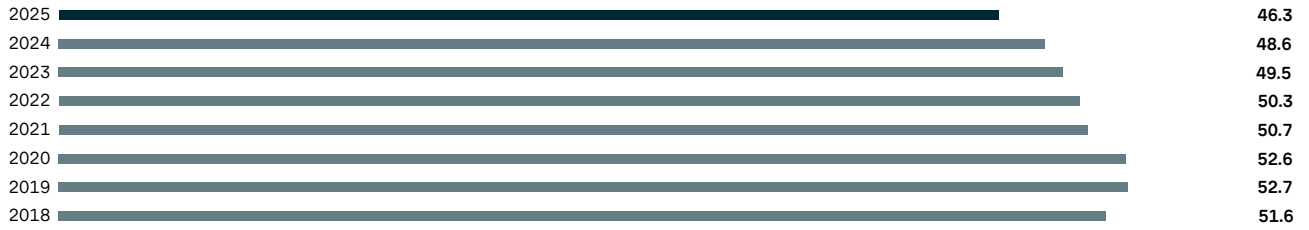
Based on the recalculation described in the above list, the chart below shows homogenized performance of the DCI since 2018 in terms of the data basis and calculation method. The DCI values for 2018 and 2019 were calculated using a simplified method based on Scope 3 GHG emissions. The values for the past years displayed in the chart differ from the DCI values published in those years due to the calculation adjustments explained in the above list. Furthermore, calculation errors from the previous year's report have been rectified by adjusting the production volume for deriving the 2018 DCI figure from Scope 3 GHG emissions for the use phase, and correcting the phase-in factor for supply chain adjustments (effect in 2018: -0.7 t CO_2e per vehicle).

DECARBONIZATION INDEX

	Unit	2025	2024	Notes
Decarbonization index | GRI 305-4 WLTP	tonnes of CO_2e per vehicle	46.3	48.6 (48.0)	The metric includes brands producing passenger cars and light commercial vehicles in the Europe (EU27, United Kingdom, Norway and Iceland), China and USA regions. The main drivers of change in the reduction in the DCI by 2.3 tonnes of CO_2e per vehicle are portfolio shifts. The DCI for 2024 and 2025 is reported without taking offset measures into account. To enable comparability, the DCI reported in 2024 (48.0 tonnes of CO_2e per vehicle) was adjusted to new calculation assumptions as part of the recalculation of the base year.

DECARBONIZATION INDEX

In tonnes of CO_2e per vehicle



ACTIONS AND RESOURCES: CLIMATE CHANGE

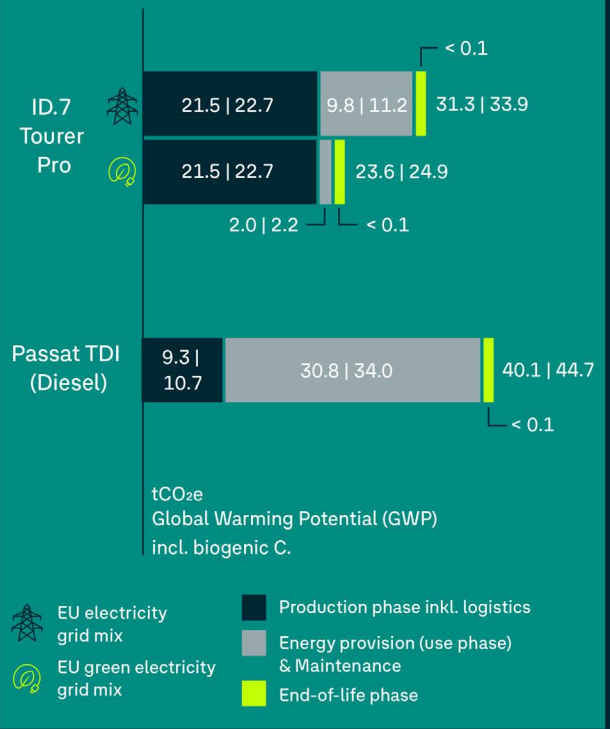
With regard to the hierarchy of actions described in the transition plan, four material decarbonization levers were defined as part of efforts to further decarbonize the Volkswagen Group. The Volkswagen Group has identified actions for implementation along these decarbonization levers to mitigate climate change.

The first material decarbonization lever is e-mobility. As technology advances, the automotive industry is rapidly forging ahead with the associated transformation toward e-mobility and digitalization. The market for electric vehicles is expected to continue to grow in the next few years, meaning that the cost-efficient and sustainable production of battery systems and the expansion of the charging infrastructure will be crucial to success. From today's perspective, around 90% of the decarbonization targeted by the Volkswagen Group can be realized through electrification of the fleet and switching to renewably generated energy. Consistent charging with 100% electricity from renewable sources alone would reduce all CO_2e emissions by almost half compared to the normal EU power mix. The Volkswagen Group's initiative means that the same amount of electricity generated through renewable sources is fed into the grid as the Volkswagen e-vehicle fleet consumes over its lifetime. It is therefore possible to guarantee that the Volkswagen fleet's use phase is almost net CO_2e-free.

Overview LCA ID.7 Tourer & Passat

	ID.7 Tourer Pro 210 kW 82 kWh[1]	Passat 2.0 TDI 110 kW[2] DSG
Configurations[3]	Standard (std.) | maximum (max.), market Germany, MY 24	
Functional unit	200,000 km passenger transportation in WLTP test cycle	
System boundaries	production in Europe (not site-specific)	
	avg. logistics Emden	avg. logistics Bratislava
WLTP energy/ fuel consumption[4]	14.5 | 16.8 kWh per 100 km	4.9 | 5.4 liter per 100 km
Maintenance	tires, brake pads and disks, starter batteries, wiper blades, additionally for Passat engine oil and AdBlue	
End-of-life phase	dismantling (without battery), no credits for recovery (cut-off)	
Critical Review	TÜV NORD CERT, Audit Report No. 3539 8485	

Comparison of CO_2e-emissions (std. | max.)



All figures shown in the report are rounded, minor discrepancies may arise from addition to these amounts
Information in accordance with 1999/94/EC for the German market as of May 2025:
1 energy consumption combined 16.5 - 14.4 kWh/100 km; CO_2 emissions combined 0 g/km; CO_2 class: A;
2 fuel consumption combined 5.4 - 4.9 l/100 km; CO_2 emissions combined 143 - 130 g/km; CO_2 class: E-D;
Specific models from model year 2024 with different consumption value spans used in the LCA calculation are no longer available for sale
3 standard configuration: standard equipment in representative line | maximum configuration: one feasible parameter set for additional equipment for maximum weight
4 values rounded to first decimal place

This illustration presents the results of a comparative Life Cycle Assessment (LCA) for the all-electric ID.7 Tourer Pro and the Passat 2.0 TDI (Diesel). The comparative LCA examines the entire vehicle life cycle including production with logistics, use phase, and end-of-life. The study follows the DIN EN ISO 14040 and 14044 standards, and the comparative LCA was independently reviewed and confirmed as ISO-compliant by TÜV NORD CERT Prüf- und Umweltgutachtergesellschaft mbH, enabling a direct comparison of the vehicles.

With regard to the state of the art of LCAs, it should be noted that the calculation methods for LCAs in the automotive industry are subject to constant further development. Amongst others, generic data and assumptions are increasingly being replaced by vehicle- and company-specific data, thus future calculations may lead to significant deviations from previous LCA values. Therefore, LCAs are to be understood as a status at the time of execution (snapshot of the respective assumptions), do not represent a guaranteed product property in a legal sense and are not suitable for comparisons with LCAs from other car manufacturers. Corresponding harmonizing regulations have been announced by the EU. For further details on the present life cycle assessment study, see the Green Finance Report 2025.

The Volkswagen Group's second material decarbonization lever is conversion of energy supply. The Volkswagen Group is increasingly focusing on switching the power supply for its production sites to renewable energy. Moreover, the Volkswagen Group directly supports the expansion of renewable energy on an industrial scale by establishing new wind farms and solar parks in various regions of Europe, among other projects. The energy attribute certificates (EACs) of the installations are obtained for ten years under long-term contracts and provide guarantees of origin for the renewable electricity. In this context, the Volkswagen Group supports, among other projects, both solar parks in Germany and Spain and wind farms, for example, in Sweden. The wind farm supported by Volkswagen in northern Sweden, for which the Volkswagen Group has purchased 70% of all EACs, is one of the largest onshore wind farms in Europe.

Increasing energy efficiency is the third material decarbonization lever. Energy-efficient vehicle production is therefore a core element of the Zero Impact Factory strategic vision. Various actions are being implemented at production sites to increase energy efficiency, including improvements to ventilation technology, installation of LED lighting, load-dependent dryer control and the implementation of utilization-dependent plant control.

Value chain decarbonization is the fourth material decarbonization lever to achieve the GHG emission reduction targets. We consider the impacts of our products throughout the entire life cycle and at all stages of their value chain. This includes the manufacturing process with the associated extraction of raw materials, material manufacturing, supplier processes and our own production at our sites; the customer use phase including the necessary supply of charging electricity and fuel, and ultimately the dismantling of the scrap vehicle at the end of its life cycle.

No decarbonization without e-mobility

The Volkswagen Group cannot achieve decarbonization without a transition to e-mobility. Battery-electric vehicles (BEVs) play a central role here, as they do not cause any local emissions during use by our customers and their CO_2e footprint is better throughout their life cycles than comparable vehicles with internal combustion engines (gasoline or diesel). The consistent electrification of our fleet paves the way to net carbon-neutral mobility for our customers, too.

Our battery-electric vehicles are manufactured at 19 sites in Europe, China and the USA. The Modular Electric Drive Matrix (MEB) and Premium Platform Electric (PPE) serve as the technical backbone of the electrification campaign. The e-offensive is to be continued with the Scalable Systems Platform (SSP) modular vehicle platform, which is currently still under development, with the aim of offering BEVs across all brand groups.

The Volkswagen Group systematically pursued its e-offensive in 2025, and will continue to do so in coming years. The reporting year saw the market launches of further all-electric models under various Group brands, including the Volkswagen GTX variant of the ID.3, the e-Transporter, the Audi A6 e-tron and the Škoda Elroq.

We are also working on improving efficiency in many models, such as with the highly efficient APP550 modular electric drive first introduced in the ID.7. This modular electric drive will gradually be deployed in additional models, for example in other ID. models, the Škoda Elroq and Enyaq, the Audi Q4 e-tron and the Cupra Tavascan. The entire ID. family has also been upgraded in terms of sustainability, for example by using recycled materials such as SEAQUAL polyester yarn made from recycled marine plastic. In addition, we are taking the next steps in the area of portfolio transformation by fundamentally realigning the entire architecture of our vehicles, for example through the Volkswagen Group's partnership established in 2024 with US battery-electric vehicle manufacturer Rivian. The aim of the partnership is to develop next generation software-defined vehicle (SDV) architectures to be used in the future

vehicles of both companies. The joint venture builds on Rivian's existing software and electrical architecture to facilitate the joint development of best-in-class architectures and software for the SDVs of both partners.

Conversion of energy supply

Climate change mitigation in manufacturing

Volkswagen is also paying particular attention to transforming its own electricity generation. The conversion of the power plants in Wolfsburg from coal to natural gas for the Wolfsburg North/South cogeneration plant, which commenced in 2018, was completed at the end of 2021. Commissioning of the new gas and steam turbine facilities in the Wolfsburg West cogeneration plant was completed in December 2023. The last coal blocks in the Wolfsburg West cogeneration plant were shut down on April 1, 2024.

The Volkswagen Group is pushing ahead with efforts to supply its own plants with electricity from renewable sources. In 2025, around 74.5 (66.9)% of total global electricity consumption was accounted for by electricity from renewable sources. Compared with the previous year, this is a rise of 7.6 (10.6)%.

Net CO_2e-neutral use phase

The Volkswagen Group is committed to achieving a net CO_2e-neutral use phase for its BEVs fleet by promoting the expansion of renewable energy use. It is particularly important to ensure that the use phase of the vehicles is net CO_2e-neutral in the long term, as a large proportion of CO_2e emissions are generated during operation when our customers are using the vehicles. Consequently, the use of electricity from renewable sources plays a key role. In the EU, for example, almost half of the EU power mix is of non-renewable origin. The Volkswagen Group offsets the share of gray electricity (electricity from fossil energy sources) in the power mix of the entire fleet charging processes, as determined by a transparency study. To this end, VW Kraftwerk GmbH, Wolfsburg/Germany concludes long-term (ten-year) purchase agreements for green electricity certificates (EAC) with new renewable energy plants using a balance sheet approach. During the contract period, the EAC of the plants are withdrawn from the market. In this way, the calculated amount of gray electricity share is offset in the balance-sheet during the defined use phase of 200,000 km. This ensures almost net CO_2e-neutral mobility for our customers in Europe during the use phase.

Energy efficiency

Increasing vehicle efficiency

In addition to the increase in renewable energies, decarbonization is also being driven by the increase in vehicle efficiency. This efficiency is basically controlled and continuously implemented by system options designed to reduce energy consumption during vehicle operation. For example, one of the options available via the driving mode selection supports fuel-efficient driving. In addition, manual-transmission vehicles offer recommendations for changing gear. An e-route planner is an optional feature in the electric ID. models for efficient route planning.

Energy efficiency in manufacturing

Increasing energy efficiency is an important element of our decarbonization strategy. A total of 10,485 (9,113) actions had already been implemented by 2025, achieving annual savings of 4.0 (3.5) million MWh. In reporting year 2025 alone, actions with a potential saving of approximately 0.5 (0.5) million MWh were implemented, including, for example, improvements to ventilation technology, heat recovery, load-dependent dryer control and the implementation of utilization-dependent plant control.

Decarbonization in the value chain

Battery production capacity

The Volkswagen Group is one of the few automotive manufacturers around the world to adopt a hands-on approach to the battery as a core e-mobility technology.

The establishment of the subsidiary PowerCo SE in 2022 integrated the development and production of battery cells into the Group's own value chain, thus keeping a substantial part of the added value of the battery-electric vehicle within the Group.

From the new European battery hub in Salzgitter, this company manages the development of international factory operations, further development of cell technology, vertical integration of the value chain and supplies of machinery and equipment to factories.

The battery activities are primarily intended to substantially reduce the complexity and cost of this key technology so as to make battery-electric vehicles attractive and affordable for as many people as possible. They also enable a greater degree of technological independence. The central key concepts of PowerCo SE are the unified cell and the standard factory concept.

The first cell factory in Salzgitter commenced operations in 2025 and delivered the first cells for further validation within the Group. Two more cell factories are currently being built in Valencia/Spain and St. Thomas/Canada. PowerCo SE uses climate-friendly electricity to operate its cell factories. It has concluded the first long-term purchase agreements for the Salzgitter gigafactory with green electricity producers. The green electricity supply, which began in the reporting year, will amount to around 240 GWh from wind power and around 65 GWh from solar energy per year. Over the entire ten-year term, this will total around three TWh of green electricity that will be used to operate the Salzgitter gigafactory. As cell production is very electricity-intensive, using carbon-free electricity is a powerful lever for decarbonizing the process. In Salzgitter alone, the agreed contracts are expected to save around 115,000 tonnes of CO_2e annually compared to the German electricity mix (based on data from 2023).

PowerCo SE is firmly committed to reducing CO_2 emissions along the entire value chain of battery cell production. Strict sustainability requirements are already imposed on suppliers in the upstream supply chain and systematically monitored. These include, among other things, the use of certified electricity from renewable energy sources and compliance with defined CO_2 thresholds. Continuous decarbonization actions are also planned in logistics in order to gradually reduce transportation emissions and holistically support the company's climate goals.

PowerCo SE is pursuing ambitious decarbonization strategies in cell production. In addition to using CO_2- or CO_2e-free electricity, it aims to implement further actions to increase energy efficiency. These include the dry coating process and optimizations in clean rooms and dry rooms, as their high energy consumption offers particular potential for reducing emissions. Another goal is the introduction of close-to-production recycling for the reuse of production waste, which can help reduce material consumption and indirect emissions.

Requirements for decarbonization in the supply chain

The new contracts being awarded for high-voltage batteries for the European market require Volkswagen Group suppliers of relevant components to comply with CO_2e limits at component level. In the case of existing supply contracts with battery manufacturers for current MEB vehicle projects, suppliers are required to use certified electricity from renewable sources in their production.

CO_2 is defined as a technical feature in new vehicle projects. Suppliers within the EU are given binding CO_2 targets, which they must demonstrate compliance with at all times. This applies, for example, to batteries for the new mechatronics platform. Meeting these targets requires actions in production and the upstream supply chain, such as the use of renewable energies, but also all other actions to reduce emissions.

In this way, the Volkswagen Group is specifically reducing emissions in the supply chain and the carbon footprint of its electric models. Volkswagen Group China is also working together with its suppliers on a more sustainable supply chain. Together with suppliers and partners, they are developing a roadmap for the transition to 100% renewable energies by 2030. To date, more than 500 suppliers have already signed a declaration committing to switching to electricity from renewable energy sources.

Zero Impact Logistics

The Volkswagen Group aims to further expand the shift of transport from road to rail in order to make logistics net carbon neutral in the long term. On electrified routes in Germany and other European countries, rail transportation in routine operation is almost entirely powered by green electricity from renewable energy sources. This is achieved in close cooperation with rail transport companies and contributes substantially to reducing greenhouse gas emissions along the value chain.

One example of environmentally conscious design is the transportation of high-voltage batteries for electric vehicles at the component site in Braunschweig. There the batteries are loaded onto trains fully automatically and then transported efficiently to the Zwickau plant using electricity from renewable sources.

The Volkswagen Group is also forging ahead with the transition to lower-emission solutions in road transportation. The targeted expansion of the truck network includes increased use of all-electric battery-powered trucks and the integration of biogenic fuels. These actions make an important contribution to decarbonizing logistics and complement the rail strategy in a viable way, especially in areas where shifting to rail is not possible.

In intercontinental vehicle transport, Group Logistics is focusing on a more environmentally friendly fleet strategy. Up to twelve roll-on/roll-off charter ships are used for North Atlantic traffic. Up to six of these are powered by low-emission liquefied natural gas (LNG). The ships are equipped with modern two-stroke dual-fuel engines with high-pressure technology from Everllence, which almost completely eliminate methane slip. This makes them more climate-friendly than other LNG ships.

In addition, the dual-fuel engines used will enable future operation with non-fossil fuels such as biogas (bio-LNG), synthetic e-gas, or biofuel based on renewable energies. This opens up additional potential for further reducing CO_2 emissions in maritime transport.

The Volkswagen Group has also been using two charter ships powered by biofuel on European sea routes since 2021. This fuel is obtained from used cooking oils and fats – waste and residual materials from the catering and food industries that are unsuitable for further processing into food or animal feed. Using this biofuel causes significantly less CO_2 than conventional fossil fuels. As such, it plays an important role in making maritime logistics more sustainable.

Decarbonization of the dealership networks

Since 2022, the CO_2 emissions of the entire retail and service network have been recorded annually in category 14 “Franchises” of the Scope 3 GHG emissions.

To enable them to identify and successfully implement the correct actions for decarbonization and to reduce our impact on the environment, we provide the businesses with manuals, training – such as web-based training – as well as videos on customer communication and marketing materials. In addition, the Volkswagen Group has developed a cross-brand certification system for the entire retail network, known as the goTOzero RETAIL certification. This is based on established systems such as the ISO 14001 standard, as well as building certifications and rating systems, and also covers a dealership’s core business. Since the introduction of goTOzero RETAIL in 2023, several dealerships have already achieved gold and platinum certification levels. All 50 key retail markets, which alone account for 95% of the worldwide retail and service network, are to progressively participate in the goTOzero RETAIL certification. Currently, the scope of the certification is being expanded to “Full ESG”, with a focus on environmental topics.

The success and progress of the goTOzero RETAIL project is demonstrated through regular internal and external communication.

In addition to the certifications, an energy and resource consulting concept has been developed, which is available to all markets and partner companies. Where economically and technically feasible, the Volkswagen Group strives to achieve the maximum possible energy efficiency and the use of renewable energy for newly constructed and existing retail and service buildings.

Charging and energy activities

The Volkswagen Group is consistently driving the expansion of the charging network worldwide. The Charging and Energy area plays an important role in the Volkswagen Group's e-mobility strategy as part of the Group's Top 10 program, and is developing integrated energy solutions for private and commercial customers worldwide through its own brands. The Volkswagen Group is accelerating the expansion of the charging infrastructure worldwide through Electrify America (North America), Elli (Europe) and the CAMS joint venture (China), as this remains a material prerequisite in ramping up e-mobility and decarbonizing individual mobility. In order to facilitate the use of electricity from renewable sources for charging and the expansion of renewable energy, the Volkswagen Group is increasingly committed to sustainable energy projects and is developing new business models in the energy sector. The aim is to charge battery-electric vehicles with electricity from renewable sources and thereby exploit their full potential.

Europe

As a charging and energy company operating across Europe, the Elli brand has set itself the task of supporting private and commercial clients with intelligent hardware and software solutions in the sustainable energy transition and advancing the decarbonization of society as a whole. The product range is broad and includes AC wallboxes and flexible fast-charging stations (Flexpole), public charging services, software solutions, energy trading and electricity supply. With the launch of a pilot project for bidirectional charging, Elli unveiled a DC charging solution at the IAA Mobility 2025; this solution connects home solar systems and electric vehicles via a modular software platform developed by Elli.

The Elli brand also offers the Volkswagen Group's customers and commercial and private clients outside the Group access to one of Europe's largest charging network with over a million charging points – using only a single app or charging card. In addition, the Volkswagen Group is actively expanding fast-charging points in Europe via joint ventures. IONITY, a company established by the Volkswagen Group and other manufacturers, had set up more than 5,900 fast-charging stations across Europe by the end of 2025.

The process of decarbonizing society increases the need for storage solutions for regenerative energy, in order to ensure stability and efficiency in the electricity grid. Vehicle batteries can act as a key standalone vehicle component and energy storage unit in this regard. Elli's medium-term vision for the future is a managed battery network, in which batteries such as those in large-scale storage, electric vehicles and residential or commercial buildings can be connected to form a standardized, networked virtual power plant to harness renewable energy efficiently. Furthermore, Elli has expanded its portfolio to include energy trading as a service product for external customers, offering companies a reliable partner for structured and sustainable energy procurement.

North America

Electrify America is the largest public hyper-fast-charging network in the US. It made a significant contribution to the establishment of a national network of fast-charging points for communities and highways, and to the increasing introduction of zero-emission vehicles. Since installing its first charging station in May 2018, Electrify America's fast-charging network in North America has grown to more than 1,000 charging stations and over 5,000 (4,700) hyper-fast charging points.

Electrify America's leadership in energy and charging innovation was also recognized across the industry in 2025. The company received the Reuters Automotive D.R.I.V.E. Honours for Innovation Award; the Electric Innovation Scalable Catalyst Award from the Electric Innovation Initiative; the Inc. Best in Business Award in the category "Best

in Innovation"; and the EV Charging Innovation Excellence Award at the Battery Show North America for its use of battery energy storage systems (BESS). To date, Electrify America has commissioned more than 170 BESS facilities, providing a total of over 65,000 kilowatt hours of energy storage capacity – the largest BESS deployment supporting hyper-fast charging in North America.

Electrify America is the largest open network of DC fast-charging points for battery-electric vehicles in the USA to enter into a VPPA for renewable energy generation. Electrify America Solar Glow™ 1 contributes to the additionality of energy generation from renewable sources.

China

As of December 31, 2025, the CAMS joint venture has installed 1,519 (1,621) charging stations with more than 11,700 (13,000) charging points in China and has more than 9.19 million registered users. In addition, CAMS has initiated a collaboration with Xpeng's charging network in China to integrate Xpeng's charging point data for Volkswagen Group companies. This partnership has improved both the coverage and density of the charging infrastructure for the Group's vehicle users.

Dependency on resources for implementation of actions

The sustainable transformation requires extensive investment in digitalization and electrification. Among other things, digital transformation ensures that actions for climate change mitigation can be implemented. The budget designated for this purpose is also determined by the sustainability of the transformation, among other factors.

The cost-intensive transformation is also associated with the financing and attractiveness of the Volkswagen Group for investors seeking sustainable investment opportunities. Since 2020, the Volkswagen Group has had a Green Finance Framework in place for various forms of financing, such as green bonds, which define the framework for financial instruments geared to sustainability.

In the reporting year, we refinanced taxonomy-aligned capital expenditure from fiscal years 2022 to 2024 based on the Green Finance Framework updated in October 2022 by issuing green bonds in the amount of €2.8 billion and a green loan of €1.0 billion.

The Volkswagen Group has issued a total of €14.3 billion in green bonds and a green loan to refinance capital expenditure for BEVs since 2020. In 2022, the Volkswagen Group published a revised Green Finance Framework that was further developed in particular through the integration of the EU Taxonomy. As in the previous Green Finance Framework, the Volkswagen Group continues to focus on the inclusion of only BEVs in sustainable financing. Under the updated Green Finance Framework, only taxonomy-aligned investments are considered. This links our corporate objective of net carbon neutrality by 2050 with our financing strategy. The funds raised under the Green Finance Framework are specifically used to refinance environmentally friendly projects such as e-mobility. This not only fulfills the Clean Transportation category of the Green Bond Principles of the International Capital Market Association (ICMA) but is also in line with the Sustainable Development Goals of the United Nations and the European Union. Ratings firm Sustainalytics has confirmed that the updated Green Finance Framework complies with the ICMA's Green Bond Principles and the Green Loan Principles of the Loan Market Association (LMA). In addition, Volkswagen Financial Services AG has been publishing its own Green Finance Framework since 2023. The funds generated under this framework are used exclusively for refinancing BEV credit and lease contracts.

Taxonomy-related CapEx and OpEx

Expanding e-mobility is the most important lever for our transformation. Our actions to expand e-mobility are in line with economic activity 3.3. Manufacture of low-carbon technologies for transport. The relevant disclosure requirements of ESRS E1 paragraph 29 (c) can be found in the "EU Taxonomy" chapter of the report.

Differences concerning operating expenditure and capital expenditure

The data disclosed under this standard on capital expenditure (CapEx) and operating expenditure (OpEx) is in line with the information reported on CapEx and OpEx in the "EU Taxonomy" chapter. There are therefore no differences to disclose.

METRICS: CLIMATE CHANGE

Group standard 98000 sets out indicators for emissions and energy which are tracked uniformly by all sites worldwide. They include GHG emissions such as carbon dioxide (CO_2), sulfur hexafluoride (SF_6), nitrous oxide (N_2O), chlorinated hydrocarbons (CHCs) and hydrofluorocarbons (HFCs). The data collected with respect to energy includes generation, purchase and use of fossil, nuclear and renewable energy sources, including the use of combustible materials.

We also use the unit CO_2 equivalent (CO_2e), which is a unit of measurement that allows the climate impact of different greenhouse gases to be presented in a comparable manner. Since gases such as methane (CH_4), nitrous oxide (N_2O), and fluorinated gases contribute to global warming to varying degrees, their impact is converted into a common unit based on their global warming potential (GWP): the amount of CO_2 that has the same warming effect as the respective greenhouse gas.

Energy consumption and mix

For the purposes of data collection, the energy consumption and energy mixes of the worldwide production sites are recorded annually. Both self-generated energy and energy procured from external suppliers (purchased electricity) are taken into account. In addition, the renewable and nuclear shares of the energy mix are recorded separately. The relevant portion that comes from non-fuel-based renewable sources such as wind power or photovoltaics is also recorded. The Volkswagen Group's quality criteria must be observed and appropriate documentation provided when procuring renewable energies. Quantitative metrics for energy consumption and mix are described in the following (see table):

ENERGY CONSUMPTION AND MIX

	Unit	2025		2024	
		Volkswagen Group	Companies with operational control	Volkswagen Group	Companies with operational control
Total energy consumption	million MWh	19.2	5.1	19.0	5.5
Total energy consumption of Volkswagen Group & companies with operational control	million MWh	24.3		24.6	
Energy consumption from fossil sources	million MWh	11.4	3.4	11.9	3.7
Coal and coal products	million MWh	0.0	1.0	0.8	1.0
Crude oil and petroleum products	million MWh	0.9	0.03	1.1	0.02
Natural gas	million MWh	9.3	1.0	8.7	1.1
Fuel from other fossil sources	million MWh	0.1	0.0	0.1	0.0
Purchased energy from fossil sources	million MWh	1.1	1.4	1.2	1.6
Energy consumption from nuclear sources	million MWh	0.04	0.1	0.04	0.1
Energy consumption from renewable sources	million MWh	7.8	1.6	7.1	1.7
Fuel – renewable	million MWh	1.2	0.5	1.0	0.5
Purchased energy – renewable	million MWh	6.5	1.1	6.0	1.2
Purchased energy – renewable, electric	million MWh	5.5	1.1	5.7	1.1
Share of renewable electricity purchased bundled[1]	%	90.3	18.3	65.4	0.9
Share of renewable electricity purchased unbundled[1]	%	9.7	81.7	34.6	99.1
Self-generated energy – renewable, non-fuel[2]	million MWh	0.1	0.0	0.1	0.0

1 This metric does not include the TRATON GROUP sites.
2 The figures for 2024 were incorrect and have been corrected.

Contractual instruments for the procurement of renewable electricity

A distinction is made regarding procurement of electricity from renewable sources between bundled and unbundled procurement. Bundled means that the certificates of origin, renewable energy certificates or green electricity certificates are purchased together with the green electricity product (not separately) from a supplier. Unbundled means that electricity and guarantees of origin are supplied separately.

A distinction is currently made between the following contracts:

- On-site power purchase agreements
- Off-site power purchase agreements
- Other contracts

Energy intensity

Energy intensity is the quotient of total energy consumption over sales revenue. Sales revenue is taken from the consolidated financial statements, where more detailed information can be found. Energy intensity is reported excluding the companies with operational control.

ENERGY INTENSITY IN HIGH CLIMATE IMPACT SECTORS

	Unit	2025	2024
Energy intensity for activities in high climate impact sectors (energy consumption per sales revenue)	kWh/€	0.06	0.059
Total energy consumption from activities in high climate impact sectors[1]	million MWh	19.2	19.0
Sales revenue from activities in high climate impact sectors	€ million	321,913	324,656
Total sales revenue (financial statements)	€ million	321,913	324,656

1 Corresponds to total energy consumption.

High climate impact sectors to determine energy intensity

All activities within the Volkswagen Group contribute to vehicle production and relate to NACE code C.29.10 (Manufacture of motor vehicles). They are therefore associated with activities in high climate impact sectors.

Energy generation

Self-generated energy includes energy from plants owned, rented, or leased and operated by the Volkswagen Group (for example, power plants, cogeneration plants, boiler houses). This also applies to the company's own energy generation systems operated by third parties.

TOTAL ENERGY GENERATION

		2025		2024	
	Unit	Volkswagen Group	Companies with operational control	Volkswagen Group	Companies with operational control
Total energy generation	million MWh	6.1	0.3	6.4	0.3
Total energy generation of Volkswagen Group & companies with operational control	million MWh	6.3		6.7	
Non-renewable energy generated[1]	million MWh	5.2	0.2	5.6	0.2
Renewable energy generated[1]	million MWh	0.9	0.05	0.8	0.05

1 The datapoint contains estimated values.

GHG emissions

Metrics on Scope 1 and Scope 2 GHG emissions

Scope 1 GHG emissions are direct GHG emissions that are generated by the Volkswagen Group through sources it controls itself, such as through the use of fuels at the sites. Direct biogenic CO_2 emissions (Scope 1) are emissions that result from the use of biogenic fuels at the sites. The *Verband der Automobilindustrie* (VDA – German Association of the Automotive Industry) emission factors are used to calculate the emissions.

Scope 2 GHG emissions are indirect CO_2 emissions from energy generation that are generated as a result of purchasing energy from external power plants, cogeneration plants and boiler houses and that are released elsewhere. Scope 2 GHG emissions are calculated using both the market-based and location-based methods in accordance with the GHG Protocol. Indirect location-based biogenic CO_2 emissions are emissions that result from the use of biogenic fuels by external energy suppliers, for example generation of electrical energy or heat, and are assessed using local emission factors. The current VDA emission factors are used to calculate the emissions.

SCOPE 1 AND 2 GHG EMISSIONS

	Unit	2025		2024	
		Volkswagen Group	Companies with operational control	Volkswagen Group	Companies with operational control
Scope 1 GHG emissions	million tonnes of CO_2e	2.4	0.3	3.0	0.3
Total Scope 1 GHG emissions of Volkswagen Group & companies with operational control	million tonnes of CO_2e	2.7		3.3	
of which: TRATON GROUP	million tonnes of CO_2e	0.2	0.0	0.1	0.0
Everllence	million tonnes of CO_2e	0.05	0.0	0.03	0.0
Scope 1 biogenic GHG emissions	million tonnes of CO_2e	0.4	0.2	0.4	0.2
Share of Scope 1 GHG emissions in regulated ETS	%	82.2	14.3	84.4	18.2
Scope 2 GHG emissions (location-based)	million tonnes of CO_2e	2.6	1.4	2.6	1.6
Total Scope 2 GHG emissions (location-based) of Volkswagen Group & companies with operational control	million tonnes of CO_2e	4.0		4.2	
of which: TRATON GROUP	million tonnes of CO_2e	0.3	0.0	0.3	0.0
Everllence	million tonnes of CO_2e	0.03	0.0	0.03	0.0
Scope 2 biogenic GHG emissions (location-based)	million tonnes of CO_2e	0.5	0.1	0.4	0.1
Scope 2 GHG emissions (market-based)	million tonnes of CO_2e	0.4	0.6	0.5	0.7
Total Scope 2 GHG emissions (market-based) of Volkswagen Group & companies with operational control	million tonnes of CO_2e	0.9		1.1	
of which: TRATON GROUP	million tonnes of CO_2e	0.1	0.0	0.1	0.0
Everllence	million tonnes of CO_2e	0.01	0.0	0.01	0.0

Methodologies, assumptions and emission factors used to measure Scope 1 and Scope 2 GHG emissions

The GHG emissions (Scope 1 and 2) of the production sites are calculated annually pursuant to the requirements of the GHG Protocol and the ESRS. Provider-specific factors are applied for market-based CO_2 emission calculation, whereas VDA country emission factors are used for location-based calculation.

The total GHG emissions of the site are determined by adding all relevant emissions, each multiplied by their global warming potential. The CO_2 emission factors for on-site consumption of primary energy sources for heat or power generation are calculated from the heating values or calorific values of the fuels and the efficiency of the on-site generation system.

Identifying and disclosing material Scope 3 categories

Metrics on Scope 3 GHG emissions

In line with the Scope 3 standard (GHG Protocol) published by the World Business Council for Sustainable Development and the World Resources Institute and the ESRS, we are reporting the CO_2e emissions for all 15 Scope 3 categories in 2025. Whereas in the previous year there was a separate table for each business area, the table below shows the Scope 3 GHG emissions of the Volkswagen Group, including the Chinese joint ventures, based on the methodological guidance on recording and calculation presented in the "Methodologies, assumptions and emission factors used to measure Scope 3 GHG emissions" section.

Categories 2, 6, 7, 8 and 13 are reported at Group level, while categories 1, 3, 4, 5, 9, 10, 11, 12 and 14 are collected separately for the business area Passenger Cars and Light Commercial Vehicles (brand groups Core, Progressive and Sport Luxury), Commercial Vehicles (TRATON GROUP: Scania, MAN, VW Truck & Bus (VWTB), International) and Power Engineering (Everllence). Category 15 is reported for the Automotive division, in this case for the Commercial Vehicles business area only. The detailed methodological explanations are therefore provided either at Group or business area level. In categories 3 and 5, as well as in the total figure for the Group's Scope 3 GHG emissions, the sum of the business areas differs from the total figure for the Group because emissions outside the three defined business areas are included in the Group figure. Light commercial vehicles under the MAN brand are currently within

the reporting scope for both business areas Passenger Cars and Commercial Vehicles. The plan is to eliminate this double-counting in the next report.

Around 11.8% (12.1%) of total Scope 3 emissions fall under the emission category Purchased goods and services, while 85.2 % (84.4%) arise due to the use of sold products (well-to-wheel emissions).

SCOPE 3 EMISSIONS OF THE VOLKSWAGEN GROUP

In million tonnes of CO_2e	2025	2024
Total	883.74	824.00 (812.01)[1]
of which: Passenger Cars and Light Commercial Vehicles	386.53	398.76 (391.33)[1]
Commercial Vehicles	304.91	357.82 (353.25)[1]
Power Engineering	178.71	50.16
Category 1: Purchased goods and services	104.44	99.95 (96.91)[1]
of which: Passenger Cars and Light Commercial Vehicles	96.85	91.50 (87.35)[1]
Commercial Vehicles	6.82	7.32 (8.44)[1]
Power Engineering	0.77	1.13
Category 2: Capital goods	8.33	9.71
Category 3: Fuel- and energy-related emissions (not included in Scope 1 or 2)	1.29	1.34
of which: Passenger Cars and Light Commercial Vehicles	1.09	-
Commercial Vehicles	0.11	-
Power Engineering	0.02	-
Category 4: Upstream transportation and distribution	6.73	7.75 (5.64)[1]
of which: Passenger Cars and Light Commercial Vehicles	5.82	6.50 (4.29)[1]
Commercial Vehicles	0.85	1.13 (1.23)[1]
Power Engineering	0.07	0.12
Category 5: Waste	1.64	1.28
of which: Passenger Cars and Light Commercial Vehicles	0.97	-
Commercial Vehicles	0.59	-
Power Engineering	0.03	-
Category 6: Business travel	0.22	0.22
Category 7: Employee commuting	0.31	0.33
Category 8: Upstream leased assets	0.18	0.14
Category 9: Downstream transportation and distribution	Included in Category 4	
Category 10: Processing of sold products	0.20	0.20 (0.15)[1]
of which: Passenger Cars and Light Commercial Vehicles	Included in Scope 1	
Commercial Vehicles	0.20	0.20 (0.15)[1]
Power Engineering	Not material	
Category 11: Use of sold products	752.57	695.16 (688.34)[1]
of which: Passenger Cars and Light Commercial Vehicles	279.15	297.97 (296.90)[1]
Commercial Vehicles	295.59	348.26 (342.52)[1]
Power Engineering	177.83	48.92
Category 12: End-of-life treatment of sold products	0.91	1.15 (1.16)[1]
of which: Passenger Cars and Light Commercial Vehicles	0.45	0.54
Commercial Vehicles	0.47	0.61 (0.62)[1]
Power Engineering	Not material	
Category 13: Downstream leased assets	4.42	4.23
Category 14: Franchises	2.49	2.54
of which: Passenger Cars and Light Commercial Vehicles	2.20	2.25
Commercial Vehicles	0.29	0.29
Power Engineering	Not material	
Category 15: Investments	0.01	0.01

1 Figures in brackets correspond to prior-year figures before recalculation

Biogenic Scope 3 GHG emissions at Group level

Biogenic CO_2 is reported for Scope 3 category 11 for Passenger Cars and Light Commercial Vehicles, and Commercial Vehicles. The data on the biofuel proportion and average emission factors is taken from representative generic databases. In the reporting year, biogenic Scope 3 GHG emissions amounted to 26.81 million tonnes of CO_2.

Methodologies, assumptions and emission factors used to measure Scope 3 GHG emissions

Category 1: Purchased goods and services

Passenger Cars and Light Commercial Vehicles

The category 1 CO_2e emissions relate to the supply chain emissions of all passenger cars and light commercial vehicles produced in the reporting year (including contract manufacturing since 2025, particularly from the cooperation with Ford). They were calculated on the basis of 73 production-volume-weighted life cycle assessments (LCAs). All vehicle LCAs for passenger cars and light commercial vehicles have been independently certified in accordance with ISO 14040/44, mainly by TÜV NORD CERT GmbH. As of 2025, new life cycle assessments are calculated with IPCC AR6 emission factors.

The Volkswagen Group uses the electricity grid mix as standard for assessing the production phase of vehicles and, at the same time, includes certificates for renewable energies from suppliers to highlight joint decarbonization efforts. This combination of location-based and market-based approaches may result in a minor degree of double counting of the renewable energy share. A fully market-based approach will be possible as soon as the relevant emission factors are available in the databases the Volkswagen Group uses.

Figure in the base year (2018): 100.57 million tonnes of CO_2e

Commercial Vehicles

Emissions from purchased goods are calculated using volumes and weights of vehicles and components together with the corresponding CO_2e emission factors. Purchased services (IT, supplies, packaging and sales marketing) are scoped out due to their minimal impact (<1%). All brands categorize comparable products into reference groups and apply LCA-based emission factors using their respective data sources.

Power Engineering

A spend-based approach is used for the Scope 3 calculation. This category's CO_2e emissions relate to the supply chain emissions of all goods and services purchased in the reporting year. They are calculated on the basis of the invoice volume in euros.

Category 2: Capital goods

The calculation of emissions from capital goods is based on financial data from the Volkswagen Group and the use of inflation-adjusted emission factors. As of 2025, these emission factors take account of average global inflation.

Figure in the base year (2018): 10.18 million tonnes of CO_2e

Category 3: Fuel- and energy-related emissions (not included in Scope 1 or 2)

As of reporting year 2025, the business areas are presented separately. The Group figure includes emissions outside the three defined business areas.

Figure in the base year (2018): 1.51 million tonnes of CO_2e

Passenger Cars and Light Commercial Vehicles

Energy consumption across the Volkswagen Group is recorded annually in the internal EIS and converted into CO_2e using emission factors (according to IPCC AR6 since 2025) for the various energy sources from a representative generic database. The emission factors are regionally differentiated where possible.

Commercial Vehicles

This category includes upstream emissions from fuels and energy used at the sites. Energy consumption within the TRATON GROUP is recorded annually in internal environmental IT systems, differentiated by fuel type, and converted into CO_2e using specific emission factors from the respective data sources for the relevant energy sources.

Power Engineering

Methodology same as Passenger Cars and Light Commercial Vehicles

Category 4: Upstream transportation and distribution

Passenger Cars and Light Commercial Vehicles

Categories 4 and 9 correspond to the CO_2e emissions from energy source supply and use, both from inbound and outbound shipments and transportation processes between the sites (inter-plant transport). Transportation data is manually derived from internal transport IT systems for all modes of transport and manually recorded processes. Reduction actions are certified by TÜV NORD CERT GmbH. As of 2025, emissions are extrapolated to the entire Group production volume and thus also take into account the Chinese joint ventures. The previous reporting year's emissions are reported for procedural reasons. The system includes a marginal proportion of biogenic emissions.

Figure in the base year (2018): 7.59 million tonnes of CO_2e

Commercial Vehicles

This category includes emissions from inbound (upstream) and outbound (downstream) logistics across all modes of transport. The transport data comes from internal logistics systems as well as manually recorded processes for all transport types within the TRATON GROUP. The emission factors originate from different databases depending on the brand. Scania and VWTB use an activity-based calculation method. MAN applies a cost-based approach. For International, the calculation is carried out by an external service provider.

Power Engineering

The calculation is based on a distance-based approach. The figures from Logistics relate to the Everllence production sites' in- and outbound shipments and transportation processes. Emissions are extrapolated on the basis of revenue data.

Category 5: Waste

As of this reporting year, the business areas are presented separately. The Group figure includes emissions outside the three defined business areas.

Figure in the base year (2018): 1.21 million tonnes of CO_2e

Passenger Cars and Light Commercial Vehicles

Waste across the Volkswagen Group is recorded annually in the internal EIS and converted into CO_2e using emission factors (according to IPCC AR6 since 2025) for the various waste streams from a representative generic database.

Commercial Vehicles

Waste generated across the TRATON GROUP is recorded annually in internal environmental IT systems and converted into CO_2e using emission factors from different databases for the respective waste streams. Regional variations in waste management practices are reflected where applicable.

Power Engineering

Methodology same as Passenger Cars and Light Commercial Vehicles

Category 6: Business travel

The emissions are calculated based on Volkswagen AG's actual air and rail travel among other factors, and extrapolated for the Group based on the number of employees worldwide. The radiative forcing index of air traffic is taken into account at a factor of 3.

Figure in the base year (2018): 0.71 million tonnes of CO_2e

Category 7: Employee commuting

The emissions are based on a calculation that takes into account the number of employees (direct and indirect) of the Volkswagen Group worldwide, the region-specific, external, generic parameters for the modal split, transport-mode-specific emission factors, average commuting distances and working days.

Figure in the base year (2018): 1.01 million tonnes of CO_2e

Category 8: Upstream leased assets

The calculation of emissions from leased assets is based on financial data from the Volkswagen Group and the use of inflation-adjusted emission factors. As of 2025, these emission factors take account of average global inflation.

Figure in the base year (2018): 0.14 million tonnes of CO_2e

Category 9: Downstream transportation and distribution

Included in Scope 3 category 4: Upstream transportation and distribution

Category 10: Processing of sold products

Passenger Cars and Light Commercial Vehicles

Included in Scope 1

Commercial Vehicles

Emissions are calculated based on the assumption that processing emissions per vehicle is equivalent to production emissions per vehicle. Scope 1 and Scope 2 emissions are divided by the total number of vehicles sold and multiplied by the number of rigids sold.

Power Engineering

Not material for Everllence.

Category 11: Use of sold products

Passenger Cars and Light Commercial Vehicles

The CO_2e emissions comprise the well-to-wheel emissions of all passenger cars and light commercial vehicles produced in 2025 (including contract manufacturing since 2025) at an assumed lifetime mileage of 200,000 km. Since 2025, the calculation has been based on average drivetrain-specific fleet emissions (g CO_2/km) instead of weighted average fleet emissions, and average electrical energy consumption in the main markets of Europe (EU27, United Kingdom, Norway and Iceland), China and the USA, in accordance with the currently applicable driving cycles. Region-specific emission factors for fuel and electricity supply chains from a representative generic database are used to calculate the corresponding well-to-tank emissions (since 2025 according to IPCC AR6). Reduction actions are certified by TÜV NORD CERT GmbH.

Figure in the base year (2018): 414.87 million tonnes of CO_2e

Commercial Vehicles

Emissions from the use of sold products by our customers represent the largest share of TRATON GROUP's total emissions. For vehicles, CO_2e emissions are calculated based on the number of vehicles, energy consumption, kilometers driven, and well-to-wheel emission factors. All brands apply the same overall approach, which relies on their product portfolios as well as operational, telematics, or development data. However, each brand has differently grouped vehicle classes due to variations in product portfolios. Scania uses production volume, while MAN, International, and VWTB use sales volume. The assumed use phase varies depending on the brand and model between 240,000 km and 1,600,000 km. Dynamic emission factors from different data sources are applied in the calculation, including emissions from AdBlue, CH_4, and N_2O. For external engines, Scania and MAN estimate fuel consumption using expert knowledge and multiply this by the corresponding CO_2e emission factors; International and VWTB do not sell external engines.

Power Engineering

An average-based approach based on secondary data is used for the calculation. The CO_2e emissions are calculated using well-to-wake emission factors. Systems commissioned in the year are taken into account by calculating their lifetime emissions. New products from Marine 4-Stroke, Power, Industries & Quest-One are also taken into account. Representative emission factors are used on both a region-specific and a sector-specific level.

Category 12: End-of-life treatment of sold products

Passenger Cars and Light Commercial Vehicles

The CO_2e emissions relate to the potential end-of-life emissions of all passenger cars and light commercial vehicles produced in the reporting year (including contract manufacturing since 2025). They were calculated on the basis of 73 production-volume-weighted LCAs. All vehicle LCAs for passenger cars and light commercial vehicles have been independently certified in accordance with ISO 14040/44. As of 2025, new LCAs are calculated with IPCC AR6 emission factors.

Figure in the base year (2018): 1.15 million tonnes of CO_2e

Commercial Vehicles

The category 12 emissions relate to the potential end-of-life emissions of all vehicles sold in the reporting year. Emissions are calculated by applying intensity factors from Scania's and MAN's life cycle assessment models to the total weights of each product group. The intensity factors are applied to common product groupings used by Scania, International and VWTB, while MAN uses a more detailed product classification.

Power Engineering

Category 12 is not reported for Everllence due to low materiality. This is based on the assumption that Everllence products are almost 100% recyclable at the end of their life. The CO_2e emissions that arise from recycling are excluded using a cut-off-approach.

Category 13: Downstream leased assets

The calculation of emissions from leased assets is based on financial data from the Volkswagen Group and the use of inflation-adjusted emission factors. As of 2025, these emission factors take account of average global inflation.

Figure in the base year (2018): 2.96 million tonnes of CO_2e

Category 14: Franchises

Passenger Cars and Light Commercial Vehicles

The previous reporting year's emissions are reported for procedural reasons. The calculation is based on an annual evaluation of the CO_2e emissions of the Volkswagen Group's retail and service partners on the basis of the sites' energy consumption and country-specific emission factors. The latter come from a representative generic database (since 2025 according to IPCC AR6). The data collected covers over 90% of the emissions from franchises that will subsequently be extrapolated to 100%.

Figure in the base year (2018): 3.22 million tonnes of CO_2e

Commercial Vehicles

Franchise emissions for Scania and MAN are calculated using the average Scope 1 and Scope 2 emissions of a standard commercial site. This approach reflects typical energy consumption and operational characteristics. VWTB and International are not included in this category because they do not have franchises.

Power Engineering

Not material for Everllence.

Category 15: Investments

Due to low materiality, this category is not reported for the Passenger Cars and Light Commercial Vehicles business area as well as for Power Engineering. The Group figure is therefore the figure for the Commercial Vehicles business area. The emissions from Scania and MAN's investments are calculated based on the companies' equity interest in the investments. Scania and MAN identify their key interests and collect the required Scope 1 and Scope 2 data either from available reports, or if necessary, via questionnaires. VWTB and International are excluded as they provide no financial resources to external undertakings.

Material changes and their effect on the comparability of GHG emissions

Changes compared to the previous year's reporting are explained in the "Metrics on Scope 3 GHG emissions" section, in the methodology description for each Scope 3 category.

As described in the "Targets: Climate change" section, significant changes in the recording of Scope 3 GHG emissions for Group categories and the Passenger Cars and Light Commercial Vehicles business area are identified in an annual process, quantified as part of the recalculation of the base year, and presented in the table on Scope 3 GHG emissions.

For the DCI, the entire time series since the base year for the current climate change mitigation targets (2018) is published on a comparable data basis.

The emissions from the supply chains are currently calculated primarily using secondary data, specifically industry averages. Immaterial changes to this data are not specifically assessed in terms of their impact on the overall outcome.

Scope 3 GHG emissions based on specific activities in the value chain

The vehicle model for passenger cars and light commercial vehicles and therefore all materials integrated in a vehicle and their weights are based on the vehicle bill of materials and therefore on primary data. Primary data from Tier-1 suppliers is available for individual hotspot materials or components. The same will apply in future for the battery (cell) production processes required in EU Batteries Regulation Article 7. As yet, there is no recognized or standardized method of indicating the proportion of these emissions. Neither an indication as a share of datapoints nor as a share of total GHG emissions is entirely meaningful, because, for example, the proportion of emissions from decarbonized hotspot parts is naturally decreasing.

Total GHG emissions

The total GHG emissions metrics are calculated from the sum of the total emissions of the Scope 1, 2 and 3 categories.

TOTAL GHG EMISSIONS

	Unit	2025	2024
Total GHG emissions – location-based[1]	million tonnes of CO_2e	890.4	831.5
Total GHG emissions – market-based[1]	million tonnes of CO_2e	887.4	828.5

1 Prior-year figure adjusted due to inclusion of values for commercial vehicles and Power Engineering as well as recalculation.

GHG intensity

GHG intensity is calculated from the metrics for total GHG emissions and sales revenue. Sales revenue is taken from the consolidated financial statements, where more detailed information can be found. The GHG intensity metric is reported excluding the companies with operational control.

GHG INTENSITY

	Unit	2025	2024
Total GHG emissions per sales revenue – location-based[1]	kg CO_2e/€	2.3	2.1
Total GHG emissions per sales revenue – market-based[1]	kg CO_2e/€	2.3	2.1
Sales revenue used to calculate GHG intensity	€ million	321,913	324,656
Total sales revenue (financial statements)	€ million	321,913	324,656

1 Prior-year figure adjusted due to inclusion of values for commercial vehicles and Power Engineering as well as recalculation.

GHG removals and GHG mitigation projects

GHG removal and storage

No actions have been implemented for the removal and storage of GHGs in the Group's own business activities or value chain. If such actions are introduced in the future, a distinction is intended to be made between technology-based and nature-based solutions. Technology-based solutions should be based on specific counting, weighing and measurement of the GHGs removed from the atmosphere; assumptions, methodologies and frameworks shall not be applied. Nature-based solutions, on the other hand, should be based on assumptions, methodologies and frameworks of major established standards in the carbon market, such as VERRA and Gold Standard.

Metrics on GHG removal and storage

No metrics on GHG removal or storage are reported, as no actions for removing and storing GHGs have yet been implemented in the Group's own operations or in the value chain.

Use of carbon credits

In line with the hierarchy of actions set out in the transition plan, the offsetting projects enhance our decarbonization strategy and, as explained in the transition plan, are an important factor in achieving the decarbonization targets.

It is currently not possible to meet global energy requirements with a carbon-free energy supply. Energy efficiency therefore remains an important basis for effective climate change mitigation and should always be the first lever.

Ultimately, the aim is to meet the remaining energy requirements in a manner that is as carbon efficient as possible (second priority lever). In this context, innovative energy concepts, the direct integration of renewable energies, and technological changes, such as electrification, must also be reviewed.

In the area of hard-to-abate emissions, the Volkswagen Group is considering using climate change mitigation projects to offset said emissions and, for example, to achieve net CO_2e-neutral production (third priority lever).

Emissions are considered to be hard to abate if avoiding them is either not currently technically possible or would be disproportionately expensive and therefore not economically feasible.

Role of carbon credits as part of the decarbonization strategy

The carbon offsetting approach is to be used for all emission categories from Scope 1 to Scope 3. Once all actions to increase efficiency and reduce emissions as outlined in our transition plan have been implemented, we intend to offset particularly hard-to-abate emissions through carbon offset projects. This will affect less than 10% of emissions and is based on the requirements of the SBTi.

Metrics on carbon credits

As a general rule, the carbon credits used by the Volkswagen Group must meet the highest quality standards. For this reason, they are only acquired from certain project types and from appropriately prequalified companies. The Volkswagen Group only accepts certain issuing standards for the carbon credits themselves.

The underlying projects are implemented in accordance with publicly verifiable and scientifically based methodologies. The results of these projects are verified by independent third parties.

Each carbon credit used by the Volkswagen Group represents -1 tonne of CO_2e. After purchase, the carbon credit is generally transferred to the Volkswagen Group accounts and only then used thereafter (usually at a later date).

CANCELLATION OF CARBON CREDITS

	Unit	2025	2024
Total carbon credits canceled in the reporting year	tonnes of CO_2e	680,379	6,076,738
Share of projects to reduce CO_2 emissions	%	0	0
Removal projects from biogenic reductions	% / tonnes of CO_2e	0	0
Removal projects from technological reductions	% / tonnes of CO_2e	0	0
Share of projects to reduce CO_2 emissions	%	100	100
VERRA share	% / tonnes of CO_2e	56 / 383,784	70 / 4,232,578
Gold Standard share	% / tonnes of CO_2e	44 / 296,595	30 / 1,844,460
Share of projects within the EU	%	-	-
Share deemed the corresponding adjustment to Article 6 of the Paris Climate Agreement	%	-	-

Net zero target taking account of carbon credits

It is the Volkswagen Group's aim to be a net carbon-neutral company by 2050. However, there are as yet no valid certification standards for a binding net zero target. This means that there are also no specific targets for the removal and storage of GHG emissions. Nevertheless, the Volkswagen Group has set itself the goal of basing its carbon offsetting actions on the requirements of the SBTi and the GHG Protocol and to limit their share to below 10%. When applying carbon offsetting, the Company will abide by internationally recognized standards.

Internal carbon pricing

We do not currently use an internal carbon price in investment decisions. However, we apply an abatement cost approach to support strategic decisions and to calculate and prioritize decarbonization actions in production. This involves considering abated GHG emissions in relation to net present value. This results in a value expressed in €/tonnes of CO_2e. This assessment produces an abatement cost curve, from savings per tonne of CO_2e (energy efficiency actions) to high costs per tonne of CO_2e (use of synthetic fuels). This abatement cost curve helps to prioritize actions and estimate the total expenditure required to achieve the goal.

Pollution

The Volkswagen Group is pursuing the vision of a Zero Impact Factory, the aim of which is to reduce the emission and use of substances that lead to air, water and soil pollution in addition to substances of concern at its production sites.

POLLUTION OF AIR, WATER AND SOIL

MATERIAL IMPACTS AND THEIR INTERACTION WITH STRATEGY AND BUSINESS MODEL

IMPACTS RELATED TO POLLUTION OF AIR, WATER AND SOIL

Description	Impact/ Risk/Opportunity	Actual/ Potential Impact	Value Chain	Time Horizon
Pollution of Air				
Negative impacts arise in particular from emissions during the use phase, i.e. when our customers use their vehicles. The statutory limits applicable upon vehicle registration are complied with.	⊖			
Emissions that arise in the context of the core automotive production business are also relevant. As a minimum, the Volkswagen Group's production facilities comply with the statutory requirements for air pollutants associated with approval. Since air emissions are also caused along the upstream and downstream value chain, the Volkswagen Group requires its partners to work to the same high standards.				
Pollution of Water				
Water is used at various stages in the value chain. Chemicals are used in particular in the upstream supply chain for the extraction of raw materials and the production of components. This can lead to the resulting wastewater being contaminated with pollutants.	⊖			
The impacts of chemical use within the Group's own production processes and during the use phase are considered to be low, as all wastewater generated in our own operations is treated before being discharged into receiving water bodies (for example rivers, lakes, or oceans) or is disposed of appropriately. Statutory pollutant limits are used to determine the treatment quality of the wastewater. For certain wastewater pollutants, the Volkswagen Group is aiming for more ambitious maximum concentrations in wastewater as part of its Zero Impact Factory vision.				

Description Pollution of Soil	Impact/ Risk/Opportunity	Actual/ Potential Impact	Value Chain	Time Horizon
In high-risk raw material supply chains, especially in the deeper tiers of the supply chain, negative impacts from soil pollution, soil erosion, land use and raw material extraction cannot be ruled out.				



Interaction with strategy and business model

Pollution of air

The overarching topic of minimizing air pollution is strategically anchored in the Group sustainability strategy regenerate+, the environmental mission statement goTOzero, the vision of the Zero Impact Factory and the Code of Conduct for Business Partners, among other things.

Along the value chain, compliance with the Code of Conduct for Business Partners is aimed at reducing impacts on people and the environment. The Code of Conduct requires suppliers to implement appropriate actions to reduce air pollution. Within the Volkswagen Group's business activities, impacts of this kind are to be minimized by establishing policies (see "Policy: Pollution" section) and by pursuing the vision of the Zero Impact Factory. This includes designing production sites to ensure that as few air-polluting substances as possible are emitted. During the use phase, when vehicles are used by our customers, the environmental impact of vehicles is to be reduced, in part, by selling a higher proportion of electric vehicles. This goal is embedded in the Group sustainability strategy regenerate+.

A detailed description and explanation of the actions is provided in the "Actions and resources: Pollution" section.

Pollution of water

The overarching topic of avoiding water pollution is anchored in the environmental mission statement goTOzero and in the Group sustainability strategy regenerate+. The central element here is on minimizing the discharge of pollutants into water bodies. In its Code of Conduct for Business Partners, the Volkswagen Group also requires its suppliers not to cause any water pollution that could substantially impair the natural basis for food and drinking water or pose risks to human health.

In its own operations, the Volkswagen Group's processes are designed to minimize pollution, for example with the installation of processing facilities and wastewater treatment plants at its production sites.

For suppliers in the upstream and downstream supply chain, the Volkswagen Group implements the Raw Materials Due Diligence Management System (RMDDMS) to address the impact of water pollution. This system is designed to make raw materials procurement sustainable and transparent, thereby identifying negative environmental impacts such as water pollution and taking appropriate actions to mitigate them.

The Code of Conduct for Business Partners applies to direct suppliers and includes requirements for the avoidance of water pollution in accordance with applicable law and international regulations. This is intended to help mitigate negative impacts on water resources. Suppliers are also requested to pass on these requirements to their direct business partners.

The "Actions and resources: Pollution" section provides a detailed description and explanation of the actions in this area of activity.

Pollution of soil

The Volkswagen Group's Code of Conduct for Business Partners also requires that its suppliers avoid causing any harmful soil changes.

The Group sustainability strategy regenerate+ is geared towards avoiding environmental impacts and protecting natural resources while supporting ecosystem restoration and promoting biodiversity. By promoting biodiversity, the Volkswagen Group also addresses soil quality and soil protection.

POLICY ON POLLUTION OF AIR, WATER AND SOIL

Emissions from production processes and product use lead to air and water pollution. These negative impacts are addressed in the policy on pollution prevention.

Avoiding pollution is part of the goTOzero mission statement: "We reduce harmful emissions into air, soil and water bodies". In addition, the goal of increasing unit sales of electric vehicles is anchored in regenerate+. This goal also aims to reduce air pollution when our customers use the vehicles.

Regarding the topic of pollutants, the strategic vision of the Zero Impact Factory is as follows: "We design our production facilities so that they emit as few substances as possible that are harmful to the health of humans, animals, or vegetation, or to soil, water bodies, or air". In relation to water and soil protection, the focus is not only on the general minimization of pollutant discharge but also on equipping production facilities with technical safety devices when using water-polluting substances. Any deterioration in the ecological and chemical status of the water bodies into which wastewater is discharged must be avoided.

The issue of damage to soil, water and air is anchored in the Code of Conduct for Business Partners: Suppliers must ensure that they do not cause any harmful soil changes, water pollution, air pollution, harmful noise emissions or excessive water consumption. These could substantially impair the natural foundations for food and drinking water or pose risks to human health, and should be minimized as much as possible.

In its raw materials policy, the Volkswagen Group is committed to minimizing negative environmental impacts along the supply chain. This includes protecting biodiversity and ecosystems by rejecting deforestation and land degradation, reducing water consumption, especially in water-scarce regions, and preventing air pollution by excluding toxic substances. This is based on international environmental and biodiversity agreements such as the Convention on Biological Diversity (CBD) along with the International Union for Conservation of Nature (IUCN) Convention and the Minamata, Stockholm and Basel Conventions.

Avoiding air and water pollution

The strategic vision of the Zero Impact Factory focuses on minimizing pollutant discharges at production sites (see the "Targets: Air and water pollution" section). Specific requirements apply in this context, such as limits for the pollutant concentrations in wastewater and emissions into the air, compliance with which is documented in measurement reports. The design of the production sites should be geared towards ensuring that the use of local water resources does not negatively impact them.

The Volkswagen Group has implemented various processes in its business operations to ensure that the due diligence requirements of the *Lieferkettensorgfaltspflichtengesetz* (LkSG – German Supply Chain Due Diligence Act) with respect to harmful soil changes, water pollution, air pollution and harmful noise emission are met. The application of these processes is supported by a Group policy. This provides a framework and minimum requirements for how an Environmental Compliance Management System (ECMS) should be implemented in an organization. Each

company then develops its own processes to comply with these rules. A compliance and risk management system is also integrated into the ECMS, which is designed to deal with the risks of the aforementioned environmental media both preventively and at an early stage. For example, production sites typically conduct an environmental aspects analysis that allows them to identify and assess potential environmental risks from production processes at an early stage. This in turn enables decision-makers to take preventive actions to mitigate the risks.

The environmental management requirements apply across all phases of the business activity and the entire life cycle of the products and services. Each controlled company is responsible for the detailed formulation of the processes. These companies are operationally active and are majority owned by the Volkswagen Group.

Contingency plans and hazard prevention

The Volkswagen Group requires the controlled companies to have in place contingency plans and hazard prevention actions. These are specially tailored to company-specific environmental risks and are aimed at avoiding or minimizing negative impacts on the environment. Examples of specific actions include communicating contingency plans to employees, relevant departments and contractors, and providing training on hazard prevention. Communication is a matter for the individual companies and can take place, for example, using noticeboards, instructions or training. Actions also include testing and reviewing the contingency plans and ensuring the availability of resources for expert advice in the event of an incident.

The contingency plans should be reviewed and updated in the event of substantial physical or operational changes. Experience gained from exercises or actual emergency actions are to be taken into account. The frequency of the exercises performed is at discretion of each company responsible for implementing the corresponding Group policy (see the "Overarching policies" section in the "Introduction to Environmental Management" chapter for more information on the scope of application).

TARGETS: AIR AND WATER POLLUTION

Overarching targets

The overarching specific *Umwelt Entlastung Produktion* metric (UEP – environmental improvement production) takes into account factors including the volatile organic compound (VOC) emissions associated with the production of vehicles and components. The target for the UEP metric is therefore directly related to air pollution.

The Impact Points target for reducing the absolute environmental impacts of the production sites also includes a target for emissions into the air and water bodies. The environmental aspect of air pollutants is used to monitor air emissions of VOCs, nitrogen oxides and dust, chlorinated hydrocarbons and hydrofluorocarbons during production. In addition, the environmental aspect of wastewater takes into account the emissions of Chemical Oxygen Demand (COD), nitrogen, phosphorus, nickel and zinc into water bodies. The corresponding metrics and their targets are reported in the "Overarching targets and metrics" section of the "Introduction to Environmental Management" chapter.

The Site Checklist also covers the areas of pollutants and water. For example, it includes criteria such as the use of VOC-reduced rinsing thinners and paints, requirements for VOC emissions from paint shops, restrictions on dust emissions, avoidance of the use of heavy metals and hazardous substances, and concentration limit specifications for the wastewater parameters chloride, nickel, sulfate, zinc, manganese and COD.

The voluntary targets defined for the UEP metric, Impact Points and Site Checklist all relate to the topic of pollution. The Volkswagen Group complies with the applicable emission regulations including Directive (EU) 2024/1785 on industrial emissions (IED), and national requirements such as the *Abwasserverordnung* (AbwV – German Waste Water Ordinance).

ACTIONS AND RESOURCES: POLLUTION OF AIR, WATER AND SOIL

Prevention and control of emissions to air

The Volkswagen Group is committed to continuously reducing its air emissions in its own activities and in the supply chain. Within the Company's own operations, in addition to the actions for compliance with legal requirements, the Impact Points target – which includes emissions to the air – provides an incentive to take action. For example, thin-film fillers and thin-film clear coating materials are used in some paint shops, where technically feasible. In addition, solvent-based rinsing thinners are being replaced by low-solvent versions. In dust-relevant areas such as paint shops, body shops, and mechanical manufacturing, filter technologies are used to reduce dust. In addition, the Site Checklist includes criteria aimed at reducing air emissions (see the "Overarching targets" section).

In the upstream and downstream supply chain, compliance with the Code of Conduct for Business Partners is intended to reduce the emission of air pollutants by requiring direct suppliers to implement appropriate actions to reduce air pollution.

By transforming its portfolio towards e-mobility, the Volkswagen Group is also making a contribution to improving local air quality, in particular by reducing emissions of nitrogen oxide and particulate matter(for more information see the "Actions and resources: Climate change" section of the "Climate Change" chapter).

Prevention and control of emissions to water

In the interests of protection of water bodies, the Volkswagen Group does not discharge untreated wastewater resulting from the Group's activities into receiving waters bodies. Pretreatment plants are usually used to remove pollutants from wastewater that cannot be removed in a biological wastewater treatment plant. For example, light liquid and grease separators, evaporation systems and oil skimmers are installed to remove fats, oils and emulsions. By contrast, heavy metals are removed by means of the physico-chemical precipitation process. COD contamination is largely eliminated through adsorption, filtration or flotation processes. The final step before discharge is biological treatment of the pretreated wastewater using, for example, a membrane bioreactor (MBR) to remove potential organic pollutants such as phosphorus and nitrogen. If the wastewater is not treated at the production site itself, it is treated in an external treatment plant or disposed of appropriately as waste.

In line with the Zero Impact Factory strategic vision, further actions are being considered in production when using substances potentially polluting water: In the interests of preventive soil and water protection, for example, continuous care should be taken to ensure that the relevant containers are fitted with a secondary barrier for retention in the event of damage.

Compliance with measurement obligations is ensured by regular wastewater analysis, the frequency of which varies depending on the pollutant, and is based on the legal and internal requirements.

Prevention and control of soil pollution

Volkswagen actively avoids soil pollution by issuing guidelines for the safe storage and disposal of hazardous and non-hazardous waste, for avoiding toxic substances and for minimizing soil erosion. In conducting their activities, suppliers should avoid causing harmful soil changes that could adversely affect the natural basis for food and drinking water or pose a risk to human health.

Engagement and reporting in the upstream and downstream supply chain for raw materials

The extraction and processing of certain raw materials for the automotive industry is associated with environmental risks including pollution of air, water and soil. The Volkswagen Group addresses these risks in its Raw Materials Due

Diligence Management System (RMDDMS), which is covered in detail in the section "Raw Materials Due Diligence Management System (RMDDMS)" in the "Sustainability in the Supply Chain" chapter.

To promote transparency, the Group regularly publishes its Responsible Raw Materials Report. This documents the methodology and actions of the RMDDMS and shows how the Group fulfills its human rights and environmental due diligence obligations in high-risk raw material chains.

The RMDDMS focuses particularly on indirect supply chains where the risk analysis has identified increased exposure to environmental and social risks. In-depth assessments are carried out for particularly risky raw materials, enabling targeted risk mitigation actions and effectiveness tracking. The RMDDMS currently covers 18 priority raw materials. These are the battery raw materials cobalt, lithium, nickel and graphite; the conflict minerals tin, tungsten, tantalum and gold (3 TG); and aluminum, copper, leather, mica, steel, natural rubber, platinum group metals, rare earths, magnesium and cotton. As part of its environmental management, the Volkswagen Group has also taken actions to exclude raw materials from deep-sea mining from its supply chains. As a precautionary measure, the Group does not engage in financing such activities until their ecological and social impacts have been comprehensively investigated and assessed. The aim is to avoid potential negative impacts on marine ecosystems and biodiversity.

Audits are a key tool for assessing and managing risks in the lower tiers of the supply chain. They complement the other elements of the RMDDMS and promote transparency, compliance and continuous improvement. Further actions and their impact on workers in the supply chain are presented in the "Sustainability in the Supply Chain" chapter.

The Volkswagen Group aims to ensure the responsible procurement of raw materials and is guided by the five steps of the Organization for Economic Cooperation and Development's (OECD) Due Diligence Guidance for Responsible Business Conduct and the requirements of the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas. Accordingly, suppliers may only use raw materials in smelting works or material refineries that meet the requirements of the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas. They must also have been audited by the Responsible Mineral Initiative (RMI) or similar organizations. The Volkswagen Group expects its suppliers to avoid all minerals from conflict-affected smelting works. However, the aim is not to prohibit the procurement of conflict minerals or other products originating from conflict-affected and high-risk areas, but to encourage procurement from responsible sources within these regions. The identification of the 3TG smelters and refineries used by suppliers or sub-suppliers must be disclosed annually. In line with international best practices, the Volkswagen Group also expects its suppliers to complete Conflict Mineral Reporting Templates (CMRTs). As well as identifying the smelting works and refineries, this template also allows the countries of origin of the mined materials to be specified. Compliance with the OECD guidance is assessed using the RMI's Responsible Minerals Assurance Process (RMAP). The RMAP is an independent third-party assessment of the management systems and procurement practices of smelting works/refineries and is used to certify compliance. To underscore its commitment to responsible supply chains for conflict minerals, the Volkswagen Group voluntarily publishes a CMRT to ensure full transparency.

Volkswagen's RMDDMS addresses impacts on soil pollution. The system integrates environmental and human rights matters into the raw materials supply chain, indirectly taking into account impacts such as land degradation and improper disposal of raw material residues. International standards such as the Basel Convention on the Control of Transboundary Movements of Hazardous Wastes and their Disposal are mandatory. In addition, our requirements address the avoidance of deforestation and land degradation.

METRICS: AIR AND WATER POLLUTION

Air and water pollution

Metrics on emissions into air and water

The metrics collected across the Group are shown in the following. If thresholds for other air or water emissions as defined by the European Pollutant Release and Transfer Register (E-PRTR) are exceeded at European production sites, the sites report this to the competent authorities as part of their annual reporting obligations.

EMISSIONS INTO AIR AND WATER

		2025		2024	
	Unit	Volkswagen Group	Companies with operational control	Volkswagen Group	Companies with operational control
Air emissions					
VOC[1, 3]	tonnes	10,300.6	852.4	10,962.9	978.7
NO_x[1]	tonnes	902.8	329.1	1,126.1	332.0
SO_2[1, 2]	tonnes	0.0	354.2	0.0	371.4
Dust (PM10)[1, 2, 3]	tonnes	284.6	0.0	148.4	0.0
CO[1, 2]	tonnes	0.0	0.0	0.0	0.0
Water emissions					
TOC[1, 2]	tonnes	549.8	100.6	463.1	157.9
Zinc[1, 2]	tonnes	1.0	0.1	2.2	0.3
Nickel[1, 2]	tonnes	2.1	0.1	2.6	0.2
Dissolved fluoride[1, 2]	tonnes	17.5	13.4	26.6	17.9
Nitrogen[1, 2, 4]	tonnes	0.0	0.0	-	-
Phosphorous[1, 2, 4]	tonnes	7.2	0.0	-	-

1 Only sites that exceed the threshold as defined by the E-PRTR (Annex II).
2 This metric does not include the TRATON GROUP sites.
3 The datapoint contains estimated values.
4 No reporting is possible for 2024.

Description of measurement methodologies

Group standard 98000 defines indicators for emissions to enable the uniform collection of emissions data at Volkswagen Group sites. They include the recording of pollutants discharged into wastewater such as zinc, nickel, COD, total organic carbon (TOC), dissolved fluoride, nitrogen and phosphorus as well as air emissions such as dust, VOCs, nitrogen oxides (NO_x), and sulfur dioxide (SO_2). The recording hierarchy in accordance with Group standard 98000 applies in conjunction with the permitted measurement methods described in the standard. These are parameter-specific and based on the current state of the art.

Context information on pollution of air

The Volkswagen Group's production sites record a range of environmentally relevant air emissions, irrespective of national legislation or regulatory requirements. Emissions from combustion processes, such as carbon monoxide (CO) and sulfur dioxide, are calculated by multiplying the quantities of fuel used by country-specific emission factors, unless more precise, site-specific emission factors are available. In addition, VOC emissions, which are mainly released during painting processes, are also recorded. The emissions required by national legislation or plant permits are recorded as a minimum requirement. VOC emissions from painting facilities must be calculated for all vehicle paint shops. If VOC emissions are combusted through thermal post-combustion or regenerative post-combustion, the CO_2 emissions released must also be recorded. With regard to recording particulate matter (PM) with a diameter of 10 µm or less (PM10), it is permitted to record the total dust quantity and then convert it into PM10 using conversion factors.

Context information on pollution of water

The data collection intervals and analytical methods for the pollutant concentrations contained in wastewater are based on the requirements of the site permits and/or relevant laws, varying from quarterly to daily measurement

obligations, depending on the pollutant. In addition, Group standard 98000 sets minimum standards for specific pollutants, which are to be sampled at least quarterly and based on relevant ISO standards. The reported annual emission quantities into wastewater are typically calculated by multiplying the measured wastewater volumes by the concentrations of the respective pollutants.

Collection and accounting processes

Each site is responsible for collecting the environmental indicators. The environmental indicators are recorded in the EIS in accordance with Group standard 98000 and validated at Group level. The sites must work towards ensuring that the environmental indicators are determined for each specified recording interval using the same system. Year-on-year changes in excess of a predefined tolerance level must be justified.

Sources of information

Permitted measurement methods are generally based on national and international laws and regulations (for example the German Federal Emission Control Act, the European F-Gas Regulation), internationally recognized standards and norms (for example GHG Protocol and the ISO standards), industry-specific requirements (for example, emission factors from the German Association of the Automotive Industry, VDA) and scientific findings (for example, assessment reports from the International Panel for Climate Change, IPCC).

Reasons for choosing an alternative methodology to quantify emissions

Group standard 98000 sets out a measurement hierarchy for the collection of environmental data at sites (see the "Uniform collection of environmental data" section in the "Introduction to Environmental Management" chapter).

SUBSTANCES OF VERY HIGH CONCERN

MATERIAL IMPACT AND ITS INTERACTION WITH STRATEGY AND BUSINESS MODEL

IMPACT IN THE AREA OF SUBSTANCES OF VERY HIGH CONCERN

Description	Impact/ Risk/Opportunity	Actual/ Potential Impact	Value Chain	Time Horizon
Substances of Very High Concern				
Some of the substances currently classified as substances of very high concern (SVHCs) on the European Chemicals Agency's (ECHA) candidate list are present in vehicle parts of the Volkswagen Group. The Volkswagen Group is committed to the responsible and appropriate handling of SVHCs and implements appropriate actions to prevent the impacts on people and the environment. It complies with all legal requirements. As SVHCs are typically already part of the material composition of supplied vehicle parts, a stronger focus is placed on the release of SVHCs in the upstream and downstream value chain than in the Group's own operations and in the use phase of the vehicles. In high-risk raw material supply chains, especially in the lower tiers of the supply chains, negative impacts from hazardous substances cannot be ruled out, particularly the use of pollutants and hazardous chemicals.		 	 	



Interaction with strategy and business model

The topic of substances of very high concern is anchored at an overarching level in the environmental standard on material and chemical conformity of products, which references the Global Automotive Declarable Substance List (GADSL) along with the requirement to comply with globally applicable regulations. The Code of Conduct for Business Partners requires that suppliers in the supply chain take appropriate actions to eliminate or avoid using substances and materials that adversely impact people and the environment – for example carcinogenic substances, mutagens and reprotoxic substances – in the context of applicable laws and taking into account the applicable requirements of the Volkswagen Group. This topic is also identified as an action area in the Group sustainability strategy regenerate+. Here, the focus is on reducing and substituting SVHCs in products. The detailed formulation of the strategic topic is currently still in the development phase and will be defined in greater detail in the course of the further strategy processes.

As regards its own business operations, the Volkswagen Group is reducing its impacts by implementing precautionary actions for risk mitigation and management, as well as actions to avoid and replace SVHCs.

The Volkswagen Group regards chemical compliance as a crosscutting issue that is integrated into and influences existing policies.

The "Actions and resources: Pollution" section provides a detailed description and explanation of the actions in these two areas of activity.

POLICY: SUBSTANCES OF VERY HIGH CONCERN

The topic of SVHCs is strategically anchored in the environmental standard on material and chemical conformity of products. In order to achieve this strategic anchoring, the management of chemical substances is to be further improved. As a world-leading automotive manufacturer and provider of mobility services, the Volkswagen Group is aware of the increasing importance of the sustainable management of chemical substances. The legal and regulatory requirements of chemicals management are complex and vary in the global markets where the Group operates. The Volkswagen Group is committed to complying with existing regulations and to responsibly handling the chemical substances that are required for its products, activities and services.

The Volkswagen Group regards chemical compliance as a crosscutting topic. The necessary compliance processes are already integrated in the existing Volkswagen AG management systems.

In addition, the Volkswagen Group engages in needs-based exchanges with its employees, suppliers, industry associations and regulatory authorities in order to reduce the use of hazardous chemicals. This ranges from research and development, through design, production, sales and logistics, to the reuse and recycling of products.

Registration, evaluation and restriction of substances and raw materials are also emphasized in the Code of Conduct for Business Partners. This includes compliance with international agreements (Minamata Convention, Stockholm Convention) and legal instruments on the production, use, handling, and disposal of certain substances. Suppliers are expected to take appropriate actions to eliminate or avoid the use of substances and materials that have adverse environmental or health impacts, such as carcinogens, mutagens or reprotoxic substances. When doing so, they must comply with the applicable laws and regulations of the Volkswagen Group.

Minimizing the use of substances of very high concern

To comply with regulations in all markets, the Volkswagen Group and its suppliers must adhere to the regulations, laws and regulatory requirements in the target markets. In addition, compliance with standards, including the Environmental standard on material and chemical conformity of products and Evidential and approval requirements for delivery of chemicals, is a mandatory contractual requirement for suppliers. This ensures compliance with all applicable material regulations and restrictions.

The Group standard on Evidential and approval requirements for delivery of chemicals addresses the registration, evaluation and restriction of chemical substances. Chemicals classified as carcinogenic, germ cell mutagenic or reprotoxic in categories 1A or 1B are generally prohibited from use (terminology used in Regulation (EC) No. 1272/2008 – CLP). Decisions to use them are only permitted in justified exceptional cases only with due consideration of the principle of substitution. Substances of very high concern, such as those referred to in EU REACH Regulation (EC) No. 1907/2006, Article 57(2), are largely to be avoided and may be rejected on a case-by-case basis following assessment of their longer-term usability.

A specific process with defined roles (regulation coordinator/regulation expert process) was implemented in Technical Development to navigate new or amended pollutant laws emerging worldwide, including end-of-life vehicle, battery, chemical and biocide laws, and requirements on interior emissions. Implementation and internal/external communication are carried out in accordance with the Environmental standard on material and chemical conformity of products which references sources including the GADSL. Since 2000, compliance has been verified by using the international material data system (IMDS) in conjunction with consistently requesting supplier data on the chemical composition of components and materials in vehicles. All IMDS data is assessed in line with relevant and applicable legislation.

The Environmental standard on material and chemical conformity of products requires avoidance of the use of SVHCs within the meaning of the EU REACH Regulation (EC) No. 1907/2006. These are included in the ECHA candidate list and are updated periodically. Beyond legal requirements, the Volkswagen Group requires that the use of substances subject to authorization pursuant to Annex XIV of the EU REACH Regulation (EC) No. 1907/2006 should be avoided in new contracts as a rule, even if the authorization requirement does not enter into effect until after series production.

In addition, an alternative test for the use of SVHCs (within the scope of Appendix C of Annex I to Commission Delegated Regulation (EU) 2021/2139) for deliverables that are relevant for reporting under the EU Taxonomy Regulation is carried out by the supplier with professional and technical support. In fiscal year 2024, the Volkswagen Group fleshed out the existing specifications and processes in its vehicle-related business with the aim of fundamentally avoiding and replacing the substances of relevance under the EU Taxonomy. On this basis, the Group's analyses look at the vehicle-related materials and components of all-electric vehicles in order to assess whether the SVHCs they contain can be substituted, taking into account factors such as technical and economic criteria.

Furthermore, we impose an obligation on our suppliers to comply with the requirements based on international conventions and other legal instruments regarding the production, use, handling and disposal of certain substances. Compliance is required in particular with the requirements of the 2013 Minamata Convention on Mercury and the 2001 Stockholm Convention on Persistent Organic Pollutants (POPs), as well as the corresponding applicable implementing regulations at national and supranational level.

TARGETS: SUBSTANCES OF VERY HIGH CONCERN

Prevention and control of SVHCs

The Volkswagen Group generally develops targets where there is a connection to its strategies. No measurable outcome-oriented targets within the meaning of the ESRS have been defined for the production sites in relation to the prevention and control of SVHCs. Systematic data collection is currently being worked on to enable complete quantitative reporting. The large number of substances, as well as the concentration data of SVHCs in chemical mixtures, which are often only specified by suppliers within concentration ranges, pose a challenge in terms of data collection and quantification. The Volkswagen Group and the site operators of the individual brands base their actions on legal requirements and have put processes in place to implement them.

If SVHCs are used during vehicle production and/or remain in the vehicle, they are recorded, verified and approved in advance by internal chemical management processes and systems. In addition, the Volkswagen Group implements processes to generally avoid SVHCs and to review them for substitutability. One example is the review of substitutability in accordance with the EU Taxonomy Regulation and the associated reduction of SVHCs during vehicle production and in components of all-electric vehicles.

ACTIONS AND RESOURCES: SUBSTANCES OF VERY HIGH CONCERN

Compliance with legal requirements with regard to chemicals and SVHCs

There is no separate management system for chemical compliance requirements. The Group's brands and companies are required to incorporate the topic of chemical compliance into their existing management systems. The governance structure is designed to ensure that risks along the supply chain are reduced and that requirements are met.

The aim is to manage the risk associated with the handling of chemicals and SVHCs in the Volkswagen Group within the structures of the Three Lines Model of the Institute of Internal Auditors (IIA). The first line comprises operational risk management in the business units, the second line covers Group-wide risk management and the third

line is Internal Audit, which reviews the effectiveness of the first two lines. The tools for identifying and implementing the specific requirements are supplied by the management systems used.

In addition to the management system tools, new and revised regulatory requirements are also added during the regulation coordinator/regulation expert process in the second line and distributed in a targeted manner within the organization. To verify material-related requirements, data from the internal material information system (MISS) is accessed in the second line. The data used is the supplier data from the IMDS. In addition to continuous risk management using the Three Lines Model, the Volkswagen Group has established specifications and processes for managing regulatory requirements (regulation coordinator/regulation expert process) and internal requirements (for more information, see the "Minimizing the use of substances of very high concern" section) in its vehicle-related business, which stipulate that SVHCs must be avoided and substituted wherever possible. On this basis, vehicle-related chemicals and components of all-electric vehicles are analyzed in accordance with the requirements of the EU Taxonomy Regulation and the substitutability of SVHCs in these products is reviewed together with suppliers, taking into account technical and economic criteria, among other factors.

Engagement and reporting in the upstream and downstream supply chain for raw materials

The Volkswagen Group extends responsibility for its engagement to improving the supply chain to its suppliers. For this reason, the Code of Conduct for Business Partners demands from business partners to implement appropriate actions to eliminate or avoid using substances and materials that adversely impact people and the environment (for example carcinogenic, mutagenic or reprotoxic substances).

METRICS: SUBSTANCES OF VERY HIGH CONCERN

The IMDS SVHCs list of the European Automobile Manufacturers' Association (ACEA), which is derived from the ECHA candidate list, is used as the basis for rating substances of very high concern.

Total amount of SVHCs generated, used or procured during production

An evaluation of substance-related quantities for SVHCs cannot currently be fully carried out at Group level. An approach for recording the quantities of all SVHCs used as substances or in mixtures (SVHCs > 0.1 M %) during vehicle production is currently being developed. This is intended to ensure that the total quantity of SVHCs procured and used can be recorded in future.

Different chemical substances are combined during certain production process, such as in process baths. These process baths are used exclusively to make specific changes to the chemical properties of the products being processed. The Volkswagen Group produces no chemical substances and operates no facilities or processes used to manufacture new isolated chemical products.

Theoretically, there is a possibility of new chemical compounds forming on a small scale due to the adjustment of the chemical equilibrium within process baths. These process baths are located in facilities that require approval and monitoring and are operated exclusively on the basis of official approvals. There is no official requirement to identify newly formed SVHCs.

Total amount of SVHCs generated in production in the form of emissions

The Volkswagen Group and the operators at the sites of the individual brands always act in accordance with the applicable legal requirements. The site and system technology has been approved by the authorities in accordance with these requirements. This applies in particular to environmentally relevant installations, where operations generate emissions to air and water, resulting in extensive operator obligations being outlined in their plant permits. Within the framework of such ancillary provisions, recurrent emission measurements are also conducted to ensure compliance with applicable limits.

To facilitate Group-wide compliance with all binding commitments on production-related emissions, the Volkswagen Group has implemented the Three Lines Model described in the "Actions and resources: Pollution" section.

There is currently no limit that encompasses the full range of all known SVHCs. There is also no measurement method for recording the total spectrum of all SVHCs. In view of the current state of the art, it is therefore not possible to gather data on these emissions.

Total amount of SVHCs generated in production as part of products

The total amount is calculated for each SVHC. To do this, the proportion by weight per SVHC is first determined for each component containing SVHCs (threshold of > 0.1% per smallest relevant item in the component according to REACH Article 33) in conjunction with the European Court of Justice ruling on the reference value for SVHCs in articles and added up for the corresponding reference vehicles (ID.7 Tourer and Tiguan) (for more information on the reference vehicles, see the "Metrics: Resource use and circular economy" section of the "Resource Use and Circular Economy" chapter). Calculation of the total amount of each SVHC is based on production figures for battery-electric vehicles and internal combustion engine vehicles. Lastly, the SVHCs are allocated to the reportable hazard classes. Since individual substances may be allocated to multiple hazard classes, the overall total amount does not correspond to the sum of the individual hazard classes due to double counting. Nevertheless, in order to provide a total amount of the SVHCs used, the total weight per substance is allocated to only one hazard class in the table below.

In addition, the SVHCs information for the Porsche AG Group and TRATON GROUP is provided below, excluding the consideration of Everllence. The values are determined as described above.

SUBSTANCES OF VERY HIGH CONCERN FOR THE VOLKSWAGEN GROUP

		2025		2024	
Hazard class	Unit	Battery-electric vehicles	Internal combustion engine vehicles	Battery-electric vehicles	Internal combustion engine vehicles
Carcinogenic (Article 57a)	tonnes	6.0	50.5	6.0	73
Mutagenic (Article 57b)	tonnes	0.0	0.3	-	-
Toxic for reproduction (Article 57c)	tonnes	5,682	45,413	5,398	39,365
PBT (Article 57d)	tonnes	1.0	6.0	0.5	5.0
vPvB (Article 57e)	tonnes	8.3	145.0	6.0	151.0
Endocrine disrupting properties (Article 57f – environment)	tonnes	0.0	0.3	7.0	58.0
Endocrine disrupting properties (Article 57f – human health)	tonnes	15.5	43.0	0.004	0.1
Respiratory sensitizing properties (Article 57f – human health)	tonnes	2.0	0.7	4.0	0.2
Specific target organ toxicity after repeated exposure (Article 57f – human health)	tonnes	1.0	22.0	0.3	26.0
Probable serious and concerning effects on human health and/or the environment (Article 57f)	tonnes	1.0	22.0	0.3	26.0
Total of substances of very high concern as component of the product	tonnes	5,715	45,676	5,421	39,672

Total amount of SVHCs generated in production as part of products in the Porsche AG Group

The determination of SVHC amounts is based on a reference vehicle approach. One vehicle model is analyzed for each of the five vehicle segments (two-door sports car, SUV internal combustion engine, SUV solely battery-electric vehicle, saloon internal combustion engine, saloon battery-electric vehicle). The assessment is carried out using component-specific supplier data. The SVHC amounts of the reference vehicle are extrapolated to the vehicles produced in each segment in the reporting year based on the production volumes. Finally, overarching segment totals are calculated for each substance, and the substances are allocated as required by law to the appropriate hazard classes for substances of concern.

SUBSTANCES OF VERY HIGH CONCERN IN THE PORSCHE AG GROUP

Hazard class	Unit	2025	2024
Carcinogenic (Article 57a)	tonnes	8.0	14
Mutagenic (Article 57b)	tonnes	0.0	0.0
Toxic for reproduction (Article 57c)	tonnes	2,370	2,832
PBT (Article 57d)	tonnes	1.0	0.0
vPvB (Article 57e)	tonnes	6.0	7.0
Endocrine disrupting properties (Article 57f – environment)	tonnes	12.0	15.0
Endocrine disrupting properties (Article 57f – human health)	tonnes	0.0	0.0
Respiratory sensitizing properties (Article 57f – human health)	tonnes	4.0	5.0
Specific target organ toxicity after repeated exposure (Article 57f – human health)	tonnes	0.0	0.0
Probable serious and concerning effects on human health and/or the environment (Article 57f)	tonnes	10.0	10.0
Total of substances of very high concern as component of the product	tonnes	2,410	2,883

Total amount of SVHCs generated in production as part of products in the TRATON GROUP

To calculate the amounts (SVHCs), the TRATON GROUP uses the lead content in starter batteries, which according to a study by MAN Truck & Bus, make up 98% of all SVHCs in a typical truck. For the reporting year, the amount of SVHCs in the products corresponds to a total amount of 23,922 (24,780) tonnes.

MICROPLASTICS

MATERIAL IMPACT AND THEIR INTERACTION WITH STRATEGY AND BUSINESS MODEL

IMPACT IN THE AREA OF MICROPLASTICS

Description	Impact/ Risk/Opportunity	Actual/ Potential Impact	Value Chain	Time Horizon
Microplastics				
Tire abrasion in particular can cause microplastics to enter the environment. This affects vehicles in general, including those produced by the Volkswagen Group.	⊖	⧗	▷▷▶	

Opportunity · Positive Impact · Actual Impact · Upstream Value Chain · Short-term Time Horizon (< 1 year)
Risk · Negative Impact · Potential Impact · Own Operation · Medium-term Time Horizon (1–5 years)
Downstream Value Chain · Long-term Time Horizon (> 5 years)

Interaction with strategy and business model

The topic of microplastics has an overarching position in the nature dimension of the Group sustainability strategy regenerate+, which also considers the reduction of microplastics. The detailed formulation of the topic is currently still in the development phase and will be defined in greater detail in the course of the further strategy processes.

Water

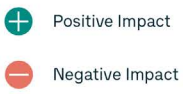
Water is a valuable resource. We combine sustainable water management with a number of aspects: our aims include reducing freshwater consumption, making water use more efficient and strengthening groundwater protection.

MATERIAL IMPACTS AND THEIR INTERACTION WITH STRATEGY AND BUSINESS MODEL

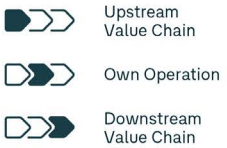
IMPACT IN THE AREA OF WATER

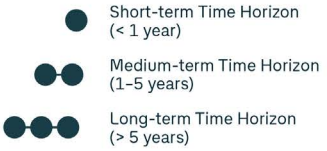
Description	Impact/ Risk/Opportunity	Actual/ Potential Impact	Value Chain	Time Horizon
Water				
Using large quantities of water, particularly in regions where it is in short supply, leads to water stress and can contribute to the depletion of groundwater reserves, the impairment of ecosystems and the escalation of social tensions.				











Interaction with strategy and business model

The impact of water use identified in the double materiality assessment is assessed in the Group's business model, strategy and value chain. At an overarching level, the sustainable use of resources, including water, is anchored in the Group sustainability strategy regenerate+. Based on this, increasing resource efficiency is also one of the action areas in the Volkswagen Group's environmental mission statement goTOzero. The focus here is on consistently encouraging reuse and recycling approaches along the entire value chain.

The closed-loop circulation of process water and the associated reduction in the use of fresh water are anchored in the Zero Impact Factory strategic vision for the Volkswagen Group's own production sites. Our voluntary commitment to achieving specific targets (see the "Targets: Water" section) will help mitigate the identified impact of water use.

The Code of Conduct for Business Partners encourages business partners to take appropriate action to ensure responsible use of water. Business partners acknowledging corresponding sustainability requirements and passing them on to direct business partners should enable continuous application of the requirements in the deeper tiers of the supply chain as well.

POLICY: WATER

Policy for sustainable water management

Water management in the Volkswagen Group is anchored in a dedicated policy. One of the focal points of the approach is conservation of water as a resource. In line with the Group sustainability strategy regenerate+, the Volkswagen Group is working to continually reduce the need for primary raw materials, including water.

Resource conservation is also thematically anchored in the environmental mission statement goTOzero. With regard to water, this involves improving usage efficiency and promoting reuse approaches. Another action area in the mission statement is protecting ecosystems, with the associated reduction of harmful emissions into water bodies (see the "Pollution" chapter).

Water is also a focal point of our Group-wide Zero Impact Factory strategic vision. Our production sites should be designed in such a way that their water use has the least possible negative impact on local water resources. This specifically involves actions such as reducing water withdrawal, increasing reuse of water, using water responsibly (particularly in areas with water stress), minimizing the input of water-polluting substances and preventing deterioration of the ecological and chemical quality of receiving water bodies.

The Code of Conduct for Business Partners requires suppliers to take appropriate actions to minimize water consumption at their sites. These actions should ensure that they do not cause any water pollution that could significantly impair the natural basis for drinking water.

In the downstream supply chain, the Volkswagen Group is unable to regulate relevant water consumption by means of its own levers.

Water management at the company

Water is needed for numerous reasons at the production sites, such as for painting, cooling and sanitary purposes. The use of freshwater is necessary in many areas; the Volkswagen Group (excluding the TRATON GROUP) obtains around three-quarters of its requirements from external suppliers such as municipal water boards. Around a quarter of water withdrawal is covered through the use of our own wells, rainwater and abstraction from surface water bodies. Production sites are part of the local water cycles and affect the water resources available through water withdrawal, treatment and wastewater discharges.

In this respect, internal water treatment is becoming increasingly important. A growing number of sites are treating their wastewater so as to reuse it in production processes, in cooling towers, in sanitary facilities or for irrigation purposes, thereby reducing their need for water withdrawal. A closed loop and recycling of cooling or process water reduces freshwater consumption and wastewater generation and therefore contributes to responsible use of water as a resource. In this context, the Volkswagen Group strives to achieve the highest possible technical treatment level and does not release any untreated wastewater into receiving waters. Nearly all sites have pretreatment systems that remove harmful substances from wastewater (for more information, see the "Actions and resources: Pollution" section in the "Pollution" chapter). If wastewater is not treated on site, it is treated in an external wastewater treatment plant or, in individual cases, disposed of as waste.

Water withdrawal in water risk areas

A proportion of water withdrawal by the Volkswagen Group takes place at sites in areas with water stress. Responsible use of water is particularly important in such regions to avoid further shortages. This is why the Volkswagen Group

places particular emphasis on reducing water withdrawal and making water use more efficient in areas with water stress (see the heading "Group-wide reduction in water withdrawal").

When comparing the Group's own operations with the supply chain, the largest share of water withdrawal occurs within the supply chain, in particular as a result of the extraction and processing of raw materials. The Code of Conduct for Business Partners requires suppliers to take appropriate action to ensure responsible use of water, especially in regions where water is scarce.

Business partners commit to passing on the sustainability requirements to relevant direct suppliers and to promoting their implementation as far as possible and reasonable in order to support their application along the supply chain.

TARGETS: WATER

Overarching targets

Overarching water targets are set based on the targets outlined above (see the "Overarching targets and metrics" section in the "Introduction to Environmental Management" chapter). In the past fiscal year, we significantly exceeded our original target of reducing production-related environmental impacts at all our sites that produce passenger cars and light commercial vehicles by 45% compared with 2010. The UEP metric also includes water withdrawal per vehicle. Under the Impact Points method, future assessments of the impact of water withdrawal will take account of local site conditions. The Volkswagen Group also addresses the topic of water in its Site Checklist, which sets out specific requirements for improving water management at production sites within the action area of water.

Group-wide reduction in water withdrawal

The Volkswagen Group has set specific targets for water withdrawal at its production sites. These were defined together with the brands against a backdrop of rising water stress in the Intergovernmental Panel on Climate Change (IPCC) climate scenarios and taking the market situation into account. Among other things, they are designed to help reduce the risk of future supply bottlenecks. Water withdrawal at the Volkswagen Group's production sites (with the exception of the TRATON GROUP and Everllence) is to be reduced by 30% on average across the Group by 2035 compared with 2018 (baseline value: 45.6 million m³). At relevant production sites in areas with moderate to extreme water stress (known as "hot spot" locations), water withdrawal is set to be reduced by as much as 40% (baseline value: 28.1 million m³). The Verisk Maplecroft database is used to identify locations with water stress and hot spot locations (see section "Metrics: Water"). Data on water withdrawal at the production sites is collected in accordance with the internal 98000 standard and reflects the requirements of the ESRS. With these voluntary targets, the Volkswagen Group is contributing to the Sustainable Development Goals SDG 6.4 (Clean water and sanitation), SDG 12.2 (Responsible consumption and production) and SDG 13 (Climate action), among other things.

In the reporting year 2025, water withdrawal across the Group (excluding the TRATON GROUP and Everllence) amounted to 29.7 (32.5) million m^3, corresponding to a reduction of 15.9 (13.1) million m^3 compared to the base year 2018. As such, the target set for 2035 has already been exceeded by 15.2%. In addition to the economies of scale, VW Kraftwerk GmbH's fuel switch from coal to gas at the Wolfsburg site accounts for a material share of the target achievement. As a consequence of the fuel switch, the quantity of waste heat fell, and with it cooling water requirements, reducing VW Kraftwerk GmbH's water withdrawal by nearly 2 (2) million m³ since 2018.

For hot spot sites, water withdrawal in the reporting year 2025 amounted to 15.4 (17.8) million m^3, corresponding to a reduction of 12.7 (10.3) million m^3 compared to the base year 2018. As such, the target set for 2035 has already been exceeded by 13.2%.

ACTIONS AND RESOURCES: WATER

Actions in the value chain

As described in the "Policy: Water" section, the Code of Conduct for Business Partners requires business partners to take appropriate action to ensure that water withdrawal is continually minimized. A particular focus lies on improvements in regions with water scarcity or water stress. Appropriate actions may include in particular the effective reduction of water withdrawal, reuse and recycling, and responsible and effective treatment of wastewater to protect the environment and improve water quality overall. Suppliers should ensure that people affected by their business activities have secure access to affordable water in sufficient quantities for personal use. On request, Volkswagen Group suppliers are additionally required to provide information on their total freshwater consumption at product level.

The following example can be cited as an illustrative action:

Since 2021, the Volkswagen Group has been a member of the Responsible Lithium Partnership in Chile, an initiative coordinated by the international cooperation and development agency *Deutsche Gesellschaft für Internationale Zusammenarbeit* (GIZ) and financed by companies from the automotive industry, among others. The aim of the initiative is to promote more responsible resource use and more sustainable lithium production in Chile's Salar de Atacama region through dialogue between stakeholders from different sectors. The region is one of the most important mining areas for lithium and one of the driest regions on earth. One working group in the Responsible Lithium Partnership focuses in particular on water and the impacts of brine and water use.

In the reporting year, the project was transferred to an independent and locally managed structure. Following the last round of discussions organized by GIZ in Chile in January 2025, a closing event for the project took place in Berlin. In several roundtable discussions, panelists from Chile and Germany, from the affected communities, and from automotive companies, academia and NGOs highlighted the challenges around lithium sourcing and approaches to strengthening corporate due diligence. The event highlighted the importance of the project in implementing due diligence in the lithium supply chain. Continuing it as a local project also ensures the ongoing implementation of measures already initiated from the action plan to reduce water consumption, including geological and hydrological mapping, campaigns on water scarcity, and graywater recycling.

As a founding member of a local partnership project in Indonesia, the Volkswagen Group is committed to improving environmental and social standards in the nickel sector. Among other things, the project aims to protect biodiversity and improve water quality in mining regions in Halmahera. Working in collaboration with local stakeholders, non-governmental organizations and businesses, the aim is to develop and implement actions specifically to address ESG risks.

A preliminary study identified water-related negative impacts as material. The analysis covered both the availability and quality of water in the affected regions. The resulting actions include monitoring systems for water quality.

Actions at the production sites

Continuous optimization of water-saving processes is a goal at all of the Volkswagen Group's production sites. Responsible use of water as a resource is particularly relevant in areas at water risk. Approximately 43.5 (42.3)% (around 13.0 (14.5) million m³) of Group-wide water withdrawal (excluding the TRATON GROUP) is attributable to sites in areas of high or extreme water stress. However, closed-loop circulation or recirculation of cooling and process water means that water withdrawal and the quantity of wastewater can be reduced. The San José Chiapa/Mexico site, which can be considered a wastewater-free site due to closed-loop circulation, provides a good example of this. Various actions have been taken in recent years to reduce water withdrawal at our site in Kariega in South Africa,

which is a high water-stress area. For instance, the cooling towers for the engine production facilities are supplied with rainwater and a recycling system for production wastewater was commissioned in 2023 and is able to save up to 47,000 m³ of freshwater each year when working at full capacity. Other sites are also utilizing their treated wastewater, for example in production processes, in cooling towers, for toilet flushing, or for irrigation purposes. A total of approximately 4.0 (3.9) million m³ of water was reused at the Group's production sites in 2025. Significant portions of this were attributable to the sites in Ingolstadt/Germany (0.7 million m³) and Puebla/Mexico (0.7 million m³). The two sites mainly use a combination of ultra filtration and reverse osmosis in their wastewater recycling. The Qingdao site in China, which is also located in a region heavily affected by water stress, was able to increase its volume of reused water to 0.3 million m³ in 2025 by adding a storage tank with a capacity of 1,000 m³.

METRICS: WATER

Measurement methodologies

Internal Group standard 98000 defines how water-related metrics are expected to be collected uniformly at all sites worldwide. If flow volumes are measured, this is usually done continuously using analog or digital flow measurement devices.

Hot spot sites

The Volkswagen Group has defined especially ambitious targets for hot spot sites related to water (see section "Targets: Water"). A total of 25 production sites are currently considered to be hot spot sites. To identify them, all production sites that Verisk Maplecroft found to be in the categories of medium, high or extremely high water stress in the base year 2018 were included. In addition, they were prioritized according to water withdrawal quantities in the base year. Sites that were in the upper median in the Group's internal comparison were taken into account. TRATON GROUP and Everllence sites were excluded because they are outside the scope of the target.

Sites in water risk areas

The Volkswagen Group uses the water stress index from the Verisk Maplecroft database to define areas at water risk. Sites with high or extreme water stress are considered here.

Maplecroft identifies areas as affected by high water stress when the ratio of water withdrawal to water availability is greater than 40%, following prevalent standard scientific definition. This percentage corresponds to a value of 5 in Maplecroft's non-linear scaling. Extreme water stress (80% or greater) is shown on the scale from a value of 2.5 or lower. To determine areas at water risk, the same scale range is used as when using the World Resources Institute Aqueduct database (see ESRS Annex II, areas with water risks of 40% –100% should be considered), although Aqueduct also covers other physical and regulatory risks (for example water quality) as well as reputational risks, in addition to water stress. These are not currently factored into the analysis using Verisk Maplecroft. Nevertheless, other aspects of water are also being addressed by the Volkswagen Group, such as implicitly improving freshwater quality by reducing the discharge of pollutants into water bodies (see the Impact Points targets in the "Overarching targets and metrics" section in the "Introduction to Environmental Management" chapter).

Water consumption

Water consumption is generally calculated as the difference between water withdrawal and volume of wastewater. Consequently, water consumption describes the water that is no longer available for further use, for ecosystems or for local communities. For the Volkswagen Group, water consumption results mainly from evaporation losses that arise during the production processes. The metrics of water withdrawal and volume of wastewater that are used to determine water consumption are described in the following.

Water withdrawals

Water is withdrawn to supply the Volkswagen Group's production sites with water. This includes volumes of water that are either procured from third parties or extracted from our own sources.

Externally procured water is the volume of water obtained from public or private water suppliers and other non-Volkswagen Group organizations. This may be high-quality drinking water or water of a lower quality that is used as process water. Externally procured wastewater is water that is supplied by an external water supplier for use at the site and that has already been used. As regards externally procured water, reports on water quality are prepared in accordance with local or national requirements. The quantity of externally procured water at the sites is usually recorded on the basis of billing.

Water extracted from own sources refers to the volume of water pumped and collected by the site. This includes utilized precipitation, surface water and groundwater:

- Precipitation refers to water in the form of rain, snow or hail, for example, that falls on the grounds of the site and is used in its water supply. The annual volume of precipitation is usually collected by official sources such as KOSTRA-DWD, or by the site's own weather stations.
- Surface water refers to the water taken from open bodies of water (lakes, rivers, oceans) and supplied to the site for use. Use for once-through cooling with subsequent direct recirculation is not considered to be water withdrawal.
- Groundwater refers to the water taken from underground aquifers and supplied to the site for use. Groundwater withdrawn solely for groundwater treatment or remediation is not considered to be water withdrawal.

The scope and frequency of the analysis of water extracted from the Group's own sources are based on withdrawal approvals or national regulations, such as the German Drinking Water Regulation (TrinkwV). However, analysis does take place at least once a year.

Around 83% of the volume of water withdrawals at Volkswagen Group sites (excluding the TRATON GROUP) is measured directly, while around 16% is calculated. Approximately 1% of this volume is determined through estimates. This information on data collection methods is based on information provided by the sites and is not validated externally.

Volume of wastewater

The volume of wastewater is the amount of water that leaves the site after use or treatment. A distinction is made between direct and indirect discharge. Direct discharge is taken to mean the discharge of treated wastewater directly into a receiving body of water, while indirect discharge refers to the discharge of wastewater into a sewer system or wastewater treatment plant or its transportation by tanker to a third-party treatment plant.

Approximately 46% of the volume of wastewater in the Volkswagen Group (excluding the TRATON GROUP) is determined by measurement, approximately 29% by calculation and approximately 24% by estimates. This information on data collection methods is based on information provided by the sites and is not validated externally.

Water intensity

Water intensity is calculated based on total water consumption and sales revenue, with the latter taken from the consolidated financial statements. The water intensity metric is reported excluding companies with operational control.

Reuse of water

The reuse of water metric covers water that is reused and recycled. Reuse means water used again at the site without being treated, whereas recycling refers to water that is used again following prior on-site treatment. Reuse of water can help to reduce the amount of freshwater needed, which is of particular relevance in areas experiencing high water

stress or water scarcity. Reuse of water also includes utilized precipitation and wastewater produced by other organizations and supplied to the site for use (see the heading "Water withdrawals"). Reuse of water solely comprises actions that are cross-plant or cross-process. Water that is reused in the same process or in the same plant (with or without prior treatment) and only leads to an increase in its service life is not included. This encompasses, for example, closed-loop circulation in car washes and recirculated water for the flushing process in the paint shop.

Approximately 65% of the reused water volume within the Volkswagen Group (excluding the TRATON GROUP) is directly recorded through measurement, approximately 29% is calculated and approximately 6% is determined using estimates (for example, recycled water used in sanitary facilities). This information on data collection methods is based on information provided by the sites and is not validated externally.

METRICS WATER

		2025		2024	
	Unit	Volkswagen Group	Companies with operational control	Volkswagen Group	Companies with operational control
Water consumption					
Total water consumption[1]	in million m³	7.5	4.9	7.7	5.0
In areas at water risk	in million m³	2.8	3.0	2.6	3.1
Water intensity[1]	liter/€	0.02	-	0.02	-
Water withdrawals					
Total water withdrawals[2]	in million m³	19.9	11.6	21.2	13.2
In areas at water risk[2, 3]	in million m³	4.5	8.5	4.4	10.2
Wastewater discharge					
Total wastewater discharge[2]	in million m³	12.1	6.7	13.9	8.2
In areas at water risk[2, 3]	in million m³	1.9	5.5	2.0	7.1
Reused water					
Total reused water	in million m³	2.8	1.2	2.7	1.1

1 The figures for 2024 were incorrect and have been corrected.
2 The information on water withdrawals and wastewater discharge is provided voluntarily and has not been externally validated.
3 This metric does not include the TRATON GROUP sites.

Biodiversity and Ecosystems

The Volkswagen Group is endeavoring to increase biodiversity at its production sites and within the supply chain, thereby achieving added value for nature and an improvement in biodiversity.

MATERIAL IMPACTS AND THEIR INTERACTION WITH STRATEGY AND BUSINESS MODEL

IMPACTS ON BIODIVERSITY AND ECOSYSTEMS

Description	Impact/ Risk/Opportunity	Actual/ Potential Impact	Value Chain	Time Horizon
Direct Impact Drivers of Biodiversity Loss				
The impacts of direct impact drivers were analyzed along the value chain. Activities in the upstream value chain generally have a major impact in terms of land use changes and direct exploitation, such as the impacts of raw material extraction, deforestation for rubber plantations for tire production, or agriculture for leather production. The spread of invasive species is influenced by global logistics flows and transportation, which also have an impact on land and marine use. Production activities at the Group's own sites also have an impact on biodiversity and ecosystems, for example through land use and emissions.	⊖	⧗	⟫	
Impacts and Dependencies on Ecosystem Services				
Activities along the value chain may have a negative impact on ecosystem services, for example through emissions to the air or to water. In our own production, but especially in the upstream value chain, we are dependent on services for ecosystem provisioning, regulation and preservation, particularly in the procurement and extraction of raw materials (e.g. ore mining and renewable raw materials).	⊖	⧗	⟫	

Opportunity · Risk · Positive Impact · Negative Impact · Actual Impact · Potential Impact · Upstream Value Chain · Own Operation · Downstream Value Chain · Short-term Time Horizon (< 1 year) · Medium-term Time Horizon (1–5 years) · Long-term Time Horizon (> 5 years)

Interaction with strategy and business model

The impacts identified in the materiality assessment have an influence on the Volkswagen Group's business model, strategy and value chain. The topics of biodiversity and ecosystems are anchored in the Group sustainability strategy regenerate+, the core elements of which are the preservation of biodiversity and the sustainable use thereof. The topic

is therefore also set out in our main policies. The Volkswagen Group has committed to protecting, preserving and promoting biodiversity in its environmental mission statement and also in its Biodiversity Commitment.

Biodiversity and the protection of ecosystems are integrated as relevant sustainability topics in the Volkswagen Group Code of Conduct for Business Partners. The aim is to promote supply chain compliance with the requirements of applicable law and international regulations on the preservation of biodiversity – in particular, the protection of endangered species and habitats and the sustainable use of natural resources. The Code of Conduct for Business Partners applies in principle to direct suppliers and is an integral part of their contract. In order to extend the requirements further down the supply chain, suppliers are also asked to pass them on to their direct business partners. The specifics of how this is implemented may vary depending on structure and sphere of influence.

Implementation of the biodiversity-related actions and other environmental protection actions aims to offset the impacts of the Volkswagen Group's business activities. Biodiversity actions at the sites, such as sowing flowering meadows or planting green walls, primarily serve to offset land use and, along with other environmental protection measures, contribute to the strategic vision of the Zero Impact Factory. The positive contribution of these projects in and around the Volkswagen Group's plants is assessed using a metric (see the "Targets: Biodiversity and ecosystems" section). In addition to addressing actions relating to the local and regional impact of its own facilities, the Volkswagen Group addresses impacts at the trans-regional level via its contribution to global voluntary biodiversity projects.

TRANSITION PLAN AND CONSIDERATION OF BIODIVERSITY AND ECOSYSTEMS IN STRATEGY AND BUSINESS MODEL

A resilience analysis did not identify any significant physical risks, transition risks or systemic risks or opportunities in relation to biodiversity and ecosystems (ESRS E4), but it did identify material impacts. It also included a qualitative assessment of the extent to which the strategy and business model are able to address these material impacts. Criteria such as the scope and quality of existing policies, actions and targets, the consideration of impacts in the Group sustainability strategy, and the challenges of implementing adaptation actions and strategies were used to assess short, medium and long-term resilience. One of the key assumptions is that the requisite access to capital can be provided as planned, irrespective of the economic situation. It is also assumed that the Volkswagen Group's biodiversity performance will continue to satisfy the expectations of investors and lenders. We also presume that suppliers will provide relevant data pertaining to biodiversity and ecosystems. These assumptions are continuously validated in the relevant planning and steering committees. There is uncertainty regarding the fundamental challenges of unpredictable developments in the global vehicle sales market, as well as the evolution of regulatory requirements relating to biodiversity and ecosystems.

The time horizons considered in the resilience analysis correspond to the time horizons defined in the "General Information" chapter in the "Notes on use of the ESRS" section and also used in the materiality assessment. These are divided into short-term (< 1 year), medium-term (1 - 5 years) and long-term (> 5 years) horizons. The analysis covers the impacts identified as material and their main drivers along the Group strategies and value chain. In particular, this includes the integration of biodiversity and ecosystems into regenerate+, as well as the level of coverage of strategic and operational adjustment actions along the upstream value chain and the Company's own operations. The downstream value chain was also taken into account in the analysis of the level of coverage of the policies and actions.

In order to ensure that relevant stakeholders were taken into account in the resilience analysis in accordance with ESRS E4 paragraph 13(f), internal experts who maintain regular contact and work together with relevant stakeholders were involved in the process. External stakeholders and people with indigenous and local knowledge of affected regions were not included in the process. Regenerate+ serves as the central strategic framework for mitigating material negative impacts on biodiversity and ecosystems. Nature is defined as a core dimension within regenerate+. Topics such as diversity of species and biodiversity are explicitly addressed in the ecosystems pillar, thereby affording the core elements of ESRS E4 the relevant significance in the Group sustainability strategy. In addition, there is an opportunity to address specific topics related to biological diversity and ecosystems at Board of Management level by embedding regenerate+ in the strategy process. The strategic direction and pilot projects in the Group are discussed at a technical level and brought to other relevant bodies in monthly Group-wide dialogue formats on biodiversity and ecosystems attended by experts and representatives for biodiversity from the various brands and plants. The aim is to use metrics to manage these topics in the long term. The Group brands also define different focus areas for biodiversity. For example, specific projects on commodity hotspots are being developed by individual brands in the supply chain with the aim of implementing future pilot projects with suppliers and other partners.

The impact on biodiversity and ecosystems, particularly in the medium and long term, is addressed through the interplay of operational policies such as the environmental mission statement goTOzero or the Biodiversity Commitment, as well as location-based biodiversity actions. In the short term, actions such as the creation of insect hotels, installation of nesting boxes for birds and bats, the construction of other structural elements, and sowing of flowering meadows are intended to mitigate negative impacts. No specific targets for biodiversity and ecosystems were defined for 2025 at Group level; these are currently being developed. In addition, existing targets from strategic focus topics contribute to biodiversity and ecosystems, such as decarbonization and water management.

Negative impacts on biodiversity and ecosystems in the supply chain are to be reduced by appropriate actions. The Code of Conduct for Business Partners helps to address relevant requirements, in particular by way of its inclusion in the contracts with direct suppliers and the stipulation that it be passed on to relevant business partners. While the majority of suppliers do not pose an increased risk in terms of biodiversity and ecosystems, the upstream supply chain is checked in advance, especially where mining or agricultural products are concerned.

IMPACTS AND DEPENDENCIES IN OR NEAR BIODIVERSITY-SENSITIVE AREAS

The double materiality assessment process described in the "Procedure for and results of the double materiality assessment" section in the "General Information" chapter was used to identify the material topics. Furthermore, the Company's activities were analyzed, giving consideration to potential impacts and dependencies. Transition risks, physical risks and opportunities, and systemic risks were not analyzed. A scenario analysis was not applied. Consultations with affected communities were not held as part of this analysis.

Potential impacts and dependencies were identified using the Exploring Natural Capital, Opportunities, Risks and Exposure (ENCORE) online tool. This performs a sector analysis in order to assess potential risks, impacts and dependencies specific to the sector. It focuses solely on the potential impacts that may arise from the Group's own production, and excludes the associated impacts from the supply chain (for example, metal production). The evaluation looked at the sector's potential impact with respect to a range of impact categories. Relevant impact categories are land use change (for example, land in use), resource use (for example, water use), climate change (GHG emissions),

pollution (for example, harmful emissions to soil, air and water, as well as waste generation) and disruptions (for example, noise or light). Linking these categories shows the potential overall impact of the activity (for example, vehicle manufacturing) on soil, water, biodiversity and the atmosphere. The activities considered are the manufacture of motor vehicles, the manufacture of parts and accessories for motor vehicles, energy generation from fossil fuels, and the manufacture of special-purpose machinery. The existing dependencies of the company's own activities on biodiversity and ecosystems were also examined. The ecosystem services taken into account in this context are the provision of services (for example, water supply) and regulation and maintenance services (for example, flood control and water purification). The specialized tool Kuyua is used to assess the impact and dependencies of activities on biodiversity. It enables an in-depth analysis of the ecological conditions at and around the sites. This tool helps the Group to obtain a differentiated record of its biodiversity status and to make well-founded statements about the ecological relevance of its business activities. The very high, high and medium impacts and dependencies of the individual activities at the different sites are detailed in the table "Annex: Sites near or in biodiversity-sensitive areas". Minor and very minor impacts of activities at the sites include land use, the volume of water consumption, GHG emissions and emissions of other air pollutants, as well as the generation and release of solid waste. Low and very low dependencies of activities at the sites relate to global and local climate regulation, mitigation of sensory impacts, control pattern regulation, air filtration, solid waste decomposition, dilution effect through atmosphere and ecosystems, and water supply, for example.

The construction of production sites has a negative impact on biodiversity and ecosystems due to the associated land use change and sealing. Efforts are underway to avoid land use change (land use for production), or to reduce it as far as possible. Unused areas are to be restored and used areas offset. In 2024, the Biodiversity Land Use Indicator (BLI) was rolled out at all passenger car and light commercial vehicle production sites and at associated component manufacturing sites. The aim of this was to make it possible to measure the impact of land use by the Company's own production sites and their contribution to land enhancement through biodiversity actions. This metric is intended to enable an assessment of land use and setting of associated targets.

A comprehensive assessment was conducted to determine whether Volkswagen Group sites are located near biodiversity-sensitive areas. The assessment covered the Volkswagen Group properties classified as environmentally relevant. These include the production sites where activities relating to the manufacturing of vehicles, components, assemblies or special-purpose machinery take place. A further four environmentally relevant sites such as environmentally relevant external production facilities and a technical development center were also included in the analysis.

The sites classified as material due to their proximity to biodiversity-sensitive areas and the significant activities conducted there are listed in the table "Annex: Sites near or in biodiversity-sensitive areas". The results show that 68 of the 127 sites analyzed are located near biodiversity-sensitive areas. Based on any relevant operational disruptions that may have occurred, no direct negative impacts caused by the production sites and other sites were identified for the protected areas nearby. The impacts from our own production on changes to freshwater resources and the associated actions are described in detail in the "Water" chapter. The material impacts of production on soil degradation and desertification cannot yet be assessed in detail.

POLICY: BIODIVERSITY AND ECOSYSTEMS

Biodiversity policy

The production of vehicles and their use by our customers impact biodiversity through emissions, land use and transportation – this can be observed from raw material extraction through to the use phase and on to recycling. The Volkswagen Group supports conservation projects across the globe, including for example the Green Belt reforestation project in China and projects to restore moorland in Germany and Poland. The Volkswagen Group has also been involved in protecting and preserving biodiversity since 2007. As described in the "Material impacts and their interaction with strategy and business model" section, the materiality assessment identified negative impacts, particularly along the upstream and downstream value chain. These are addressed within the scope of the biodiversity policy. The Group's Chief Sustainability Officer is responsible for coordinating the topic of biodiversity within the scope of the Group sustainability strategy regenerate+. The Group Head of Environment is responsible for activities relating to biodiversity in production. As environmental management officer, he performs the tasks of the Volkswagen AG biodiversity officer.

The Volkswagen Group is aware of the importance of biodiversity and its dependency on ecosystem services and has therefore incorporated their protection as an action area in its environmental mission statement goTOzero. The Group has thus committed to protecting, preserving and promoting biodiversity through its mission statement: The Volkswagen Group reduces harmful emissions to air, soil and water bodies, mitigates the impact of its business operations on biodiversity and ecosystem services and supports projects to conserve these.

As a founding and active member of the Biodiversity in Good Company e. V. initiative, the Volkswagen Group also acknowledges the three goals of the international Convention on Biological Diversity (CBD). These are the conservation of biological diversity, the sustainable use of the components of biological diversity, and the equitable sharing of the benefits arising from the utilization of genetic resources. In the Volkswagen Group's Biodiversity Commitment, corresponding action areas have been defined to make a contribution to achieving these goals within the framework of the Group's business activities. A biennial progress report on this matter is published as part of the Biodiversity in Good Company Initiative. Furthermore, the Volkswagen Group supports the CBD's Action Agenda for Nature and People initiative and has published this commitment on the German Business for Biodiversity platform set up by the German Federal Ministry for the Environment (BMUV), as well as on the CBD website.

The topics of biodiversity and ecosystems are likewise anchored in the Code of Conduct for Business Partners with the aim of protecting natural ecosystems and achieving sustainable use of natural resources. In line with the relevant applicable legislation, and taking into account international biodiversity requirements, business partners must strive to establish supply chains that do not involve logging or deforestation. These international requirements include the resolutions and recommendations regarding biodiversity of the CBD and the International Union for Conservation of Nature (IUCN).

Also noteworthy is the fact that the Volkswagen Group was the first automotive manufacturer to join the LEAF Coalition (Lowering Emissions by Accelerating Forest Finance) in the year 2024. Together with governments and companies around the world, the initiative supports the protection of tropical rainforests, thereby making an important contribution to achieving the Paris climate goals, protecting biodiversity and realizing sustainable development.

The Volkswagen Group is also a member of the DRIVE Sustainability Partnership, which is involved in the development of a Raw Material Outlook Platform. This included the material change risk analysis on raw materials and their extraction and processing. One of the 16 criteria applied concerned overlaps with areas important for preserving biological diversity. The direct impacts of production on biodiversity and ecosystems also play a key role. Specific details regarding biodiversity management at production sites are provided in the strategic vision for the Zero Impact Factory. This vision includes, for example, voluntary biodiversity offsets and ongoing assessment of the impacts of the production sites on biodiversity. In 2024, the BLI was rolled out as a new Group-wide performance

indicator to help determine the company's contribution to biodiversity from creating near-natural areas at and around the sites.

The Volkswagen Group engages in dialogue with expert partners and promotes networking within and between the fields of politics, economics, science, government authorities and associations in order to improve its own and society's knowledge surrounding biodiversity and biodiversity management. The Volkswagen Group relies on knowledgeable partners such as Non-Governmental Organizations (NGOs) and other local players to realize its biodiversity projects.

Impacts of biodiversity loss and the state of species and dependencies on ecosystem services

The vision of the Volkswagen Group is to have a positive impact on people and nature and to make a sustainable contribution. The focus on ecosystems and preserving biodiversity is a central pillar of the Group sustainability strategy regenerate+. The production of our vehicles, and their use by our customers, impact biodiversity through emissions, land use and transportation. We aim to counter this impact through actions such as reducing land use. We are also implementing additional environmental enhancement measures that protect biodiversity and promote it where possible. The Volkswagen Group has set itself the goal of increasing biodiversity at its production sites and within the supply chain. In accordance with the Biodiversity Commitment, the Volkswagen Group pursues these goals as follows: Risks and opportunities are assessed with respect to business activities that have an impact on biodiversity and ecosystem services. Biodiversity is also integrated into the Volkswagen Group's ECMS. Projects are also being implemented to protect and preserve biodiversity.

Sustainable raw material sourcing in the value chain

The Volkswagen Group is aware that its suppliers' business activities can have an impact on people and the environment. The extraction and processing of some raw materials for the automotive industry is associated with environmental risks such as deforestation and air and water pollution. The Volkswagen Group published its first Responsible Raw Materials Report in 2021. It provides detailed information on the methodologies and activities in the context of the Raw Materials Due Diligence Management System for raw material sourcing. The current report covers the period from January to December 2024 and gives an insight into the scope, the methodology and the implementation of activities and results concerning due diligence for raw materials classed as a priority by the Volkswagen Group. This also involves memberships in various initiatives.

Social consequences of biodiversity impacts and sustainable land use practices

The Code of Conduct for Business Partners emphasizes the issue of damage to soil, water and air. Business partners commit to ensuring that they do not cause any harmful soil changes, water pollution, air pollution, harmful noise emissions or excessive water consumption that could lead to significant harm to the natural basis for food and drinking water or human health. They must also comply with the prohibition of unlawful eviction and unlawful deprivation of land, forests and water bodies in the acquisition, development or other use of these resources.

Biodiversity-sensitive areas

The Volkswagen Group carried out an evaluation of biodiversity-sensitive areas close to Group sites in order to determine the impacts on biodiversity of the production sites and rule out potential risks (see the "Impacts and dependencies in or near biodiversity-sensitive areas" section).

Biodiversity impact assessments are performed when seeking new locations for production sites. When extending existing production facilities or building new ones, protection of natural capital requires that priority be given to land already used for industrial purposes in order to minimize land use and soil sealing as far as possible (for further information, see the section on "Transition plan and consideration of biodiversity and ecosystems in strategy and business model" and the "Biodiversity-sensitive sites" table in the Annex).

Deforestation

In line with the relevant applicable legislation, and taking into account international biodiversity requirements, suppliers must strive to establish supply chains that do not involve logging or deforestation. These international requirements include the resolutions and recommendations regarding biodiversity of the CBD and the IUCN. In addition, the Volkswagen Group is currently making preparations for the implementation of the EU Deforestation Regulation.

TARGETS: BIODIVERSITY AND ECOSYSTEMS

As described under the section "Policy: Biodiversity and ecosystems", the topics of biodiversity and ecosystems are anchored in the Group sustainability strategy regenerate+, the Biodiversity Commitment and the environmental mission statement goTOzero. In order to record developments and progress, the Volkswagen Group is involved, for example as a founding member of the Biodiversity in Good Company e. V. initiative.

The topic of biodiversity is part of the strategic vision of the Zero Impact Factory. The Volkswagen Group has created a Site Checklist featuring quantifiable targets on the topic of biodiversity and ecosystems. With regard to biodiversity management, the Site Checklist contains criteria such as the consideration of local protected areas or the provision of funding schemes for biodiversity and environmental education. The Site Checklist also acknowledges specific actions such as planting regional plant species at sites, designing green spaces in harmony with nature, and promoting biodiversity through the creation of habitats inside or outside the site.

Furthermore, a new metric for measuring biodiversity – the BLI – was introduced in 2024 at the production sites for passenger cars and light commercial vehicles. This was measured again in 2025 and a specific BLI target will be set in the future. This metric aims to increase the proportion and quality of near-natural areas at the sites.

ACTIONS AND RESOURCES: BIODIVERSITY AND ECOSYSTEMS

Actions at the production sites

The sites each independently identify, plan, perform, uphold and evaluate the biodiversity actions for their particular site. The decentralized implementation of a range of nature-based actions enables the local knowledge available at the site to be harnessed. Local service providers are normally involved in implementing the actions.

It is also important to the Volkswagen Group that employees become involved in the biodiversity projects and in doing so improve their awareness of the issues involved. The Zero Impact Factory Award for biodiversity issues, for which submissions were opened in 2024, is a highlight in this respect. Three outstanding biodiversity measures implemented at production sites in 2024 received awards. The Palmela site in Portugal is among them. Its RENASCER program launched an environmental initiative aimed at reforestation, waste reduction and biodiversity protection. By involving employees and local communities, more than 2,500 trees have been planted and 15.5 tonnes of waste removed since 2022. The aim is to plant a total of 20,000 trees by 2030 and motivate around 200 people to take part each year. The Kariega site in South Africa was also recognized. Under the "Show of Hands" program, Volkswagen employees and their families were involved in protecting biodiversity at the Van Stadens Wildflower Reserve. The project involved removing invasive species, improving infrastructure and expanding educational and visitor offerings – contributing to the long-term conservation of endangered ecosystems and strengthening the local community. The

site in Hanover, Germany, also received an award: at the Ottensen landfill site, a population of crested newts was successfully relocated, and two replacement bodies of water were created along with suitable vegetation for biotope development. The action promotes biodiversity and creates new habitats for endangered species on the former forest land.

Of the more than 200 Corporate Citizenship projects implemented in fiscal year 2025, over 21 projects serve to promote and protect biodiversity. These projects include tree planting, preserving and developing ecosystems, actions to promote biodiversity, refuse collection campaigns and environmental education.

In the reporting year, the Volkswagen Group also launched a Sustainability Impact Fund, which supports in-house projects around the world that promote environmental, social and economic sustainability. The fund is therefore a Group-wide instrument for the targeted promotion of projects related to regenerate+ and thus also for supporting biodiversity work at the sites concerned.

In 2025, six biodiversity projects were supported via the Sustainability Impact Fund. The actions being promoted focus on the preservation and development of ecosystems, including in the supply chain; the restoration of areas at sites; environmental education and awareness; and targeted tree planting.

Contribution to global voluntary biodiversity projects

To promote biodiversity beyond its own value chain, the Volkswagen Group launched a biodiversity fund for external nature and biodiversity projects in 2025. The fund has an annual allocation of up to €25 million and a planned term of five years (from 2025 to 2029). The aim is to facilitate effective actions to protect and promote biodiversity beyond the Group's sites and supply chain. To ensure that funds are allocated in a way that is professionally sound and impactful, projects are selected and reviewed by an interdisciplinary decision-making body made up of internal and external experts.

In the 2025 reporting year, the focus was on the conceptual development of the fund, the definition of funding criteria and the establishment of the aforementioned interdisciplinary decision-making committee. The final selection was made based on a joint evaluation of the projects by the expert committee and within the administrative office. The first projects are contractually agreed and operational funding is to start in 2026.

The Volkswagen Group is already supporting biodiversity projects worldwide:

Volkswagen de México has been supporting conservation and reforestation projects since 2008, in order to preserve ecosystems. The actions are aimed at creating habitats for wild fauna and promoting the development of biodiversity. The reforestation actions aim to prevent soil erosion and promote groundwater storage. Construction of infiltration ditches also helps rainwater infiltration. This serves to protect the soil and promote groundwater recharge, for example on the volcanic slopes of Popocatépetl and Iztaccíhuatl, where years of logging, livestock farming and fires have created open land.

The Group works with partners such as UNESCO and the Seabird Life organization to support sustainable mobility projects and to remediate storm damage in UNESCO biosphere reserves in Spain, as well as other projects to conserve and restore moorland in reserves in Poland and Germany.

Volkswagen Group China, along with the Volkswagen, Audi and Škoda brands, has initiated the Green Belt reforestation project to protect habitats and promote sustainable development. More than 8.5 million trees are to be planted by 2030 on a total area of over 40 million m² in ten environmentally sensitive regions in the north of China. Reforestation serves to establish carbon sinks, supports biodiversity and helps to prevent wind erosion and soil losses.

Škoda has launched the Gardens of the Giant Mountains project via the Škoda Auto Endowment Fund. The fund is an addition to the company's long-term Škoda Trees initiative and supports projects aimed at water retention,

supporting local biodiversity and promoting awareness for nature conservation. In 2025, various actions were taken to reintroduce the Apollo butterfly (Parnassius apollo), which is on the Red List of Threatened Species and is at risk of extinction in the Czech Republic.

METRICS: BIODIVERSITY AND ECOSYSTEMS

Biodiversity land use indicator

As a vehicle and component manufacturer, the Volkswagen Group has an impact on land use. Plant construction usually involves building on and permanently sealing large areas of land. To determine the contribution of production to land use and reduce it in the future, a new metric for production sites for passenger cars and light commercial vehicles was established at Group level in 2024 – the BLI. It builds on the EMAS biodiversity guide and the No Net Loss/Net Gain (NNL/NG) approach of the IUCN.

The BLI provides information on the proportion of near-natural areas at the site and also takes into account their quality. These near-natural areas may be located on the site premises or within a 30 km radius, providing they are owned or managed by the site and serve primarily to promote biodiversity. Areas managed in conjunction with partners may also be considered where the scope of the joint management is clearly regulated. The ecological quality of each area is classified as low, medium or high. The areas are weighted according to this quality factor. A calculation tool (BLI tool) and accompanying guidelines are provided for determining the site result. The Group-wide survey of the BLI in 2025 showed a result of approximately 53.4 (28.6)%, taking into account the quality of the area. The improvement on the previous year is mainly due to a methodological adjustment: a derogation modeled after German eco account regulations means that areas with particular ecological value outside of the defined 30-kilometer radius can now also be taken into account. As a result, two Mexican sites were able to include long-established areas that had previously been excluded.

Sites near or in biodiversity-sensitive areas

The sites near or in biodiversity-sensitive areas metric provides information on the number and area of sites that are in or near protected areas or in important areas for biodiversity. For 2025, the Volkswagen Group is using a radius of 4.5 kilometers, as in the previous year.

SITES NEAR OR IN BIODIVERSITY-SENSITIVE AREAS

	Unit	2025	2024
Sites near protected areas	Number	68	58
Area of sites near protected areas	hectares	9,296	8,653

Resource Use and Circular Economy

The finite nature of natural resources as well as the social and ecological consequences of raw material extraction, make the development of a circular economy a key sustainability topic for us.

MATERIAL IMPACTS AND RISKS AND THEIR INTERACTION WITH STRATEGY AND BUSINESS MODEL

Intensification of the circular use of materials helps to reduce the negative environmental impact of resource consumption and counteract the scarcity of raw materials, thus making it a central sustainability topic for the Volkswagen Group.

IMPACTS IN THE AREA OF RESOURCE INFLOWS, INCLUDING RESOURCE USE, RESOURCE OUTFLOWS AND WASTE

Description	Impact/Risk/ Opportunity	Actual/ potential impacts	Value chain	Time horizon
Resource Inflows, Including Resource Use				
Using secondary/recycled materials reduces the use of non-renewable resources and makes resource use more sustainable, thus extending the service life of resources while reducing greenhouse gas emissions and making supply chains more resilient.				
				
This impact arises from the extensive use of non-renewable resources in conjunction with the resource intensity of the automotive sector.				
Raw material procurement costs will rise due to proposed future legal obligations to use specific recycled plastic recyclates. This could lead to a reduction in margins as well as in the profitability of the Volkswagen Group, if the price increases cannot be passed on to customers in full.				
Fluctuating and, in some cases, limited availability of raw materials needed for battery production, as well as the tightening of statutory regulations for recycling used batteries, may result in higher purchase prices or even limit availability (e.g. of used batteries). This could lead to a reduction in margins as well as in the profitability of the Volkswagen Group, if the price increases cannot be passed on to customers in full.				
Due to the upcoming tightening of legislation (Euro 7), it is likely that tires with excessive abrasion, and thus an excessive release of microplastics into the environment, will no longer be approved for use in the future, or that compensation payments will have to be made for such tires. Costs may rise as a consequence, as only a few tires are currently meet the anticipated threshold values. These tires could in turn become significantly more expensive, both due to higher raw material prices and increasing demand combined with current reduced availability.				

Description	Impact/Risk/ Opportunity	Actual/ potential impacts	Value chain	Time horizon
Resource Outflows				
The Group contributes to the circular economy in a variety of ways, reducing resource outflow by promoting the reusability of products and extending the service life of products by offering repair services.	Positive Impact	Actual Impact	Upstream Value Chain	
		Potential Impact	Own Operation	Long-term Time Horizon (> 5 years)
Product manufacturing that includes non-renewable resources, along with the current challenges in recycling and reparability within the downstream value chain, are reducing resource use.	Negative Impact	Actual Impact	Own Operation	
Challenges such as the insufficient availability of recycled materials and quality issues with recyclates could, for example, result in failure to meet the proposed regulatory recycling quota. According to the current draft of the new Directive on end-of-life vehicles, this could lead to the non-issuance of type approval in the EU in the medium term. Furthermore, from a regulatory perspective, clarification is needed on how the goal of a circular economy will be governed in connection with banned materials in future.	Risk		Own Operation	Long-term Time Horizon (> 5 years)
Waste				
Waste is generated from the extraction of raw materials, to production, to the end of the use phase of vehicles.	Negative Impact	Actual Impact	Upstream Value Chain	Long-term Time Horizon (> 5 years)
		Potential Impact	Own Operation	Long-term Time Horizon (> 5 years)

Opportunity · Risk · Positive Impact · Negative Impact · Actual Impact · Potential Impact · Upstream Value Chain · Own Operation · Downstream Value Chain · Short-term Time Horizon (< 1 year) · Medium-term Time Horizon (1–5 years) · Long-term Time Horizon (> 5 years)

Interaction with strategy and business model

The impacts and risks identified in the materiality assessment have an influence on the Group's business model, strategy and value chain. The overarching topic is circular economy and resource inflows, which is strategically anchored within the Group sustainability strategy regenerate+. In addition, the Group Strategy Framework for circular economy was adopted at Group level in October 2025. Key elements of this include the increasing circular use of materials, the introduction and establishment of relevant circular economy strategies as well as the evaluation of new business models. In addition to access to and use of secondary materials in recycling, the framework also covers the topic of redesign, which aims to make circularity a mandatory consideration already during the development process and the planning of vehicle projects. There is also a legal imperative to ensure access to secondary and raw materials from end-of-life vehicles, for example through the Group's own access to and recycling of these vehicles.

Remanufacturing and used parts can also ensure that vehicle parts are available at fair market value even for price-sensitive target groups. In order to extend the service life of vehicle parts, the topic of second life is taken into account under reuse. New business models are continuously being explored with the individual Group brands, based on relevant circular economy strategies and prioritized according to scaling potential and synergy effects. The environmental mission statement goTOzero also focuses on further improving resource efficiency and approaches for reusing and recycling materials. In addition, the topic of resource efficiency is embedded in the Code of Conduct for Business Partners.

The Volkswagen Group responds to these impacts and risks to its business model, strategy and value chain in the area of circular economy and resource inflows by taking the following measures to mitigate negative impacts and risks and strengthen positive impacts:

The identified impacts and risks related to resource inflows, including resource use, affect the upstream value chain and the Group's own operations. In the area of resource inflows, including resource use, the use of primary raw materials, for example, will be reduced through the use of recyclates and renewable raw materials as well as cross-brand working structures will be developed for a circular and resource-efficient business approach. The impacts and risks identified in connection with resource outflows related to products and services concern both the Group's own business operations and the downstream value chain. In vehicle development, measures are being taken based on reparability and recycling, for example with plastic components labeled for easy identification later and to enable separation by material type.

The waste-related impacts identified are found along the value chain. To counteract these, production waste is recycled at Group sites, and a waste management system is implemented to reduce waste volumes and recycle unavoidable waste. By closing loops, the amount of waste generated is to be further minimized.

By taking additional actions throughout the entire life cycle of the product and therefore along the value chain, the Volkswagen Group counteracts the identified impacts and risks. These include, among other things, the shift toward new circular business models, which are to be examined and implemented.

POLICY: RESOURCE USE AND CIRCULAR ECONOMY

The topic of resource use and circular economy play a key role in the Group Strategy and the Group sustainability strategy regenerate+ and are anchored in a corresponding policy.

Impacts and financial effects for the topic of circular economy were identified in the materiality assessment. These refer specifically to resource inflows, including resource use and resource outflows related to products and services, as well as waste. The identified impacts and risks have been addressed with the policy on resource use and circular economy. Central elements are the circular use of materials, joint development of recycling technologies, the use of secondary materials, improvements in resource efficiency, and reuse and recycling of materials and components.

The increasing circular use of materials helps to reduce the negative environmental impact of resource consumption and counteract the shortage of raw materials. This makes circular economy a key sustainability topic for the Volkswagen Group. At the same time, this development also offers many opportunities to develop new technologies through innovations in material design, recycling technologies and business models.

Conserving resources, secondary raw materials, sustainable procurement and renewable raw materials

In the nature dimension of the Group sustainability strategy regenerate+, work is underway to continuously optimize the vehicle-specific use of primary raw materials, for example by increasing circular material use. The finite nature of natural resources and the social and environmental consequences of mining raw materials make the development of a circular economy a central sustainability topic. The focus here is primarily on conserving resources.

The topic of circular economy is a core element of the environmental mission statement goTOzero. As part of this mission statement, the Volkswagen Group is setting itself targets including further improving its resource efficiency and promoting reuse and recycling approaches in the area of materials and water. This is to be achieved by using recycled material and renewable raw materials as well as by establishing closed loops for materials and water.

Resource efficiency is also addressed in the environmental protection in the context of environmental policy. The Volkswagen Group's ECMS includes processes that support environmentally compatible waste management in production, recycling of waste and use of secondary raw materials.

Other drivers for establishing a circular economy are embedded in the strategic vision of the Zero Impact Factory program. The focus here is on material efficiency. Production processes are to be designed in such a way that materials are used and reused efficiently and sustainably, the volume of waste is reduced to a minimum and the waste that is generated is recycled.

The circularity and environmental compatibility of the vehicles is factored into account from the development stage onwards. The requirements for the development of vehicles and their components are specified in the Volkswagen Group's environmental standards. One particular example of note here is the Volkswagen Group environmental standard for Vehicles Recycling Requirements, Use of Recyclates, Recyclability Type Approval, which contains recommendations and guidelines on a circular design.

Other requirements include the preferential use of recyclates when they are technically suitable and available throughout the service life, as well as the legally required labeling of plastics in accordance with internationally applicable ISO standards.

The topics of resource efficiency, circular economy and waste management are central components of the Code of Conduct for Business Partners. Business partners are required to take appropriate actions to work towards efficient use of energy, water and raw materials, the use of renewable resources and minimal damage to the environment and health. In addition, the Code of Conduct for Business Partners calls on business partners to take appropriate and reasonable actions to prevent waste, to reuse resources, to recycle, and to dispose of residual waste, chemicals and wastewater in a safe and environmentally friendly manner. Such actions can be implemented in particular in the development, production stages, during the product lifespan, recycling at the end of their useful life, and in further activities. Business partners must also comply with international agreements on cross-border movement of hazardous waste (for more information, see section "Actions and resources: resource use and circular economy"). Where technically viable and without compromising quality, the Volkswagen Group's environmental standard on recycling encourages business partners to prioritize the use of secondary materials in their processes. Business partners should know and document the proportion of recycled content in their products. They should also endeavor to establish and promote closed loop systems.

TARGETS: RESOURCE USE AND CIRCULAR ECONOMY

Overarching targets

The overarching *Umwelt Entlastung Produktion* (UEP – Environmental improvement production) metric takes into consideration, among others, the amount of disposal waste per vehicle. The UEP target thereby requires the sites to reduce the volume of disposal waste.

Moreover, the Impact Points method takes into consideration all production waste. The metric assesses the environmental impacts that arise from the transport, handling and disposal of production waste. The overarching Impact Points target thus helps to improve waste management by taking account of higher-quality waste treatment practices.

The Site Checklist includes concrete criteria relating to the circular economy in production. This comprises, for example, implementing closed-loop recycling, achieving zero landfill thus completely avoiding disposal of waste to landfill, and substituting disposable packaging with reusable alternatives. The targets set for fulfilling the Site Checklist require the production sites to increase their resource efficiency and close material loops.

Increasing the proportion of circular materials in vehicles

The Volkswagen Group aims to use 40% circular materials in its passenger cars and light commercial vehicles by 2040 for vehicle projects with production starting from 2040 onwards (excluding China). By increasing its use of renewable, recycled and remanufactured materials, the Volkswagen Group intends to make a significant contribution to the circular economy, reduce the use of primary raw materials and extend the lifetime of valuable resources.

The Volkswagen Group is also already working intensively to meet the future statutory targets for improving the sustainability and environmental friendliness of its products. In accordance with the draft regulation on circularity requirements for vehicle design and on disposal of end-of-life vehicles, starting from around 2032 new vehicles must contain a specific share of post-consumer plastic recyclate (PCR), with an appropriate proportion coming from end-of-life vehicles (ELVs).

Another target under the currently defined requirements of the EU Battery Regulation concerns the battery cells in electric vehicles. From 2031, the regulation will initially require 6% of lithium, 16% of cobalt and 6% of nickel to originate from end-of-life traction batteries or battery production waste. From 2036, these proportions increase to 12% of lithium, 26% of cobalt and 15% of nickel.

Sustainable sourcing and use of renewable resources

The Volkswagen Group strives to increase the use of circular materials, with the growing deployment of renewable resources playing a central role. The target within the framework of the Sustainability Rating (S-Rating) can support the sustainable procurement of resources (for further information, see the "Sustainability Rating" section in the "Sustainability in the Supply Chain" chapter). The S-Rating assesses the degree of compliance with Volkswagen's sustainability requirements by direct suppliers with a high sustainability risk. By 2040, over 95% of our relevant direct suppliers, based on sales revenue, should have a positive S-Rating. An intermediate target of 85% was defined for the 2025 reporting year and was exceeded with a result of 87%.

Sustainability requirements for suppliers

In line with the target of increasing the number of suppliers with environmental certification (see the "Overarching targets and metrics" section in the "Introduction to Environmental Management" chapter), 95% of the Volkswagen Group's suppliers that operate a production site with more than 100 employees are to be certified in accordance with the environmental management system ISO 14001 or EMAS by 2040.

Expansion of circular product design

The Volkswagen Group generally develops targets where there is a connection to its strategies. The Volkswagen Group has not set any measurable outcome-oriented ESRS-related targets for expanding circular product design. The scope of the circular economy generally focuses on the use of circular materials. Vehicles are already developed on

the basis of circular economy criteria, taking the entire life cycle into account. Importance is attached to the recyclability of the materials and the avoidance of pollutants (for more information see section "Policy: Resource use and circular economy" and "Actions and resources: Resource use and circular economy").

Allocating targets to the waste hierarchy

The Volkswagen Group bases its treatment of waste on the waste hierarchy. Avoiding waste has top priority. Unavoidable waste must be subjected to recycling processes of the highest possible quality. The lower levels of the waste hierarchy provide for waste disposal in the form of incineration and, as the last option, landfilling.

The waste hierarchy is also taken into consideration in the Impact Points method. Waste with lower environmental relevance has lower eco-factors than waste with a potentially high environmental impact. As such, the Impact Points targets stipulate that waste be allocated to a higher-value recovery operation.

ACTIONS AND RESOURCES: RESOURCE USE AND CIRCULAR ECONOMY

Contribution to a circular economy

The longest possible service life of a vehicle is followed by material recycling in the vehicle's recovery phase, which is becoming increasingly important. Vehicles already have a long service life; the average age of an end-of-life vehicle in Europe is 19 to 24 years according to official statistics. The initial steps in the area of circular economy focused on batteries, steel, aluminum and plastics. The results from this are then used to further develop the overall circular economy strategy and to devise new business models. The topic of circular economy is also about strengthening the company's resilience and minimizing dependencies.

Cross-divisional and cross-brand working structures have been developed at Group level for managing the topics to be developed. These build on the work of committees including the Group Steering Committee for the Environment and Energy, the Group Steering Committee for Product Recycling and the Sustainability Product Group Platform. In addition, information is shared among the employees active in waste management, who meet up regularly as part of a working group. The Volkswagen Group seeks to further intensify its efforts in the future for the transition to an economically and environmentally sound circular and resource-efficient business approach. To this end, the Group focuses on alliances and the implementation of joint projects with various partners such as suppliers, plant manufacturers, the recycling sector and universities.

Among other things, two alliances for sustainable raw material extraction can be highlighted here: the Global Battery Alliance and the Initiative for Responsible Mining Assurance (IRMA). Sustainable use of resources involves extracting these raw materials under fair and humane conditions and using them efficiently. This is why the Volkswagen Group supports the Global Battery Alliance, a partnership of over 140 companies, governmental and non-governmental organizations as well as researchers. Its main targets are socially and environmentally responsible extraction of raw material, transition to a circular economy by means of reuse and recycling, and innovation along the entire value chain. This alliance of companies, mining operators and non-profit organizations works to implement common standards for better conditions in industrial mining – for example, with regard to health and safety in the workplace or environmental protection. The IRMA standards are being gradually integrated into the Volkswagen Group's own supply chain.

Actions over the course of the entire life cycle

The most important actions for the implementation of the strategic direction towards a circular-economy include further clarification of targets and indicators as well as the realization and scaling of circular material use. This applies to the most important components and materials, such as batteries, steel, aluminum and plastics.

To make our contribution to a circular business approach, the Volkswagen Group is continuously stepping up efforts to use material loops in production processes, as recycling is an important means of reducing environmental impacts and conserving resources. Material loops are being intensified, for example, with aluminum returns or by recycling waste.

For the Volkswagen Group, recycling starts with the development of new vehicles. The focus here is on the recyclability of the materials and avoidance of pollutants. Recommendations are also provided to enable efficient reparability of materials. All components made of plastic are labeled in accordance with internationally applicable ISO standards so that the plastics can later be identified and separated by type. In addition, the vehicle environmental standard includes design recommendations that allow materials to be more effectively separated from each other at the end of the vehicle's life cycle. Likewise, all operating fluids can later be removed from the end-of-life vehicle and many components disassembled.

According to the Volkswagen Group's environmental standard, the use of secondary materials obtained from production waste (pre-consumer recyclates) or end-of-life products (post-consumer recyclates) is to be prioritized, provided these materials meet the same quality standards as primary materials and sufficient quantities of secondary materials are available over the service life.

Sustainable supply chains

An extensive strategy program was launched in the area of Group Procurement Sustainability in 2022, aimed at, among other things, continuously strengthening sustainability. The main focal areas are the topics of circular economy and climate neutrality, fairness, equality and global governance. The first focus topic covers initiatives and projects relating to decarbonization, the circular economy, resource efficiency and biodiversity. Additional focal areas include implementing projects and partnerships in the field of circular economy and reducing CO_2e emissions in the supply chain.

The Volkswagen Group is aware that its suppliers' business activities can have an impact on people and the environment. To that end, the Group published its Responsible Raw Materials Report for the first time in 2021 and has done so annually since then. This report details the methodology and activities of the Volkswagen Group within the framework of the Raw Materials Due Diligence Management System.

The Volkswagen Group continuously works on responsible supply chains for 18 high-risk raw materials, including battery raw materials and rare earth elements. Since 2022, there has been a cooperation on rare earths with international representatives from industry, government ministries, science and technology. These include, among others, the Initiative for Responsible Mining Assurance (IRMA) and the OECD Due Diligence Guidance for Responsible Supply Chains. Cross-industry initiatives aim to define and implement specific sustainability criteria along the supply chain. The same applies to auditing possibilities. As part of the DRIVE Sustainability initiative, a risk analysis on human rights and environmental issues for various raw materials was carried out and published under the Raw Material Outlook. This analysis serves as one of several sources that the Volkswagen Group uses as part of its Raw Materials Due Diligence Management System (RMDDMS) to conduct its own risk-based assessments of its supply chains. The goal is to proactively identify social and environmental risks, as well as corruption, along the supply chain and take appropriate actions to mitigate them. The Volkswagen Group's Responsible Supply Chain System (ReSC-System) is composed of interlinking elements that support the continuous improvement of sustainability performance.

There have been material specifications for leather since the start of 2022, with compliance mandatory for all new suppliers awarded contracts as of April 2022. The specifications call for disclosure of the country of origin of the raw material and provision of a leather-specific sustainability certificate – such as Leather Working Group (LWG) certification. As such, the Volkswagen Group obligates its suppliers to respect animal welfare and ensure responsible production and processing of leather. This includes, among other things, compliance with strict criteria regarding water consumption and the prevention of water pollution during the tanning process.

Leather is one of the 18 materials defined by the Volkswagen Group as high risk. To promote responsible sourcing of leather with regard to ecological and social aspects, as well as to mitigate the identified risks, the material-specific requirements specifications document for sustainable leather was created. The Volkswagen Group therefore requires transparent and responsible raw material supply chains as a prerequisite for future nominations (global and forward sourcing) of all procured leather, including direct and indirect quantities. Suppliers are required to adhere to the "Sustainable Leather" specifications document and provide proof of this prior to nomination.

Use of renewable raw materials

To reduce resource consumption, the Volkswagen Group already relies on raw materials from renewable resources during the design phase of its vehicles. Where possible, the Group's brands use natural fibers such as flax, cotton, wood and cellulose.

Use of recyclates in vehicles

Using the highest possible proportion of recycled materials is very important for the Volkswagen Group. The Volkswagen Group's environmental standards also state that recyclates or materials with a recyclate content are to be used preferentially in place of other materials where technically possible. In the ID. family, recyclates are already used in the following components: headliners, fabrics, carpets, seats, door trim panels and decorative inlays, among others. Some of the seat textiles for certain equipment lines are made of up to 100% recycled PET, mostly manufactured from former PET bottles.

The Volkswagen Group is researching a range of promising approaches and implementing them in series production with the aim of continuously reducing its environmental footprint further. One focus is on animal-free and recycled materials for interior equipment. As such, Volkswagen brand all-electric models are therefore to feature only animal-free materials as alternative in the interior as far as possible. For example, alternative materials made of marine plastic or old PET bottles (approximately 63 bottles, 500 milliliter each) are used in the seat covers of the Design and Comfort lines of the ID. Buzz People. The surface material of the seat covers is made of Seaqual® yarn, which contains 10% ocean waste and 90% recycled PES fiber. Seat covers made of ArtVelours Eco® contain 71% recycled content.

In-house expertise in battery recycling and conservation of resources

The Volkswagen Group has been intensively involved in research, development and validation of battery recycling processes, concepts and strategies since 2009. At the same time, a new industry for recovering raw materials from high-voltage batteries is emerging in Europe and worldwide. Against this backdrop, the Group is working closely with cell manufacturers and partners from the recycling industry to establish a closed value chain – known as a closed loop.

The aim is to systematically collect and process old batteries and to reuse the raw materials they contain in new generations of cells so that demand for new primary materials can be gradually reduced. Together with our partners, we are currently validating the technological and economic feasibility of various process routes, from used batteries to new battery salts. Returns from production waste and, in particular, from end-of-life batteries will play a key role in scaling this up in the future. However, as batteries are used for many years during their first vehicle life cycle, returns are not to be expected in any significant quantity until 2030.

Volkswagen AG is examining a variety of Re-X business models in order to maximize the environmental and economic benefits of each battery system over its entire life cycle and to actively help conserve resources. Re-X encompasses the various applications after the battery life of a first-life vehicle. These include reusing (spare parts in vehicles), repurposing (second life) and recycling (material recovery).

The Volkswagen Group is one of the few automotive manufacturers worldwide to fully integrate batteries as a core technology for future e-mobility into its own value creation process – from the procurement of raw materials to recycling. PowerCo SE's cell factories play a key role in these efforts. They are designed to significantly increase material efficiency within production through close-to-production recycling of production waste. In addition, PowerCo aims to consistently expand the use of recyclates and, in collaboration with the Volkswagen Group, to forge ahead with end-of-life battery recycling.

The first cell factory in Salzgitter/Germany came on stream in 2025 and delivered the first cells for further validation within the Group. Two more cell factories are currently being built in Valencia/Spain and St. Thomas/Canada. All of the factories will use electricity generated with CO_2-free or CO_2e-free electricity and, moving forward, will be geared toward closed-loop recycling in the interests of establishing a circular economy. The first step focuses on the recycling and reuse of NMP (N-methyl-2-pyrrolidone) and active cathode material. PowerCo is pursuing a cross-site recycling strategy for cell chemistries such as nickel manganese cobalt (NMC) and lithium iron phosphate (LFP).

This starts with a sustainable recycling model for production waste that is fully compliant with environmental and regulatory standards. On this basis, PowerCo is working with strategic partners to establish a closed-loop system that enables efficient resource recovery in line with a recycling-as-a-service approach. This approach not only supports the circular economy, but also offers advantages in terms of cost optimization, regulatory compliance and environmental impact – thus creating added value for all parties involved.

To date, tools for engine production have been processed at the center of excellence for tools at the Salzgitter site in such a way as to make them suitable for reuse. The existing expertise in production tool preparation is also to be applied to battery cell manufacture in the future.

Aluminum closed loop

The Aluminum Closed Loop project, launched at the Audi plant in Neckarsulm/Germany in 2017, is the first closed loop for aluminum to be implemented across company boundaries. The offcuts from aluminum sheet-metal parts in the press shops are sent directly back to the suppliers, where the offcuts can be recycled or used to produce new material that Audi in turn sends through the press shop once again. Reprocessing aluminum waste can save up to 95% of the energy used in manufacturing when compared with using primary aluminum. In this way, Audi steadily avoids CO_2e emissions, while also reducing the quantity of primary raw materials needed. The Audi Münchsmünster and Volkswagen Emden sites in Germany have been part of the aluminum closed loop process since 2024, along with the Audi plants in Ingolstadt/Germany, Neckarsulm/Germany and Győr/Hungary and the multibrand plant in Bratislava/Slovakia.

Internal and external recycling of production waste

Waste with recyclable content generated in production is increasingly being incorporated into closed-loop processes. For example, at the Volkswagen plant in Wolfsburg, plastic waste generated in the process of manufacturing gasoline tanks (co-extrusion) is treated and used for the production of diesel tanks (mono-extrusion). As a result, over 70 tonnes of material that would otherwise have been disposed of was reused in plastic tanks in 2025.

The Volkswagen Group aims to optimize the recycling processes even further by being actively involved in publicly funded research projects on recycling technologies. These projects are carried out in collaboration with partners such as universities and research institutes throughout Germany and aim to improve and automate individual process steps. This relates, for example, to dismantling batteries and recirculating raw materials multiple times.

One example of this is the research consortium HVBatCycle. The consortium, which was created in 2023, is funded by the German Federal Ministry for Economic Affairs and Energy (BMWE) and is set to operate for three years. Under

the leadership of the Volkswagen Group, the consortium wants to prove that the most valuable components of traction batteries can be recovered and reused several times in succession through recycling. The aim is to permanently recover valuable materials, contributing to more sustainability and greater security of supply.

The Open Hybrid LabFactory (OHLF) in Wolfsburg is also involved in the scientific research of automotive material cycles. Funded by the German Federal Ministry of Education and Research (BMBF), the research campus provides a platform for dialogue between science and industry in order to accelerate research activities and their implementation in series production. The OHLF's work is divided into four fields of research: design for circular economy, processes for reverse production, circular material concepts and overall system analyses and design.

Waste management

The Volkswagen Group's approach to waste disposal in production aims to continuously reduce the quantity of waste generated, to repurpose unavoidable waste to a high standard and to close loops. The focus is on avoiding waste generation by optimizing production and auxiliary processes as well as increasing material utilization levels (material efficiency), prioritizing the repurposing of waste and reducing the quantity of waste for disposal. Digital systems are increasingly being used to optimize waste management. These systems make it easier to control waste management processes and facilitate state control of the disposal of hazardous waste in particular.

The Procurement department has established a Group-wide system for recovering waste materials that can generate income, for example, paper, plastics, wood, electronic components and metal. Efforts to avoid plastic waste have been stepped up with the Zero Plastic Waste project. This includes reusing plastic waste in diesel tank production.

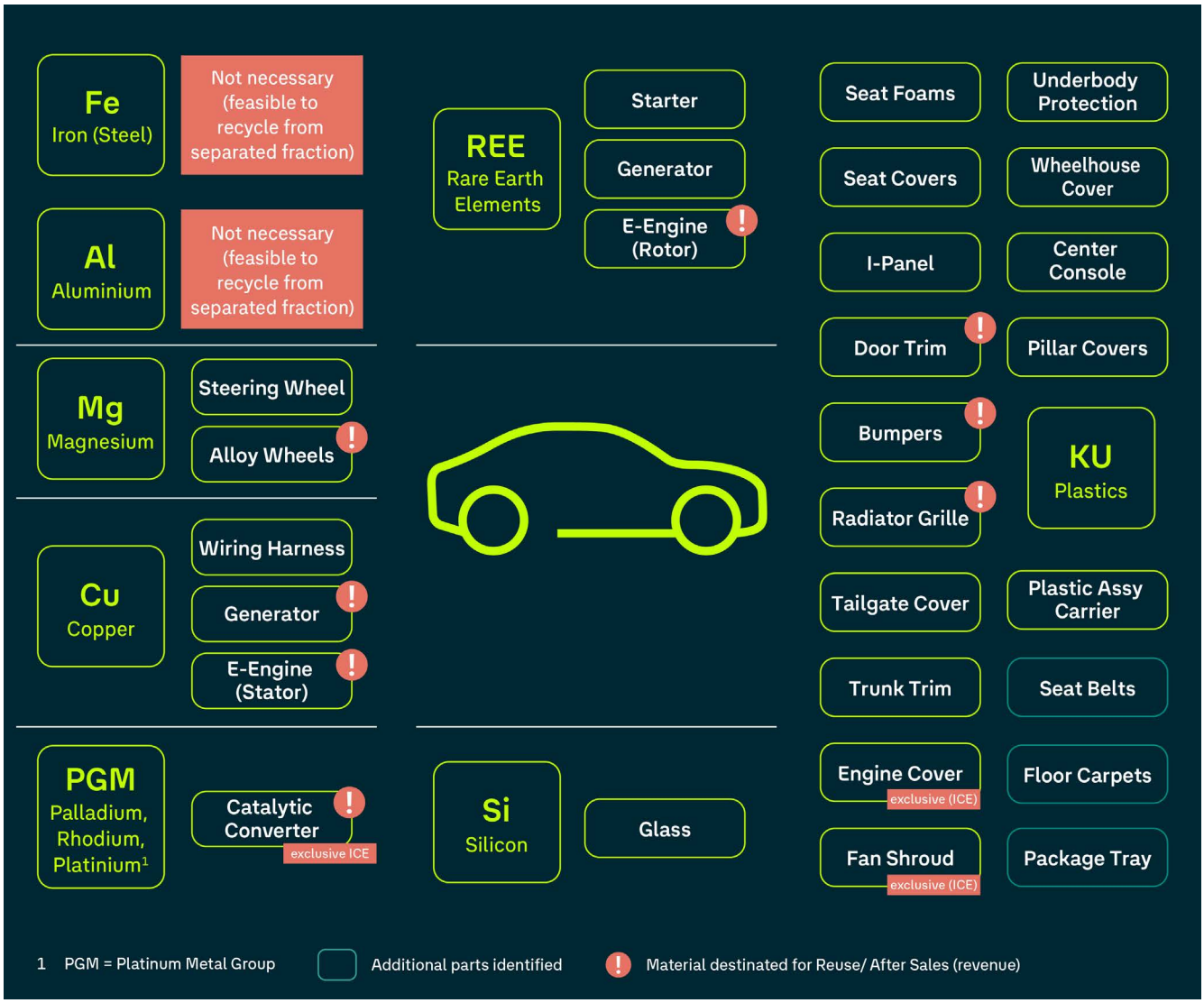
Waste management also forms part of the Code of Conduct for Business Partners. As such, business partners must take appropriate and reasonable actions to prevent waste, to reuse resources, to implement recycling, and to dispose of residual waste, chemicals and wastewater in a safe and environmentally friendly manner. Such actions may be taken especially in the development or production stages, during product usage and end-of-life recycling, and during other activities. Our business partners in particular must also comply with national and international conventions on waste, particularly the 1989 Basel Convention on the Control of Transboundary Movements of Hazardous Wastes and their Disposal, and other applicable agreements and legislation at the national and international level.

METRICS: RESOURCE USE AND CIRCULAR ECONOMY

Resource inflows

Material and product inflows

A vehicle essentially consists of around 10,000 individual parts. Particular focus can be placed on the following components (see illustration) with regard to raw material criticality, supply chain risk and relevance to sustainability: steering wheels, alloy wheel rims, aluminum exterior parts, high-voltage batteries, permanent magnets, generators, wiring harnesses, brake discs, semiconductor-relevant material groups (such as infotainment systems, control units or radios), catalytic converters and seat modules (seat foams and covers). Every year, the Volkswagen Group purchases a wide range of raw materials, components and other goods.



Critical raw materials and rare earth elements in operations and the value chain

As already mentioned in section "Actions and resources: Resource use and circular economy", the Volkswagen Group uses raw materials from renewable sources to reduce resource consumption. Where possible, the Group brands use natural fibers such as flax, cotton, wood and cellulose. Such materials can be used when they meet all technical requirements and perform better than conventional materials in life cycle assessments.

The electric drive marks a key milestone on the path to low-emission mobility and thus contributes to climate change mitigation. At the same time, the production of electric drives brings different components into circulation, such as high-voltage batteries, as compared to conventional vehicle production. Depending on their cell chemistry, the raw materials these contain are predominantly valuable and their retention in circulation is important for many reasons. Reusing raw materials from batteries multiple times and thus keeping them in a closed loop helps the Volkswagen Group to reduce its carbon footprint, among other benefits, and simultaneously reduce its dependence on global raw material markets. The expectation is that this will also make a positive contribution to the company's resilience.

The Volkswagen Group wants to live up to its responsibility in the procurement of raw materials within the automotive industry. To that end, the Group published its Responsible Raw Materials Report for the first time in 2021 and has done so annually since then. In total, the management system currently covers 18 high-risk raw materials. These are the battery raw materials cobalt, lithium, nickel and graphite, the conflict mineralstin, tungsten, tantalum and gold (3 TG) as well as aluminum, copper, leather, mica, steel, natural rubber, platinum group metals, rare earths elements, and the recently added raw materials cotton and magnesium.

In terms of procurement, the following raw materials are currently purchased directly: steel, platinum group metals (PGMs), aluminum and plastics (both for in-house production only) and leather. Given the increasing complexity of supply chains and the geopolitical and material availability challenges in recent years, it is necessary to expand the range of directly purchased raw materials and establish an efficient Group-wide strategy for securing materials. In 2025, the Group raw material procurement process was set up to secure critical and strategic raw materials (contained in focal components). Nine different raw material groups are to be managed strategically. The groups consist of magnesium, rare earth elements (REE), aluminum, semiconductor materials (gallium, germanium, silicon, indium), tungsten, titanium, recycled materials (plastic, aluminum), copper, primary plastics and PGMs. The work start-up package prioritizes the topics of rare earth elements, magnesium and recycled materials. Further activities are then derived from these focal areas. The definition of these nine focal raw material groups is based on an internal criticality analysis that applies six different criteria and their economic relevance. The results were then compared with the Critical Raw Materials List from the EU Critical Raw Materials Act and confirmed accordingly (see illustration).



Water in Group operational processes and the value chain

The majority of our water consumption occurs within the supply chain, particularly in the extraction and processing of raw materials. Using the Code of Conduct for Business Partners, the Volkswagen Group exerts influence on the supply chain and requires its direct suppliers to ensure that they do not cause water pollution or excessive water consumption that could considerably impair the natural basis for food and drinking water or human health. Information on water withdrawal and water consumption as part of the Group's own business operations can be found in the "Water" chapter under the heading "Actions at the production sites".

New production sites in the reporting year

During the reporting year, resource inflows were generated through the establishment of a new production site in Rugao, China, for the manufacture of heavy commercial vehicles.

Methodology used to record quantitative resource inflows based on reference vehicle approach

The resource inflows for the vehicle-related business for reporting year 2025 were calculated using a reference vehicle/output-based approach. In this regard, a quantitative assessment of resource inflows is carried out based on the material-specific and substance-related description of the materials used in the vehicle. The Tiguan and ID.7 Tourer passenger car models were selected as sample reference vehicles to extrapolate the data for Volkswagen Passenger Cars, Volkswagen Commercial Vehicles, Škoda and SEAT/CUPRA. The latter, on account of its advanced technology, replaces the ID.4 used in 2024. The Q3 and Q4 e-tron models from Audi were selected to extrapolate the data for Audi, Lamborghini and Bentley starting from this reporting year. The reference vehicles were among the most produced vehicles in the reporting year. The results of the extrapolation have been consolidated and are presented in the table.

In terms of vehicle configuration, the most representative configurations based on sales data were used. The maximum vehicle weight was selected based on conservative assumptions.

The material offcuts created in production were not included for reporting year 2025 due to insufficient data availability.

The reference models are weighted based on production figures in the reporting year and extrapolated based on the ratio of production of internal combustion engine models to battery-electric vehicle models to determine the resource inflow metrics.

TOTAL WEIGHT OF PRODUCTS AND MATERIALS USED

		2025		2024	
	Unit	Battery-electric vehicles	Internal combustion engine vehicles	Battery-electric vehicles	Internal combustion engine vehicles
Total weight of products and technical and biological materials used	tonnes	1,782,194	8,403,399	1,185,989	8,639,279
Weight of technical materials	tonnes	1,779,644	8,387,149	1,184,705	8,622,796
Weight of biological materials	tonnes	2,550	16,250	1,283	16,483
Proportion of sustainably sourced biological materials	%	0.03	0.11	0.0	0.12
Weight of reused or secondary recycled components, products and materials used (minimum to maximum)	tonnes	225,283 – 455,177	1,387,806 – 2,202,596	147,764 – 295,493	1,413,941 - 2,264,010
Percentage of reused or secondary recycled components, products and materials used	%	12.6 – 25.5	16.5 – 26.2	12.5 – 24.9	16.4 – 26.2

Information about the resource inflows of other Volkswagen Group brands (Porsche and TRATON GROUP) can be found at the end of this chapter. There is no reporting on quantitative resource inflows for Everllence in 2025.

Methodology used to record technical and biological materials

The reference vehicle approach is also used to calculate technical and biological materials. The materials are recorded in line with the VDA 231-106 material classification. In this context, VDA categories 1 to 9, with the exception of category 7.1, comprise technical materials such as steel and polymer materials. Category 7.1 comprises biological materials such as leather and wood.

Methodology used to record sustainably sourced biological materials

The reference vehicle approach described above is also used to calculate the biological materials used that were sustainably sourced. The following definition applies to determining these biological materials: a biological material is deemed to be sustainably sourced if it is certified under a recognized and widespread certification system. Leather

is considered to be sustainably sourced at the Volkswagen Group in line with this definition. In accordance with the sustainable leather specification document, suppliers must have a certificate from the Leather Working Group (LWG) or comparable certification from a similar organization.

Biological materials are recorded pursuant to VDA category 7.1 as modified organic natural materials, which includes leather as well as organic natural materials such as wood and cotton fleece. To identify the leather within VDA category 7.1, a structured analysis was carried out for weight-relevant parts per vehicle so as to list all materials that indicate a leather material based on their pure substances (for example, collagen). These pure substances were identified for both the Tiguan and the ID.7 Tourer, which indicates that both vehicles contain leather.

There are no biofuels used for non-energy purposes with respect to our product.

Methodology used to record proportion of secondary materials

The reference vehicle approach defined above is used to calculate the proportion of secondary material inflows. The materials are recorded in line with the VDA 231-106 material classification.

To calculate the proportion of secondary materials in vehicles, the Volkswagen Group has developed a standardized process that follows an internal work instruction. The proportion of secondary materials is determined in accordance with DIN EN ISO 14021 using a system-based method. In VDA categories 1 to 3, the proportion of secondary materials is determined based on data from the association, and in VDA categories 4 to 9, based on supplier data. The resulting proportion of secondary materials in the vehicle is presented as a range. The results reflect the data available at the time the data is collected.

Packaging also plays a role in the context of resource inflows in relation to the product. In this context, the vehicle is considered the product. Accessories and other materials are not included. Packaging as defined by the ESRS refers to materials passed on to the user or consumer. Although the Volkswagen Group does use packaging materials when transporting vehicles to dealerships, this material is removed prior to handing over the vehicles to users and consumers. Therefore, the transport protection materials pursuant to the ESRS definition are not to be understood as packaging and are not included in the report.

Avoidance of double counting in reuse and recycling

Reused components are not currently used in production, so double counting of reused and recycled components can be ruled out.

Methodology used to record quantitative resource inflows of the Porsche AG Group

To determine the total material consumption for the vehicles produced, the percentage-based material composition is evaluated for each model series of a representative vehicle. The evaluation categories are taken from VDA 231-106 “Material classification in motor vehicle construction: Structure and nomenclature”. Ultimately, the total number of vehicles produced and the average weight per model series can be used to determine higher-level totals for material consumption per material group. Leather is the most relevant biological material in Porsche vehicles. The quantity of secondary materials in the vehicles produced is estimated for two reference vehicles (internal combustion engine and BEV) using association data and then extrapolated to the total production.

TOTAL WEIGHT OF PRODUCTS AND MATERIALS USED IN THE PORSCHE AG GROUP

	Unit	2025	2024
Total weight of products and technical and biological materials used	tonnes	538,180	621,679
Weight of technical materials	tonnes	-	-
Weight of biological materials	tonnes	-	-
Proportion of sustainably sourced biological materials	%	0.3	0.2
Weight of reused or secondary recycled components, products and materials used[1]	tonnes	57,195	-
Percentage of reused or secondary recycled components, products and materials used[1]	%	10.6	-

1 No prior-year figure stated because data was collected for the first time in fiscal year 2025.

Methodology used to record quantitative resource inflows of the TRATON GROUP

The total weight of vehicles is calculated either based on supplier data on the weight of the parts or by directly weighing the vehicles. To calculate the overall value, the weight data for each product group is averaged and multiplied by the production volume. The total weight of the products is divided into material groups and the corresponding proportion of secondary materials is applied.

TOTAL WEIGHT OF PRODUCTS AND MATERIALS USED BY THE TRATON GROUP

	Unit	2025	2024
Total weight of products and technical and biological materials used	tonnes	2,260,894	2,473,853
Weight of technical materials	tonnes	-	-
Weight of biological materials	tonnes	-	-
Proportion of sustainably sourced biological materials	%	-	0.00
Weight of reused or secondary recycled components, products and materials used	tonnes	557,193	604,511
Percentage of reused or secondary recycled components, products and materials used	%	25	24.4

Resource outflows

Group standard 98000 defines indicators for waste that is to be collected in a consistent manner across all sites worldwide. This includes both production waste and non-production-specific waste.

The Site Checklist also describes voluntary criteria for the handling of waste. With regard to waste disposal, this includes waste disposal audits for waste streams, completely avoiding landfill as a means of production waste disposal, and quotas for the maximum proportion of disposal waste in production. With regard to packaging and disposable products, criteria such as the substitution of disposable packaging with reusable alternatives or the recycling of packaging materials were defined.

Material and product outflows

Information on the main focuses of the Volkswagen Group's business activities is provided in the "Structure and Business Activities" chapter.

Starting with the development phase of new vehicles, we focus on the recyclability of the materials required and on avoiding pollutants in order to make our contribution to a circular economy. Under the current European End-of-Life Vehicles Directive, passenger cars and light commercial vehicles must be 85% recyclable and 95% recoverable at end of life. All Volkswagen Group vehicles approved for Europe comply with this law.

In addition, the Group standard on recycling sets out requirements relating to the recyclability of vehicles. For example, it contains design recommendations that enable materials to be more effectively separated from each other after the end of the vehicle's life. Another example is the labeling of all components made of plastic in accordance with international ISO standards so that they can later be identified and separated by type.

Vehicles already have a long service life: The average age of an end-of-life vehicle in Europe is 19 to 24 years according to official statistics. Within the framework of a circular economy, this duration of usage helps to minimize the consumption of resources and energy and ensure extended producer responsibility.

Product durability

It is assumed that passenger cars can perform for up to 200,000 km. This is a standard figure that is used by the Volkswagen Group and various other car manufacturers when conducting a life cycle assessment. This figure was also confirmed in a scientific study by Weymar and Finkbeiner (2016), which involved statistical analysis of different data sets, including from the *Kraftfahrt-Bundesamt* (KBA – German Federal Motor Transport Authority), based on a sample of more than 800,000 vehicles.

TRATON GROUP vehicles are constructed and built to be operable for a long period of time. Their longevity is underpinned by regular maintenance and repair or replacement of defective parts. However, there is currently no industry-wide standard or average method for calculating the service life of heavy commercial vehicles.

Reparability

The Volkswagen Group's focus on manufacturing high-quality products that have little need for repairs and also good repairability is aimed at ensuring a long service life for the vehicles during the use phase, and is therefore an important contribution to resource efficiency.

Availability of replacement parts

A network of approximately 2,000 service partners facilitates the repair work being carried out on Volkswagen Group vehicles across Germany. The service experts are equipped with cutting-edge technology and special tools in order to ensure efficient and high-quality repairs.

The Volkswagen Group offers its customers high parts availability, and delivers these parts as quickly as possible. This enables the service partners to swiftly carry out repairs and service activities. Automatic delivery of fast-moving parts ensures that the Volkswagen service partner network is able to guarantee a direct and prompt supply.

Repair time

The way that vehicles are designed enables repairs to be carried out quickly and comprehensively, and in a way that is strongly adapted to the respective cause of the damage. For instance, according to the repair manual, the headlight of the Tiguan (model year 2025) can be replaced in 110 time units (66 minutes). However, if the crash damage is only minor, it is often the case that the highly complex and expensive LED headlights are not affected, and replacement of the plastic headlight mounting is sufficient. This alternative repair solution involves not only low-cost headlight brackets but also a separate work position. Furthermore, this customer-focused repair solution is sustainable and reduces both the cost associated with replacement parts and the working time involved when compared to replacing the entire headlight.

With respect to high-voltage batteries, professional service centers and damage assessors working for insurance companies are also provided with a damage assessment catalog for all battery components. In the event of an accident repair, this ensures that reusable components can remain within the vehicle, where environmental and economically viable, and that only the defective components are replaced. In such cases, retailers are provided with extensive workshop information including the necessary repair times.

Costs

The Volkswagen Group offers a comprehensive range of services, with fair pricing and high-quality replacement parts, enabling consistently more cost-effective repairs. This includes, for example, the Volkswagen Economy Service for vehicles older than four years, which is offered to customers in Germany. This underscores the company's objective of reducing overall costs for the vehicle owner.

Proportion of recyclable content in products

Under the European End-of-Life Vehicles Directive, passenger cars (M1) and light commercial vehicles (N1) must be 85% recyclable and 95% recoverable at end of life. All Volkswagen Group vehicles approved for Europe comply with these standards.

The recycling and recovery rates are calculated in accordance with ISO 22628 (Road vehicles – Recyclability and recoverability – Calculation method). The rates are calculated in an internal IT system and are based on the material data sheets for the components and materials used.

For information on packaging, refer to the section "Methodology used to record shares of secondary materials".

Relevant waste streams and materials present in waste

Production-specific waste streams are of particular significance to the Volkswagen Group as an automotive manufacturer. The majority of this waste is made up of scrap metal, which comprises filings, sheet metal stamping waste, castings and other metal debris. The composition of the scrap metal varies based on the production process and the materials used. For example, scrap steel predominates in vehicle body production, whereas the manufacture of engines and transmissions creates mainly scrap aluminum.

In addition to scrap metal, large quantities of waste containing plastic are also generated, for example during injection molding, extrusion and mechanical processing of interior components, bumpers and other structural vehicle parts. The content of this waste is extremely varied and comprises mainly polypropylene, polyethylene, polyurethane, and composite materials.

Paint sludge generated from painting vehicles represents another important waste stream. Its composition depends on the type of paint used and may include solvents, pigments, resins, fillers, and additives. Paper, cardboard, and plastic packaging materials also accumulate as a result of the delivery of components. The final type of waste is hazardous waste, which is generated, among other things, from processes including chemical surface treatment and coating of body parts, the replacement of used oils and lubricants, and the use of cleaning agents and solvents.

WASTE METRICS

	Unit	2025		2024	
		Volkswagen Group	Companies with operational control	Volkswagen Group	Companies with operational control
Total waste[1]	tonnes	2,547,290	537,522	2,357,654	573,762
Total waste for recovery	tonnes	2,337,130	524,455	2,185,092	556,443
Waste for recovery – preparation for reuse	tonnes	140,152	11,162	171,809	21,174
of which: non-hazardous waste	tonnes	130,708	8,544	158,931	11,513
of which: hazardous waste[1, 3]	tonnes	9,444	2,617	12,878	9,661
Waste for recovery – recycling[1]	tonnes	2,089,334	466,024	1,875,417	485,566
of which: non-hazardous waste[1]	tonnes	1,977,592	446,240	1,773,202	471,282
of which: hazardous waste[1, 3]	tonnes	111,741	19,784	102,216	14,283
Waste for recovery – other recovery actions[1, 4]	tonnes	107,645	47,269	137,866	49,703
of which: non-hazardous waste[1]	tonnes	62,065	44,169	93,043	46,867
of which: hazardous waste[3]	tonnes	45,580	3,100	44,823	2,837
Total waste for disposal[1]	tonnes	210,160	13,067	172,596	17,318
Waste for disposal – incineration	tonnes	13,446	11,220	19,229	14,514
of which: non-hazardous waste	tonnes	2,410	3,385	3,130	3,750
of which: hazardous waste[3]	tonnes	11,037	7,835	16,098	10,765
Waste for disposal – landfill[1]	tonnes	88,309	1,623	144,750	2,586
of which: non-hazardous waste[1]	tonnes	56,623	485	114,262	736
of which: hazardous waste[3]	tonnes	31,686	1,138	30,487	1,851
Waste for disposal – other disposal actions[5]	tonnes	108,405	224	8,618	218
of which: non-hazardous waste	tonnes	106,610	223	6,740	218
of which: hazardous waste[3]	tonnes	1,795	0	1,878	0
of which: radioactive waste	tonnes	0	0	0	0
Non-recycled waste[1, 2]	tonnes	317,805	60,336	310,492	67,022
Non-recycled waste – share of total waste volume[1, 2]	%	12.5	11.2	13.2	11.7
Total hazardous waste[1]	tonnes	211,283	34,476	210,023	39,396

1 The data point contains estimated values.
2 Excluding waste for recovery – preparation for reuse.
3 Waste volumes for which the level of hazard cannot be verified are classified as hazardous waste.
4 Waste volumes for which the recovery operation cannot be verified are classified under other recovery operations.
5 Waste volumes for which the disposal operation cannot be verified are classified under other disposal operations.

Methodology for calculating the waste generated

The volumes of all types of generated waste must be accounted for. As a result, the masses of the waste leaving the company's plants or disposed of in the plants' own disposal facilities (e.g. landfills or incinerators) must be calculated. The total volume of waste also includes waste that is prepared for reuse, recycled, recovered in some other way, incinerated, landfilled or otherwise disposed of. Waste is to be recorded by weighing it or by calculating the unit weight.

For more information on recording environmental data, see the "Overarching targets and metrics" section in the "Introduction to Environmental Management" chapter.

EU Taxonomy

Doing business in an environmentally sustainable way is one of the central challenges of our time. The EU has defined criteria for determining the degree of a company's environmental sustainability. With our taxonomy-aligned investments in development activities and in property, plant and equipment, we are today already shaping the future in an environmentally sustainable way as envisaged by the EU Taxonomy.

BACKGROUND AND OBJECTIVES

As part of the European Green Deal, the European Union (EU) has placed the topics of climate protection, the environment and sustainability at the heart of its political agenda in order to achieve climate neutrality by the year 2050. The finance sector is expected to make an important contribution to realizing this objective. In this context, the EU published the Strategy for Financing the Transition to a Sustainable Economy in 2021. This is based on the EU's Action Plan on Financing Sustainable Growth of 2018. A key module is the EU Taxonomy (Regulation (EU) 2020/852 and associated delegated acts, including Delegated Regulation (EU) 2026/73, which we applied for the reporting on fiscal year 2025).

The EU Taxonomy is a classification system for sustainable economic activities. An economic activity is considered taxonomy-eligible if it is listed in the EU Taxonomy and can therefore potentially contribute to realizing at least one of the following six environmental objectives:

- Climate change mitigation
- Climate change adaptation
- Sustainable use and protection of water and marine resources
- Transition to a circular economy
- Pollution prevention and control
- Protection and restoration of biodiversity and ecosystems.

An activity is only considered environmentally sustainable, i.e. taxonomy-aligned, if it meets all three of the following conditions:

- The activity makes a substantial contribution to one of the environmental objectives by meeting the screening criteria defined for this economic activity, e.g. level of CO_2 emissions for the climate change mitigation environmental objective.
- The activity meets the Do-No-Significant-Harm (DNSH) criteria defined for this economic activity. These are designed to prevent significant harm to one or more of the other environmental objectives, e.g. from the production process or by the product.
- The activity is carried out in compliance with the minimum safeguards, which apply to all economic activities and relate primarily to human rights and social and labor standards.

The wording and terminology used in the EU Taxonomy are still subject to some uncertainty in interpretation, which could lead to changes in the reporting when it is subsequently clarified by the EU. Ultimately, there is a risk that the metrics presented as taxonomy-aligned would need to be assessed differently. Our interpretation is set out below.

ECONOMIC ACTIVITIES OF THE VOLKSWAGEN GROUP

Our regenerate+ Group sustainability strategy is enshrined in the Elevate Sustainability imperative of "The Group Strategy – Mobility for Generations". The vision we are pursuing with regenerate+ is to become a mobility provider with positive added value for nature and society. In this context, we pay particular attention to the use of resources and the emissions of our product portfolio, as well as those of our sites. We are committed to the Paris Climate Agreement. We aim to achieve net carbon neutrality by 2050.

The Volkswagen Group's activities in its vehicle-related business with passenger cars, light commercial vehicles, trucks, buses and motorcycles cover the development, production and sale of vehicles and extend to our financial services and other vehicle-related products and services. Activities in these areas are suited under the EU Taxonomy to making a substantial contribution to the environmental objective of climate change mitigation by increasing clean or climate-neutral mobility.

The Volkswagen Group's activities in the Power Engineering Business Area will no longer be disclosed separately from the 2025 financial year onwards due to the newly introduced materiality thresholds.

An analysis of our economic activities in the context of the EU Taxonomy has not revealed any activities that contribute specifically to one of the other five environmental objectives.

The table below sets out the allocation of our activities in the vehicle-related business to the economic activities listed in the EU Taxonomy under the environmental objective of climate change mitigation. Changes may be made to the economic activities in future as the rules around the EU Taxonomy evolve dynamically.

Economic activity in accordance with the EU Taxonomy	Description of economic activity
3.3 Manufacture of low-carbon technologies for transport	Manufacture, repair, maintenance, retrofitting, repurposing and upgrade of low-carbon vehicles, rolling stock and vessels.
3.18 Manufacture of automotive and mobility components	Manufacture, repair, maintenance, retrofitting, repurposing and upgrade of automotive and mobility systems and components that are essential for delivering and improving the environmental performance of the vehicle.

Economic activities in vehicle-related business

Economic activity 3.3 Manufacture of low-carbon technologies for transport

We allocate all activities in our vehicle-related business associated with the development, production, sale (including financial services), operation and servicing of vehicles to this economic activity. This includes all passenger cars, light commercial vehicles, trucks, buses and motorcycles manufactured by us, irrespective of their powertrain technology, and also includes genuine parts.

In our vehicle-related business, we have detailed the vehicles manufactured by us by model and powertrain technology and analyzed the CO_2 emissions associated with them in accordance with the current regulations. In this way, we have identified those vehicles among all of our taxonomy-eligible vehicles that meet the screening criteria and with which the substantial contribution to climate change mitigation is measured. These include all of the Volkswagen Group's all-electric vehicles (BEVs). Until December 31, 2025, they also included passenger cars and light commercial vehicles with CO_2 emissions of less than 50 g/km in accordance with the WLTP. This encompasses some of our plug-in hybrids.

Economic activity 3.18 Manufacture of automotive and mobility components

The components that play a key role in reducing greenhouse gas emissions are reported in this economic activity. To this activity we allocate the sale to third parties of motors and powertrains produced by us for all-electric vehicles; this primarily comprises the sale of these components to our Chinese joint ventures.

At this stage, other activities that are directly associated with the primary vehicle-related business and that in our view should also be allocated to these economic activities have not yet been included or have been interpreted as not yet being taxonomy-eligible. This is because, as the rules of the EU Taxonomy currently stand, it is still unclear where to record them in accordance with the EU Taxonomy. These activities particularly include the sale of additional engines and powertrains, parts deliveries, the sale of non-Group products, and production under license by third parties. Based on current assumptions, hedging transactions and individual activities, that we present primarily under other sales revenue in the consolidated financial statements, cannot be classified as economic activities under the EU Taxonomy, and we have therefore initially classified them as not being taxonomy-eligible.

DO-NO-SIGNIFICANT-HARM (DNSH)

The DNSH criteria were analyzed in the reporting year for economic activities covered by 3.3 Manufacture of low-carbon technologies for transport, and 3.18 Manufacture of automotive and mobility components.

In the vehicle-related business, analyses were performed largely for our all-electric vehicles and at the level of the production sites where passenger cars, light commercial vehicles, trucks, buses and components are or will be produced that meet the screening criteria for the substantial contribution of economic activities 3.3 Manufacture of low-carbon technologies for transport and 3.18 Manufacture of automotive and mobility components, or that are to meet them in future according to our five-year planning, and based on current regulations. Of the approximately 40 sites included, the majority are located in the EU, with some in the United Kingdom, Türkiye, South Africa, the USA, Mexico, Brazil, Argentina, China and India. We also included the sites that manufacture specific components for electric vehicles. The truck site in Rugao, China, where no all-electric vehicles are being manufactured at present, was not considered conclusively.

The wording and terminology used in the EU Taxonomy are subject to some uncertainty in interpretation. To some extent, the EU Taxonomy goes beyond the regulations to be applied in regular business operations. In addition, the application of the EU Taxonomy to sites outside the EU is associated with particular challenges due to the possibility of diverging legislation. Below, we set out our interpretation and describe the main analyses we used to examine whether there was any significant harm to the other environmental objectives. Our assessments confirmed that for Europe and China we met the requirements of the DNSH criteria in the reporting year in the vehicle-related business at the sites producing passenger cars, light commercial vehicles and components, as well as at the sites of the European truck and bus brands and for the all-electric vehicles and their components produced at these sites.

Climate change adaptation

We performed a climate risk and vulnerability assessment to identify which production sites may be affected by physical climate risks. The physical climate risks we identified were assessed on the basis of the lifetime of the relevant fixed asset.

Volkswagen's climate-based DNSH assessment is based on the Representative Concentration Pathway (RCP8.5) and on the Shared Socioeconomic Pathway (SSP5-8.5) scenario to the year 2050 and thus assumes the highest concentration of CO_2 according to the Intergovernmental Panel on Climate Change (IPCC). The relevance of the identified threats was assessed for the local environment and, if appropriate, the actions needed to mitigate the risk were developed.

Sustainable use and protection of water and marine resources

We evaluated our economic activities with respect to the sustainable use and protection of water and marine resources looking at the three following criteria: preserving the water quality of the surface water used; performing an environmental impact assessment (EIA) or comparable processes that take into account the impacts on water resources; and implementing actions to mitigate water stress. Risks identified in an EIA or comparable processes are examined and, if relevant, result in actions and regulatory requirements. The analysis was based primarily on ISO 14001 certificates, information from site approvals and other external data sources related to sites in regions with a high risk exposure.

Transition to a circular economy

Environmentally compatible waste management in the manufacturing process, reuse and use of secondary raw materials and a long product lifespan are major aspects of Volkswagen's environmental management system. Volkswagen defines guidelines on the circular economy in its environmental principles, in its overall factory white paper and in its goTOzero strategy.

The product-related requirements for passenger cars and light commercial vehicles are taken into account through implementation of the statutory end-of-life vehicle requirements in conjunction with the type approval of the vehicle models. In addition to this, each brand has defined targets and actions for the use of recycled materials that are being implemented in the new projects.

For trucks and buses, a review is conducted at the level of each brand to establish the extent to which local legislation or internal rules and regulations cover the specific requirements.

Pollution prevention and control

To be considered environmentally sustainable, an economic activity may not significantly increase air, water or soil pollutant emissions as compared with the situation before the activity started.

Overall, the automotive sector is already tightly regulated, as demonstrated for example by the publicly accessible Global Automotive Declarable Substance List (GADSL). Approval and monitoring processes have been implemented with the aim of ensuring compliance with the legal requirements and internal rules and regulations applicable to regular business operations. In this context, we also already consider the use of alternative substances in our analyses and assessments.

In 2023, the European Commission redefined the DNSH criterion of the EU Taxonomy. There is room for interpretation as to the effect that the revised requirements will have on internal processes related to the assessment of options for substituting substances of relevance under the EU Taxonomy, and since 2025 only substances of very high concern (SVHC).

In fiscal year 2024, we put existing standards and processes into more concrete terms in the vehicle-related business with the aim of generally avoiding and substituting substances of relevance under the EU Taxonomy. On this basis, the analyses performed by our brands and companies look at vehicle-related materials and components in order to assess whether the substances of relevance under the EU Taxonomy contained therein can be substituted, taking into account factors such as technical and economic criteria. The time-consuming, complex substitution assessments have been extended to include altered components and new models at sites that manufacture passenger cars and light commercial vehicles and also the all-electric vehicles and their components produced there; these assessments must be carried out primarily with the professional and technical support of our suppliers. The potential substitution of substances of relevance under the EU Taxonomy is contingent on factors such as timing and can, for example, only be implemented in connection with a product upgrade or the introduction of a new model. In the reporting year, it was not possible to demonstrate that the all-electric vehicles and components currently manufactured and sold in North America, our plug-in hybrids, and the truck and bus brands operating exclusively outside the European Economic Area comply with the regulations.

Protection and restoration of biodiversity and ecosystems.

In order to verify adherence to the requirements on biodiversity and ecosystems, the relevant areas were first identified. Where biodiversity-sensitive areas are located close to a production site, we checked whether a nature conservation assessment had been performed and whether nature conservation actions had been defined in the environmental approvals and subsequently implemented. Checks were also made as to whether an area's conservation status had changed.

MINIMUM SAFEGUARDS

The minimum safeguards are based on the OECD Guidelines for Multinational Enterprises, the United Nations Guiding Principles on Business and Human Rights, the Fundamental Conventions of the International Labour Organization (ILO) and the International Bill of Human Rights. Our assessments confirm that we met the requirements of the minimum safeguards in the reporting year.

As a business with a global presence, the Volkswagen Group accepts its corporate responsibility for human rights, fully recognizes these conventions and declarations and reaffirms its agreement with the contents and principles stated therein. The Volkswagen Group appointed a Human Rights Officer in 2022, whose duties relate primarily to monitoring, checking and advising within the meaning of the *Lieferkettensorgfaltspflichtengesetz* (LkSG – German Supply Chain Due Diligence Act).

The LkSG imposes certain due diligence obligations designed to avoid risks associated with human rights and the environment. These obligations include the performance of risk analyses, the integration of preventive measures, remedial actions and the provision of a complaints mechanism. The whistleblower system is the central point of contact for reporting cases of infringements by employees of the Volkswagen Group or by suppliers. The department responsible immediately and autonomously initiates any appropriate remedial action required.

The Volkswagen Group assesses whether the actions taken are effective in avoiding or reducing negative impacts on a regular and ad hoc basis in what is known as compliance monitoring. This also includes checking whether the Code of Conduct is being complied with and whether complaints have been dealt with.

The Code of Conduct forms the ethical and values-based foundation for integrity and compliance in the Volkswagen Group. It consists of a set of binding guidelines for all employees in all brands and companies. Furthermore, Group policies provide the companies controlled by the Volkswagen Group with an organizational framework with regard to integrity and compliance in HR tools, actions and processes, and take local legal, collective-bargaining and operational regulations into account when implementing these.

Our relationships with our business partners are regulated among other things by the requirements of the Code of Conduct for Business Partners. For the supply chain, these requirements are implemented and monitored within a comprehensive management system (Responsible Supply Chain System) that covers our due diligence duties in respect of human rights and the environment.

KEY PERFORMANCE INDICATORS IN ACCORDANCE WITH THE EU TAXONOMY REGULATION

The EU Taxonomy provides definitions of the reportable key performance indicators of sales revenue, capital expenditure and operating expenditure. We explain these below. The tables required by the EU Taxonomy are included at the end of the section.

The figures reported on sales revenue, capital expenditure and operating expenditure relate to the companies consolidated in the Volkswagen Group's financial statements. Volumes and financial data for our Chinese joint ventures are therefore excluded.

The financial figures relevant for the Volkswagen Group are taken from the IFRS consolidated financial statements for the fiscal year 2025. As we differentiate between economic activities, we have avoided double counting. Where possible, the figures within an economic activity have been allocated directly. In our vehicle-related business, for example, we collected the financial data on the basis of the vehicle model and the powertrain technology. This applies both to the vehicles themselves and to the corresponding financial services and other services and activities. Only where this was not possible for capital expenditure and operating expenditure were allocation formulas used that are based on the planned vehicle volumes. This data and planning form part of the medium-term financial planning for the next five years that was adopted by resolution of the Board of Management and Supervisory Board.

Sales revenue

The definition of turnover in the EU Taxonomy corresponds to sales revenue as reported in the IFRS consolidated financial statements. This amounted to €321.9 billion in fiscal year 2025 (see also "Sales revenue" in the notes to the consolidated financial statements).

Of this total, €290.9 billion, or 90.4% of Group sales, was attributable to economic activity 3.3 Manufacture of low-carbon technologies for transport, and was classified as taxonomy-eligible. This includes sales revenue after sales allowances from the sale of new and used vehicles including motorcycles, from genuine parts, from the rental and lease business, and from interest and similar income, as well as sales revenue directly related to the vehicles, such as workshop and other services.

Economic activity 3.18 Manufacture of automotive and mobility components accounted for taxonomy-eligible sales revenue of €101 million or 0.0% of Group sales. This includes the sale of all-electric vehicle motors and powertrains to third parties.

Of the taxonomy-eligible sales revenue from economic activity 3.3 Manufacture of low-carbon technologies for transport, €49.9 billion met the screening criteria used to measure the substantial contribution to climate change mitigation. This includes all of our all-electric vehicles and some of our plug-in hybrids. In 2025, there were 1,209 thousand such vehicles, or around 60.1% more than in the previous year. Their share of the relevant sales volume – excluding the vehicles from the Chinese joint ventures – was 18.8 (12.0)%. Passenger cars and light commercial vehicles made up the bulk at 1,206 thousand vehicles; trucks and buses recorded a very strong increase year-on-year. Sales of all-electric vehicles (BEVs) also increased very strongly compared with the prior year.

In addition, the taxonomy-eligible sales revenue from economic activity 3.18 Manufacture of automotive and mobility components met the screening criteria used to measure the substantial contribution to climate change mitigation.

Taking into account the DNSH criteria and minimum safeguards, €34.5 (24.1) billion of the sales revenue generated from our vehicle-related business, equating to 10.7 (7.4)% of consolidated sales revenue, was taxonomy-aligned. Of this figure, €101 million was attributable to economic activity 3.18 Manufacture of automotive and mobility components. The other taxonomy-aligned sales revenue is generated by economic activity 3.3 Manufacture of low-carbon technologies for transport.

In the reporting year 2025, this encompassed our all-electric passenger cars and light commercial vehicles manufactured in Europe and China, as well as the models produced by our European truck and bus brands.

Of the Volkswagen Group's total sales revenue in the fiscal year 2025,
- €291.0 (296.2) billion, or 90.4 (91.2)%, was taxonomy-eligible sales revenue and
- €34.5 (24.1) billion, or 10.7 (7.4)%, was taxonomy-aligned sales revenue.

SALES REVENUE 2025

	SALES REVENUE		SUBSTANTIAL CONTRIBUTION TO CLIMATE CHANGE MITIGATION		COMPLI-ANCE WITH DNSH CRITERIA	COMPLI-ANCE WITH MINIMUM SAFE-GUARDS	TAXONOMY-ALIGNED SALES REVENUE	
Economic activities	€ million	%[1]	€ million	%[1]	Y/N	Y/N	€ million	%[1]
A. Taxonomy-eligible activities	**290,952**	**90.4**	**49,988**	**15.5**	**Y/N**	**Y**	**34,527**	**10.7**
Vehicle-related business								
3.3 Manufacture of low-carbon technologies for transport	290,851	90.4	49,887	15.5	Y/N	Y	34,426	10.7
3.18 Manufacture of automotive and mobility components	101	0.0	101	0.0	Y	Y	101	0.0
B. Non-material and taxonomy-non-eligible activities	**30,961**	**9.6**						
Total (A + B)	321,913							

1 All percentages relate to the Group's total sales revenue.

Capital expenditure

Capital expenditure for the purposes of the EU Taxonomy refers to the following items in the IFRS consolidated financial statements: additions to intangible assets, additions to property, plant and equipment, and additions to lease assets and investment property. These are reported in the notes to the 2025 consolidated financial statements in the notes on "Intangible assets", "Property, plant and equipment" and "Lease assets and investment property". Additions from business combinations, each of which is reported under "Changes in consolidated Group", are also included. By contrast, additions to goodwill are not included in the calculation.

In the fiscal year 2025, additions in the Volkswagen Group as defined above amounted to
- €11.7 billion from intangible assets,
- €15.8 billion from property, plant and equipment and
- €41.9 billion from lease assets (mainly vehicle leasing business) and investment property.

Other additions to be included resulted from changes in the consolidated Group, amounting to €0.5 billion in the fiscal year 2025. Total capital expenditure to be included in accordance with the EU Taxonomy therefore came to €69.9 billion.

All capital expenditure attributable to our vehicle-related business is associated with economic activity 3.3 Manufacture of low-carbon technologies for transport. Taxonomy-eligible capital expenditure for the vehicle-related business amounted to €69.4 billion, or 99.3% of the Group's capital expenditure.

To determine the substantial contribution in the vehicle-related business, we collected the financial data on the basis of the vehicle model and the powertrain technology in the same way as for sales revenue. Where possible, capital expenditure was attributed directly to specific vehicles. It was included if the vehicles in question make a substantial contribution to the climate change mitigation objective. Any capital expenditure directly attributable to vehicles that do not meet the screening criteria was not included. Capital expenditure that was not clearly attributable to a particular vehicle was taken into account on a proportionate basis using allocation formulas.

In our vehicle-related business, we developed allocation formulas on the basis of planned volumes of all-electric vehicles for the Group companies. In the sales companies, for example, we used allocation formulas related either to individual brands or to all brands, depending on the primary business activity, while site-based allocation formulas were used for production companies. This means that capital expenditure was counted in full via the allocation formulas for sites that according to our medium-term planning will produce only all-electric vehicles in the next five years. By contrast, capital expenditure for sites that do not produce all-electric vehicles was not counted via the allocation formulas. Calculated in this way, capital expenditure relating to vehicles that meet the screening criteria for the substantial contribution amounted to €27.1 billion.

Taking into account the DNSH criteria and minimum safeguards, capital expenditure of €23.5 (18.5) billion was taxonomy-aligned. This represented 33.6 (27.3)% of the Group's total capital expenditure. Of this figure, €5.5 billion was attributable to intangible assets, €7.2 billion to property, plant and equipment and €10.8 billion to lease assets and investment property. Taxonomy-aligned capital expenditure in reporting year 2025 refers to our all-electric passenger cars and light commercial vehicles and relates to Europe and China, and also refers to the all-electric models produced by the European truck and bus brands; it includes additions to capitalized development costs of €4.7 billion and additions to property, plant and equipment of €7.2 billion. The increase in taxonomy-aligned capital expenditure of €5.0 billion is due mainly to the growing number of environmentally sustainable vehicle projects and to the financial services business with battery-electric vehicles.

In the reporting year, we refinanced taxonomy-aligned capital expenditure from fiscal years 2022 to 2024 on the basis of the Green Finance Framework updated in October 2022 by issuing green bonds in the amount of €2.8 billion and by means of a green loan of €1.0 billion. Only capital expenditure in connection with all-electric vehicles was included here.

Of the Volkswagen Group's total capital expenditure in fiscal year 2025,
- €69.4 (67.4) billion, or 99.3 (99.6)%, was taxonomy-eligible capital expenditure and
- €23.5 (18.5) billion, or 33.6 (27.3)%, was taxonomy-aligned capital expenditure.

CAPITAL EXPENDITURE 2025

	CAPITAL EXPENDITURE		SUBSTANTIAL CONTRIBUTION TO CLIMATE CHANGE MITIGATION		COMPLI-ANCE WITH DNSH CRITERIA	COMPLI-ANCE WITH MINIMUM SAFE-GUARDS	TAXONOMY-ALIGNED CAPITAL EXPENDITURE	
Economic activities	**€ million**	**%[1]**	**€ million**	**%[1]**	**Y/N**	**Y/N**	**€ million**	**%[1]**
A. Taxonomy-eligible activities	**69,423**	**99.3**	**27,117**	**38.8**	**Y/N**	**Y**	**23,514**	**33.6**
Vehicle-related business								
3.3 Manufacture of low-carbon technologies for transport	69,423	99.3	27,117	38.8	Y/N	Y	23,514	33.6
of which: additions to capitalized development costs for BEVs							4,669	6.7
additions to property, plant and equipment for BEVs							7,166	10.3
3.18 Manufacture of automotive and mobility components	-	-	-	-	-	-	-	-
B. Non-material and taxonomy-non-eligible activities	**456**	**0.7**						
Total (A + B)	**69,879**							

1 All percentages relate to the Group's total capital expenditure.

Operating expenditure

The operating expenditure reported by us for the purposes of the EU Taxonomy comprises non-capitalized research and development costs, which can be taken from the note on "Intangible assets". We also include the expenditure for short term leases recognized in our consolidated financial statements, which can be drawn from the note on "IFRS 16 (Leases)", and expenditure for maintenance and repairs.

The allocation of operating expenditure to the economic activities followed the same logic as that described for capital expenditure.

All operating expenditure attributable to the vehicle-related business is associated with economic activity 3.3 Manufacture of low-carbon technologies for transport and has been classified as taxonomy-eligible.

Where possible, non-capitalized research and development costs were attributed directly to specific vehicles. They were included if the vehicles in question make a substantial contribution to the climate change mitigation objective. We did not include any non-capitalized research and development costs directly attributable to vehicles that do not meet the screening criteria. Non-capitalized research and development costs that were not clearly attributable to a particular vehicle were taken into account on a proportionate basis using allocation formulas. The allocation formulas used for these and other operating expenses were similar to those applied to capital expenditure. Taxonomy-aligned operating expenditure in the reporting year 2025 related to our all-electric passenger cars and light commercial vehicles and was attributable to Europe and China, and also related to the all-electric models produced by the European truck and bus brands. Of the taxonomy-aligned operating expenditure of €5.0 (5.4) billion, around 84% was attributable to non-capitalized research and development costs.

OPERATING EXPENDITURE 2025

	OPERATING EXPENDITURE		SUBSTANTIAL CONTRIBUTION TO CLIMATE CHANGE MITIGATION		COMPLI-ANCE WITH DNSH CRITERIA	COMPLI-ANCE WITH MINIMUM SAFE-GUARDS	TAXONOMY-ALIGNED OPERATING EXPENDITURE	
Economic activities	€ million	%[1]	€ million	%[1]	Y/N	Y/N	€ million	%[1]
A. Taxonomy-eligible activities	**12,511**	**96.9**	**5,200**	**40.3**	**Y/N**	**Y**	**4,972**	**38.5**
Vehicle-related business								
3.3 Manufacture of low-carbon technologies for transport	12,511	96.9	5,200	40.3	Y/N	Y	4,972	38.5
3.18 Manufacture of automotive and mobility components	-	-	-	-	-	-	-	-
B. Non-material and taxonomy-non-eligible activities	**404**	**3.1**						
Total (A + B)	**12,915**							

1 All percentages relate to the Group's total operating expenditure.

CAPEX PLAN UNDER THE EU TAXONOMY

The EU Taxonomy requires the reporting to state the extent to which taxonomy-aligned capital and operating expenditures a) relate to assets or processes associated with environmentally sustainable economic activities or b) are part of a plan to expand taxonomy-aligned economic activities or to allow taxonomy-eligible economic activities to become taxonomy-aligned (CapEx plan). A CapEx plan under the EU Taxonomy shows the total capital expense, i.e. the sum of capital and operating expenditures expected to be incurred in the reporting period and during the five-year medium-term planning in order to expand taxonomy-aligned economic activities or allow taxonomy-eligible economic activities to become taxonomy-aligned.

For the vehicle-related business, the CapEx plan drawn up under the EU Taxonomy relates to economic activity 3.3 Manufacture of low-carbon technologies for transport within the climate change mitigation environmental objective.

Additions from lease assets (mainly vehicle leasing business) are based on existing environmentally sustainable activities and have therefore not been included in the CapEx plan. We allocated additions from intangible assets and property, plant and equipment, as well as non-capitalized research and development costs to the CapEx plan if they allow taxonomy-eligible economic activities to become taxonomy-aligned or lead to the expansion of taxonomy-aligned economic activities. For this, we compared the average expected taxonomy-aligned production volume of all-electric vehicles from the medium-term planning with the taxonomy-aligned all-electric vehicles from the reporting year and allocated the taxonomy-aligned capital expenditure according to this ratio, whereby we also took into account the share exceeding the current taxonomy-aligned production volume of all-electric vehicles.

As a result, €7 (8) billion of the taxonomy-aligned capital expenditure and €2 (4) billion of the taxonomy-aligned operating expenditure in the reporting year is attributable to the CapEx plan under the EU Taxonomy. The total capital expense from the CapEx plan under the EU Taxonomy that is expected to be incurred in the reporting period and during the five-year medium-term planning amounts to €66 (88) billion. The year-on-year change is attributable to the increased share of BEVs in the fiscal year in relation to the medium-term planning as well as to changes in market expectations and subsequent adjustments to the medium-term planning.

TABULAR PRESENTATION IN ACCORDANCE WITH THE EU TAXONOMY

KPI SUMMARY

KPI	Total	Proportion of taxonomy-eligible economic activities[1]	Taxonomy-aligned economic activities	Proportion of taxonomy-aligned economic activities[1]	BREAKDOWN BY ENVIRONMENTAL OBJECTIVES OF TAXONOMY-ALIGNED ACTIVITIES: Climate change mitigation	Climate change adaptation	Water	Circular economy	Pollution	Biodiversity	Proportion of enabling activities	Proportion of transitional activities	Not assessed activities considered non-material[1]	Taxonomy-aligned economic activities in 2024	Proportion of taxonomy-aligned economic activities in 2024[1]
	€ million	%	€ million	%	%	%	%	%	%	%	%	%	%	€ million	%
Sales revenue	321,913	90.4	34,527	10.7	10.7	-	-	-	-	-	10.7	-	1.5	24,104	7.4
Capital expenditure (CapEx)	69,879	99.3	23,514	33.6	33.6	-	-	-	-	-	33.6	-	0.3	18,481	27.3
Operating expenditure (OpEx)	12,915	96.9	4,972	38.5	38.5	-	-	-	-	-	38.5	-	2.7	5,448	40.4

1 All percentages relate to the Group's total sales revenue / capital expenditure / operating expenditure.

SALES REVENUE, CAPITAL EXPENDITURE AND OPERATING EXPENDITURE IN 2025

Economic activity	Code	Taxonomy-eligible proportion[1]	Taxonomy-aligned sales revenue, CapEx, OpEx	Taxonomy-aligned proportion[1]	ENVIRONMENTAL OBJECTIVE OF TAXONOMY-ALIGNED ACTIVITIES: Climate change mitigation	Climate change adaptation	Water	Circular economy	Pollution	Biodiversity	Enabling activity	Transitional activity	Proportion of taxonomy alignment in taxonomy eligibility
		%	€ million	%	%	%	%	%	%	%	E	T	%
Sales revenue													
Manufacture of low-carbon technologies for transport	CCM 3.3	90.4	34,426	10.7	10.7	-	-	-	-	-	E	-	11.8
Manufacture of automotive and mobility components	CCM 3.18	0.0	101	0.0	0.0	-	-	-	-	-	E	-	100.0
Sum of taxonomy alignment per environmental objective					**10.7**	**-**	**-**	**-**	**-**	**-**			
Total		**90.4**	**34,527**	**10.7**	**10.7**	**-**	**-**	**-**	**-**	**-**	**E**	**-**	**11.9**
Capital expenditure (CapEx)													
Manufacture of low-carbon technologies for transport	CCM 3.3	99.3	23,514	33.6	33.6	-	-	-	-	-	E	-	33.9
Manufacture of automotive and mobility components	CCM 3.18	-	-	-	-	-	-	-	-	-	-	-	-
Sum of taxonomy alignment per environmental objective					**33.6**	**-**	**-**	**-**	**-**	**-**			
Total		**99.3**	**23,514**	**33.6**	**33.6**	**-**	**-**	**-**	**-**	**-**	**E**	**-**	**33.9**
Operating expenditure (OpEx)													
Manufacture of low-carbon technologies for transport	CCM 3.3	96.9	4,972	38.5	38.5	-	-	-	-	-	E	-	39.7
Manufacture of automotive and mobility components	CCM 3.18	-	-	-	-	-	-	-	-	-	-	-	-
Sum of taxonomy alignment per environmental objective					**38.5**	**-**	**-**	**-**	**-**	**-**			
Total		**96.9**	**4,972**	**38.5**	**38.5**	**-**	**-**	**-**	**-**	**-**	**E**	**-**	**39.7**

1 All percentages relate to the Group's total sales revenue / capital expenditure / operating expenditure.

Employees and Non-Employees

As a socially responsible employer, the Volkswagen Group promotes a diverse, inclusive and non-discriminatory culture.

MATERIAL IMPACTS AND THEIR INTERACTION WITH STRATEGY AND BUSINESS MODEL

Employees and non-employees were included in the determination of material impacts in accordance with the ESRS. The impacts identified during the materiality assessment focus on the Company itself. In addition to the ongoing dialogue with employees, for example through workers' representatives, the materiality assessment process has given the Volkswagen Group an understanding of whether and which groups of employees and non-employees might be more severely affected by negative impacts.

The employees and non-employees who are or may be affected by material impacts resulting from the undertaking's own operations include the following groups depending on the topic: employees, self-employed people, and temporary external personnel.

The term employees refers to anyone with an active employment contract involved in the Volkswagen Group's value creation process, including members of top management, people in the passive phase of partial retirement and vocational trainees. The quantitative disclosures do not include people in dormant employment, such as people on parental leave. They also do not include employees in academic training, such as interns, student workers, or students studying for a doctorate, master's degree, or bachelor's degree. Employees are categorized according to varying characteristics, including term of employment and gender distribution.

The group of non-employees consists of self-employed people and temporary external personnel. Temporary external personnel are not employed by a Volkswagen Group company; instead their employment relationship is with their respective employer. As such, they do not have a contractual relationship with the Company. By contrast, self-employed people are not employed by an employer; they work independently to perform business and professional activities on a freelance basis. Based on their contractual relationship, non-employees are not affected by the same direct impacts as employees. Direct impacts can only arise for non-employees in the area of occupational health and safety or in their encounters with Volkswagen Group employees. In contrast to non-employees, only employees have the ability to exert a direct influence in terms of promoting or mitigating the impacts identified below. For this reason, the following text describes policies, actions, targets, and stakeholder involvement in relation to employees. If policies are in place for non-employees or include non-employees, these policies are explicitly described. The processes and requirements defined under the Responsible Supply Chain System (ReSC-System) apply for the commissioning of non-employees via Procurement. This system is described in the chapter "Sustainability in the Supply Chain". By setting out appropriate requirements for business partners, Procurement's policies and actions therefore also mitigate and

promote impacts in the areas of working conditions, equal treatment and equal opportunities, and other work-related rights for non-employees commissioned via Procurement. This management system governs and addresses human-rights- and work-related standards, such as working conditions, equal treatment and other work-related rights. This also applies to non-employees. Compliance with these standards is achieved by establishing systematic regulations for business partners, such as requiring them to acknowledge the Code of Conduct for Business Partners and applying additional measures from the ReSC-System. These regulations must be observed as a prerequisite to being awarded a contract. This principle is enshrined in the Group's "Sustainability management in supplier relations" policy.

MATERIAL IMPACTS, OPPORTUNITIES, RISKS

Description	Impact/ Risk/Opportunity	Actual/ Potential Impact	Value Chain	Time Horizon
Working Conditions				
This impact is reflected by an approach to occupational health and safety that exceeds legal requirements, comprehensive co-determination rights, fair and transparent pay, and long-term employment prospects in spite of changing requirements. The approach to occupational health and safety also relates to non-employees.	Positive Impact	Actual Impact	Upstream Value Chain	
		Potential Impact	Own Operation	Long-term Time Horizon (> 5 years)
This impact arises when business operations result, for example, in the loss of long-term employment prospects, restrictions imposed by local legislation on the freedom of association, or unhealthy working conditions for thoseaffected in individual cases.	Negative Impact	Actual Impact	Own Operation	
Equal Treatment and Equal Opportunities for All				
This impact manifests itself in the diversity of the workforce, in a culture that is free from discrimination, violence and harassment, in an inclusive working environment, in equal development prospects and in discrimination-free remuneration.	Positive Impact	Actual Impact	Own Operation	
This impact manifests itself in isolated, individual cases of unfair treatment and inequality of opportunities.	Negative Impact	Actual Impact	Own Operation	
Other Work-Rlated Rights				
This impact on employees arises from the promotion of compliance with social and human rights beyond local legal standards, a matter that is enshrined in our corporate values.	Positive Impact	Actual Impact	Own Operation	
		Potential Impact	Own Operation	Long-term Time Horizon (> 5 years)

Opportunity · Risk · Positive Impact · Negative Impact · Actual Impact · Potential Impact · Upstream Value Chain · Own Operation · Downstream Value Chain · Short-term Time Horizon (< 1 year) · Medium-term Time Horizon (1–5 years) · Long-term Time Horizon (> 5 years)

Interaction with strategy and business model

The impacts identified in the materiality assessment have an effect on the Volkswagen Group's business model and strategies. The consideration of impacts on employees is firmly embedded in the Volkswagen Group's fundamental corporate values. Here, the Code of Conduct forms the collective foundation for acting with integrity and compliance in the Volkswagen Group. It sets out the framework of values for our strategic development. An in-depth description of the Code of Conduct is provided in the section "HR Compliance Group policy and Code of Conduct" and in the chapter "Business Conduct Information".

The Volkswagen Group endeavors to safeguard the balance between Company interests and employee interests primarily by involving workers' representatives in co-determination processes. This consideration of employee interests goes beyond short-term impacts identified.

The Volkswagen Group's sustainability strategy regenerate+ includes, among other things, the goal of being a socially responsible employer for its employees. The strategy describes the path to a sustainable future, focusing on a safe and healthy working environment, a diverse, inclusive and non-discriminatory culture, attractive jobs, fair wages, and good further training opportunities with a focus on the long-term qualification of employees.

In addition to the Group sustainability strategy, the Group Strategy and the Group People Strategy for the three brand groups Core, Progressive and Sport Luxury guide the management of impacts on employees. The Group strategy describes the guiding principles for the transformation and its many facets as a focal topic. These form the framework for the Group People Strategy.

More detailed information on the regenerate+ Group Sustainability Strategy and the Group Strategy can be found in the "Targets and Strategies" and "General Information" chapters. The Group People Strategy is explained in more detail in the "Sustainable Value Enhancement" chapter in the "People" section. Implementation of occupational health and safety targets is supported by the Group-wide Safety First strategy. The Volkswagen Group attaches great importance to protecting its employees and creating a safe and healthy working environment in accordance with the applicable international standards. Occupational health and safety are therefore key topics for the Volkswagen Group. The vision of this strategy is to embed the concept of "safety first" as a guiding principle in the actions of all managers and employees. The aim is for all occupational safety processes to be known and reliably applied. All managers and employees are to be informed and trained. They should also act in line with safety requirements. The aim is to ensure the protection and promotion of physical and mental health, taking into account psychosocial risks and their effects. Employees should not be involved in accidents when working. The workplace should therefore be designed in coordination with the departments responsible for occupational safety.

The commitments and basic values outlined above are linked to the impacts identified during the materiality assessment for the focus areas of working conditions, occupational health and safety, equal treatment and equal opportunities, and other work-related rights. At an operational level, strategic targets are operationalized through policies, which are described in more detail in the respective sections.

The Volkswagen Group plays a role in the material impacts described above through its activities. It uses the actions described in the following paragraphs to promote material positive impacts and respond to the influence of its material negative impacts from the business model, strategy and value chain in the area of employees.

The actions are only summarized and broadly categorized here and are explained in detail further on in the sections "Actions related to working conditions," "Actions related to occupational health and safety," "Actions related to equal treatment and equal opportunities" and "Actions related to other work-related rights".

With regard to working conditions, the Volkswagen Group aims to strengthen positive impacts through the establishment and ongoing improvement of an occupational health and safety management system at production sites with more than 1,000 employees. This system is not only audited internally but also certified externally. In addition, systematic risk analyses and Group audits are conducted in the Group in order to further increase occupational health and safety for employees. The actions related to freedom of association described below enable employees to exercise their freedom of association within the scope of the legislation applicable at the sites in the various countries. In addition, digital training and development offerings for employees are being introduced and gradually expanded allowing employees to maintain their long-term employability despite changing requirements.

The Volkswagen Group counteracts negative impacts relating to working conditions, particularly with regard to business processes that have a negative effect on individual employees – for example due to the loss of long-term employment prospects – - by planning Group-wide plant utilization in the budget planning round. Furthermore, the myVOICE employee survey (formerly known as the *Stimmungsbarometer*) is used to identify and mitigate topics that employees view as particularly critical and to derive actions to improve working conditions. The employee survey generally takes place once a year and the reporting year marked the first time that it was conducted in its revised form.

In relation to equal treatment and equal opportunities, the Volkswagen Group aims to enhance positive impacts by issuing regulations related to promoting workforce diversity, a culture that is free from discrimination, violence and harassment, an inclusive working environment, equality in development opportunities and discrimination-free remuneration. To achieve this, the Group has set out a Group-wide policy containing focal points and action areas related to equal treatment and equal opportunities. In addition, the Volkswagen Group uses training and provides work materials to empower managers throughout the Group to create an unbiased working environment and processes geared to equal opportunities. In order to create a direct incentive for compliance with diversity targets, the Group management's remuneration is linked to the diversity index. The Company uses this index to continuously monitor how the diversity of its management is developing.

The Volkswagen Group aims to prevent negative impacts relating to equal treatment by taking disciplinary action for misconduct and collecting and publishing statistics on employee misconduct and disciplinary actions. In addition, the anti-discrimination policy made available to the Group companies in 2024 is intended to close regulatory gaps in preventing discrimination during hiring, remuneration and promotion processes.

With regard to other work-related rights, the Volkswagen Group enhanced positive impacts by expanding a Group-wide process in 2024 to prevent violations of fundamental human rights in the recruitment process (prohibition of child labor and forced labor).

Any risks related to forced and child labor within the Volkswagen Group are broadly mitigated as a result of the positive impact achieved through our promotion of social and human rights beyond local legal standards (such as the prohibition of child and forced labor) – a principle that is enshrined in our corporate values. This applies both to our own activities and to the countries, regions and geographical areas where we are active.

PROCESSES: ENGAGING WITH EMPLOYEES AND WORKERS' REPRESENTATIVES ABOUT IMPACTS

Employee participation concept

The Volkswagen Group believes in maximizing the representation of employee interests, respects its employees' perspectives and interests, and engages with these on an ongoing basis. In day-to-day business, both managers and the HR department act as contact persons for employees. As a general rule, additional contacts, such as diversity experts, are available at the company level for marginalized groups. In addition, the Volkswagen Group maintains continuous dialogue with employee representatives (e.g. works councils, trade unions, the Supervisory Board) on material actual and potential positive and negative impacts that the Company has or could have on employees. The Volkswagen Group relies here on the stable dialogue and feedback formats described below, which provide a space for evolving material topics and employee matters. These also include potential negative impacts that could arise from business processes independently of the business area. This makes it possible for the Group to promptly address

any actual or potential impacts that arise. Information on any controversies, including those relating to employee matters, is promptly and transparently made available on the Group's web-based information service.

The most important pillar when it comes to the integration of employee interests is representation of said interests by workers' representatives. The Volkswagen Group is committed to working openly together with workers' representatives in a spirit of trust, maintaining constructive and cooperative dialogue, and striving for a fair balance of interests. Professional engagement with employee representatives is part of the corporate culture. The workers' representatives facilitate the indirect representation of employees' interests, views and rights before senior management – continuously and at various levels. This tradition has a long standing in Germany in particular, and the German co-determination bodies – works council and works council committees at site level as well as employee representatives on the Supervisory Board – are fundamental elements of social responsibility within the Group. Germany's *Betriebsverfassungsgesetz* (Works Constitution Act) defines the rights and obligations of works councils and creates a binding framework for workers' participation in business processes. These legally protected participation rights allow for structured and ongoing representation of interests. Established forms of worker representation also exist at an international level, including the Volkswagen Group's Group European Works Council and Global Group Works Council, which have been in place for several decades. Agreements between workers' representatives and senior management are codified through various documents – such as key issues papers and future-proofing programs. Temporary external personnel can use the Group's interest representation bodies in relation to topics that affect their employment, unless prohibited by statutory or company regulations.

The formats and channels listed below are intended to ensure that the interests of employees are heard by management at local, European, and global level both directly and through the workers' representatives.

Employee co-determination in the Supervisory Board

The Volkswagen AG Supervisory Board has equal representation, with an equal number of shareholder representatives and employee representatives. Within the scope of its responsibilities, it generally adopts its resolutions during joint meetings. Equal representation is embedded in the *Aktiengesetz* (AktG - German Stock Corporation Act) and the *Mitbestimmungsgesetz* (MitbestG - German Co-determination Act). It is also intended to ensure that employee interests are institutionalized over the long term. Employee representatives are able to integrate employees' perspectives directly into the highest level of the decision-making process and contribute to the Group's strategic development.

The Supervisory Board committees that prepare the decisions also generally have equal representation, enabling indirect co-determination for employees and ensuring that employee interests are considered in Supervisory Board decisions. This is designed to promote the positive impact of the Group's business operations on employees and mitigate adverse impacts on employees. The Supervisory Board holds at least two meetings in each half of the calendar year. The precise number of meetings and the main topics discussed are outlined in the Report of the Supervisory Board.

Operational responsibility for convening Supervisory Board meetings lies with the Chair of the Supervisory Board, while operational responsibility for convening committee meetings lies with the relevant committee chair.

Group European Works Council and Global Group Works Council and co-determination in Germany

At Group level, the Group European Works Council and Global Group Works Council act as central instruments for the integration of employee interests. The workers' representatives and senior management convene at regular advisory meetings in which the Group Board of Management informs the Group European Works Council and Global Group Works Council on current topics that are relevant to the workforce. Operational responsibility for the running of these meetings lies with the Chair of the Group European Works Council and Global Group Works Council, with the involvement of the member of the Volkswagen AG Board of Management responsible for Human Resources, represented by the Group Human Resources International organizational unit. All members of the Group European Works Council and

the Global Group Works Council attend at least one joint session every year. In addition, jointly organized and hosted delegation trips and workshops are held internationally as needed.

Important international framework agreements have been concluded between these committees and the Board of Management, including the Declaration by the Volkswagen Group on Social Rights, Industrial Relations and Business and Human Rights (the "Declaration on Social Rights"). In keeping with the contents of the Declaration on Social Rights, bodies representing workers have been formed in accordance with local laws across nearly the entire Group.

As part of the negotiation and creation of the Declaration on Social Rights, employees' perspectives were taken into account via their representatives. The annual meeting includes reporting on compliance and the assessment of adjustment requirements. The Declaration on Social Rights applies to controlled companies within the Group. It is accessible on the Group's website.

Other charters resulting from collaboration between the Group European Works Council and Global Group Works Council constitute binding obligations for the Company's management. The same applies regarding decisions and activities aimed at managing actual and potential impacts on the Group's employees or non-employees.

Other agreements resulting from this collaboration include the Charter on Labor Relations, the Charter on Temporary Work, and the Charter on Vocational Training. These are aimed at providing security for employees and temporary external personnel with regard to their collective rights in the workplace, and also define the principles of the labor policy. The charters also show that the interests of the respective group are taken into account when drawing up human rights and HR principles and guidelines.

The Charter on Labor Relations gives workers' representatives in the Group European Works Council and Global Group Works Council clearly defined information, consultation and co-determination rights, such as co-determination rights on personnel development or occupational health and safety. These principles, which are set out in the charter, form the Group-wide framework for the representation of employee interests at a local level.

The Charter on Temporary Work sets out the principles of temporary work, defines the framework conditions for the employment and wages of temporary external personnel in the Volkswagen Group, and is intended to standardize the use of temporary work as an instrument throughout the entire Volkswagen Group.

The Charter on Vocational Training was adopted in order to define key elements for the development of vocational training conditions that must be taken into account when implementing the Charter on Labor Relations. Beyond this, a number of collective bargaining and works agreements are also in place in Germany. These were developed in a collaborative process involving the trade unions and works councils and cover regulations on matters including the organization of work, work-life balance, and the promotion of diversity and inclusion.

myVOICE

Our annual employee survey has provided a direct and established format for engaging with our employees since 2008. The company uses its opinion survey – formerly known as the *Stimmungsbarometer*, now retitled myVOICE – to collect data on employee satisfaction once a year. Based on the findings, teams are able to introduce follow-up processes to develop and implement actions. This approach enables employee perspectives to be factored into the development of actions aimed at mitigating negative impacts as well as into the evaluation of these actions' effectiveness. The measurement and publication of the participation rate serves as an indicator of the survey's effectiveness and acceptance. In the reporting year, the participation rate was 45% of employees at the participating companies.

In 2024, the opinion survey was suspended in the Group to allow it to be revised. Following its revision, the opinion survey was relaunched under the name myVOICE, initially at four companies in 2025, and will continue to be rolled out as a tool in 2026. The revision of the Group employee survey included a new IT system, a new questionnaire concept and improved follow-up processes for evaluating the results. The objective of the survey's revision was to reinforce continuous dialogue and further boost employee loyalty and motivation. Operational responsibility for

myVOICE lies with Group Human Resources. Further information on myVOICE can be found in the section "Actions related to working conditions".

The Company has established additional formats that employees can use to report their interests and problems. These are direct forms of communication. The formats include the Group-wide whistleblower system and direct reporting to managers, who are required to follow up on any reports and take action where necessary. The reporting requirement for employees in management is set out in a Group policy. More information about the effectiveness of the whistleblower system is provided in the chapter "Business Conduct Information".

PROCESSES: REMEDIATION OF NEGATIVE IMPACTS AND COMPLAINT CHANNELS

Compliance with legal requirements, internal rules and the principles of the Code of Conduct has top priority in the Volkswagen Group, the aim being to avoid negative impacts on employees and non-employees.

However, actual negative impacts related to working conditions, occupational health and safety, and equal treatment and equal opportunities were identified in the Volkswagen Group during the materiality assessment. These relate to isolated, individual cases of unfair treatment and inequality of opportunities and also the loss of long-term employment prospects, local legal restrictions on the freedom of association, or unhealthy working conditions.

As no systematic impacts were identified, but merely individual cases, which are also governed by regional conditions, the impacts are managed at a local level in the companies rather than at the Group level.

Specifically, this means that the companies take action when individual cases arise that relate to the loss of long-term employment prospects or to unhealthy working conditions. With regard to the loss of long-term employment prospects, for example, this means creating job opportunities at other sites, exhausting the demographic curve to minimize actual redundancies, and adopting a socially responsible approach if job cuts cannot be avoided. With regard to unhealthy working conditions, the relevant circumstances of the reported work-related accidents are addressed locally and actions are taken.

Differences in political and legal conditions mean that it is not possible to implement the standards of the Organisation for Economic Cooperation and Development (OECD) and International Labour Organization (ILO) at all of the Group's production sites around the world to the extent possible in the European Union. Freedom of association is realized in compliance with the laws applicable in the various countries and locations. The aim is to balance national legal differences with the goal of promoting the right to organize as broadly as possible. A particular challenge arises in states that have not signed the ILO Convention on Freedom of Association and Protection of the Right to Organize. In all efforts in this area, attention is paid to ensuring local laws are not violated.

In the event of individual serious breaches of the rules, for example in connection with unequal treatment and discrimination, the employees can use the whistleblower system; in contrast to the approach described above, these cases are handled in accordance with a uniform standard at Group level.

The Volkswagen Group has established defined complaint channels and remediation processes. If a grievance is identified when a complaint is made, countermeasures are taken immediately – in compliance with national regulations – and the implementation of these countermeasures is monitored in order to put a stop to the potential or actual negative impact and to prevent recurrence. Information about complaint channels, their effectiveness,

the prosecution and monitoring of reported complaints, and employee trust in the complaint procedure can be found in the section "Protection of whistleblowers" in the chapter "Business Conduct Information".

Approach and procedures for implementing remedial action

Where the whistleblower system is not responsible for further action, the respective departments and the functional areas are responsible for initiating remedial action.

Group HR Compliance, Group Occupational Health and Safety, and Group Security act in an advisory and monitoring capacity toward the departments and functional areas of the relevant Group companies. As soon as breaches are identified and remedial action is necessary, the department responsible autonomously initiates appropriate remedial action. The remedial action is determined on a case-by-case basis depending on the type, severity, and likelihood of the violation.

Remedial action that results from risk analyses or is necessary for other reasons is also defined and implemented by the aforementioned departments responsible.

The Volkswagen Group assesses whether the actions taken are effective in avoiding or reducing negative impacts on an ad hoc basis in what is known as compliance monitoring. This also includes verifying whether the Code of Conduct is being complied with and complaints have been dealt with.

POLICIES: EMPLOYEES AND NON-EMPLOYEES

The Volkswagen Group is a socially responsible employer that follows international frameworks in its HR activities. The Volkswagen Group's employees are spread across many countries around the world. At some sites, the Group has been an employer for decades, whereas other sites are more recent. Employees' working and living conditions and their interests and views are consequently diverse. The HR challenge for the Group is to manage the challenges of this diversity while at the same time implementing Group-wide standards. In line with ESRS requirements, the focus here is only on content that has global relevance for the Group's employees. The Volkswagen Group addresses its business activities' positive and negative impacts on employees with Group-wide policies. "Group-wide" means that the policies are to be implemented in all controlled companies of the Volkswagen Group. The Volkswagen Group's policies on employees are primarily set out in Group policies. In addition, various brands and companies have additional regional concepts, targets and actions that are geared towards employees' local interests and views and are described in their sustainability reporting, for example.

The following sections explain which policies address the issues of employees in the Volkswagen Group.

Declaration on Social Rights and compliance management system for complying with human rights due diligence obligations

As a globally active Group, the Volkswagen Group recognizes the following international conventions and declarations and reaffirms its commitment to the contents and principles they contain. These include:

- The Universal Declaration of Human Rights, codified in particular in the International Covenant on Civil and Political Rights and in the International Covenant on Economic, Social and Cultural Rights (alongside other binding international human rights treaties, such as the UN Convention on the Rights of the Child)
- The Core Labour Standards of the International Labour Organization (ILO)
- The Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy of the ILO
- The Ten Principles of the United Nations Global Compact (UN Global Compact)
- The UN Guiding Principles on Business and Human Rights

- The Organisation for Economic Cooperation and Development's Guidelines for Multinational Enterprises (OECD Guidelines)
- The international covenants on civil and political rights and on economic, social and cultural rights of December 19, 1966

As a signatory of the UN Global Compact, the Volkswagen Group follows international sustainability frameworks and standards in its HR activities, such as the UN Sustainable Development Goals (SDGs). In addition, the *Lieferkettensorgfaltspflichtengesetz* (LkSG - German Supply Chain Due Diligence Act) came into force in Germany on January 1, 2023.

The fundamental basis for human rights due diligence is the Declaration on Social Rights, Industrial Relations and Business and Human Rights (the "Declaration on Social Rights"), which has been jointly adopted by the Board of Management, the Group European Works Council and Global Group Works Council. This declaration explicitly sets out the principles that are of central importance to our understanding of corporate responsibility, particularly in relation to human rights due diligence. The Volkswagen Group has integrated the topic of business and human rights into its existing compliance management system (CMS) in order to implement its due diligence obligations pertaining to human rights. The topics of child labor, forced labor and human trafficking are addressed indirectly in the Code of Conduct and explicitly in the Declaration on Social Rights and the Code of Conduct for Business Partners.

The Volkswagen Group has clearly defined responsibilities within its Three Lines Model as a regulatory framework for a holistic governance, risk and compliance management system for managing corporate risks, including human rights risks.

The first line consists of specialist and functional departments responsible for day-to-day operational business. In their operational activities, these departments encounter risks, including protected interests related to human rights and the environment, which they detect at an early stage, analyze and actively manage by means of suitable preventive measures. The divisions responsible for ensuring human rights and environmental due diligence within Volkswagen AG's own operations primarily include Human Resources, Group Occupational Health and Safety and Group Security. For the supplier domain, the relevant area is Group Procurement.

The second line consists of the advisory departments, at Group level primarily Group Legal and Group Compliance, HR Compliance, Group Environment and Group Occupational Health and Safety. These advisory departments are responsible mainly for ensuring compliance processes and for advising and providing support to operational divisions in their risk management activities.

The third line is the Group Internal Audit department serving as an objective auditing body.

More in-depth information about the Three Lines Model is provided in the "The Volkswagen Three Lines Model" section of the "Report on Risks and Opportunities" chapter.

In addition to the aforementioned structures, the independent role of Group Human Rights Officer has been established in accordance with the LkSG. This role has been established between the second and third line of the Three Lines Model and provides ongoing support as a supervisor and consultant.

This policy is in line with the due diligence process in the UN Guiding Principles on Business and Human Rights, the OECD Guidelines for Multinational Enterprises and the International Labour Organization's Declaration on Fundamental Principles and Rights at Work. Compliance with these frameworks is monitored via the human-rights risk management system.

If infringements of the frameworks are identified, remedial actions must be initiated and assessed for effectiveness. Furthermore, a process has been defined to ensure that the policies published on the Group website, such as the Code of Conduct, are reviewed annually to ensure that updates are implemented, if necessary.

The policy for compliance with human rights due diligence is available in the Group policies of the required areas for anyone who needs help with its implementation. The policy is available to all potential stakeholders on the Group website under the "Group" heading, then "Ethics, Risk Management & Compliance" and finally under "Human Rights". The declaration of principles on compliance with human rights and environmental due diligence in accordance with the LkSG is also published here, along with the Declaration on Social Rights.

A process to take the necessary and appropriate action in response to particular actual or potential negative impacts has also been defined in the policy. This sets out who is responsible for developing preventive, remedial actions and formulating the appropriate measures.

The human rights compliance management system makes a considerable contribution to the management of actual and potential positive impacts identified during the double materiality assessment. These impacts include an approach to occupational health and safety that exceeds legal requirements, comprehensive co-determination rights, fair and transparent pay, workforce diversity, a culture free from discrimination, violence and harassment, an inclusive working environment, equal development opportunities, and discrimination-free remuneration.

These also relate to the promotion of compliance with social and human-rights standards with regard to employees and non-employees (e.g. no child labor or forced labor), as enshrined in our corporate values. The actual negative impacts identified are also mitigated in this manner. These include cases where business processes concerning the Group's working conditions have a negative impact or isolated cases of unequal treatment in the employment relationship.

Group policies

Additional policies concerning the Volkswagen Group's employees are outlined in the Group policies set out below. The Group policies apply to all of the companies controlled by the Volkswagen Group. At least once a year, the responsible department reviews the policies and updates them, if required, to ensure they are current. The Group policies are accessible via the intranet or are issued to those responsible for implementation. For affected stakeholders, the public documents enacted with the Group policies are available on the Group website – for example, the Code of Conduct and the occupational health and safety policy.

HR Compliance Group policy and Code of Conduct

The HR Compliance Group policy outlines the organizational framework, responsibilities and operational structure, the involvement of HR Compliance, and the requirements for the implementation of HR compliance in the companies controlled by the Volkswagen Group. The local legal, collective-bargaining and operational regulations are taken into account here, and the workers' representatives' existing participation rights are safeguarded.

The Group policy is managed by the HR Compliance organizational unit, which is an integral part of the overall strategic and operational HR work in the Volkswagen Group. Applying the Group policy systematically promotes and enhances integrity and compliance in HR tools, actions and processes. It also contributes substantially to the attitude, conduct, and actions of employees with regard to honesty and compliance with the law and concerning full compliance with human rights due diligence obligations and the Code of Conduct, which is firmly embedded in the HR Compliance Group policy. This is especially pertinent to actions focused on preventing discrimination and fostering diversity and inclusion.

Additional content, specifically addressed in the context of management policies in the "Corporate culture" section of the chapter "Business Conduct Information", the basic values with regard to diversity and respect for the human rights of employees are enshrined in the Code of Conduct and the HR Compliance Group policy. This states that the Volkswagen Group promotes diversity and works to create an inclusive working environment. The aim is to ensure equal opportunities for all and prevent all forms of discrimination. This applies, in particular, to discrimination based on ethnic or social origin, skin color, gender, nationality, language, religion, beliefs, age, physical or mental limitations, gender identity, sexual orientation, political beliefs, provided these are based on democratic principles and tolerance towards those who hold different views, or other, legally protected characteristics. The Volkswagen Group respects

and protects the rights of vulnerable groups such as persons with disabilities; people with a migration background; older employees; and ethnic, religious, or comparable minorities and promotes teamwork characterized by mutual respect. The Volkswagen Group respects the right to freedom of conscience, expression and religion. In cases where these rights are subject to state restrictions, it strives for societal dialogue.

The Volkswagen Group does not tolerate any form of harassment. This applies, in particular, to violence and harassment that occurs during, in relation to, or as a result of work being carried out. For the Group, different life stages and ways of life form another aspect of employee diversity that it is important to support with regard to work-life balance. The two documents described above set out clear minimum standards and standards of conduct in relation to diversity, equal opportunities and equal participation and help to anchor them in employees' minds. They thereby form an important cornerstone for this area, which is promoted by qualified managers who are aware of the issues, enabling discrimination and harassment to be prevented, contained and reduced. At the same time, matters such as diversity and inclusion are to be promoted.

Another substantive element of the Code of Conduct is the commitment to openly working together with workers' representatives in a spirit of trust, maintaining constructive and cooperative dialogue, and striving for a fair balance of interests. Volkswagen safeguards its future and workforce through cooperative conflict management and social commitment based on and with the goal of ensuring economic and technological competitiveness. Economic efficiency and job protection are equal-ranking and shared goals. The Code of Conduct and the HR Compliance Group policy thus make a substantial contribution to management of the actual and potential positive impacts identified in the double materiality assessment process. These impacts include an approach to occupational health and safety that exceeds legal requirements, comprehensive co-determination rights, long-term employment prospects despite changing requirements, workforce diversity, a culture free from discrimination, violence and harassment, an inclusive working environment, equal development opportunities, and discrimination-free remuneration. They also relate to our promotion of compliance with social and human rights standards beyond local legal standards, a matter that is embedded in our corporate values.

The actual negative impacts identified are also mitigated by the Group policy. These include cases where business processes have a negative impact on the Group's working conditions or isolated cases of unequal treatment and unequal opportunities in the employment relationship.

Overall responsibility for the topic of HR compliance lies with the Chief Human Resources Officer. Responsibility for the operational implementation of the management policy lies with the Head of Group HR Policy and Governance.

Group policy on occupational health and safety

Another Group policy defines the responsibility for occupational health and safety and specifies the binding requirements for occupational health and safety for all of the companies controlled by the Group.

It is the task of Health Services to ensure that the protection of its employees' health at least meets the nationally applicable legal requirements. This is required to be carried out by qualified medical personnel (company physicians).

Occupational safety experts have the task of advising senior managers, line managers, workers' representatives and others responsible for occupational health and safety on occupational safety and accident prevention, checking the safety of facilities and technical equipment, in particular before these are put into operation, and checking the

safety of work processes, especially before these are introduced. In addition, they are to monitor the implementation of occupational safety and accident prevention, asses its effectiveness and work towards ensuring that the conduct of all of the undertaking's employees is in line with the requirements of occupational safety and accident prevention.

Occupational Health and Safety is assigned to the member of the Group Board of Management responsible for Human Resources and reports to this individual. Health Services is managed at Group level by the Head of Group Occupational Health and Safety, who is also Volkswagen AG's senior physician. In organizational terms, the management of occupational safety at Group level is assigned to Group Occupational Health and Safety. This department also reports directly to the member of the Group Board of Management responsible for Human Resources. During the Board of Management conference on occupational health and safety, fundamental health policy issues and strategies are defined; a report is also given by the Head of Group Health and the Head of Group Occupational Safety. Among other things, this is used to track the Group policy on occupational health and safety, with the respective head's report primarily covering external and internal regulatory topics. In addition to serving informational purposes, this also makes it possible to point out possible decision-making requirements and prevailing problems. The participants in the Board of Management conference on occupational health and safety include representatives of the Board of Management and the Works Council, the Head of Group Occupational Health and Safety and the Head of Group Occupational Safety. The participation of employee' representatives enables employees' interests to be taken into account.

The Group policy on occupational health and safety also includes the Volkswagen Group occupational health and safety policy. This documents the Group's responsibility to ensure the health and safety of its employees and communicates this aim outside of the Group. The occupational health and safety policy is available to employees and non-employees on the Volkswagen Group's website.

The Group occupational health and safety policy therefore makes a considerable contribution to the management of the actual and potential positive impacts related to occupational health and safety identified during the double materiality assessment.

WORKING CONDITIONS

This section covers the sustainability matters of secure employment, including training, adequate wages, social dialogue, freedom of association and collective bargaining, which are specified in ESRS S1. Matters related to occupational health and safety are described separately in the section "Occupational health and safety". The aspect of work-life balance is addressed in the section on "Equal treatment and equal opportunities".

Actions related to working conditions

The organizational units of the Volkswagen Group responsible for implementing actions relating to the working conditions focus area are Group HR Policy and Governance and Volkswagen AG's Volkswagen Group Academy. These units make continuous use of their human and financial resources in order to exert a positive influence on the material impacts for employees and to contribute towards achievement of the targets set.

myVOICE

In recent years, employees in the Volkswagen Group have had a direct opportunity to speak up about their own and the Company's interests the annual opinion survey myVOICE (formerly known as the *Stimmungsbarometer*). The opinion survey addresses a variety of aspects relating to an improvement in working conditions, including opportunities for employee development and qualification, a healthy work environment, participation opportunities and a good work-life balance. Within the organizational units, employees have the opportunity to work with their superior to develop actions in these areas on the basis of the survey results. In recent years, this employee survey has also been used as the basis for a number of global actions designed to improve working conditions and participation opportunities. The survey, which was revised in 2024, is intended to continuously strengthen dialogue with

employees. Furthermore, the interests of employees are to be heard and taken into account in order to enable the Group to establish a reliable database from which it can derive effective actions on the aforementioned topics.

The opinion survey is an important instrument that enables the Group to mitigate the actual negative impacts of business processes. This is achieved by identifying, deriving, and implementing actions relating to topics that employees perceive as being particularly critical.

The employee participation rate (see section "Processes: Engaging with employees and workers' representatives about impacts") is used to monitor the extent to which this tool is accepted by employees. This information can be used to assess whether the derivation of actions for critical issues covers a broad base of employees and can accordingly be assessed as being effective.

Creation and expansion of digital training program

The Volkswagen Group invests in training, which helps employees to remain employable in the long term, even when requirements change. In 2025, the focus was on creating and expanding a program of digital training to be able to provide more varied learning content for a larger number of employees. The Volkswagen Group is implementing and integrating the Success Factors tool and the Degreed learning platform as a learning ecosystem for digital learning and self-directed training. This creates a common framework for the upskilling of all employees in the Volkswagen Group, provided and controlled by the Volkswagen Group Academy. The global rollout is taking place in defined stages with completion within the Group companies involved in the Success Factors tool scheduled for the end of 2028. During the reporting year, 11 more national and international subsidiaries were granted authorization to use the Volkswagen Group's access to the Degreed learning platform, with user figures increasing by almost 25% to 46,000.

The Volkswagen Group's efforts in the area of further training and qualification are also a response to the automotive industry's far-reaching technological transformation aimed at fulfilling rising societal expectations, international treaties and political regulations that require targeted decarbonization of products and business processes. In this transformation process, the Company is also opening up new fields of business and business models for which the relevant employees are to receive training.

This action contributes to the actual and potential positive impacts on employees by providing long-term employment prospects despite changing requirements. This is achieved through the development and expansion of digital training courses to strengthen employee qualifications for the purpose of improving their employability.

The development and expansion of both the digital training program and the traditional training formats on offer are tracked via the strategic target to increase average training hours, which has been suspended for 2025 and 2026 for revision purposes. Further information on this can be found in the section "Targets related to working conditions".

Budget planning round

The budget planning round (medium-term planning), in which Group-wide plant utilization is also planned, generally takes place annually as a key instrument of investment planning. The staffing situation of the individual sites is also taken into account.

The results of the medium-term planning are subject to approval by the Supervisory Board as regards the investment programs and investments included in it. Employee representatives on the Supervisory Board are also involved in the Supervisory Board's decision on approval. The involvement of the employee representatives is designed to help ensure that the goal of safeguarding jobs is achieved.

The budget planning round prevents business processes from having actual negative impacts on the working conditions of individual employees (e.g. the loss of long-term employment prospects) by implementing workforce planning that stabilizes employment. The effectiveness of this action is not actively measured but is reflected in the high number of employees with permanent employment relationships. The majority of the Group's employees have a permanent employment contract. Further information is available in the section "Employees by contract type and working time, broken down by gender".

Actions related to freedom of association

The Volkswagen Group is committed to global compliance with freedom of association and recognizes the right of all employees to form trade unions and workers' representation. Our employees' right to negative freedom of association is also respected. The recognition of the right of all employees to form trade unions and workers' representation represents a key component of the Declaration on Social Rights.

The proportion of employees covered by collective bargaining agreements of 91.6 (92.0) % (European Economic Area (EEA) only) and the proportion of employees covered by a workers' representative of 98.9 (99.1) % (EEA only) show that the Volkswagen Group has created an environment that enables effective representation of interests. This effective representation of interests is the basis for the negotiation of fair and transparent pay by the collective bargaining parties. The negotiation process usually takes place within the framework of collective bargaining autonomy and is therefore governed by local regulatory conditions. Further information on the metrics can be found in the section "Metrics related to collective bargaining coverage and social dialogue".

Due to different political and legal conditions, it is not possible to implement the OECD and ILO standards at all of the Group's production sites around the world to the same extent as in the EU. Freedom of association is realized in compliance with the laws applicable in the various countries and locations. The aim is to bridge the tension between the various national framework conditions and the interest in enabling the right to organize to the greatest possible extent. This is particularly challenging in states that have not signed the ILO Convention on Freedom of Association and Protection of the Right to Organize. In all efforts in this area, attention is paid to ensuring local laws are not violated.

The Volkswagen Group maintains regular communication and conducts annual inquiries in this regard, in particular with selected risk regions and risk markets in which it operates and in which a local legal right to freedom of association does not exist or is restricted.

By implementing this continuous action, the Volkswagen Group contributes to the actual and potential positive impacts on employees in terms of comprehensive co-determination rights.

Targets related to working conditions

Targets in the Human Resources business unit were determined deductively from the Group People Strategy, which was itself developed in accordance with the Group sustainability strategy regenerate+ and the Group Strategy.

The Group People Strategy and its targets were determined by the Group HR strategy department with the involvement of additional central organizational units of the Group HR divisions of Volkswagen AG and the HR strategy departments of selected Volkswagen Group brands. Employees and non-employees were not involved in the process for defining the targets.

The Volkswagen Group's HR strategy was also adapted under the umbrella of the Group strategy. The Human Resources division's targets are analyzed at least once a year and discussed with the Board of Management and the brands' board of management members responsible for HR at regular intervals. The targets are reviewed to determine whether the targets or actions for achieving the targets need to be adjusted.

With regard to tracking the Company's performance against the achievement of these targets and identifying lessons or improvement opportunities arising as a result of the Company's performance, there are no plans to involve employees or their representatives in codetermination.

The Volkswagen Group generally develops targets where there is a connection to its strategies. Apart from the target related to training and skills development, no other measurable outcome-oriented targets within the meaning of the ESRS requirements have been set in connection with adequate wages, social dialogue, freedom of association, or collective bargaining. The effectiveness of the policies and actions on the impacts identified in the materiality assessment performed in the reporting year is not monitored.

Target related to training and skills development

The Volkswagen Group aims to promote employability, and thus ensure long-term employment prospects despite changing requirements. The Volkswagen Group therefore offers its employees extensive training opportunities.

Independently of the metrics required by the ESRS in this focus area, the Volkswagen Group has already had a strategic key performance indicator on training hours for several years. This target was developed as part of the Group People Strategy and the associated Group Strategy and was included in the Group sustainability strategy regenerate+ as a top KPI.

The strategic key performance indicator that records the average number of training hours per employee per year is currently being revised and has thus been omitted for the reporting years 2025 and 2026. During this period, the metric will not be reported as a strategic KPI in either the Group Strategy or the regenerate+ Group sustainability strategy. In the future, the plan is to report the strategic KPI using the same approach as the ESRS metric "average number of training hours per employee" (see section "Metrics related to training"), which will involve a change to the employee groups and companies covered. The trajectory for the metric will be adjusted according to the new format.

Due to the momentum in this focus area and the varied training needs and regulatory requirements in the various local companies, no extended, Group-wide regulation of this focus area has been put in place beyond the strategic direction.

METRICS: EMPLOYEES AND NON-EMPLOYEES

Metrics related to the characteristics of employees

As at the end of reporting year 2025, 602,659 (614,082) employees worked for the Volkswagen Group; the number of employees is expressed as a headcount. The definition of employees covers anyone with an active employment contract who takes part in the Volkswagen Group's value creation process, including members of top management, people in the passive phase of partial retirement, and vocational trainees. The quantitative disclosures do not include people in inactive employment, such as people on parental leave. Nor do they include employees in academic training, such as interns, student workers, or students studying for a PhD, master's degree, or bachelor's degree. Both full-time and part-time employees are counted as employees. A full-time employee works the maximum number of hours per day, week, or month that are defined for the employee category in question in accordance with the national laws, collective bargaining agreements, or company regulations. Any deviation from the collectively or non-collectively agreed full-time weekly working hours is deemed to constitute part-time employment. Permanent employees do not have an end date in their employment contracts. The term temporary employees refers to all of the respective company's employees that have a temporary contract with an end date. Non-guaranteed-hours employees are classified as temporary employees. They are employed without a guarantee of a minimum or fixed number of working hours. Non-guaranteed-hours employees must make themselves available for work as required, but the employer is

not contractually obligated to offer them a minimum or fixed number of working hours per day, week, or month. In principle, temporary employees tend to be used to relieve strain on the permanent workforce during short-term capacity bottlenecks.

In the reporting year, 39,887 (37,516) employees left the Volkswagen Group. The fluctuation rate was 6.6 (6.1)%. It is calculated by dividing the number of people who left in the reporting year by the average number of employees based on the data as of December 31 of the previous year to December 31 of the reporting year. The figure for employees who have left the Company records employees who have left the Volkswagen Group due to dismissal, retirement, death or resignation.

The following tables show the distribution of employees by gender, country of employment and contract type. Gender is disclosed in accordance with the specifications provided by the employees. The total number of employees includes 29 (33) employees ("Not disclosed") who have made use of their local legal right not to disclose their gender.

EMPLOYEES BY GENDER AS OF DECEMBER 31

Gender	2025	2024
Male	478,929	489,917
Female	123,664	124,125
Other	37	7
Not disclosed	29	33
Total workforce	602,659	**614,082**

Workforce disclosures are also contained in the chapter "Sustainable Value Enhancement" in the "People" section. Discrepancies between the figures are due to the inclusion of the workforce of the Chinese joint ventures in the Group management report.

EMPLOYEES BY COUNTRY AS OF DECEMBER 31

Country/territory	2025	2024
Germany	284,032	293,338
Czech Republic	36,778	37,005
Sweden	25,881	25,804
USA	24,392	26,117
Brazil	23,297	22,810
Spain	23,287	23,064
China	22,705	23,552
Poland	20,086	19,622
Mexico	19,421	20.117
Hungary	12,321	12,826
Slovakia	11,951	11,947
UK	10,635	9,793
Italy	10,383	10,263
India	9,583	8,957
France	8,233	8,208
Austria	7,791	7,938
Portugal	6,770	5,919
Argentina	5,341	5,674
South Africa	5,320	5,199
Türkiye	4,670	4,334
Netherlands	3,661	3,620

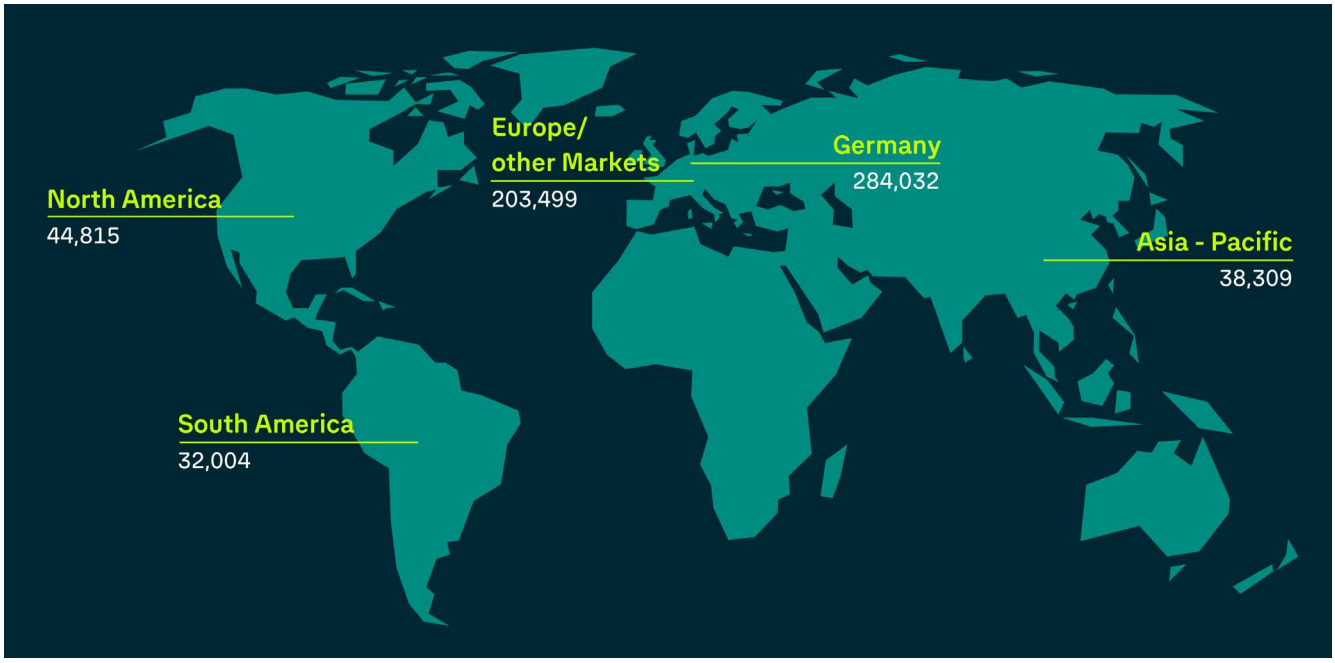
Denmark	3,422	3,184
Romania	1,964	1,821
Switzerland	1,885	1,793
Norway	1,618	1,584
Japan	1,338	1,376
Australia	1,284	1,308
Canada	1,002	838
Chile	985	1,011
South Korea	899	894
Slovenia	878	870
Ecuador	848	798
Belgium	782	3,561
Croatia	758	746
Singapore	748	703
Finland	606	590
Peru	603	530
Colombia	580	558
Malaysia	530	499
Bulgaria	516	513
United Arab Emirates	448	422
Thailand	427	423
Serbia	400	397
Ukraine	373	338
Taiwan	362	350
New Zealand	285	276
Ireland	277	263
British Virgin Islands	276	286
Greece	192	200
Estonia	187	192
Lithuania	155	143
Latvia	152	147
Bosnia and Herzegovina	150	143
Morocco	139	133
Macedonia	122	123
Qatar	109	118
Kenya	102	103
Tanzania	93	88
Albania	82	81
Indonesia	69	67
Panama	63	60
Namibia	56	54
Luxembourg	55	51
Ghana	52	76
Saudi Arabia	46	48
Botswana	44	44
Senegal	43	41

Pakistan	39	61
Kazakhstan	38	39
Montenegro	15	15
Côte d'Ivoire	11	0
Uruguay	11	13
Hong Kong	2	3
Total workforce	**602,659**	**614,082**

EMPLOYEES BY CONTRACT TYPE AND WORKING TIME, BROKEN DOWN BY GENDER AS OF DECEMBER 31

	MALE		FEMALE		OTHER		NOT DISCLOSED		TOTAL	
	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
Employees	478,929	489,917	123,664	124,125	37	7	29	0	602,659	614,082
Employees with a permanent employment contract	467,444	473,198	118,893	117,902	36	4	29	33	586,402	591,137
Employees with a temporary employment contract	11,485	16,719	4,771	6,223	1	3	-	-	16,257	22,945
Non-guaranteed-hours employees	-	-	-	-	-	-	-	-	-	-
Full-time employees	455,323	-	101,569	-	37	-	29	-	556,958	-
Part-time employees	23,606	-	22,095	-	-	-	-	-	45,701	-

EMPLOYEES BY MARKET AS OF DECEMBER 31, 2025



EMPLOYEES BY CONTRACT TYPE AND WORKING TIME, BROKEN DOWN BY MARKET AS OF DECEMBER 31

	GERMANY		EUROPE/OTHER MARKETS*		NORTH AMERICA		SOUTH AMERICA		ASIA-PACIFIC	
	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
Employees	284,032	293,338	203,449	203,424	44,815	47,072	32,004	31,740	38,309	38,508
Employees with a permanent employment contract	280,398	285,935	195,005	193,767	44,091	45,791	30,474	30,019	36,434	35,625
Employees with a temporary employment contract	3,634	7,403	8,494	9,657	724	1,281	1,530	1,721	1,875	2,883
Full-time employees	244,582	-	197,523	-	44,749	-	31,864	-	38,239	-
Part-time employees	39,450	-	5,976	-	66	-	140	-	70	-

*Excluding Germany

Metrics related to non-employees

The total number (headcount) of non-employees working in the Company was 20,430 (25,162) as of December 31, 2025.

Metrics related to collective bargaining coverage and social dialogue

A total of 91.6 (92.0)% of Volkswagen Group employees are covered by collective bargaining agreements. In accordance with the ESRS, the figure for the current reporting year only relates to employees in countries in the European Economic Area (EEA). A collective bargaining agreement means a written agreement between trade unions – or, in their absence, duly elected workers' representatives – and employers, which, among other things, governs working hours and wages as core components. A total of 98.9 (99.1)% of the Volkswagen Group's employees in the EEA are covered by workers' representatives. There are agreements with employees regarding representation by a European Works Council (EWC, EWC SE, EWC SEC).

COLLECTIVE BARGAINING COVERAGE AND SOCIAL DIALOGUE IN 2025

	Collective bargaining coverage	Social dialogue
Coverage rate (in %)	Employees (EEA only)	Workplace representation (EEA only)
0 – 19	Bulgaria, Estonia, Ireland, Croatia, Latvia, Lithuania	Ireland
20 – 39	Greece, Luxembourg	
40 – 59	Denmark	
60 – 79	Poland, Romania,	Greece, Luxembourg
80 – 100	Austria, Belgium, Czech Republic, Finland, France, Germany, Hungary, Italy, Netherlands, Norway, Portugal, Slovakia, Slovenia, Spain, Sweden	Austria, Belgium, Bulgaria, Croatia, Czech Republic, Denmark, Estonia, Finland, France, Germany, Hungary, Italy, Latvia, Lithuania, Netherlands, Norway, Poland, Portugal, Romania, Slovakia, Slovenia, Spain, Sweden

The figures correspond to the previous year; for Slovenia only there has been a change in collective bargaining coverage to the next higher category, 80 – 100%.

Metrics related to adequate wages

Within the EEA, the legally required minimum wage in the respective country is used as a benchmark for adequate wages in accordance with ESRS requirements. In countries without a regulated minimum wage, the legal minimum wage of a neighboring country with a similar socio-economic status is applied as a benchmark. As there is no uniform

methodology for setting a minimum wage outside the EEA, the benchmarks from the Wage Indicator Foundation's Living Wage database, which is cited in the requirements of the ESRS as a possible data source for countries outside the EEA, are used as the first instance. The benchmarks for all the countries outside the EEA where the Volkswagen Group has employees are obtained from this database. The underlying benchmarks were last updated for this report in October 2025.

The salary components used to calculate the lowest gross hourly wages in each case are specified in accordance with the requirements of the ESRS and uniformly defined throughout the Group. Only the base salary and guaranteed additional payments are included in the calculation. However, in many cases, there are other variable remuneration components in the Volkswagen Group that are not included in this calculation. From the Company's perspective, these other remuneration components may form a significant proportion of wages that are excluded from calculations conducted in line with ESRS guidelines.

For the metric, the lowest gross hourly wages for each company are compared to the respective country's benchmark. These comparisons were used as a basis to ascertain that virtually all of the Group's employees were paid a wage above the respective benchmarks. In the previous year, the benchmarks were not achieved for all employees (proportion/number of employees) in the following countries: Singapore (12.2%/86), Morocco (4.5%/6), Albania (2.5%/2), Sweden (0.2%/49), Austria (0.1%/5), Mexico (0.1%/10), Brazil (0.0%/1) and Germany (0.0%/2).

In countries where the aforementioned benchmarks were not achieved in the reporting year, the local minimum wage or the collectively agreed minimum wage was examined on a case-by-case basis. If the case-by-case assessment determined compliance with the local minimum wage or the collectively agreed minimum wage, these employees are considered to receive adequate wages. Because of the additional case-by-case assessments , the prior-year figures are not comparable with the current figures.

For the 2025 reporting year, these case-by-case assessments showed that nearly all Volkswagen Group employees receive an adequate wage in accordance with the ESRS definition. An exception in accordance with the ESRS (proportion/number of employees) is Austria (0.1%/4), where no statutory or collectively agreed regulations for the employees in question exist and the minimum wage is marginally below its socio-economic neighbor Germany. Another exception relates to employees in Singapore (23.8%/178), who nevertheless receive other significant remuneration components, for example in the form of sales commissions, depending on the job they perform. These remuneration components are not considered in the ESRS requirements.

Metrics related to training

The average number of training hours per employee in accordance with the requirements of the ESRS was 21.6 (18.9) hours in the reporting year 2025. The calculation is based on the employee data from December of the previous year to December of the reporting year. Time-dependent and time-independent in-person and online training with or without a trainer (self-guided) all count as training. Where time-independent learning is concerned, it is primarily the specific amount of time spent in training that is recorded. If this is not technically possible, the stored target value per time-independent training measure is evaluated.

OCCUPATIONAL HEALTH AND SAFETY

This section addresses the sustainability topics of occupational health and safety in accordance with ESRS S1.

Actions related to occupational health and safety

A Group policy requires the senior managers of each company to make adequate financial, human and material resources available to fulfill the tasks in the focus area of occupational health and safety and ensures sufficient qualification and training of skilled staff. Volkswagen AG's Group Occupational Health and Safety organizational unit is tasked with standard-setting, information provision, communication and monitoring.

Mandatory establishment and ongoing improvement of an occupational health and safety management system

The Group has issued a Group-wide policy requiring the companies to introduce and obtain certification for an ISO 45001 management system at all production sites with more than 1,000 employees, which must be implemented to promote occupational health and safety. Each company is responsible for obtaining certification. As part of the Group audit program, internal audits are conducted on the basis of ISO 45001 requirements and the Group policy on occupational health and safety. 2 (4) Group audits were conducted in 2025. Completion of the required ISO 45001 certifications by the end of 2026 is planned.

Risk analysis related to occupational health and safety at company level and actions to minimize work-related risks

To evaluate the Group companies' current performance in occupational health and safety, in the reporting year the Volkswagen Group conducted a risk analysis at the level of the companies. The scope of the 2025 risk analysis was defined using of risk-based criteria, incorporating the previous year's results. To supplement the questionnaire-based self-assessments submitted by Group companies in previous years, Group Occupational Health and Safety also conducted remote testing, on-site inspections and audits in order to detect and rule out specific risks. As a result, it was possible to identify improvement potential and introduce actions to reduce sustainability-related risks. In addition, regular dialogue took place as part of communication with the companies. The identified good practices offer opportunities for improvement across Group companies.

The Volkswagen Group conducts systematic analyses of the status quo of occupational health and safety in the Group each year. From these analyses, it derives measures to minimize work-related risks where a need for action is identified. These cover all the Volkswagen Group's employees and are made accessible to them through targeted communication.

Through the actions described, the Volkswagen Group promotes occupational health and safety and thereby contributes to the actual and potential positive impacts on employee well-being in relation to occupational health and safety.

The effectiveness of the risk analysis and the actions derived from it to minimize work-related risks is tracked using spot checks on the companies – even those without identified risk indicators.

Targets related to occupational health and safety

The Safety First strategy and the Group policy on occupational health and safety require all Volkswagen Group production sites to comply with the standards of ISO 45001 occupational health and safety management systems. All production sites (including the Chinese joint ventures) with more than 1,000 employees are due to be certified in accordance with ISO 45001 by the end of 2026.

The target was intentionally developed in line with the ILO recommendation on the certification of occupational health and safety management systems and the sustainability reporting standards prevailing at that time.

At the same time, the development process took into account the particular local characteristics of the location and industry by restricting the target to production sites with more than 1,000 employees. Specific capital market requirements that were brought to the Volkswagen Group's attention through ESG ratings were also integrated into the reporting by means of additional reporting on the coverage of the certified management systems.

Collecting metrics is a core element for assessing the effectiveness of actions. To monitor the target, an analysis is conducted each year to determine how many of the Group-wide production sites with more than 1,000 employees are ISO 45001 certified and how high the associated coverage of employees is. At the end of 2025, a total of 87 (80) Group production sites (including the Chinese joint ventures) were certified in accordance with ISO 45001. This corresponds to coverage of 87 (74) % of employees at the Group production sites (including the Chinese joint ventures) with more than 1,000 employees. The metric is calculated by dividing the number of employees at certified production sites with more than 1,000 employees by the total number of employees at production sites with more than 1,000 employees.

Since the target was set, no changes have been made to the target itself or the underlying methodology for the target. Targeted and ongoing communication with affected companies via steering committees has indicated potential obstacles to full achievement of the target. This can be attributed to factors including adjustments to the targets at the individual companies.

In addition to the number of ISO 45001-certified production sites and their level of coverage of employees, the Volkswagen Group also uses the lost time injury frequency rate (LTIFR) for employees as an essential metric for reporting. This is recorded as an accident frequency index and provides information on the number of accidents at work as a proportion of the total hours worked. It is calculated as the number of accidents at work reported with at least one day lost multiplied by 1 million divided by the total number of hours worked. In 2025, the accident frequency at the Volkswagen Group was 6.2 (6.4).

The Volkswagen Group attaches great importance to reducing the LTIFR to below 1 for all brands and companies by 2040. This target was set as part of the Group sustainability strategy regenerate+ and forms a key performance indicator within this strategy, whilst the accident frequency target was developed by taking into account the ESG rating requirements. The documentation requirement for work-related accidents that is needed in order to determine the metric is set out in the occupational health and safety Group policy.

The target referred to above also addresses ILO recommendations on occupational health and safety and the Global Reporting Initiative (GRI) sustainability reporting standards used at the time of development. The targets of ISO 45001 certification and the number of work-related accidents are not measured against either a specific baseline or a specific base year, as the Volkswagen Group measures itself against the aim of having as few work-related accidents as possible each year, and none of them fatal.

The Group uses Group regulations to provide Group-wide information in the event of fatal accidents involving employees, non-employees or other workers who work at the Volkswagen Group's sites. On this basis, actions can be taken to prevent similar accidents across all sites in future. Accidents are analyzed locally and appropriate actions are introduced to prevent further accidents.

Since the target was set, no changes have been made to the targets or their underlying methodology.

Employees and non-employees were not involved in the process of defining the targets.

Metrics related to occupational health and safety

Based on legal requirements and/or recognized standards or guidelines from a health and safety management system of the Company, 82 (83)% of employees are covered. A total of 55 (46)% of employees are covered by such a health and safety management system that has been audited or certified by an external party.

There were 4 (4) deaths as a result of work-related accidents or ill health during the reporting year. Across the Group, the process for reporting deaths resulting from work-related accidents corresponds to the process for reporting fatal accidents and major incidents set out in the Volkswagen Group's Occupational Health and Safety Policy. The process for reporting deaths resulting from work-related ill health is based on the respective national regulations. One of these deaths related to a Volkswagen Group employee. One death related to a non-employee. Two deaths related to other workers, such as value chain workers at Volkswagen Group sites.

In the reporting year, employees experienced 9,917 (10,819) reportable work-related accidents resulting in 10.8 (11.7) work-related accidents per one million completed working hours (TRIR – Total Recordable Injury Rate) in accordance with ESRS S1-14.

EQUAL TREATMENT AND EQUAL OPPORTUNITIES

This section deals with the sustainability matters of diversity, including work-life balance, a corporate culture free from discrimination, violence and harassment, an inclusive working environment, fair development opportunities, and discrimination-free remuneration, including in terms of gender, in accordance with ESRS S1.

Actions related to equal treatment and equal opportunities

The organizational units of the Volkswagen Group responsible for implementing actions relating to the focus area of equal treatment and equal opportunities are Group Diversity and Advancement of Women, the Volkswagen Group Academy and Volkswagen AG's Group HR Management. These units use human and financial resources on an on-going basis to positively influence material impacts for employees and help achieve set targets.

The structure of the Volkswagen Group's workforce varies around the world. As such, specific actions are required to ensure equal treatment and equal opportunities. Responsibility for this lies with the brands and companies, and is based on the needs of the workforce in question.

Linking Group Board of Management and management remuneration to the diversity index

Within the scope of the ESG factor, the short-term variable remuneration of the Group Board of Management (annual bonus) is linked to factors including the diversity index, which comprises of the proportion of women in management and international representation in top management. Both components of the diversity index are underpinned by a strategic target. This creates a direct incentive at Group Board of Management level. The diversity index's remuneration relevance is described in more detail in the "General Information" chapter. In addition, an ESG factor was included in the short-term variable remuneration (annual bonus) for management below the Group Board of Management in 2023. Within the scope of this ESG factor, the proportion of women in management relevant to the index was embedded in the short-term variable remuneration.

By creating these incentives at both Board of Management and management level, the Company contributes to an actual positive impact relating to workforce diversity, fair development prospects and non-discriminatory remuneration.

The effectiveness of this action but also the promotion of diversity itself are tracked through the trajectory of the diversity index. More information can be found in the section "Targets related to equal treatment and equal opportunities".

Actions to create an inclusive working environment and equal treatment of employees

With its Group-wide HR Compliance Group policy, the Group provides the companies with action areas related to the promotion of workforce diversity, the promotion of a culture free from discrimination, violence and harassment, the fostering of an inclusive working environment, fair development prospects and discrimination-free remuneration. These action areas encompass the integration of these topics into corporate values, processes and communication and the appointment of a contact person. From a certain size, companies are required to establish the role of a diversity expert within the scope of local legislation. Actions to raise awareness of these topics amongst employees and managers must be implemented within the scope of the aforementioned action areas. The scope and depth of the actions are tailored to the size of the company.

The actions thus contribute to an actual positive impact for employees in the form of equal treatment and equal opportunities for all employees. This is the result of diversity in the workforce, a culture free from discrimination, violence and harassment, an inclusive working environment, fair development opportunities and discrimination-free remuneration. Collectively, this constitutes one continuous action. The effectiveness of this action is not tracked centrally but is instead generally monitored at local or company level due to the diversity of the actions involved.

Anti-discrimination rules

A new Group anti-discrimination policy was drawn up and finalized in 2023. In 2024, this policy was shared with the companies. The aim here was to close regulatory gaps regarding the avoidance of discrimination in the hiring, remuneration and promotion process.

From 2024 onwards, an annual reminder has been sent to those Group companies that have failed to implement or have insufficiently implemented rules on avoiding discrimination.

Group companies are not obligated to introduce this rule; however, introduction of the rule is recommended by the Group. In the reporting year 2025, a further 29 companies introduced an anti-discrimination rule.

The aim of the anti-discrimination rule is to remedy the actual negative impact generated by isolated and individual cases of unfair treatment and inequality of opportunities. HR Compliance also revised the specific Group policy with regard to the Volkswagen Group's potential negative impacts in relation to unequal treatment of employees. For the recruitment process, it was amended to stipulate that decisions on recruitment will be made exclusively on the basis of the applicant's qualifications.

The effectiveness of this action is not tracked centrally but is instead generally monitored at local or company level due to differences in the way the action is implemented.

Preparation of materials for managers

Across the Group, management and managers are continuously offered the opportunity to qualify themselves regarding their impartiality and the safeguarding of equal opportunities. Volkswagen AG encourages all managers to discuss the topic of unconscious bias in order to foster an unbiased workplace and establish processes that support equal opportunities. The training on offer is designed to enable managers to analyze their own department-specific processes, and to derive and implement suitable actions to safeguard equal opportunities and reduce prejudices and stereotypes within their department. In addition to this, supporting materials are compiled centrally and made available to the brands and companies. The Group suggests integrating the content and methods described in these materials into existing training and processes with adjustments to suit local conditions. The aforementioned goal of ensuring an unbiased workplace and processes that support equal opportunities remains valid throughout this process.

This contributes to an actual positive impact on employees resulting from diversity in the workforce, a culture free from discrimination, violence and harassment, an inclusive working environment, fair development opportunities and

discrimination-free remuneration. The effectiveness of this action is not tracked centrally but is instead generally monitored at local or company level due to the diversity of the actions involved.

Collecting and publishing statistics on employee misconduct and disciplinary actions

Each year, the Volkswagen Group collects and internally publishes statistics on employee misconduct and disciplinary actions taken. The regular reporting on the statistics on disciplinary actions is used firstly to create transparency and secondly to enable countermeasures to be taken as soon as possible if there are any anomalies. The internal publishing of disciplinary statistics also contributes to transparency and raised awareness, and encourages employees to directly address or report misconduct.

In 2025, 30 (32) Volkswagen Group employees were dismissed due to breaches related to discrimination, bullying, or stalking.

Publishing the statistics on employee misconduct and disciplinary actions taken in relation to discrimination, bullying, or stalking represents an action that has been taken to promote awareness of the consequences of unequal treatment and thus prevent discrimination and actual negative impacts on employees from isolated incidents of unequal treatment.

To track the effectiveness of this action, the responsible department within the Group continuously monitors the development in the number of cases and takes action where necessary.

Targets related to equal treatment and equal opportunities

The topics of equal treatment, equal opportunities and diversity are enshrined in the HR Compliance Group policy. The particular importance of this action area is further underscored in the Volkswagen Group by the introduction of the diversity index as a strategic metric of the Group People Strategy, the Group strategy, and the Group sustainability strategy regenerate+. This index is also of relevance for the remuneration of the Group Board of Management. It is the Volkswagen Group's aim to increase diversity in the Company (further details can be found in the section “Linking Group Board of Management and management remuneration to the diversity index”). This includes setting targets for the percentage of women in management and for the level of international representation in top management. Both of these figures have been combined in the diversity index since 2017. The index is gathered for the employees of the entire Volkswagen Group, but excludes employees in the withdrawal phase of their time asset bonds (time asset bond: time credit from deferred compensation), apprentices and employees in the passive phase of partial retirement. In addition, and as a deviation from the requirements of the ESRS, the Chinese joint ventures are included in this strategic KPI. The index is used to measure and steer implementation of the targets.

Due to the regulatory framework in the United States, employees of Volkswagen AG’s US subsidiaries and their non-US subsidiaries, as well as other employees in the United States, are excluded from the measurement of the proportion of women using the diversity index. Employees of Volkswagen AG’s US subsidiaries and other employees in the United States are also excluded from the determination of the internationalization of top management. The targets for the sub-KPIs have been reduced by 0.4 percentage points each, resulting in a target index value of 154 for the reporting year (157 before adjustment). The prior-year figures (actual and target) reported in the following have not been retrospectively adapted to this approach.

The proportion of women in management, comprising management, senior management and top management (including the Group Board of Management and brand boards of management), amounted to 20.3 (19.9)% in 2025. The adjusted intermediate target of 19.8 (19.0)% for this year was thus achieved. The Volkswagen Group wants to increase the proportion of women in management to 23.2% by 2028. This represents an increase of 11.1 percentage points compared with our baseline of 12.1% from 2016. The adjusted target for the degree of internationalization in top management (the most senior of the three tiers of management) in 2025 was set to at least 24.6 (24.1)% and, at a rate of 28.6 (29.1)%, was achieved in the reporting year now ended. The Volkswagen Group wants to increase international representation in management to 28.1% by 2028. For the intermediate target in 2026, the Volkswagen Group plans to increase the proportion of women in management to 21.3% and the degree of internationalization in

top management to 27.5%. The figures for the proportion of women in management and the internationalization of top management are incorporated with equal weighting into the diversity index, which was set to 100 for 2016. For 2025 it was planned to increase this value to 154 (149). This target value was exceeded with a score of 168 (168).

The diversity index was established in 2017 and was used continuously as a KPI in the applicable Group strategy and Group people strategy. It was adjusted in the reporting year as described above. The index was also added to the regenerate+ strategy as a top KPI in 2024. The Supervisory Board has decided to define the diversity index as the performance criterion for the Social subtarget within the framework of the ESG factor for the variable remuneration (annual bonus) of the members of the Board of Management. Employee representatives participated in said decision, ensuring that the interests of the workforce were considered.

The Volkswagen Group generally develops targets where there is a connection to its strategies. No measurable outcome-oriented targets within the meaning of the requirements of the ESRS have been defined for a culture free from discrimination, violence and harassment or an inclusive working environment. The effectiveness of the management policies and actions on the impacts identified in the materiality assessment performed in the reporting year is not monitored.

Metrics on diversity

The following tables show the gender distribution of employees by number and percentage at management level and the distribution of employees by age group. In contrast to the percentage of women included in the diversity index, the gender distribution at this point only encompasses top management (including the Group and brand Boards of Management) and not senior management or management.

GENDER DISTRIBUTION AT TOP-MANAGEMENT LEVEL

	2025		2024	
Gender	Employees	Percentage breakdown	Employees	Percentage breakdown
Male	385	86.7	421	87.7
Female	59	13.3	59	12.3
Other	-	-	-	-

EMPLOYEES BY AGE GROUP AS OF DECEMBER 31

Age group (breakdown in percent)	2025	2024
Under 30 years of age	15.2	16.1
30 - 50 years of age	56.9	56.9
More than 50 years of age	27.9	27.0

Metrics related to pay gaps and annual total gross remuneration

The gender pay gap refers to the difference in the average earnings between women and men. In this report, the unadjusted gender pay gap is presented. It represents the percentage difference in the average gross hourly wages of men and women, without accounting for structural differences. In the reporting year, the difference at the Volkswagen Group was 9 (13)%. This value is 4 percentage points below the previous year. Changes in the gender pay gap cannot be clearly attributed to a single factor. The metric is affected, among other things, by changing workforce structures and overlapping organizational effects. The impact of the individual factors therefore cannot be measured in isolation, and the reason for changes can rarely be clearly explained.

The unadjusted gender pay gap is calculated by determining the difference between the average earnings of male and female employees. This difference is then divided by the average hourly earnings of men and multiplied by 100 to produce the gap as a percentage.

The average hourly earnings per gender are calculated on the basis of employees' annual total gross remuneration. This includes, among other things, remuneration for work performed in the reporting year (remuneration of working hours including overtime, shift allowances) and the remuneration of lost hours/absence, i.e. vacation pay, public holidays, illness and other absences. The total gross remuneration for each gender is divided by annual working hours, including overtime registered in the time recording system.

Unlike the unadjusted gender pay gap, the adjusted gender pay gap takes account of factors such as qualifications, professional experience, job system or position. It therefore shows the remaining pay gap between men and women with comparable characteristics. On the basis of available economic data, this figure is usually significantly lower than the unadjusted figure.

The ratio of the annual total gross remuneration of the highest paid individual to the median annual total gross remuneration for all employees (excluding the highest-paid individual) was around 162 (195). This value is 17% below the previous year. In fiscal year 2025, the remuneration of the highest paid individual was below the annual total gross remuneration for the previous year. An approximation method based on the median remuneration, the companies' average pay level, and the distribution of pay within the companies was used for calculating the median. For the calculation of employees' average pay levels at the companies, the same definition of annual total gross remuneration was used as for calculating the pay gap between women and men.

OTHER WORK-RELATED RIGHTS

This section addresses the sustainability topics of child labor and forced labor in accordance with ESRS S1.

Actions related to other work-related rights

The organizational units of the Volkswagen Group responsible for implementing actions relating to the focus area of other work-related rights are Group HR Compliance at Volkswagen AG and the respective operational HR departments at company level. These units use human and financial resources on an ongoing basis to positively influence material impacts for employees and help achieve set targets.

Minimum standards to prevent violations of basic human rights in the recruitment process

To better implement social standards and safeguard human rights, various basic actions were introduced and previously initiated actions were expanded to focus on protecting human rights. This means that, as part of Volkswagen's recruitment process for external hires, identity and age checks are carried out for all employees who enter into a temporary or permanent training or employment contract with a Volkswagen Group company. In addition, the local minimum age limit for employment is checked. Furthermore, when the contract is concluded, the voluntary declaration of intent is documented and a signed job offer letter confirms the agreement.

In the event of deviations from the standard recruitment process, documentation is prepared and decisions are made jointly, following the principle of multiple-party verification. Deviations from the minimum age limit are not permitted in order to ensure that child labor is avoided. The action applies across the Group to the recruitment process for potential new employees and is also being implemented by employees in the HR department. The action is implemented continuously.

By implementing the actions to improve the recruitment process, the Volkswagen Group contributes to the actual and potential positive impacts on employees by promoting compliance with social and human rights standards beyond local legal standards.

The Group tracks the effectiveness of these actions by reviewing compliance annually using a risk-based approach.

Targets related to other work-related rights

The Volkswagen Group generally develops targets where there is a connection to its strategies. No measurable outcome-oriented targets within the meaning of the requirements of the ESRS are currently defined in connection with child labor and forced labor. The effectiveness of the management policies and actions related to the impacts identified in the materiality assessment, which was performed in the reporting year, is currently not monitored. In line with its corporate values, the Volkswagen Group does not tolerate any form of child or forced labor.

Metrics related to other work-related rights

DISCRIMINATION, HARASSMENT AND OTHER WORKFORCE ISSUES

	2025	2024
Total number of serious violations identified in relation to discrimination and harassment	20	22
Total number of serious violations identified in relation to other workforce issues	4	2
Reported by National Contact Points for OECD Multinational Enterprises	-	-
Total fines, penalties and compensation payments (€ thousand)[1]	-	9

1 The amount is reported under other operating expenses in the income statement but not disclosed individually and can also include items from previous years.

VIOLATION OF HUMAN RIGHTS

	2025	2024
Serious human rights violations identified in accordance with LkSG[2]	-	-
Total fines, penalties and compensation payments (€ thousand)[1]	-	-

1 The amount is reported under other operating expenses in the income statement but not disclosed individually and can also include items from previous years.
2 Because the LkSG is based on the United Nations' Guiding Principles on Business and Human Rights, the International Labour Organization (ILO) Declaration on Fundamental Principles and Rights at Work and the OECD Guidelines for Multinational Enterprises, it can be assumed that the violations with LkSG relevance identified correspond to violations of these frameworks.

Sustainability in the Supply Chain

We wish to meet our legal, social, and environmental responsibilities not only within the Group, but also in our global supply chain.

MATERIAL IMPACTS AND RISKS AND THEIR INTERACTION WITH STRATEGY AND BUSINESS MODEL

This chapter describes sustainability in the Volkswagen Group supply chain with a focus on the requirements of ESRS S2. The Volkswagen Group integrates topics related to both human rights and the environment into its management system related to the supply chain. The materiality assessment process included an evaluation of human rights and environmental aspects in the Volkswagen Group's upstream and downstream supply chain. Since global supply chains are frequently highly complex and not always completely transparent, we have taken a precautionary approach in cases where information on potential impacts is lacking, making more restrictive assumptions and, in cases of doubt, assessing possible impacts to our own disadvantage. Further information is available in the "General Information" chapter under "Procedure for and results of the double materiality assessment".

The materiality assessment shows that, particularly the workers employed by direct and indirect suppliers in the upstream supply chain are or may be materially affected by positive and negative impacts. Our joint ventures are also regarded as suppliers insofar as they fulfill this role.

The evaluated supply chain consists of producers of components, machinery, tools and equipment, raw material suppliers, and service providers in the product development process, such as IT service providers, construction companies, caterers and cleaning service providers. Participants in the downstream process, such as recycling service providers, are also taken into account if they have a supply relationship with the Group. Temporary employment agencies and self-employed people are also included insofar as they are contracted via Group Procurement. Dealerships and customers are not taken into account here.

In the context of our Responsible Supply Chain System (ReSC-System) policy and the actions incorporated within it, the Volkswagen Group has developed an understanding of how workers with particular characteristics, those working in particular contexts, or those undertaking particular activities may be more severely affected by impacts. This also includes particularly vulnerable groups along the supply chain and comprises workers who may be exposed to an increased level of risk due to their form of employment, age, origin or other characteristics. In individual cases, this includes young workers and migrant workers, for example. These insights were factored into the materiality assessment and are also incorporated into the development of preventive, mitigating and remedial actions.

MATERIAL TOPICS

Description	Impact/ Risk/Opportunity	Actual/ Potential Impacts	Value Chain	Time Horizon
Working Conditions				
This impact stems from the safeguarding of workers' well-being – particularly in the immediate business environment (such as at direct suppliers and their contractual partners) – for example by reducing the risk of accidents with occupational safety measures, providing access to healthcare services, providing training, and improving the economic independence of vulnerable groups.				
This impact arises from the threat to workers' well-being resulting, for example, from unsafe and unfair working conditions, inadequate occupational health and safety measures, unreasonably low wages, and excessive working hours. Inadequate wages, for example, adversely affect fundamental human rights, such as the right to food, good health, education and adequate living conditions.		 	 	
Equal Treatment and Equal Opportunities for All				
By guaranteeing equal treatment and equal opportunities for workers, for example, through the avoidance of all forms of discrimination, intimidation, harassment and unjustified disadvantage, this impact particularly affects workers in the immediate business environment, such as those at direct suppliers and their contractual partners.				
This impact stems from the threat to equal treatment and equal opportunities for workers, for example due to insufficient action to prevent discrimination and violence or due to a large gender pay gap.		 	 	
Other Work-Related Rights				
This impact stems from ensuring that human rights for workers – particularly those in the immediate business environment (such as at direct suppliers and their contractual partners) – are upheld, for example by avoiding forced and child labor, and by complying with fundamental work-related rights.				
This impact arises from a threat to workers' human rights, particularly from forced and child labor.		 	 	
The threat to workers' human rights, particularly in relation to forced and child labor, gives rise to a financial risk, for example in relation to fines or compensation payments resulting from infringements or reporting procedures, restricted access to markets, vehicle recall campaigns and rework, reputational damage, and refinancing of the Group.				



Interaction with the strategy and business model

The impacts identified in the materiality assessment have an effect on the Group's supply chain, as does the financial risk. The topic of workers in the supply chain is taken into consideration at an overarching level in the Group's sustainability strategy regenerate+. The focus here is on developing supply chains that are responsible and sustainable. A comprehensive strategy program has been launched in the Procurement department, the aims of which include strengthening sustainability and implementing regenerate+ on a broad scale.

With regard to the impacts and the risk in the areas of working conditions, equal treatment and equal opportunities, and other work-related rights, the Group employs a combination of preventive, mitigating, and remedial actions within its ReSC-System.

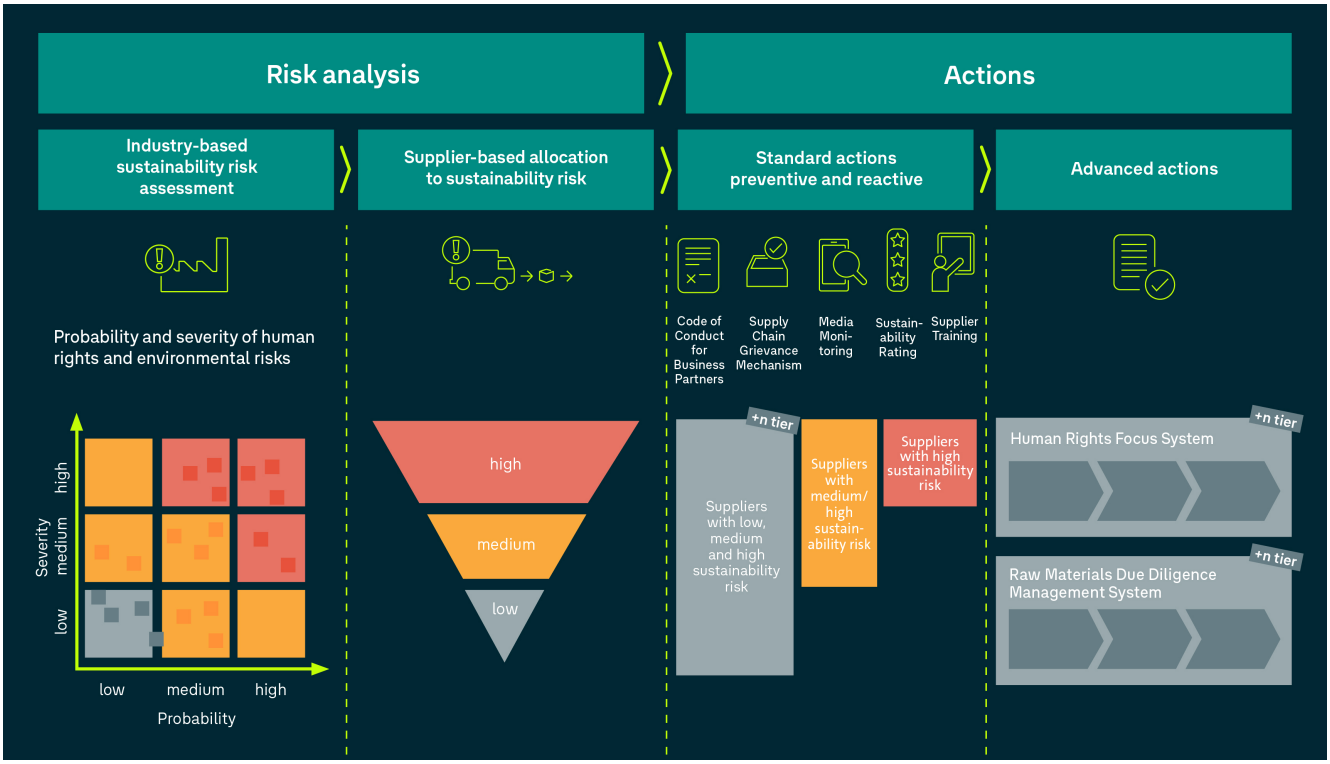
These actions can help to prevent violations of the Volkswagen Group's sustainability requirements related to working conditions, equal treatment and equal opportunities, and other work-related rights. They reinforce the rights of the workers in the upstream and downstream supply chain and enable remedial action to be taken in the event of non-compliance.

POLICY: RESPONSIBLE SUPPLY CHAIN SYSTEM

Respecting human rights and protecting the environment along the supply chain are of paramount importance to the Volkswagen Group. We believe that sustainable economic activity is inextricably linked to ethical conduct and acting with integrity. With the Responsible Supply Chain System (ReSC-System), we have established a comprehensive management system aimed at identifying matters related to human rights and the environment in our supply chain at an early stage and addressing them with a systematic approach. It aims to counteract or eliminate negative impacts and risks, enhance positive impacts and potential opportunities, and continuously improve the sustainability performance of suppliers.

The Volkswagen Group's ReSC-System is geared toward respecting and promoting globally valid regulations related to the protection of human rights. It rejects any form of child and forced labor, modern slavery, and human trafficking. Through its design, the system takes central international frameworks into account, including the Organization for Economic Co-operation and Development's Guidelines for Multinational Enterprises (OECD Guidelines), the UN Guiding Principles on Business and Human Rights, the Core Labour Standards of the International Labour Organization (ILO) – including provisions on precarious work –, the UN Universal Declaration of Human Rights, the Ten Principles of the United Nations Global Compact, and the OECD Guidelines for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas.

Combined with the Group's internal targets, rules and policies, these standards form the foundations for the Volkswagen Group's due diligence processes related to human rights and the environment. Within this context, the ReSC-System is designed to be a risk-based management approach, offering a structured basis for the implementation and enhancement of relevant actions. It is aligned with the requirements of the *Lieferkettensorgfaltspflichtengesetz* (LkSG – German Supply Chain Due Diligence Act) and similar legal frameworks, enabling proactive engagement with corporate due diligence requirements. The system's appropriateness and effectiveness and its conformity with relevant frameworks are reviewed regularly and, if necessary, further developed. Due to the diversity of its products, the Volkswagen Group's supply chain is extremely complex, spread widely across the globe and subject to constant change. It includes more than 63,000 supplier sites in 93 countries around the world. The ReSC-System applies on a Group-wide basis to all direct suppliers in the upstream and downstream supply chain and accompanies the entire procurement process. Furthermore, it also encompasses indirect suppliers depending on the situation and the risk. It follows a risk-based management approach and is applied even before a contractual relationship has been established, i.e. before delivery times and purchase prices have been negotiated. Its central logic is based on regular risk analyses at supplier level.



The risk analysis is the first step in the ReSC-System. It is based on the respective supplier's business model and also incorporates internal and external data sources on risks related to human rights and the environment. Suppliers are allocated to risk categories (low, medium, high) on the basis of this analysis. The assigned sustainability risk is used as a guide to assess the degree to which identified negative impacts may occur at the relevant supplier. If a supplier is awarded a low sustainability risk level, an additional country risk score is taken into account in order to integrate regional risk factors into the analysis. If the supplier's production site has an increased country risk, it is upgraded to the medium risk category. Based on the risk classification, the supplier is assigned a package of measures to prevent and mitigate the impacts identified. Suppliers with a high risk rating, for example, the sustainability rating (S-Rating) process. The risk analysis is updated regularly and appropriate actions are developed within the scope of the ReSC-System. These actions include both standard measures, such as the confirmation of the Code of Conduct for Business Partners, the Supply Chain Grievance Mechanism (SCGM), media monitoring, the S-Rating, and supplier training, as well as more advanced measures, including the Human Rights Focus System (HRFS) and the Raw Material Due Diligence Management System (RMDDMS).

The specific actions are described in the section "Actions under the Responsible Supply Chain System".

Responsibility for the ReSC-System is embedded across several levels of the Volkswagen Group. The member of the Volkswagen AG Board of Management responsible for the Core brand group and, as such, with overarching responsibility for Group Procurement holds overall strategic responsibility for the system. Volkswagen AG's Group Procurement Sustainability department is responsible for managing sustainability aspects in the supply chain at an operational level.

The ReSC-System is implemented in close liaison with the Group-wide Sustainability Procurement Network and with the Group Compliance and Group Legal divisions. More than 130 experts from around the world are involved in this network. The ReSC-System is regularly reviewed and recommended areas of action are developed as required.

Implementation of the policy is governed in binding, Group-wide regulations. The system is enshrined in a Group policy that applies to all controlled companies within the Volkswagen Group. Its adoption into local directives is reviewed every year on the basis of spot checks.

The structures and processes needed for implementation are documented in Group-wide guidelines and process documents, which are available to the responsible functions within the Group. Relevant information – including the Code of Conduct for Business Partners – is also made available to the public.

ACTIONS UNDER THE RESPONSIBLE SUPPLY CHAIN SYSTEM

The Volkswagen Group applies a systematic approach when dealing with the negative impacts identified during the materiality assessment for the areas of working conditions, equal treatment and equal opportunities, and other work-related rights in the supply chain. This approach is an integral component of the ReSC-System and consists of preventive and reactive elements.

The described actions aim to identify and eliminate potential violations of the Code of Conduct for Business Partners such as work-related rights in the supply chain, and to improve suppliers' sustainability performance on an ongoing basis. Beyond this, they also facilitate an appropriate response to actual and potential negative impacts. In the area of other work-related rights, an additional material financial risk has been identified and is also managed with the actions. At the same time, positive impacts related to working conditions, equal treatment and equal opportunities, and other work-related rights in the supply chain are to be specifically promoted. One actual positive impact arises in the immediate business environment in particular, i.e. for direct suppliers and their contractual partners. This impact is linked to aspects including the Code of Conduct for Business Partners, the self-assessment questionnaire (SAQ) and completed audits. A positive effect is also generated in the area of working conditions, particularly as a result of rubber processing initiatives in Indonesia. In relation to equal treatment and equal opportunities, positive effects are generated primarily by training and awareness-raising measures. Other work-related rights are also reinforced through our membership in the Responsible Mica Initiative.

The approaches within this context address the sustainability matters specified in ESRS 1 that were identified as material in the materiality assessment:

- Working conditions: working time, adequate wages, social dialogue, freedom of association, including the existence of works councils, collective bargaining and occupational health and safety.
- Equal treatment and equal opportunities: gender equality, equal pay for work of equal value, employment and inclusion of persons with disabilities, action against violence and harassment, and diversity.
- Other work-related rights: child labor, forced labor, adequate housing, and access to water and sanitation.

In the reporting year 2025, both standard and advanced actions were implemented in an effort to minimize material potential and actual negative impacts on workers in the supply chain**.** These actions address risks related to human rights and the environment. No separation between the two is made here as the underlying processes take an integrated approach.

The actions are further developed on an ongoing basis and their effectiveness is reviewed. An in-depth description of the individual actions is provided in the sections below.

Standard actions as the foundation of the Responsible Supply Chain System

Confirmation of the Code of Conduct for Business Partners

Before submitting a quote, direct suppliers must, in general, confirm that they acknowledge the validity of the requirements in the Code of Conduct for Business Partners. They must reconfirm their acknowledgment after twelve

months if they wish to submit new quotes. The Code of Conduct for Business Partners is also a component of the agreements under which contracts are awarded.

In order to extend the requirements of the Code of Conduct for Business Partners further down the supply chain, we require suppliers to pass the requirements in our Code of Conduct for Business Partners on to their direct business partners. The goal is to achieve compliance with standards related to human rights and the environment throughout the entire supply chain.

The Code of Conduct for Business Partners is based on internationally recognized frameworks, including the OECD Guidelines for Multinational Enterprises, the UN Guiding Principles on Business and Human Rights, the Core Labour Standards of the International Labour Organization, the UN Universal Declaration of Human Rights, the Ten Principles of the United Nations Global Compact, and the OECD Guidelines for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas. Furthermore, targets, rules and guidelines from within the Group are also incorporated into the development of the Code of Conduct for Business Partners.

All material sustainability matters related to working conditions, equal treatment and equal opportunities, and other work-related rights of workers in the supply chain are embedded in the Code of Conduct for Business Partners.

Supply Chain Grievance Mechanism

The Supply Chain Grievance Mechanism (SCGM) is a continuous action used to process alerts regarding violations of the Code of Conduct for Business Partners by the Volkswagen Group's direct or indirect suppliers. As part of the SCGM, necessary and case-specific actions to eliminate identified violations are identified, depending on the severity and type of the violations. The effectiveness of the mechanism and remedial actions is monitored.

Further information on this is provided in "Remedy and complaint channels".

Media monitoring

In order to comply with its due diligence duties related to human rights and the environment, Group Procurement Sustainability performs ongoing, risk-based media monitoring for relevant suppliers along the upstream and downstream supply chain. A specialist IT tool from an external service provider is used for this purpose.

The goal of the monitoring process is to identify potential indications of violations against the Code of Conduct for Business Partners at an early stage.

Any abnormalities identified are subjected to further examination. If a suspicion is confirmed, the case is followed up using the Supply Chain Grievance Mechanism. The media monitoring process supplements existing complaint channels and supplier audits, thereby allowing the Group to react in a timely manner and initiate suitable remedial action if required.

Sustainability Rating

The Sustainability Rating (S-Rating) has been an established Group-wide process in the Volkswagen Group since 2019. This standardized Group tool allows the degree of compliance with the Volkswagen sustainability requirements by direct suppliers with a high sustainability risk and corresponding company size to be verified.

The goal is to establish transparency and, as a result, be able to review compliance with Volkswagen sustainability requirements, highlight potential areas of improvement, and create incentives for sustainable corporate governance.

The S-Rating process underwent a fundamental revision in the reporting year.

The evaluation process is based on a new logic that distinguishes between positive and negative S-Ratings:

- Positive S-Rating: the supplier meets sustainability requirements and is eligible to receive contracts.
- Negative S-Rating: the supplier has yet to submit all of the required evidence or is in breach of our sustainability requirements. A negative S-Rating means that, in principle, the supplier is not eligible to be awarded contracts; this creates an incentive for them to improve their sustainability performance and, as such, promote responsible business practice.

The evaluation takes a risk-based approach and is performed each time a new contract is due to be awarded. The process is based on an extensive risk analysis that covers aspects related to human rights and the environment (see: "Policy: Responsible Supply Chain System").

To start the evaluation process, the supplier completes a self-assessment questionnaire (SAQ), in which they record their documented processes, management systems and relevant documents. This information is validated by an external service provider and is generally adjusted for country risk. Based on their responses to the SAQ, the supplier receives recommendations on how they could improve their processes and regulations.

Certain undertakings may require an additional audit, which is performed by select service providers. If any points of noncompliance are detected during this process, the supplier is required to draw up and implement an action plan. The effectiveness of these actions is reviewed by auditors – for example, by way of desktop reviews or follow-up audits.

Audits are conducted on a risk basis. If the audit score is less than 100%, improvement actions are defined and a binding action plan is needed; this plan must be implemented within a fixed time frame and its compliance is reviewed with a desktop audit. For audit scores of below 50% and/or at least one zero tolerance nonconformity, another audit is performed once the actions have been implemented.

In addition to the SAQ and audits, further tools – such as the Supply Chain Grievance Mechanism or requirements specific to a particular set of specifications (for instance in the RMDDMS) – affect a business partner's S-Rating and, as such, their eligibility to receive contracts.

The S-Rating process is an ongoing action that aims to avoid and minimize material negative impacts on workers in the supply chain and also promote positive ones.

Sustainability training for procurement employees at the Volkswagen Group

The ongoing and systematic qualification of procurement employees is a central component of the Volkswagen Group's sustainability strategy. The aim of this approach is to make a substantial contribution to the effective implementation of sustainability requirements in the supply chain. Sustainability is a fixed component of the skills profile of every procurement employee. Defined target groups receive specific training – for example, on applying the S-Rating or meeting due diligence requirements related to human rights. The goal is to empower employees to implement processes linked to the topic of sustainability.

Sustainability training for suppliers

To promote ongoing supplier development, the Volkswagen Group offers topic-specific training and workshops for direct suppliers – both in person and online. An additional web-based online learning module is also available and offered in eight languages.

Advanced training on topics related to human rights has been available since 2021, covering topics including legally required content, such as child labor, forced labor, and discrimination. This training has been rolled out systematically to direct suppliers with a high sustainability risk since 2023. These activities were continued in 2025.

These actions are intended to develop specific skills (capacity building) at suppliers.

Advanced actions as further elements of the Responsible Supply Chain System

Advanced actions look at high-risk topics and raw materials to address negative and positive impacts that, in particular, also occur further down the supply chain. The findings from the work on advanced actions can also result in the adjustment of standard actions for direct suppliers.

Human Rights Focus System

As part of its approach to sustainable supplier management, the Volkswagen Group is committed to protecting the workforce across the upstream and downstream supply chain. The Human Rights Focus System (HRFS) was introduced as a more targeted tool for addressing human-rights-related and environmental risks. The system is used for the ongoing identification and in-depth analysis of topics with an increased level of risk – known as focus topics – and supports the development of appropriate actions for minimizing risks and promoting positive effects for workers.

In-depth social standard audits

In 2025, in-depth social standard audits were once again performed at direct suppliers as part of the HRFS. These ad-hoc audits are designed to be risk-based and to provide an in-depth analysis of human-rights-related risks – particularly those related to working conditions and workers' rights.

Suppliers were selected for the in-depth social standard audits on the basis of a detailed analysis, which was performed once again in 2025. This analysis was conducted with the help of an IT-based mapping tool provided by the Responsible Business Alliance (RBA) multi-stakeholder initiative, making it possible to identify suppliers with an increased level of human rights risks. Using these results as a basis, targeted audits were conducted at selected suppliers.

The geographical scope of the audits was expanded to include four extra countries with the aim of achieving broader coverage of critical supply chain regions.

Since 2025, the results of these audits have also been included in the screening criteria for the S-Rating process and are thereby intended to contribute to the comprehensive evaluation of a supplier's sustainability performance. If any violations are detected, suppliers are required to draw up action plans and provide auditors with evidence of their implementation. In the event of particularly serious violations, Volkswagen offers the suppliers in question specific additional support, which is delivered by external service providers.

Compliance with the respective requirements is reviewed during audits and – if necessary – improved through targeted actions.

Focus: excessive overtime in China

The in-depth social standard audits have increasingly identified excessive overtime as one of the most frequent actual negative impacts, especially in the procurement market in China. This has been one of the key findings to come out of the audits, demonstrating that the issue is structural in nature and cannot be resolved solely at supplier level.

As other companies within the automotive industry have also encountered similar challenges, the Volkswagen Group participates in the automotive industry dialogue under the National Action Plan on Business and Human Rights (NAP). The goal is to develop more effective solutions by adopting a joint, sector-wide approach.

In 2024, the "Reduction of overtime in China" working group was initiated as part of this industry dialogue. Practical recommended actions have been developed on the basis of interviews with local NGOs (non-governmental organizations), an analysis of the underlying legal conditions, and dialogue with government representatives from bodies including the chamber of foreign trade and the German embassy. The recommendations are intended to provide companies with concrete support in reducing overtime at suppliers – for example by adjusting purchasing practices, implementing production planning, or increasing awareness among business partners.

These recommendations have been completed and are currently being trialed in practice within the Volkswagen Group's procurement processes.

The Human Rights Focus System is integrated into and managed within the Group-wide governance structures of the Responsible Supply Chain System.

Identification of topics and development of actions

To identify additional relevant topics, aggregated data from the Supply Chain Grievance Mechanism (SCGM), audits, and external sources (such as studies and NGO reports) is evaluated every two to three years. In 2023, three focus topics were identified using this method: forced labor, living wages and supplier management.

In 2025, the following focus areas were identified with specific projects from these areas due to be implemented during 2026: health and safety at work/fire safety, remuneration and benefits, working time, and the avoidance of forced labor, human trafficking and unethical recruitment.

These topics are being dealt with in collaboration with the Audi, MAN and Porsche brands. Their work is based on a structured analysis of causes, which is due to be used to develop and implement suitable actions. An action toolbox has been developed to support this work, providing guidance with the selection of appropriate responses.

The individual topics are dealt with as follows:

Focus topic 1: forced labor

An internal working group was set up in 2024 with the aim of preventing and providing a remedy to forced labor – particularly in the upstream supply chain. Following an analysis of relevant multi-stakeholder initiatives in 2024, the Volkswagen Group decided to become a member of the Responsible Business Alliance.

The RBA provides a range of tools, including an IT-based mapping tool to identify potential risks and an initiative focused on workers' rights, along with training modules for suppliers. The first few tools – particularly the mapping tool for identifying potential risks related to forced labor – were integrated into procurement processes during the year under review. Implementation was further expanded in 2025.

Using the IT-supported mapping tool from the RBA, additional countries were incorporated into the pilot phase in order to identify risks related to workers' rights. Based on this analysis, the focus in future will center particularly on suppliers in the procurement markets of India, Bosnia and Herzegovina, Mexico and Türkiye. In the next step, the pilot phase of the social standard assessment will be expanded to these selected countries. Initial results from this action are expected in 2026, along with an assessment of its effectiveness.

The effectiveness of actions is reviewed on a regular basis and this information is incorporated into further process enhancements.

Focus topic 2: living wages

The Code of Conduct for Business Partners requires suppliers to pay adequate wages, which at the very least comply with the local legal minimum wage but ideally cover the basic needs of workers and their families – including food, accommodation, clothing, and the continuous improvement of living standards. The basis used to calculate living wages was updated during the year under review in order to verify the plausibility of suppliers' labor costs.

To support the promotion of fair working conditions, suppliers underwent training in the reporting year and were involved in a dialogue with the aim of providing them with practical experience related to the methodology behind living wages and the importance thereof. The goal was to increase awareness of social sustainability and promote the implementation of a minimum pay threshold.

Focus topic 3: supplier management

In 2023, an internal working group identified sectors with an increased risk of not implementing the Volkswagen Group's sustainability requirements effectively and comprehensively further down the supply chain. The logistics sector was classed as being particularly critical in this regard. Since then, the focus has been on improving working conditions in this area using approaches that include active stakeholder engagement as part of the NAP's automotive industry dialogue.

A working group was set up in 2024, which regularly shares potential preventive and remedial actions. A round table meeting with representatives for various stakeholders – including NGOs, government ministries, logistics firms, OEMs and suppliers, for example – took place in 2025. Plans are in place to continue this cooperation. The integration of suitable actions into existing procurement processes is currently under review.

Raw Material Due Diligence Management System (RMDDMS)

The Volkswagen Group has set up a Raw Material Due Diligence Management System (RMDDMS) in order to manage risks related to human rights and the environment in high-risk raw material supply chains. It is based on the five steps from the OECD Due Diligence Guidance for Responsible Business Conduct and the requirements in the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas. The system is implemented on an ongoing basis and forms the basis for systematic risk management in the upstream raw material supply chain. The RMDDMS is an integral part of the Responsible Supply Chain System (ReSC-System) and currently covers 18 priority raw materials. The goal is to identify and evaluate risks and take appropriate action to avoid or mitigate them – particularly those that arise at indirect suppliers.

Underlying system and risk management

Priority raw materials are selected in a risk-based approach using the following criteria: severity and likelihood of human-rights-related and environmental risks occurring, the Group's ability to exert influence, and regulatory requirements (such as the EU Battery Regulation).

The priority raw materials are cobalt, lithium, nickel, graphite, tin, tungsten, tantalum, gold (3 TG), aluminum, copper, leather, mica, steel, natural rubber, platinum group metals, rare earths, cotton and magnesium.

A multi-stage management approach is applied:

- Risk assessment at raw material and supplier level
- Development of actions based on cause analyses
- Tool boxes to aid selection of suitable preventive and remedial actions
- Integration of existing instruments, such as audits, the Supply Chain Grievance Mechanism (SCGM) and monitoring

Preventive and remedial actions are developed and implemented using Group-wide management structures. Specialist divisions and brands share their expertise in order to develop effective and context-specific actions. Their effectiveness is reviewed on a regular basis – for instance, using re-audits, impact indicators and feedback from dialogue with stakeholders.

Actions are enhanced on an ongoing basis. Findings from audits, projects or regulatory developments are factored into changes to existing instruments and used to develop new ones. As a result, the system remains adaptive and compatible with international standards.

Audits as a key tool

In the year under review, audits were a key tool for evaluating risks and identifying appropriate actions in the upstream supply chain, and the battery supply chain in particular. The Volkswagen Group conducts risk-based and ad-hoc audits

on the premises of direct and indirect suppliers. The audit program is risk-based and covers the upstream value chain, from battery suppliers to mine sites.

The objectives of these audits are to identify gaps in suppliers' sustainability performance, uncover actual negative impacts on workers, and develop and implement action plans (mandatory for direct suppliers).

Direct and indirect suppliers are required to mitigate any gaps or negative impacts. The effectiveness of actions is reviewed in re-audits (desktop review or a second on-site audit).

The audit criteria are based on the OECD Guidelines for Multinational Enterprises and examine various aspects, such as whether suppliers employ management systems suitable for avoiding human rights risks, for example.

Remedial action is aimed at helping those affected – for example, in the case of violations of working time regulations, healthcare requirements, child or forced labor, or inadequate access to water and sanitation.

Part of the audits is based on the standards set out by the Initiative for Responsible Mining Assurance (IRMA). This facilitates an independent audit of mine sites with regard to their compliance with human rights, occupational health and safety, and protection of the environment. During the development of IRMA standards, stakeholders including NGOs and trade union spokespersons were consulted publicly.

Projects and further developments

As part of its Raw Material Due Diligence Management System (RMDDMS), the Volkswagen Group is involved in a range of initiatives and on-site projects. These projects are geared towards specific raw materials and some are applied on an industry-wide basis; their goal is to mitigate human rights risks, improve working conditions and improve the living standards of affected groups. Projects are selected and implemented on a risk basis, guided by the results of the annual risk analysis of the RMDDMS and the requirements under the OECD guidelines.

CASCADE – Promoting sustainable natural rubber production in Indonesia

Since 2021, Dr. Ing. h.c. F. Porsche AG has been coordinating the CASCADE project (Committed Actions for Smallholders Capacity Development) in Jambi Province, Central Sumatra (Indonesia) as part of the RMDDMS. The project was initiated in collaboration with the Michelin tire manufacturer and aims to improve living conditions for smallholders involved in natural rubber production.

Due to run until the end of 2027, the program trains over 6,500 smallholders in sustainable farming methods in order to improve their income situation with regard to establishing a decent standard of living and employing environmental practices. Working with local NGOs and rubber processing firms, actions are being developed to improve working conditions, enhance the resilience of local communities and promote both environmental and social standards.

The findings are incorporated into work to further develop CASCADE-related actions. The effectiveness of project measures is reviewed on a regular basis.

Responsible Mica Initiative (RMI) – tackling child labor and promoting alternative sources of income

Since 2020, the Volkswagen Group – through Dr. Ing. h.c. F. Porsche AG – has been a member of the Responsible Mica Initiative (RMI), a multi-stakeholder initiative to promote transparency and improved working conditions in the mica supply chain in India and Madagascar.

The goal is to address human rights risks and support the development of a legislatively compliant and legal mica supply chain.

In the 2025 reporting year, alternative sources of income were specifically created for parents (e.g. pottery courses), so that child labor could be avoided. Furthermore, the initiative has supported the construction of schools and the provision of teachers. Communities were brought into state funding programs to help families' boost and thereby stabilize their incomes.

The actions aim to address the root causes of child labor and create long-term prospects for the families affected. The cooperation with the RMI will be continued and further expanded.

The RMDDMS also includes additional projects that are primarily geared towards environmental or community-relevant issues, but still form an integral part of the management system. These include:

- Responsible Lithium Partnership in Chile; multi-stakeholder round table concerning sustainable sourcing of water (see also ESRS S3 – Affected communities, ESRS E3 – Water)
- Nickel project in Indonesia; development of a local partnership project to improve biodiversity, working conditions and water quality (see also ESRS S3 – Affected communities, ESRS E3 – Water)
- Marikana Coalition in South Africa; educational and social project to support children and young people in a region dominated by platinum group metal mining (see also ESRS S3 – Affected communities)

These projects contribute to the holistic management of risks in accordance with OECD guidelines and are coordinated under the RMDDMS.

In addition, in the 2025 reporting year, steps were taken to adapt the RMDDMS to new regulatory requirements – particularly the EU Battery Regulation. To achieve this, internal working groups were set up, which analyzed legal requirements and developed policies for enhancing the system. Internal procedures and documentation systems were also adapted, and the management system's targets were specified.

STAKEHOLDER ENGAGEMENT

Ongoing dialogue with internal and external stakeholders is central to the Volkswagen Group for ensuring the effective implementation of due diligence requirements related to human rights and the environment. Particularly when dealing with global, complex supply chains, it is often a challenge for companies to obtain objective, concrete and robust information about situations relevant to human rights. Cooperation with relevant stakeholders – especially within the framework of multi-stakeholder initiatives – is therefore all the more important.

The Volkswagen Group collaborates with national and international partners to gain a better understanding of human rights risks and develop appropriate actions. These include industry and supply chain initiatives (such as Automotive Industry Dialogue, the Responsible Mica Initiative), international standards and norms (for example UN principles, OECD guidelines), and internal dialogue via the Group-wide Sustainability Procurement Network.

These formats help the Group enhance its methodology for evaluating suppliers' sustainability performance and the ReSC-System on an ongoing basis. As such, stakeholder perspectives are also taken into account in the development of the ReSC-System. By evaluating external studies and the Group's involvement in multi-stakeholder initiatives, for example, stakeholder perspectives are also systematically integrated into risk analyses and the development of actions.

The Volkswagen Group uses various formats to incorporate the views of workers in the supply chain when fulfilling its human rights due diligence obligations in order to be able to respond appropriately to material negative and positive impacts. The Head of Group Procurement Sustainability has overarching operational responsibility for implementing the formats and integrating the findings into the Company's approach.

Dialogue formats with representatives of workers in the supply chain

By participating in multi-stakeholder initiatives and local projects, the Volkswagen Group gains insight into the views of the workforce along the supply chain. The Automotive Industry Dialogue was launched in 2020 to support implementation of the National Action Plan (NAP). The Volkswagen Group takes part in the Automotive Industry Dialogue and the Responsible Mica Initiative and is a partner in the Responsible Lithium Partnership project. At regular working group meetings, the Volkswagen Group collaborates with other members and partners – including

representatives of workers along the supply chain, such as NGOs or trade union associations – on topics such as enhancements to audit standards and catalogues of actions for improved implementation of due diligence obligations and for the promotion of decent working and living conditions. The results are taken into account in the ReSC-System. The views of workers in the supply chain are therefore incorporated into the risk analysis and action development stages of the Volkswagen Group's due diligence process in various different ways depending on the initiative.

During the reporting year, the Volkswagen Group took part in events including the OECD Forum on Responsible Mineral Supply Chains, which focused on transparency and governance in raw materials supply chains and the promotion of rights holder voices. It was also involved in the Automotive Industry Dialogue on industry-wide coordinated instructions for action and working conditions task forces, and also took part in meaningful stakeholder engagement events run by the Federal Ministry of Labor and Social Affairs (BMAS – *Bundesministerium für Arbeit und Soziales*).

The lessons learned from these communication formats are built into the further development of the due diligence processes, particularly at the level of developing actions.

Communication formats with workers along the supply chain

Significant examples of communication formats with workers along the supply chain are referred to below:

CASCADE project: In cooperation with local NGOs and rubber processing businesses, the project develops and implements measures to improve working conditions and promote the use of environmental and social practices. Workers' views were also taken into account through an initial risk analysis. The effectiveness of the cooperation is checked by obtaining views from the farmers affected by means of interviews and questionnaires. The findings from these communication formats are built into the further development of the due diligence processes, particularly at the level of developing actions.

Audit formats: Using supplier audits, the views of workers in the supply chain are directly implemented in the fulfillment of due diligence obligations in the form of surveys (interviews). To protect supplier workforces, selection is random and assessments are treated anonymously. The surveys of supplier workforces are used to identify violations or risks as part of the audit, and an action plan is developed based on the deviations identified in the audit. As the results of the interviews can have a direct impact on the action plans, the surveys of workers are seen as an effective way of incorporating the views of workers in the supply chain. Findings from the audit are also incorporated into the further development of the risk management system, risk analysis and the development of appropriate actions. The audit formats include, for example, the RSCI audit standard from the Responsible Supply Chain Initiative e. V. (RSCI), and Volkswagen-specific standards such as the VOC audit (S-Rating), the social standard audit, which is used primarily in the HRFS, and raw material audits.

Supply Chain Grievance Mechanism: Volkswagen has also established a mechanism that enables workers along the supply chain (including vulnerable groups) to report their interests and problems at any time. The mechanism is open to any stakeholders potentially affected, such as suppliers' workers and their representatives, trade unions or civil society players, NGOs or representatives of communities in the vicinity of production sites. The Supply Chain Grievance Mechanism is used to process reports on breaches of the Code of Conduct for Business Partners by the Volkswagen Group's direct or indirect suppliers and can be accessed via the whistleblower system's channels. Appropriate actions are introduced if risks or breaches are identified. Multi-stakeholder initiative working groups (e.g. the Drive Sustainability initiative) and interdisciplinary working groups address the effectiveness of grievance mechanisms in general. Participating in the working groups means that the Supply Chain Grievance Mechanism team's experts can identify optimization requirements for the mechanism itself. In some cases, relevant stakeholders such as NGOs are, as representatives of workers along the supply chain, also involved as dialogue partners.

REMEDIAL ACTION AND COMPLAINT CHANNELS

The whistleblower system serves as a central complaint procedure for the Volkswagen Group. It is coordinated by the Central Investigation Office in Wolfsburg. Its principles, reporting channels and procedures are described in detail in the chapter "Business Conduct Information" in the section "Protection of whistleblower".

Approaches and procedures for implementing remedial action

One of the main remedial actions used as part of the ReSC-System is the Supply Chain Grievance Mechanism. The underlying procedures, areas of responsibility and implementation within the Group are explained further in the following.

Once an alert has been received, it is documented and forwarded to the responsible division within the Group – provided that the employee misconduct had not taken place within its own area of business. Alerts concerning risks relating to human rights or the environment and violations of the Code of Conduct for Business Partners are transferred to the Supply Chain Grievance Mechanism by the Central Investigation Office. Alerts are handled within an internal IT system, where all cases are documented.

The handling of alerts within the Supply Chain Grievance Mechanism is managed by the Volkswagen Group in a standardized, Group-wide approach on the basis of a binding process manual. The SCGM process is implemented by the respective companies in the regions. If risks are identified at indirect suppliers, actions are also initiated – for example an audit is conducted to identify potential or actual violations. This requires the cooperation of the direct supplier with whom a contractual relationship exists. In serious cases, this may result in the temporary suspension or full termination of the business relationship.

Action plans are documented and made available to all parties involved. The effectiveness of remedial action is reviewed on a case-by-case basis, for example by verifying implementation thereof, re-audits, or conducting worker surveys.

Violations and risks identified during audits are not categorized as SCGM cases. Nevertheless, an action plan is still developed in these cases and implementation thereof is tracked. Successful implementation is a pre-requisite for a positive S-Rating.

In the year under review, there were violations of the human rights protected under the *Lieferkettensorgfaltspflichtengesetz* (LkSG – German Supply Chain Due Diligence Act). These concerned the workforce at suppliers in the upstream and downstream supply chain. They may also be based on alerts that were received by the relevant investigation office in previous years but for which the audit could not be completed until the reporting year. As such, there are also cases regarded as serious human rights violations as defined by ESRS S2. Since the LkSG is based on the United Nations Guiding Principles on Business and Human Rights, the ILO Declaration on Fundamental Principles and Rights at Work and the OECD Guidelines for Multinational Enterprises, it can therefore be assumed that the violations against rights protected under the LkSG correspond to violations of these international frameworks in this respect. The violations of the human rights protected by the LkSG related to the prohibition of a disregard for freedom of association and the prohibition of unequal treatment in employment.

Effectiveness test and supply chain workers' trust in the processes

The effectiveness of the Volkswagen Group's whistleblower system is reviewed on a regular basis. Further information on this process can be found in the chapter "Business Conduct Information".

Beyond this, cross-divisional working groups and committees involved in multi-stakeholder initiatives – such as the Drive Sustainability Initiative – concern themselves with the general effectiveness of grievance mechanisms. In some cases, external stakeholders such as NGOs are, as representatives of workers, also involved in the supply chain. Any findings obtained in this respect help the experts within the Supply Chain Grievance Mechanism to identify potential need for improvement.

At present, there is no systematic survey whether workers in the supply chain are familiar with and trust the existing grievance mechanisms. The protection of whistleblowers is governed by the "Volkswagen Group whistleblower system" policy and its appendices. This policy provides binding definitions of the principles for protecting the identity of those who submit alerts, while also preventing any prejudice or reprisals against those persons, regardless of whether a report is submitted anonymously or openly. This policy applies Group-wide and is reviewed and updated on a regular basis. Further information on this process can be found in the chapter "Business Conduct Information".

TARGETS, PROGRESS MEASUREMENT AND THE EFFECTIVENESS OF ACTIONS

The double materiality assessment identified potential and actual material negative impacts on workers in the supply chain. These relate in particular to working conditions, equal treatment and equal opportunities, and other work-related rights. In order to tackle these impacts and promote positive effects, the Volkswagen Group is pursuing a strategic goal within the Responsible Supply Chain System (ReSC-System):

- Long-term goal: by 2040, the aim is for over 95% of relevant direct suppliers in terms of sales revenue to have a positive S-Rating.
- Intermediate target: an intermediate target of 85% has been defined for the reporting year 2025.

A positive S-Rating is intended to show that, by meeting the minimum criteria of the S-Rating, a direct supplier fulfills the requirements for being able to reduce or avoid potential negative impacts on the working conditions of its own workers and eliminate actual negative impacts on working conditions and other work-related rights.

The S-Rating serves as a central tool for evaluating suppliers' sustainability performance; it is closely linked to the requirements in the Code of Conduct for Business Partners. It contributes to the identification and reduction of potential negative impacts as well as to the promotion of positive impacts.

The objectives were developed by a cross-divisional working group. Neither the workers affected nor their representatives were involved in this. The target itself has not been adjusted since it was defined.

Progress towards target achievement is monitored on an ongoing basis as part of the Group-wide TOP 10 program. In 2025, the proportion of sales revenue contributed by relevant direct suppliers with a positive S-Rating amounted to 87% of the total procurement volume. The intermediate target was therefore met. The progress to date has been in line with the original plan. Trends and material changes are also analyzed as part of the status monitoring process. No significant deviations from the planned target progression have been identified to date.

The target is closely linked to the management of material risks related to human rights and the environment along the supply chain and supports the implementation of the Group's sustainability strategy regenerate+.

Effectiveness of actions and potential improvements

The effectiveness of standard actions implemented as part of the Responsible Supply Chain System (ReSC-System) is reviewed on a regular basis. This is based on the Input – Output – Outcome – Impact method, which enables a systematic evaluation to be conducted across the chain of cause-and-effect. The following aspects are examined for each action:

- Which resources have been used (input)
- Which activities have been carried out (output)
- Which direct results have been achieved (outcome)
- Is there a detectable change for the target group (impact)

Where possible, specific measurement indicators have been defined for each level of effect for every standard action. These are determined each year, documented and used to evaluate effectiveness. The timetable and indicators for the effectiveness test must be worked out specifically for each action.

To supplement this, additional mechanisms to assess effectiveness have also been established as part of the advanced actions under the ReSC-System.

- Measuring effectiveness forms an integral part of the Human Rights Focus System (HRFS). An action is regarded as effective if it contributes to the reduction of human rights risks or the Volkswagen Group's contribution to the causes of these risks in accordance with its objective.
- Under the Raw Material Due Diligence Management System (RMDDMS), actions are also regarded as effective if they can contribute to improving people's living situation or protecting the environment. Whenever an action is selected, its schedule and success indicators are defined and tracked from the outset. The results are incorporated into the annual risk analysis for the 18 high-risk raw materials.

For supplier-specific actions that are defined during audits or as part of the Supply Chain Grievance Mechanism (reported violations, for example) and implemented by the supplier, effectiveness is assessed by auditors or the person responsible for handling the SCGM case. This can take the form of a desktop review or an on-site follow-up audit, for example.

The findings from these effectiveness checks are used to further enhance measures and improve the effectiveness of the ReSC-System on an ongoing basis.

PROGRESS METRICS AND MONITORING

Metrics	Unit	2025	2024	Definition
Number of direct suppliers	Number	>63,000	>66,000	This metric reflects the number of suppliers with whom the Volkswagen Group recorded revenue during the fiscal year.
Countries in which the Volkswagen Group has direct suppliers	Number	93	95	This metric specifies the number of countries where direct suppliers to the Group were located during the reporting year. Each supplier site refers to a production site of a direct supplier.
Experts within the global Sustainability Procurement Network	Number	130	140	All workers involved in a regular communication format between the Group companies are taken into consideration for this metric.
Supply Chain Grievance Mechanism				
Reports from the Supply Chain Grievance Mechanism	Number	180	213	All reports created in the system are taken into account for this metric. The plausibility of the reports has not yet been verified at this stage of the process.
Media monitoring				
Direct suppliers covered by media monitoring	Number	>40,000	>39,500	Total number of all direct suppliers that were included in media monitoring. Suppliers with a high or medium risk rating as per the risk analysis are taken into account. The metric is measured using an external service provider's software tool.
Proportion of sales revenue attributable to direct suppliers covered by media monitoring in relation to the total procurement volume	%	96	89	The metric indicates the percentage of the total purchasing volume accounted for by direct suppliers that were subject to media monitoring in the reporting year.
S-Rating				
Existing S-Rating for direct suppliers	Number	16,218	14,709	The number of direct suppliers with an S-Rating during the reporting year.
Number of suppliers from this total with a positive S-Rating	Number	16,178	14,682	The metric reports the absolute number of direct suppliers with a positive rating as at the reporting date.
Proportion of sales revenue contributed by relevant direct suppliers with a positive S-Rating in relation to total procurement volume	%	87	83	The metric reflects the percentage of the total procurement volume that is attributed to sales revenue contributed by relevant direct suppliers with a positive S-Rating.
Number of audits performed as part of the S-Rating process	Number	144	85	Absolute number of all audits performed during the reporting year and prompted by the S-Rating process.
Self-Assessment Questionnaire (SAQ)				
Direct suppliers with a completed SAQ	Number	20,909	19,094	Number of direct suppliers whose completed SAQ has undergone final assessment. This metric takes into account all completed SAQs available to the Volkswagen Group at the end of the respective fiscal year.
Proportion of new suppliers that have been evaluated on the basis of environmental and social criteria (SAQ)	%	6	20	This metric indicates the percentage of direct suppliers that filled out and completed the SAQ for the first time during the reporting year and shared it with Volkswagen.
Improvements at direct suppliers based on the SAQ	Number	7,050	8,093	Number of direct suppliers whose SAQ score improved by at least one point during the reporting year after they had completed the questionnaire again.
Training				
Procurement employees who have participated in training measures related to the topic of sustainability	Number	5,102	5,129	Indicates the absolute number of procurement employees within the Volkswagen Group who have fully completed training courses related to the topic of sustainability.
Suppliers who have received sustainability training	Number	6,470	9,818	The metric indicates the absolute number of direct and potential direct suppliers that took part in training related to the topic of sustainability during the fiscal year. If a supplier has participated in an in-person or web-based training course in the reporting year and has completed at least 50% of the training time, that supplier is accounted for when calculating the metric.

Affected Communities

The Volkswagen Group bears great responsibility towards society, the environment, and its partners. In our approach, we also take into account communities who could be directly or indirectly affected by the Group's activities. Protecting these communities and involving them in our activities form a central part of our responsible and sustainable form of corporate governance.

MATERIAL IMPACT AND ITS INTERACTION WITH STRATEGY AND THE BUSINESS MODEL

IMPACT ON AFFECTED COMMUNITIES

Description	Impact/ Risk/Opportunity	Actual/ Potential Impact	Value Chain	Time Horizon
Communities' Economic, Social and Cultural Rights				
This impact can arise in individual cases due to the violation of communities' economic, social and cultural rights caused, for example, by pollution, water scarcity, losses in biodiversity, unsafe living conditions, forced and child labor, and by the restriction or violation of the rights of indigenous peoples and local population groups. This impact is particularly relevant for regions rich in raw materials across the supply chain.	Negative Impact	Actual Impact Potential Impact	Upstream Value Chain Own Operation Downstream Value Chain	Short-term Time Horizon (< 1 year) Medium-term Time Horizon (1–5 years) Long-term Time Horizon (> 5 years)

Opportunity · Risk · Positive Impact · Negative Impact · Actual Impact · Potential Impact · Upstream Value Chain · Own Operation · Downstream Value Chain · Short-term Time Horizon (< 1 year) · Medium-term Time Horizon (1–5 years) · Long-term Time Horizon (> 5 years)

The reporting year marked the first time that the materiality assessment identified a negative impact related to the economic, social and cultural rights of communities along the supply chain. The Volkswagen Group understands that it is responsible for identifying impacts on affected communities in raw material-related supply chains and for taking appropriate action to counteract negative developments or promote positive ones – depending on the nature of the impact.

The interaction between the strategy and business model, the management policy (Responsible Supply Chain System – ReSC System), and the actions and procedures creates a structured framework for managing the actions identified in this chapter in the context of impacts on affected communities in supply chains related to raw materials. The potential management options vary depending on the area of influence within the supply chain and are, in part, limited by restricted access to upstream stages. Nevertheless, the elements named form the basis for the risk-based handling of the relevant impact in this chapter.

Under the ReSC System, requirements for business partners are formulated, addressing issues including the protection of affected communities. The Code of Conduct for Business Partners contains binding regulations such as the prohibition of forced evictions, respect for humane living conditions and the rights of indigenous peoples. These requirements form part of the basic contractual relationship with our suppliers and are systematically checked and evaluated as part of the ReSC System.

In addition to this, the Responsible Raw Materials Policy references the right of indigenous communities to Free, Prior and Informed Consent (FPIC) in relation to activities that could potentially impact their rights and also refers to the involvement of indigenous groups in stakeholder processes. The policy serves as a strategic orientation framework, providing guidance on dealing with human rights risks in raw materials supply chains.

Other elements, such as risk analysis, the Supply Chain Grievance mechanism, the Human Rights Focus System (HRFS) and the Raw Material Due Diligence Management System (RMDDMS) help to identify, evaluate and respond to human rights aspects that may affect communities. Among other things, these systems enable incidents to be recorded, evaluations to be carried out, and actions to be developed in relation to human rights aspects in the supply chain.

The aforementioned tools are mutually complementary and address the impact on affected communities described in this chapter. To avoid any repetitions in content, we refer to an in-depth description of the actions in the "Sustainability in the Supply Chain" chapter. The perspective outlined below supplements the actions described there, adding information on the specific relevance of the identified negative impact on affected communities and the involvement of relevant stakeholder groups, particularly indigenous communities and local players. The focus remains on suppliers' compliance with sustainability requirements. However, additional approaches to involve affected communities have been implemented in individual projects linked to critical raw materials. These projects aim to address risks related to human rights and the environment in raw materials-producing regions and involve local players – including indigenous communities – in dialogue formats and the development of actions. The results of this involvement are incorporated into the further development of project-related actions.

The Volkswagen Group generally develops targets where there is a connection to its strategies. No measurable outcome-oriented targets in accordance with the requirements of ESRS have been defined in relation to the economic, social and cultural rights of communities.

During the materiality assessment, communities in regions that produce raw materials were identified as being affected in particular. The analysis is based on the Raw Materials Due Diligence Management System (RMDDMS), which focuses on human rights and environmental risks linked to critical raw materials. For this reason, the focus is on the upstream value chain, particularly communities who are affected by the activities of suppliers or subcontractors in mining and production regions. Beyond these, the following types of communities were also taken into account:

- Communities along the upstream supply chain, for instance in mining regions in Chile, South Africa, Indonesia, India and Madagascar.
- Communities at either end of the value chain, for example in raw material mining regions or regions where disposal takes place, who could be affected by pollution or social impacts.
- Indigenous communities whose rights and living standards could be adversely affected by land use, water consumption or other interventions.
- Local communities whose lived realities may be influenced by infrastructure, employment, social programs or dialogue formats.

These communities are not part of the Volkswagen Group's own operations but are indirectly affected by business relationships and the upstream supply chain.

The whistleblower system serves as a central complaint procedure for the Volkswagen Group. It is coordinated by the Central Investigation Office in Wolfsburg. Its principles, reporting channels and procedures are described in detail under "Protection of whistleblowers" in the chapter "Business Conduct Information".

In the year under review, there were no violations of the human rights protected by the *Lieferkettensorgfaltspflichtengesetz* (LkSG – German Supply Chain Due Diligence Act) relating to affected communities in the upstream and downstream supply chain. As such, there are also no cases regarded as serious human rights violations as defined by ESRS S3, since the LkSG is based on the United Nations Guiding Principles on Business and Human Rights, the International Labour Organisation (ILO) Declaration on Fundamental Principles and Rights at Work and the Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises.

To reinforce the rights and improve the living standards of affected communities, the Volkswagen Group is involved in local and international initiatives.

The goal of running projects in regions that produce raw materials is to address negative human rights and environmental impacts and improve the living conditions of the affected communities. Targeted actions are applied with the aim of reducing negative impacts, addressing structural challenges and empowering local stakeholders in their capacity to act.

Affected communities are involved via multi-stakeholder platforms, local partnerships and dialogue formats, enabling the perspectives of indigenous groups, civil organizations and local authorities in particular to be taken into account. The results of this involvement – and especially the results of the projects described in the following – are incorporated into the further development of the respective project actions and focus areas. While isolated efforts are linked to the in-house due diligence process, for instance under the ReSC System, this does not take place on a systematic basis. Affected communities are engaged as part of the ReSC System. Group Procurement Sustainability at Volkswagen AG is responsible for this at an operational level. Strategic management is embedded in the ReSC System and is supported by an overarching governance structure within the Group. Feedback from dialogue formats in individual projects is documented and incorporated into the further development of actions.

Wherever possible, the perspectives of vulnerable groups are taken into account in the projects described, for instance through the involvement of local non-governmental organization (NGOs) or civil society organizations. Consideration of specific groups, such as indigenous communities, is included in the project descriptions. The perspectives of individual groups within communities (for example, women and girls) are not currently systematically recorded on a comprehensive scale.

During the materiality assessment, a material negative impact on affected communities was identified in regions that produce raw materials. These relate, in particular, to environmental and social aspects that may arise as a result of activities in the upstream supply chain, such as water consumption, land use or living conditions in mining areas. Even if there is no direct business relationship with individual mines, the following regions were categorized as being particularly relevant due to their structural risk situation and their importance for critical raw materials. The communities based in these regions – including indigenous groups and local populations – are the focus of any project actions that aim to address negative impacts, empower local stakeholders, and respond to human rights and environmental challenges in the context of raw material extraction. The following Volkswagen Group projects make a particularly relevant contribution to this:

Responsible Lithium Partnership (Chile)

As part of the Responsible Lithium Partnership multi-stakeholder project, the Volkswagen Group became involved in the sustainable sourcing of water in Salar de Atacama – a region with a sensitive ecosystem and water scarcity. The goal was to utilize dialogue and collective action in order to avoid conflicts over water resources and reinforce the rights of the local population. Relevant stakeholders – who included indigenous communities, local civil society, NGOs, representatives from academia, businesses, authorities, and mining companies – were engaged systematically via

Mesa Multiactor, a platform coordinated by the *Deutsche Gesellschaft für Internationale Zusammenarbeit* (GIZ – German Society for International Cooperation). This has been facilitating ongoing dialogue between 22 local stakeholders since 2021.

The region of Salar de Atacama is an important location for the mining of lithium, a raw material of central importance for electric mobility. Due to the water-intensive extraction methods and sensitive environmental conditions, there are potential negative impacts for indigenous communities, particularly in relation to access to water resources. In light of these circumstances, the region was classified as particularly relevant during the materiality assessment. The project aims to involve affected communities in dialogue processes at an early stage and work with local stakeholders to develop solutions to any challenges identified.

In addition, at the start of the reporting year, an international stakeholder event was held in Berlin, which encouraged exchanges between project partners and civil organizations and highlighted best practices for the implementation of due diligence requirements in the deep supply chain. Representatives from the affected communities in Chile also took part in this event, both as panelists and participants. The actions implemented include a water cadastre, hydrological mapping, environmental initiatives and a gray water recycling system at a local school. The results of this engagement with stakeholders were integrated directly into the analysis of risks related to raw materials and the development of actions as part of the in-house due diligence process in the RMDDMS. The effectiveness was evaluated by GIZ. Following successful development work, the project was transferred to a locally embedded structure as planned. Local stakeholders exhibit a high degree of engagement and are continuing to work hard to implement the initiated actions.

From Volkswagen's perspective, the project's central target of safeguarding and boosting local engagement was achieved. The project therefore continues to make an important contribution to sustainable development in the region.

Marikana Coalition (South Africa)

Via its brand Scania, the Volkswagen Group supports the Marikana Coalition, an educational and social project in a region of South Africa that is dominated by platinum group metals (PGM) mining. The Marikana region is affected by the extraction of platinum group metals, which are a feature of global supply chains for the automotive industry. The communities based in this area are particularly impacted by the social and economic consequences of mining. The project addresses structural challenges in a region that is indirectly linked to global raw material streams.

The goal is to open up new prospects away from mining for children and young people living in a structurally disadvantaged mining region. A youth center has been set up in a former mining building and offers educational services, careers advice and social support. The center is run by local, trained staff and provides a safe haven for young people. The initiative contributes to the reinforcement of social infrastructure and the strengthening of rights of communities who are directly affected by mining activities. At present, the project is due to run until the end of the reporting year, with the option of an extension. The Marikana Coalition is managed by a steering committee, who reviews progress and project outcomes on a quarterly basis.

Nickel project (Indonesia)

As a founding member of a local partnership project, the Volkswagen Group is involved in improving environmental and social standards in the Indonesian nickel sector, particularly in the mining regions in Halmahera. The identified region is important for the extraction of nickel, which is used, among other things, for the batteries in electric vehicles. Due to the environmental sensitivity and social challenges prevalent in the mining and processing regions, the region was identified as a priority for partnership-based commitment. Actions are centered around the affected communities, even though there is no direct supply relationship with a specific mine. The goal is to protect biodiversity, improve living standards, and preserve water quality in mining regions.

As part of the preparations for the project, a comprehensive study was carried out to identify key environmental and social challenges along with potential conflicts of interest. Local NGOs were involved in this process so that the perspectives of affected communities could be factored in to an appropriate extent. The results formed the basis for defining the boundaries of the project and identifying priority action areas. Working in collaboration with local stakeholders, NGOs and businesses, the aim is to develop and implement actions specifically to address ESG risks. One of the central elements here is a new stakeholder forum, which is intended to safeguard ongoing dialogue with local stakeholders with the goal of achieving transparency and the effective involvement of relevant groups.

The initiative forms part of a comprehensive commitment to the promotion of responsible raw material extraction and the reinforcement of affected communities' rights. The project has a three-year term and will run until late 2028. As part of the project's ramp-up, a policy for measuring effectiveness is currently under development aimed at systematically recording and evaluating the effectiveness of planned actions and initiatives with regard to the intended improvements for affected communities. The policy is being developed in close consultation with local partners and NGOs to ensure that relevant indicators and methodologies reflect the actual needs and perspectives of communities. The results are due to serve as a basis for evaluating project outcomes in future.

Responsible Mica Initiative (India, Madagascar)

Structural challenges, such as poverty and an increased risk of child labor, have been recognized in regions where Mica is produced, such as India and Madagascar. These challenges are regarded as particularly sensitive across the entire industry and were classed as potentially relevant for human rights risks during the materiality assessment. Since mica is used as a raw material within the Group, the Volkswagen Group takes a precautionary approach and is involved in the Responsible Mica Initiative (RMI) to help to improve the situation at a local level. The initiative actively engages with local communities and civil organizations to address the structural causes of child labor. Actions in this area include access to education, the promotion of alternative sources of income for parents, and integration with state support programs. These activities aim to reinforce the resilience of the local community and create long-term development prospects. The RMI's Community Empowerment Program was launched in 2018. It has been receiving financial support since 2020 under Porsche's membership in the RMI. The project itself is an ongoing project with a long-term horizon and, at present, no planned end date. The current phase of the project is running until December 2027. Following a critical appraisal, the project is then due to continue, if necessary, with required adjustments. The RMI's latest strategy plan extends until the year 2030.

As a member of this initiative, the Volkswagen Group is pursuing the goal of helping to improve living standards in mica mining regions. The Group provides the initiative with financial and strategic support and contributes to the development of actions and the standardization of processes and audit standards across the industry. The Volkswagen Group has yet to define any of its own quantified targets; the initiative sets its own specific targets. As a representative of the Group, Dr. Ing. h.c. F. Porsche AG is actively involved in various RMI working groups, enabling it to influence its strategic direction and objectives.

To review the effectiveness of supported actions, the Volkswagen Group uses regular impact assessments, which are commissioned by the RMI and are available to the public. The latest assessment of the Community Empowerment Program covers the period from 2021 to 2024. The results are integrated into the internal evaluation of human rights risks and into the development of actions to improve the supply chain.

Customers

The protection of road users and the safety of our customers are a focus of the Volkswagen Group.

MATERIAL IMPACTS AND THEIR INTERACTION WITH STRATEGY AND BUSINESS MODEL

IMPACTS IN THE AREA OF CUSTOMERS' PERSONAL SAFETY

Description	Impact/ Risk/Opportunity	Actual/ Potential Impact	Value Chain	Time Horizon
Personal Safety of Customers				
This impact affects the area of customers' personal health and safety. A further focus is placed on the protection of vulnerable road users (such as cyclists and pedestrians) and other persons who could potentially be involved in accidents. Through the use of active and passive safety systems, the Group contributes to reducing the number of road fatalities and serious injuries.	Positive Impact	Actual Impact	Upstream Value Chain	
			Own Operation	Long-term Time Horizon (> 5 years)
		Potential Impact	Own Operation	
			Downstream Value Chain	Long-term Time Horizon (> 5 years)
The impact relates to the health and safety of customers and is linked to road traffic accidents at an individual level. As vehicle software and connectivity become more important, the abstract risk of unauthorized access increases, with potential impacts on the safety of the vehicle and thus also for the associated legal interests of customers.	Negative Impact	Actual Impact	Upstream Value Chain	
			Own Operation	Long-term Time Horizon (> 5 years)
		Potential Impact	Own Operation	
			Downstream Value Chain	Long-term Time Horizon (> 5 years)

Opportunity · Risk · Positive Impact · Negative Impact · Actual Impact · Potential Impact · Upstream Value Chain · Own Operation · Downstream Value Chain · Short-term Time Horizon (< 1 year) · Medium-term Time Horizon (1–5 years) · Long-term Time Horizon (> 5 years)

The impacts analyzed during the materiality assessment relate in particular to protecting people's health in the context of the vehicle. Here the term "customers" consolidates both consumers and (end-) users within the meaning of the ESRS. The groups considered include vehicle drivers and passengers. Beyond this, the focus is also extended to the protection of vulnerable road users, such as cyclists, pedestrians and other persons who could potentially be involved in accidents. Various user and occupant groups were considered during the evaluation of these impacts. During this process, particular attention is paid to examining whether certain groups have special requirements that need to be taken into account.

When participating in road traffic, it is fundamentally possible for users of vehicles from all manufacturers to be involved in accidents which could result in adverse health effects. The Volkswagen Group is aware of its responsibility and is constantly working to avoid accidents and mitigate the consequences thereof.

Interaction with strategy and business model

The impacts identified in the materiality assessment directly affect the Volkswagen Group's business model, strategic development and value chain. At an overarching level, the topic of vehicle safety is embedded in the Group-wide safety strategy, which revolves around the safety of customers around the world. For the purpose of coordinating safety-relevant issues, the Group has set up the cross-brand Safety System Working Group (*Arbeitskreis Sicherheitssystem* – AKS); this group defines Group-wide requirements and supervises their implementation.

The Volkswagen Group also employs specific actions related to its customers as part of its response to the impacts on its business model, strategy and value chain identified during the materiality assessment.

The objective here is to continue reinforcing the positive impacts in the area of personal safety by issuing internal safety requirements and by implementing cutting-edge safety technology on a consistent basis. The safety strategy is developed by the Safety System Working Group (AKS), who present their work to be approved by the Group Board of Management Committee responsible for Technology. The Product Safety Committee (*Ausschuss Produktsicherheit* – APS) is responsible for the safety of products placed on the market. A Group-wide policy concerning product safety and conformity stipulates that an APS must be established by each responsible manufacturer. It also requires the APS to be involved in any processes relevant to safety to make sure that safety-related actions are implemented across the entire Group effectively and in a uniform manner.

Specific actions in this area are described in detail in the section "Actions: Personal safety of customers".

POLICIES: PERSONAL SAFETY OF CUSTOMERS

In order to continuously reduce the number and severity of road traffic accidents involving Group vehicles, the Volkswagen Group has established an interlinked system of management structures. These structures create a Group-wide governance policy for vehicle safety, which forms the basis for a high standard of product quality and for compliance with legal and official requirements, internal safety regulations and consumer protection requirements.

A central component of this policy is the continuous alignment with high safety standards for mechanical, mechatronic and electronic systems, as well as the functional safety of vehicles. Building on this policy, Group-wide management systems have been defined in Group policies, systematically enshrining these safety standards, applicable standards and the current state-of-the-art technology in the vehicle development, production and testing processes at the brand companies. The Group policies always take all three levels into account: legal requirements, internal safety regulations and consumer protection standards. This chapter provides detailed information on the underlying safety strategy and the relevant Group policies.

Safety strategy

In an effort to embed existing systems for vehicle safety even further into the Volkswagen Group's overall strategic concept, a Group-wide safety strategy has been developed and approved by the Board of Management.

The goal of this strategy is to make a sustainable contribution to global road safety. These efforts are centered around reducing the number of serious injuries and fatalities resulting from accidents involving vehicles made by Group brands. In order to achieve this goal, actions to avoid accidents (active safety) and actions to minimize the consequences of accidents (passive/integral safety) are enhanced on an ongoing basis.

The safety strategy is geared towards ensuring a high level of safety for customers and other people who could potentially be involved in an accident. To achieve this, modern technology is used effectively to address internal and external safety requirements, legal provisions and consumer protection standards and implement these for each specific market. Actual and potential negative impacts on customer health and safety may arise as a result of technical

deficiencies or quality issues, for example. By consistently complying with defined safety requirements, the Volkswagen Group actively counteracts these impacts. The aim behind this is to reduce the number of casualties and, at the same time, achieve an actual and potential positive impact in accordance with the materiality assessment.

Safety-related developments at Volkswagen Group brands are guided by the Group-wide safety strategy, which is tracked and further developed by bodies such as the Group's Safety System Working Group (AKS).

Should any aspects need to be adjusted, the heads of the Safety Development departments at the respective brands review the need for an update. If necessary, the strategy is revised and refined accordingly so that a consistently high standard of safety can be ensured and all relevant requirements can be met.

Automotive Cybersecurity Management System Group policy

To counteract the risk of unauthorized access to vehicles and their digital services, the Volkswagen Group has established an Automotive Cybersecurity Management System (ACSMS) in its Group policy for this topic. The goal of this system is to tackle potential negative impacts on the health and safety of customers, particularly those resulting from the manipulation of digital vehicle functions. The increasing level of digitalization and connectivity in vehicles presents new challenges, especially in relation to the integrity and security of software-based systems. Legal provisions, such as the United Nations Economic Commission for Europe's (UNECE) Regulation 155 (UN-R 155) on cybersecurity and cybersecurity management systems, set out binding requirements for vehicle and software development. These requirements have far-reaching consequences for the IT systems and overall safety architecture in modern vehicles.

To be able to manage the risk of cyberattacks on vehicles and take appropriate action to mitigate these both now and in the future, the Volkswagen Group continuously optimizes its automotive cybersecurity management systems in all Group brands. Information is exchanged across the brands to allow them to work together on developing both the process- and product-related aspects of cybersecurity. The protection of customers is always at the heart of these processes.

One of the main objectives of the ACSMS is to improve cybersecurity across the entire product life cycle of a vehicle and its digital ecosystem. As the level of digitalization and connectivity increases and new forms of mobility such as shared mobility are developed, the importance of cybersecurity grows – including in relation to the health and safety of users.

Using policies and control measures, the ACSMS defines how cybersecurity should be established, implemented and safeguarded on a permanent basis in the vehicle sector. The goal is to ensure that vehicles and their digital systems are effectively protected against unauthorized access. In each case, type approval authorities responsible for the Group brands confirmed the effectiveness of the ACSMS with corresponding certification based on external audits to verify compliance with UNECE regulation UN-R 155. During the certificate's period of validity, monitoring audits are performed on an annual basis to ensure ongoing conformity.

The ACSMS policy applies across the Group as a minimum requirement for all controlled companies of the Volkswagen Group who request type approvals for vehicles or who have relevant interfaces with this type of company. This also encompasses any undertakings that develop or operate parts of the digital ecosystem or that provide and implement software updates for vehicles.

The Head of Group Quality Management, Digitalization and IT is responsible for defining and developing this ACSMS management policy. Within the relevant Group companies, the most senior level of management, i.e. the Board of Management or managing directors, is responsible for the policy's implementation.

Product safety and conformity Group policy

The product safety and conformity Group policy plays a central role, particularly with regard to the personal safety of customers. It defines uniform standards that apply across the Group to enable the Volkswagen Group to meet both its legal obligations as well as its own aspirations related to its responsibility for products brought onto the market. Every applicable legal and official requirement must be complied with. Furthermore, the policy stipulates that a

system be set up for active and passive product observation. The goal is for risks that could potentially arise from products to be identified at an early stage and averted to the extent that this is possible and reasonable. The Volkswagen Group companies that manufacture vehicles or have them produced and place them on the market as the responsible manufacturers are responsible for implementing the product safety and conformity Group policy. They are required to transfer the Group policy into their own regulations, such as organizational guidelines and internal standards, and ensure that these are implemented. Responsibility for the safety and conformity of products lies with the manufacturing brands and full-function companies. The board at the respective brand company delegates this responsibility to a Product Safety Committee (APS) that has already been established or still needs to be established. This committee is responsible for taking any action required to ensure the safety and conformity of products brought onto the market and for initiating this action in good time. The board at the brand or full-function company delegates these duties to a Product Safety Committee that has already been or still needs to be established at the brand or full-function company.

Commitment to human rights

Respect for human rights is of paramount importance to the Volkswagen Group. We are convinced that sustainable economic activity is only possible by acting ethically and with integrity. Within the scope of our business activities, we are fully committed to our responsibility to uphold human rights. Detailed information regarding our voluntary human rights commitments can be found under the heading "Policies: Employees and non-employees" in the chapter "Employees and Non-Employees". The Group-wide whistleblower system is used as a format for dialogue with those who could be affected by issues and also forms the basis for introducing appropriate remedial action. A detailed description of this is provided in the "Business Conduct Information" chapter under the "Whistleblower" section.

PROCESSES: ENGAGING WITH CUSTOMERS

Consideration of the activities of consumer protection organizations

In an effort to better understand the interests, experiences and perspectives of users of its vehicles and take these into consideration to an appropriate extent, the Volkswagen Group works with a range of national and international consumer protection organizations at brand level. These organizations act as credible representatives of vehicle users. The AKS is responsible for any overarching coordination of cooperation with consumer protection authorities and industry associations with regard to vehicle safety matters. The Group works in cooperation with bodies such as the Insurance Institute for Highway Safety (IIHS) and the China Insurance Safety Index, as well as the respective national and regional associations within the New Car Assessment Program (NCAP). The Volkswagen Passenger Cars brand, for instance, has regulations in place to ensure that liaison offices are in place with suitable contacts for consumer protection organizations. Responsibility for these interfacing offices is assigned to the person responsible for Global Safety Affairs within the main Safety System Development department at Volkswagen AG. The requirements resulting from this are derived and refined in close liaison with all Group brands via the AKS, which helps to make sure that all Group companies are familiar with the relevant information and takes this into account. Updates or changes to the rating process are dealt with and reported on in the AKS. As part of the ongoing enhancement of their standards, the respective NCAPs publish regular updates, which are known as roadmaps. These updates are communicated in industry meetings, e-mail notifications or publications on the respective websites. Communication with consumer protection organizations takes place on a topic- and project-related basis, with the frequency of meetings depending on the roadmap in question. Any information and requirements provided by the NCAPs form an integral part of the

Volkswagen Group's safety strategy and are integrated directly into product development. The respective processes are described in more detail under the heading "Processes: Remedial processes and reporting channels".

The effectiveness of this cooperation can be tracked, for example, through the vehicle ratings issued by consumer protection organizations – such as the NCAP star ratings.

Cooperation on remedial processes

For customers affected by a safety-relevant matter or cybersecurity vulnerabilities, there are two additional dialogue formats that exist as part of the passive product observation process and, where required, during investigations and the implementation of appropriate action. The underlying remedial process, including dialogue formats for both cases, is described in more detailed in the section "Processes: Remedial processes and reporting channels".

PROCESSES: REMEDIAL PROCESSES AND REPORTING CHANNELS

Remedial process for safety-relevant matters

Any indications of a safety-relevant matter that arise from passive or active product observation are analyzed by the divisions, for example Development or Production. A range of different factors are included in the evaluation, including the frequency of occurrence, the underlying cause of damage, the components affected and the potential relevance for other Group models.

If a matter is confirmed as being relevant to safety, the APS must become involved as per Group-wide requirements. The APS makes a decision on which actions are required and appropriate for safeguarding the safety and conformity of the products affected. These actions could include, for example, a recall campaign, a service action in a workshop, extended warranty services or a suspension of deliveries. The implementation of any action approved by the APS is initiated and coordinated by the Product Safety department. This department's primary duties include identifying the vehicles affected, preparing and coordinating any work instructions, commissioning the stocking of replacement parts, and defining the action's start date.

Operational responsibility for implementation depends on the type of action to be taken. In general, the actions required are referred to as field actions, which are implemented by the retail organizations and their partners. The importers are responsible for supervising and controlling this implementation process. The effectiveness of actions is recorded through both active and passive product observation. A monitoring process is also in place to systematically review the effectiveness of actions.

Any orders and actions passed by the APS are binding for all affected areas, including any Group companies involved. The APS office is responsible for monitoring that these measures are implemented on schedule.

Dialogue formats

Dialogue with customers takes place at various stages of the process. For instance, the passive product observation process takes into account any customer complaints submitted via vehicle dealerships or workshops, via social media or forums, and via the customer hotlines and customer care services operated by the respective brands. This feedback is examined during clarification of the matter and may provide an important indication of safety-relevant issues. Throughout the entire process, responsibility for communication with customers lies with the responsible departments in question, such as After Sales, Marketing and Corporate Communications. Dialogue with customers may continue while remediation is taking place in the market. Once the APS has approved an action, importers are obligated to implement it via their partners in accordance with their contractual agreements with the Volkswagen Group. As part of this process, any affected vehicle owners are informed about the steps needed to rectify the potential

safety issue by post, for example, or in a direct consultation during a workshop visit. Such an action may involve having a faulty component replaced at the workshop, for example.

Remedial process for cybersecurity matters

Customers are able to contact dealerships with any concerns related to cybersecurity. Dealerships record complaints of this nature and forward them to the relevant brand via the importer in question if necessary. Structured processes are in place at the brands with the aim of ensuring that incoming reports are passed on to the responsible Incident Management department. If this department defines and initiates any actions to rectify the problem, the remedial processes outlined by the APS take effect for any field campaigns. In the event of product-related amendments, standardized workflows from the development process are applied, including testing and quality assurance actions. Review mechanisms have been established to make sure that issues are dealt with correctly within the support structure. Based on the findings obtained, processes and the support structure can be adjusted as required. To support the effective handling of safety-relevant incidents related to cybersecurity, awareness-raising actions have been established across the Group, along with training programs for importers and dealerships. The goal here is to train their employees so that they are able to respond appropriately when needed. Methods including practical case studies are employed to enable employees to better understand the process and comprehend its context.

Dialogue formats

Through the established Security contact point, customers and security researchers (including non-governmental organizations or private individuals) are able to report potential security vulnerabilities. They can use the following website for this purpose: https://www.volkswagen.de/de/mehr/rechtliches/kontakt-cyber-security.html. Beyond this, customers also have the option to submit information on this matter via dealerships or the customer support hotline. Reports of this nature are passed on to the responsible Incident Management team via the established support structure. These teams then analyze the issue and respond with suitable actions as required.

If specific actions need to be taken by the APS, the vehicle owner concerned is notified of the necessary steps to remedy the potential security issues, which could require a software update, for example. The goal of this cooperation is to identify cybersecurity vulnerabilities at an early stage and take appropriate actions to prevent exploitation by unauthorized third parties. Operational responsibility for the car security incident process (CSI) is assigned to each brand's Quality Assurance division. The responsible departments, such as Customer Experience or After Sales, take care of communication with the customer.

Reporting channels

Violations of product safety and type approval regulations can also be reported using the whistleblower system. Any relevant reports are integrated into the remedial process described. Details concerning the availability of the whistleblower system and the protection of whistleblowers are provided in the chapter "Business Conduct Information". Customers are also able to contact the respective brands via e-mail or the telephone hotline if they have complaints or feedback about Volkswagen Group vehicles and services. Each brand's website lists contact details, which can be used to submit concerns directly. Within this process, every brand is responsible for reviewing the effectiveness of their own communication channels. In the area of cybersecurity, the Volkswagen Group endeavors to identify safety-relevant vulnerabilities at an early stage and address them appropriately. It accepts reports of this nature from its customers and security researchers. Should customers identify a potential vulnerability in a product,

they can report this to the brands in question via their communication channels. The clarification processes established at the brands are used to review and follow up on reports.

Safety-relevant complaints received via the brands' reporting channels are recorded, tracked and monitored by the brands in question. In accordance with their defined processes, every brand is responsible for reviewing the effectiveness of their own communication channels. There is no Group-wide approach in place for checking whether customers are familiar with customer portals, trust these, and feel protected against potential repercussions.

ACTIONS: PERSONAL SAFETY OF CUSTOMERS

In addition to the existing policies and the safety strategy, the Volkswagen Group also takes action to help keep its vehicles' safety technology up-to-date, particularly in relation to avoiding accidents and mitigating their effects. These actions include research activities in the area of vehicle safety, processing safety-relevant issues – including under the structure of the AKS – and integrating relevant content into projects throughout the Product Development Process (PEP – *Produktentwicklungsprozess*). The Volkswagen Group cooperates with regional consumer protection organizations to uphold safety standards.

As a result, the Volkswagen Group generates an actual and potential positive impact on vehicle safety standards, which can influence the health of our customers by preventing accidents and mitigating their effects. Within the context of ESRS, the Volkswagen Group regards any actions designed to comply with safety requirements as actions that contribute to the prevention and remedy of any potential and actual negative impacts caused by its products. Actions that exceed the legal minimum standards are regarded as a positive contribution to vehicle safety.

Through its cooperation with consumer protection organizations and its increased internal safety requirements, the Volkswagen Group is helping to raise general vehicle safety standards, thus contributing to overall road safety. In matters related to vehicle safety, the Volkswagen Group operates at least at the level of the applicable legal requirements. Since safety issues cannot be fully ruled out in spite of all the preventive actions taken, the Volkswagen Group has established a series of measures that can be applied to vehicles already brought onto the market and provide remedial action in the event of a safety risk. Through this, the Group counteracts potential and actual negative impacts on customers' health and safety, which can arise as a result of such vulnerabilities. In the area of cybersecurity, the Group also has the option of working with customers and security researchers, who are able to report potential vulnerabilities.

During the CSI process, reported security incidents are evaluated and resolved if necessary. Within the lessons-learned process, clarifying a particular matter may, beyond the implementation of remedial action, also impact strategic orientation, the ACSMS or product development. Incident Management has a direct link to the product development process here, enabling relevant findings to be integrated directly into the development of future products.

Dialogue takes place on an ad-hoc basis during the evaluation process. Through active and passive product observation, vehicles already brought onto the market are monitored for product risks. The APS is responsible for deciding on which actions are required to safeguard the safety and conformity of these products.

Members of the APS are responsible for informing their divisions about the APS' work and about any lessons learned from past incidents relevant to the division in question. The lessons-learned process enables these findings to be fed back into upstream processes, such as new product development, thereby facilitating ongoing improvements to the entire process. The AKS Group committee and the ACSMS and APS committees are responsible for defining and implementing actions related to vehicle safety and cybersecurity in the Volkswagen Group. In some

cases, the brands are also responsible for implementation. Plans are in place to retain all the described actions in the future.

Actions related to the safety strategy

The following actions related to the safety strategy are intended to effectively manage both negative and positive impacts on the safety of our customers in the area of product development. The Volkswagen Group works with various external partners in this context, such as consumer protection organizations, suppliers, research institutions and other relevant stakeholders in the area of vehicle safety. In addition to this, there is a close working relationship between the relevant internal divisions, such as Development, Quality Assurance, Legal and other units involved in this work.

Safety Working Group

The cross-Group Safety System Working Group (AKS – *Arbeitskreis Sicherheitssystem*) deals with the coordination and definition of the cross-brand safety requirements defined in the safety strategy. The committee consists of representatives from brand development departments who work on safety-relevant technology and various additional participants depending on the agenda. The committee focuses on the following matters and tasks in particular:

- Definition and coordination of safety requirements for all aspects related to integral safety (including active and passive safety and pre- and post-crash safety) and their allocation to topic-specific interface areas and the responsible organizational units within the brands' development divisions
- Liaison with consumer protection organizations, particularly regarding the stance on new requirements and the development and coordination of new consumer protection regulations
- Identification and coordination of pre-development, component development and function development work at global level
- Coordination and tracking of research on all topics related to integral safety

The committee meetings, which tend to be quarterly, and the content dealt with in these meetings form a central element in the implementation of the safety strategy. Since both external and internal safety and consumer protection regulations are developed here, they contribute directly to improving vehicle safety. Current safety-relevant issues are dealt with in topic-specific working groups and in cross-divisional, multi-disciplinary task forces, which are comprised of representatives from Product Development at the various Group brands. Issues can either be identified proactively by the working groups and put forward for addition to the AKS agenda or they can be commissioned specifically by the central AKS team.

Investigations into safety-relevant issues may be triggered by the reassessment of rating-relevant issues, the analysis of legislative changes, the testing of new safety technologies, or topic-specific analyses of the competition. There are 19 different working groups and multi-disciplinary task forces in total that deal with specific areas of safety such as child safety, pedestrian safety, electric mobility or airbags. These committees meet three to four times a year to address relevant topics and develop these further.

Meeting and implementing safety objectives

The implementation of safety objectives (internal, external and those specified by consumer protection bodies) is integrated into the Product Development Process (PEP – *Produktentwicklungsprozess*). Steps are defined within the PEP, which enable these objectives to be derived and defined, thereby systematically transferring the safety strategy into the product development process. The safety actions required for a new model are set out in the form of a technical product description, among other things, and communicated so that they can be implemented in the products in question. The preparation of a technical product description is an important step in the PEP. This document systematically records which legal, internal and consumer-protection-related objectives need to be met.

These requirements are used as a basis for defining which forms of active and passive safety and technology need to be installed in a model.

The PEP is a Group-wide recommendation issued by the Volkswagen Group. Taking into account each company's specific legal and organizational circumstances, it must be adapted accordingly and implemented through integration into the respective quality management system.

Group Accident Research

Like the main Safety System Development department, Group Accident Research is guided by the vision of a road traffic system without serious injuries or fatalities – within the scope of what is technically feasible. It works on research topics that are conducive to this vision.

Various aspects of vehicle safety are subject to active research. These include the safety of groups of people with different attributes, such as weight, height or age, and compatibility in different accident configurations, for instance vehicles against pedestrians or a heavy Sport Utility Vehicle (SUV) against a lightweight city car. The goal is to provide context to existing research findings and use this to define specific actions. Group Accident Research either actively receives requests for research from the Development departments of the Group companies or proactively puts forward its own topics. In most cases, it deals with specific questions on safety-relevant issues that have already been raised and are brought to Accident Research. It then addresses these questions and provides a response in accordance with scientific standards. Group Accident Research is active across the brands as a Group-wide function.

Actions related to the automotive cybersecurity management system Group policy

Car security incident process

The CSI process is designed to identify the causes of security-relevant issues in a vehicle, evaluate these from a technical perspective and rectify them with suitable actions. The principles of the Automotive Cybersecurity Management System (ACMS) include the ongoing examination and monitoring of vehicles and their digital ecosystems for potential cyberthreats across their entire life cycle. In addition to this, the system is employed to assess cybersecurity risks on a continuous basis and also ensure that the Group is able to recognize and respond to cybersecurity incidents.

These principles flow into the CSI process, which is effective across all the brands. Internal sources, such as the Development division, and information from outside the Company, including from the internet or third-party reports, provide the Company with an ongoing supply of information about potential incidents. The CSI process also serves as a central driving force and coordinator between the specialist divisions involved, with the purpose of analyzing vulnerabilities and introducing appropriate action.

Risk estimates and response plans are drawn up and tracked consistently as part of the CSI process. If this work reveals that a field campaign is required, the case is handed over to the responsible APS. Methods for identification, tracking and follow-up have been developed and decision-making and control committees have been established to support implementation of the process. The process has been fully implemented and is applied across the Group. This action focuses on products already on the market and extends to all markets where Volkswagen Group products are sold. The CSI process is employed on ad-hoc basis, in other words in the event of specific incidents or reports. In contrast to this, vulnerabilities are monitored as part of a continuous process. This approach is intended to ensure that potential vulnerabilities that affect Volkswagen Group products are identified at an early stage and are not overlooked.

The workflows for initiating remedial actions are described in detail in the section "Processes: Remedial processes and reporting channels".

Actions related to the product safety and conformity Group policy

Product observation

The Volkswagen Group has established a comprehensive product observation system, which is managed by the responsible organizational units in accordance with defined policies. This system involves both active and passive product observation actions to guarantee the safety and legal conformity of products brought onto the market. The goal here is to identify any potential safety risks at an early stage in vehicles already brought onto the market and to locate the sources of faults. As soon as a safety-relevant issue is detected or there is any other indication of noncompliance with legal and official regulations, an in-depth technical analysis is conducted straight away and, if necessary, a risk assessment is performed using the data and information recorded. Action is taken based on the findings in order to protect the people who come into contact with the product and restore the conformity of the products.

Active product observation includes the regular and independent capturing and evaluation of data and information relating to issues that may be relevant to safety. It also includes appropriate testing actions such as spot checks, the analysis of vehicle-specific mass data, and reports from market surveillance authorities. Passive product observation includes actions such as reviewing and analyzing individual safety-relevant reports from the retail organization (workshops) and importers, as well as monitoring trade press, online resources, social media and other sources for customer complaints. The extent of product observation and the scope of resulting actions are primarily determined by the level of risk in question. Due to their increased potential for risks, motor vehicles, their replacement parts and accessories are subject to particularly intensive and comprehensive monitoring when compared to other products.

TARGETS: PERSONAL SAFETY OF CUSTOMERS

The Volkswagen Group develops targets in those areas that have a connection to its strategies. No measurable, outcome-oriented targets within the meaning of the ESRS are defined in relation to vehicle safety.

The effectiveness of the policies and actions in relation to the positive and negative impacts identified through the double materiality assessment performed in the reporting year are currently not monitored.

Nevertheless, the policies and actions presented collectively contribute to the Group's efforts to ensure road traffic safety for customers. With this, the Volkswagen Group pursues the target defined in its safety strategy. The following actions and processes are established for determining effectiveness.

Product development

Effectiveness and the ambition level are reviewed based on compliance with internal and external safety regulations and through the monitoring of vehicle ratings issued by consumer protection organizations, such as the Euro NCAP star ratings. With the technical product descriptions, specific targets for safety standards are defined even when a model is still under development. The product development process is therefore guided by these targets, among other aspects.

Group Accident Research

The effectiveness of safety technology is determined, among things, via a 24/7 on-call service, which the federal states of Lower Saxony and Saxony-Anhalt use to document accidents. A close cooperation with both states' Ministries of the Interior and Sport and the respective state police authorities forms the foundation for this approach. Vehicles that have been involved in an accident are analyzed in detail as part of the accident research process in order to evaluate the effectiveness of safety technology in use.

Furthermore, systematic evaluations are conducted with accident research data, such as national accident statistics and international accident databases, including the German In-Depth Accident Study (GIDAS) database. Both positive feedback, for example regarding actions that have been implemented successfully, and negative feedback in the form of suggested improvements are analyzed and evaluated on a regular basis. Any findings are communicated both within the responsible departments and in the AKS as well as during the accident research conference, established specifically for this purpose.

Car security incident process

As part of an effectiveness assessment, checks are carried out to determine whether actions have reached the relevant areas, such as Development, and been incorporated into vehicle production. After an incident has been dealt with, the CSI committees run through a lessons-learned process if necessary to also scrutinize the CSI process itself and make improvements.

Societal Impact

Society and the Volkswagen Group are inextricably linked, each shaping and influencing the other. As a global company, we are committed to social engagement.

MATERIAL IMPACT AND ITS INTERACTION WITH STRATEGY AND THE BUSINESS MODEL

IMPACT ON SOCIETY

Description	Impact/ Risk/Opportunity	Actual/potential impacts	Value chain	Time horizon
Societal Impact				
The area of Societal Impact looks at the impacts generated by Group activities and initiatives intended to have a positive effect on society, while also taking economic, social and ecological aspects into account. It covers global Corporate Citizenship activities, the Sustainability Impact Fund and Group-wide donations, which influence the Volkswagen Group's societal impact in order to improve quality of life and create long-term development opportunities.	Positive Impact	Actual Impact Potential Impact	Upstream Value Chain Own Operation Downstream Value Chain	Medium-term Time Horizon (1–5 years)

Opportunity · Risk · Positive Impact · Negative Impact · Actual Impact · Potential Impact · Upstream Value Chain · Own Operation · Downstream Value Chain · Short-term Time Horizon (< 1 year) · Medium-term Time Horizon (1–5 years) · Long-term Time Horizon (> 5 years)

The Volkswagen Group's materiality assessment has identified an actual and potential positive impact arising from the Group's social engagement, which is assigned to the Societal Impact focus area as part of the regenerate+ Group sustainability strategy. Societal Impact refers to the impacts of a company's own activities and initiatives that aim to have a positive impact on society, while also taking economic, social and environmental aspects into account.

As a globally active company and a good corporate citizen, the Volkswagen Group aims to be a driver of economic and social momentum. At a local level, this can contribute to factors including structural development, the promotion of equal opportunities and support for social participation. The Group has always believed in the importance of recognizing its social responsibilities.

Corporate citizenship is a key element of the Volkswagen Group's social engagement and includes philanthropic activities and the funding of environmental, educational and social projects at numerous sites worldwide. The focus areas are based on the regenerate+ Group sustainability strategy, which specifically implements and reports on projects that have a direct positive impact on one or more of its four dimensions. The following section includes the

range of Societal Impact topics that have been defined under regenerate+, with corporate citizenship being treated as a material focus, but not the sole focus.

The activities are carried out at the Volkswagen Group's sites. The groups and communities targeted by these activities include, among others, people or groups who live and work near the Volkswagen Group's operating sites and are or could be affected by the undertaking's activities and initiatives. These also include communities whose living conditions are positively affected by projects or investments. For example, there are community projects at the production sites. These are to remain in place in the future and can make a positive contribution to the environment and society.

Interaction with strategy and business model

The impact identified in the materiality assessment has an influence on the Group's business model, strategy and value chain. Societal impact is anchored at an overarching level within the society dimension of regenerate+. Work on the Societal Impact framework was continued in the reporting year 2025.

The Volkswagen Group is dealing with the effects of its material impact on its business model, strategy and value chain in the area of societal impact by implementing Global Corporate Citizenship activities, setting up a Sustainability Impact Fund and making Group-wide donations. These actions aim to preserve and enhance the positive impact.

A detailed description of all actions is provided under "Actions: Societal Impact".

POLICY: SOCIETAL IMPACT

The Volkswagen Group is an employer that operates production sites around the world. In all these places, the Group assumes responsibility for employees and non-employees and their families, but also for social and economic development around the sites. The Volkswagen Group addresses the positive impacts of its business activities on society with interlinked strategies and Group-wide policies. These policies are set out in Group policies.

The Societal Impact policy consists of the management of sub-topics related to the focus area. The following section explains which strategies and policies address this sub-topic of social responsibility within society in the Volkswagen Group and how these are related to the topic area of Societal Impact defined in regenerate+.

Embedding Societal Impact

The Volkswagen Group is pursuing two aims with regenerate+: to be a socially responsible employer for its employees and to assume corporate social responsibility. As an active partner in society, the Group aims to work responsibly with local and international organizations in a spirit of partnership and trust. The aim is to use resources and skills for the common good, by taking actions that promote a fair, inclusive and open society and supporting healthy and intact natural ecosystems. At the same time, all communities should have the same opportunities to participate in a forward-looking economy and benefit from sustainable mobility systems.

In addition to the strategic conclusions of the global basic understanding, a Societal Impact framework has been created as part of regenerate+. This framework consists of the three following main components, which could potentially influence the Volkswagen Group's Societal Impact:

- Global Corporate Citizenship activities
- Sustainability Impact Fund
- Group-wide donations

regenerate+ offers a common framework that covers the Volkswagen Group's social engagement and enables actions to make a positive contribution to society and the environment.

A detailed description of regenerate+ is provided in the "General Information" chapter under "Business model, value chain and strategy".

Policies on the management of societal impact

Group-wide policies are used to implement the principles and fields of focus anchored in the strategies. The following Group policies describe policies that contribute to the topic of Societal Impact and the resulting framework. The Group policies apply to the companies controlled by the Volkswagen Group. The department responsible checks whether they are up to date at least once a year and amends them if necessary. The Group policies are accessible on the intranet.

As explained above, the Societal Impact focus area is tracked via the regenerate+ Group sustainability strategy. Insofar as specifications are required, these should be revised within the Group sustainability management policy as part of the core sustainability management processes and therefore also include the management of the material positive impact. Existing Group policies related to the sustainability-related topics of corporate citizenship and donations serve as the policy for the main components of the framework.

For instance, the Group sustainability management policy defines various core processes to enable the Group to manage and report on sustainability in an efficient manner. The aim is to achieve the continuous improvement of the Group's sustainability performance. The Chair of the Board of Management of Volkswagen AG has overall functional responsibility for sustainability management, while the Group Sustainability department is responsible for implementing the policy and the management system at operational level. The reporting requirement for local engagement activities in the form of corporate citizenship projects by the respective brands and production sites is also defined in the sustainability reporting process. A detailed description of Group sustainability management and the associated structures, processes and responsibilities is provided in the "General Information" chapter under "Sustainability management".

As a sub-area of Societal Impact, the granting of donations and sponsorship is also governed in a Group policy. The objective of this Group policy is to ensure that donations and sponsorships are made in accordance with the applicable legal provisions and the Company's standards of integrity. The Group policy therefore describes the requirements as well as the underlying processes and procedures for the initiation, review and approval of donations and sponsorship, taking into account the respective approval limits and responsibilities. The Chair of the Board of Management of Volkswagen AG has overall functional responsibility for donations, sponsorship and brand ambassador agreements, while the Group Communications – Management and Events department is responsible for implementing the policy and the management system at operational level.

ACTIONS: SOCIETAL IMPACT

For the Volkswagen Group, societal impact refers to the impacts that projects or investments can have on society.

The actions related to corporate citizenship that aim to have a positive impact on local communities and the local environment are described below.

Global Corporate Citizenship activities

Targeted local initiatives tailored to the production sites aim to bring about positive change in society in the medium and long term. These actions and projects are implemented in various areas such as health, education, the environment, social justice and economic development, and contribute to the four dimensions of regenerate+. They

encompass a number of activities ranging from the provision of resources to the running of programs and the implementation of technology by the Volkswagen Group or its units. These projects are managed locally under the responsibility of the competent units. The methodology used to record global projects was adjusted in recent years. Since the reporting year 2024, the Volkswagen Group has been using a mandatory, standardized questionnaire to collect information annually on projects implemented by the individual brands and regions. This collects information on existing projects that were being implemented during the reporting year. The questionnaire also records each project's direct link to the Group sustainability strategy, as well as its scope, the inputs used and the outputs achieved. Along with predefined metrics, project-specific indicators can be specified here. In addition, the person responsible also assigns the project to the Sustainable Development Goals (SDGs) and provides a subjective assessment of the project's impact. The Global Corporate Citizenship activities metric takes account of all the Volkswagen Group's individual brands and regions that carried out relevant projects here in the reporting year and reported them accordingly.

In the reporting year, more than 200 (206) global projects were reported as local engagement activities at Volkswagen Group sites around the world. Around 77% of the projects have a potential positive impact on the community or region in the direct vicinity of the site, such as Wolfsburg/Germany, Ingolstadt/Germany, Bologna/Italy, Pune District/India, Chattanooga/USA, Puebla/Mexico, Guanajuato/Mexico or Polkowice/Poland. In addition, approximately 18% of the projects have a potential positive impact at national level (for example within China, France, Spain, or the Czech Republic) and around 5% at international level.

There are over 200 global projects that contribute to one or more impact categories of regenerate+ at an overarching level and are intended to promote positive impacts on society and the environment. The focus of the outcome is on the "Strengthening local communities and resilience" and "Poverty reduction and social security" societal impact categories. In addition, the projects are expected to have positive impacts on the Group's own employees (for example in the areas of "Education and knowledge transfer" or "Health and well-being") and on nature (for example in the categories of "Healthy ecosystems and biodiversity" or "Climate change mitigation").

Sustainability Impact Fund

In the year under review, the Volkswagen Group launched a Sustainability Impact Fund, which supports in-house projects around the world that promote environmental, social and economic sustainability. The Sustainability Impact Fund is therefore a Group-wide tool for the effective promotion of projects related to regenerate+. The funded projects are intended to achieve goals such as empowering local communities and strengthening social cohesion, effectively improving biodiversity, and also promoting innovation solutions to improve environmental challenges.

In 2025, the Impact Fund supported projects including corporate volunteering programs, biodiversity projects at sites, and initiatives to tackle environmental challenges.

Group-wide donations

Donations are voluntary contributions to a scientific, charitable, cultural, political, or religious cause which are made without receiving anything in return from the recipient. Donations can have beneficial effects – for example, in tackling social problems, responding to humanitarian crises, reducing negative environmental impacts, and strengthening the resilience of communities. The Group-wide donations figure takes into account all consolidated companies of the Volkswagen Group that made donations in the reporting year.

The Volkswagen Group donated a total of €73.7 (61.4) million in 2025. This amount also includes large donations made as part of humanitarian emergency aid, which were decided on at a short notice and provided immediately thereafter.

TARGETS: SOCIETAL IMPACT

The Volkswagen Group generally develops targets where there is a connection to its strategies. The Societal Impact framework forms part of the Group sustainability strategy and is developed on an ongoing basis. The overarching focus for this topic is initially on identifying suitable methods and standards for appropriately assessing their societal impact.

There are currently no control-relevant targets with regard to global Corporate Citizenship activities and Group-wide donations. Phased targets were also developed for the Sustainability Impact Fund. The Volkswagen Group aims to provide up to €20 million per year through this fund until 2029 in order to promote sustainable developments in every dimension of regenerate+.

The setting of additional strategic (intermediate) targets and their further development up to the measurement of the impact, and hence the effectiveness of the strategies and actions in relation to the material sustainability-related impact, is planned for a medium-term time horizon.

Business Conduct Information

Sustainable, responsible and transparent corporate governance is a top priority for the Volkswagen Group.

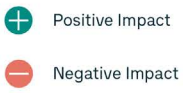
CORPORATE CULTURE

MATERIAL IMPACTS AND THEIR INTERACTION WITH STRATEGY AND BUSINESS MODEL

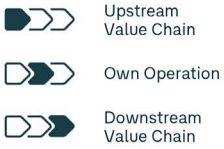
IMPACT IN THE AREA OF CORPORATE CULTURE

Description	Impact/ Risk/Opportunity	Actual/ Potential Impacts	Value Chain	Time Horizon
Corporate Culture				
The Volkswagen Group has a broader understanding of corporate culture than the ESRS definition, extending it to include topics such as diversity and co-determination. These topics are reported in the section on social information. The positive impact outlined in this chapter on business conduct results from the promotion of integrity, equal treatment, ethical conduct, responsible decision-making processes and the emphasis on fairness by the employee representatives.				











Interaction with strategy and business model

The impact in the area of corporate culture identified in the materiality assessment has an effect on the Volkswagen Group's strategy and business model. The topic of corporate culture is anchored at an overarching level in the Group sustainability strategy regenerate+. The Volkswagen Group uses various actions in the area of corporate culture to emphasize the influence of its material impact on its business model and strategy. In this respect, the focus of this chapter is on topics relating to integrity and compliance (I&C), such as the Code of Conduct and risk-based packages of actions, e.g. awareness and training initiatives, tone-from-the-top actions, the Group Essentials in conjunction with the Role Model Programme and myVOICE (formerly known as the *Stimmungsbarometer*).

POLICIES: CORPORATE CULTURE

Code of Conduct and Volkswagen Group Essentials

Integrity and compliance are the basis for correct and value-oriented conduct at the Volkswagen Group. We have set out the relevant guidelines in the Code of Conduct and the Group Essentials. The Code of Conduct forms the ethical and values-based foundation for acting with integrity and in a compliant manner in the Volkswagen Group. It serves as the main tool for promoting awareness of responsible conduct and decision-making, can be used as an aid in forming opinions and names contact persons. It is binding for all Group brands and companies. The Code of Conduct is based on international conventions and declarations, particularly the International Bill of Human Rights, the Fundamental Conventions of the International Labour Organization (ILO), and the United Nations Convention against Corruption.

As part of the Code of Conduct, the Volkswagen Group Essentials define the shared underlying values across all of the Volkswagen Group's brands and companies. They are the basis of the corporate culture and describe what the Volkswagen Group stands for around the world: we take on responsibility for the environment and society; we are honest and speak up when something is wrong; we break new ground; we live diversity; we are proud of the work we do; we not me; we keep our word. These statements are a promise to customers, shareholders, business partners and employees. The Code of Conduct and the Group Essentials can be found on the Volkswagen Group website.

In cooperation with the relevant departments, the Group Chief Integrity & Compliance Officer is responsible for the content of the Code of Conduct. The Group Chief Integrity & Compliance Officer heads the Group-wide Integrity & Compliance organization, which is part of the Integrity and Legal Affairs function of the Board of Management. The brands and companies are responsible for local implementation throughout the workforce.

The Group Integrity & Compliance organization helps the Group and brand companies to comply with the rules when conducting their business activities and to comply with the relevant legislation and internal regulations. The focus of its work includes anti-corruption, the prevention of financial losses due to fraud and breaches of trust, and the prevention of money laundering. The internal compliance risk assessment (ICRA) serves as a starting point.

Internal compliance risk assessment

As part of the operational implementation of integrity and compliance, potential risks in the Group are identified through actions including the ICRA and relevant focus areas are defined. The active and controlled companies of the Volkswagen Group that employ personnel or carry out procurement activities are assigned risk profiles – categorized as low, medium, or high – and associated packages of actions including training and communication requirements. On this basis, actions such as increasing awareness and providing training must be put in place for the Group's employees to promote integrity in day-to-day business, enable responsible conduct and prevent misconduct. Through this risk-based approach, employees, members of management and relevant stakeholder groups receive regular training on integrity and compliance topics, processes and conduct requirements specific to their field of work. Auditors also assess the effectiveness of the Integrity & Compliance actions as part of a monitoring and improvement process. Moreover, the integrity and compliance management system (ICMS) is optimized on a continuous basis.

The Porsche AG Group conducts an independent internal compliance risk assessment in its main departments to identify risk potential, determine focus areas, and derive preventive actions.

Minimum standards for integrity and compliance training and communication

In addition to the ICRA packages of actions, the minimum standards provide a more detailed framework for designing and implementing Integrity & Compliance training and are provided centrally by Group Integrity & Compliance. They are intended to provide the brands and companies with guidance on the training topics, their target groups and the minimum content. These Group-wide minimum standards ensure a defined level of homogeneity in Group-wide Integrity & Compliance training. The respective brands and companies are responsible for developing an effective training program and organizing and implementing training courses, such as Code of Conduct training, taking account of the minimum standards.

Code of Conduct training is aimed at all employees in the controlled companies, including company management. The training course must be repeated every three years for employees in non-production areas (full-time and part-time employees and managers). Participation is recorded in the system. Interns, student workers and doctoral candidates, for example, are exempt. At the end of fiscal year 2025, 280,865 (261,707) employees had a valid qualification on the Code of Conduct. This is equivalent to 94 (97) % of the active workforce eligible for training. A total of 14,980 employees of Porsche AG (86% of the relevant Porsche AG employees) completed the digital training module on the Porsche AG Code of Conduct in fiscal year 2025. The training module introduces the guidelines for conduct and provides information on the whistleblower system and contact details for the Compliance Helpdesk. Content on the prevention of conflicts of interest and corruption, as well as human rights, are also part of the training module.

The Group-wide implementation of the mandatory training measures on the Code of Conduct is reported to the Group Board of Management on an ad hoc basis and at least once a year.

Employees in production-related areas receive the relevant training every four years. The training course is based on the principles of the Code of Conduct brochure and includes topics such as environmental compliance, product compliance and the prohibition of corruption. The content is updated regularly.

ACTIONS: CORPORATE CULTURE

Code of Conduct training

Code of Conduct training educates Volkswagen Group employees on the topics of integrity and compliant conduct, the prohibition and, specifically, the prevention of corruption. An in-depth description of Code of Conduct training is provided in “Policies: Corporate culture”.

Employees from senior management upwards are certified on the Code of Conduct every two years, with the aim of recognizing their function as role models, raising their employees’ awareness accordingly and making it easier for them to find relevant information in the Code of Conduct. As part of the certification, participants are made aware of their reporting obligation in the event of serious compliance breaches as set out in their employment contract and the disclosure of any conflicts of interest.

Code of Conduct brochure

The Code of Conduct brochure is used to communicate the Code of Conduct to all employees and external stakeholders. It aims to create a consistent understanding of the Code of Conduct throughout the Volkswagen Group.

All employees receive the brochure when they start working for the company. It can also be accessed online, both internally and externally. The document is published across the Group, regularly updated, and supported by relevant communication campaigns. In September 2025, the Code of Conduct was updated with respect to the reporting channels for the whistleblower system.

Tone from the top

Tone-from-the-top communication conveys the stance of both company management and top management on integrity and compliant conduct to employees and external stakeholders. It serves as a model for all employees and so has a substantial influence on integrity and compliance in the corporate culture. Through regular Integrity & Com-

pliance communication, consistent action, and by exemplifying values, both top management and company management signal that integrity and compliant conduct are not only expected but actively promoted. This is how the tone from the top creates trust and provides guidance in everyday working life. Tone-from-the-top communications are documented in a risk-specific manner.

Role Model Programme

Encouraging and empowering managers to actively contribute to a successful transformation and act as role models is an important part of the Volkswagen Group's philosophy. Managers who lead by example, motivate their teams, encourage resilience in the face of change, bolster their teams' effectiveness and create trust. These are key factors for successful teamwork. Role Model Programme helps managers to reinforce these factors.

A toolbox of clear team activities gives managers suggestions and instructions that can be implemented easily, without any additional budget and that are easy to integrate into day-to-day work. In all activities, it is about making management dynamic and engaging, dismantling distances between hierarchy levels, promoting innovation, and reinforcing mutual trust and interaction. The methods and instructions contained in the toolbox are assigned to the seven Group Essentials. In addition to the centrally suggested methods and instructions, the managers have the option to develop their own methods and tools and to implement them as actions in the program using wild cards.

The binding framework, with its minimum requirements for managers, supports the implementation of this program to improve the corporate culture. The Role Model Programme is run annually across the Group. It is targeted at all employees with management or team leadership functions in the Group.

myVOICE

The employee survey myVOICE (formerly *Stimmungsbarometer*) is a positive action for promoting corporate culture. Regularly gathering opinions, assessments and criticism strengthens the ongoing dialogue between employees and managers. This helps to foster transparency, trust, and a culture of open communication. The survey gives managers insights into potential improvements in their areas of responsibility and supports them in identifying and implementing appropriate actions using various tools and instruments. In 2024, the opinion survey was suspended in the Group to allow it to be revised. Following its revision, the opinion survey was relaunched under the name of myVOICE, initially to four companies in 2025. The tool will be rolled out in other Group companies starting in 2026.

The principles and response rates of myVOICE are described under "Processes: Engaging with employees and workers' representatives about impacts" in the "Employees and Non-Employees" chapter. Further information, including on the actions based on myVOICE, is provided in the section on "Actions related to working conditions".

TARGETS: CORPORATE CULTURE

The Volkswagen Group generally develops targets where there is a connection to its strategies. No measurable, outcome-oriented targets within the meaning of the ESRS are currently defined in relation to corporate culture. The effectiveness of the management policies and actions related to the positive impact identified in the materiality assessment, which was performed in the reporting year, is currently not monitored. The Code of Conduct and the related training courses are an important expression of the corporate culture.

An update of the Code of Conduct was publicized throughout the Group on January 1, 2024. In September 2025, a further update was made regarding the reporting channels of the whistleblower system. Relevant additional content

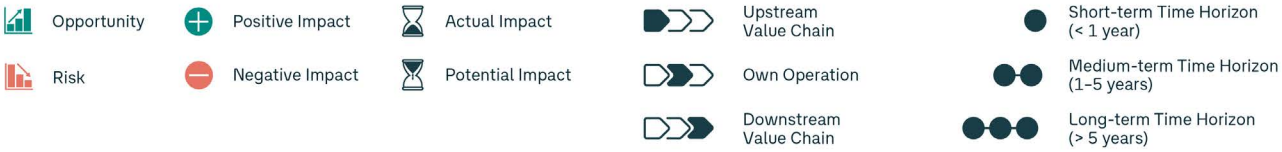
and an overarching, Group-wide narrative convey a clear, values-oriented attitude and ensure ease of integration of future developments. The topics of integrity and compliant conduct are also covered in the myVOICE employee survey.

PROTECTION OF WHISTLEBLOWERS

MATERIAL IMPACTS AND THEIR INTERACTION WITH STRATEGY AND BUSINESS MODEL

IMPACT IN THE AREA OF WHISTLEBLOWER PROTECTION

Description	Impact/ Risk/Opportunity	Actual/ Potential Impact	Value Chain	Time Horizon
Protection of Whistleblowers				
The Volkswagen Group achieves a positive impact through a corporate culture built on trust and integrity, reinforcing the willingness of employees and other stakeholders along the entire value chain to report unethical behavior and misconduct. Positively influencing whistleblower protection encourages all stakeholders to continue to report misconduct.		 	 	



Interaction with strategy and business model

The protection of whistleblowers is a core element of integrity and compliance and is therefore embedded in regenerate+.

The Volkswagen Group enhances its positive impact on its business model and value chain through various actions in the area of whistleblower protection. These are intended to help to maintain and reinforce the positive impact, particularly through training on the whistleblower system and the consequences of misconduct.

POLICIES: PROTECTION OF WHISTLEBLOWERS

Compliance with legal requirements, internal rules, the Code of Conduct and the Code of Conduct for Business Partners has top priority in the Volkswagen Group. The Volkswagen Group's success is based on integrity and compliance. To achieve this aim, it is important to identify potential misconduct by the Group's own workforce or its suppliers' and other business partners' staff and take steps to prevent it. The Volkswagen Group's investigation offices therefore operate an independent, impartial and confidential whistleblower system, among other actions, in order to investigate any potential employee misconduct and sanction it if necessary. The whistleblower system is addressed in various Volkswagen Group policies, particularly in the Code of Conduct and Code of Conduct for Business Partners, which are freely accessible on the Volkswagen Group website. The Volkswagen Group also has a Group policy and rules of procedure for the grievance mechanism, providing a framework to protect individuals, including workers' representatives, against retaliation.

Whistleblower system

The Volkswagen Group's whistleblower system is a key component of business ethics and is based on the principles of protection, fairness and trust. The whistleblower system is the central point of contact for reporting serious cases of rule-breaking by Group employees or by suppliers and other business partners. All the Group's employees, business partners and their workforce, customers and other third parties can report information on potential breaches of the rules at any time. They may also do this anonymously if they so choose.

The reporting channels are available around the clock. Reports can be submitted in any language. Reporting channels include an online reporting channel, which accepts reports in more than 60 languages, an app, an international 24-hour telephone hotline and an external attorney who acts as an ombudsperson. Matters that can be reported include in particular white-collar crimes, acts of corruption, tax offenses, environmental offenses, infringements of antitrust and competition legislation, money laundering and terrorism financing, breaches of product safety and licensing regulations, and serious breaches of data privacy. The whistleblower system and its channels are also a means of providing information relevant to the *Lieferkettensorgfaltspflichtengesetz* (LkSG – German Supply Chain Due Diligence Act) on the Group's own operations or those of the supply chain.

The reporting channels are communicated to employees in all mandatory compliance training courses and through other communication formats. Employees can also contact the internal workers' representatives with their concerns. Further information is provided under "Processes: Engaging with employees and workers' representatives about impacts" in the "Employees and Non-Employees" chapter.

In addition to these complaint channels operated by the Volkswagen Group itself, external grievance mechanisms are also available, such as the *Bundesamt für Wirtschaft und Ausfuhrkontrolle* (BAFA – German Federal Office for Economic Affairs and Export Control). Reports received by the Volkswagen Group are transferred to the whistleblower system and processed there.

The whistleblower system is for the Volkswagen Group and was launched by the Group Board of Management. The whistleblower system is intended to avert damage to the company, the entire workforce and other stakeholders through binding principles and regulated procedures. Another objective of the whistleblower system is to protect the whistleblower, and everyone who helps to uncover, investigate and stop misconduct and rule-breaking.

Departments that act as key contact points (KCPs) play a central role in the whistleblowing process for reporting, investigating and sanctioning employee misconduct. These departments are frequently the first point of contact for reports of possible breaches of laws, regulations, or the Code of Conduct. The contacts in these departments include, for example, local compliance officers, internal auditors, representatives of the Human Resources department, and decision-making and escalation committees for product safety and technical conformity regulations.

The Central Investigation Office in Wolfsburg is responsible for coordinating the Group-wide whistleblower system. It processes whistleblower information concerning Volkswagen AG and any of its subsidiaries that do not have their own investigation office and also processes reports with relevance for the Volkswagen Group. AUDI AG, Dr. Ing. h.c. F. Porsche AG (Porsche AG) and TRATON SE each have their own investigation offices for themselves and their subsidiaries. There is also a regional investigation office at Volkswagen (China) Investment Company Ltd. It processes whistleblower information concerning Volkswagen AG's and AUDI AG's Chinese subsidiaries.

In individual cases, the relevant investigation office also commissions investigations by independent third parties, such as law firms or auditors. This may occur especially if cases are exceptionally complex – particularly if they pose the threat of imminent legal consequences for the Volkswagen Group (e.g. in the event of particularly serious corruption or possible breaches of antitrust and competition law). An IT system, internal controls and multiple-party verification assist the investigation offices in handling reports.

Consequences of misconduct

Proven misconduct may, depending on its severity, be sanctioned by a warning, a reprimand, or dismissal. If necessary, following serious breaches of rules that are sanctioned, structured root cause analyses are conducted in order to prevent such and similar incidents in the future.

The Volkswagen Group assures all whistleblowers and people who support the whistleblowers or the investigations of their protection from any reprisals they could experience due to their reports. This protection is set out in the Group policy "Volkswagen Group Whistleblower System" and described in the Code of Conduct. Breaches of these anti-retaliation regulations are treated as suspected serious violations and sanctioned accordingly. Through the provisions of this Group policy, the Volkswagen Group also takes account of international laws on whistleblower protection, such as the EU Whistleblower Protection Directive, the corresponding national transposition laws, and the *Lieferkettensorgfaltspflichtengesetz* (LkSG).

The Group Integrity & Compliance organization is responsible for the topic of whistleblower protection. It belongs to the Integrity and Legal Affairs function of the Board of Management.

GRIEVANCE MECHANISM FOR HUMAN RIGHTS AND ENVIRONMENTAL RISKS AND VIOLATIONS

The procedure for handling complaints in the whistleblower system concerning human rights and environmental risks and violations is based on the effectiveness criteria in the UN Guiding Principles on Business and Human Rights and is clearly described in rules of procedure.

Information is provided in a way suitable for the context and target group. The rules of procedure provide target groups with access to the information needed to participate in the complaint procedure, including information on the procedure's time frame.

When a complaint is received through the reporting channels managed by the whistleblower system, the first step is to document it. If the complaint concerns a situation in the Group's own business area without any employee misconduct, the whistleblower system will immediately forward the complaint to the relevant body within the Group that, based on the complaint's subject matter, is responsible for handling the complaint. Complaints concerning potential employee misconduct in the Group's own business area are dealt with under the whistleblower system. Every case in which there is the possibility to contact the complainant is discussed with the complainant. The whistleblower is informed of the processing and outcome of the case, aiming for the greatest possible transparency while complying with the need-to-know principle. After completion of the investigation, the responsible department must document the case. The Group has a catalog of actions for taking action against breaches of the rules, which was drawn up taking local legislation into account and is implemented across the Group.

The Volkswagen Group provides web-based training on human rights to ensure that employees are familiar with the structures and procedures and trust them as a way to raise their concerns or needs and have them addressed. This training explains all the available contact options in detail.

The Volkswagen Group has a Group policy and rules of procedure for the grievance mechanism, providing a framework to protect individuals, including workers' representatives, against retaliation.

Decision-makers in the company are regularly informed on serious breaches of duty related to human rights within the company.

The procedure is checked for its effectiveness. Questions about or suggestions for the improvement of the whistleblower system can be addressed to the investigation offices. Anyone who has been interviewed in an investigation also has the option of giving feedback to the ombudsperson, who acts as an independent body.

ACTIONS: PROTECTION OF WHISTLEBLOWERS

The whistleblower system's primary objective is to enable potential serious misconduct to be reported and investigated in a fair, transparent and efficient way. At the same time, the protection of the whistleblowers, employees, people supporting the whistleblowers or the investigation, and those affected must be ensured.

The Group policy on the Volkswagen Group's whistleblower system applies to all controlled companies and employees and must be implemented in all controlled Group companies. It conclusively and comprehensively regulates the activities both of the investigation offices and of the investigating units in the investigation of potential breaches of the rules that are received through the whistleblower system's channels. It contains standards and general codes of practice for the design of the Group-wide whistleblower system and internal investigations in the Volkswagen Group, and sets out the responsibilities to be established to this end. It also specifies the parties involved in the processes of the whistleblower system, including the Legal, Internal Audit, Security, Human Resources, and Compliance departments.

Communication

Within the Volkswagen Group, regular communication takes place on the topics of integrity and compliance in order to increase employee awareness of appropriate conduct and the Group's rules and values. This particularly entails communication actions concerning the whistleblower system, such as internal and external communication of the reporting channels, and how the whistleblower system works. In addition, the reporting channels and further information are publicly accessible on the Volkswagen Group website at all times.

One separate external format is ComplianceXChange, in which experts share information with other DAX or European companies – following a prior legal appraisal – on various focal points, such as whistleblower systems.

The Volkswagen Group has defined minimum standards based on various legal and professional requirements and best practices that apply depending on the location of the company – inside or outside the EU. Each company is required to check whether there are country-specific or other local legal requirements and whether the corresponding information needs to be adapted accordingly.

The Group Board of Management and the Audit Committee of the Supervisory Board receive an updated statistical report on the Volkswagen Group's whistleblower system once a quarter at their meetings.

Training on the whistleblower system

To ensure that all employees are informed about the whistleblower system, the company provides training on its use. The Code of Conduct training, which is mandatory for all employees, includes an explanation of the whistleblower system, its reporting channels and its procedural principles. This training also clarifies the legal consequences of retaliation against whistleblowers. Employees who might frequently come into contact with breaches of rules due to their work receive in-depth training. This includes, for example, employees in the Audit, Security, Human Resources, and Legal Affairs departments or those in Group Integrity & Compliance. Participation in mandatory training courses is tracked.

TARGETS: PROTECTION OF WHISTLEBLOWERS

The Volkswagen Group generally develops targets where there is a connection to its strategies. No measurable, outcome-oriented targets within the meaning of the ESRS are currently defined in relation to the protection of whistleblowers. The effectiveness of the management policies and actions related to the positive impact identified in the materiality assessment, which was performed in the reporting year, is currently not monitored.

PREVENTION OF CORRUPTION AND BRIBERY

MATERIAL IMPACTS AND THEIR INTERACTION WITH STRATEGY AND BUSINESS MODEL

IMPACT IN THE AREA OF CORRUPTION AND BRIBERY PREVENTION

Description	Impact/ Risk/Opportunity	Actual/ Potential Impact	Value Chain	Time Horizon
Prevention of Corruption and Bribery				
The Volkswagen Group already has a positive impact by promoting a culture of integrity and strengthening the trust of stakeholders along the entire value chain through its engagement and an effective compliance management system as part of its efforts to combat corruption and bribery. Work to counter corruption and bribery will be continued so that the impact can potentially also have an effect in the medium term.		 	 	



Interaction with strategy and business model

Our impacts identified in the materiality assessment have an effect on the Group's strategy, business model and value chain. Integrity and compliance are cornerstones of regenerate+. The Code of Conduct forms the ethical and values-based foundation for integrity and compliance in the Volkswagen Group.

The Volkswagen Group uses the instruments of the compliance management system in its work to combat corruption to emphasize the influence of its material impacts on its business model, strategy and value chain. Here, particular focus is placed on ethical business practices as well as on tackling corruption and bribery – also along the value chain – in order to maintain and reinforce positive impacts.

Actions to combat corruption and bribery are part of regenerate+ and may in turn have an effect on the value chain.

MANAGEMENT POLICIES: PREVENTION OF CORRUPTION AND BRIBERY

The Volkswagen Group is fully committed to acting lawfully and responsibly and pursues a strict zero-tolerance policy against corruption. This principle is firmly anchored in the corporate values. This is also reflected in the Code of Conduct for Employees and the Code of Conduct for Business Partners, and thus forms the guiding principle for the Volkswagen Group's actions. The relevant documents can be viewed on the Group website at https://www.volkswagen-group.com/en/integrity-and-compliance-15705. Further Group policies set out how to deal with conflicts of interest, donations and sponsorship or benefits, particularly in the form of gifts or invitations.

The Volkswagen Group follows up on reports of potential violations against legal provisions or its own corporate values and regulations, with the aim of ensuring compliant and lawful conduct within the Volkswagen Group. The handling of potentially serious breaches of rules falls within the remit of the investigation offices. Appropriate

individuals and departments, in particular managers and Human Resources, are responsible for dealing with other breaches of rules. Employees who are involved in unfair business practices are sanctioned.

The Group Integrity & Compliance department is responsible for anti-corruption and the prevention of bribery and money laundering. It belongs to the Integrity and Legal Affairs function of the Board of Management.

ACTIONS: PREVENTION OF CORRUPTION AND BRIBERY

Written guidelines

The Code of Conduct is available to all Volkswagen Group employees and third parties on the Group website https://www.volkswagen-group.com/en/integrity-and-compliance-15705. In addition, the Group Integrity & Compliance communication team organizes information and communication activities such as campaigns, film and dialogue formats, newsletters and interactive games, with the aim of raising awareness of integrity and compliance topics.

Activities in the area of corruption prevention are based on the Group-wide policy on benefits and gifts, which sets out clear rules for dealing with gifts, invitations, and other benefits. It also contributes to preventing conflicts of interest and avoiding even the appearance of undue influence. The aim of these activities is to ensure that the Volkswagen Group's business practices are as transparent as possible and comply with the applicable regulations.

Advice

The Integrity & Compliance Information Point has established itself as a central advisory office at Volkswagen AG. The team can be contacted in person, by email or by app (including the Volkswagen 360° app). It answers questions on integrity and compliance, particularly on the Code of Conduct and the topic of anti-corruption, and is in close communication with other advisory bodies in the Group.

Training activities and certification

To avoid corruption risks, risk-based communication and training activities on the topic of anti-corruption are carried out regularly. These actions not only cover the prohibition of corruption and how to deal with officeholders and mandate holders in this regard, but also cover topics related to the prevention of money laundering. A detailed description of the Volkswagen Group's compliance training is provided in "Training programs".

Employees from senior management upwards are certified on the Code of Conduct every two years. By signing the certificate, they confirm their knowledge of the Code of Conduct, and of their obligation to report potential conflicts of interest and serious breaches of regulations.

Business partner due diligence

As part of the Business Partner Due Diligence (BPDD) process, the integrity of sales partners is reviewed using a risk-based approach with a focus on anti-corruption. The due diligence is carried out prior to entering into a business relationship and continued for the entire business relationship. Early identification of potential risks enables preventive or reactive mitigating actions to be taken to ensure the reliability and stability of business relationships. Automated daily integrity monitoring of business partners is another key component of this. Sales partners are also subjected to additional risk-based checks, such as audits. Business partners receive support in various formats, such as compliance dialogues, so that they meet the necessary standards. Group Integrity & Compliance supports the sales entities with operational responsibility in conducting the Business Partner Due Diligence process. The process includes regular media screenings, risk assessments, sanction list checks and identifying warning signs with regard to business partners. The Volkswagen Group checks whether business partners have a compliance management system (CMS) or have implemented any compliance actions. The aim is to identify risks for breaches of the law and disregard of ethical standards at an early stage, avoid high-risk business partners and, where possible, define actions to minimize risk and implement these jointly with business partners. In individual cases, business partners are contacted directly to resolve potential violations. If this is not possible, the Group refrains from entering the business

relationship or terminates it as the law allows. The business partner in question may be blacklisted from doing business with the Volkswagen Group, its brands and its companies.

In addition to automated, continuous integrity monitoring of the business partner in the BPDD tool, the implementation of any mitigation actions potentially agreed with the business partner prior to the conclusion of the contract is also monitored. Furthermore, the business partners are regularly assessed to determine whether further actions such as, in particular, compliance dialogues, on-site visits or external audits are required to ensure a compliant and lawful business relationship. If necessary, these actions are taken in collaboration with the responsible compliance officers as part of a risk-based approach.

Handling breaches

In the case of breaches by employees, a systematic investigation is carried out and – if required – sanctions are imposed on the employees in question. Reports can be made confidentially and also anonymously through the Group-wide whistleblower system at any time. These cases are thoroughly investigated by the competent departments (for example, investigation offices in cases of potentially serious misconduct).

The Volkswagen Group conducts investigations with the utmost confidentiality after a thorough review and in cases where there are firm indications of rule-breaking. There is a presumption of innocence. Those involved are interviewed as soon as possible, and their names are cleared if they have been wrongly accused. Proven misconduct may, depending on its severity, be sanctioned by a warning, a reprimand, or dismissal.

Training programs

The Volkswagen Group offers its employees and suppliers the following training programs on the topic of preventing corruption and bribery:

Training for employees in the Volkswagen Group

The Volkswagen Group has a strict zero-tolerance policy toward any form of active or passive corruption. Companies with high exposure to risk pursuant to the ICRA are obliged to conduct anti-corruption and anti-money-laundering training for their employees. The training includes special modules on dealing with officeholders and mandate holders, handling benefits/contributions, and the prevention of money laundering. It is directed at all employees in non-production areas and must be repeated every three years. In 2025, the training was redesigned and subsequently rolled out in ICRA companies with a high-risk profile. Companies who have already introduced the new training course on anti-corruption and anti-money laundering report a training rate based on this course. Companies that have not introduced the new training – but use two separate training courses for anti-corruption and anti-money laundering – report two separate training rates based on the individual courses. A qualification on the topics of anti-corruption and anti-money laundering is generally available for all those who are eligible. At the end of fiscal year 2025, 87,620 employees of ICRA high-risk companies had a valid qualification (new training) in anti-corruption and anti-money laundering. This is equivalent to 69% of indirect employees eligible for training. At the end of fiscal year 2025, 29,288 employees of ICRA high-risk companies had a valid qualification in anti-corruption. This is equivalent to 85% of indirect employees eligible for training. At the end of fiscal year 2025, 14,577 employees of ICRA high-risk companies had a valid qualification in the prevention of money laundering. This is equivalent to 83% of indirect

employees eligible for training. In the ICRA high-risk companies, the training was implemented based on various rollout scenarios. Within the Porsche AG Group, the functions at increased risk of corruption and bribery in the context of the ESRS as a result of their tasks and responsibilities are defined at company level. In 2025, the proportion of trained indirect employees in companies with an increased risk was 82%, which corresponds to 18,961 qualified employees. The companies of the Porsche AG Group at increased risk of corruption and bribery are identified via the compliance risk analysis. These companies conduct training on the Porsche Code of Conduct for their indirect workers, covering topics such as anti-corruption and the prevention of money laundering.

The Group-wide implementation of the mandatory training on anti-corruption and the prevention of money laundering is reported to the Group Board of Management on an ad hoc basis and at least once a year.

As a rule, members of the Board of Management are part of the target group for the mandatory integrity & compliance training. In addition, after being appointed they receive one-off, in-depth, and personal training on the Code of Conduct, anti-corruption, and the prevention of money laundering. In future, members of the Group Board of Management will also receive in-depth, target-group-specific training on anti-corruption and the prevention of money laundering. Carrying out these two training courses is the responsibility of the competent integrity & compliance officer.

A deep-dive training session on corruption prevention was organized for members of the Supervisory Board in the 2024 fiscal year.

Training for suppliers

Training on the Code of Conduct for Business Partners on anti-corruption and the prevention of money laundering is also made available to business partners from Sales and Procurement. The Code of Conduct for Business Partners has been a contractual component of agreements with suppliers and service providers since 2020.

TARGETS: PREVENTION OF CORRUPTION AND BRIBERY

The Volkswagen Group generally develops targets where there is a connection to its strategies. No measurable, outcome-oriented targets within the meaning of the ESRS are defined in relation to corruption and bribery. The effectiveness of the management policies and actions related to the positive impacts identified in the materiality assessment, which was performed in the reporting year, is currently not monitored. An internal compliance risk assessment of the companies in the Volkswagen Group's own business area is conducted with the aim of achieving risk-based management of prevention actions. The ICRA serves to systematically identify, assess, and minimize compliance risks – particularly corruption and money laundering risks. Actions for targeted prevention are rolled out to the companies using a risk-based approach following an analysis of the risks which takes account of various factors such as geographic risks, sector-specific characteristics and past incidents. In the case of Group companies with a high level of risk exposure, external audits are conducted on the implementation and effectiveness of the prevention actions.

METRICS: CORRUPTION AND BRIBERY

In 2025, the investigation offices received a total of 4,214 (3,555) reports, most of which were either not anonymous, or anonymous with the option to contact the whistleblower. The total number and type of identified cases of corruption are also determined by the Volkswagen Group's investigation offices. The types of cases include corruption, bribery, fraud, extortion, collusion and money laundering. Convictions of Group employees for violations of anti-corruption and anti-bribery laws committed in the course of their work for the Group are taken into account if and to the extent that the Group is aware of the convictions. Fines are reported if they are directly related to the conviction.

In the year under review, three final judgments for fraud are known to have been handed down. These are described in more detail in the "Report on Risks and Opportunities" chapter in the "Litigation" section of the Group management report.

CORRUPTION AND BRIBERY

Number	2025	2024
Ascertained cases of corruption or bribery (including fraud, extortion, collusion and money laundering)	4	5
Convictions for violation of anti-corruption and anti-bribery laws	3	1

POLITICAL INFLUENCE AND LOBBYING ACTIVITIES

MATERIAL IMPACT AND RISK AND THEIR INTERACTION WITH STRATEGY AND BUSINESS MODEL

IMPACT AND RISK IN THE AREA OF POLITICAL INFLUENCE AND LOBBYING ACTIVITIES

Description	Impact/ Risk/Opportunity	Actual/ Potential Impact	Value Chain	Time Horizon
Political Influence and Lobbying Activities				
The Volkswagen Group is an active participant in various networks of experts and decision-makers who have substantial influence on economic conditions and the sociopolitical agenda. The Volkswagen Group has a positive impact on the focus on sustainable mobility through lobbying activities and political influence.				
A decline in the social significance of the automotive industry or legal restrictions on lobbying activities in the coming years could lead to a reduction in the Volkswagen Group's influence on political decision-making processes. As a result, the Volkswagen Group may be negatively impacted by political decisions without the opportunity to actively influence them (in good time). This may result in regulatory consequences that impact the Group's long-term business operations and profitability – particularly due to increasing costs to comply with new legal requirements.				



Interaction with strategy and business model

The positive impact and the risk identified in the materiality assessment affect the Group's business model, strategy and value chain. The Volkswagen Group uses various actions in the area of political influence to both enhance the material positive impact on its business model, strategy and value chain, and respond to any material risks in this respect. In addition to the one voice policy and political lobbying, actions include strategic risk assessments and the development of corresponding strategic forecasts accompanied by recommendations for action.

Strategic business decisions can affect the opportunities for representing political interests. The Volkswagen Group represents its interests worldwide; these are heard in the political decision-making process, which in turn has an influence on the business model and the value chain.

What is more, the Volkswagen Group's business model and the value chain are inherently influenced by structural change and geopolitical developments.

POLICIES: POLITICAL INFLUENCE AND LOBBYING ACTIVITIES

As part of society, the Volkswagen Group can integrate the positions of the Group into decision-making processes, for example, in legislative proposals, in a targeted manner through political influence, i.e. lobbying. Lobbying is organized centrally and in line with the principles of openness, transparency, and responsibility. Neutrality in dealing with political parties and stakeholder groups is standard practice for the Volkswagen Group. Any unfair influence on policy and legislation stands in contradiction to the Volkswagen Group's Code of Conduct and is not tolerated.

Political influence is defined in various documents, including the internal Public Affairs Group Policy and the publicly available Principles and Guidelines for Public Affairs. This policy is aimed at the brands and companies of the Volkswagen Group and their political officers. The Group policy's requirements must be implemented in each company's own regulations. The Group External Relations department, particularly the Head of Public Affairs, has process responsibility for a one voice policy within the framework of the Public Affairs Group Policy. The Head of Public Affairs regularly informs the Board of Management on the status and messaging of the Group's political engagement. With a direct reporting line to the Chair of the Board of Management, the Head of Public Affairs can escalate topics to the Board of Management if required, with the aim of establishing the Group's position.

The aim of the one voice policy is to define a standardized, coordinated, and binding position for political issues relevant to the Group. This is communicated to the respective audiences worldwide with consistent messaging from the Group, brands, and companies. As a result, the Group's interests are represented with the same, internally agreed content, objectives, and statements. The Group policy is intended to ensure transparent political influence activities in the political decision-making process. The policy communicates the fulfillment of statutory requirements and the inclusion of other external stakeholder expectations to all controlled companies, with the aim of avoiding financial and legal risks, erosion of confidence, and reputation risks. In addition, any exclusion from public orders due to strict regulations and/or non-compliance with political obligations is to be minimized or prevented.

With regard to dealing with officeholders and mandate holders, strict regulations apply nationally and internationally to prevent corruption. The internal policies on benefits take these fully into account.

As an active participant in society, the Volkswagen Group makes donations and provides sponsorship for social purposes. Donations are voluntary contributions for which nothing is received in return, whereas sponsorship money is provided in return for a contractually agreed service. To avoid conflicts of interest and ensure consistent conduct within the Group, donations and sponsorship measures are only permitted within the framework of the relevant legal system and in accordance with the current internal requirements. The Volkswagen Group only provides such actions within the framework of an authorization process.

In addition, the Volkswagen Group supports scientific, charitable and cultural causes with donations in cash and in kind. Furthermore, donations are only made to accredited non-profit organizations or organizations specifically endorsed to receive donations.

The Volkswagen Group strives to create sustainable, environmentally friendly, and resource-conserving products and production facilities. The Group is therefore committed to ambitious, yet economically feasible environmental and climate targets. This requires workable guidelines in various topic areas.

The Volkswagen Group currently focuses on the following issues:

- Promoting e-mobility

  The Volkswagen Group believes that promoting e-mobility is vital to achieving climate-related targets, and that this requires a well-developed charging infrastructure in particular. Its expansion must be accelerated and pursued with commitment.

  The Volkswagen Group believes that funding instruments in the early phases of the ramp-up are a critical element in the success of e-mobility in increasing the market acceptance of electric vehicles.

In addition, alternative and lower-carbon fuels should be further developed and used to decarbonize the transport sector and specifically the vehicle fleet.

- Regulation of batteries
  Given its strategic orientation, battery-specific regulations are extremely important for the Volkswagen Group. These govern factors including the systems and methodologies for determining a battery's carbon footprint, which should be flexible and fair.
- Regulations on CO_2 fleet legislation
  The Volkswagen Group is fundamentally committed to the goal of 100% decarbonization in the transport sector. We regard electric mobility as the technical solution for the future. However, given the reality of the current market, we also recognize the need for CO_2-related legislation to be made more flexible and to assume realistic timelines for implementation on the path towards decarbonization. Current legislation was developed at a time when forecasts concerning electrification were much more optimistic than the current realities of the market – despite all the efforts of the automotive industry and a stark rise in the number of electric vehicles on offer.
- Regulated trade
- The Volkswagen Group is a globally active company that advocates for fair, regulated international trade. For the automotive industry and its global networks of supply chains, a binding regulatory environment is essential for supporting the creation of competitive structures during the transformation process and for safeguarding planning reliability. European production and strategically important products need to be bolstered over the long term by improving local conditions within Europe. Here, the conclusion of already negotiated trade agreements and partnerships in strategic areas as well as the establishment of new ones can help with factors such as minimizing barriers to trade and the distortion of competition or establishing reliability. The Volkswagen Group supports this.
- Cybersecurity, data and digitalization
  Cybersecurity, digitalization and AI are major topics in the automotive industry at present. The Volkswagen Group supports responsible handling of all types of data and uses access to vehicle data as the bedrock for new value creation based on existing laws.
- Automated driving
  Automated driving will become an integral part of the development of future mobility. To advance its development activities in this area, the Volkswagen Group believes it is essential to create uniform regulations and remove restrictions.
- Climate policy and emissions
  The Volkswagen Group is committed to sustainable, environmentally friendly and resource-efficient products and production facilities, and therefore to ambitious yet economically viable environmental and climate targets. The Group believes that this requires, among other things, practicable guidelines in various topic areas such as recycling rates and end-of-life regulations.
- Competitiveness of the automotive industry
  The Volkswagen Group is committed to enhancing the economic strength of the EU's automotive sector and reducing red tape in the sector. The aim is to not only accelerate innovations but also scale them up for industrial production. This is particularly true for battery cell production, with the aim here being to promote this process with output-based support. The industry needs access to cheaper energy. It is important to diversify the sources of raw materials and enter into partnerships with third countries. Furthermore, regulations or red tape must not put European companies at a disadvantage.

Volkswagen AG (R001681), Dr. Ing. h.c. F. Porsche AG (R001768), TRATON SE (R001565), VW Financial Services AG (R001704), PowerCo SE (R006923), AUDI AG (R001702), MAN Truck & Bus SE (R001638), Cariad SE (R006271),

MOIA GmbH (R000349), Everllence SE (R001653), and Volkswagen Group Charging GmbH (R001890) are registered in the Lobbying Register of the German Bundestag.

Volkswagen Aktiengesellschaft (REG number: 6504541970-40), Scania AB (publ) (REG number: 3305029916-47), Everllence SE (REG number: 101247832736-33) and MAN Truck & Bus SE (REG number: 06093891220-52) are registered in the EU Transparency Register. The State of Lower Saxony appointed its Minister President Olaf Lies to the Volkswagen AG Supervisory Board on May 20, 2025. Prior to his appointment, Minister President Lies had been Lower Saxony's Minister for Economic Affairs, Housing, Transport and Digitalization since November 2022. Apart from Minister President Lies, no further persons holding a similar position within public administration (including regulatory authorities) were appointed to the Supervisory Board in the two years preceding Minister President Lies' appointment in financial year 2025.

ACTIONS: POLITICAL INFLUENCE AND LOBBYING ACTIVITIES

The Volkswagen Group has introduced various actions that will continue to be implemented in the future. These serve the purpose of managing and establishing consistency in the Group's lobbying.

Political influence

In order to support the Volkswagen Group's strategy, the Public Affairs department influences the political framework. Active lobbying is supported primarily by regular association work and contact with policymakers via the headquarters or external offices. The department's aim is to ensure standardized global management and consistency in the Group's political influence outside the company.

Risk assessment and strategic forecast

In its risk assessment, the Volkswagen Group identifies and assesses relevant political developments and regulatory measures on an ongoing basis. Recommendations for action for Group management are derived with the involvement of a network of policymakers, external partners, associations, topic owners and priority markets.

One voice policy

The Volkswagen Group's one voice policy is organized through Group and brand guidelines, lobby guidelines, and information and voting cascades (group calls, regular conference calls and coordination formats). This approach takes regulatory requirements into account, such as the Lobbying Register of the German Bundestag or EU regulations such as the CSRD or the EU Foreign Subsidies Regulation. In addition, requirements due to ESG ratings or from other processes are included.

All controlled companies are required to meet the targets defined in Group policies within a set period of time. If a company is unable to implement the policy, it is obligated to report this.

TARGETS: POLITICAL INFLUENCE AND LOBBYING ACTIVITIES

The Volkswagen Group generally develops targets where there is a connection to its strategies. No measurable, outcome-oriented targets within the meaning of the ESRS are defined in relation to political influence and lobbying activities. The effectiveness of the management policies and actions related to the positive impact and the risk identified through the materiality assessment, which was performed in the reporting year, is currently not monitored.

The objectives in the Public Affairs department are shaped by management tasks within the Group and supporting activities for the Group. The management and consistency of political influence activities in the Group are decisive in ensuring uniform and strategic communication toward policymakers and non-governmental organizations (NGOs). The Group must, of course, ensure that all legal requirements are met. In addition, operational support is offered to all areas of the Group in special cases involving official processes, ensuring targeted and efficient handling.

METRICS: POLITICAL INFLUENCE AND LOBBYING ACTIVITIES

The Group's total political contributions comprise the financial contributions made directly and indirectly by the Group and the monetary value of the in-kind contributions. Direct contributions are those made directly to political parties, their elected representatives or persons seeking political office. Indirect contributions are those made to parties such as lobbyists or associations that are linked to or support certain political parties or causes. The total amount of political contributions is not broken down by region as none were granted, except in the USA. Due to the specific definitions in the ESRS, the figures in this report differ from those entered in lobby registers. As such, this report does not include all the figures from entries in lobby registers.

The value of financial and in-kind political contributions made directly and indirectly by the consolidated companies amounted to €185 (92) thousand in 2025.

MANAGEMENT OF RELATIONSHIPS WITH SUPPLIERS

MATERIAL IMPACTS AND THEIR INTERACTION WITH STRATEGY AND BUSINESS MODEL

IMPACT IN THE AREA OF MANAGEMENT OF RELATIONSHIPS WITH SUPPLIERS

Description	Impact/ Risk/Opportunity	Actual/ Potential Impact	Value Chain	Time Horizon
Management of Relationships with Suppliers				
The Volkswagen Group's fair business conduct can have a positive effect on collaborative business relationships with suppliers.	Positive Impact	Actual Impact	Upstream Value Chain	
		Potential Impact	Own Operation, Downstream Value Chain	Medium-term Time Horizon (1–5 years), Long-term Time Horizon (> 5 years)

Opportunity · Risk · Positive Impact · Negative Impact · Actual Impact · Potential Impact · Upstream Value Chain · Own Operation · Downstream Value Chain · Short-term Time Horizon (< 1 year) · Medium-term Time Horizon (1–5 years) · Long-term Time Horizon (> 5 years)

Interaction with strategy and business model

The Volkswagen Group has set the target of being able to demonstrate by 2040 that, in terms of sales revenue, over 95% of relevant direct suppliers have a positive Sustainability Rating (S-Rating). The framework for this is provided by the Group sustainability strategy regenerate+, which aims to design the Volkswagen Group's supply chain responsibly, minimize risks and make a positive contribution for all partners.

The impacts identified in the materiality assessment have an influence on the Group's business model, strategy and value chain.

The Volkswagen Group uses a variety of supplier relationship management actions to respond to the way in which its material impacts affect its business model, strategy and value chain. These enable the positive impact to be maintained and reinforced, particularly through the Code of Conduct for Business Partners, specifications and the S-Rating.

POLICIES, ACTIONS AND TARGETS: MANAGEMENT OF RELATIONSHIPS WITH SUPPLIERS

As one of the world's largest automotive manufacturers, the Volkswagen Group bears great responsibility toward its stakeholders. We not only recognize our responsibility but also strive to have a positive impact. The holistic approach of the Group sustainability strategy regenerate+ provides the basis for advancing sustainability in conjunction with stakeholders.

Responsible Supply Chain System

With the Responsible Supply Chain System (ReSC-System), we have established a comprehensive management system designed to identify human rights and environmental aspects in the supply chain at an early stage and address them systematically. It follows a risk-based management approach and is implemented even before a contractual relationship is established, that is, before delivery times and purchase prices are negotiated. This policy aims to avoid or minimize negative impacts, enhance positive impacts and continuously improve the sustainability performance of suppliers. The ReSC-System and its components are described in detail in the "Sustainability in the Supply Chain" chapter, under the section entitled "Management policy: Responsible Supply Chain System".

The foundation of the ReSC-System is based on the following standard measures:

Risk analysis in accordance with the Responsible Supply Chain System

The risk analysis is the first step in the ReSC-System. It is based on the suppliers' respective business models as well as on internal and external data sources on human rights and environmental risks. Based on this assessment, suppliers are assigned risk classes (low, medium, high). Based on this risk classification, the supplier is assigned a package of actions to prevent and mitigate the impacts identified.

Business Partner Due Diligence Process

Activities for verifying the integrity of business partners are described in detail in this chapter under "Actions: Corruption and bribery".

Commissioning deliveries and services is the responsibility of the respective procurement organization of the brands and companies and must be mapped and coordinated in the Group committees and systems in accordance with applicable regulations.

Code of Conduct for Business Partners

The Code of Conduct for Business Partners is a key action to promote fair business conduct at the Volkswagen Group. The Group creates transparency and reliability by setting clear expectations for the conduct of business partners with respect to human rights, environmental, social, and compliance standards. This reinforces trust in business partnerships and ensures their long-term stability.

Further information on the Code of Conduct for Business Partners is provided in the chapter on "Sustainability in the Supply Chain", under the section entitled "Standard actions as the foundation of the Responsible Supply Chain System".

Specifications

In addition to the Code of Conduct for Business Partners, there are further product-specific requirements for suppliers. These are set out in the specifications and stipulate the way in which certain products must be manufactured. The requirements of the specifications include, for example, achieving maximum transparency in the supply chains for cobalt, nickel, lithium and natural graphite used in battery cells.

For new vehicle projects, the Volkswagen Group intends to make CO_2 emissions a technical feature for relevant components in the future. This means that suppliers are given binding CO_2 targets, compliance with which must be proved on request. Only suppliers who manufacture products in accordance with the requirements of the specifications are considered eligible for the award of contracts.

The specifications are regarded as an ongoing action.

Sustainability Rating

The Sustainability Rating (S-Rating) has been an established Group-wide instrument in the Volkswagen Group since 2019. This standardized Group tool allows the degree of compliance with the Volkswagen sustainability requirements by direct suppliers with a high sustainability risk and corresponding company size to be verified. The Volkswagen Group has set the target of being able to demonstrate by 2040 that, in terms of sales revenue, over 95% of relevant direct suppliers have a positive S-Rating. The framework for this is provided by regenerate+. One of the aims of the strategy is to design the Volkswagen Group's supply chain responsibly, minimize risks and make a positive contribution for all partners. This also includes being able to report that 95% of suppliers have a certified environmental management system, such as ISO 14001 or EMAS.

The Volkswagen Group has set an intermediate target that the sales revenue share of the relevant direct suppliers with a positive S-Rating must represent 85% of the total procurement volume by 2025. The proportion of relevant direct suppliers with a positive S-Rating in the reporting year was 87%, exceeding the defined target. Target achievement is continuously reviewed and monitored as part of the Group's Top 10 program.

Annex to the Sustainability Report

DISCLOSURES ON DUE DILIGENCE

DUE DILIGENCE INDEX IN THE SUSTAINABILITY REPORT

Core elements of due diligence	**Chapter**
Embedding due diligence in governance, strategy and business model	> Sustainability management > Sustainability-related aspects of the remuneration system for members of the Board of Management of Volkswagen AG > Other elements in the respective topical standards
Engaging with affected stakeholders in all key steps of the due diligence	> Interests and views of stakeholders > Sustainability management > Procedure for and results of the double materiality assessment > Other elements in the respective topical standards
Identifying and assessing adverse impacts	> Procedure for and results of the double materiality assessment > Other elements in the respective topical standards where material negative impacts have been identified
Taking actions to address those adverse impacts	> Description of the actions in the topical standards where material negative impacts have been identified
Tracking the effectiveness of these efforts and communicating	> Explanation in the topical standards as to whether and how the effectiveness of these efforts is tracked and how this is communicated

ESRS INDICES

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Disclosure Requirement	Datapoint	Description	SFDR (1) reference	Pillar 3 (2) reference	Benchmark Regulation (3) reference	EU Climate Law (4) reference	Location
ESRS 2 GOV-1	21 (d)	Board's gender diversity	Indicator number 13 Table #1 of Annex 1		Commission Delegated Regulation (EU) 2020/1816 (5), Annex II		General Information: Information on the Board of Management and Supervisory Board
ESRS 2 GOV-1	21 (e)	Percentage of board members who are independent			Delegated Regulation (EU) 2020/1816, Annex II		General Information: Information on the Board of Management and Supervisory Board
ESRS 2 GOV-4	30	Statement of due diligence	Indicator number 10 Table #3 of Annex 1				Annex to the Sustainability Report Disclosures on Due Diligence
ESRS 2 SBM-1	40 (d) i	Involvement in activities related to fossil fuel activities	Indicator number 4 Table #1 of Annex 1	Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 (6) Table 1: Qualitative information on Environmental risk and Table 2: Qualitative information on Social risk	Delegated Regulation (EU) 2020/1816, Annex II		Not material
ESRS 2 SBM-1	40 (d) ii	Involvement in activities related to chemical production	Indicator number 9 Table #2 of Annex 1		Delegated Regulation (EU) 2020/1816, Annex II		Not material
ESRS 2 SBM-1	40 (d) iii	Involvement in activities related to controversial weapons	Indicator number 14 Table #1 of Annex 1		Delegated Regulation (EU) 2020/1818 (7), Article 12(1) Delegated Regulation (EU) 2020/1816, Annex II		Not material
ESRS 2 SBM-1	40 (d) iv	Involvement in activities related to cultivation and production of tobacco			Delegated Regulation (EU) 2020/1818, Article 12(1) Delegated Regulation (EU) 2020/1816, Annex II		Not material
ESRS E1-1	14	Transition plan to reach climate neutrality by 2050				Regulation (EU) 2021/1119, Article 2 (1)	Climate Change: Strategy: Climate change and transition plan
ESRS E1-1	16 (g)	Undertakings excluded from Paris-aligned Benchmarks		Article 449a; Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 1: Banking book – Climate change transition risk: Credit quality of exposures by sector, emissions and residual maturity	Delegated Regulation (EU) 2020/1818, Article 12.1 (d) to (g), and Article 12.2		Climate Change: Strategy: Climate change and transition plan

Disclosure Requirement	Datapoint	Description	SFDR (1) reference	Pillar 3 (2) reference	Benchmark Regulation (3) reference	EU Climate Law (4) reference	Location
ESRS E1-4	34	GHG emission reduction targets	Indicator number 4 Table #2 of Annex 1	Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 3: Banking book – Climate change transition risk: alignment metrics	Delegated Regulation (EU) 2020/1818, Article 6		Climate Change: Targets: Climate change
ESRS E1-5	38	Energy consumption from fossil sources disaggregated by sources (only high climate impact sectors)	Indicator number 5 Table #1 and Indicator number 5 Table #2 of Annex 1				Climate Change: Metrics: Climate change
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ESRS E1-6	44	Gross Scope 1, 2, 3 and Total GHG emissions	Indicators number 1 and 2 Table #1 of Annex 1	Article 449a; Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 1: Banking book – Climate change transition risk: Credit quality of exposures by sector, emissions and residual maturity	Delegated Regulation (EU) 2020/1818, Article 5 (1), 6 and 8 (1)		Climate Change: Metrics: Climate change
ESRS E1-6	53 - 55	Gross GHG emissions intensity	Indicator number 3 Table #1 of Annex 1	Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 3: Banking book – Climate change transition risk: Alignment metrics	Delegated Regulation (EU) 2020/1818, Article 8 (1)		Climate Change: Metrics: Climate change
ESRS E1-7	56	GHG removals and carbon credits				Regulation (EU) 2021/1119, Article 2 (1)	Climate Change: Metrics: Climate change

Disclosure Requirement	Datapoint	Description	SFDR (1) reference	Pillar 3 (2) reference	Benchmark Regulation (3) reference	EU Climate Law (4) reference	Location
ESRS E1-9	66	Exposure of the benchmark portfolio to climate-related physical risks			Delegated Regulation (EU) 2020/1818, Annex II Delegated Regulation (EU) 2020/1816, Annex II		Phased-in Disclosure Requirement; not relevant for reporting year 2025
ESRS E1-9	66 (a); 66 (c)	Disaggregation of monetary amounts by acute and chronic physical risk; location of significant assets at material physical risk		Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 paragraphs 46 and 47; Template 5: Banking book - Climate change physical risk: Exposures subject to physical risk.			Phased-in Disclosure Requirement; not relevant for reporting year 2025
ESRS E1-9	67 (c)	Breakdown of the carrying value of its real estate assets by energy-efficiency classes		Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 paragraph 34; Template 2:Banking book -Climate change transition risk: Loans collateralised by immovable property - Energy efficiency of the collateral			Phased-in Disclosure Requirement; not relevant for reporting year 2025
ESRS E1-9	69	Degree of exposure of the portfolio to climate-related opportunities			Delegated Regulation (EU) 2020/1818, Annex II		Phased-in Disclosure Requirement; not relevant for reporting year 2025
ESRS E2-4	28	Amount of each pollutant listed in Annex II of the E-PRTR Regulation (European Pollutant Release and Transfer Register) emitted to air, water and soil	Indicator number 8 Table #1 of Annex 1 Indicator number 2 Table #2 of Annex 1 Indicator number 1 Table #2 of Annex 1 Indicator number 3 Table #2 of Annex 1				Pollution: Metrics: Air and water pollution
ESRS E3-1	9	Water and marine resources	Indicator number 7 Table #2 of Annex 1				Water: Policy: Water
ESRS E3-1	13	Dedicated policy	Indicator number 8 Table #2 of Annex 1				Water: Policy: Water
ESRS E3-1	14	Sustainable oceans and seas	Indicator number 12 Table #2 of Annex 1				Not material
ESRS E3-4	28 (c)	Total water recycled and reused	Indicator number 6.2 Table #2 of Annex 1				Water: Metrics: Water

Disclosure Requirement	Datapoint	Description	SFDR (1) reference	Pillar 3 (2) reference	Benchmark Regulation (3) reference	EU (4) reference	Location
ESRS E3-4	29	Total water consumption in m^3 per net revenue on own operations	Indicator number 6.1 Table #2 of Annex 1				Water: Metrics: Water
ESRS 2- SBM-3 - E4	16 (a) i		Indicator number 7 Table #1 of Annex 1				Biodiversity and Ecosystems: Impacts and dependencies in or near biodiversity-sensitive areas
ESRS 2- SBM-3 - E4	16 (b)		Indicator number 10 Table #2 of Annex 1				Biodiversity and Ecosystems: Impacts and dependencies in or near biodiversity-sensitive areas
ESRS 2- SBM-3 - E4	16 (c)		Indicator number 14 Table #2 of Annex 1				Biodiversity and Ecosystems: Impacts and dependencies in or near biodiversity-sensitive areas
ESRS E4-2	24 (b)	Sustainable land / agriculture practices or policies;	Indicator number 11 Table #2 of Annex 1				Biodiversity and Ecosystems: Policy: biodiversity and ecosystems
ESRS E4-2	24 (c)	Sustainable oceans / seas practices or policies; and	Indicator number 12 Table #2 of Annex 1				Not material
ESRS E4-2	24 (d)	Policies to address deforestation	Indicator number 15 Table #2 of Annex 1				Biodiversity and Ecosystems: Policy: biodiversity and ecosystems
ESRS E5-5	37 (d)	Non-recycled waste	Indicator number 13 Table #2 of Annex 1				Resource Use and Circular Economy: Metrics: Resource use and circular economy
ESRS E5-5	39	Hazardous waste and radioactive waste	Indicator number 9 Table #1 of Annex 1				Resource Use and Circular Economy: Metrics: Resource use and circular economy

Disclosure Requirement	Datapoint	Description	SFDR (1) reference	Pillar 3 (2) reference	Benchmark Regulation (3) reference	EU Climate Law (4) reference	Location
ESRS 2- SBM3 - S1	14 (f)	Risk of incidents of forced labour	Indicator number 13 Table #3 of Annex 1				Not material
ESRS 2- SBM3 - S1	14 (g)	Risk of incidents of child labour	Indicator number 12 Table #3 of Annex 1				Not material
ESRS S1-1	20	Human rights policy commitments	Indicator number 9 Table #3 and Indicator number 11 Table #1 of Annex 1				Employees and Non-Employees: Policies: Employees and non-employees
ESRS S1-1	21	Due diligence policies on issues addressed by the fundamental International Labor Organisation Conventions 1 to 8			Delegated Regulation (EU) 2020/1816, Annex II		Employees and Non-Employees: Policies: Employees and non-employees
ESRS S1-1	22	Processes and measures for preventing trafficking in human beings	Indicator number 11 Table #3 of Annex 1				Employees and Non-Employees: Policies: Employees and non-employees
ESRS S1-1	23	Workplace accident prevention policy or management system	Indicator number 1 Table #3 of Annex 1				Employees and Non-Employees: Policies: Employees and non-employees
ESRS S1-3	32 (c)	Grievance/complaints handling mechanisms	Indicator number 5 Table #3 of Annex 1				Employees and Non-Employees: Processes: Remediation of negative impacts and complaint channels Business Conduct Information: Protection of whistleblowers
ESRS S1-14	88 (b) and (c)	Number of fatalities and number and rate of work-related accidents	Indicator number 2 Table #3 of Annex I		Delegated Regulation (EU) 2020/1816, Annex II		Employees and Non-Employees: Occupational health and safety
ESRS S1-14	88 (e)	Number of days lost to injuries, accidents, fatalities or illness	Indicator number 3 Table #3 of Annex I				Phased-in Disclosure Requirement; not relevant for reporting year 2025
ESRS S1-16	97 (a)	Unadjusted gender pay gap	Indicator number 12 Table #1 of Annex 1		Delegated Regulation (EU) 2020/1816, Annex II		Employees and Non-Employees: Equal treatment and equal opportunities
ESRS S1-16	97 (b)	Excessive CEO pay ratio	Indicator number 8 Table #3 of Annex 1				Employees and Non-Employees: Equal treatment and equal opportunities

Disclosure Requirement	Datapoint	Description	SFDR (1) reference	Pillar 3 (2) reference	Benchmark Regulation (3) reference	EU Climate Law (4) reference	Location
ESRS S1-17	103 (a)	Incidents of discrimination	Indicator number 7 Table #3 of Annex 1				Employees and Non-Employees: Other work-related rights
ESRS S1-17	104 (a)	Non-respect of UNGPs on Business and Human Rights and OECD guidelines	Indicator number 10 Table #1 and Indicator number 14 Table #3 of Annex 1		Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818, Art 12 (1)		Employees and Non-Employees: Other work-related rights
ESRS 2- SBM3 – S2	11 (b)	Significant risk of child labour or forced labour in the value chain	Indicator number 12 and number 13 Table #3 of Annex 1				Sustainability in the Supply Chain: Material impacts and risks and their interaction with strategy and business model
ESRS S2-1	17	Human rights policy commitments	Indicator number 9 Table #3 and Indicator number 11 Table #1 of Annex 1				Sustainability in the Supply Chain: Policy: Responsible Supply Chain System
ESRS S2-1	18	Policies related to value chain workers	Indicator number 11 and number 4 Table #3 of Annex 1				Sustainability in the Supply Chain: Policy: Responsible Supply Chain System
ESRS S2-1	19	Non-respect of UNGPs on Business and Human Rights and OECD guidelines	Indicator number 10 Table #1 of Annex 1		Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818, Art 12 (1)		Sustainability in the Supply Chain: Policy: Responsible Supply Chain System
ESRS S2-1	19	Due diligence policies on issues addressed by the fundamental International Labor Organisation Conventions 1 to 8			Delegated Regulation (EU) 2020/1816, Annex II)		Sustainability in the Supply Chain: Policy: Responsible Supply Chain System
ESRS S2-4	36	Human rights issues and incidents connected to its upstream and downstream value chain	Indicator number 14 Table #3 of Annex 1				Sustainability in the Supply chain: Policy: Responsible Supply Chain System
ESRS S3-1	16	Human rights policy commitments	Indicator number 9 Table #3 and Indicator number 11 Table #1 of Annex 1				Sustainability in the Supply Shain: Policy: Responsible Supply Shain System
ESRS S3-1	17	Non-respect of UNGPs on Business and Human Rights, ILO principles or OECD guidelines	Indicator number 10 Table #1 of Annex 1		Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818, Art 12 (1)		Sustainability in the Supply Chain: Policy: Responsible Supply Chain System
ESRS S3-4	36	Human rights issues and incidents connected to its upstream and downstream value chain	Indicator number 14 Table #3 of Annex 1				Affected Communities: Material impacts and their interaction with strategy and business model Sustainability in the Supply Chain: Policy: Responsible Supply Chain System

Disclosure Requirement	Datapoint	Description	SFDR (1) reference	Pillar 3 (2) reference	Benchmark Regulation (3) reference	EU Climate Law (4) reference	Location
ESRS S4-1	16	Policies related to consumers and end-users	Indicator number 9 Table #3 and Indicator number 11 Table #1 of Annex 1				Customers: Policies: personal safety of customers
ESRS S4-1	17	Non-respect of UNGPs on Business and Human Rights and OECD guidelines	Indicator number 10 Table #1 of Annex 1		Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818, Art 12 (1)		Not relevant
ESRS S4-4	35	Human rights issues and incidents	Indicator number 14 Table #3 of Annex 1				Not relevant

Disclosure Requirement	Datapoint	Description	SFDR (1) reference	Pillar 3 (2) reference	Benchmark Regulation (3) reference	EU Climate Law (4) reference	Location
ESRS G1-1	10 (b)	United Nations Convention against Corruption	Indicator number 15 Table #3 of Annex 1				Business Conduct Information: Policies: Corporate culture Metrics: Corruption and bribery
ESRS G1-1	10 (d)	Protection of whistle-blowers	Indicator number 6 Table #3 of Annex 1				Business Conduct Information: Protection of whistleblowers
ESRS G1-4	24 (a)	Fines for violation of anti-corruption and anti-bribery laws	Indicator number 17 Table #3 of Annex 1		Delegated Regulation (EU) 2020/1816, Annex II		Business Conduct Information: Prevention of corruption and bribery
ESRS G1-4	24 (b)	Standards of anti-corruption and anti-bribery	Indicator number 16 Table #3 of Annex 1				Business Conduct Information: Prevention of corruption and bribery

1 Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector (OJ L 317, 9.12.2019, p. 1).
2 Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms and amending Regulation (EU) No 648/2012 (Capital Requirements Regulation "CRR") (OJ L 176, 27.6.2013, p. 1).
3 Regulation (EU) 2016/1011 of the European Parliament and of the Council of 8 June 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds and amending Directives 2008/48/EC and 2014/17/EU and Regulation (EU) No 596/2014 (OJ L 171, 29.6.2016, p. 1).
4 Regulation (EU) 2021/1119 of the European Parliament and of the Council of 30 June 2021 establishing the framework for achieving climate neutrality and amending Regulations (EC) No 401/2009 and (EU) 2018/1999 ('European Climate Law') (OJ L 243, 9.7.2021, p. 1).
5 Commission Delegated Regulation (EU) 2020/1816 of 17 July 2020 supplementing Regulation (EU) 2016/1011 of the European Parliament and of the Council as regards the explanation in the benchmark statement of how environmental, social and governance factors are reflected in each benchmark provided and published (OJ L 406, 3.12.2020, p. 1).
6 Commission Implementing Regulation (EU) 2022/2453 of 30 November 2022 amending the implementing technical standards laid down in Implementing Regulation (EU) 2021/637 as regards the disclosure of environmental, social and governance risks (OJ L 324,19.12.2022, p.1.).
7 Commission Delegated Regulation (EU) 2020/1818 of 17 July 2020 supplementing Regulation (EU) 2016/1011 of the European Parliament and of the Council as regards minimum standards for EU Climate Transition Benchmarks and EU Paris-aligned Benchmarks (OJ L 406, 3.12.2020, p. 17).

SITES NEAR OR IN BIODIVERSITY-SENSITIVE AREAS

		CORE BRAND GROUP					
	No.	**1**	**2**	**3**	**4**	**5**	**6**
General Information	**Site location**	**Volkswagen Anchieta plant**	**Volkswagen Bratislava plant**	**Volkswagen Chattanooga plant**	**Volkswagen Curitiba plant**	**Volkswagen Emden plant**	**Volkswagen GM Dresden plant**
	Category	Production	Production	Production	Production	Production	Production
	Country	Brazil	Slovakia	USA	Brazil	Germany	Germany
Activity	**ISIC Group (ENCORE)**	Manufacture of motor vehicles	Manufacture of motor vehicles	Manufacture of motor vehicles	Manufacture of motor vehicles	Manufacture of motor vehicles	Manufacture of motor vehicles
Screening of potential impacts and dependencies of activities (ENCORE)	**Potential impacts of activity (ENCORE) [M: medium, H: high, VH: very high]**	- Disruption (e.g. noise, light) [VH] - Emissions of toxic soil and water pollutants [M]	- Disruption (e.g. noise, light) [VH] - Emissions of toxic soil and water pollutants [M]	- Disruption (e.g. noise, light) [VH] - Emissions of toxic soil and water pollutants [M]	- Disruption (e.g. noise, light) [VH] - Emissions of toxic soil and water pollutants [M]	- Disruption (e.g. noise, light) [VH] - Emissions of toxic soil and water pollutants [M]	- Disruption (e.g. noise, light) [VH] - Emissions of toxic soil and water pollutants [M]
	Potential dependency of activity on ecosystem services (ENCORE) [M: medium, H: high]	- Soil and sediment retention [M] - Water treatment [M] - Regulation of water flow [M] - Flood protection [M] - Storm mitigation [M]	- Soil and sediment retention [M] - Water treatment [M] - Regulation of water flow [M] - Flood protection [M] - Storm mitigation [M]	- Soil and sediment retention [M] - Water treatment [M] - Regulation of water flow [M] - Flood protection [M] - Storm mitigation [M]	- Soil and sediment retention [M] - Water treatment [M] - Regulation of water flow [M] - Flood protection [M] - Storm mitigation [M]	- Soil and sediment retention [M] - Water treatment [M] - Regulation of water flow [M] - Flood protection [M] - Storm mitigation [M]	- Soil and sediment retention [M] - Water treatment [M] - Regulation of water flow [M] - Flood protection [M] - Storm mitigation [M]
Biodiversity-sensitive areas	**Number of protected areas (radius 4,500 m)**	2	12	3	1	7	7
	Names of the protected areas	- Parque Estadual Águas Da Billings - Área De Proteção Ambiental Haras São Bernardo	- Morava - Zahorske Pomoravie - Moravské luhy - Devinske aluvium Moravy - Donau-March-Thaya-Auen - March/Thaya-Auen - Vapenicky potok - Stokeravska vapenka - Devinska Kobyla - Male Karpaty - Zahorie - Devinske jazero	- Enterprise South Park - Atlantic Coast Conservancy/Pelican Coast Conservancy - Hiwassee Wildlife Refuge	- Várzeas da Região Metropolitana de Curitiba	- Lower Ems and Outer Ems - Dollart - NNN-GR - Emsmarsch marshland from Leer to Emden - Schlafdeich Constantia - Krummhörn/Westermarsch - Lower Saxony Wadden Sea and adjacent coastal sea	- Elbe Meadows and Elbaltarme - Elbe Valley between Schöna and Mühlberg - Dresden Heath - Prießnitzgrund - Elbe Meadows at Grosse Ostragehege Dresden - Valleys of Vereinigter and Wilder Weißeritz - Elbhänge Dresden-Pirna and Schönfeld Upland

		CORE BRAND GROUP				
	No.	7	8	9	10	11
General Information	Site location	Volkswagen Kariega plant	Volkswagen Osnabrück plant	Volkswagen Palmela plant	Volkswagen Wolfsburg plant	Volkswagen Zwickau plant
	Category	Production	Production	Production	Production	Production
	Country	South Africa	Germany	Great Britain and Northern Ireland	Germany	Germany
Activity	ISIC Group (ENCORE)	Manufacture of motor vehicles	Manufacture of motor vehicles	Manufacture of motor vehicles	Manufacture of motor vehicles, Energy generation from fossil fuels	Manufacture of motor vehicles
Screening of potential impacts and dependencies of activities (ENCORE)	Potential impacts of activity (ENCORE) [M: medium, H: high, VH: very high]	- Disruption (e.g. noise, light) [VH] - Emissions of toxic soil and water pollutants [M]	- Disruption (e.g. noise, light) [VH] - Emissions of toxic soil and water pollutants [M]	- Disruption (e.g. noise, light) [VH] - Emissions of toxic soil and water pollutants [M]	-Disruption (e.g. noise, light) [VH]; - Area of land use [H] - Greenhouse gas emissions [H] - Emissions of non-GHG air pollutants [H] - Generation and release of solid waste [H] - Volume of water consumption [M] - Extraction of other biotic resources [M] - Emissions of nutrient-containing soil and water pollutants [M] - Emissions of toxic soil and water pollutants [M]	- Disruption (e.g. noise, light) [VH] - Emissions of toxic soil and water pollutants [M]
	Potential dependency of activity on ecosystem services (ENCORE) [M: medium, H: high]	- Soil and sediment retention [M] - Water treatment [M] - Regulation of water flow [M] - Flood protection [M] - Storm mitigation [M]	- Soil and sediment retention [M] - Water treatment [M] - Regulation of water flow [M] - Flood protection [M] - Storm mitigation [M]	- Soil and sediment retention [M] - Water treatment [M] - Regulation of water flow [M] - Flood protection [M] - Storm mitigation [M]	- Water supply [H]; - Regulation of water flow [H] - Global climate regulation [M] - Soil and sediment retention [M] - Degradation of solid waste [M] - Water treatment [M]; - Flood protection [M] - Soil and sediment retention [M] - Storm mitigation [M]	- Soil and sediment retention [M] - Water treatment [M] - Regulation of water flow [M] - Flood protection [M] - Storm mitigation [M]
Biodiversity-sensitive areas	Number of protected areas (radius 4,500 m)	2	16	1	11	5
	Names of the protected areas	- Nelson Mandela Bay Metro - North - Nelson Mandela Bay Metro - South	- Schölerberg - Schützenburg - Bröker Weg - Northern Teutoburg Forest - Wiehen Mountains Nature Park - Schinkelberg - Gartlage - Bürgerpark - Armenholz - Westerberg - Hörner Bruch - Nettetal - Nordhaushöhe - Hörner Niederung - Wulfter Holz forest - Piesberg – Haster/Klee Berg - Wiehen Mountains and North Osnabrück Hills - Harderburg	- Arrábida / Espichel	- Alt-Wolfsburg Palace Park - Barnbruch - Allertal between Gifhorn and Wolfsburg - Aller (with Barnbruch), lower Leine, lower Oker - Wolfsburg Moor, Butterberg and Lerchenberg - Rothehof Forest, Klieversberg and Detmerode - Deciduous woods between Braunschweig and Wolfsburg - Drömling - Wendschotter and Vorsfelder Drömling with Kötherwiesen - Aller Valley - Barnbruch and adjacent countryside areas - Düpenwiesen	- Middle Zwickau Mulde Valley - Bach Valleys in Upper Pleisseland - Am Rümpfwald Glauchau - Glauchau Reservoir and Mulde floodplain - Paradiesgrund

		CORE BRAND GROUP				
	No.	**12**	**13**	**14**	**15**	**16**
General Information	**Site location**	**Volkswagen Hanover Commercial Vehicle plant**	**Volkswagen Poznan Commercial Vehicle plant**	**SEAT Barcelona plant**	**SEAT El Prat plant**	**SEAT Martorell plant**
	Category	Production	Production	Production	Production	Production
	Country	Germany	Poland	Spain	Spain	Spain
Activity	**ISIC Group (ENCORE)**	Manufacture of motor vehicles	Manufacture of motor vehicles	Manufacture of motor vehicles	Manufacture of parts and accessories for motor vehicles	Manufacture of motor vehicles
Screening of potential impacts and dependencies of activities (ENCORE)	**Potential impacts of activity (ENCORE) [M: medium, H: high, VH: very high]**	- Disruption (e.g. noise, light) [VH] - Emissions of toxic soil and water pollutants [M]	- Disruption (e.g. noise, light) [VH] - Emissions of toxic soil and water pollutants [M]	- Disruption (e.g. noise, light) [VH] - Emissions of toxic soil and water pollutants [M]	- Disruption (e.g. noise, light) [M] - Emissions of toxic soil and water pollutants [M]	- Disruption (e.g. noise, light) [VH] - Emissions of toxic soil and water pollutants [M]
	Potential dependency of activity on ecosystem services (ENCORE) [M: medium, H: high]	- Soil and sediment retention [M] - Water treatment [M] - Regulation of water flow [M] - Flood protection [M] - Storm mitigation [M]	- Soil and sediment retention [M] - Water treatment [M] - Regulation of water flow [M] - Flood protection [M] - Storm mitigation [M]	- Soil and sediment retention [M] - Water treatment [M] - Regulation of water flow [M] - Flood protection [M] - Storm mitigation [M]	- Soil and sediment retention [M] - Water treatment [M] - Regulation of water flow [M] - Flood protection [M] - Storm mitigation [M]	- Soil and sediment retention [M] - Water treatment [M] - Regulation of water flow [M] - Flood protection [M] - Storm mitigation [M]
Biodiversity-sensitive areas	**Number of protected areas (radius 4,500 m)**	5	2	3	3	4
	Names of the protected areas	- Mecklenheide/Vinnhorst - Middle Leine - Aller (with Barnbruch), lower Leine, lower Oker - An der Leine - Ellernbruch	- Dolina Cybiny - Fortyfikacje w Poznaniu	- Aguas del Baix Llobregat - Garraf - Delta del Llobregat - Ricarda-Ca l'Arana	- Delta del Llobregat - Ricarda-Ca l'Arana - Aguas del Baix Llobregat - Garraf	- Montserrat-Roques Blanques-riu Llobregat - Riu Llobregat - Serralades Prelitorals de Barcelona - Garraf - Ordal - Foix

		CORE BRAND GROUP		VOLKSWAGEN GROUP TECHNOLOGY		
	No.	17	18	19	20	21
General Information	Site location	Škoda Mladá Boleslav plant	Škoda Vrchlabi plant	Volkswagen Braunschweig plant	Volkswagen Chemnitz plant	Volkswagen Kassel plant
	Category	Production	Production	Production	Production	Production
	Country	Czech Republic	Czech Republic	Germany	Germany	Germany
Activity	ISIC Group (ENCORE)	Manufacture of motor vehicles, Energy generation from fossil fuels	Manufacture of parts and accessories for motor vehicles	Manufacture of parts and accessories for motor vehicles	Manufacture of parts and accessories for motor vehicles	Manufacture of parts and accessories for motor vehicles
Screening of potential impacts and dependencies of activities (ENCORE)	Potential impacts of activity (ENCORE) [M: medium, H: high, VH: very high]	-Disruption (e.g. noise, light) [VH]; - Area of land use [H] - Greenhouse gas emissions [H] - Emissions of non-GHG air pollutants [H] - Generation and release of solid waste [H] - Volume of water consumption [M] - Extraction of other biotic resources [M] - Emissions of nutrient-containing soil and water pollutants [M] - Emissions of toxic soil and water pollutants [M]	- Disruption (e.g. noise, light) [M] - Emissions of toxic soil and water pollutants [M]	- Disruption (e.g. noise, light) [M] - Emissions of toxic soil and water pollutants [M]	- Disruption (e.g. noise, light) [M] - Emissions of toxic soil and water pollutants [M]	· Disruption (e.g. noise, light) [M] · Emissions of toxic soil and water pollutants [M]
	Potential dependency of activity on ecosystem services (ENCORE) [M: medium, H: high]	- Water supply [H] - Regulation of water flow [H] - Global climate regulation [M] - Soil and sediment retention [M] - Degradation of solid waste [M] - Water treatment [M] - Flood protection [M] - Soil and sediment retention [M] - Storm mitigation [M]	- Soil and sediment retention [M] - Water treatment [M] - Regulation of water flow [M] - Flood protection [M] - Storm mitigation [M]	- Soil and sediment retention [M] - Water treatment [M] - Regulation of water flow [M] - Flood protection [M] - Storm mitigation [M]	- Soil and sediment retention [M] - Water treatment [M] - Regulation of water flow [M] - Flood protection [M] - Storm mitigation [M]	· Soil and sediment retention [M] · Water treatment [M] · Regulation of water flow [M] · Flood protection [M] · Storm mitigation [M]
Biodiversity-sensitive areas	Number of protected areas (radius 4,500 m)	5	3	12	2	3
	Names of the protected areas	- Radouč - Chlum u Nepřevázky - Radouč - Vrch Baba u Kosmonos - Bezděčn	- Krkonoše - Vejsplachy - Krkonoše	- Schunter floodplain - Oker Valley floodplains - Braunschweig Oker floodplains - Aller (with Barnbruch), lower Leine, lower Oker - Querum Forest and adjacent countryside areas - Woods south of Wolfsburg - Prinz-Albrecht-Park - von Pawelsches Holz forest, Ölper Forest and Lammer Busch - Riddagshausen Ponds - Deciduous woods between Braunschweig and Wolfsburg - Riddagshausen - Lammer Holz forest	- Zwönitz Valley - Pfarrhübel - Alte Harth - Berbisdorfer Flur	· City of Kassel · Upper Fulda Valley · Fulda floodplains near Kassel · Baunsberg · Heisebach Valley in Kassel · Dönche · Auenverbund Fulda · Habichtswald forest and Seilerberg near Ehlen

		VOLKSWAGEN GROUP TECHNOLOGY			PROGRESSIVE BRAND GROUP		
	No.	22	23	24	25	26	27
General Information	Site location	Volkswagen Martin plant	Volkswagen Salzgitter plant	Volkswagen São Carlos plant	Audi Brussels plant	Audi Györ plant	Audi Ingolstadt plant
	Category	Production	Production	Production	Production	Production	Production
	Country	Slovakia	Germany	Brazil	Belgium	Hungary	Germany
Activity	ISIC Group (ENCORE)	Manufacture of parts and accessories for motor vehicles	Manufacture of parts and accessories for motor vehicles	Manufacture of parts and accessories for motor vehicles	Manufacture of motor vehicles	Manufacture of motor vehicles	Manufacture of motor vehicles
19 Screening of potential impacts and dependencies of activities (ENCORE)	Potential impacts of activity (ENCORE) [M: medium, H: high, VH: very high]	- Disruption (e.g. noise, light) [M] - Emissions of toxic soil and water pollutants [M]	- Disruption (e.g. noise, light) [M] - Emissions of toxic soil and water pollutants [M]	- Disruption (e.g. noise, light) [M] - Emissions of toxic soil and water pollutants [M]	- Disruption (e.g. noise, light) [VH] - Emissions of toxic soil and water pollutants [M]	- Disruption (e.g. noise, light) [VH] - Emissions of toxic soil and water pollutants [M]	· Disruption (e.g. noise, light) VH] · Emissions of toxic soil and water pollutants [M]
	Potential dependency of activity on ecosystem services (ENCORE) [M: medium, H: high]	- Soil and sediment retention [M] - Water treatment [M] - Regulation of water flow [M] - Flood protection [M] - Storm mitigation [M]	- Soil and sediment retention [M] - Water treatment [M] - Regulation of water flow [M] - Flood protection [M] - Storm mitigation [M]	- Soil and sediment retention [M] - Water treatment [M] - Regulation of water flow [M] - Flood protection [M] - Storm mitigation [M]	- Soil and sediment retention [M] - Water treatment [M] - Regulation of water flow [M] - Flood protection [M] - Storm mitigation [M]	- Soil and sediment retention [M] - Water treatment [M] - Regulation of water flow [M] - Flood protection [M] - Storm mitigation [M]	· Soil and sediment etention [M] · Water treatment [M] · Regulation of water flow [M] · Flood protection [M] · Storm mitigation [M]
Biodiversity-sensitive areas	Number of protected areas (radius 4,500 m)	1	3	1	2	2	7
	Names of the protected areas	- Mala Fatra	- Beddinger Holz forest and Langes Holz forest - Thieder Lindenberg - Geitelde Forest and surrounding meadowland	- Apa Corumbataí, Botucatu E Tejupá Perimetro Corumbataí	- La Forêt de Soignes avec lisières et domaines boisés avoisinants et la Vallée de la Woluwe - Zones boisées et ouvertes au Sud de la Région bruxelloise - complexe Verrewinkel - Kinsendael	- Gönyüi-homokvidék - Szigetköz	· Danube floodplains between ngolstadt and Weltenburg · Donauschüttlandschaft im Roten Gries nature reserve · Danube floodplains with Gerolfinger Eichenwald · Danube floodplains between Lechmündung and Ingolstadt · Danube floodplains between Neuburg and Ingolstadt · Protected area in Altmühl Valley Nature Park · Ingolstadt - Hepberg training ground

		PROGRESSIVE BRAND GROUP					
	No.	28	29	30	31	32	33
General Information	Site location	**Audi Neckarsulm plant**	**Audi Münchsmünster site**	**Audi Neuburg site**	**Audi Neustadt site**	**Lamborghini S'Agata Bolognese plant**	**Bentley Crewe plant**
	Category	Production	Major operating site	Major operating site	Major operating site	Production	Production
	Country	Germany	Germany	Germany	Germany	Italy	United Kingdom of Great Britain and Northern Ireland
Activity	ISIC Group (ENCORE)	Manufacture of motor vehicles	Manufacture of parts and accessories for motor vehicles	Manufacture of motor vehicles/proving ground	Manufacture of parts and accessories for motor vehicles	Manufacture of motor vehicles	Manufacture of motor vehicles
Screening of potential impacts and dependencies of activities (ENCORE)	Potential impacts of activity (ENCORE) [M: medium, H: high, VH: very high]	- Disruption (e.g. noise, light) [VH] - Emissions of toxic soil and water pollutants [M]	- Disruption (e.g. noise, light) [M] - Emissions of toxic soil and water pollutants [M]	- Disruption (e.g. noise, light) [VH] - Emissions of toxic soil and water pollutants [M]	- Disruption (e.g. noise, light) [VH] - Emissions of toxic soil and water pollutants [M]	- Disruption (e.g. noise, light) [VH] - Emissions of toxic soil and water pollutants [M]	- Disruption (e.g. noise, light) [VH] - Emissions of toxic soil and water pollutants [M]
	Potential dependency of activity on ecosystem services (ENCORE) [M: medium, H: high]	- Soil and sediment retention [M] - Water treatment [M] - Regulation of water flow [M] - Flood protection [M] - Storm mitigation [M]	- Soil and sediment retention [M] - Water treatment [M] - Regulation of water flow [M] - Flood protection [M] - Storm mitigation [M]	- Soil and sediment retention [M] - Water treatment [M] - Regulation of water flow [M] - Flood protection [M] - Storm mitigation [M]	- Soil and sediment retention [M] - Water treatment [M] - Regulation of water flow [M] - Flood protection [M] - Storm mitigation [M]	- Soil and sediment retention [M] - Water treatment [M] - Regulation of water flow [M] - Flood protection [M] - Storm mitigation [M]	- Soil and sediment retention [M] - Water treatment [M] - Regulation of water flow [M] - Flood protection [M] - Storm mitigation [M]
Biodiversity-sensitive areas	Number of protected areas (radius 4,500 m)	12	3	1	2	2	1
	Names of the protected areas	- Lower Jagst and lower Kocher - Quarry lake at Markung Obereisesheim - Kocheraue-Salinekanal at Bad Friedrichshall and Oedheim - Altenberg-Mittelberg - Böllinger Bach - Neckartalhang north of Neckargartach - Neckar Valley between Bad Wimpfen and Gundelsheim - Stiftsberg - Wartberg - Kühnbach Valley - Jagst Valley with adjacent areas between Neudenau-Siglingen and Bad Friedrichshall-Jagstfeld and Sülz Valley at Neudenau-Siglingen - Jagst with side valleys - Leinbach Valley	- Danube floodplains between Ingolstadt and Weltenburg - "Dürnbucher Forst" nature reserve in Altlandkreis Kelheim - "Dürnbucher Forst, Riedmoos and Forstmoos" nature reserve in Altlandkreis Mainburg	- Protection of Danube floodplains east of Neuburg, in the town of Neuburg in Weichering and Bergheim-Landkreis Neuburg and the Branst area in Weichering as nature reserve	- Danube floodplains between Ingolstadt and Weltenburg - Siegenburg NATO training ground	- Manzolino - Torrazzuolo	- Sandbach Flashes

		PROGRESSIVE BRAND GROUP	SPORT LUXURY BRAND GROUP			EVERLLENCE
	No.	**34**	**35**	**36**	**37**	**38**
General Information	**Site location**	**Ducati Bologna plant**	**Porsche Leipzig plant**	**Porsche Stuttgart plant**	**Porsche Weissach development center**	**Everllence Augsburg plant**
	Category	Production	Production	Production	Major operating site	Production
	Country	Italy	Germany	Germany	Germany	Germany
Activity	**ISIC Group (ENCORE)**	Manufacture of motor vehicles	Manufacture of motor vehicles	Manufacture of motor vehicles	Manufacture of motor vehicles	Manufacture of special-purpose machinery
Screening of potential impacts and dependencies of activities (ENCORE)	**Potential impacts of activity (ENCORE) [M: medium, H: high, VH: very high]**	- Disruption (e.g. noise, light) [VH] - Emissions of toxic soil and water pollutants [M]	- Disruption (e.g. noise, light) [VH] - Emissions of toxic soil and water pollutants [M]	- Disruption (e.g. noise, light) [VH] - Emissions of toxic soil and water pollutants [M]	- Disruption (e.g. noise, light) [VH] - Emissions of toxic soil and water pollutants [M]	- Disruption (e.g. noise, light) [M] - Emissions of toxic soil and water pollutants [M] - Volume of water consumption [M]
	Potential dependency of activity on ecosystem services (ENCORE) [M: medium, H: high]	- Soil and sediment retention [M] - Water treatment [M] - Regulation of water flow [M] - Flood protection [M] - Storm mitigation [M]	- Soil and sediment retention [M] - Water treatment [M] - Regulation of water flow [M] - Flood protection [M] - Storm mitigation [M]	- Soil and sediment retention [M] - Water treatment [M] - Regulation of water flow [M] - Flood protection [M] - Storm mitigation [M]	- Soil and sediment retention [M] - Water treatment [M] - Regulation of water flow [M] - Flood protection [M] - Storm mitigation [M]	- Water supply [M] - Water treatment [M] - Regulation of water flow [M] - Flood protection [M] - Storm mitigation [M]
Biodiversity-sensitive areas	**Number of protected areas (radius 4,500 m)**	2	7	19	2	8
	Names of the protected areas	- Golena San Vitale e Golena del Lippo - Boschi di San Luca e Destra Reno	- Tannwald and Lindenthal parade ground north of Leipzig - Brösen Glesien and pine forest - Leipzig alluvial forest - Leipzig alluvial system - Lober floodplains - Burg floodplains - Luppe floodplains	- Reisachmulde-Lemberg - Glemswald forest and Stuttgarter Bucht - Greutterwald forest - Stammheim-West - Seewald forest and surrounding area - Kallenberg - Withau - Seewald forest and surrounding area - extension - Weinberg- und Obsthänge rings um den Burgholzhof - Countryside along the highway: Münchingen - Glemswald forest - Prag-Wolfersberg - Lower Feuerbach Valley - Weilimdorf-West - Lower Feuerbach Valley with hillside forests and surroundings - Neckar countryside near Zuckerberg to Hofen lock - Countryside along the highway: Birkener Höhe - Feuerbach Heath - Rosensteinpark - Max Eyth Lake bird island	- Strohgäu and lower Enz Valley - Weissach (11 sub-areas)	- Lech floodplains north of Augsburg - Lech floodplains between Königsbrunn and Augsburg - Höh- Hörgelau- and Schwarzgraben, Lechbrenne north of Augsburg - Wolfzahnau nature reserve - Wittelsbacherpark nature reserve - Firnhaberau Heath - Augsburg city forest - Gögginger Wäldchen nature reserve

		EVERLLENCE				
	No.	**39**	**40**	**41**	**42**	**43**
General Information	**Site location**	**Everllence Berlin plant**	**Everllence Deggendorf plant**	**Everllence Frederikshavn plant**	**Everllence Copenhagen plant**	**Everllence Oberhausen plant**
	Category	Production	Production	Production	Production	Production
	Country	Germany	Germany	Denmark	Denmark	Germany
Activity	**ISIC Group (ENCORE)**	Manufacture of special-purpose machinery	Manufacture of special-purpose machinery	Manufacture of special-purpose machinery	Manufacture of special-purpose machinery	Manufacture of special-purpose machinery
Screening of potential impacts and dependencies of activities (ENCORE)	**Potential impacts of activity (ENCORE) [M: medium, H: high, VH: very high]**	- Disruption (e.g. noise, light) [M] - Emissions of toxic soil and water pollutants [M] - Volume of water consumption [M]	- Disruption (e.g. noise, light) [M] - Emissions of toxic soil and water pollutants [M] - Volume of water consumption [M]	- Disruption (e.g. noise, light) [M] - Emissions of toxic soil and water pollutants [M] - Volume of water consumption [M]	- Disruption (e.g. noise, light) [M] - Emissions of toxic soil and water pollutants [M] - Volume of water consumption [M]	- Disruption (e.g. noise, light) [M] - Emissions of toxic soil and water pollutants [M] - Volume of water consumption [M]
	Potential dependency of activity on ecosystem services (ENCORE) [M: medium, H: high]	- Water supply [M] - Water treatment [M] - Regulation of water flow [M] - Flood protection [M] - Storm mitigation [M]	- Water supply [M] - Water treatment [M] - Regulation of water flow [M] - Flood protection [M] - Storm mitigation [M]	- Water supply [M] - Water treatment [M] - Regulation of water flow [M] - Flood protection [M] - Storm mitigation [M]	- Water supply [M] - Water treatment [M] - Regulation of water flow [M] - Flood protection [M] - Storm mitigation [M]	- Water supply [M] - Water treatment [M] - Regulation of water flow [M] - Flood protection [M] - Storm mitigation [M]
Biodiversity-sensitive areas	**Number of protected areas (radius 4,500 m)**	12	8	3	8	19
	Names of the protected areas	- Tegel water works - Tegeler Fließtal - Baumberge - Spandau Forest - Flughafensee lake - Islands in Lake Tegel - Jungfernheide - Tegel Forest (southern section) - Tegel Forest (northern section) - Jungfernheide public park and Dauerwäldchen - Rehberge public park - Former Berlin Wall strip – Schönholzer Heide and Bürgerpark	- Danuble floodplains between Straubing and Vilshofen - Mouth of the Isar - Extensive meadowland east of Deggendorf - Danube Valley: Regensburg-Vilshofen - Bavarian Forest nature reserve - Protection of countryside by the Isar and moth of the Isar in Deggendorf - Isar Valley: Gottfrieding – Plattling including mouth of Isar - Deggendorfer Himmelreich	- Hirsholmene - Waters around Hirsholmene - Bangsbo - Bangsbo Bakker - Friderikshavn kommune - Kongehøj Borgbjerg	- Vestamager og havet syd for - Kalvebodkilen- Vestamager - Københavns commune - Vest- og Sydamager med omgivende hav - Vestamager and the sea west of - Amager vildtreservat og fredni - Tårnby kommune - Hvidovre kommune	- Grafenbusch - Kaisergarten park - Osterfeld public park - Klosterhardt-Elpenbach Valley - Alsbach Valley and Sterkrade public park - Zeche Vondern - Ripshorst - Reinersbach Valley - Osterfeld city forest – Revierpark Vonderort - Hausmannsfeld – Knappenhalde - Stalbergshof - Ardeshof - Vonderort - Vondern Castle - Sterkrade Forest – Dunkelschlag - Field terraces above Hexbach Valley – Im Nierfeld - Alte Emscher in Duisburg - Fuhlenbrock - Abelheide/Fernewald

		EVERLLENCE		CHINA
	No.	**44**	**45**	**46**
General Information	**Site location**	**Everllence Saint-Nazaire plant**	**Everllence Zürich plant**	**Tianjin (VWPF + VWATJ)**
	Category	Production	Production	Production
	Country	France	Switzerland	China
Activity	**ISIC Group (ENCORE)**	Manufacture of special-purpose machinery	Manufacture of special-purpose machinery	Manufacture of motor vehicles Manufacture of parts and accessories for motor vehicles
Screening of potential impacts and dependencies of activities (ENCORE)	**Potential impacts of activity (ENCORE) [M: medium, H: high, VH: very high]**	- Disruption (e.g. noise, light) [M] - Emissions of toxic soil and water pollutants [M] - Volume of water consumption [M]	- Disruption (e.g. noise, light) [M] - Emissions of toxic soil and water pollutants [M] - Volume of water consumption [M]	- Disruption (e.g. noise, light) [VH] - Emissions of toxic soil and water pollutants [M]
	Potential dependency of activity on ecosystem services (ENCORE) [M: medium, H: high]	- Water supply [M] - Water treatment [M] - Regulation of water flow [M] - Flood protection [M] - Storm mitigation [M]	- Water supply [M] - Water treatment [M] - Regulation of water flow [M] - Flood protection [M] - Storm mitigation [M]	- Soil and sediment retention [M] - Water treatment [M] - Regulation of water flow [M] - Flood protection [M] - Storm mitigation [M]
Biodiversity-sensitive areas	**Number of protected areas (radius 4,500 m)**	5	7	1
	Names of the protected areas	- Estuaire de la Loire Nord - Estuaire de la Loire – Baie de Bourgneuf - Estuaire de la Loire - Grande Brière, marais de Donges et du Brivet - Grande Brière et marais de Donges	- Üetliberg-Osthang woodland site - Berghof – marshland - Allmend Brunau- reed meadows- low-nutrient meadows- bodies of water - Amphibienbiotope Allmend III - Unter Hueb woodland site - Lake Chatzensee - Hueb	- Qilihai Nature Reserve

		TRATON GROUP					
	No.	**47**	**48**	**49**	**50**	**51**	**52**
General Information	**Site location**	**Scania Angers plant**	**Scania Gdansk plant**	**Scania Luleã plant**	**Scania Meppel plant**	**Scania São Paulo plant**	**Scania Sinoform plant**
	Category	Production	Production	Production	Production	Production	Production
	Country	France	Poland	Sweden	Netherlands	Brazil	China
Activity	**ISIC Group (ENCORE)**	Manufacture of motor vehicles	Manufacture of parts and accessories for motor vehicles	Manufacture of parts and accessories for motor vehicles	Manufacture of parts and accessories for motor vehicles	Manufacture of motor vehicles	Manufacture of motor vehicles Manufacture of parts and accessories for motor vehicles
Screening of potential impacts and dependencies of activities (ENCORE)	**Potential impacts of activity (ENCORE) [M: medium, H: high, VH: very high]**	- Disruption (e.g. noise, light) [VH] - Emissions of toxic soil and water pollutants [M]	- Disruption (e.g. noise, light) [VH] - Emissions of toxic soil and water pollutants [M]	- Disruption (e.g. noise, light) [M] - Emissions of toxic soil and water pollutants [M]	- Disruption (e.g. noise, light) [M] - Emissions of toxic soil and water pollutants [M]	· Disruption (e.g. noise, light) VH] · Emissions of toxic soil and water pollutants [M]	- Disruption (e.g. noise, light) [VH] - Emissions of toxic soil and water pollutants [M]
	Potential dependency of activity on ecosystem services (ENCORE) [M: medium, H: high]	- Soil and sediment retention [M] - Water treatment [M] - Regulation of water flow [M] - Flood protection [M] - Storm mitigation [M]	- Soil and sediment retention [M] - Water treatment [M] - Regulation of water flow [M] - Flood protection [M] - Storm mitigation [M]	- Soil and sediment retention [M] - Water treatment [M] - Regulation of water flow [M] - Flood protection [M] - Storm mitigation [M]	- Soil and sediment retention [M] - Water treatment [M] - Regulation of water flow [M] - Flood protection [M] - Storm mitigation [M]	· Soil and sediment etention [M] · Water treatment [M] · Regulation of water flow [M] · Flood protection [M] · Storm mitigation [M]	- Soil and sediment retention [M] - Water treatment [M] - Regulation of water flow [M] - Flood protection [M] - Storm mitigation [M]
Biodiversity-sensitive areas	**Number of protected areas (radius 4,500 m)**	1	2	3	3	1	1
	Names of the protected areas	- Basses vallées angevines, aval de la rivière Mayenne et prairies de la Baumette	- Zatoka Pucka - Twierdza Wisłoujście	- Gammelstadsviken - Ormberget-Hertsölandet - Kallaxheden	- De Wieden - Weerribben-Wieden - Reestdal	· Área De Proteção Ambiental Haras São Bernardo	- Qingdao-Rizhao coastal wetland and islands

		TRATON GROUP				
	No.	53	54	55	56	57
General Information	Site location	Scania Slupsk plant	Scania Södertälje plant	Scania Zwolle plant	MAN T&B Banovce plant	MAN T&B Kraków plant
	Category	Production	Production	Production	Production	Production
	Country	Poland	Sweden	Netherlands	Slovakia	Poland
Activity	ISIC Group (ENCORE)	Manufacture of motor vehicles	Manufacture of motor vehicles	Manufacture of motor vehicles	Manufacture of parts and accessories for motor vehicles	Manufacture of motor vehicles
Screening of potential impacts and dependencies of activities (ENCORE)	Potential impacts of activity (ENCORE) [M: medium, H: high, VH: very high]	- Disruption (e.g. noise, light) [VH] - Emissions of toxic soil and water pollutants [M]	- Disruption (e.g. noise, light) [VH] - Emissions of toxic soil and water pollutants [M]	- Disruption (e.g. noise, light) [VH] - Emissions of toxic soil and water pollutants [M]	- Disruption (e.g. noise, light) [VH] - Emissions of toxic soil and water pollutants [M]	· Disruption (e.g. noise, light) [VH] · Emissions of toxic soil and water pollutants [M]
	Potential dependency of activity on ecosystem services (ENCORE) [M: medium, H: high]	- Soil and sediment retention [M] - Water treatment [M] - Regulation of water flow [M] - Flood protection [M] - Storm mitigation [M]	- Soil and sediment retention [M] - Water treatment [M] - Regulation of water flow [M] - Flood protection [M] - Storm mitigation [M]	- Soil and sediment retention [M] - Water treatment [M] - Regulation of water flow [M] - Flood protection [M] - Storm mitigation [M]	- Soil and sediment retention [M] - Water treatment [M] - Regulation of water flow [M] - Flood protection [M] - Storm mitigation [M]	· Soil and sediment retention [M] · Water treatment [M] · Regulation of water flow [M] · Flood protection [M] · Storm mitigation [M]
Biodiversity-sensitive areas	Number of protected areas (radius 4,500 m)	1	2	2	1	1
	Names of the protected areas	- Dolina Slupi	- Kvedesta - Lina	- Rijntakken - Uiterwaarden Zwarte Water en Vecht	- Dubnicka - Strážovské vrchy - Rokos	· Puszcza Niepołomicka

		TRATON GROUP				
	No.	58	59	60	61	62
General Information	Site location	MAN T&B Munich plant	MAN T&B Nuremberg plant	MAN T&B Olifantsfontein plant	MAN Pinetown plant	MAN Salzgitter plant
	Category	Production	Production	Production	Production	Production
	Country	Germany	Germany	South Africa	South Africa	Germany
Activity	ISIC Group (ENCORE)	Manufacture of motor vehicles	Manufacture of motor vehicles	Manufacture of motor vehicles	Manufacture of motor vehicles	Manufacture of motor vehicles
Screening of potential impacts and dependencies of activities (ENCORE)	Potential impacts of activity (ENCORE) [M: medium, H: high, VH: very high]	- Disruption (e.g. noise, light) [VH] - Emissions of toxic soil and water pollutants [M]	- Disruption (e.g. noise, light) [VH] - Emissions of toxic soil and water pollutants [M]	- Disruption (e.g. noise, light) [VH] - Emissions of toxic soil and water pollutants [M]	- Disruption (e.g. noise, light) [VH] - Emissions of toxic soil and water pollutants [M]	· Disruption (e.g. noise, light) [VH] · Emissions of toxic soil and water pollutants [M]
	Potential dependency of activity on ecosystem services (ENCORE) [M: medium, H: high]	- Soil and sediment retention [M] - Water treatment [M] - Regulation of water flow [M] - Flood protection [M] - Storm mitigation [M]	- Soil and sediment retention [M] - Water treatment [M] - Regulation of water flow [M] - Flood protection [M] - Storm mitigation [M]	- Soil and sediment retention [M] - Water treatment [M] - Regulation of water flow [M] - Flood protection [M] - Storm mitigation [M]	- Soil and sediment retention [M] - Water treatment [M] - Regulation of water flow [M] - Flood protection [M] - Storm mitigation [M]	· Soil and sediment retention [M] · Water treatment [M] · Regulation of water flow [M] · Flood protection [M] · Storm mitigation [M]
Biodiversity-sensitive areas	Number of protected areas (radius 4,500 m)	10	10	1	5	3
	Names of the protected areas	- Allach Forest and Angerlohe - Nymphenburger Park with Allee and Kapuzinerhölzl - Würmniederung extended to city limits - Schwarzhölzl with adjacent area to the south and east - Würm Canal and area around quarry lake in Feldmoching - Amper floodplains with Hebertshauser Moos and Inhauser Moos - Ditches and lowland moor remnants in Dachauer Moos - Lochholz - Schwarzhölzl - Area surrounding Landwied highway lake - Nature reserve Munich North in Garching bei München, Oberschleißheim and Unterschleißheim	- Nuremberg Reichswald forest - Rednitz Valley in Nuremberg - Königshof - Lake Wöhrder - West Pegnitz Valley - Middle Rednitz Valley - Föhrenbuch sand quarry - North Rednitz Valley - Stein nature reserve - Langwasser	- Rietvlei-Irene	- Marion Wood Nature Reserve - New Germany Nature Reserve - Krantzkloof Nature Reserve - Giba Gorge – Marianhill - Lower Umgeni	· Heerter Lake and Heerter Strauchholz woodland site · Beddinger Holz forest and Langes Holz forest · Oderwald forest (North)

		TRATON GROUP					
	No.	63	64	65	66	67	68
General Information	Site location	MAN Starachowice plant	International Motors Huntsville plant	International Motors San Antonio plant	International Motors Springfield plant	International Motors Tulsa plant	Volkswagen Truck & Bus Resende plant
	Category	Production	Production	Production	Production	Production	Production
	Country	Poland	USA	USA	USA	USA	Brazil
Activity	ISIC Group (ENCORE)	Manufacture of motor vehicles	Manufacture of parts and accessories for motor vehicles	Manufacture of motor vehicles Manufacture of parts and accessories for motor vehicles	Manufacture of motor vehicles	Manufacture of motor vehicles	Manufacture of motor vehicles
Screening of potential impacts and dependencies of activities (ENCORE)	Potential impacts of activity (ENCORE) [M: medium, H: high, VH: very high]	- Disruption (e.g. noise, light) [VH] - Emissions of toxic soil and water pollutants [M]	- Disruption (e.g. noise, light) [M] - Emissions of toxic soil and water pollutants [M]	- Disruption (e.g. noise, light) [VH] - Emissions of toxic soil and water pollutants [M]	- Disruption (e.g. noise, light) [VH] - Emissions of toxic soil and water pollutants [M]	- Disruption (e.g. noise, light) [VH] - Emissions of toxic soil and water pollutants [M]	· Disruption (e.g. noise, light) [VH] · Emissions of toxic soil and water pollutants [M]
	Potential dependency of activity on ecosystem services (ENCORE) [M: medium, H: high]	- Soil and sediment retention [M] - Water treatment [M] - Regulation of water flow [M] - Flood protection [M] - Storm mitigation [M]	- Soil and sediment retention [M] - Water treatment [M] - Regulation of water flow [M] - Flood protection [M] - Storm mitigation [M]	- Soil and sediment retention [M] - Water treatment [M] - Regulation of water flow [M] - Flood protection [M] - Storm mitigation [M]	- Soil and sediment retention [M] - Water treatment [M] - Regulation of water flow [M] - Flood protection [M] - Storm mitigation [M]	- Soil and sediment retention [M] - Water treatment [M] - Regulation of water flow [M] - Flood protection [M] - Storm mitigation [M]	· Soil and sediment retention [M] · Water treatment [M] · Regulation of water flow [M] · Flood protection [M] · Storm mitigation [M]
Biodiversity-sensitive areas	Number of protected areas (radius 4,500 m)	3	2	4	3	1	2
	Names of the protected areas	- Ostoja Sieradowicka - Uroczska Lasów Strachowickich - Doliny Kamiennej	- Wheeler National Wildlife Refuge - Dallas W. Fanning Nature Preserve	- Mitchell Lake - Medina River - San Antonio Missions National Historical Park - Cassin Lake	- Cedar Bog Nature Preserve - Wetlands Reserve Program - Mad River	- Oxley Nature Center	· Refúgio De Vida Silvestre Estadual Da Lagoa Da Turfeira · Refúgio De Vida Silvestre Estadual Do Médio Paraíba

2025 Non-Financial Indicators of Volkswagen AG

In the sustainability report, the combined presentation was chosen for the non-financial statement to be submitted in the reporting year in accordance with section 289b through 289e HGB. With regard to the information provided above in the sustainability report, all disclosures, regulations, described processes and metrics apply at all times to the Volkswagen Group including Volkswagen AG. No additional aspects under the *CSR-Richtlinie-Umsetzungsgesetz* (German CSR Directive Implementation Act) were identified that apply exclusively to Volkswagen AG. As the parent of the Volkswagen Group, Volkswagen AG is fundamentally subject to the same expected developments and risks and opportunities. The table below shows the material non-financial indicators of Volkswagen AG.

MATERIAL NON-FINANCIAL INDICATORS OF VOLKSWAGEN AG

	2025	2024
People		
Total workforce (as of December 31)	106,123	112,091
Proportion of women in the workforce in %	19.3	18.9
Proportion of women at top-management level in %	9.0	10.3
Average number of training hours per employee per year	8.6	10.3
Total Recordable Injury Rate (TRIR)	12.7	12.5
Lost Time Injury Frequency Rate (LTIFR)	8.1	7.4
Environment		
Total energy consumption in millon MWh	2.2	1.8
Scope 1 GHG emissions in million tonnes CO_2e	0.9	1.4
Scope 2 GHG emissions (market-based) in million tonnes CO_2e	0.1	0.1
Total water consumption in million m^3	0.7	0.7
Total waste in million tonnes	0.6	0.6

5

Divisions

455 Brand Groups and Business Fields

Commercial Vehicles

Audi

BENTLEY

LAMBORGHINI

DUCATI

SKODA

TRATON

VOLKSWAGEN FINANCIAL SERVICES

THE KEY TO MOBILITY



Brand Groups and Business Fields

In 2025, the Volkswagen Group's sales revenue and unit sales figures were on a level with the previous year, despite the challenging market environment. The operating result was negatively impacted in particular by expenses in connection with US import tariffs, Porsche's adjusted product planning and impairment losses on goodwill at Porsche.

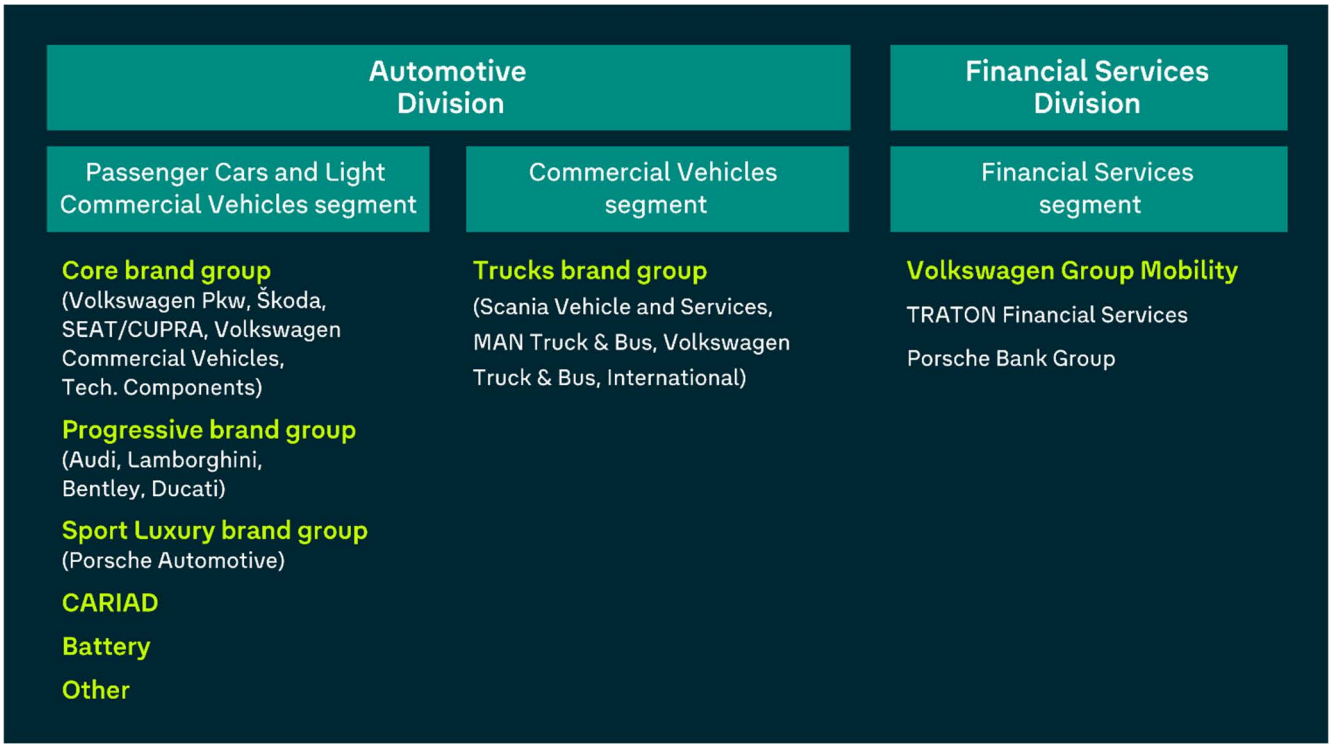
SALES REVENUE AND OPERATING RESULT BY BRAND GROUP AND BUSINESS FIELD

The Volkswagen Group generated sales revenue of €321.9 (324.7) billion in the period from January to December 2025. The operating result stood at €8.9 (19.1) billion.

In fiscal year 2025, the Core brand group sold 5.1 (5.0) million vehicles. Sales revenue rose to €145.2 (140.0) billion. The operating result amounted to €6.8 (7.0) billion.

Unit sales for the Volkswagen Passenger Cars brand in the reporting year were on a level with the previous year, at 3.1 (3.1) million vehicles. The T-Roc recorded growth, and the Tiguan also continues to enjoy a high level of popularity. In addition, the all-electric ID.3, ID.4 and ID.7 models performed favorably. The Tayron was successfully launched on the market. Sales revenue amounted to €86.6 (88.3) billion. At €2.6 (2.6) billion, the operating result was on a level with the prior-year figure, which had been influenced by higher expenses for restructuring measures. In the reporting year, high expenses mainly related to US import tariffs and to the recognition of provisions in connection with CO_2 fleet regulations had a negative impact. Positive impacts primarily came from lower fixed costs resulting from systematic implementation of the performance programs and the entry into force of the collective bargaining agreement from December 2024.

REPORTING STRUCTURE OF THE VOLKSWAGEN GROUP



KEY FIGURES BY BRAND GROUP AND BUSINESS FIELD

	VEHICLE SALES		SALES REVENUE		OPERATING RESULT	
Thousand vehicles/€ million	**2025**	**2024**	**2025**	**2024**	**2025**	**2024**
Core brand group	5,125	4,960	145,202	140,004	6,821	6,961
Progressive brand group	1,145	1,123	65,503	64,532	3,371	3,903
Sport Luxury brand group[1]	266	313	32,185	36,438	90	5,286
CARIAD	–	–	1,775	1,327	–2,180	–2,431
Battery	–	–	30	8	–1,386	–1,053
Trucks brand group	306	335	42,540	46,183	2,411	4,204
Equity-accounted companies in China[2]	2,588	2,742	–	–	–	–
Volkswagen Group Mobility	–	–	57,769	54,806	3,451	3,000
Other[3]	–407	–435	–23,092	–18,643	–3,710	–810
Volkswagen Group	**9,022**	**9,037**	**321,913**	**324,656**	**8,868**	**19,060**

1 Including Porsche Financial Services: sales revenue €36,272 (40,083) million, operating result €413 (5,637) million.
2 The sales revenue and operating result of the equity-accounted companies in China are not included in the consolidated figures; the share of the operating result generated by these companies amounted to €958 (1,742) million.
3 In the operating result, mainly intragroup items recognized in profit or loss, in particular from the elimination of intercompany profits; the figure includes depreciation and amortization of identifiable assets as part of purchase price allocation, as well as companies not allocated to the brands.

KEY FIGURES FOR THE CORE BRAND GROUP

	VEHICLE SALES		SALES REVENUE		OPERATING RESULT	
Thousand vehicles/€ million	**2025**	**2024**	**2025**	**2024**	**2025**	**2024**
Volkswagen Passenger Cars	3,104	3,109	86,570	88,262	2,612	2,587
Škoda	1,173	1,090	30,105	27,787	2,502	2,305
SEAT/CUPRA	657	637	15,272	14,530	1	633
Volkswagen Commercial Vehicles	428	404	16,857	15,124	245	743
Tech. Components	–	–	22,476	20,645	1,503	703
Consolidation	–238	–281	–26,078	–26,345	–42	–11
Core brand group	**5,125**	**4,960**	**145,202**	**140,004**	**6,821**	**6,961**

Škoda sold a total of 1.2 million vehicles in the reporting year, an increase of 7.6% year-on-year. Demand was high for the all-electric Elroq and Enyaq SUVs in particular, making Škoda one of the most successful automakers in the European BEV segment. Unit sales of the Kodiaq also rose. Sales revenue increased by 8.3% to €30.1 billion. The operating result stood at €2.5 (2.3) billion, with the 8.5% increase on the prior-year figure attributable to higher volumes as well as further cost optimization.

Unit sales at SEAT/CUPRA came to 657 (637) thousand vehicles in the period from January to December 2025. The figure includes the A1 manufactured for Audi. The CUPRA model portfolio accounted for a large proportion of this growth. In particular the all-electric CUPRA Born and CUPRA Tavascan saw higher demand compared with the prior year. In addition, unit sales of the CUPRA Terramar and CUPRA Leon rose. At €15.3 billion, sales revenue was up 5.1% year-on-year. The operating result declined to €1 (633) million. Amid a challenging market environment, adverse factors arose from changes in the sales mix, EU tariffs on the CUPRA Tavascan produced in China and higher product costs, among other things.

In fiscal year 2025, unit sales of Volkswagen Commercial Vehicles increased to 428 (404) thousand units worldwide. The all-electric ID. Buzz recorded growth. The New Transporter developed in collaboration with Ford enjoyed a successful market launch. At €16.9 (15.1) billion, sales revenue was above the prior-year figure. The operating result fell to €245 (743) million, which was attributable in particular to changes in the sales mix and the recognition of provisions in connection with CO_2 fleet regulations.

In the period from January to December 2025, sales revenue at Tech. Components amounted to €22.5 (20.6) billion. Due to volume and mix effects as well as to lower factory costs, the operating result of €1.5 (0.7) billion was higher than in the previous year, in which expenses for restructuring measures had to be recognized.

Unit sales at the Progressive brand group (Audi, Bentley, Lamborghini, Ducati) came to 1.1 (1.1) million vehicles globally in the reporting year. The A5 model series and the all-electric Q6 e-tron recorded growth in particular. The successors to the Q3 and Q5 as well as the A6 and the all-electric A6 e-tron were successfully introduced. Ducati sold 50.7 (57.4) thousand motorbikes in the reporting year. Sales revenue of the Progressive brand group amounted to €65.5 (64.5) billion. The operating result was influenced by expenses related to US import tariffs, restructuring measures and provisions in connection with CO_2 fleet regulations, as well as by numerous model changes and changes in the planning of the product portfolio, and amounted to €3.4 (3.9) billion.

The Sport Luxury brand group (Porsche Automotive) sold 266 (313) thousand vehicles globally in fiscal year 2025. The Macan was the best-selling series. Sales revenue decreased to €32.2 (36.4) billion and the operating result declined to €0.1 (5.3) billion. This was mainly due to lower sales volumes attributable to the continuously challenging market situation in China, additional expenses connected with the realignment of the product strategy and battery activities, the increased impact of development activities on earnings, US import tariffs and higher material costs.

CARIAD's sales revenue rose by €448 million to €1.8 billion in the period from January to December 2025. This was mainly attributable to the successful supply of software by CARIAD to the Group brands. Despite expenses for restructuring and technology replacement, the operating result improved by €251 million to €–2.2 (–2.4) billion due in particular to the systematic implementation of the CARIAD transformation program.

The Battery business field brings together the Group's global battery activities, which relate to the future manufacture of battery cells and other activities along the battery value chain. As a result of the establishment of the business field, the operating result in the Battery business amounted to €–1.4 (–1.1) billion in the reporting year due mainly to fixed costs.

At 306 (335) thousand vehicles, unit sales by the Trucks brand group (Scania, MAN, International, Volkswagen Truck & Bus) were lower than in the previous year. Sales revenue contracted by 7.9% to €42.5 billion. The operating result declined to €2.4 (4.2) billion due in particular to volume factors.

The number of new financing, leasing, service and insurance contracts signed with Volkswagen Group Mobility in the reporting year stood at 10.6 (10.3) million. With credit eligibility criteria remaining unchanged, the penetration rate, expressed as the ratio of leased or financed vehicles to relevant Group delivery volumes, rose to 37.0 (34.1)%. At 27.8 (26.7) million, the total number of contracts at the end of December 2025 was higher than the figure for December 31, 2024. The number of contracts in the customer financing/leasing area amounted to 10.5 (10.2) million, and in the service/insurance area to 17.3 (16.5) million. On December 31, 2025, Volkswagen Bank managed 2.1 (1.9) million deposit accounts. The operating result rose to €3.5 (3.0) billion, due primarily to higher volumes and a favorable margin trend.

UNIT SALES AND SALES REVENUE BY MARKET

In the Europe/Other Markets region, the Volkswagen Group's unit sales for fiscal year 2025 totaled 4.4 (4.2) million vehicles, up on the previous year. Sales revenue rose to €204.5 (194.1) billion, due mainly to volume growth and higher sales revenue in the Financial Services Division.

In the North American markets, the Volkswagen Group sold 0.9 (1.1) million vehicles in the reporting year. At €60.0 (67.7) billion, sales revenue was down year-on-year.

Unit sales in South America rose year-on-year to 669 (606) thousand vehicles in the period from January to December 2025. Sales revenue amounted to €19.0 (19.0) billion.

In the Asia-Pacific region, the unit sales of the Volkswagen Group – including those of the equity-accounted companies in China – amounted to 3.0 (3.1) million vehicles in the reporting year. Sales revenue declined to €38.2 (44.1) billion due to exchange rate-related factors, amongst other things. This figure does not include sales revenue from our equity-accounted companies in China.

KEY FIGURES BY MARKET

	VEHICLE SALES		SALES REVENUE	
Thousand vehicles/€ million	**2025**	**2024**	**2025**	**2024**
Europe/Other Markets	4,406	4,204	204,549	194,145
North America	947	1,080	60,001	67,712
South America	669	606	18,971	18,962
Asia-Pacific[1]	3,000	3,147	38,154	44,057
Hedges on sales revenue	–	–	238	–219
Volkswagen Group[1]	**9,022**	**9,037**	**321,913**	**324,656**

1 The sales revenue of the joint venture companies in China is not included in the figures for the Group and the Asia-Pacific market.

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Income Statement

of the Volkswagen Group for the period January 1 to December 31, 2025

€ million	Note	2025	2024
Sales revenue	1	**321,913**	**324,656**
Cost of sales	2	-270,671	-265,184
Gross result		**51,243**	**59,472**
Distribution expenses	3	-22,804	-22,320
Administrative expenses	4	-12,541	-12,754
Other operating income	5	13,615	14,974
Other operating expenses	6	-20,644	-20,312
Operating result		**8,868**	**19,060**
Share of the result of equity-accounted investments	7	930	375
Interest income	8	1,824	2,419
Interest expenses	8	-3,245	-3,446
Other financial result	9	930	-1,602
Financial result		**439**	**-2,255**
Earnings before tax		**9,307**	**16,806**
Income tax income/expense	10	-2,403	-4,411
Current		-3,837	-5,858
Deferred		1,434	1,447
Earnings after tax		**6,904**	**12,394**
of which attributable to			
Non-controlling interests		-419	1,043
Volkswagen AG hybrid capital investors		650	630
Volkswagen AG shareholders		6,673	10,721
Basic/diluted earnings per ordinary share in €	11	**13.29**	**21.36**
Basic/diluted earnings per preferred share in €	11	**13.35**	**21.42**

Statement of Comprehensive Income

Changes in comprehensive income for the period January 1 to December 31, 2025

€ million	Total	Income attributable to Volkswagen AG shareholders	Income attributable to Volkswagen AG hybrid capital investors	Income attributable to non-controlling interests
Earnings after tax	**6,904**	**6,673**	**650**	**-419**
Pension plan remeasurements recognized in other comprehensive income				
Pension plan remeasurements recognized in other comprehensive income, before tax	4,782	4,566	-	216
Deferred taxes relating to pension plan remeasurements recognized in other comprehensive income	-1,404	-1,351	-	-53
Pension plan remeasurements recognized in other comprehensive income, net of tax	3,378	3,216	-	162
Fair value valuation of equity instruments that will not be reclassified to profit or loss				
Fair value valuation of equity instruments that will not be reclassified to profit or loss, before tax	1,441	1,377	-	64
Deferred taxes relating to fair value valuation of equity instruments that will not be reclassified to profit or loss	-264	-263	-	-1
Fair value valuation of equity instruments that will not be reclassified to profit or loss, net of tax	1,177	1,114	-	63
Share of other comprehensive income of equity-accounted investments that will not be reclassified to profit or loss, net of tax	-5	-5	-	0
Items that will not be reclassified to profit or loss	**4,550**	**4,325**	**-**	**225**
Exchange differences on translating foreign operations				
Gains/losses on currency translation recognized in other comprehensive income	-3,371	-3,255	-	-116
Transferred to profit or loss	36	36	-	-
Exchange differences on translating foreign operations, before tax	-3,334	-3,219	-	-116
Deferred taxes relating to exchange differences on translating foreign operations	1	0	-	1
Exchange differences on translating foreign operations, net of tax	-3,333	-3,219	-	-115
Hedging				
Fair value changes recognized in other comprehensive income (OCI I)	3,619	2,958	-	661
Transferred to profit or loss or inventories (OCI I)	-1,384	-1,165	-	-218
Cash flow hedges (OCI I), before tax	2,235	1,793	-	442
Deferred taxes relating to cash flow hedges (OCI I)	-617	-493	-	-124
Cash flow hedges (OCI I), net of tax	1,619	1,300	-	318
Fair value changes recognized in other comprehensive income (OCI II)	-475	-379	-	-96
Transferred to profit or loss or inventories (OCI II)	761	669	-	92
Cash flow hedges (OCI II), before tax	286	290	-	-4
Deferred taxes relating to cash flow hedges (OCI II)	-90	-89	-	-1
Cash flow hedges (OCI II), net of tax	197	201	-	-5
Fair value valuation of debt instruments that may be reclassified to profit or loss				
Fair value changes recognized in other comprehensive income	68	68	-	-
Transferred to profit or loss	-9	-9	-	-
Fair value valuation of debt instruments that may be reclassified to profit or loss, before tax	59	59	-	-
Deferred taxes relating to fair value valuation of debt instruments recognized in other comprehensive income	-19	-19	-	-
Fair value valuation of debt instruments that may be reclassified to profit or loss, net of tax	40	40	-	-
Share of other comprehensive income of equity-accounted investments that may be reclassified to profit or loss, net of tax	-172	-156	-	-16
Items that may be reclassified to profit or loss	**-1,650**	**-1,833**	**-**	**183**
Other comprehensive income, before tax	5,292	4,706	-	586
Deferred taxes relating to other comprehensive income	-2,393	-2,214	-	-178
Other comprehensive income, net of tax	**2,900**	**2,492**	**-**	**408**
Total comprehensive income	**9,804**	**9,165**	**650**	**-11**

Changes in comprehensive income for the period January 1 to December 31, 2024

€ million	Total	Income attributable to Volkswagen AG shareholders	Income attributable to Volkswagen AG hybrid capital investors	Income attributable to non-controlling interests
Earnings after tax	**12,394**	**10,721**	**630**	**1,043**
Pension plan remeasurements recognized in other comprehensive income				
Pension plan remeasurements recognized in other comprehensive income, before tax	2,158	2,086	–	72
Deferred taxes relating to pension plan remeasurements recognized in other comprehensive income	–514	–497	–	–17
Pension plan remeasurements recognized in other comprehensive income, net of tax	1,644	1,589	–	55
Fair value valuation of equity instruments that will not be reclassified to profit or loss				
Fair value valuation of equity instruments that will not be reclassified to profit or loss, before tax	–20	–18	–	–3
Deferred taxes relating to fair value valuation of equity instruments that will not be reclassified to profit or loss	29	28	–	1
Fair Value valuation of equity instruments that will not be reclassified to profit or loss, net of tax	8	11	–	–2
Share of other comprehensive income of equity-accounted investments that will not be reclassified to profit or loss, net of tax	–60	–60	–	0
Items that will not be reclassified to profit or loss	**1,592**	**1,540**	**–**	**52**
Exchange differences on translating foreign operations				
Gains/losses on currency translation recognized in other comprehensive income	893	988	–	–96
Transferred to profit or loss	286	286	–	–
Exchange differences on translating foreign operations, before tax	1,179	1,275	–	–96
Deferred taxes relating to exchange differences on translating foreign operations	1	1	–	0
Exchange differences on translating foreign operations, net of tax	1,180	1,275	–	–96
Hedging				
Fair value changes recognized in other comprehensive income (OCI I)	–622	–453	–	–169
Transferred to profit or loss or inventories (OCI I)	–1,072	–957	–	–114
Cash flow hedges (OCI I), before tax	–1,694	–1,410	–	–284
Deferred taxes relating to cash flow hedges (OCI I)	490	404	–	85
Cash flow hedges (OCI I), net of tax	–1,204	–1,006	–	–198
Fair value changes recognized in other comprehensive income (OCI II)	–471	–420	–	–51
Transferred to profit or loss or inventories (OCI II)	1,121	990	–	131
Cash flow hedges (OCI II), before tax	650	569	–	81
Deferred taxes relating to cash flow hedges (OCI II)	–185	–161	–	–24
Cash flow hedges (OCI II), net of tax	465	409	–	56
Fair value valuation of debt instruments that may be reclassified to profit or loss				
Fair value changes recognized in other comprehensive income	80	80	–	–
Transferred to profit or loss	–7	–7	–	–
Fair value valuation of debt instruments that may be reclassified to profit or loss, before tax	73	73	–	–
Deferred taxes relating to fair value valuation of debt instruments recognized in other comprehensive income	–22	–22	–	–
Fair value valuation of debt instruments that may be reclassified to profit or loss, net of tax	51	51	–	–
Share of other comprehensive income of equity-accounted investments that may be reclassified to profit or loss, net of tax	–113	–114	–	2
Items that may be reclassified to profit or loss	**379**	**614**	**–**	**–236**
Other comprehensive income, before tax	2,173	2,401	–	–228
Deferred taxes relating to other comprehensive income	–202	–246	–	45
Other comprehensive income, net of tax	**1,971**	**2,154**	**–**	**–183**
Total comprehensive income	**14,365**	**12,875**	**630**	**860**

Balance Sheet

of the Volkswagen Group as of December 31, 2025

€ million	Note	Dec. 31, 2025	Dec. 31, 2024
Assets			
Non-current assets			
Intangible assets	12	91,474	93,333
Property, plant and equipment	13, 33	73,076	71,452
Lease assets	14, 33	82,486	73,193
Investment property	14	609	622
Equity-accounted investments	15	9,996	10,269
Other equity investments	15	7,366	5,731
Financial services receivables	16	101,230	101,087
Other financial assets	17	11,692	12,129
Other receivables	18	3,651	2,868
Tax receivables	19	411	409
Deferred tax assets	19	14,611	16,581
		396,602	**387,674**
Current assets			
Inventories	20	56,042	56,720
Trade receivables	21	20,760	21,130
Financial services receivables	16	70,026	68,855
Other financial assets	17	20,158	18,649
Other receivables	18	9,881	10,217
Tax receivables	19	2,674	2,038
Marketable securities and time deposits	22	29,522	27,326
Cash and cash equivalents	23	38,801	40,296
		247,865	**245,231**
Total assets		**644,467**	**632,905**

€ million	Note	Dec. 31, 2025	Dec. 31, 2024
Equity and liabilities			
Equity	24		
Subscribed capital		1,283	1,283
Capital reserve		14,551	14,551
Retained earnings		161,357	155,130
Other reserves		–3,190	–2,560
Equity attributable to Volkswagen AG hybrid capital investors		14,275	13,890
Equity attributable to Volkswagen AG shareholders and hybrid capital investors		188,277	182,294
Non-controlling interests		14,777	14,437
		203,054	**196,731**
Non-current liabilities			
Financial liabilities	25	137,214	137,061
Other financial liabilities	26	6,422	6,548
Other liabilities	27	11,420	10,584
Deferred tax liabilities	28	9,963	10,900
Provisions for pensions	29	22,826	27,602
Provisions for taxes	28	3,367	4,084
Other provisions	30	23,676	22,355
		214,887	**219,134**
Current liabilities			
Financial liabilities	25	127,489	117,020
Trade payables	31	30,490	29,772
Tax payables	28	497	724
Other financial liabilities	26	13,643	14,364
Other liabilities	27	24,427	24,752
Provisions for taxes	28	1,986	1,698
Other provisions	30	27,993	28,709
		226,525	**217,039**
Total equity and liabilities		**644,467**	**632,905**

Statement of Changes in Equity

of the Volkswagen Group for the period January 1 to December 31, 2025

				OTHER RESERVES								
					HEDGING							
€ million	Subscribed capital	Capital reserve	Retained earnings	Currency translation reserve	Cash flow hedges (OCI I)	Deferred costs of hedging (OCI II)	Equity and debt instruments	Equity-accounted investments	Equity attributable to Volkswagen AG hybrid capital investors	Equity attributable to Volkswagen AG shareholders and hybrid capital investors	Non-controlling interests	Total equity
Balance at Jan. 1, 2024	**1,283**	**14,551**	**147,830**	**-3,431**	**1,472**	**-676**	**-966**	**476**	**15,155**	**175,694**	**14,218**	**189,912**
Prior-year corrections in accordance with IAS 8	–	–	-726	–	–	–	–	–	–	-726	–	-726
Adjusted balance at Jan. 1, 2024	**1,283**	**14,551**	**147,104**	**-3,431**	**1,472**	**-676**	**-966**	**476**	**15,155**	**174,968**	**14,218**	**189,186**
Earnings after tax	–	–	10,721	–	–	–	–	–	630	11,351	1,043	12,394
Other comprehensive income, net of tax	–	–	1,589	1,275	-1,006	409	61	-174	–	2,154	-183	1,971
Total comprehensive income	**–**	**–**	**12,310**	**1,275**	**-1,006**	**409**	**61**	**-174**	**630**	**13,505**	**860**	**14,365**
Disposal of equity instruments	–	–	1	–	–	–	-1	–	–	–	–	–
Capital increases/Capital decreases	–	–	–	–	–	–	–	–	-1,244	-1,244	106	-1,138
Dividends payment	–	–	-4,524	–	–	–	–	–	-651	-5,175	-604	-5,779
Capital transactions involving a change in ownership interest	–	–	-4	0	–	–	–	–	–	-4	4	–
Other changes	–	–	243	–	–	–	–	1	–	244	-147	97
Balance at Dec. 31, 2024	**1,283**	**14,551**	**155,130**	**-2,156**	**466**	**-267**	**-906**	**303**	**13,890**	**182,294**	**14,437**	**196,731**
Balance at Jan. 1, 2025	**1,283**	**14,551**	**155,130**	**-2,156**	**466**	**-267**	**-906**	**303**	**13,890**	**182,294**	**14,437**	**196,731**
Earnings after tax	–	–	6,673	–	–	–	–	–	650	7,323	-419	6,904
Other comprehensive income, net of tax	–	–	3,216	-3,219	1,300	201	1,154	-161	–	2,492	408	2,900
Total comprehensive income	**–**	**–**	**9,888**	**-3,219**	**1,300**	**201**	**1,154**	**-161**	**650**	**9,815**	**-11**	**9,804**
Disposal of equity instruments	–	–	-31	–	–	–	31	–	–	–	–	–
Capital increases/Capital decreases	–	–	0	–	–	–	–	–	400	400	29	428
Dividends payment	–	–	-3,171	–	–	–	–	–	-664	-3,835	-625	-4,460
Capital transactions involving a change in ownership interest	–	–	-430	48	0	0	14	0	–	-367	719	352
Other changes	–	–	-30	–	–	–	–	1	–	-30	229	199
Balance at Dec. 31, 2025	**1,283**	**14,551**	**161,357**	**-5,326**	**1,766**	**-66**	**293**	**142**	**14,275**	**188,277**	**14,777**	**203,054**

Explanatory notes on equity are presented in the note relating to equity.

Cash Flow Statement

of the Volkswagen Group for the period January 1 to December 31, 2025

€ million	2025	2024
Cash and cash equivalents at beginning of period	**40,296**	**43,522**
Earnings before tax	9,307	16,806
Income taxes paid	-5,152	-6,187
Depreciation and amortization of, and impairment losses on, intangible assets, property, plant and equipment, and investment property[1]	16,866	12,858
Amortization of and impairment losses on capitalized development costs[1]	8,365	7,209
Impairment losses on equity investments[1]	38	710
Depreciation of and impairment losses on lease assets[1]	12,203	11,279
Gain/loss on disposal of non-current assets and equity investments	-95	110
Share of the result of equity-accounted investments	968	2,362
Other non-cash expense/income	-946	903
Change in inventories	-896	-2,695
Change in receivables (excluding financial services)	-211	-2,083
Change in liabilities (excluding financial liabilities)	3,165	52
Change in provisions	1,760	4,247
Change in lease assets	-24,166	-19,358
Change in financial services receivables	-6,196	-9,061
Cash flows from operating activities	**15,009**	**17,151**
Investments in intangible assets (excluding development costs), property, plant and equipment, and investment property	-15,299	-17,202
Additions to capitalized development costs	-9,047	-10,244
Acquisition of subsidiaries	-359	-284
Acquisition of other equity investments	-2,106	-2,152
Disposal of subsidiaries	67	-148
Disposal of other equity investments	951	231
Proceeds from disposal of intangible assets, property, plant and equipment, and investment property	733	947
Change in investments in securities and time deposits	-1,485	-203
Change in loans	-938	-2,517
Cash flows from investing activities	**-27,484**	**-31,573**
Capital contributions/capital redemptions	420	-1,144
Dividends paid	-4,460	-5,779
Capital transactions with non-controlling interest shareholders	352	-
Proceeds from issuance of bonds	35,993	38,420
Repayments of bonds	-32,669	-32,617
Proceeds from issuance of commercial paper and notes[2]	27,549	13,828
Repayments of commercial paper and notes[2]	-30,417	-12,414
Changes in other financial liabilities[2]	16,624	12,179
Repayments of lease liabilities	-1,476	-1,334
Cash flows from financing activities	**11,918**	**11,140**
Effect of exchange rate changes on cash and cash equivalents	-938	55
Change of loss allowance within cash and cash equivalents	0	1
Net change in cash and cash equivalents	**-1,495**	**-3,226**
Cash and cash equivalents at end of period	**38,801**	**40,296**
Cash and cash equivalents at end of period	38,801	40,296
Securities and time deposits and loans	47,395	44,662
Gross liquidity	**86,197**	**84,959**
Total third-party borrowings	-264,703	-254,081
Net liquidity	**-178,506**	**-169,122**

1 Net of impairment reversals.
2 As from fiscal year 2025, commercial paper is presented in "Proceeds from issuance/repayments of commercial paper and notes". In the previous year, it had been presented in "Changes in other financial liabilities". The prior-year figures were adjusted accordingly.

Explanatory notes on the cash flow statement are presented in the section relating to the cash flow statement.

Notes

to the Consolidated Financial Statements of the Volkswagen Group
as of December 31, 2025

Basis of presentation

Volkswagen AG is domiciled in Wolfsburg, Germany, and entered in the commercial register at the Braunschweig Local Court under No. HRB 100484. The fiscal year corresponds to the calendar year.

In accordance with Regulation No. 1606/2002 of the European Parliament and of the Council, Volkswagen AG prepared its consolidated financial statements for 2025 in compliance with the IFRS Accounting Standards (IFRSs), as adopted by the European Union. All IFRSs adopted by the EU whose application is mandatory have been complied with.

The accounting policies applied in the previous year were generally retained. The only changes required resulted from amended standards.

Moreover, all the provisions of German commercial law that Volkswagen is additionally required to apply, as well as the German Corporate Governance Code, have been complied with in the preparation of the consolidated financial statements.

The consolidated financial statements were prepared in euros. Unless otherwise stated, all amounts are given in millions of euros (€ million).

All figures shown are rounded, so minor discrepancies may arise from addition of these amounts.

The income statement was prepared using the internationally accepted cost of sales method.

Preparation of the consolidated financial statements in accordance with the aforementioned standards requires management to make estimates that affect the reported amounts of certain items in the consolidated balance sheet and in the consolidated income statement, as well as the related disclosure of contingent assets and liabilities. The consolidated financial statements provide a true and fair view of the net assets, financial position and results of operations as well as the cash flows of the Volkswagen Group.

The Board of Management completed preparation of the consolidated financial statements on February 24, 2026. On that date, the period ended in which adjusting events after the reporting period are recognized.

Effects of new and amended IFRSs

Volkswagen AG has applied all accounting pronouncements adopted by the EU and effective for periods beginning in fiscal year 2025.

The amendments to IAS 21 for determining the exchange rate in the event of a lack of non-exchangeability, regardless of whether this is temporary or permanent, came into force on January 1, 2025. The supplementary guidance governs when a currency is exchangeable into another currency and when it is not, and how the exchange rate should be determined if a currency is not exchangeable.

The amendments referred to above do not materially affect the Volkswagen Group's net assets, financial position and results of operations, or the cash flows.

New and amended IFRSs not applied

In its 2025 consolidated financial statements, Volkswagen AG did not apply the following accounting pronouncements that have been adopted by the IASB until December 31, 2025, but were not yet required to be applied for the fiscal year.

Standard/Interpretation		Published by the IASB	Application mandatory[1]	Adopted by the EU	Expected impact
IFRS 9 / IFRS 7	Classification and Measurement of Financial Instruments	May 30, 2024	Jan. 1, 2026	Yes	No material impact
IFRS 9 / IFRS 7	Contracts Referencing Nature-dependent Electricity	Dec. 18, 2024	Jan. 1, 2026	Yes	No material impact
IFRS 18	Presentation and Disclosure in Financial Statements	Apr. 9, 2024	Jan. 1, 2027	Yes	No material impact on the core performance indicators in the Volkswagen Group
IFRS 19	Subsidiaries without Public Accountability: Disclosures	May 9, 2024	Jan. 1, 2027	No	No impact
IFRS 19	Amendments to IFRS 19 – Subsidiaries without Public Accountability: Disclosures	Aug. 21, 2025	Jan. 1, 2027	No	No impact
IAS 21	Translation into a hyperinflationary currency	Nov. 13, 2025	Jan. 1, 2027	No	No impact
	Annual Improvements to IFRS Accounting Standards - Volume 11[2]	Jul. 18, 2024	Jan. 1, 2026	Yes	No material impact

1 Effective date from Volkswagen AG's perspective.
2 Minor amendments to a number of IFRSs (IFRS 1, IFRS 7, IFRS 9, IFRS 10 and IAS 7).

Key events

DIESEL ISSUE

On September 18, 2015, the US Environmental Protection Agency (EPA) publicly announced in a "Notice of Violation" that irregularities in relation to nitrogen oxide (NO_x) emissions had been discovered in emissions tests on certain Volkswagen Group vehicles with 2.0 l diesel engines in the USA. This was followed by further reports on the scope of the so-called diesel issue. More detailed information can be found in the "Litigation" section.

As of fiscal year 2025, the effects of the diesel issue are no longer disclosed separately as special items. Expenses of €0.1 billion were recognized in connection with the diesel issue in the reporting year.

PRODUCT STRATEGY REALIGNMENT AT PORSCHE

In fiscal year 2025, Dr. Ing. h.c. F. Porsche AG (Porsche) resolved to realign its product strategy, which specifies that the market launch of certain all-electric vehicles is to be postponed. In addition, models with combustion engines are to be offered for longer. Specifically, development of the planned new electric vehicles platform is to be rescheduled for the 2030s. In collaboration with other Volkswagen Group brands, the platform is to be redesigned from a technological standpoint. This rescheduling resulted in an impairment loss on capitalized project costs as well as expenses from the recognition of provisions for outstanding obligations of €2.0 billion, which were recognized in the Volkswagen Group's cost of sales. This affected not only Porsche, but also the Progressive brand group.

GOODWILL IMPAIRMENT AT PORSCHE

As part of the business planning adjustment at Porsche, the Volkswagen Group tested the goodwill allocated to the Porsche operating segment for impairment in the third quarter of 2025. The Porsche operating segment comprises the Porsche brand excluding those activities assigned to the Financial Services segment. This resulted in a non-cash impairment loss of €2.7 billion, which was recognized in other operating expenses of the Volkswagen Group. The impairment test was conducted using a discounted cash flow calculation that reflects the medium-term operating return on sales of 10 to 15% targeted by Porsche. The recoverable amount was €48.0 billion. Furthermore, the measurement assumed a long-term growth rate of 1% (December 31, 2024: 1%) and a weighted average cost of capital (WACC) before tax for the Passenger Cars segment of 9.8% (December 31, 2024: 10.8%).

RESTRUCTURING IN THE VOLKSWAGEN GROUP

In fiscal year 2025, the Volkswagen Group recognized restructuring costs of €1.3 billion, mostly in other operating expenses. They are primarily attributable to AUDI AG, CARIAD SE and Volkswagen Sachsen GmbH. They were offset in this context by income of €0.3 billion from the reversal of personnel-related provisions at AUDI AG, most of which was recognized in cost of sales.

EFFECTS OF THE INCREASED IMPORT TARIFFS IMPOSED BY THE USA

Under a new trade agreement between the EU and the USA, a tariff of 15% for imports of European vehicles and vehicle parts into the USA was agreed in the third quarter of 2025. This arrangement applies retroactively from August 1, 2025, replacing the punitive tariffs of 25% in force since April 2025 and the standard tariff rate of 2.5%. Furthermore, tariffs of 25% have applied to vehicle imports from Mexico since April 2025. In addition, new import tariffs of 25% on mid-sized and heavy trucks entered into force as of November 1, 2025. Alongside the increased tariffs on vehicles and vehicle parts sold, the operating result was also weighed down by impairment losses for the measurement of vehicle inventories at net realizable value, as well as by higher provisions required for warranty obligations. In total, the increased import tariffs imposed by the USA resulted in expenses of €2.9 billion in the reporting year, which were recognized in cost of sales.

CO2 FLEET REGULATION

In the reporting year, expenses totaling €0.5 billion were recognized for Europe, in accordance with applicable EU regulations, for provisions in connection with the CO2 fleet regulation; they are presented in cost of sales. In addition, under the One Big Beautiful Bill Act of July 4, 2025, there was a legislative change in the USA for missing emissions targets in the US market. Overall, income recognized in this context was slightly outweighed by expenses for further US regulations in the reporting year.

MATERIAL TRANSACTIONS OF THE CURRENT FISCAL YEAR

RIVIAN

In June 2025, as part of its cooperation with the US electric vehicle manufacturer Rivian Automotive, Inc., Irvine/USA (Rivian), Volkswagen invested a further USD 1 billion in the ordinary shares of Rivian on the basis of the agreement entered into in the previous year. As a result, Volkswagen's equity interest in Rivian has risen to 12.3%. The purchase price was based on a defined average market price for the ordinary shares of Rivian plus a premium. The investment in Rivian is measured at fair value through other comprehensive income in the consolidated financial statements.

PLACEMENT OF TRATON SE SHARES

In March 2025, Volkswagen completed the placement of 11 million shares in TRATON SE, Munich (TRATON SE) at a price of €32.75 per share with a total value of €0.4 billion via its subsidiary Volkswagen International Luxembourg S.A., Strassen/Luxembourg. The placement corresponds to an interest of 2.2% in TRATON SE's share capital and reduces the direct interest in TRATON SE from 89.7% to 87.5%. In connection with the transaction, Volkswagen made known its intention to alter its shareholding to 75% plus 1 share in the medium term.

NORTHVOLT AB

The Swedish company Northvolt AB, Stockholm/Sweden (Northvolt), in which the Volkswagen Group holds an equity investment, filed for bankruptcy in Sweden on March 12, 2025. As a result, inclusion of the investment in the consolidated financial statements using the equity method ended as of March 31, 2025. This resulted in a non-cash loss of €0.1 billion, which is reported in the share of the result of equity-accounted investments. The loss is primarily the result of realizing currency translation effects, which had previously been recognized directly in equity. They were reclassified from other reserves attributable to equity-accounted investments to the share of the result of equity-accounted investments. The carrying amount of the investment had already been written down in full in fiscal year 2024. The write-down of the carrying amount of the investment and of the loan receivables from Northvolt resulted in a total non-cash expense of €0.7 billion in the previous year, which was recognized in the other financial result.

MATERIAL TRANSACTIONS OF THE PREVIOUS FISCAL YEAR

COOPERATION WITH RIVIAN

The Volkswagen Group (Volkswagen) and US electric vehicle manufacturer Rivian announced their intention to establish a joint venture in June 2024. After reaching technical milestones and obtaining the necessary official approvals, Rivian and Volkswagen Group Technologies, LLC, Palo Alto /USA (Rivian and Volkswagen Group Technologies) commenced activities on November 13, 2024. The two partners hold equal shares in the joint venture, which operates as an independent company. It is included in the consolidated financial statements as a joint venture using the equity method.

The aim of the partnership is to develop next generation software-defined vehicle (SDV) architectures to be used in future vehicles of both companies. The joint venture builds on Rivian's software and electronic architecture to facilitate the joint development of best-in-class architectures and software for the SDVs of both partners.

Volkswagen is planning to invest up to USD 5.8 billion in Rivian and the Rivian and Volkswagen Group Technologies joint venture by no later than January 2028. An initial investment in Rivian was made in June 2024, taking the form of an unsecured convertible note of USD 1 billion, which was converted into 95,377,269 ordinary shares of Rivian on December 3, 2024. Volkswagen thus holds around 8.6% of the outstanding class A shares of Rivian, representing a share of around 8% of the voting rights. The investment in Rivian is measured at fair value through other comprehensive income in the consolidated financial statements. When Rivian and Volkswagen Group Technologies commenced operations, Volkswagen invested a further USD 1.3 billion, in particular for the acquisition of the licenses in Rivian's existing architecture technology and for the 50% share of the joint venture. When certain financial and technical milestones are reached in 2025, 2026 and 2027, Volkswagen expects to make further investments of up to USD 3.5 billion in the form of equity and debt, of which up to USD 2.5 billion will be for ordinary shares of Rivian; these investments are expected to be made in two tranches of USD 1 billion each in 2025 and 2026 and a third tranche of USD 0.5 billion in 2027 or, at the latest, at the beginning of January 2028. The price of the shares is to be determined ahead of each purchase date on the basis of a defined average market price for the ordinary shares of Rivian plus a premium. In 2026, an additional amount of USD 1 billion can be drawn as a loan by Rivian and Volkswagen Group Technologies and passed on to Rivian.

In fiscal year 2024, the conditional commitment to purchase additional ordinary shares of Rivian resulted in an expense from the measurement of a derivative of €409 million. This was set against a gain of €126 million on the measurement of the convertible note due to the positive performance of the Rivian share price. These non-cash amounts were recognized in the other financial result.

ARGO AI

The process of winding down Argo AI, LLC, Pittsburgh/USA initiated in the third quarter of 2022 was completed in the third quarter of 2024. The inclusion of the investment in the consolidated financial statements using the equity method was ended as of September 30, 2024. This resulted in a non-cash gain of €0.3 billion, which was reported in the share of the result of equity-accounted investments. The gain was the result of realizing currency translation effects, which had previously been recognized directly in equity. They were reclassified from other reserves attributable to equity-accounted investments to the share of the result of equity-accounted investments.

Effects of climate change

Against the backdrop of climate change and the resulting tightening of emissions regulations, the transformation of the automotive industry towards e-mobility and further digitalization continues to move forwards. The Volkswagen Group has firmly embedded the transformation toward e-mobility in its Group strategy.

In the preparation of the consolidated financial statements, the Board of Management took into account the potential effects of climate change and future regulatory requirements, and especially the corresponding transformation towards e-mobility. Potential effects, especially on non-current assets, provisions for emissions levies and future cash flows were, as far as possible, incorporated into the significant estimates and assumptions included in the consolidated financial statements.

As part of its electrification campaign, the Volkswagen Group aims to offer its customers worldwide an increasing choice of battery-electric models, ranging from volume modules to premium vehicles. The effects of the transformation towards e-mobility and the planned increase in the share of all-electric vehicles planned in this context are taken into account in the medium-term planning and therefore in the calculation of future cash flows used to determine recoverable amounts in impairment tests of goodwill and intangible assets with indefinite useful lives, especially when planning future vehicle models, development costs and production facilities. An amount in the low triple-digit-billion euro range has been earmarked for this purpose in the medium-term planning. In addition, Volkswagen regularly assesses whether these developments give rise to the need for ad hoc impairment tests or for adjustments to the useful lives of other non-current non-financial assets. No material effects on the useful lives of capitalized development costs or property, plant and equipment were identified, given the periods under consideration for the regulatory requirements and due to the parallel production of battery-electric vehicles and vehicles with combustion engines in the coming years. With reference to increasingly stringent emissions regulations, it is ensured that the various international regulations are taken into account and that any obligations are recognized appropriately. In this context, further provisions in the mid-three-digit-million euro range were recognized in fiscal year 2025. For more information, please refer to the "Accounting policies" section.

For a detailed presentation of how sustainability is taken into account within the Group strategy, in the management of the Group and in Group planning, please refer to the chapters entitled "Goals and Strategies" and "Sustainable Value Enhancement", as well as the "Environmental Information" in the group management report.

Basis of consolidation

In addition to Volkswagen AG, the consolidated financial statements comprise all significant German and non-German subsidiaries, including structured entities that are controlled directly or indirectly by Volkswagen AG. The structured entities are used primarily to enter into asset-backed securities transactions to refinance the financial services business and to invest surplus liquidity in special securities funds.

Subsidiaries whose business is dormant or insignificant, both individually and in the aggregate, for the fair presentation of the net assets, financial position and results of operations and of the cash flows of the Volkswagen Group are not consolidated. They are carried in the consolidated financial statements at cost net of any impairment losses and reversals of impairment losses required to be recognized.

Significant companies where Volkswagen AG is able, directly or indirectly, to significantly influence financial and operating policy decisions (associates), or that are directly or indirectly jointly controlled (joint ventures), are accounted for using the equity method. Joint ventures also include companies in which the Volkswagen Group holds the majority of voting rights, but whose articles of association or partnership agreements stipulate that important decisions may only be resolved unanimously. Insignificant associates and joint ventures are carried at cost net of any impairment losses and reversals of impairment losses required to be recognized.

The composition of the Volkswagen Group is shown in the following table:

	2025	2024
Volkswagen AG and consolidated subsidiaries		
Germany	148	141
Abroad	755	805
Subsidiaries carried at cost		
Germany	88	90
Abroad	268	269
At equity accounted associates and joint ventures and at fair value accounted other equity investments		
Germany	50	54
Abroad	117	124
Associates and joint ventures carried at cost		
Germany	48	51
Abroad	51	54
	1,525	**1,588**

The list of all shareholding, which forms part of the annual financial statements of Volkswagen AG, can be downloaded from the electronic company register at www.unternehmensregister.de/en and from www.volkswagen-group.com/Financial-Reports.

The following consolidated German subsidiaries with the legal form of a corporation or partnership have met the criteria set out in section 264(3) or section 264b of the Handelsgesetzbuch (HGB – German Commercial Code) and have as far as possible exercised the option not to publish annual financial statements:

> Audi Berlin GmbH, Berlin
> Audi Frankfurt GmbH, Frankfurt am Main
> Audi Hamburg GmbH, Hamburg
> Audi Hannover GmbH, Hanover
> Audi Leipzig GmbH, Leipzig
> Audi Sport GmbH, Neckarsulm
> Audi Stuttgart GmbH, Stuttgart
> Auto & Service PIA GmbH, Munich
> Autostadt GmbH, Wolfsburg
> Bugatti Engineering GmbH, Wolfsburg
> CARIAD SE, Wolfsburg
> dx.one GmbH, Wolfsburg
> Eberhardt Kraftfahrzeug GmbH + Co. KG, Ulm
> GETAS Verwaltung GmbH & Co. Objekt Heinrich-von-Buz-Straße KG, Pullach i. Isartal
> HABAMO Verwaltung GmbH & Co. Objekt Sterkrade KG, Pullach i. Isartal
> Haberl Beteiligungs-GmbH, Munich
> Held & Ströhle GmbH & Co. KG, Ulm
> MAHAG Automobilhandel und Service GmbH & Co. oHG, Munich
> MAHAG GmbH, Munich
> MAHAG Sportwagen Zentrum Albrechtstraße GmbH, Munich
> MOIA GmbH, Berlin
> MOIA Operations Germany GmbH, Hanover
> Porsche Holding Stuttgart GmbH, Stuttgart
> Porsche Niederlassung Mannheim GmbH, Mannheim
> PSW automotive engineering GmbH, Gaimersheim
> PZ Leipzig GmbH, Leipzig
> Quest One GmbH, Augsburg
> Schwaba GmbH, Augsburg
> SEAT Deutschland Niederlassung GmbH, Weiterstadt
> SKODA AUTO Deutschland GmbH, Weiterstadt
> SZM Sportwagen Zentrum München GmbH, Munich
> VfL Wolfsburg-Fußball GmbH, Wolfsburg
> VGRB GmbH, Berlin
> VGRD GmbH, Wolfsburg
> VGRDD GmbH, Dresden
> VGRHH GmbH, Hamburg
> Volkswagen AirService GmbH, Braunschweig
> Volkswagen Automobile Berlin GmbH, Berlin
> Volkswagen Automobile Chemnitz GmbH, Chemnitz
> Volkswagen Automobile Frankfurt GmbH, Frankfurt am Main
> Volkswagen Automobile Hamburg GmbH, Hamburg
> Volkswagen Automobile Hannover GmbH, Hanover
> VOLKSWAGEN Automobile Leipzig GmbH, Leipzig
> Volkswagen Automobile Rhein-Neckar GmbH, Mannheim
> Volkswagen Automobile Stuttgart GmbH, Stuttgart
> Volkswagen Autonomous Mobility GmbH, Hanover

> Volkswagen Deutschland GmbH & Co. KG, Wolfsburg
> Volkswagen Deutschland Verwaltungs GmbH, Wolfsburg
> Volkswagen Gebrauchtfahrzeughandels und Service GmbH, Langenhagen
> Volkswagen Group AI Lab GmbH, Wolfsburg
> Volkswagen Group Beteiligungen GmbH, Wolfsburg
> Volkswagen Group Digital Solutions GmbH, Wolfsburg
> Volkswagen Group Services GmbH, Wolfsburg
> Volkswagen Immobilien GmbH, Wolfsburg
> Volkswagen Infotainment GmbH, Wolfsburg
> Volkswagen Konzernlogistik GmbH & Co. OHG, Wolfsburg
> Volkswagen Leasingobjekt GmbH, Braunschweig
> Volkswagen Original Teile Logistik, Vertrieb und Services GmbH, Baunatal
> Volkswagen Osnabrück GmbH, Osnabrück
> Volkswagen Software Asset Management GmbH, Wolfsburg
> Volkswagen Vermögensverwaltungs-GmbH, Wolfsburg
> Volkswagen Zubehör GmbH, Dreieich

CONSOLIDATED SUBSIDIARIES

The fiscal year's changes in the consolidated Group are shown in the following table:

Number	Germany	Abroad
Initially consolidated		
Subsidiaries previously carried at cost	5	15
Newly acquired subsidiaries	3	7
Newly formed subsidiaries	1	11
Other	–	1
	9	**34**
Deconsolidated		
Mergers	1	48
Liquidations	1	16
Sales/other	–	20
	2	**84**

The initial consolidation or deconsolidation of these subsidiaries, either individually or collectively, did not have a significant effect on the presentation of the net assets, financial position and results of operations, or on the cash flows. The unconsolidated structured entities are immaterial from a Group perspective. In particular, they do not give rise to any significant risks to the Group.

INVESTMENTS IN ASSOCIATES

From a Group perspective, the associates QuantumScape Corporation, San José/USA (QuantumScape), Gotion High-Tech Co., Ltd., Hefei/China (Gotion) and Sinotruk (Hong Kong) Ltd., Hong Kong /China (Sinotruk), were material as of the balance sheet date.

QuantumScape

QuantumScape is a US-based start-up for solid-state lithium-metal batteries. An agreement to industrialize QuantumScape's next-generation solid-state lithium-metal technology exists between Group companies and QuantumScape. QuantumScape's principal place of business is in San José/USA.

As of December 31, 2025, the quoted market price of the shares in QuantumScape amounted to €0.8 billion (previous year: €0.4 billion).

Gotion

Gotion is a Chinese technology company that engages primarily in research and development, production and sales of lithium-ion batteries and in electric transmission and transformation businesses. Group companies and Gotion have agreed upon a strategic framework for cooperation in the development, manufacture and distribution of battery cells. Gotion's principal place of business is in Hefei/China.

As of December 31, 2025, the quoted market price of the shares in Gotion amounted to €2.1 billion (previous year: €1.2 billion).

Sinotruk

Sinotruk is one of the largest truck manufacturers in the Chinese market. Sinotruk's principal place of business is in Hong Kong/China.

As of December 31, 2025, the quoted market price of the shares in Sinotruk amounted to €2.1 billion (previous year: €1.9 billion).

SUMMARIZED FINANCIAL INFORMATION ON MATERIAL ASSOCIATES ON A 100 % BASIS

€ million	QuantumScape[1]	Gotion[1]	Sinotruk[2]
2025			
Equity interest in %	14	24	25
Non-current assets	424	9,125	5,352
Current assets	865	6,420	11,345
Non-current liabilities	106	3,126	189
Current liabilities	41	7,485	10,403
Net assets (including non-controlling interests)	1,142	4,935	6,104
Sales revenue	–	4,797	12,371
Earnings after tax from continuing operations	–433	61	867
Earnings after tax from discontinued operations	–	–	–
Other comprehensive income	0	–28	–7
Total comprehensive income	–433	34	861
Dividends received[3]	–	5	94
2024			
Equity interest in %	16	24	25
Non-current assets	553	8,479	4,922
Current assets	763	6,110	12,144
Non-current liabilities	137	3,408	174
Current liabilities	54	6,631	10,708
Net assets (including non-controlling interests)	1,124	4,550	6,183
Sales revenue	–	4,347	11,893
Earnings after tax from continuing operations	–442	–69	874
Earnings after tax from discontinued operations	–	–	–
Other comprehensive income	7	–112	–4
Total comprehensive income	–436	–180	870
Dividends received[3]	–	6	138

1 Balance sheet amounts refer to the September 30 reporting date and income statement amounts refer to the period from October 1 to September 30. The disclosures are presented after the purchase price adjustment.
2 Balance sheet amounts refer to the June 30 reporting date and income statement amounts refer to the period from July 1 to June 30.
3 Proportionate dividends are shown net of withholding tax.

RECONCILIATION OF THE FINANCIAL INFORMATION TO THE CARRYING AMOUNT OF THE EQUITY-ACCOUNTED INVESTMENTS

€ million	QuantumScape[1]	Gotion[1]	Sinotruk[3]
2025			
Net assets at January 1 (including non-controlling interests)	1,124	4,550	6,183
Profit or loss	–433	61	867
Other comprehensive income	0	–28	–7
Changes in share capital	0	3	–
Changes in reserves	495	53	–23
Foreign exchange differences	–44	–252	–42
Dividends[2]	–	–21	–843
Other changes	–	568	–32
Net assets at December 31 (including non-controlling interests)	1,142	4,935	6,104
Net assets at December 31 (excluding non-controlling interests)	1,142	4,229	5,146
Proportionate equity (excluding non-controlling interests)	162	1,027	1,299
Consolidation/Goodwill/Others	580	–274	–261
Carrying amount of equity-accounted investments	742	753	1,038
2024			
Net assets at January 1 (including non-controlling interests)	1,466	4,668	5,669
Profit or loss	–442	–69	874
Other comprehensive income	7	–112	–4
Changes in share capital	0	2	–
Changes in reserves	155	127	–133
Foreign exchange differences	–62	–43	82
Dividends[2]	–	–23	–375
Other changes	–	–	70
Net assets at December 31 (including non-controlling interests)	1,124	4,550	6,183
Net assets at December 31 (excluding non-controlling interests)	1,124	4,371	5,193
Proportionate equity (excluding non-controlling interests)	179	1,069	1,311
Consolidation/Goodwill/Others	269	–275	–362
Carrying amount of equity-accounted investments	448	794	949

1 The disclosures are presented after the purchase price adjustment.
2 Dividends are shown before withholding tax.
3 Prior-year figures adjusted.

SUMMARIZED FINANCIAL INFORMATION ON INDIVIDUALLY IMMATERIAL ASSOCIATES ON THE BASIS OF THE VOLKSWAGEN GROUP'S PROPORTIONATE INTEREST

€ million	2025	2024
Earnings after tax from continuing operations	–4	–507
Earnings after tax from discontinued operations	–	–
Other comprehensive income	–13	–14
Total comprehensive income	–17	–521
Carrying amount of equity-accounted investments	2,480	2,381

There are no unrecognized losses (previous year: €636 million) relating to investments in associates in the current fiscal year. Financial guarantees have been issued to associates in an amount of €2 million (previous year: €1 million).

INTERESTS IN JOINT VENTURES

From a Group perspective, the joint ventures FAW-Volkswagen Automotive Company Ltd., Changchun/China, SAIC-Volkswagen Automotive Company Ltd., Shanghai/China, and SAIC-Volkswagen Sales Company Ltd., Shanghai/China, were material at the reporting date.

FAW-Volkswagen Automotive Company

FAW-Volkswagen Automotive Company develops, produces and sells passenger cars. There is an agreement in place between Group companies and the joint venture partner China FAW Corporation Limited regarding a long-term strategic partnership. The principal place of business is in Changchun/China.

SAIC-Volkswagen Automotive Company

SAIC-Volkswagen Automotive Company develops and produces passenger cars. There is an agreement in place between Group companies and the joint venture partner Shanghai Automotive Industry Corporation regarding a long-term strategic partnership. The principal place of business is in Shanghai/China.

SAIC-Volkswagen Sales Company

SAIC-Volkswagen Sales Company sells passenger cars for SAIC-Volkswagen Automotive Company. There is an agreement in place between Group companies and the joint venture partner Shanghai Automotive Industry Corporation regarding a long-term strategic partnership. The principal place of business is in Shanghai/China.

SUMMARIZED FINANCIAL INFORMATION ON THE MATERIAL JOINT VENTURES ON A 100% BASIS

€ million	FAW-Volkswagen Automotive Company	SAIC Volkswagen Automotive Company[1]	SAIC-Volkswagen Sales Company
2025			
Equity interest in %	40	50	48
Non-current assets	8,540	6,113	728
Current assets	13,316	7,059	2,696
of which cash and cash equivalents	8,063	1,931	250
Non-current liabilities	621	1,897	58
of which financial liabilities[2]	7	2	1
Current liabilities	15,551	9,480	3,325
of which financial liabilities[2]	3	1,334	–
Net assets (including non-controlling interests)	5,685	1,796	40
Sales revenue	33,588	14,208	15,184
Depreciation and amortization	1,719	1,330	11
Interest income	111	22	3
Interest expenses	2	30	1
Earnings before tax from continuing operations	2,625	277	35
Income tax expense	594	39	7
Earnings after tax from continuing operations	2,031	238	28
Earnings after tax from discontinued operations	–	–	–
Other comprehensive income	64	1	–
Total comprehensive income	2,095	239	28
Dividends received[3]	818	266	22
2024			
Equity interest in %	40	50	30
Non-current assets	9,124	6,390	809
Current assets	13,162	7,568	3,161
of which cash and cash equivalents	8,773	2,167	262
Non-current liabilities	726	1,859	102
of which financial liabilities[2]	9	2	3
Current liabilities	15,189	9,740	3,775
of which financial liabilities[2]	61	1,346	–
Net assets (including non-controlling interests)	6,372	2,359	93
Sales revenue	39,166	17,293	19,012
Depreciation and amortization	1,900	1,205	11
Interest income	170	28	4
Interest expenses	1	29	1
Earnings before tax from continuing operations	3,301	686	100
Income tax expense	658	95	22
Earnings after tax from continuing operations	2,643	591	78
Earnings after tax from discontinued operations	–	–	–
Other comprehensive income	–108	4	–
Total comprehensive income	2,535	596	78
Dividends received[3]	1,787	190	96

1 SAIC-Volkswagen Sales Company sells passenger cars for SAIC-Volkswagen Automotive Company. Therefore, the sales revenue reported for SAIC-Volkswagen Automotive Company was mostly generated from its business with SAIC-Volkswagen Sales Company.
2 Excluding trade liabilities.
3 Proportionate dividends are shown net of withholding tax.

RECONCILIATION OF THE FINANCIAL INFORMATION TO THE CARRYING AMOUNT OF THE EQUITY-ACCOUNTED INVESTMENTS

€ million	FAW-Volkswagen Automotive Company	SAIC Volkswagen Automotive Company	SAIC-Volkswagen Sales Company
2025			
Net assets at January 1 (including non-controlling interests)	6,372	2,359	93
Profit or loss	2,031	238	28
Other comprehensive income	64	1	–
Changes in share capital	–	–	–
Changes in reserves	–356	–63	–
Foreign exchange differences	–453	–185	–7
Dividends[1]	–2,148	–554	–74
Other changes	175	–	–
Net assets at December 31 (including non-controlling interests)	5,685	1,796	40
Net assets at December 31 (excluding non-controlling interests)	5,510	1,796	40
Proportionate equity (excluding non-controlling interests)	2,204	898	19
Consolidation/Goodwill/Others	–762	–829	53
Carrying amount of equity-accounted investments	1,442	69	72
2024			
Net assets at January 1 (including non-controlling interests)	8,276	2,088	329
Profit or loss	2,643	591	78
Other comprehensive income	–108	4	–
Changes in share capital	–	–	–
Changes in reserves	–	–	–
Foreign exchange differences	228	71	6
Dividends[1]	–4,666	–396	–320
Net assets at December 31 (including non-controlling interests)	6,372	2,359	93
Proportionate equity (excluding non-controlling interests)	2,549	1,180	28
Consolidation/Goodwill/Others	–776	–882	–
Carrying amount of equity-accounted investments	1,772	297	28

1 Dividends are shown before withholding tax.

SUMMARIZED FINANCIAL INFORMATION ON INDIVIDUALLY IMMATERIAL JOINT VENTURES ON THE BASIS OF THE VOLKSWAGEN GROUP'S PROPORTIONATE INTEREST

€ million	2025	2024
Earnings after tax from continuing operations	–52	–141
Earnings after tax from discontinued operations	–	–
Other comprehensive income	–47	62
Total comprehensive income	–99	–79
Carrying amount of equity-accounted investments	3,400	3,600

The carrying amount of equity-accounted investments includes the equity investment in Green Mobility Holding S.A., Strassen/Luxembourg.

There are unrecognized losses of €331 million (previous year: €– million) relating to investments in joint ventures in the current fiscal year. Contingent liabilities to joint ventures amounted to €61 million (previous year: €228 million); there were no financial guarantees (previous year: €– million). Cash funds of joint ventures amounting to €161 million (previous year: €162 million) are deposited as collateral for asset-backed securities transactions and are therefore not freely available.

Currency translation

As standard, the Volkswagen Group uses the exchange rates of an external market data provider for translation. All exchange rates are based on the respective euro translation rates, from which all non-euro rate combinations are derived.

The rates applied are presented in the following table:

		BALANCE SHEET MIDDLE RATE ON DECEMBER 31		INCOME STATEMENT AVERAGE RATE	
	€1 =	2025	2024	2025	2024
Argentina	ARS	1,705.14965	1,073.27110	1,409.90047	989.43391
Australia	AUD	1.75715	1.67610	1.75156	1.64013
Brazil	BRL	6.43495	6.43140	6.30767	5.82618
Canada	CAD	1.60995	1.49720	1.57829	1.48186
Czech Republic	CZK	24.19900	25.15050	24.69244	25.11925
India	INR	105.56450	89.10800	98.48784	90.53256
Japan	JPY	183.97500	163.23000	168.98701	163.82257
Mexico	MXN	21.10080	21.58915	21.67638	19.82192
People's Republic of China	CNY	8.22490	7.59860	8.11757	7.78612
Poland	PLN	4.21925	4.27185	4.24007	4.30632
Republic of Korea	KRW	1,695.30500	1,534.32000	1,605.67518	1,475.43597
Russia	RUB	93.63935	112.43840	94.29965	100.22625
South Africa	ZAR	19.44040	19.62545	20.18259	19.83310
Sweden	SEK	10.79965	11.45005	11.06396	11.43291
United Kingdom	GBP	0.87305	0.83020	0.85669	0.84667
USA	USD	1.17475	1.04100	1.12969	1.08200

Accounting policies

MEASUREMENT PRINCIPLES

With certain exceptions, such as financial instruments measured at fair value and provisions for pensions and other post-employment benefits, items in the Volkswagen Group are accounted for under the historical cost convention (cost model). The methods used to measure the individual items are explained in more detail below.

INTANGIBLE ASSETS

Intangible assets are accounted for under the cost model.

Purchased intangible assets are recognized at cost and – if they have finite useful lives – amortized over their useful lives using the straight-line method. This relates in particular to software, which is normally amortized over three years, or licenses, which are normally amortized over the term of the license.

Development costs for future series products and other internally generated intangible assets are capitalized, provided the cash-generating unit to which the respective intangible asset is attributable is not impaired and the other criteria for recognition as assets are met.

The costs are amortized using the straight-line method from the start of use (e.g. start of production) over the expected life cycle of the models, powertrains or software developed – generally between three and nine years.

Amortization charges on intangible assets are allocated to the relevant functional areas in the income statement.

Brand names from business combinations usually have an indefinite useful life and are therefore not amortized. An indefinite useful life is usually the result of a brand's further use and maintenance.

Goodwill, intangible assets with indefinite useful lives and intangible assets that are not yet available for use are tested for impairment at least once a year. Assets in use and other intangible assets with finite useful lives are tested for impairment only if there are specific indications that they may be impaired. To determine the recoverable amount of goodwill and intangible assets with indefinite and finite useful lives, the respective brand is normally the cash-generating unit that is used as the testing level. Measurement of value in use is based on management's current medium-term planning (referred to as budget planning round). The planning period generally covers five years. This planning is based on expectations regarding future global economic trends and on assumptions derived from those trends about the markets for passenger cars and commercial vehicles, expected trends in the Volkswagen Group's market shares, the timing and cost of the development of vehicle models and the amount of investments in production facilities, as well as changes in price and cost structures, taking particular account of the transformation to e-mobility and an increase in regulatory requirements. The planning for the Financial Services segment is likewise prepared on the basis of these expectations, and also reflects the relevant market penetration rates of expected vehicle sales with finance or lease agreements and other services, as well as regulatory requirements. The planning includes reasonable assumptions about macroeconomic trends (exchange rate, interest rate and commodity price trends) and historical developments.

The Volkswagen Group's planning is based on the assumption that global economic output will grow overall in 2026 at a similar pace to 2025. Falling inflation in major economic regions and the gradual easing of monetary policy as a result are expected to boost consumer demand. Risks will continue to arise from the increasing fragmentation of the global economy and protectionist tendencies, turbulence in the financial, energy and commodity markets, and structural deficits in individual countries. In addition, continuing geopolitical tensions and conflicts are constraining growth prospects; risks stem in particular from the Russia-Ukraine conflict and the confrontations in the Middle East, as well as from growing uncertainties regarding the economic policy stance of the USA and the global increase of geoeconomic measures which could further exacerbate geopolitical tensions. It is anticipated that advanced economies will maintain, on average, a momentum comparable to that of the reporting year, while the group of emerging markets is expected to exhibit somewhat softer dynamics.

The Volkswagen Group's automotive market and volume planning reflects the above regional differentiation and takes account of the impact of regional conflicts and changes in tariff policy in the reporting year. The projections also take into account the transformation towards e-mobility. The ramping up of e-mobility slowed, due among other reasons to changes in the regulatory environment, and this was reflected in the planning accordingly.

For information on the assumptions in the detailed planning period, please refer to the notes on management estimates and assumptions. Further details can be found in the Report on Expected Developments, which is part of the management report. The planning assumptions are adapted to reflect the current state of knowledge.

The estimation of cash flows is generally based on the expected growth trends for the markets concerned. The estimates for the cash flows following the end of the planning period are generally based on a growth rate of up to 1% p.a. (previous year: up to 1% p.a.) in the Passenger Cars and Commercial Vehicles segments.

Value in use is determined for the purpose of impairment testing of goodwill, indefinite-lived intangible assets and finite-lived intangible assets – mainly capitalized development costs – using the following pretax weighted average cost of capital (WACC) rates, which are adjusted if necessary for country-specific discount factors:

WACC	2025	2024
Passenger Cars segment	9.9%	10.8%
Commercial Vehicles segment	9.8%	10.4%

The WACC rates are calculated based on the risk-free rate of interest, a market risk premium and the cost of debt. Additionally, specific peer group information on beta factors and leverage is taken into account. The composition of the peer groups used to determine beta factors and leverage is continuously reviewed and adjusted if necessary.

PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment is accounted for under the cost model. Investment grants received are generally deducted from cost. Special operational equipment is reported under other equipment, operating and office equipment. Property, plant and equipment is depreciated using the straight-line method over its estimated useful life.

Depreciation is based mainly on the following useful lives:

	Useful life
Buildings	20 to 50 years
Site improvements	10 to 20 years
Technical equipment and machinery	6 to 12 years
Other equipment, operating and office equipment, including special operational equipment	3 to 15 years

Value in use of property, plant and equipment is determined using the principles described for intangible assets. The cost of capital for product-specific tools and other investments is the same as the cost of capital for intangible assets given above for each segment.

LEASES

The right-of-use assets for leases are reported in the balance sheet under those items in which the assets underlying the lease would have been recognized if the Volkswagen Group had been their beneficial owner. For this reason, the right-of-use assets are presented under non-current assets, mostly in property, plant and equipment, as of the balance sheet date.

Practical expedients are allowed for short-term and low-value leases; the Volkswagen Group makes use of this option and therefore does not recognize right-of-use assets or liabilities for these types of leases. In this respect, the lease payments are recognized as expenses in the income statement. Leases are accounted for being as of low value if the value of the leased asset when new is no higher than €5,000. Furthermore, the accounting rules of IFRS 16 are not applied to leases of intangible assets.

A large number of leases contain extension and termination options.

LEASE ASSETS

Vehicles leased out under operating leases are recognized at cost and depreciated to their estimated residual value using the straight-line method over the term of the lease. The forecast residual values are adjusted to include constantly updated internal and external information on residual values, depending on specific local factors and experience in the marketing of used cars. This requires management to make assumptions in particular about vehicle supply and demand in the future, as well as about vehicle price trends. Such assumptions are based either on qualified estimates or on data published by external experts. Qualified estimates are based on external data – if available – that reflects additional information that is available from within the company, such as historical experience and current sales data.

INVESTMENT PROPERTY

Real estate and buildings held in order to obtain rental income (investment property) are accounted for under the cost model; the depreciation method and the useful lives applied to depreciation generally correspond to those of the property, plant and equipment used by the Company itself. The fair value of investment property is disclosed in the notes. Fair value is generally estimated using an investment method based on internal calculations. This involves determining the income value for a specific building on the basis of gross income, taking into account additional factors such as land value, remaining useful life and a multiplier specific to property.

CAPITALIZATION OF BORROWING COSTS

Borrowing costs of qualifying assets are capitalized as part of the cost of these assets. A qualifying asset is an asset that necessarily takes at least a year to get ready for its intended use.

EQUITY-ACCOUNTED INVESTMENTS

The cost of shares in associates and joint ventures is generally accounted for using the equity method. Testing the net investment for impairment, the recoverable amount is determined using the principles described for indefinite-lived intangible assets.

FINANCIAL INSTRUMENTS

Regular way purchases or sales of financial instruments are accounted for at the settlement date – that is, at the date on which the asset is delivered.

In the Volkswagen Group, financial assets and liabilities are allocated to the "at amortized cost" and "at fair value" categories.

FINANCIAL ASSETS AND LIABILITIES AT AMORTIZED COST

Financial assets measured at amortized cost using the effective interest method relate to

> receivables from financing business;
> trade receivables;
> other receivables and financial assets;
> time deposits;
> cash and cash equivalents.

In contrast, financial liabilities measured at amortized cost using the effective interest method consist of

> trade payables;
> other financial liabilities;
> liabilities to banks;
> commercial paper and notes;
> loans.

For reasons of materiality, discounting or unwinding of discounting is not applied to current receivables and liabilities (due within one year).

FINANCIAL ASSETS AND LIABILITIES AT FAIR VALUE

Financial assets measured at fair value through other comprehensive income relate firstly to non-derivative financial assets with contractual cash flows that relate solely to payments of principal and interest on the principal amount outstanding (debt instruments) that are held with the aim of both collecting contractual cash flows and selling financial assets ("hold and sell" business model). Certain changes in the fair value of these debt instruments (impairment losses, foreign exchange gains and losses, interest calculated using the effective interest method) are recognized immediately in profit or loss.

Secondly, those equity instruments not held for trading ("hold" business model) are measured at fair value through other comprehensive income. Here, Volkswagen exercises the option to recognize changes in fair value always through other comprehensive income.

At Volkswagen, the category of financial assets at fair value through profit or loss primarily comprises
> hedging relationships to which hedge accounting is not applied and
> investment fund units.

All financial liabilities at fair value through profit or loss relate to derivatives not designated as hedging instruments in hedge accounting.

Fair value generally corresponds to the market or quoted market price. If no active market exists, fair value is determined using other observable inputs as far as possible. If no observable inputs are available, fair value is determined using valuation techniques, such as by discounting the future cash flows at the market interest rate, or by using recognized option pricing models, and, as far as possible, verified by confirmations from the banks that handle the transactions.

In the case of current financial receivables and liabilities, amortized cost generally corresponds to the principal or repayment amount.

The fair value option for financial assets and financial liabilities is not used in the Volkswagen Group.

Shares in subsidiaries, associates and joint ventures that are neither consolidated for reasons of materiality nor accounted for using the equity method do not fall within the scope of IFRS 9 and IFRS 7.

DERIVATIVES AND HEDGE ACCOUNTING

Volkswagen Group companies use derivatives to hedge balance sheet items and future cash flows (hedged items). Appropriate derivatives such as swaps, forward transactions and options are used as hedging instruments.

The accounting treatment of changes in the fair value of hedging instruments depends on the nature of the hedging relationship. In the case of hedges against the risk of change in the fair value of balance sheet items (fair value hedges), both the hedging instrument and the hedged risk portion of the hedged item are measured at fair value. If appropriate, several risk portions of the hedged items are combined into one portfolio. In a portfolio fair value hedge, changes in fair values are recognized on the basis of the individual transaction in the same way as in fair value hedging. Gains or losses from the measurement of hedging instruments and hedged items are recognized in profit or loss. In addition to the guidance of IFRS 9, the Volkswagen Group applies the guidance of IAS 39 on portfolio hedging to hedge the interest rate risk in the Financial Services Division.

In the case of hedges of future cash flows (cash flow hedges), the hedging instruments are also measured at fair value. The designated effective portion of the hedging instrument is accounted for through OCI I and the non-designated effective portion is accounted for through OCI II. They are only recognized in the income statement or reclassified to inventories when the hedged item is realized. The ineffective portion of cash flow hedges is recognized through profit or loss immediately.

Derivatives used by the Volkswagen Group for financial management purposes to hedge against interest rate, foreign currency, commodity price, equity price, or fund price risks, but that do not meet the strict hedge accounting criteria of IFRS 9, are classified as financial assets or liabilities at fair value through profit or loss (referred to below as derivatives to which hedge accounting is not applied). This also applies to options on shares. External hedging instruments of intragroup hedged items that are subsequently eliminated in the consolidated financial statements are also assigned to this category as a general rule. Assets and liabilities measured at fair value through profit or loss consist of derivatives or components of derivatives that are not included in hedge accounting. These relate for example to the non-designated currency forwards used to hedge sales revenue, interest rate hedges, commodity forwards and swaps and currency forwards relating to commodity forwards and swaps.

IMPAIRMENT LOSSES ON FINANCIAL INSTRUMENTS

Financial assets are exposed to default risk, which is taken into account by recognizing loss allowances or, if losses have already been incurred, by recognizing impairment losses. Default risk on loans and receivables in the financial services segment is accounted for by recognizing specific loss allowances and general loss allowances.

In particular, a loss allowance is recognized on these financial assets in the amount of the expected loss in accordance with Group-wide standards. The actual specific loss allowances for the losses incurred are then charged to this loss allowance. A potential impairment is assumed not only for a number of situations such as delayed payment over a period of more than 90 days, the institution of enforcement measures, the threat of insolvency or overindebtedness, application for or the opening of bankruptcy proceedings, or the failure of reorganization measures, but also for receivables that are not past due.

Insignificant receivables and significant individual receivables for which there is no indication of impairment are grouped into homogeneous portfolios on the basis of comparable credit risk features and allocated by risk class. Average historical default probabilities in combination with forward-looking parameters for the respective portfolio are then used to calculate the amount of the impairment loss.

Credit risks must be considered for all financial assets measured at amortized cost or fair value through other comprehensive income (debt instruments), as well as for contract assets in accordance with IFRS 15 and lease receivables within the scope of IFRS 16. The rules on impairment also apply to risks from irrevocable credit commitments not recognized in the balance sheet and to the measurement of financial guarantees.

As a matter of principle, a simplified process, which takes historical default rates and forward-looking information into account, and specific loss allowances are used to account for impairment losses on receivables outside the Financial Services segment.

DEFERRED TAXES

The tax consequences of dividend payments are generally not taken into account until the resolution on appropriation of earnings available for distribution has been adopted.

Deferred tax assets that are unlikely to be realized within a clearly predictable period are not recognized in the year in which they arise. Loss allowances are recognized on deferred taxes recognized in prior years if the requirements are met.

Deferred tax assets for tax loss carryforwards are usually measured on the basis of future taxable income over a planning period of five fiscal years.

INVENTORIES

Raw materials, consumables and supplies, merchandise, work in progress and self-produced finished goods reported in inventories are carried at the lower of cost or net realizable value. Borrowing costs are not capitalized. The measurement of same or similar inventories is generally based on the weighted average method.

SHARE-BASED PAYMENT

Share-based payment in the Volkswagen Group comprises cash-settled performance share plans that are recognized at fair value in accordance with IFRS 2, with fair value recognized as personnel expenses over the vesting period.

OTHER PROVISIONS

Provisions not resulting in an outflow of resources within one year are recognized at their settlement value discounted to the balance sheet date. Discounting is based on market interest rates. An average discount rate of 2.6% (previous year: 2.6%) was used in the eurozone. The settlement value also reflects cost increases expected.

OTHER LIABILITIES (NOT WITHIN THE SCOPE OF A SPECIFIC IFRS)

Other non-current liabilities outside the scope of a specific IFRS are carried at amortized cost in the balance sheet. Differences between historical cost and the repayment amount are amortized using the effective interest method.

Other current liabilities outside the scope of a specific IFRS are recognized at their repayment or settlement amount.

In cooperation with several partner banks, the Volkswagen Group offers reverse factoring programs that allow participating suppliers to have their receivables from Volkswagen settled before the agreed due date and in this way to manage their liquidity position. Extended payment terms are normally agreed under the reverse factoring arrangement, whereby participating suppliers that have their receivables settled early benefit from Volkswagen's credit rating. This strengthens the supply chain in the long term.

The Volkswagen Group assessed these programs on the basis of pertinent indicators and concluded that the liabilities concerned continue to have the characteristics of trade payables. Accordingly, the associated payments to the partner banks must be classified as cash outflows from operating activities.

REVENUE AND EXPENSE RECOGNITION

Sales revenue, interest and commission income from financial services and other operating income are recognized only when the relevant services have been rendered or the goods have been delivered, i.e. when the customer has obtained control of the goods or services. Where new and used vehicles and original parts are sold, the Company's performance generally occurs upon delivery, because that is the point when control is transferred, and the inventory risk and, for deliveries to a dealer, generally also the pricing decision pass to the customer. Revenue is reported net of sales allowances (discounts, customer bonuses, or rebates). The Volkswagen Group measures sales allowances and other variable consideration on the basis of experience and by taking account of current circumstances. Vehicles are normally sold to dealers on payment terms. A trade receivable is recognized for the period between vehicle delivery and receipt of payment. Any financing component included in the transaction is only recognized if the period between the transfer of the goods and the payment of consideration is longer than one year and the amount to be accrued is significant.

Income from financing and finance lease agreements is recognized using the effective interest method and included in sales revenue. If non-interest-bearing or low-interest vehicle financing arrangements are agreed, sales revenue for the vehicles is reduced by the interest benefits granted. Sales revenue from operate leases is recognized over the term of the contract on a straight line basis.

In contracts under which the goods or services are transferred over a period of time, revenue is recognized, depending on the type of goods or services provided, either according to the stage of completion or, to simplify, on a straight-line basis; the latter is only allowed if revenue recognition on a straight-line basis does not differ materially from recognition according to the stage of completion. As a rule, the stage of completion is determined as the proportion that contract costs incurred by the end of the reporting period bear to the estimated total contract costs (cost-to-cost method). Contract costs incurred generally represent the best way to measure the stage of completion for the performance obligation. If the outcome of a performance obligation satisfied over time is not sufficiently certain, but the Company expects, as a minimum, to recover its costs, revenue is only recognized in the amount of contract costs incurred (zero profit margin method). Since long-term construction contracts invariably give rise to contingent receivables from customers for the period to completion or payment by the customer, contract assets are recognized for the corresponding amounts. A trade receivable is recognized as soon as the Company has transferred the goods or services in full.

If services are sold to the customer at the same time as the vehicle, and the customer pays for them in advance, the Group recognizes a corresponding contract liability until the services have been transferred. Examples of services that customers pay for in advance are servicing, maintenance and certain warranty contracts as well as

mobile online services. For extended warranties granted to all customers for a particular model, a provision is normally recognized in the same way as for statutory warranties. If the warranty is optional for the customer or includes an additional service component, the related sales revenue is deferred and recognized over the term of the warranty.

Income from the sale of assets for which a Group company has a buyback obligation is recognized only when the assets have definitively left the Group. If a fixed repurchase price was agreed when the contract was entered into, the difference between the selling price and the present value of the repurchase price is recognized ratably as income over the term of the contract. Prior to that time, the assets are carried as inventories in the case of short contract terms and as lease assets in the case of long contract terms.

Sales revenue is generally determined on the basis of the price stated in the contract. If variable consideration (e.g. volume-based bonus payments) has been agreed in a contract, the large number of contracts involved means that revenue has to be estimated using the expected value method. In exceptional cases, the most probable amount method may also be used. Once the expected sales revenue has been estimated, an additional check is carried out to determine whether there is any uncertainty that necessitates the reversal of the revenue initially recognized so that it can be virtually ruled out that sales revenue subsequently has to be adjusted downward. Provisions for reimbursements arise mainly from dealer bonuses.

In multiple element arrangements, the transaction price is allocated to the different performance obligations of the contract on the basis of relative standalone selling prices. In the Automotive Division, non-vehicle-related services are generally measured at their standalone selling prices for reasons of materiality.

Cost of sales includes the costs incurred to generate the sales revenue and the cost of goods purchased for resale. This item also includes the costs of additions to warranty provisions. Research and development costs not eligible for capitalization in the period and amortization of development costs are likewise carried under cost of sales. Reflecting the presentation of interest and commission income in sales revenue, the interest and commission expenses attributable to the financial services business are presented in cost of sales.

GOVERNMENT GRANTS

Government grants related to assets are deducted when arriving at the carrying amount of the asset and are recognized in profit or loss over the life of the depreciable asset as a reduced depreciation expense.

Government grants related to income, i.e. that compensate the Group for expenses incurred, are generally recognized in profit or loss for the period and allocated to those items in which the expenses to be compensated by the grants are also recognized. Grants in the form of non-monetary assets (e.g. the use of land free of charge or the transfer of resources free of charge) are disclosed as a memo item.

MANAGEMENT ESTIMATES AND ASSUMPTIONS

Preparation of the consolidated financial statements requires management to make certain estimates and assumptions that affect the reported amounts of assets and liabilities, and income and expenses, as well as the related disclosure of contingent assets and liabilities of the reporting period. The estimates and assumptions relate largely to the following matters:

The impairment testing of non-financial assets (especially goodwill, brand names, capitalized development costs and special operational equipment) and equity-accounted investments, or investments accounted at cost, and the measurement of shares and options on shares in companies that are not traded in an active market require assumptions about the future cash flows during the planning period, and possibly beyond it, as well as about the discount rate to be applied. The estimates made in order to separate cash flows mainly relate to future market shares, the trend in the respective markets and the profitability of the Volkswagen Group's products. When determining cash flows for conducting impairment tests on companies or equity investments with new technology operations, it is of particular importance to assess whether these new technologies are technically feasible and have the potential for industrial use. The recoverability of the Group's lease assets depends in particular on the residual value of the leased vehicles after expiration of the lease term, because this represents a significant portion of the expected cash flows. More detailed information on impairment tests and the measurement parameters used for those tests can be found in the explanations above regarding intangible assets.

If there are no observable market inputs, the fair values of assets acquired and liabilities assumed in a business combination are measured using recognized valuation techniques, such as the relief-from-royalty method or the residual method.

Impairment testing of financial assets requires estimates about the extent and probability of occurrence of future events. As far as possible, estimates are derived from experience taking into account current market data as well as rating categories and scoring information. The sections entitled "IFRS 7 (Financial Instruments)" and "Financial risk management and financial instruments" contain further details on how to determine loss allowances.

Accounting for provisions is also based on estimates of the extent and probability of occurrence of future events, as well as estimates of the discount rate. As far as possible, these are also based on experience or external opinions. The assumptions applied in the measurement of pension provisions are described in the "Provisions for pensions and other post-employment benefits" section. Actuarial gains or losses arising from changes in measurement inputs are recognized in other comprehensive income and therefore do not affect profit or loss reported in the income statement. Any change in the estimates of the amount of other provisions is always recognized in profit or loss. The provisions are regularly adjusted to reflect new information obtained. The use of expected values invariably means that unused provisions are reversed or additional amounts have to be recognized for provisions. Similarly to expenses for the recognition of provisions, income from the reversal of provisions is allocated to the respective functions. Warranty claims from sales transactions are calculated on the basis of losses to date, estimated future losses and the policy on ex gratia arrangements. In addition, assumptions must be made about the nature and extent of future warranty and ex gratia claims.

For the provisions recognized in connection with the diesel issue, assumptions were made in particular for working hours, material costs and hourly wage rates, depending on the series, model year and country concerned. In addition, assumptions were made for future resale prices of repurchased vehicles. These assumptions are based on qualified estimates, which are based in turn upon external data, and also reflect additional information available within the Company, such as values derived from past experience. Further information on the legal proceedings and on the legal risks associated with the diesel issue can be found in the "Litigation" section.

Tax provisions were recognized for potential future retrospective tax payments. Furthermore, other provisions were recognized for interest and penalties related to income taxes.

Volkswagen AG and its subsidiaries have operations worldwide and are audited by local tax authorities on an ongoing basis. Amendments to tax laws and changes in legal precedent and their interpretation by the tax authorities in the respective countries may lead to tax payments that differ from the estimates made in the financial statements.

The measurement of the tax provision is based on the most likely exposure resulting from this risk materializing. Volkswagen decides whether to account for multiple tax uncertainties separately or in groups on the merits of each individual case considered, depending on which type of presentation is better suited to predicting the extent to which the tax risk will materialize. The pricing of individual products and services is complex, especially in relation to contracts for the cross-border supply of intragroup goods and services, because it is in many cases not possible to observe market prices for internally generated products, or the use of market prices for similar products is subject to uncertainty because they are not comparable. In these cases, prices – including for tax purposes – are determined on the basis of standardized, generally accepted valuation techniques.

If actual developments differ from the assumptions made for recognizing the provisions, the figures actually recorded may differ compared to the estimates expected originally.

An overview of other provisions can be found in the "Non-current and current other provisions" section.

Government grants are recognized based on an assessment as to whether there is reasonable assurance that the Group companies will fulfill the conditions for awarding the grants and that the grants will in fact be awarded. This assessment is based on the nature of the legal entitlement and past experience.

Estimates of the useful life of finite-lived assets are based on experience and are reviewed regularly. Where estimates are modified, the residual useful life is adjusted and an impairment loss is recognized if necessary.

Estimates of lease terms under IFRS 16 are based on the non-cancelable period of a lease and an assessment of whether existing extension and termination options will be exercised. The determination of the lease term and the discount rates used impacts on the amounts to be recognized for right-of-use assets and lease liabilities.

Measuring deferred tax assets requires assumptions regarding future taxable income and the timing of the realization of deferred tax assets.

The estimates and assumptions are based on underlying assumptions that reflect the current state of available knowledge. Specifically, the expected future development of business was based on the circumstances known at the date of preparation of these consolidated financial statements and a realistic assessment of the future development of the global and sector-specific environment. Estimates and assumptions remain subject to a high degree of uncertainty because future business developments are subject to uncertainties that in part cannot be influenced by the Group. This applies in particular to short- and medium-term cash flow forecasts and to the discount rates used.

Developments in this environment that differ from the assumptions and that cannot be influenced by management could result in amounts that differ from the original estimates. If actual developments differ from the expected developments, the underlying assumptions and, if necessary, the carrying amounts of the assets and liabilities affected are adjusted.

The global economy continued to grow in 2025 at a pace similar to the previous year. In this context, the pace of growth picked up slightly in the emerging markets, while momentum in the advanced economies remained roughly at the prior-year level.

The Volkswagen Group's planning is based on the assumption that global economic output will grow overall in 2026 at a similar pace to 2025. Falling inflation in major economic regions and the gradual easing of monetary policy as a result are expected to boost consumer demand. Risks will continue to arise from the increasing fragmentation of the global economy and protectionist tendencies, turbulence in the financial, energy and commodity markets, and structural deficits in individual countries. In addition, continuing geopolitical tensions and conflicts are constraining growth prospects; risks stem in particular from the Russia-Ukraine conflict and the confrontations in the Middle East, as well as from growing uncertainties regarding the economic policy stance of the USA and the global increase of geoeconomic measures which could further exacerbate geopolitical tensions. It is anticipated that advanced economies will maintain, on average, a momentum comparable to that of the reporting year, while the group of emerging markets is expected to exhibit somewhat softer dynamics.

Management estimates and assumptions were based in particular on assumptions relating to the development of the general economic environment, the automotive markets and the legal environment. These and further assumptions are explained in detail in the Report on Expected Developments, which is part of the group management report.

Segment reporting

Segments are identified on the basis of the Volkswagen Group's internal management and reporting. In line with the Group's multibrand strategy, each of its brands (operating segments) is managed by its own Board of Management. The Group targets and requirements laid down by the Board of Management of Volkswagen AG must be complied with. As of fiscal year 2025, the segment reporting comprises three reportable segments: Passenger Cars and Light Commercial Vehicles, Commercial Vehicles, and Financial Services. For reasons of materiality, the Power Engineering segment is no longer reported separately. The prior-year figures were adjusted accordingly.

The activities of the Passenger Cars and Light Commercial Vehicles segment cover the development of vehicles, engines and motors, vehicle software and vehicle batteries, the production and sale of passenger cars and light commercial vehicles, and the corresponding genuine parts business. In the Passenger Cars and Light Commercial Vehicles reporting segment, the individual brands are combined into a single reportable segment, in particular as a response to the high degree of technological and economic interlinking in the production network. Furthermore, there is collaboration within key areas such as procurement, research and development or treasury.

The Commercial Vehicles segment primarily comprises the development, production and sale of trucks and buses, the corresponding genuine parts business and related services. As in the case of the passenger car brands, there is collaboration within the areas procurement, development and sales. The aim is to create closer cooperation within the business areas.

Information on other business activities and segments that are not subject to reporting requirements is summarized under "Other operating companies". This combines primarily the large-bore diesel engines, turbomachinery and propulsion components businesses.

The activities of the Financial Services segment comprise dealership and customer financing, leasing, direct banking and insurance activities, fleet management and mobility services. In this segment, activities are combined for reporting purposes taking into particular account the comparability of the type of services and of the regulatory environment.

Purchase price allocation for companies acquired is allocated directly to the corresponding segments. The impairment loss of €2.7 billion identified in an impairment test, and which is attributable to the Porsche operating segment, was recognized in the impairment losses of the Passenger Cars and Light Commercial Vehicles Segment.

At Volkswagen, segment profit or loss is measured on the basis of the operating result.

In segment reporting, the share of the result of joint ventures is contained in the result of equity-accounted investments in the corresponding segments.

The reconciliation includes the consolidation adjustments between the segments, unallocated Group financing activities, and the holding company function. It no longer includes other operating companies, which by definition do not constitute segments. These companies are reported under "Other operating companies". The prior-year figures were adjusted accordingly.

Investments in intangible assets, property, plant and equipment, and investment property are reported net of investments in right-of-use assets from leases.

As a matter of principle, business relationships between the companies within the segments of the Volkswagen Group are transacted at arm's length prices.

REPORTING SEGMENTS 2025

€ million	Passenger Cars and Light Commercial Vehicles	Commercial Vehicles	Financial Services	Total reporting segments	Other operating companies	Reconciliation	Volkswagen Group
Sales revenue from external customers	217,299	41,517	57,853	316,670	5,280	–37	321,913
Intersegment sales revenue	27,185	1,022	4,283	32,490	1,207	–33,696	–
Total sales revenue	244,484	42,540	62,136	349,160	6,487	–33,733	321,913
Cost of Sales	210,987	34,696	52,422	298,106	5,307	–32,742	270,671
Depreciation and amortization	17,622	3,005	11,265	31,892	391	–876	31,408
Impairment losses	5,078	125	1,101	6,304	129	–2	6,431
Reversal of impairment losses	415	12	120	547	–	–	547
Segment result (operating result)	4,966	2,417	3,708	11,090	198	–2,420	8,868
Share of the result of equity-accounted investments	922	215	–208	929	1	–	930
Interest result and other financial result	1,455	–475	–159	821	5	–1,316	–491
Equity-accounted investments	6,044	1,519	2,418	9,981	15	–	9,996
Investments in intangible assets, property, plant and equipment, and investment property	20,953	2,784	270	24,008	335	3	24,346

REPORTING SEGMENTS 2024[1]

€ million	Passenger Cars and Light Commercial Vehicles	Commercial Vehicles	Financial Services	Total reporting segments	Other operating companies	Reconciliation	Volkswagen Group
Sales revenue from external customers	220,042	44,930	54,997	319,969	4,632	55	324,656
Intersegment sales revenue	21,484	1,253	3,772	26,509	1,274	–27,783	–
Total sales revenue	241,526	46,183	58,769	346,478	5,906	–27,728	324,656
Cost of Sales	199,537	36,519	50,714	286,770	4,656	–26,242	265,184
Depreciation and amortization	17,000	2,886	10,644	30,531	257	–837	29,950
Impairment losses[2]	1,293	17	795	2,106	1	–	2,107
Reversal of impairment losses	13	15	263	291	–	0	291
Segment result (operating result)	13,656	4,218	3,119	20,993	359	–2,291	19,060
Share of the result of equity-accounted investments	291	236	–151	376	–2	–	375
Interest result and other financial result	315	–1,084	26	–743	–7	–1,879	–2,629
Equity-accounted investments	6,103	1,390	2,760	10,254	15	–	10,269
Investments in intangible assets, property, plant and equipment, and investment property	24,097	2,731	253	27,081	314	51	27,447

1 The prior-year figures reflect the changed reporting structure.
2 Prior-year figures adjusted.

RECONCILIATION[1]

€ million	2025	2024
Segment sales revenue	**349,160**	**346,478**
Other operating companies	6,487	5,906
Group financing	10	13
Consolidation/Holding company function	–33,743	–27,740
Group sales revenue	**321,913**	**324,656**
Segment cost of sales	**298,106**	**286,770**
Other operating companies	5,307	4,656
Group financing	0	0
Consolidation/Holding company function	–32,742	–26,242
Cost of sales	**270,671**	**265,184**
Segment result (operating result)	**11,090**	**20,993**
Other operating companies	198	359
Group financing	–30	–50
Consolidation/Holding company function	–2,390	–2,241
Operating result	**8,868**	**19,060**
Financial result	**439**	**–2,255**
Consolidated earnings before tax	**9,307**	**16,806**

1 The prior-year figures reflect the changed reporting structure.

BY REGION 2025

€ million	Germany	Europe/ Other markets[1]	North America	South America	Asia-Pacific	Hedges sales revenue	Total
Sales revenue from external customers	62,844	141,704	60,001	18,971	38,154	238	321,913
Intangible assets, property, plant and equipment, lease assets and investment property	134,005	63,969	37,383	5,132	7,156	–	247,646

1 Excluding Germany.

BY REGION 2024

€ million	Germany	Europe/ Other markets[1]	North America	South America	Asia-Pacific	Hedges sales revenue	Total
Sales revenue from external customers	62,001	132,144	67,712	18,962	44,057	–219	324,656
Intangible assets, property, plant and equipment, lease assets and investment property[2]	133,249	56,327	38,706	4,487	5,831	–	238,599

1 Excluding Germany.
2 Prior-year figures adjusted.

Allocation of sales revenue to the regions follows the destination principle.

The allocation of interregional intragroup transactions regarding the segment assets has been presented uniformly according to the economic ownership.

Income statement disclosures

1. Sales revenue

STRUCTURE OF GROUP SALES REVENUE 2025

€ million	Passenger Cars and Light Commercial Vehicles	Commercial Vehicles	Financial Services	Total reporting segments	Other operating companies	Reconciliation	Volkswagen Group
Vehicles	185,585	28,941	–	214,527	–	–23,972	190,554
Genuine parts	16,524	6,599	–	23,123	–	–192	22,931
Used vehicles and third-party products	13,992	1,806	24,486	40,283	–	–4,488	35,796
Engines, powertrains and parts deliveries	13,492	922	–	14,414	–	–64	14,350
Power Engineering	–	–	–	–	4,860	–6	4,854
Motorcycles	746	–	–	746	–	1	746
Leasing business	1,135	1,367	22,308	24,810	2	–1,725	23,088
Interest and similar income	205	0	14,316	14,521	–	–660	13,861
Hedges sales revenue	257	18	–	275	–	–37	238
Other sales revenue	12,548	2,885	1,027	16,460	1,625	–2,590	15,495
	244,484	**42,540**	**62,136**	349,160	**6,487**	–33,733	**321,913**

STRUCTURE OF GROUP SALES REVENUE 2024[1]

€ million	Passenger Cars and Light Commercial Vehicles	Commercial Vehicles	Financial Services	Total reporting segments	Other operating companies	Reconciliation	Volkswagen Group
Vehicles	181,014	32,202	–	213,215	–	–17,542	195,673
Genuine parts	16,859	6,795	–	23,654	–	–187	23,467
Used vehicles and third-party products	14,985	2,256	22,936	40,177	–	–5,016	35,161
Engines, powertrains and parts deliveries	14,166	929	–	15,095	–	–100	14,995
Power Engineering	2	–	–	2	4,331	–1	4,332
Motorcycles	831	–	–	831	–	0	831
Leasing business	955	1,428	20,064	22,447	2	–1,439	21,011
Interest and similar income	266	0	14,844	15,111	–	–927	14,184
Hedges sales revenue	–257	–17	–	–273	–	55	–219
Other sales revenue	12,704	2,589	925	16,217	1,573	–2,570	15,220
	241,526	**46,183**	**58,769**	346,478	**5,906**	–27,728	**324,656**

1 The prior-year figures reflect the changed reporting structure (for explanations, see the "Segment reporting" section).

For segment reporting purposes, the sales revenue of the Group is presented by segment and market.

Other sales revenue comprises revenue from workshop services and license revenues, among other things.

Of the sales revenue recognized in the period under review, an amount of €10,759 million (previous year: €9,790 million) was included in contract liabilities as of January 1, 2025.

The sales revenue realized in the period under review comprises performance obligations of €692 million (previous year: €622 million) that had already been met in an earlier period.

In addition to existing performance obligations of €6,181 million (previous year: €5,655 million) in the Power Engineering area, most of which are expected to be satisfied or for which sales revenue is expected to be recognized by December 31, 2026, the vast majority of the Volkswagen Group's performance obligations that were unsatisfied as of the reporting date relate to vehicle deliveries. Most of these deliveries had already been made at the time this report was prepared, or will be made in the first quarter of 2026. The calculation of the amounts for the Power Engineering area took account of both contracts with a term of up to one year and service contracts under which the Volkswagen Group realizes sales revenue in exactly the same amount as the customer benefits from the services rendered by the Company. In the case of variable consideration, sales revenue is only recognized to the extent that there is reasonable assurance that this sales revenue will not subsequently have to be reversed or adjusted downward.

2. Cost of sales

Cost of sales includes interest expenses of €9,307 million (previous year: €10,485 million) attributable to the financial services business.

Cost of sales also includes impairment losses on intangible assets (primarily development costs), property, plant and equipment (primarily technical equipment and machinery, and land and buildings), lease assets and investment property in the amount of €3,577 million (previous year: €1,558 million); of this amount, €2,551 million (previous year: €585 million) is attributable to intangible assets and property, plant and equipment. The increase was due, among other things, to the impairment loss on capitalized project costs in connection with the realignment of Porsche's product strategy. Further disclosures can be found in the "Key events" section. The impairment losses on lease assets and investment property in the amount of €1,025 million (previous year: €973 million) are predominantly attributable to the Financial Services segment. They are based on constantly updated internal and external information that is factored into the forecast residual values of the vehicles. €97 million (previous year: €194 million) of this figure is reported in current lease assets. From fiscal year 2025 onward, disclosures of impairment losses are classified by functional area. The prior-year figures have been adjusted accordingly.

In fiscal year 2025, the Volkswagen Group's research and development costs recognized in profit or loss amounted to €18,396 million (previous year: €17,963 million).

Government grants related to income amounted to €279 million in the fiscal year (previous year: €324 million) and were generally allocated to the functional areas.

3. Distribution expenses

Distribution expenses amounting to €22.8 billion (previous year: €22.3 billion) include non-staff overheads and personnel costs, and depreciation and amortization applicable to the distribution function, as well as the costs of shipping, advertising and sales promotions.

4. Administrative expenses

Administrative expenses of €12.5 billion (previous year: €12.8 billion) mainly include non-staff overheads and personnel costs, as well as depreciation and amortization charges applicable to the administrative function.

5. Other operating income

€ million	2025	2024
Income from reversal of loss allowances on receivables and other assets	1,574	1,810
Income from reversal of provisions and accruals	1,131	933
Income from derivatives within hedge accounting	780	736
Income from derivatives not within hedge accounting Financial Services	418	492
Income from other hedges	1,384	2,073
Income from foreign exchange gains	2,806	3,478
Income from sale of promotional material	212	227
Income from cost allocations	1,152	1,087
Income from investment property	17	11
Gains on asset disposals and the reversal of impairment losses on non-current assets	302	605
Miscellaneous other operating income	3,838	3,521
	13,615	**14,974**

Foreign exchange gains mainly comprise gains from changes in exchange rates between the dates of recognition and payment of receivables and liabilities denominated in foreign currencies, as well as exchange rate gains resulting from measurement at the closing rate. Foreign exchange losses from these items are included in other operating expenses.

Income from other hedges relates primarily to gains from the fair value measurement and realization of derivative financial instruments in the Automotive Division that are not designated in a hedging relationship. Losses are included in other operating expenses.

6. Other operating expenses

€ million	2025	2024
Loss allowances on trade receivables	907	567
Loss allowances on other receivables and other assets	2,868	2,575
Expenses from derivatives within hedge accounting	804	864
Expenses from derivatives not within hedge accounting Financial Services	386	661
Expenses from other hedges	922	2,296
Foreign exchange losses	3,814	3,100
Expenses from cost allocations	1,031	1,171
Restructuring expenses	1,399	2,510
Losses on disposal of non-current assets	307	569
Miscellaneous other operating expenses	8,204	5,998
	20,644	**20,312**

Allowances on other receivables and other assets include allowances on receivables from long-term construction contracts amounting to €92 million (previous year: €4 million).

For more information on restructuring expenses, see the "Key events" section.

Expenses from other hedges relate primarily to losses from the fair value measurement and realization of derivative financial instruments in the Automotive Division that are not designated in a hedging relationship. Gains are included in other operating income.

In fiscal year 2025, miscellaneous other operating expenses include, among other items, the impairment loss of €2.7 billion on the goodwill allocated to the Porsche operating segment. Further disclosures can be found in the "Key events" section.

7. Share of the result of equity-accounted investments

€ million	2025	2024
Share of profits of equity-accounted investments	1,808	1,950
of which from joint ventures	1,454	1,658
of which from associates	354	292
Share of losses of equity-accounted investments	878	1,575
of which from joint ventures	536	717
of which from associates	342	858
	930	**375**

8. Interest result

€ million	2025	2024
Interest income	**1,824**	**2,419**
Other interest and similar income	1,824	2,419
Interest expenses	**–3,245**	**–3,446**
Other interest and similar expenses	–1,669	–1,597
Expenses from discounting lease liabilities	–280	–266
Interest result from compounding/discounting other non-current liabilities	–359	–613
Net interest on the net defined benefit liability	–936	–971
Interest result	**–1,421**	**–1,027**

9. Other financial result

€ million	2025	2024
Income from profit and loss transfer agreements	30	35
Cost of loss absorption	–73	–205
Other income from equity investments	676	224
Other expenses from equity investments	–451	–1,041
Gains and losses from marketable securities and loans	1,438	810
Realized income of loan receivables and payables in foreign currency	820	1,310
Realized expenses of loan receivables and payables in foreign currency	–752	–1,030
Gains and losses from remeasurement and impairment of financial instruments	371	–1,688
Gains and losses from fair value changes of hedging instruments/derivatives	–1,130	–17
Other financial result	**930**	**–1,602**

Gains and losses from the remeasurement and impairment of financial instruments are primarily attributable to the measurement of loan receivables and payables and to cash and cash equivalents in foreign currency.

In fiscal year 2025, gains and losses from fair value changes of hedging instruments/derivatives include, among other items, losses on the measurement of the options in connection with the acquisition of Europcar in an amount of €0.5 billion.

10. Income tax income/expense

COMPONENTS OF TAX INCOME AND EXPENSE

€ million	2025	2024
Current tax expense, Germany	313	1,276
Current tax expense, abroad	3,524	4,582
Current income tax expense	**3,837**	**5,858**
of which prior-period income (–)/expense (+)	–308	–720
Deferred tax income (–)/expense (+), Germany	–736	–938
Deferred tax income (–)/expense (+), abroad	–698	–508
Deferred tax income (–)/expense (+)	**–1,434**	**–1,447**
Income tax income/expense	**2,403**	**4,411**

The statutory corporation tax rate in Germany for the 2025 assessment period was 15%. Including trade tax and the solidarity surcharge, this resulted in an aggregate tax rate of 30.02% (previous year: 30.00%).

To measure deferred taxes in the German consolidated tax group, a tax rate of 30.0% (previous year: 30.0%) was used for differences between the carrying amount of an asset in the balance sheet and its tax base that will be realized in the short term. For long-term temporary differences, the entity-specific tax rate applicable at the time of reversal was used.

The local income tax rates applied to companies outside Germany vary between 4% and 45% (previous year: 0% and 45%). In the case of split tax rates, the tax rate applicable to undistributed profits is applied.

The realization of tax benefits from tax loss carryforwards from previous years resulted in a reduction in current income taxes in 2025 of €362 million (previous year: €356 million).

The tax loss carryforwards and the expiry of loss carryforwards that could not be used changed as follows:

	PREVIOUSLY UNUSED TAX LOSS CARRYFORWARDS		THEREOF UNUSABLE TAX LOSS CARRYFORWARDS	
€ million	Dec. 31, 2025	Dec. 31, 2024	Dec. 31, 2025	Dec. 31, 2024
Non-expiring tax loss carryforwards	21,625	17,204	6,371	4,040
Expiry within 10 years	5,176	3,556	3,610	1,937
Expiry over 10 years	11,051	10,458	1,353	534
Total	**37,852**	**31,218**	**11,334**	**6,510**

Deferred taxes on interest carried forward are recognized to the extent that it is probable that the interest carried forward can be used in the future. Interest carried forward that has not yet been used amounted to €335 million (previous year: €718 million). Interest carried forward in the amount of €141 million (previous year: €528 million) can be used without time limit, while €194 million (previous year: €191 million) has to be used within the next ten years.

The benefit arising from previously unrecognized tax losses or tax credits of a prior period that is used to reduce current tax expense in the current fiscal year amounts to €33 million (previous year: €65 million). Deferred tax expense was reduced by €5 million (previous year: €99 million) because of a benefit arising from previously unrecognized tax losses and tax credits of a prior period, as well as from temporary differences that had not yet been taken into account. Deferred tax expense resulting from the write-down of a deferred tax asset amounts to €640 million (previous year: €81 million). Deferred tax income resulting from the reversal of a write-down of deferred tax assets amounts to €63 million (previous year: €19 million).

Tax credits granted by various countries amounted to €469 million (previous year: €443 million).

No deferred tax assets were recognized for deductible temporary differences of €2,456 million (previous year: €3,200 million) and for tax credits of €78 million (previous year: €114 million) that would expire in the next 20 years.

In accordance with IAS 12.39, deferred tax liabilities of €243 million (previous year: €216 million) for temporary differences and undistributed profits of Volkswagen AG subsidiaries were not recognized because control exists. Deferred tax assets of €4,492 million (previous year: €4,419 million) for temporary differences in connection with investments in subsidiaries that are not expected to reverse in the foreseeable future due to the exercise of control have not been recognized.

Deferred tax expense resulting from changes in tax rates in countries outside Germany amounted to €11 million at Group level (previous year, adjusted: deferred tax expense of €82 million).

In July 2025, an amendment to the *Körperschaftsteuergesetz* (KStG – German Corporate Income Tax Act) was adopted in Germany. As a result, the corporate income tax rate will be reduced in stages from 15% to 10% from 2028 onward. In the fiscal year ended on December 31, 2025, this led to a gain of €878 million (previous year: €24 million) from the measurement of deferred tax assets and deferred tax liabilities of the German Group companies.

As of December 31, 2025, Volkswagen reported deferred tax assets that exceeded deferred tax liabilities by €6,626 million (previous year: €7,779 million) for companies that incurred a loss in the current or prior period. Of this amount €3,275 million is attributable to companies in VW AG's tax group and €2,078 million to companies in Luxembourg; the amounts relate primarily to deductible temporary differences and loss carryforwards. Tax assets in Luxembourg are recognized because some expenses for equity investments led to losses in the past, but taxable income is expected in future based on the business models of the companies in question. In Germany, recognition is based, among other factors, on a sufficient level of taxable profit in subsequent fiscal years, as documented in the business plans. In addition, Volkswagen expects that various cost/efficiency programs and product launches will lead to considerable improvements in profits.

The overall analysis has concluded that the companies concerned will generate a sufficient level of taxable profit that can be used to offset the tax losses and deductible temporary differences that have not been used to date.

€258 million (previous year: €2,659 million) of the deferred taxes recognized in the balance sheet was credited to equity and relates to other comprehensive income. €– 197 million (previous year: €– 22 million) of this figure is attributable to non-controlling interests. In connection with the disposal of equity instruments measured through other comprehensive income, deferred taxes totaling €– 9 million were reclassified directly within equity in fiscal year 2025 (previous year: €– million). The classification of changes in deferred taxes is presented in the statement of comprehensive income.

In fiscal year 2025, tax effects of €2 million resulting from equity transaction costs were credited to equity (previous year: €– million).

DEFERRED TAXES CLASSIFIED BY BALANCE SHEET ITEM

The following recognized deferred tax assets and liabilities were attributable to recognition and measurement differences in the individual balance sheet items and to tax loss carryforwards:

	DEFERRED TAX ASSETS		DEFERRED TAX LIABILITIES	
€ million	Dec. 31, 2025	Dec. 31, 2024[1]	Dec. 31, 2025	Dec. 31, 2024[1]
Intangible assets	1,028	1,243	13,660	15,632
Property, plant and equipment, and lease assets	2,597	2,261	8,126	7,965
Non-current financial assets	259	333	15	17
Inventories	985	1,034	555	526
Receivables and other assets (including Financial Services Division)	2,103	2,209	6,461	6,053
Other current assets	321	329	199	70
Pension provisions	3,595	4,990	63	35
Liabilities and other provisions	15,243	16,232	2,015	1,777
Loss allowances on deferred tax assets from temporary differences	-181	-201	–	–
Temporary differences, net of loss allowances	25,950	28,430	31,093	32,075
Tax loss carryforwards/Interest carryforwards, net of loss allowances	6,644	6,674	–	–
Tax credits, net of loss allowances	391	329	–	–
Value before consolidation and offset	**32,985**	**35,433**	**31,093**	**32,075**
of which attributable to non-current assets and liabilities	24,657	25,836	26,343	27,917
Offset	21,324	22,220	21,324	22,220
Consolidation	2,950	3,368	194	1,045
Amount recognized	**14,611**	**16,581**	**9,963**	**10,900**

1 Prior-year figures adjusted.

The tax expense reported for 2025 of €2,403 million (previous year: €4,411 million) was €389 million (previous year: €631 million) lower than the expected tax expense of €2,792 million that would have resulted from application of a tax rate for the Group of 30.0% (previous year: 30.0%) to the earnings before tax of the Group.

RECONCILIATION OF EXPECTED TO EFFECTIVE INCOME TAX

€ million	2025	2024
Profit before tax	9,307	16,806
Expected income tax income (–)/expense (+) (tax rate 30.0%; previous year 30.0%)	**2,792**	**5,042**
Reconciliation:		
Effect of different tax rates outside Germany	–497	–528
Proportion of taxation relating to:		
tax-exempt income	–813	–625
expenses not deductible for tax purposes	1,588	773
effects of loss carryforwards	1,061	66
permanent differences	–321	–103
Tax credits	–108	–142
Prior-period tax expense	–709	–477
Effect of tax rate changes	–877	119
Non-deductible withholding tax	354	374
Other taxation changes	–67	–88
Effective income tax expense	**2,403**	**4,411**
Effective tax rate in %	25.8	26.3

GLOBAL MINIMUM TOP-UP TAX

The introduction of global minimum taxation (Pillar 2) does not result in any material charges for the Volkswagen Group. The actual tax expense in connection with Pillar 2 income taxes amounts to €48 million. The Volkswagen Group has applied the exemption from recognizing and disclosing deferred taxes in connection with Pillar 2 income taxes.

11. Earnings per share

Basic earnings per share are calculated by dividing earnings attributable to Volkswagen AG shareholders by the weighted average number of ordinary and preferred shares outstanding during the reporting period. Since there were no transactions in 2025 and 2024 that had a dilutive effect on the number of shares, diluted earnings per share are equivalent to basic earnings per share.

In accordance with Article 27(2) No. 3 of the Articles of Association of Volkswagen AG, preferred shares are entitled to a €0.06 higher dividend than ordinary shares.

		2025	2024
Weighted average number of:			
Ordinary shares – basic/diluted	Shares	295,089,818	295,089,818
Preferred shares – basic/diluted	Shares	206,205,445	206,205,445
Earnings after tax	€ million	6,904	12,394
Earnings attributable to non-controlling interests	€ million	–419	1,043
Earnings attributable to Volkswagen AG hybrid capital investors	€ million	650	630
Earnings attributable to Volkswagen AG shareholders	€ million	6,673	10,721
of which basic/diluted earnings attributable to ordinary shares	€ million	3,921	6,304
of which basic/diluted earnings attributable to preferred shares	€ million	2,752	4,417
Earnings per ordinary share – basic/diluted	€	13.29	21.36
Earnings per preferred share – basic/diluted	€	13.35	21.42

Balance sheet disclosures

12. Intangible assets

CHANGES IN INTANGIBLE ASSETS IN THE PERIOD JANUARY 1 TO DECEMBER 31, 2025

€ million	Brand names	Goodwill	Capitalized development costs for products under development	Capitalized development costs for products currently in use	Other intangible assets	Total
Cost						
Balance at Jan. 1, 2025	**17,607**	**26,399**	**14,819**	**65,896**	**18,993**	**143,714**
Foreign exchange differences	-44	-219	-73	-55	-439	-829
Changes in consolidated Group	4	145	29	24	96	298
Additions	-	-	7,629	1,713	2,374	11,716
Transfers	-	-	-5,589	5,557	408	376
Disposals	6	41	708	7,352	536	8,642
Balance at Dec. 31, 2025	**17,562**	**26,284**	**16,107**	**65,783**	**20,897**	**146,633**
Amortization and impairment						
Balance at Jan. 1, 2025	**87**	**23**	**343**[1]	**38,076**	**11,853**[1]	**50,381**
Foreign exchange differences	0	0	-16	-34	-187	-236
Changes in consolidated Group	1	0	-	10	20	32
Additions to cumulative amortization	129	-	-	7,336	1,529	8,994
Additions to cumulative impairment losses	2	2,781	946	84	476	4,288
Transfers	-	-	0	-9	32	22
Disposals	6	41	555	7,338	382	8,322
Reversal of impairment losses	-	-	-	-	0	0
Balance at Dec. 31, 2025	**213**	**2,763**	**718**	**38,125**	**13,341**	**55,159**
Carrying amount at Dec. 31, 2025	**17,348**	**23,522**	**15,390**	**27,658**	**7,556**	**91,474**

1 Amounts carried forward were adjusted.

CHANGES IN INTANGIBLE ASSETS IN THE PERIOD JANUARY 1 TO DECEMBER 31, 2024

€ million	Brand names	Goodwill	Capitalized development costs for products under development	Capitalized development costs for products currently in use	Other intangible assets	Total
Cost						
Balance at Jan. 1, 2024	**17,596**	**26,305**	**21,927**	**50,638**	**16,587**	**133,053**
Foreign exchange differences	17	75	17	–37	85	157
Changes in consolidated Group	–	20	–	1	–10	11
Additions	–	0	7,000	3,244	2,497	12,741
Transfers	–	1	–14,002	14,093	189	281
Disposals	6	2	123	2,044	355	2,530
Balance at Dec. 31, 2024	**17,607**	**26,399**	**14,819**	**65,896**	**18,993**	**143,714**
Amortization and impairment						
Balance at Jan. 1, 2024	**98**	**13**	**116**	**33,240**	**10,476**	**43,944**
Foreign exchange differences	–5	0	1	12	–40	–32
Changes in consolidated Group	–	3	–	1	–12	–8
Additions to cumulative amortization	–	–	–	6,739	1,524	8,263
Additions to cumulative impairment losses	–	8	414	56	12	489
Transfers	–	–	0	18	0	18
Disposals	6	2	80	1,990	214	2,292
Reversal of impairment losses	–	–	–	0	1	1
Balance at Dec. 31, 2024	**87**	**23**	**452**	**38,076**	**11,744**	**50,381**
Carrying amount at Dec. 31, 2024	**17,520**	**26,377**	**14,367**	**27,820**	**7,249**	**93,333**

Other intangible assets comprise in particular concessions, purchased customer lists and dealer relationships, industrial and similar rights, and licenses in such rights and assets.

The additions to impairment losses in fiscal year 2025 include primarily the impairment loss on capitalized project costs in connection with the realignment of Porsche's product strategy, as well as the impairment loss on the goodwill allocated to the Porsche operating segment. Further disclosures can be found in the "Key events" section.

The allocation of the brand names and goodwill to the operating segments is shown in the following table:

€ million	2025	2024
Brand names by operating segment		
Porsche	13,823	13,823
Scania Vehicles and Services	901	850
MAN Truck & Bus	1,127	1,127
Everllence	286	415
International Motors	717	809
Ducati	404	404
Other	90	93
	17,348	**17,520**
Goodwill by operating segment		
Porsche	16,197	18,835
Scania Vehicles and Services	2,653	2,478
MAN Truck & Bus	587	587
Everllence	262	291
International Motors	2,818	3,181
Ducati	290	290
Škoda	168	168
Porsche Holding Salzburg	124	126
Other	422	422
	23,522	**26,377**

The impairment test for recognized goodwill and brand names is always based on value in use, which has been determined at the level of the respective brand. In this process, the WACC rates, based on the risk-free rate of interest, a market risk premium, peer-group-specific beta factors and the cost of debt, are applied. For more information on the general approach and key assumptions, please refer to the details provided on intangible assets in the "Accounting policies" section. Moreover, the following aspects were of significance for the brands with material recognized brand names and goodwill:

The volume planning of the Porsche operating segment is based on regional differentiation and takes account of the impacts of currently known regional conflicts. In this context, challenging market conditions are expected due to protectionist tendencies, particularly in the markets in China and the USA, and additionally due to more intense competition in China. The plans also continue to anticipate that the transformation towards e-mobility will slow down. Positive price effects will be supplemented by a globally balanced and value-based unit sales structure. The negative impact on earnings expected from 2026 onward from continuing rises in the cost of materials and from emission and fuel consumption legislation is to be offset by corresponding programs to increase efficiency. The impairment test was conducted on the basis of a medium-term target of 10% to 15% for the operating return on sales.

Slight overall growth is expected in the commercial vehicle markets relevant to the TRATON GROUP in 2026 to 2030, with variations from region to region. Based on volume and price effects, it is anticipated that sales revenue in the cash-generating units of the TRATON GROUP (CGUs of the TRATON GROUP) will increase over the planning period. The five-year plans of all CGUs of the TRATON GROUP forecast an increase in e-mobility. The costs of the transformation have been included in the cash flows.

At Scania Vehicles & Services, a rise in sales volume and the expansion of the vehicle services business are additionally having a positive impact on the planned cash flows.

At MAN Truck & Bus, the higher sales volume is having a beneficial effect on cash flows.

Despite the direct impact of the additional US tariffs that entered into force under the section 232 decree and only slight growth of the North American market, sales volumes at International Motors are expected to increase significantly because of upcoming launches of new products. The product launches, the use of the powerful component and technology organization within the TRATON GROUP, and even more effective use of one of the largest

independent dealer and service networks in the North American market, to which International Motors already has access today, are having a positive effect overall on planned cash flows.

For all cash-generating units recoverability is not affected by a variation in the discount rate of +0.5 percentage points or of the growth forecast for the perpetual annuity of –0.5 percentage points. If the discount rate were to increase by 0.8 percentage points, the recoverable amount would be equal to the carrying amount at the Porsche cash-generating unit.

13. Property, plant and equipment

CHANGES IN PROPERTY, PLANT AND EQUIPMENT IN THE PERIOD JANUARY 1 TO DECEMBER 31, 2025

€ million	Land, land rights and buildings, including buildings on third-party land	Technical equipment and machinery	Other equipment, operating and office equipment	Payments on account and assets under construction	Total
Cost					
Balance at Jan. 1, 2025	**55,935**	**56,070**	**100,181**	**13,007**	**225,194**
Foreign exchange differences	–893	–843	–1,387	–364	–3,487
Changes in consolidated Group	–29	92	38	276	377
Additions	2,717	1,175	3,400	8,463	15,755
Transfers	1,417	2,519	2,235	–6,560	–388
Disposals	871	1,959	3,797	104	6,731
Balance at Dec. 31, 2025	**58,276**	**57,055**	**100,671**	**14,719**	**230,720**
Amortization and impairment					
Balance at Jan. 1, 2025	**26,680**	**44,401**	**82,567**	**95**	**153,742**
Foreign exchange differences	–382	–666	–1,118	–6	–2,173
Changes in consolidated Group	–62	–2	12	11	–42
Additions to cumulative amortization	2,506	2,997	5,485	–	10,987
Additions to cumulative impairment losses	210	64	95	645	1,014
Transfers	23	234	–209	–85	–37
Disposals	567	1,882	3,384	4	5,836
Reversal of impairment losses	1	0	10	1	12
Balance at Dec. 31, 2025	**28,406**	**45,146**	**83,438**	**655**	**157,644**
Carrying amount at Dec. 31, 2025	**29,870**	**11,908**	**17,233**	**14,064**	**73,076**

CHANGES IN PROPERTY, PLANT AND EQUIPMENT IN THE PERIOD JANUARY 1 TO DECEMBER 31, 2024

€ million	Land, land rights and buildings, including buildings on third-party land	Technical equipment and machinery	Other equipment, operating and office equipment	Payments on account and assets under construction	Total
Cost					
Balance at Jan. 1, 2024	**52,814**	**54,271**	**95,537**	**11,001**	**213,622**
Foreign exchange differences	267	183	292	129	872
Changes in consolidated Group	159	22	30	5	215
Additions	2,524	1,450	4,731	8,004	16,710
Transfers	1,068	2,006	2,561	-5,882	-247
Disposals	897	1,862	2,971	249	5,978
Balance at Dec. 31, 2024	**55,935**	**56,070**	**100,181**	**13,007**	**225,194**
Amortization and impairment					
Balance at Jan. 1, 2024	**24,627**	**42,857**	**79,243**	**15**	**146,742**
Foreign exchange differences	112	165	249	0	526
Changes in consolidated Group	35	12	12	-	59
Additions to cumulative amortization	2,439	3,027	5,437	-	10,903
Additions to cumulative impairment losses	139	132	62	92	424
Transfers	-23	11	17	-3	1
Disposals	643	1,798	2,447	-	4,887
Reversal of impairment losses	7	5	5	9	26
Balance at Dec. 31, 2024	**26,680**	**44,401**	**82,567**	**95**	**153,742**
Carrying amount at Dec. 31, 2024	**29,256**	**11,670**	**17,614**	**12,912**	**71,452**

Government grants of €254 million (previous year: €180 million) were deducted from the cost of property, plant and equipment.

In connection with land and buildings, real property liens of €2,105 million (previous year: €2,038 million) are pledged as collateral for partial retirement obligations, financial liabilities and other liabilities. In addition, technical equipment and machinery worth €302 million (previous year: €– million) was assigned as collateral for financial liabilities.

14. Lease assets and investment property

CHANGES IN LEASE ASSETS AND INVESTMENT PROPERTY IN THE PERIOD JANUARY 1 TO DECEMBER 31, 2025

€ million	Lease assets	Investment property	Total
Cost			
Balance at Jan. 1, 2025	**96,333**	**1,039**	**97,372**
Foreign exchange differences	-3,564	-37	-3,601
Changes in consolidated Group	0	-1	-1
Additions	41,837	33	41,871
Transfers	-7	33	27
Disposals	27,668	45	27,713
Balance at Dec. 31, 2025	**106,932**	**1,023**	**107,954**
Amortization and impairment			
Balance at Jan. 1, 2025	**23,139**	**417**	**23,557**
Foreign exchange differences	-869	-10	-879
Changes in consolidated Group	0	0	0
Additions to cumulative amortization	11,407	21	11,428
Additions to cumulative impairment losses	919	3	922
Transfers	-31	9	-21
Disposals	9,996	28	10,024
Reversal of impairment losses	123	-	123
Balance at Dec. 31, 2025	**24,446**	**413**	**24,859**
Carrying amount at Dec. 31, 2025	**82,486**	**609**	**83,095**

CHANGES IN LEASE ASSETS AND INVESTMENT PROPERTY IN THE PERIOD JANUARY 1 TO DECEMBER 31, 2024

€ million	Lease assets	Investment property	Total
Cost			
Balance at Jan. 1, 2024	**86,093**	**1,033**	**87,126**
Foreign exchange differences	1,202	16	1,218
Changes in consolidated Group	55	0	55
Additions	37,986	7	37,994
Transfers	115	-	115
Disposals	29,119	17	29,136
Balance at Dec. 31, 2024	**96,333**	**1,039**	**97,372**
Amortization and impairment			
Balance at Jan. 1, 2024	**21,999**	**401**	**22,400**
Foreign exchange differences	335	4	339
Changes in consolidated Group	16	-	16
Additions to cumulative amortization	10,763	21	10,785
Additions to cumulative impairment losses	780	-	780
Transfers	12	0	12
Disposals	10,502	9	10,511
Reversal of impairment losses	264	-	264
Balance at Dec. 31, 2024	**23,139**	**417**	**23,557**
Carrying amount at Dec. 31, 2024	**73,193**	**622**	**73,815**

Lease assets include assets leased out under the terms of operating leases and assets covered by long-term buy-back agreements.

Investment property includes apartments rented out and leased dealerships with a fair value of €1,444 million (previous year: €1,458 million). Fair value is estimated using an investment method based on internal calculations (Level 3 of the fair value hierarchy). Operating expenses of €104 million (previous year: €98 million) were incurred for the maintenance of investment property in use. Expenses of €2 million (previous year: €2 million) were incurred for unused investment property.

Rental income from investment property amounted to €92 million in fiscal year 2025 (previous year: €83 million).

15. Equity-accounted investments and other equity investments

CHANGES IN EQUITY-ACCOUNTED INVESTMENTS AND OTHER EQUITY INVESTMENTS IN THE PERIOD JANUARY 1 TO DECEMBER 31, 2025

€ million	Equity-accounted investments	Other equity investments	Total
Gross carrying amount			
Balance at Jan. 1, 2025	**11,630**	**7,170**	**18,800**
Foreign exchange differences	-221	-201	-422
Changes in consolidated Group	283	-893	-611
Additions	854	1,825	2,679
Transfers	-	-	-
Disposals	430	185	615
Changes recognized in profit or loss	645	-22	623
Dividends[1]	-1,684	-	-1,684
Other changes recognized in other comprehensive income	-284	1,366	1,082
Balance at Dec. 31, 2025	**10,793**	**9,059**	**19,852**
Impairment losses			
Balance at Jan. 1, 2025	**1,361**	**1,439**	**2,800**
Foreign exchange differences	-4	-27	-31
Changes in consolidated Group	-249	100	-148
Additions	206	205	411
Transfers	-	-	-
Disposals	105	-2	103
Reversal of impairment losses	413	26	439
Balance at Dec. 31, 2025	**797**	**1,693**	**2,490**
Carrying amount at Dec. 31, 2025	**9,996**	**7,366**	**17,362**

1 Dividends are shown before withholding tax.

CHANGES IN EQUITY-ACCOUNTED INVESTMENTS AND OTHER EQUITY INVESTMENTS IN THE PERIOD JANUARY 1 TO DECEMBER 31, 2024

€ million	Equity-accounted investments	Other equity investments	Total
Gross carrying amount			
Balance at Jan. 1, 2024	**15,204**	**5,734**	**20,937**
Foreign exchange differences	103	32	135
Changes in consolidated Group	243	-425	-183
Additions	615	2,211	2,826
Transfers	-	-	-
Disposals	2,007	332	2,339
Changes recognized in profit or loss	91	-62	29
Dividends[1]	-2,711	-	-2,711
Other changes recognized in other comprehensive income	93	12	105
Balance at Dec. 31, 2024	**11,630**	**7,170**	**18,800**
Impairment losses			
Balance at Jan. 1, 2024	**2,964**	**1,303**	**4,267**
Foreign exchange differences	2	7	9
Changes in consolidated Group	-	0	0
Additions	414	350	764
Transfers	-	-	-
Disposals	2,018	177	2,196
Reversal of impairment losses	-	44	44
Balance at Dec. 31, 2024	**1,361**	**1,439**	**2,800**
Carrying amount at Dec. 31, 2024	**10,269**	**5,731**	**16,000**

1 Dividends are shown before withholding tax.

Equity-accounted investments include joint ventures in the amount of €4,983 million (previous year: €5,698 million) and associates in the amount of €5,013 million (previous year: €4,571 million).

Most of the additions to equity-accounted investments relate to a capital contribution of €0.3 billion to the joint venture CARIZON (Beijing) Technology Company Limited, Beijing/China, that was established with Horizon Robotics Inc., Cayman Islands.

Some of the additions to other equity investments are attributable to the acquisition of additional shares in Rivian. Further disclosures can be found in the "Key events" section.

Most of the reversals of impairment losses on equity-accounted investments relate to the reversal of the impairment loss on the equity investment in the associate QuantumScape in an amount of €0.4 billion.

Of the other changes recognized in other comprehensive income, €– 230 million (previous year: €117 million) is attributable to joint ventures and €– 54 million (previous year: €– 24 million) to associates. They are mainly the result of foreign exchange differences in the amount of €– 298 million (previous year: €114 million), pension plan remeasurements in the amount of €1 million (previous year: €6 million) and fair value measurement of cash flow hedges in the amount of €18 million (previous year: €– 26 million).

16. Non-current and current financial services receivables

	CARRYING AMOUNT			FAIR VALUE	CARRYING AMOUNT			FAIR VALUE
€ million	Current	Non-current	Dec. 31, 2025	Dec. 31, 2025	Current	Non-current	Dec. 31, 2024	Dec. 31, 2024
Receivables from financing business								
Customer financing	24,493	51,519	76,012	77,305	25,880	51,719	77,599	78,966
Dealer financing	20,865	3,091	23,957	24,020	20,294	3,478	23,772	23,781
Direct banking	411	27	437	442	384	23	407	412
	45,768	**54,638**	**100,406**	**101,767**	**46,558**	**55,221**	**101,779**	**103,158**
Receivables from operating leases	680	–	680	680	588	–	588	588
Receivables from finance leases	23,577	46,592	70,169	71,454	21,709	45,866	67,575	68,341
	70,026	**101,230**	**171,255**	**173,901**	**68,855**	**101,087**	**169,942**	**172,087**

Finance lease receivables included in financial services receivables of €171.3 billion (previous year: €169.9 billion) increased by €13 million (previous year: increase of €113 million) due to hedged fair value changes of hedged items designated in portfolio hedges.

The receivables from customer and dealer financing are secured by vehicles or real property liens. Of the receivables, €887 million (previous year, adjusted: €484 million) was furnished as collateral for financial liabilities and contingent liabilities.

The receivables from dealer financing include €1 million (previous year: €1 million) receivable from unconsolidated affiliated companies.

17. Non-current and current other financial assets

	CARRYING AMOUNT			CARRYING AMOUNT		
€ million	Current	Non-current	Dec. 31, 2025	Current	Non-current	Dec. 31, 2024
Positive fair values of derivative financial instruments	3,927	3,702	7,629	3,425	3,814	7,239
Receivables from loans, bonds, profit participation rights (excluding interest)	10,697	6,931	17,628	9,400	6,804	16,204
Miscellaneous financial assets	5,534	1,059	6,593	5,824	1,511	7,335
	20,158	**11,692**	**31,850**	**18,649**	**12,129**	**30,778**

Other financial assets include receivables from related parties of €16.3 billion (previous year: €15.5 billion). Other financial assets amounting to €121 million (previous year: €108 million) were furnished as collateral for financial liabilities and contingent liabilities. There is no original right of disposal or pledge for the furnished collateral on the part of the collateral taker.

In addition, miscellaneous financial assets include receivables from restricted deposits that serve as collateral (mainly under asset-backed securities transactions). More information on asset-backed securities can be found under “Asset-backed securities transactions” in the “IFRS 7 (Financial Instruments)” section.

The positive fair values of derivatives relate to the following items:

€ million	Dec. 31, 2025	Dec. 31, 2024
Transactions for hedging		
foreign currency risk from assets using fair value hedges	3	27
foreign currency risk from liabilities using fair value hedges	–	121
interest rate risk using fair value hedges	141	271
interest rate risk using cash flow hedges	110	316
foreign currency and price risk from future cash flows (cash flow hedges)	4,780	4,224
Hedging transactions Total	**5,034**	**4,958**
Assets related to derivatives not included in hedging relationships	2,595	2,280
Total	**7,629**	**7,239**

Positive fair values of €15 million (previous year: €86 million) were recognized from transactions for hedging interest rate risk (fair value hedges) designated in portfolio hedges.

Further details on derivative financial instruments as a whole are given in the section entitled "Financial risk management and financial instruments".

18. Non-current and current other receivables

	CARRYING AMOUNT			CARRYING AMOUNT		
€ million	Current	Non-current	Dec. 31, 2025	Current	Non-current	Dec. 31, 2024
Other recoverable income taxes	5,757	1,978	7,735	6,139	1,375	7,514
Miscellaneous receivables	4,124	1,673	5,797	4,078	1,493	5,570
	9,881	**3,651**	**13,532**	**10,217**	**2,868**	**13,085**

Miscellaneous receivables include assets to fund post-employment benefits in the amount of €215 million (previous year: €198 million). This item also includes assets from reinsurance contracts held in an amount of €26 million (previous year: €29 million).

Current other receivables are predominantly non-interest-bearing.

Other receivables include contingent receivables from long-term construction contracts recognized in accordance with project progress. They correspond to the contract assets recognized under contracts with customers and changed as follows:

€ million	2025	2024
Contingent construction contract receivables at Jan. 1	**635**	**347**
Additions and disposals	–269	291
Changes in consolidated Group	0	–
Change in valuation allowances	–89	–3
Foreign exchange differences	1	0
Contingent construction contract receivables at Dec. 31	**278**	**635**

The Volkswagen Group capitalizes costs to obtain a contract and amortizes them on a straight-line basis over the life of the contract only if they are material, the underlying contract has a term of at least one year, and these costs would not have been incurred, if the corresponding contract had not been entered into. As of December 31, 2025, costs of €127 million to obtain contracts were recognized as assets (previous year: €14 million). In fiscal year 2025, amortization charges of €16 million on capitalized costs to obtain contracts were incurred (previous year: €4 million).

19. Tax assets

	CARRYING AMOUNT			CARRYING AMOUNT		
€ million	Current	Non-current	Dec. 31, 2025	Current	Non-current	Dec. 31, 2024
Deferred tax assets	–	14,611	14,611	–	16,581	16,581
Tax receivables	2,674	411	3,085	2,038	409	2,447
	2,674	**15,022**	**17,696**	**2,038**	**16,991**	**19,029**

Deferred tax assets include an amount of €5,911 million (previous year, adjusted: €7,260 million) arising from recognition and measurement differences between IFRS carrying amounts and the tax base, which will reverse within one year.

20. Inventories

€ million	Dec. 31, 2025	Dec. 31, 2024
Raw materials, consumables and supplies	8,362	8,926
Work in progress	4,800	5,100
Finished goods and purchased merchandise	31,924	32,905
Current lease assets	6,656	6,226
Prepayments	4,268	3,587
Hedges on inventories	33	–25
	56,042	**56,720**

At the same time as the relevant revenue was recognized, inventories in the amount of €221 billion (previous year: €215 billion) were included in cost of sales. Loss allowances (excluding lease assets) recognized as expenses in the reporting period amounted to €828 million (previous year: €839 million). Vehicles with a value amounting to €400 million (previous year: €276 million) were assigned as collateral for partial retirement obligations and other liabilities.

21. Trade receivables

€ million	Dec. 31, 2025	Dec. 31, 2024
Trade receivables from		
third parties	16,464	17,133
unconsolidated subsidiaries	178	150
joint ventures	3,957	3,770
associates	159	75
other investees and investors	1	1
	20,760	**21,130**

The fair values of the trade receivables correspond to the carrying amounts.

22. Marketable securities and time deposits

The marketable securities serve to safeguard liquidity. They are mainly short-term fixed-income securities and shares. Most securities are measured at fair value. Current securities amounting to €520 million (previous year: €814 million) were furnished as collateral for financial liabilities and contingent liabilities. There is no original right of disposal or pledge for the furnished collateral on the part of the collateral taker.

23. Cash and cash equivalents

€ million	Dec. 31, 2025	Dec. 31, 2024
Bank balances	38,481	39,816
Checks, cash-in-hand, bills and call deposits	320	480
	38,801	**40,296**

Bank balances are held at various banks in different currencies and also include time deposits with maturities of less than three months.

24. Equity

The subscribed capital of Volkswagen AG is composed of no-par value bearer shares with a notional value of €2.56. As well as ordinary shares, there are preferred shares that entitle the bearer to a €0.06 higher dividend than ordinary shares, but do not carry voting rights.

The Annual General Meeting on May 10, 2023 resolved to create authorized capital of up to €228 million, expiring on May 9, 2028, to issue new preferred bearer shares.

The subscribed capital is composed of 295,089,818 no-par value ordinary shares (previous year: 295,089,818) and 206,205,445 no-par value preferred shares (previous year: 206,205,445), and amounts to €1,283,315,873 (previous year: €1,283,315,873).

The capital reserves comprise the share premium totaling €14,225 million (previous year: €14,225 million) from capital increases, the share premium of €219 million from the issuance of bonds with warrants and an amount of €107 million appropriated on the basis of the capital reduction implemented in 2006. No amounts were withdrawn from the capital reserves.

DIVIDENDS AND DIVIDEND PROPOSAL

In accordance with section 58(2) of the Aktiengesetz (AktG – German Stock Corporation Act), the dividend payment by Volkswagen AG is based on the net retained profits reported in the annual financial statements of Volkswagen AG prepared in accordance with the German Commercial Code. Based on these annual financial statements of Volkswagen AG, and following the transfer of €3,750 million to revenue reserves, net retained profits of €3,755 million are eligible for distribution. The Board of Management will propose to the Annual General Meeting that a total dividend of €2,619 million, i.e. €5.20 per ordinary share and €5.26 per preferred share, be paid from the net retained profits. Shareholders are not entitled to a dividend payment until it has been resolved by the Annual General Meeting. The Board of Management also proposes that an amount of €1,135 million from the remaining net retained profits be appropriated to other revenue reserves.

In fiscal year 2025, a dividend of €6.30 per ordinary share and €6.36 per preferred share was paid based on the resolution of the Annual General Meeting of Volkswagen AG of May 16, 2025.

HYBRID CAPITAL

Under IAS 32, the hybrid notes of the Volkswagen Group must be classified in their entirety as equity. The capital raised was recognized in equity, less a discount and transaction costs and net of deferred taxes. The interest payments payable to the noteholders will be recognized directly in equity. IAS 32 only allows these hybrid notes to be classified as debt once the respective hybrid note is called. Interest may be accumulated depending on whether a dividend is paid to Volkswagen AG shareholders.

In May 2025, Volkswagen AG called a hybrid note (maturity: 5 years) with a principal amount of €1,500 million, which had been placed in 2020 via Volkswagen International Finance N.V., Amsterdam/the Netherlands (issuer). Once called, the note was classified as debt in accordance with IAS 32. Equity and net liquidity of the Volkswagen Group were reduced accordingly. The hybrid note was redeemed on June 17, 2025.

From the hybrid capital issued on May 15, 2025, Volkswagen AG recorded a cash inflow of €1,900 million less transaction costs of €8 million. In addition, there were taxes of €2 million in connection with the transaction costs.

In May 2024, Volkswagen AG called a hybrid note (maturity: 6 years) with a principal amount of €1,250 million, which had been placed in 2018 via Volkswagen International Finance N.V., Amsterdam/the Netherlands (issuer). Once called, the note was classified as debt in accordance with IAS 32. Equity and net liquidity of the Volkswagen Group were reduced accordingly. The hybrid note was redeemed on June 27, 2024.

NON-CONTROLLING INTERESTS

As of December 31, 2025, non-controlling interests amounted to €14,777 million (previous year: €14,437 million). Non-controlling interests are mainly attributable to the Porsche AG Group and the TRATON GROUP.

The table below shows summarized financial information of the Porsche AG Group, including amortized goodwill and fair value adjustments, which were determined at the acquisition date:

€ million	2025	2024
Non-controlling interests in %[1]	24.58	24.58
Non-controlling interests	12,317	12,707
Non-current assets	62,867	66,058
Current assets	19,938	20,288
Non-current liabilities	18,946	20,354
Current liabilities	14,121	14,343
Sales revenue	36,272	40,083
Earnings after tax	–1,685	3,542
Other comprehensive income, net of tax	1,645	–116
Dividend paid to non-controlling interest shareholders	518	517
Gross cash flow	6,039	8,312
Change in working capital	–2,425	–1,960
Cash flows from operating activities	3,614	6,353
Cash flows from investing activities	–3,221	–4,007
Net cash flow	392	2,345

1 The percentage only includes direct non-controlling interests.

The table below shows summarized financial information of the TRATON GROUP, including amortized goodwill and fair value adjustments, which were determined at the acquisition date:

€ million	2025	2024
Non-controlling interests in %[1]	12.48	10.28
Non-controlling interests	2,316	1,525
Non-current assets	46,240	43,961
Current assets	23,183	22,804
Non-current liabilities	25,298	24,873
Current liabilities	24,659	23,263
Sales revenue	44,052	47,473
Earnings after tax	1,588	2,814
Other comprehensive income, net of tax	289	-477
Dividend paid to non-controlling interest shareholders	106	77
Gross cash flow	3,983	5,654
Change in working capital	-3,081	-3,315
Cash flows from operating activities	902	2,340
Cash flows from investing activities	-2,748	-2,782
Net cash flow	-1,846	-442

1 The percentage only includes direct non-controlling interests.

25. Non-current and current financial liabilities

	CARRYING AMOUNT			CARRYING AMOUNT		
€ million	Current	Non-current	Dec. 31, 2025	Current	Non-current	Dec. 31, 2024
Bonds	29,020	79,365	108,385	25,994	80,963	106,958
Commercial paper and notes	17,759	23,097	40,856	21,539	25,982	47,521
Liabilities to banks	14,607	22,409	37,016	13,446	18,834	32,280
Deposits business	63,609	4,738	68,347	53,632	3,927	57,559
Loans and miscellaneous liabilities	1,174	1,269	2,443	1,156	1,430	2,587
Lease liabilities	1,320	6,337	7,657	1,252	5,924	7,176
	127,489	**137,214**	**264,703**	**117,020**	**137,061**	**254,081**

26. Non-current and current other financial liabilities

	CARRYING AMOUNT			CARRYING AMOUNT		
€ million	Current	Non-current	Dec. 31, 2025	Current	Non-current	Dec. 31, 2024
Negative fair values of derivative financial instruments	2,132	3,620	5,752	3,240	4,144	7,383
Interest payable	1,463	398	1,861	1,407	254	1,661
Miscellaneous financial liabilities	10,049	2,404	12,452	9,717	2,151	11,868
	13,643	**6,422**	**20,065**	**14,364**	**6,548**	**20,913**

Miscellaneous current financial liabilities relate mainly to buy-back agreements in an amount of €3,051 million (previous year: €2,802 million) and deferred liabilities of €2,190 million (previous year: €1,434 million).

The negative fair values of derivatives relate to the following items:

€ million	Dec. 31, 2025	Dec. 31, 2024
Transactions for hedging		
foreign currency risk from assets using fair value hedges	20	16
foreign currency risk from liabilities using fair value hedges	46	22
interest rate risk using fair value hedges	742	1,104
interest rate risk using cash flow hedges	126	89
foreign currency and price risk from future cash flows (cash flow hedges)	1,856	3,448
Hedging transactions Total	**2,790**	**4,678**
Liabilities related to derivatives not included in hedging relationships	2,962	2,705
Total	**5,752**	**7,383**

Negative fair values of €100 million (previous year: €100 million) were recognized from transactions for hedging interest rate risks (fair value hedges) designated in portfolio hedges.

Further details on derivative financial instruments as a whole are given in the section entitled “Financial risk management and financial instruments”.

27. Non-current and current other liabilities

	CARRYING AMOUNT			CARRYING AMOUNT		
€ million	Current	Non-current	Dec. 31, 2025	Current	Non-current	Dec. 31, 2024
Advanced payments received on orders	11,105	8,375	19,479	11,352	7,684	19,036
Liabilities relating to						
other taxes	4,084	224	4,308	4,081	207	4,288
social security	1,099	36	1,135	1,032	68	1,100
wages and salaries	5,362	950	6,311	5,896	863	6,759
Miscellaneous liabilities	2,777	1,835	4,613	2,391	1,763	4,154
	24,427	**11,420**	**35,846**	**24,752**	**10,584**	**35,336**

The liabilities from advance payments received under contracts with customers correspond to the contractual liabilities from customer contracts and are part of the advanced payments received on orders. These changed as follows:

€ million	2025	2024
Liabilities from advance payments received under contracts with customers at Jan. 1	**17,536**	**15,752**
Additions and disposals	953	1,553
Changes in consolidated Group	–10	9
Classified as held for sale	–	–
Foreign exchange differences	–562	222
Liabilities from advance payments received under contracts with customers at Dec. 31	**17,917**	**17,536**

28. Tax liabilities

	CARRYING AMOUNT			CARRYING AMOUNT		
€ million	Current	Non-current	Dec. 31, 2025	Current	Non-current	Dec. 31, 2024
Deferred tax liabilities	–	9,963	9,963	–	10,900	10,900
Provisions for taxes	1,986	3,367	5,353	1,698	4,084	5,783
Tax payables	497	–	497	724	0	724
	2,483	**13,330**	**15,813**	**2,422**	**14,984**	**17,406**

Deferred tax liabilities include an amount of €1,180 million (previous year, adjusted: €537 million) arising from recognition and measurement differences between IFRS carrying amounts and the tax base, which will reverse within one year.

29. Provisions for pensions and other post-employment benefits

Provisions for pensions are recognized for commitments in the form of retirement, invalidity and dependents' benefits payable under pension plans. The benefits provided by the Group vary according to the legal, tax and economic circumstances of the country concerned, and usually depend on the length of service and remuneration of the employees.

Volkswagen Group companies provide occupational pensions under both defined contribution and defined benefit plans. In the case of defined contribution plans, the Company makes contributions to state or private pension schemes based on legal or contractual requirements, or on a voluntary basis. Once the contributions have been paid, there are no further obligations for the Volkswagen Group. Current contributions are recognized as pension expenses of the period concerned. In fiscal year 2025, they amounted to a total of €3,295 million (previous year: €3,198 million) in the Volkswagen Group. Of this figure, contributions to the compulsory state pension system in Germany amounted to €1,997 million (previous year: €1,971 million).

In the case of defined benefit plans, a distinction is made between pensions funded by provisions and externally funded plans.

The pension provisions for defined benefits are measured by independent actuaries using the internationally accepted projected unit credit method in accordance with IAS 19, under which the future obligations are measured on the basis of the ratable benefit entitlements earned as of the balance sheet date. Measurement reflects actuarial assumptions as to discount rates, salary and pension trends, employee turnover rates, longevity and increases in healthcare costs, which were determined for each Group company depending on the economic environment. Remeasurements arise from differences between what has actually occurred and the prior-year assumptions, from changes in assumptions, as well as from gains or losses on plan assets, excluding amounts included in net interest income or expenses. They are recognized in other comprehensive income, net of deferred taxes, in the period in which they arise.

Multi-employer pension plans exist in the Volkswagen Group in the United Kingdom, Switzerland, Sweden and the Netherlands. These plans are defined benefit plans. A small proportion of them are accounted for as defined contribution plans, as the Volkswagen Group is not authorized to receive the information required in order to account for them as defined benefit plans. Under the terms of the multi-employer plans, the Volkswagen Group is not liable for the obligations of the other employers. In the event of its withdrawal from the plans or their winding-up, the proportionate share of the surplus of assets attributable to the Volkswagen Group will be credited or the proportionate share of the deficit attributable to the Volkswagen Group will have to be funded. In the case of the defined benefit plans accounted for as defined contribution plans, the Volkswagen Group's share of the obligations represents a small proportion of the total obligations. No probable significant risks arising from multi-employer defined benefit pension plans that are accounted for as defined contribution plans have been identified. The expected contributions to those plans will amount to €30 million for fiscal year 2026 (previous year: €30 million).

Owing to their benefit character, the obligations of the US Group companies in respect of post-employment medical care in particular are also carried under provisions for pensions. These post-employment benefit provisions take into account the expected long-term change in the cost of healthcare. In fiscal year 2025, €42 million (previous year: €37 million) was recognized as an expense for healthcare costs. The related carrying amount as of December 31, 2025 was €540 million (previous year: €686 million).

The following amounts were recognized in the balance sheet for defined benefit plans:

€ million	Dec. 31, 2025	Dec. 31, 2024
Present value of funded obligations	24,050	24,803
Fair value of plan assets	20,060	18,108
Funded status (net)	3,990	6,696
Present value of unfunded obligations	18,571	20,670
Amount not recognized as an asset because of the ceiling in IAS 19	50	39
Net liability recognized in the balance sheet	**22,611**	**27,404**
of which provisions for pensions	22,826	27,602
of which other assets	215	198

Significant pension arrangements in the Volkswagen Group

For the period after their active working life, the Volkswagen Group offers its employees benefits under attractive, modern occupational pension arrangements. Most of the arrangements in the Volkswagen Group are pension plans for employees in Germany classified as defined benefit plans under IAS 19. The majority of these obligations are funded solely by recognized provisions. These plans are now largely closed to new members. To reduce the risks associated with defined benefit plans, in particular longevity, salary increases and inflation, the Volkswagen Group has introduced new defined benefit plans in recent years whose benefits are funded by appropriate external plan assets. The aforementioned risks have been largely reduced in these pension plans. The proportion of the total defined benefit obligation attributable to pension obligations funded by plan assets will continue to rise in the future. The significant pension plans are described in the following.

GERMAN PENSION PLANS FUNDED SOLELY BY RECOGNIZED PROVISIONS

The pension plans funded solely by recognized provisions comprise both contribution-based plans with guarantees and final salary plans. For contribution-based plans, an annual pension expense dependent on income and status is converted into a lifelong pension entitlement using annuity factors (guaranteed modular pension entitlements). The annuity factors include a guaranteed rate of interest. At retirement, the modular pension entitlements earned annually are added together. For final salary plans, the underlying salary is multiplied at retirement by a percentage that depends on the years of service up until the retirement date.

The present value of the guaranteed obligation rises as interest rates fall and is therefore exposed to interest rate risk.

The pension system provides for lifelong pension payments. The companies bear the longevity risk in this respect. This is accounted for by calculating the annuity factors and the present value of the guaranteed obligation using the latest generational mortality tables – the "Heubeck 2018 G" mortality tables – which already reflect future increases in life expectancy.

To reduce the inflation risk from adjusting the regular pension payments by the rate of inflation, a pension adjustment that is not indexed to inflation was introduced for pension plans where this is permitted by law.

GERMAN PENSION PLANS FUNDED BY EXTERNAL PLAN ASSETS

The pension plans funded by external plan assets are contribution-based plans with guarantees. In this case, an annual pension expense dependent on income and status is either converted into a lifelong pension entitlement using annuity factors (guaranteed modular pension entitlement) or paid out in a single lump sum or in installments. In some cases, employees also have the opportunity to provide for their own retirement through deferred compensation. The annuity factors include a guaranteed rate of interest. At retirement, the modular pension entitlements earned annually are added together. The pension expense is contributed on an ongoing basis to a separate pool of assets that is administered independently of the Company in trust and invested in the capital markets. If the plan assets exceed the present value of the obligations calculated using the guaranteed rate of interest, surpluses are allocated (modular pension bonuses).

Since the assets administered in trust meet the IAS 19 criteria for classification as plan assets, they are deducted from the obligations.

The amount of the pension assets is exposed to general market risk. The investment strategy and its implementation are therefore continuously monitored by the trusts' governing bodies, on which the companies are also represented. For example, investment policies are stipulated in investment guidelines with the aim of limiting market risk and its impact on plan assets. In addition, asset-liability management studies are conducted if required so as to ensure that investments are in line with the obligations that need to be covered. The pension assets are currently invested primarily in fixed-income or equity funds. The main risks are therefore interest rate and equity price risk. To mitigate market risk, the pension system mainly also provides for cash funds to be set aside in an equalization reserve before any surplus is allocated.

The present value of the obligation is the present value of the guaranteed obligation after deducting the plan assets. If the plan assets fall below the present value of the guaranteed obligation, a provision must be recognized in that amount. The present value of the guaranteed obligation rises as interest rates fall and is therefore exposed to interest rate risk.

In the case of lifelong pension payments, the Volkswagen Group bears the longevity risk. This is accounted for by calculating the annuity factors and the present value of the guaranteed obligation using the latest generational mortality tables – the "Heubeck 2018 G" mortality tables – which already reflect future increases in life expectancy. In addition, the independent actuaries generally carry out annual risk monitoring as part of the review of the assets administered by the trusts.

To reduce the inflation risk from adjusting the regular pension payments by the rate of inflation, a pension adjustment that is not indexed to inflation was introduced for pension plans where this is permitted by law.

Calculation of the pension provisions was based on the following actuarial assumptions:

	GERMANY		ABROAD	
%	2025	2024	2025	2024
Discount rate at December 31	4.20	3.39	4.82	4.95
Payroll trend	2.58	2.62	3.36	3.83
Pension trend	1.98	1.99	2.41	2.69
Employee turnover rate	1.61	1.30	4.58	4.25
Annual increase in healthcare costs	–	–	4.94	5.10

These assumptions are averages that were weighted using the present value of the defined benefit obligation.

With regard to life expectancy, consideration is given to the latest mortality tables in each country. The discount rates are generally defined to reflect the yields on prime-rated corporate bonds with matching maturities and currencies. The iBoxx AA Corporate Bond index was taken as the basis for the obligations of German Group companies. Similar indices were used for foreign pension obligations.

The payroll trends cover expected wage and salary trends, which also include increases attributable to career development.

The pension trends either reflect the contractually guaranteed pension adjustments or are based on the rules on pension adjustments in force in each country.

The employee turnover rates are based on past experience and future expectations.

The following table shows changes in the net defined benefit liability recognized in the balance sheet:

€ million	2025	2024
Net liability recognized in the balance sheet at January 1	**27,404**	**29,546**
Current service cost	1,301	1,379
Net interest expense	936	967
Actuarial gains (–)/losses (+) arising from changes in demographic assumptions	–22	–20
Actuarial gains (–)/losses (+) arising from changes in financial assumptions	–4,585	–1,564
Actuarial gains (–)/losses (+) arising from experience adjustments	842	–229
Income (+)/expenses (–) from plan assets not included in interest income	1,034	266
Change in amount not recognized as an asset because of the ceiling in IAS 19	13	–61
Employer contributions to plan assets	954	1,238
Employee contributions to plan assets	–22	–10
Pension payments from company assets	1,160	1,102
Past service cost (including plan curtailments)	–31	58
Gains (–) or losses (+) arising from plan settlements	–7	–12
Changes in consolidated Group	0	0
Other changes	–53	–47
Foreign exchange differences from foreign plans	–61	–16
Net liability recognized in the balance sheet at December 31	**22,611**	**27,404**

The change in the amount not recognized as an asset because of the ceiling in IAS 19 contains an interest component, part of which was recognized in the financial result in profit or loss, and part of which was recognized outside profit or loss directly in equity.

The change in the present value of the defined benefit obligation is attributable to the following factors:

€ million	2025	2024
Present value of obligations at January 1	**45,473**	**45,823**
Current service cost	1,301	1,379
Interest cost	1,604	1,564
Actuarial gains (–)/losses (+) arising from changes in demographic assumptions	–22	–20
Actuarial gains (–)/losses (+) arising from changes in financial assumptions	–4,585	–1,564
Actuarial gains (–)/losses (+) arising from experience adjustments	842	–229
Employee contributions to plan assets	35	22
Pension payments from company assets	1,160	1,102
Pension payments from plan assets	594	520
Past service cost (including plan curtailments)	–31	58
Gains (–) or losses (+) arising from plan settlements	–7	–12
Changes in consolidated Group	5	0
Other changes	13	–28
Foreign exchange differences from foreign plans	–255	103
Present value of obligations at December 31	**42,621**	**45,473**

The actuarial gains arising from changes in financial assumptions result primarily from the increase in the discount rate in Germany from 3.4% to 4.2%. The pension trend assumed for affected Volkswagen Group companies in Germany remained at 2.0%, as in the previous year.

Changes in the relevant actuarial assumptions would have had the following effects on the defined benefit obligation:

		DEC. 31, 2025		DEC. 31, 2024	
Present value of defined benefit obligation if		€ million	Change in percent	€ million	Change in percent
Discount rate	is 0.5 percentage points higher	40,968	–3.88	42,223	–7.15
	is 0.5 percentage points lower	44,837	5.20	49,223	8.25
Pension trend	is 0.5 percentage points higher	43,816	2.80	47,279	3.97
	is 0.5 percentage points lower	41,521	–2.58	43,818	–3.64
Payroll trend	is 0.5 percentage points higher	42,789	0.39	45,661	0.41
	is 0.5 percentage points lower	42,436	–0.43	45,301	–0.38
Longevity	increases by one year	43,489	2.04	46,790	2.90

The sensitivity analysis shown above considers the change in one assumption at a time, leaving the other assumptions unchanged versus the original calculation. I.e. any correlation effects between the individual assumptions are ignored.

To examine the sensitivity of the present value of the defined benefit obligation to a change in assumed longevity, the estimates of mortality were reduced as part of a comparative calculation to the extent that doing so increases life expectancy by approximately one year.

The average duration of the defined benefit obligation weighted by the present value of the defined benefit obligation (Macaulay duration) is 16 years (previous year: 16 years).

The present value of the defined benefit obligation is attributable as follows to the members of the plan:

€ million	2025	2024
Active members with pension entitlements	20,487	22,607
Members with vested entitlements who have left the Company	2,353	2,406
Pensioners	19,782	20,460
	42,621	**45,473**

The maturity profile of payments attributable to the defined benefit obligation is presented in the following table, which classifies the present value of the obligation by the maturity of the underlying payments:

€ million	2025	2024
Payments due within the next fiscal year	1,774	1,700
Payments due between two and five years	7,338	7,220
Payments due in more than five years	33,509	36,553
	42,621	**45,473**

Changes in plan assets are shown in the following table:

€ million	2025	2024
Fair value of plan assets at January 1	**18,108**	**16,381**
Interest income on plan assets determined using the discount rate	668	597
Income (+)/expenses (–) from plan assets not included in interest income	1,034	266
Employer contributions to plan assets	954	1,238
Employee contributions to plan assets	13	12
Pension payments from plan assets	593	520
Gains (+) or losses (–) arising from plan settlements	0	–
Changes in consolidated Group	5	–
Other changes	66	19
Foreign exchange differences from foreign plans	–194	114
Fair value of plan assets at December 31	**20,060**	**18,108**

The investment of the plan assets to cover future pension obligations resulted in income of €1,703 million (previous year: €864 million).

Employer contributions to plan assets are expected to amount to €1,166 million (previous year: €962 million) in the next fiscal year.

Plan assets are invested in the following asset classes:

	DEC. 31, 2025			DEC. 31, 2024		
€ million	Quoted prices in active markets	No quoted prices in active markets	Total	Quoted prices in active markets	No quoted prices in active markets	Total
Cash and cash equivalents	738	–	738	489	–	489
Equity instruments	381	–	381	339	–	339
Debt instruments	581	4	585	426	4	430
Direct investments in real estate	–	239	239	–	233	233
Derivatives	18	31	50	–55	–42	–97
Equity funds	7,313	–	7,313	6,133	2	6,134
Bond funds	7,023	49	7,072	7,056	82	7,139
Real estate funds	649	21	670	553	23	576
Other funds	1,361	284	1,645	1,254	256	1,509
Other instruments	267	1,101	1,368	198	1,157	1,355
	18,331	**1,729**	**20,060**	**16,392**	**1,716**	**18,108**

Plan assets include €14 million (previous year: €14 million) invested in Volkswagen Group assets and €4 million (previous year: €4 million) in Volkswagen Group debt instruments.

The following amounts were recognized in the income statement:

€ million	2025	2024
Current service cost	1,301	1,379
Net interest on the net defined benefit liability	936	967
Past service cost (including plan curtailments)	–31	58
Gains (–) or losses (+) arising from plan settlements	–7	–12
Net income (–) and expenses (+) recognized in profit or loss	**2,200**	**2,392**

The above amounts are generally included in the personnel costs of the functional areas in the income statement. Net interest on the net defined benefit liability is reported in interest expenses.

30. Non-current and current other provisions

€ million	Obligations arising from sales	Employee expenses	Litigation and legal risks	Miscellaneous provisions	Total
Balance at Jan. 1, 2024	**27,764**	**7,514**	**2,489**	**8,786**	**46,554**
Foreign exchange differences	175	29	–62	79	221
Changes in consolidated Group	2	5	1	7	14
Utilization	11,432	2,857	640	3,846	18,774
Additions/New provisions	13,861	3,011	665	10,104	27,641
Unwinding of discount/effect of change in discount rate	312	121	14	55	503
Reversals	2,303	832	329	1,631	5,096
Balance at Dec. 31, 2024	**28,378**	**6,994**	**2,138**	**13,554**	**51,064**
of which current	14,594	3,099	910	10,105	28,709
of which non-current	13,784	3,894	1,228	3,449	22,355
Balance at Jan. 1, 2025	**28,378**	**6,994**	**2,138**	**13,554**	**51,064**
Foreign exchange differences	–630	–84	–51	–276	–1,041
Changes in consolidated Group	7	18	2	10	37
Utilization	12,594	2,665	634	5,460	21,353
Additions/New provisions	14,895	2,611	1,404	8,745	27,656
Unwinding of discount/effect of change in discount rate	201	21	7	76	305
Reversals	1,905	426	199	2,469	5,000
Balance at Dec. 31, 2025	**28,352**	**6,469**	**2,667**	**14,181**	**51,669**
of which current	14,514	2,921	1,650	8,908	27,993
of which non-current	13,837	3,548	1,017	5,273	23,676

The obligations arising from sales contain provisions covering all risks relating to the sale of vehicles, components and genuine parts through to the disposal of end-of-life vehicles. They primarily comprise warranty obligations, calculated on the basis of losses to date and estimated future losses. They also include provisions for discounts, bonuses and similar allowances which are incurred after the balance sheet date, but for which there is a legal or constructive obligation attributable to sales revenue before the balance sheet date.

Provisions for employee expenses are recognized for long-service awards, time credits, partial retirement arrangements, severance payments and similar obligations, among other things.

In addition to residual provisions relating to the diesel issue, the provisions for litigation and legal risks contain amounts related to a large number of legal disputes and official proceedings in which Volkswagen Group companies become involved in Germany and internationally in the course of their operating activities. In particular, such legal disputes and other proceedings may occur in relation to suppliers, dealers, customers, employees, or investors. Please refer to the “Litigation” section for a discussion of the legal risks.

Miscellaneous provisions relate to a wide range of identifiable specific risks, price risks and uncertain obligations, which are measured in the amount of the expected settlement value. Depending on the jurisdiction concerned, they also include risk provisions for any non-compliance with legal emissions limits. Their measurement takes into account, among other things, the respective sales volume and the legally defined fee or the cost of acquiring emission rights from other manufacturers. Advantage has been taken of synergies between individual brands of the Volkswagen Group by establishing emission pools where possible.

Miscellaneous provisions additionally include provisions amounting to €1,186 million (previous year: €1,133 million) relating to the insurance business.

31. Trade payables

€ million	Dec. 31, 2025	Dec. 31, 2024
Trade payables to		
third parties	29,266	28,965
unconsolidated subsidiaries	276	171
joint ventures	634	337
associates	305	294
other investees and investors	9	5
	30,490	**29,772**

Trade payables include an amount of €1,383 million (previous year, adjusted: €1,003 million) for which the Volkswagen Group has entered into reverse factoring agreements. Of this amount, suppliers received payments of €1,272 million (previous year, adjusted: €986 million). Trade payables that are covered by the agreements normally have payment terms of 60 days from the date of invoice; comparable trade payables that are not covered by an agreement mostly have payment terms of 30–45 days from the date of invoice.

Under these agreements, suppliers can assign their receivables from Volkswagen Group companies at a discount to the commercial banks participating in the program and in this way receive the discounted invoice amount prematurely.

The Volkswagen Group companies settle the invoice amount with the bank as of the due date originally agreed.

Other disclosures

32. IAS 23 (Borrowing costs)

Capitalized borrowing costs amounted to €539 million (previous year: €543 million) and related mainly to capitalized development costs. An average cost of debt of 3.6% (previous year: 3.8%) was used as a basis for capitalization in the Volkswagen Group.

33. IFRS 16 (Leases)

1. Lessee accounting

The Volkswagen Group is a lessee, mainly as a result of leasing office equipment, real estate and other means of production. The leases are negotiated individually and include a large number of contract terms and conditions. The following amounts for right-of-use assets resulting from leases are included in the balance sheet items:

PRESENTATION OF AND CHANGES IN RIGHT-OF-USE ASSETS FROM LEASES FOR THE PERIOD FROM JANUARY 1 TO DECEMBER 31, 2025

€ million	Right of use on land, land rights and buildings incl. buildings on third party land	Right of use on technical equipment and machinery	Right of use on other equipment, operational and office equipment	Total
Cost				
Balance at Jan. 1, 2025	**10,296**	**87**	**1,370**	**11,753**
Foreign exchange differences	-300	-3	-12	-315
Changes in consolidated group	25	0	-3	23
Additions	2,107	64	206	2,377
Transfers	-15	-	0	-15
Disposals	700	3	148	851
Balance at Dec. 31, 2025	**11,412**	**145**	**1,413**	**12,971**
Depreciation and impairment				
Balance at Jan. 1, 2025	**4,200**	**42**	**543**	**4,785**
Foreign exchange differences	-123	-3	-8	-134
Changes in consolidated group	-3	0	-1	-4
Additions to cumulative depreciation	1,179	41	323	1,544
Additions to cumulative impairment losses	12	-	-	12
Transfers	-2	0	0	-2
Disposals	466	3	140	608
Reversal of impairment losses	-	-	-	-
Balance at Dec. 31, 2025	**4,798**	**78**	**717**	**5,593**
Carrying amount at Dec. 31, 2025	**6,614**	**68**	**697**	**7,378**

PRESENTATION OF AND CHANGES IN RIGHT-OF-USE ASSETS FROM LEASES FOR THE PERIOD FROM JANUARY 1 TO DECEMBER 31, 2024

€ million	Right of use on land, land rights and buildings incl. buildings on third party land	Right of use on technical equipment and machinery	Right of use on other equipment, operational and office equipment	Total
Cost				
Balance at Jan. 1, 2024	**9,249**	**66**	**992**	**10,308**
Foreign exchange differences	98	1	3	102
Changes in consolidated group	83	1	3	87
Additions	1,536	24	498	2,058
Transfers	0	–	0	0
Disposals	670	6	127	803
Balance at Dec. 31, 2024	**10,296**	**87**	**1,370**	**11,753**
Depreciation and impairment				
Balance at Jan. 1, 2024	**3,538**	**37**	**411**	**3,986**
Foreign exchange differences	36	1	2	39
Changes in consolidated group	13	0	1	14
Additions to cumulative depreciation	1,131	10	248	1,389
Additions to cumulative impairment losses	0	–	–	0
Transfers	0	–	0	0
Disposals	517	6	119	643
Reversal of impairment losses	0	–	–	0
Balance at Dec. 31, 2024	**4,200**	**42**	**543**	**4,785**
Carrying amount at Dec. 31, 2024	**6,096**	**45**	**827**	**6,967**

Subleases of right-of-use assets generated income of €17 million (previous year: €16 million) in the fiscal year.

The measurement of right-of-use assets from leases and the associated lease liabilities is based on a best estimate regarding the exercise of extension and termination options. If there are material changes in circumstances or in the contract, this estimate is updated.

The tables below show how the lease liabilities are assigned in the balance sheet and give an overview of their contractual maturities:

ASSIGNMENT OF LEASE LIABILITIES TO THE RESPECTIVE BALANCE SHEET ITEMS

€ million	Dec. 31, 2025	Dec. 31, 2024
Financial liabilities – Non-current	6,337	5,924
Financial liabilities – Current	1,320	1,252
Lease liabilities – Total	**7,657**	**7,176**

MATURITY ANALYSIS OF UNDISCOUNTED LEASE LIABILITIES

	REMAINING CONTRACTUAL MATURITIES			
€ million	under one year	within one to five years	over five years	Total
Lease liabilities at Dec. 31, 2025	1,588	4,759	2,964	**9,311**
Lease liabilities at Dec. 31, 2024	1,507	4,296	2,958	**8,760**

Interest expenses of €289 million (previous year: €275 million) were incurred for lease liabilities in the fiscal year.

No right-of-use assets are recognized for low-value or short-term leases. Expenses for leasing low-value assets totaled €220 million (previous year: €258 million) in the fiscal year. This figure does not include any expenses for short-term leases, which totaled €229 million (previous year: €256 million) in the fiscal year. Variable lease expenses not included in the measurement of lease liabilities accounted for €21 million (previous year: €28 million) in the fiscal year.

Leases gave rise to cash outflows totaling €2,242 million (previous year: €2,098 million) in the fiscal year.

The table below shows a summary of potential future cash outflows, that have not been included in the measurement of the lease liabilities:

€ million	2025	2024
Future cash outflows to which the lessee is potentially exposed		
Variable lease payments	66	84
Extension options	4,357	3,334
Termination options	25	25
Obligations under leases not yet commenced	98	178
	4,546	**3,622**

No material cash outflows attributable to residual value guarantees are expected.

2. Lessor accounting

The Volkswagen Group is a lessor in both the finance lease business and the operating lease business. The subject of these transactions is primarily motor vehicles and, to a small extent, land and buildings and items of equipment for dealerships.

The Volkswagen Group fully accounts for the default risk on lease receivables by recognizing loss allowances, which are recognized in accordance with the requirements of IFRS 9. As lessor, the Volkswagen Group covers risks arising from the assets underlying the leases by, among other measures, taking account of residual value guarantees received for parts of the lease portfolio and by taking account of forward-looking residual values forecast on the basis of internal and external information as part of residual value management. The forecast residual values are regularly reviewed.

2.1 Operating leases

Assets leased under long-term operating leases amounted to €83,095 million at the end of the fiscal year (previous year: €73,815 million). While €609 million (previous year: €622 million) is attributable to investment property, assets separately reported as lease assets in the balance sheet amount to €82,486 million (previous year: €73,193 million). They relate primarily to vehicles in an amount of €82,335 million (previous year: €73,054 million) as well as land, land rights and buildings, including buildings on third-party land, in an amount of €54 million (previous year: €83 million). The remaining assets relate to technical equipment and machinery as well as other equipment, operating and office equipment. More information on changes in value of investment property and lease assets can be found in the section entitled "Lease assets and investment property".

The following cash inflows from expected outstanding, non-discounted operating lease payments are expected over the coming years:

DISCLOSURE AS OF DECEMBER 31, 2025

€ million	2026	2027	2028	2029	2030	from 2031	Total
Lease payments	12,029	7,850	4,615	1,766	633	573	**27,467**

DISCLOSURE AS OF DECEMBER 31, 2024

€ million	2025	2026	2027	2028	2029	from 2030	Total
Lease payments	11,110	7,864	4,597	1,895	633	530	**26,628**

BREAKDOWN OF INCOME FROM OPERATING LEASES

€ million	2025	2024
Lease income	18,247	16,705
Income from variable lease payments	0	1
Total	**18,246**	**16,705**

2.2 Finance leases

Interest income from the net investment in the leases amounted to €4.5 billion (previous year: €4.0 billion) in the fiscal year. Furthermore, a selling profit from the finance leases in the amount of €1.6 billion (previous year: €1.7 billion) was recognized.

The following table shows the reconciliation of outstanding lease payments under finance leases to the net investment:

€ million	Dec. 31, 2025	Dec. 31, 2024
Non-discounted lease payments	**75,626**	**73,142**
Non-guaranteed residual value	4,092	3,783
Unearned interest income	–7,999	–8,033
Loss allowance on lease receivables	–1,598	–1,414
Net investment	**70,122**	**67,478**

The following cash inflows from expected outstanding, non-discounted finance lease payments are expected over the coming years:

DISCLOSURE AS OF DECEMBER 31, 2025

€ million	2026	2027	2028	2029	2030	from 2031	Total
Lease payments	26,626	21,324	16,268	9,498	1,153	756	**75,626**

DISCLOSURE AS OF DECEMBER 31, 2024

€ million	2025	2026	2027	2028	2029	from 2030	Total
Lease payments	24,433	20,867	16,489	9,547	1,099	708	**73,142**

34. IFRS 7 (Financial instruments)

The table below shows the carrying amounts of financial instruments by measurement category:

CARRYING AMOUNT OF FINANCIAL INSTRUMENTS BY IFRS 9 MEASUREMENT CATEGORY

€ million	Dec. 31, 2025	Dec. 31, 2024
Financial assets at fair value through profit or loss	28,941	27,132
Financial assets at fair value through other comprehensive income (debt instruments)	3,932	4,039
Financial assets at fair value through other comprehensive income (equity instruments)	4,320	2,416
Financial assets measured at amortized cost	183,441	185,234
Financial liabilities at fair value through profit or loss	2,981	2,721
Financial liabilities measured at amortized cost	301,831	290,209

The "Financial assets at fair value through other comprehensive income (equity instruments)" measurement category contains equity investments in companies irrevocably measured at fair value through other comprehensive income since they are long-term equity investments.

Classes of financial instruments

Financial instruments are divided into the following classes at the Volkswagen Group:

> financial instruments measured at fair value;
> financial instruments measured at amortized cost;
> derivative financial instruments within hedge accounting;
> not allocated to any measurement category; and
> credit commitments and financial guarantees (off-balance sheet).

Reconciliation of balance sheet items to classes of financial instruments

The following table shows the reconciliation of the balance sheet items to the relevant classes of financial instruments, broken down by the carrying amount and fair value of the financial instruments.

The fair value of financial instruments measured at amortized cost, such as receivables and liabilities, is calculated by discounting the carrying amount using a market rate of interest for a similar risk and matching maturity. For reasons of materiality, the fair value of current balance sheet items is generally deemed to be their carrying amount.

For reconciliation to the carrying amounts, the "Not allocated to a measurement category" column in the table also includes items other than financial instruments.

The risk variables governing the fair value of the receivables are risk-adjusted interest rates.

"Financial instruments measured at fair value" also include shares in partnerships and corporations.

RECONCILIATION OF BALANCE SHEET ITEMS TO CLASSES OF FINANCIAL INSTRUMENTS AS OF DECEMBER 31, 2025

	MEASURED AT FAIR VALUE	MEASURED AT AMORTIZED COST		DERIVATIVE FINANCIAL INSTRUMENTS WITHIN HEDGE ACCOUNTING	NOT ALLOCATED TO A MEASUREMENT CATEGORY	BALANCE SHEET ITEM AT DEC. 31, 2025
€ million	Carrying amount	Carrying amount	Fair value	Carrying amount	Carrying amount	
Non-current assets						
Equity-accounted investments	–	–	–	–	9,996	9,996
Other equity investments	4,328	–	–	–	3,038	7,366
Financial services receivables	1	54,637	55,998	–	46,592	101,230
Other financial assets	1,387	7,514	7,837	2,791	–	11,692
Current assets						
Trade receivables	–	20,760	20,760	–	–	20,760
Financial services receivables	13	45,755	45,755	–	24,257	70,026
Other financial assets	3,346	14,569	14,569	2,243	–	20,158
Marketable securities and time deposits	28,118	1,404	1,404	–	–	29,522
Cash and cash equivalents	–	38,801	38,801	–	–	38,801
Non-current liabilities						
Financial liabilities	–	130,877	132,015	–	6,337	137,214
Other financial liabilities	2,027	2,802	2,824	1,593	–	6,422
Current liabilities						
Financial liabilities	–	126,169	126,169	–	1,320	127,489
Trade payables	–	30,490	30,490	–	–	30,490
Other financial liabilities	953	11,493	11,493	1,197	–	13,643

RECONCILIATION OF BALANCE SHEET ITEMS TO CLASSES OF FINANCIAL INSTRUMENTS AS OF DECEMBER 31, 2024

	MEASURED AT FAIR VALUE	MEASURED AT AMORTIZED COST		DERIVATIVE FINANCIAL INSTRUMENTS WITHIN HEDGE ACCOUNTING	NOT ALLOCATED TO A MEASUREMENT CATEGORY	BALANCE SHEET ITEM AT DEC. 31, 2024
€ million	Carrying amount	Carrying amount	Fair value	Carrying amount	Carrying amount	
Non-current assets						
Equity-accounted investments	–	–	–	–	10,269	10,269
Other equity investments	2,460	–	–	–	3,271	5,731
Financial services receivables	33	55,188	56,567	–	45,866	101,087
Other financial assets	2,427	6,931	7,069	2,771	–	12,129
Tax receivables	–	–	–	–	409	409
Current assets						
Trade receivables	0	21,130	21,130	–	–	21,130
Financial services receivables	16	46,542	46,542	–	22,297	68,855
Other financial assets	1,687	14,775	14,775	2,187	–	18,649
Tax receivables	–	10	10	–	2,029	2,038
Marketable securities and time deposits	26,963	363	363	–	–	27,326
Cash and cash equivalents	–	40,296	40,296	–	–	40,296
Non-current liabilities						
Financial liabilities	–	131,137	131,680	–	5,924	137,061
Other financial liabilities	1,561	2,405	2,390	2,583	–	6,548
Current liabilities						
Financial liabilities	–	115,768	115,768	–	1,252	117,020
Trade payables	–	29,772	29,772	–	–	29,772
Other financial liabilities	1,160	11,109	11,109	2,095	–	14,364
Tax payables	–	18	18	–	705	724

The category headed "not allocated to a measurement category" is used in particular for shares in equity-accounted investments, shares in non-consolidated affiliated companies as well as for lease receivables.

The carrying amount of lease receivables was €70.8 billion (previous year: €68.2 billion) and their fair value was €72.1 billion (previous year: €68.9 billion).

Uniform valuation techniques and inputs are used to measure fair value. The fair value of Level 2 and 3 financial instruments is measured in the individual divisions on the basis of Group-wide specifications. The measurement techniques used are explained in the section entitled "Accounting policies". The fair value of Level 3 receivables was measured by reference to individual expectations of losses; these are based to a significant extent on the Company's assumptions about counterparty credit quality. The inputs used are not observable in an active market.

The following tables contain an overview of the financial assets and liabilities measured at fair value by level:

FINANCIAL ASSETS AND LIABILITIES MEASURED AT FAIR VALUE BY LEVEL

€ million	Dec. 31, 2025	Level 1	Level 2	Level 3
Non-current assets				
Other equity investments	4,328	86	3,534	708
Financial services receivables	1	–	–	1
Other financial assets	1,387	–	884	503
Current assets				
Trade receivables	–	–	–	–
Financial services receivables	13	–	–	13
Other financial assets	3,346	–	1,647	1,699
Marketable securities and time deposits	28,118	27,339	600	180
Non-current liabilities				
Other financial liabilities	2,027	–	1,428	599
Current liabilities				
Other financial liabilities	953	–	386	568

€ million	Dec. 31, 2024	Level 1	Level 2	Level 3
Non-current assets				
Other equity investments	2,460	42[1]	1,753[1]	665
Financial services receivables	33	–	–	33
Other financial assets	2,427	–	1,015	1,412
Current assets				
Trade receivables	0	–	–	0
Financial services receivables	16	–	–	16
Other financial assets	1,687	–	1,207	480
Marketable securities and time deposits	26,963	26,850	113	–
Non-current liabilities				
Other financial liabilities	1,561	–	920	640
Current liabilities				
Other financial liabilities	1,160	–	823	337

1 Since some equity investments do not have unhindered market access, we have reclassified them from Level 1 to Level 2. The prior-year figures were adjusted accordingly.

FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES MEASURED AT AMORTIZED COST BY LEVEL

€ million	Dec. 31, 2025	Level 1	Level 2	Level 3
Fair value of financial assets measured at amortized cost				
Financial services receivables	101,753	–	–	101,753
Trade receivables	20,760	–	20,760	–
Other financial assets	22,406	2,197	5,308	14,901
Marketable securities and time deposits	1,404	675	729	–
Cash and cash equivalents	38,801	38,801	–	–
Fair value of financial assets measured at amortized cost	**185,124**	**41,673**	**26,797**	**116,654**
Fair value of financial liabilities measured at amortized cost				
Trade payables	30,490	–	30,490	–
Financial liabilities	258,185	57,975	196,750	3,459
Other financial liabilities	14,318	1,944	11,442	931
Fair value of financial liabilities measured at amortized cost	**302,993**	**59,920**	**238,683**	**4,390**

€ million	Dec. 31, 2024	Level 1	Level 2	Level 3
Fair value of financial assets measured at amortized cost				
Financial services receivables	103,109	–	–	103,109
Trade receivables	21,130	–	21,130	–
Other financial assets	21,841	2,679	5,327	13,835
Tax receivables	10	–	10	–
Marketable securities and time deposits	363	46	317	–
Cash and cash equivalents	40,296	40,296	–	–
Assets held for sale	–	–	–	–
Fair value of financial assets measured at amortized cost	**186,749**	**43,022**	**26,783**	**116,944**
Fair value of financial liabilities measured at amortized cost				
Trade payables	29,772	–	29,772	–
Financial liabilities	247,447	60,038	185,574	1,835
Other financial liabilities	13,499	846	12,464	189
Tax payables	18	–	18	–
Liabilities associated with assets held for sale	–	–	–	–
Fair value of financial liabilities measured at amortized cost	**290,736**	**60,884**	**227,828**	**2,024**

DERIVATIVE FINANCIAL INSTRUMENTS WITHIN HEDGE ACCOUNTING BY LEVEL

€ million	Dec. 31, 2025	Level 1	Level 2	Level 3
Non-current assets				
Other financial assets	2,791	–	2,504	287
Current assets				
Other financial assets	2,243	–	2,243	–
Non-current liabilities				
Other financial liabilities	1,593	–	1,519	74
Current liabilities				
Other financial liabilities	1,197	–	1,197	–

€ million	Dec. 31, 2024	Level 1	Level 2	Level 3
Non-current assets				
Other financial assets	2,771	–	2,697	74
Current assets				
Other financial assets	2,187	–	2,187	–
Non-current liabilities				
Other financial liabilities	2,583	–	2,431	152
Current liabilities				
Other financial liabilities	2,095	–	2,095	–

The allocation of fair values to the three levels in the fair value hierarchy is based on the availability of observable market prices. Level 1 is used to report the fair value of financial instruments for which a price is directly available in an active market. Examples include marketable securities and other equity investments measured at fair value that are listed and traded on a public market. Fair values in Level 2, for example of derivatives, are measured on the basis of market inputs using market-based valuation techniques. In particular, the inputs used include exchange rates, yield curves and commodity prices that are observable in the relevant markets and obtained through pricing services. Fair values in Level 3 are calculated using valuation techniques that incorporate inputs that are not directly observable in active markets. In the Volkswagen Group, long-term commodity swaps are allocated to Level 3 because the prices available on the market must be extrapolated for measurement purposes. This is done on the basis of observable inputs obtained for the different commodities through pricing services. Options on equity instruments, residual value protection models, customer financing receivables and receivables from vehicle financing programs and other equity investments are also reported in Level 3. Equity instruments are measured primarily using the relevant business plans and entity-specific discount rates. The significant inputs used to measure fair value for the residual value protection models include forecasts and estimates of used vehicle residual values for the appropriate models. The measurement of vehicle financing programs requires in particular the use of the corresponding vehicle price.

The table below provides a summary of changes in level 3 balance sheet items measured at fair value:

CHANGES IN BALANCE SHEET ITEMS MEASURED AT FAIR VALUE BASED ON LEVEL 3

€ million	Financial assets measured at fair value	Financial liabilities measured at fair value
Balance at Jan. 1, 2025	**2,607**	**977**
Foreign exchange differences	–105	–54
Changes in consolidated Group	–15	–
Total comprehensive income	1,065	104
recognized in profit loss	715	104
recognized in other comprehensive income	350	–
Additions (purchases)	337	–
Sales and settlements	–529	139
Transfers from Level 1	–	–
Transfers into Level 2	–256	–1
Transfers Hedge Accounting	0	2
Balance at Dec. 31, 2025	**3,104**	**1,167**
Total gains or losses recognized in profit or loss	**715**	**–104**
Net other operating expense/income	95	–107
of which attributable to assets/liabilities held at the reporting date	97	–99
Financial result	620	4
of which attributable to assets/liabilities held at the reporting date	609	4

€ million	Financial assets measured at fair value	Financial liabilities measured at fair value
Balance at Jan. 1, 2024	**1,734**	**237**
Foreign exchange differences	40	6
Changes in consolidated Group	2	–
Total comprehensive income	–175	460
recognized in profit loss	–165	460
recognized in other comprehensive income	–9	–
Additions (purchases)	1,672	429
Sales and settlements	–383	–53
Transfers from Level 1	13	–
Transfers into Level 2	–47	–27
Transfers Hedge Accounting	–249	–76
Balance at Dec. 31, 2024	**2,607**	**977**
Total gains or losses recognized in profit or loss	**–165**	**–460**
Other operating result	–240	–454
of which attributable to assets/liabilities held at the reporting date	–319	–458
Financial result	75	–6
of which attributable to assets/liabilities held at the reporting date	18	–6

CHANGES IN DERIVATIVE FINANCIAL INSTRUMENTS WITHIN HEDGE ACCOUNTING BASED ON LEVEL 3

€ million	Active derivative financial instruments within hedge accounting	Passive derivative financial instruments within hedge accounting
Balance at Jan. 1, 2025	**74**	**152**
Foreign exchange differences	–	–
Changes in consolidated Group	–	–
Total comprehensive income	303	-12
recognized in profit or loss	0	-1
recognized in other comprehensive income	303	-11
Non-hedge-accounting transfers	0	-2
Transfers into Level 2	-90	-64
Balance at Dec. 31, 2025	**287**	**74**

€ million	Active derivative financial instruments within hedge accounting	Passive derivative financial instruments within hedge accounting
Balance at Jan. 1, 2024	**–**	**–**
Foreign exchange differences	–	–
Changes in consolidated Group	–	–
Total comprehensive income	-98	119
recognized in profit or loss	0	2
recognized in other comprehensive income	-98	117
Non-hedge-accounting transfers	249	76
Transfers into Level 2	-78	-44
Balance at Dec. 31, 2024	**74**	**152**

The transfers between the levels of the fair value hierarchy are reported at the respective reporting dates. The transfers out of Level 3 into Level 2 comprise commodity swaps for which observable quoted prices are now available for measurement purposes due to the decline in their remaining maturities; consequently, no further extrapolation is required.

Commodity prices are the key risk variable for the fair value of commodity swaps. Sensitivity analyses are used to present the effect of changes in commodity prices on earnings after tax and equity.

If commodity prices for commodity swaps classified as Level 3 had been 10% higher (lower) as of December 31, 2025, earnings after tax would have been €0.5 million (previous year: €– million) higher (lower) and equity would have been €186 million (previous year, adjusted: €168 million) higher (lower).

The key risk variable for measuring options on equity instruments held by the Company is the relevant enterprise value. Sensitivity analyses are used to present the effect of changes in risk variables on earnings after tax.

If the assumed enterprise values at December 31, 2025 had been 10% higher, earnings after tax would have been €– million (previous year: €0.1 million) higher. If the assumed enterprise values as of December 31, 2025 had been 10% lower, earnings after tax would have been €– million (previous year: €0.1 million) lower.

Residual value risks result from hedging agreements with dealerships under which earnings effects caused by market-related fluctuations in residual values that arise from buy-back obligations under leases are borne in part by the Volkswagen Group.

The key risk variable influencing the fair value of the options relating to residual value risks is used car prices. Sensitivity analyses are used to quantify the effects of changes in used car prices on earnings after tax.

If the prices of the used cars covered by the residual value protection model had been 10% higher as of December 31, 2025, earnings after tax would have been €447 million (previous year: €436 million) higher. If the prices of the used cars covered by the residual value protection model had been 10% lower as of December 31, 2025, earnings after tax would have been €449 million (previous year: €437 million) lower.

If the risk-adjusted interest rates applied to receivables measured at fair value had been 100 basis points higher as of December 31, 2025, earnings after tax would have been €0.4 million (previous year: €15 million) lower. If the risk-adjusted interest rates as of December 31, 2025 had been 100 basis points lower, earnings after tax would have been €0.1 million (previous year: €14 million) higher. If the market price of the convertible loan measured at fair value had been 10% higher as of December 31, 2025, earnings after tax would have been €232 million (previous year: €– million) higher. If the market price of the convertible loan measured at fair value had been 10% lower as of December 31, 2025, earnings after tax would have been €232 million (previous year: €– million) lower.

If the corresponding vehicle price used in the vehicle financing programs had been 10% higher as of December 31, 2025, earnings after tax would have been €12 million (previous year: €2 million) higher. If the corresponding vehicle prices used in the vehicle financing programs had been 10% lower as of December 31, 2025, earnings after tax would have been €12 million (previous year: €2 million) lower.

If the result of operations of equity investments measured at fair value had been 10% better as of December 31, 2025, equity would have been €46 million (previous year: €38 million) higher, and earnings after tax would have been €6 million (previous year: €9 million) higher. If the result of operations of equity investments measured at fair value had been 10% worse, equity would have been €44 million (previous year: €38 million) lower, and earnings after tax would have been €6 million (previous year: €9 million) lower.

Offsetting of financial assets and liabilities

The following tables contain information about the effects of offsetting in the balance sheet and the potential financial effects of offsetting in the case of instruments that are subject to a legally enforceable master netting arrangement or a similar agreement.

€ million	Gross amounts of recognized financial assets	Gross amounts of recognized financial liabilities set off in the balance sheet	Net amounts of financial assets presented in the balance sheet	AMOUNTS THAT ARE NOT SET OFF IN THE BALANCE SHEET		Net amount at Dec. 31, 2025
				Financial instruments	Collateral received	
Derivatives	7,713	-83	7,629	-2,484	-27	5,118
Financial services receivables	172,022	-767	171,255	-	-65	171,190
Trade receivables	20,818	-58	20,760	0	-	20,760
Marketable securities and time deposits	29,522	-	29,522	-	-	29,522
Cash and cash equivalents	38,801	-	38,801	-	-	38,801
Other financial assets	28,549	-	28,549	-	-	28,549

€ million	Gross amounts of recognized financial assets	Gross amounts of recognized financial liabilities set off in the balance sheet	Net amounts of financial assets presented in the balance sheet	AMOUNTS THAT ARE NOT SET OFF IN THE BALANCE SHEET		Net amount at Dec. 31, 2024
				Financial instruments	Collateral received	
Derivatives	7,312	-73	7,239	-3,515	-14	3,709
Financial services receivables	170,541	-600	169,942	-	-63	169,879
Trade receivables	21,190	-59	21,130	0	-	21,130
Marketable securities and time deposits	27,326	-	27,326	-	-	27,326
Cash and cash equivalents	40,296	-	40,296	-	-	40,296
Other financial assets	26,009	-	26,009	-	-	26,009

€ million	Gross amounts of recognized financial liabilities	Gross amounts of recognized financial assets set off in the balance sheet	Net amounts of financial liabilities presented in the balance sheet	AMOUNTS THAT ARE NOT SET OFF IN THE BALANCE SHEET		Net amount at Dec. 31, 2025
				Financial instruments	Collateral pledged	
Derivatives	5,778	-27	5,751	-2,484	-40	3,227
Financial liabilities	264,703	-	264,703	-	-2,648	262,055
Trade payables	30,548	-58	30,490	0	-	30,490
Other financial liabilities	15,046	-732	14,314	-	-	14,314

€ million	Gross amounts of recognized financial liabilities	Gross amounts of recognized financial assets set off in the balance sheet	Net amounts of financial liabilities presented in the balance sheet	AMOUNTS THAT ARE NOT SET OFF IN THE BALANCE SHEET		Net amount at Dec. 31, 2024
				Financial instruments	Collateral pledged	
Derivatives	7,442	-58	7,383	-3,515	-20	3,848
Financial liabilities	254,080	-	254,080	-	-2,890[1]	251,191[1]
Trade payables	29,831	-59	29,772	0	-	29,772
Other financial liabilities	14,161	-614	13,547	-	-	13,547

1 Prior-year figures adjusted.

The "Financial instruments" column shows the amounts that are subject to a master netting arrangement but were not set off because they do not meet the criteria for offsetting in the balance sheet. The "Collateral received" and "Collateral pledged" columns show the amounts of cash collateral and collateral in the form of financial instruments received and pledged for the total assets and liabilities that do not meet the criteria for offsetting in the balance sheet.

Asset-backed securities transactions

Asset-backed securities transactions with financial assets amounting to €36.5 billion (previous year: €37.3 billion) entered into to refinance the financial services business are included in bonds, commercial paper and notes, and liabilities from loans. The corresponding carrying amount of the receivables from the customer and dealer financing and the finance lease business amounted to €45.0 billion (previous year: €46.6 billion). Collateral of €74.2 billion (previous year: €76.5 billion) in total was furnished as part of asset-backed securities transactions. The expected payments were assigned to structured entities and the equitable liens in the financed vehicles were normally transferred. These asset-backed securities transactions did not result in the receivables from financial services business being derecognized, as the Group retains non-payment and late payment risks. The difference between the assigned receivables and the related liabilities is the result of different terms and conditions and the share of the securitized paper and notes held by the Volkswagen Group itself.

Most of the public and private asset-backed securities transactions of the Volkswagen Group can be repaid in advance (clean-up call) if less than 10% of the original transaction volume is outstanding. The assigned receivables cannot be assigned again or pledged elsewhere as collateral. The claims of the holders of commercial paper and notes are limited to the assigned receivables and the receipts from those receivables are earmarked for the repayment of the corresponding liability.

As of December 31, 2025, the fair value of the assigned receivables still recognized in the balance sheet was €45.8 billion (previous year: €46.5 billion). The fair value of the related liabilities was €36.6 billion (previous year: €37.4 billion) at that reporting date.

Volkswagen Group Mobility is contractually obliged, under certain conditions, to transfer funds to individual structured entities that are included in its financial statements. If the rating of the relevant Group companies drops below a level contractually defined in advance, collateral must be furnished to the special purpose entities; for example, customer payments must be made in advance or interest compensation must be transferred to an account of the special purpose entity. Receivables are normally sold by way of undisclosed assignment. As a result, a situation may occur in which the receivable has already been reduced in a legally binding manner at the originator, for example if the obligor effectively offsets it against receivables owed to it by companies belonging to Volkswagen Group Mobility.

Additional income statement disclosures in accordance with IFRS 7 (Financial instruments)

The table below shows net gains and losses on financial assets and financial liabilities by measurement category, followed by a detailed explanation of key aspects:

NET GAINS OR LOSSES FROM FINANCIAL INSTRUMENTS BY IFRS 9 MEASUREMENT CATEGORY

€ million	2025	2024
Financial instruments at fair value through profit or loss	1,081	602
Financial assets measured at amortized cost	7,844	10,113
Financial assets at fair value through other comprehensive income (debt instruments)	72	50
Financial liabilities measured at amortized cost	–10,322	–12,596
	–1,325	**–1,831**

Net gains and losses in the category financial instruments at fair value through profit or loss are mainly composed of the fair value measurement gains and losses on derivatives, including interest and gains and losses on currency translation.

Net gains and losses from financial assets measured at fair value through other comprehensive income (debt instruments) are mainly attributable to interest income from fixed-income securities.

Net gains and losses from financial assets and liabilities measured at amortized cost mainly comprise interest income and expenses calculated according to the effective interest method pursuant to IFRS 9, currency translation effects, and the recognition of loss allowances. Interest also includes interest income and expenses from the lending business of the Financial Services Division.

The table below presents total interest income and expenses from financial assets and liabilities measured at amortized cost, separately from financial assets measured at fair value through other comprehensive income:

TOTAL INTEREST INCOME AND EXPENSES ATTRIBUTABLE TO FINANCIAL INSTRUMENTS NOT MEASURED AT FAIR VALUE THROUGH PROFIT OR LOSS

€ million	2025	2024
Financial assets and liabilities measured at amortized cost		
Interest income	13,946	14,267
Interest expenses	10,979	11,775
Financial assets (debt instruments) measured at fair value through other comprehensive income		
Interest income	63	43
Interest expenses	0	0

GAINS AND LOSSES ON THE DISPOSAL OF FINANCIAL ASSETS MEASURED AT AMORTIZED COST

€ million	2025	2024
Gains arising from the derecognition of financial assets measured at amortized cost	510	1,340
Losses arising from the derecognition of financial assets measured at amortized cost	-986	-941
	-476	**399**

In the fiscal year, €3 million (previous year: €5 million) was recognized as an expense and €40 million (previous year: €32 million) as income from fees and commissions for trust activities and from financial assets and liabilities not measured at fair value that are not accounted for using the effective interest method.

35. Cash flow statement

Cash flows are presented in the cash flow statement classified into cash flows from operating activities, investing activities and financing activities, irrespective of the balance sheet classification.

Cash flows from operating activities are derived indirectly from earnings before tax. Earnings before tax are adjusted to eliminate non-cash expenditures (mainly depreciation, amortization and impairment losses) and income. Other non-cash income and expense results mainly from measurement effects in connection with financial instruments and fair value changes relating to hedging transactions. This results in cash flows from operating activities after accounting for changes in working capital, which also include changes in lease assets and in financial services receivables.

Investing activities include additions to property, plant and equipment and equity investments, additions to capitalized development costs, and changes in investments in securities and time deposits as well as loans.

Financing activities include outflows of funds from dividend payments and the redemption of bonds and notes, inflows from capital increases, the issuance of bonds and notes, and changes in other financial liabilities. Please refer to the "Equity" section for information on the in-/outflows from the issuance/repayment of hybrid capital contained in the capital contributions.

The changes in balance sheet items that are presented in the cash flow statement cannot be derived directly from the balance sheet, as the effects of currency translation and changes in the consolidated Group are non-cash transactions and are therefore eliminated.

In the fiscal year, cash flows from operating activities include interest received amounting to €14,266 million (previous year: €14,943 million) and interest paid amounting to €8,103 million (previous year: €8,780 million). Cash flows from operating activities also include dividend payments (net of withholding tax) received from joint ventures and associates of €1,679 million (previous year: €2,614 million).

Dividends amounting to €3,171 million (previous year: €4,524 million) were paid to Volkswagen AG shareholders.

€ million	Dec. 31, 2025	Dec. 31, 2024
Cash and cash equivalents as reported in the balance sheet	38,801	40,296
Cash and cash equivalents held for sale	–	–
Cash and cash equivalents as reported in the cash flow statement	**38,801**	**40,296**

Time deposits with contractual maturities of more than three months are not classified as cash equivalents. The maximum default risk corresponds to its carrying amount.

The following table shows the classification of changes in financial liabilities into cash and non-cash transactions:

			NON - CASH CHANGES				
€ million	Jan. 1, 2025	Cash-effective changes	Foreign exchange differences	Changes in consolidated Group	Classified as held for sale	Other changes	Dec. 31, 2025
Bonds	106,958	3,324	–2,001	–	–	103	108,385
Commercial paper and notes[1]	47,521	–2,868	–3,914	–	–	117	40,856
Other total third-party borrowings[1]	92,426	16,252	–137	8	–	–743	107,805
Finance lease liabilities[2]	7,176	–1,476	–199	35	–	2,121	7,657
Total third-party borrowings	**254,081**	**15,233**	**–6,251**	**43**	**–**	**1,598**	**264,703**
Other financial assets and liabilities	–303	372	–11	0	–	51	109
Financial assets and liabilities in financing activities	**253,779**	**15,605**	**–6,263**	**43**	**–**	**1,649**	**264,812**

1 As from fiscal year 2025, commercial paper is presented in "Commercial paper and notes". In the previous year, it had been presented in "Other total third-party borrowings". The prior-year figures were adjusted accordingly.
2 Other changes in lease liabilities largely contain non-cash additions of lease liabilities.

			NON - CASH CHANGES				
€ million	Jan. 1, 2024	Cash-effective changes	Foreign exchange differences	Changes in consolidated Group	Classified as held for sale	Other changes	Dec. 31, 2024
Bonds	99,157	5,803	928	–	–	1,070	106,958
Commercial paper and notes[1]	44,727	1,414	1,230	–	–	150	47,521
Other total third-party borrowings[1]	82,435	12,607	–2,507	136	0	–245	92,426
Finance lease liabilities[2]	6,494	–1,334	70	75	–	1,872	7,176
Total third-party borrowings	**232,813**	**18,490**	**–279**	**211**	**0**	**2,846**	**254,081**
Other financial assets and liabilities	9	–427	34	–	–	82	–303
Financial assets and liabilities in financing activities	**232,822**	**18,063**	**–245**	**211**	**0**	**2,928**	**253,779**

1 As from fiscal year 2025, commercial paper is presented in "Commercial paper and notes". In the previous year, it had been presented in "Other total third-party borrowings". The prior-year figures were adjusted accordingly.
2 Other changes in lease liabilities largely contain non-cash additions of lease liabilities.

36. Financial risk management and financial instruments

1. Hedging guidelines and financial risk management principles

The principles and responsibilities for managing and controlling the risks that could arise from financial instruments are defined by the Board of Management and monitored by the Supervisory Board. General rules apply to the Group-wide risk policy; these are oriented on the statutory requirements and the "Minimum Requirements for Risk Management by Credit Institutions".

Operational risk management and the control of risks from financial instruments is the responsibility of Group Treasury and Investor Relations. The Group Board of Management Committee for Risk Management is regularly informed about current financial risks. In addition, the Group Board of Management and the Supervisory Board are regularly updated on the current risk situation. The Everllence (formerly: MAN Energy Solutions), Porsche AG, Porsche Holding Salzburg and TRATON GROUP subgroups and the Financial Services Division are in part included in Group Treasury's operational risk management and control activities with regard to risks relating to financial instruments and also have their own risk management structures.

For more information, see the section on financial risks in the Report on Risks and Opportunities of the group management report.

2. Credit and default risk

The credit and default risk arising from financial assets involves the risk of default by counterparties, and therefore comprises at a maximum the amount of the claims under carrying amounts receivable from them and the irrevocable credit commitments. The maximum potential credit and default risk is reduced by collateral held and other credit enhancements. Collateral is held predominantly for financial assets in the "at amortized cost" category. It relates primarily to collateral for financial services receivables and trade receivables. Collateral comprises vehicles and assets transferred as security, as well as guarantees and real property liens. Cash collateral is also used in hedging transactions.

For level 3 and level 4 financial assets with objective indications of impairment as of the reporting date, the collateral provided led to a reduction in risk by €2.2 billion (previous year: €1.8 billion). Collateral of €34 million (previous year: €55 million) has been accepted for assets measured at fair value through profit or loss.

Significant cash and capital investments, as well as derivatives, are entered into with national and international banks. Credit and default risk is limited by a limit system based primarily on the equity base of the counterparties concerned and on credit assessments by international rating agencies. Financial guarantees issued also give rise to credit and default risk. The maximum default risk is determined by the guarantee amount. The corresponding amounts are presented in the Liquidity risk section.

There were no material concentrations of risk at individual counterparties or counterparty groups in the fiscal year due to the global allocation of the Group's business activities and the resulting diversification. Any existing concentration of risk is assessed and monitored both at the level of individual counterparties or counterparty groups and with regard to the countries in which these are based, in each case using the share of all credit and default risk exposures accounted for by the risk exposure concerned. This analysis includes the review of the items held in treasury funds and money market funds but excludes the items of Chinese companies in which Volkswagen holds an interest of 50% or less.

The share of credit and default risk exposures attributable to Germany amounted to 20.9% at the end of 2025. Other than those, there were no material concentrations of credit and default risk exposures in individual countries.

Loss allowance

The Volkswagen Group consistently uses the expected credit loss model of IFRS 9 for all financial assets and other risk exposures.

The expected credit loss model under IFRS 9 takes in both loss allowances for financial assets for which there are no objective indications of impairment and loss allowances for financial assets that are already impaired. For the calculation of impairment losses, IFRS 9 distinguishes between the general approach and the simplified approach.

Under the general approach, financial assets are allocated to one of three stages, plus an additional stage for financial assets that are already impaired when acquired (stage 4). Stage 1 comprises financial assets that are recognized for the first time or for which the probability of default has not increased significantly. The expected credit losses for the next twelve months are calculated at this stage. Stage 2 comprises financial assets with a significantly increased probability of default, while financial assets with objective indications of default are allocated to stage 3. The lifetime expected credit losses are calculated at these stages. Stage 4 financial assets, which are already impaired when acquired, are subsequently measured by recognizing a loss allowance on the basis of the accumulated lifetime expected losses. Financial assets classified as impaired on acquisition remain in this category until they are derecognized.

The Volkswagen Group applies the simplified approach to trade receivables and contract assets in accordance with IFRS 15. The same applies to receivables under operating or finance leases accounted for under IFRS 16. Under the simplified approach, the expected losses are consistently determined for the entire life of the asset.

The tables below show the reconciliation of the loss allowance for various financial assets and financial guarantees and credit commitments:

CHANGES IN GROSS CARRYING AMOUNTS OF FINANCIAL ASSETS MEASURED AT AMORTIZED COST

€ million	Stage 1	Stage 2	Stage 3	Simplified approach	Stage 4	Total
Carrying amount at Jan. 1, 2025	**146,080**	**17,540**	**2,962**	**22,502**	**387**	**189,472**
Foreign exchange differences	-4,412	-427	-29	-329	3	-5,194
Changes in consolidated group	312	-541	-4	291	-	58
Changes	7,285	-2,852	-1,147	286	121	3,693
Modifications	-467	1	191	0	0	-275
Transfers to						
Stage 1	2,329	-2,288	-41	-	-	0
Stage 2	-7,203	7,280	-77	-	-	0
Stage 3	-666	-575	1,242	-	-	0
Carrying amount at Dec. 31, 2025	**143,260**	**18,137**	**3,096**	**22,750**	**511**	**187,754**

CHANGES IN LOSS ALLOWANCE FOR FINANCIAL ASSETS MEASURED AT AMORTIZED COST

€ million	Stage 1	Stage 2	Stage 3	Simplified approach	Stage 4	Total
Carrying amount at Jan. 1, 2025	**1,320**	**637**	**1,473**	**762**	**46**	**4,238**
Foreign exchange differences	-27	-20	-18	-6	0	-71
Changes in consolidated group	3	-43	-2	2	-	-41
Newly extended/purchased financial assets (additions)	728	-	-	729	93	1,550
Other changes within a stage	-217	102	104	26	29	45
Transfers to						
Stage 1	20	-60	-14	-	-	-54
Stage 2	-115	315	-30	-	-	170
Stage 3	-162	-108	1,073	-	-	802
Financial instruments derecognized during the period (disposals)	-427	-261	-347	-265	-3	-1,303
Utilization	-	-	-972	-72	-7	-1,051
Changes to models or risk parameters	20	19	-11	0	1	29
Carrying amount at Dec. 31, 2025	**1,144**	**581**	**1,255**	**1,175**	**159**	**4,314**

CHANGES IN GROSS CARRYING AMOUNTS OF FINANCIAL ASSETS MEASURED AT AMORTIZED COST

€ million	Stage 1	Stage 2	Stage 3	Simplified approach	Stage 4	Total
Carrying amount at Jan. 1, 2024	**146,691**	**13,839**	**2,388**	**23,703**	**351**	**186,972**
Foreign exchange differences	-477	-104	-80	-50	-20	-731
Changes in consolidated group	-302	-4	-7	57	-	-256
Changes[1]	5,988	-836	-517	-1,210	56	3,480
Modifications	4	0	-1	3	0	7
Transfers to						
Stage 1	3,113	-2,972	-141	-	-	0
Stage 2	-8,045	8,111	-66	-	-	0
Stage 3[1]	-892	-495	1,387	-	-	-
Carrying amount at Dec. 31, 2024	**146,080**	**17,540**	**2,962**	**22,502**	**387**	**189,472**

1 Prior-year figures adjusted.

CHANGES IN LOSS ALLOWANCE FOR FINANCIAL ASSETS MEASURED AT AMORTIZED COST

€ million	Stage 1	Stage 2	Stage 3	Simplified approach	Stage 4	Total
Carrying amount at Jan. 1, 2024	**890**	**654**	**1,380**	**628**	**25**	**3,578**
Foreign exchange differences	-19	-10	-49	-2	-8	-88
Changes in consolidated group	-30	0	-3	4	-	-29
Newly extended/purchased financial assets (additions)	1,337	-	-	321	52	1,709
Other changes within a stage[1]	-290	-56	247	3	-9	-105
Transfers to						
Stage 1	28	-93	-20	-	-	-86
Stage 2	-157	471	-24	-	-	290
Stage 3	-107	-103	624	-	-	414
Financial instruments derecognized during the period (disposals)	-329	-214	-314	-157	-10	-1,024
Utilization	-	-	-373	-41	-6	-421
Changes to models or risk parameters	-3	-12	7	7	1	0
Carrying amount at Dec. 31, 2024[1]	**1,320**	**637**	**1,473**	**762**	**46**	**4,238**

1 Prior-year figures adjusted.

CHANGES IN DEFAULT RISK POSITIONS OF FINANCIAL GUARANTEES AND CREDIT COMMITMENTS

€ million	Stage 1	Stage 2	Stage 3	Stage 4	Total
Carrying amount at Jan. 1, 2025	**11,153**	**3,590**	**147**	**105**	**14,994**
Foreign exchange differences	-136	-48	1	1	-181
Changes in consolidated group	47	-	-	-	47
Changes	-1,262	-321	-20	-12	-1,615
Modifications	-	-	-	-	-
Transfers to					
Stage 1	255	-252	-3	-	0
Stage 2	-1,167	1,167	0	-	0
Stage 3	-33	-22	54	-	-
Carrying amount at Dec. 31, 2025	**8,856**	**4,115**	**180**	**93**	**13,244**

CHANGES IN LOSS ALLOWANCE FOR FINANCIAL GUARANTEES AND CREDIT COMMITMENTS

€ million	Stage 1	Stage 2	Stage 3	Stage 4	Total
Carrying amount at Jan. 1, 2025	**121**	**10**	**20**	**9**	**160**
Foreign exchange differences	-11	0	0	0	-11
Changes in consolidated group	1	-	-	-	1
Newly extended/purchased financial assets (additions)	18	-	-	1	18
Other changes within a stage	-1	4	0	1	5
Transfers to					
Stage 1	0	-1	0	-	-1
Stage 2	-3	4	-	-	1
Stage 3	0	-1	15	-	13
Financial instruments derecognized during the period (disposals)	-12	-1	-2	0	-15
Utilization	-	-	-1	-	-1
Changes to models or risk parameters	-	-	0	-	0
Carrying amount at Dec. 31, 2025	**114**	**16**	**30**	**10**	**170**

CHANGES IN DEFAULT RISK POSITIONS OF FINANCIAL GUARANTEES AND CREDIT COMMITMENTS

€ million	Stage 1	Stage 2	Stage 3	Stage 4	Total
Carrying amount at Jan. 1, 2024	**10,185**	**2,683**	**174**	**92**	**13,134**
Foreign exchange differences	3	46	1	0	50
Changes in consolidated group	776	0	-	-	776
Changes	1,010	28	-17	13	1,034
Modifications	-	-	-	-	-
Transfers to					
Stage 1	268	-236	-32	-	0
Stage 2	-1,076	1,077	-2	-	0
Stage 3	-13	-9	23	-	0
Carrying amount at Dec. 31, 2024	**11,153**	**3,590**	**147**	**105**	**14,994**

CHANGES IN LOSS ALLOWANCE FOR FINANCIAL GUARANTEES AND CREDIT COMMITMENTS

€ million	Stage 1	Stage 2	Stage 3	Stage 4	Total
Carrying amount at Jan. 1, 2024	**27**	**10**	**44**	**10**	**90**
Foreign exchange differences	3	0	0	0	3
Changes in consolidated group	3	0	–	–	3
Newly extended/purchased financial assets (additions)	96	–	–	1	97
Other changes within a stage	3	3	–20	–1	–14
Transfers to					
Stage 1	7	–2	–6	–	0
Stage 2	–4	4	–1	–	0
Stage 3	–4	–2	7	–	2
Financial instruments derecognized during the period (disposals)	–10	–4	–2	–1	–17
Utilization	–	–	–3	–	–3
Changes to models or risk parameters	–	–	0	–	0
Carrying amount at Dec. 31, 2024	**121**	**10**	**20**	**9**	**160**

CHANGES IN GROSS CARRYING AMOUNTS OF LEASE RECEIVABLES AND CONTRACT ASSETS

	SIMPLIFIED APPROACH	
€ million	2025	2024
Carrying amount at Jan. 1	**70,392**	**64,035**
Foreign exchange differences	–1,049	721
Changes in consolidated group	0	–49
Changes	3,647	5,679
Modifications	10	6
Carrying amount at Dec. 31	**73,001**	**70,392**

CHANGES IN LOSS ALLOWANCE FOR LEASE RECEIVABLES AND CONTRACT ASSETS

	SIMPLIFIED APPROACH	
€ million	2025	2024
Carrying amount at Jan. 1	**1,594**	**1,341**
Foreign exchange differences	–5	–5
Changes in consolidated group	0	–48
Newly extended/purchased financial assets (additions)	493	793
Other changes	321	–97
Financial instruments derecognized during the period (disposals)	–397	–310
Utilization	–146	–61
Changes to models or risk parameters	15	–18
Carrying amount at Dec. 31	**1,874**	**1,594**

CHANGES IN GROSS CARRYING AMOUNTS OF ASSETS MEASURED AT FAIR VALUE

€ million	Stage 1	Stage 2	Stage 3	Simplified approach	Stage 4	No loss allowance	Total
Carrying amount at Jan. 1, 2025	**3,622**	**500**	**–**	**–**	**–56**	**29,532**	**33,597**
Foreign exchange differences	–59	–	–	–	–	–317	–376
Changes in consolidated group	–	–	–	–	–	–3	–3
Changes	118	–169	–	–	–	3,755	3,704
Modifications	–	–	–	–	–	280	280
Transfers to							
Stage 1	68	–68	–	–	–	–	–
Stage 2	–	–	–	–	–	–	–
Stage 3	–	–	–	–	–	–	–
Carrying amount at Dec. 31, 2025	**3,749**	**263**	**–**	**–**	**–56**	**33,247**	**37,203**

CHANGES IN GROSS CARRYING AMOUNTS OF ASSETS MEASURED AT FAIR VALUE

€ million	Stage 1	Stage 2	Stage 3	Simplified approach	Stage 4	No loss allowance	Total
Carrying amount at Jan. 1, 2024	**2,685**	**1,797**	**–**	**–**	**–56**	**28,228**	**32,654**
Foreign exchange differences	28	–	–	–	–	96	123
Changes in consolidated group	–	–	–	–	–	0	0
Changes	529	–917	–	–	–	1,208	820
Modifications	–	–	–	–	–	–	–
Transfers to							
Stage 1	459	–459	–	–	–	–	–
Stage 2	–79	79	–	–	–	–	–
Stage 3	–	–	–	–	–	–	–
Carrying amount at Dec. 31, 2024	**3,622**	**500**	**–**	**–**	**–56**	**29,532**	**33,597**

The loss allowance on assets measured at fair value in Stage 1 increased by €0.4 million in fiscal year 2025 (previous year: decrease of €1 million) and those in Stage 2 rose by €1 million (previous year: increase of €1 million), resulting in a closing balance of €10 million (previous year: €11 million). Of this amount, €9 million is attributable to Stage 1 (previous year: €9 million) and €1 million to Stage 2 (previous year: €2 million).

The amount contractually outstanding for financial assets that have been derecognized in the current fiscal year and are still subject to enforcement proceedings is €377 million (previous year: €238 million).

Modifications

There were contract modifications to financial assets in the reporting period that did not lead to the derecognition of the asset. These were primarily the result of changes in credit ratings and relate to financial assets for which loss allowances were measured in the amount of the expected lifetime credit losses. For trade and lease receivables, the treatment is simplified by considering the credit rating-based modifications where the receivables are more than 30 days past due. Before the modification, amortized cost amount to €505 million (previous year: €285 million). In the reporting period, contract modifications resulted in net income (–)/net expenses (+) of €– 0.4 million (previous year: €0.4 million).

As of the reporting date, the gross carrying amounts of financial assets that have been modified since initial recognition and were simultaneously reclassified from stage 2 or 3 to stage 1 in the reporting period amounted to €44 million (previous year: €27 million). As a result, the measurement of the loss allowance for these financial assets was changed from lifetime expected credit losses to 12-month expected credit losses.

Maximum credit risk

The table below shows the maximum credit risk to which the Volkswagen Group was exposed as of the reporting date, broken down by class to which the impairment model is applied:

MAXIMUM CREDIT RISK BY CLASS

€ million	Dec. 31, 2025	Dec. 31, 2024
Financial assets measured at fair value	3,946	4,055
Financial assets measured at amortized cost	183,441	185,234
Financial guarantees and credit commitments	13,244	14,834
Not allocated to a measurement category	71,127	68,797
Total	**271,758**	**272,921**

Rating categories

The Volkswagen Group performs a credit assessment of borrowers in all loan and lease agreements, using scoring systems for the high-volume business and rating systems for corporate customers as well as receivables from dealer financing. Receivables rated as good are contained in risk class 1. Receivables from customers whose credit rating is not good but have not yet defaulted are contained in risk class 2. Risk class 3 comprises all defaulted receivables.

The table below presents the gross carrying amounts of financial assets by rating category:

GROSS CARRYING AMOUNTS OF FINANCIAL ASSETS BY RATING CATEGORY AS OF DECEMBER 31, 2025

€ million	Stage 1	Stage 2	Stage 3	Simplified approach	Stage 4
Credit risk rating grade 1 (receivables with no credit risk – standard loans)	143,053	12,519	–	88,970	114
Credit risk rating grade 2 (receivables with credit risk – intensified loan management)	3,956	5,881	–	4,330	142
Credit risk rating grade 3 (cancelled receivables – non-performing loans)	–	–	3,096	2,451	199
Total	**147,009**	**18,400**	**3,096**	**95,751**	**455**

GROSS CARRYING AMOUNTS OF FINANCIAL ASSETS BY RATING CATEGORY AS OF DECEMBER 31, 2024

€ million	Stage 1	Stage 2	Stage 3	Simplified approach	Stage 4
Credit risk rating grade 1 (receivables with no credit risk – standard loans)	145,608	11,420	–	87,022	44
Credit risk rating grade 2 (receivables with credit risk – intensified loan management)	4,094	6,620	–	3,872	74
Credit risk rating grade 3 (cancelled receivables – non-performing loans)	–	–	2,962	1,999	214
Total	**149,702**	**18,040**	**2,962**	**92,894**	**331**

Furthermore, the default risk exposure for financial guarantees and credit commitments is presented below:

DEFAULT RISK FOR FINANCIAL GUARANTEES AND CREDIT COMMITMENTS AS OF DECEMBER 31, 2025

€ million	Stage 1	Stage 2	Stage 3	Stage 4
Credit risk rating grade 1 (receivables with no credit risk – standard loans)	8,817	3,476	–	44
Credit risk rating grade 2 (receivables with credit risk – intensified loan management)	40	639	–	1
Credit risk rating grade 3 (cancelled receivables – non-performing loans)	–	–	180	48
Total	**8,856**	**4,115**	**180**	**93**

DEFAULT RISK FOR FINANCIAL GUARANTEES AND CREDIT COMMITMENTS AS OF DECEMBER 31, 2024

€ million	Stage 1	Stage 2	Stage 3	Stage 4
Credit risk rating grade 1 (receivables with no credit risk – standard loans)	11,101	3,186	–	65
Credit risk rating grade 2 (receivables with credit risk – intensified loan management)	52	404	–	1
Credit risk rating grade 3 (cancelled receivables – non-performing loans)	–	–	147	38
Total	**11,153**	**3,590**	**147**	**105**

Collateral that was accepted for financial assets in the current fiscal year was recognized in the balance sheet in the amount of €262 million (previous year: €257 million). This mainly relates to vehicles.

3. Liquidity risk

The solvency of the Volkswagen Group is managed on the basis of rolling liquidity planning. Liquidity is secured by a liquidity reserve, confirmed credit lines and the issuance of securities on the international money and capital markets. The volume of confirmed bilateral and syndicated credit lines stood at €30.6 billion as of December 31, 2025 (previous year: €32.4 billion), of which €0.1 billion (previous year: €2.1 billion) was drawn down.

Local cash funds in certain countries (e.g. China, Brazil, Argentina, South Africa and India) are available to the Group for cross-border transactions only in compliance with applicable capital controls and restrictions on foreign exchange movements. There are no significant restrictions over and above these. The liquidity risk in Argentina continues to be high. In fiscal year 2025, the Argentinian peso depreciated by 60% against the euro. It cannot be ruled out that the currency will depreciate further in fiscal year 2026.

Under the existing reverse factoring program, Volkswagen agrees an extension of payment terms with participating suppliers. If the program were to be terminated, the original payment terms would come into force again, and liabilities would have to be settled sooner as a result. The resulting effects on liquidity do not represent a liquidity risk, since the liabilities subject to reverse factoring arrangements are not a material part of total liabilities. Moreover, Volkswagen has enough financial instruments to meet short-term liquidity requirements on the credit, money, or capital markets. The reverse factoring program is intended by Volkswagen to provide long-term support to suppliers and stabilize the supply chain; there are no plans, therefore, to terminate the program in the near future.

The following overview shows the contractual undiscounted cash flows from financial instruments:

MATURITY ANALYSIS OF UNDISCOUNTED CASH FLOWS FROM FINANCIAL INSTRUMENTS

	REMAINING CONTRACTUAL MATURITIES				REMAINING CONTRACTUAL MATURITIES			
€ million	up to one year	within one to five years	more than five years	2025	up to one year	within one to five years	more than five years	2024
Financial liabilities	135,111	132,561	19,066	286,739	124,703	128,575	21,894	275,172
Trade payables	30,490	–	–	30,490	29,772	–	–	29,772
Other financial liabilities	11,534	2,735	59	14,328	11,141	2,299	47	13,487
Derivatives	88,410	75,096	3,524	167,031	92,843	99,190	4,993	197,026
Liabilities associated with assets held for sale	–	–	–	–	–	–	–	–
	265,545	**210,393**	**22,650**	**498,587**	**258,460**	**230,065**	**26,933**	**515,458**

The cash outflows on other financial liabilities include outflows on liabilities for tax allocations amounting to €82 million (previous year: €18 million).

Derivatives comprise both cash flows from derivative financial instruments with negative fair values and cash flows from derivatives with positive fair values for which a gross settlement has been agreed. Derivatives entered into through offsetting transactions are also accounted for as cash outflows. The cash outflows from derivatives for which a gross settlement has been agreed are matched in part by cash inflows. These cash inflows are not reported in the maturity analysis. If these cash inflows were also recognized, the cash outflows presented would be substantially lower. This also particularly applies if hedges have been closed with offsetting transactions.

The cash outflows from obligations from loan commitments and irrevocable credit commitments are presented in the section entitled "Other financial obligations", classified by contractual maturities.

As of December 31, 2025, the maximum potential liability under financial guarantees amounted to €459 million (previous year: €787 million). Financial guarantees are assumed to be due immediately in all cases.

4. Market risk

4.1 HEDGING POLICY AND FINANCIAL DERIVATIVES

During the course of its general business activities, the Volkswagen Group is exposed to foreign currency, interest rate, commodity price, equity price and fund price risk. Corporate policy is to limit such risk by means of hedging. Generally, all necessary hedging transactions are executed or coordinated centrally; exceptions include, among others, the Everllence (formerly: MAN Energy Solutions), Porsche AG, Porsche Holding Salzburg and TRATON GROUP subgroups and the Financial Services Division, as well as some regions such as South America and China.

Disclosures on gains and losses from fair value hedges

Fair value hedges involve hedging against the risk of changes in the carrying amount of balance sheet items. As of the reporting date, both hedging instruments and hedged items are measured at fair value in relation to the hedged risk, and the resulting opposite changes in value are recognized in the corresponding income statement item.

The following table shows the gains and losses from fair value hedges by risk type:

DISCLOSURES ON GAINS AND LOSSES FROM FAIR VALUE HEDGES

€ million	Dec. 31, 2025	Dec. 31, 2024
Hedging interest rate risk		
Other financial result	0	–5
Other operating result	–62	–20
Hedging currency risk		
Other financial result	–	–
Other operating result	–133	–75
Combined interest rate and currency risk hedging		
Other financial result	–	–
Other operating result	–1	0

Disclosures on gains and losses from cash flow hedges

Cash flow hedges are used to hedge against risks of fluctuations in future cash flows. These cash flows may arise from a recognized asset or liability, or from a highly probable forecast transaction. The following table shows the gains and losses from cash flow hedges by risk type:

DISCLOSURES ON GAINS AND LOSSES FROM CASH FLOW HEDGES

€ million	2025	2024
Hedging interest rate risk		
Gains or losses from changes in fair value of hedging instruments within hedge accounting		
Recognized in equity	–77	–38
Recognized in profit or loss	–4	–6
Reclassification from the cash flow hedge reserve to profit or loss		
Due to early discontinuation of the hedging relationships	–	–
Due to realization of the hedged item	13	4
Hedging currency risk		
Gains or losses from changes in fair value of hedging instruments within hedge accounting		
Recognized in equity	1,519	–200
Recognized in profit or loss	–7	3
Reclassification from the cash flow hedge reserve to profit or loss or inventories		
Due to early discontinuation of the hedging relationships	–191	–82
Due to realization of the hedged item	–484	108
Combined interest rate and currency risk hedging		
Gains or losses from changes in fair value of hedging instruments within hedge accounting		
Recognized in equity	–27	58
Recognized in profit or loss	2	0
Reclassification from the cash flow hedge reserve to profit or loss		
Due to early discontinuation of the hedging relationships	–	–
Due to realization of the hedged item	10	–37
Hedging commodities price risk		
Gains or losses from changes in fair value of hedging instruments within hedge accounting		
Recognized in equity	849	–576
Recognized in profit or loss	11	–17
Reclassification from the cash flow hedge reserve to profit or loss or inventories		
Due to early discontinuation of the hedging relationships	30	11
Due to realization of the hedged item	173	13

The table presents effects taken to equity, reduced by deferred taxes.

The gain or loss from changes in the fair value of hedging instruments used in hedge accounting corresponds to the basis for determining hedge ineffectiveness. The ineffective portion of a cash flow hedge is the income or expense resulting from changes in the fair value of the hedging instrument that exceed the changes in the fair value of the hedged item. This hedge ineffectiveness is attributable to differences in the parameters for the hedging instrument and the hedged item. Such income and expenses are recognized in other operating income/expenses or in the other financial result.

The Volkswagen Group uses two different methods to present market risk from non-derivative and derivative financial instruments in accordance with IFRS 7. For quantitative risk measurement, interest rate and foreign currency risk in Volkswagen Group Mobility is measured using a value-at-risk (VaR) model on the basis of a historical simulation, while market risk in the other Group companies is determined using a sensitivity analysis. The VaR calculation indicates the size of the maximum potential loss on the portfolio as a whole within a time horizon of 365 days, measured at a confidence level of 99.9%. To provide the basis for this calculation, all cash flows from non-derivative and derivative financial instruments are aggregated into an interest rate gap analysis. The historical market data used in calculating VaR covers a period of up to ten years. In the previous year, risk was determined on the basis of a confidence level of 99% and a time horizon of 60 calendar days. The sensitivity analysis calculates the effect on equity and profit or loss by modifying risk variables within the respective market risks.

Disclosures on hedging instruments in hedge accounting

The Volkswagen Group regularly enters into hedging instruments to hedge against changes in the carrying amount of balance sheet items. The summary below shows the notional amounts, fair values and base variables for determining the ineffectiveness of hedging instruments entered into to hedge against the risk of changes in carrying amounts in fair value hedges:

DISCLOSURES ON HEDGING TRANSACTIONS IN FAIR VALUE HEDGES IN 2025

€ million	Notional amount	Other assets	Other liabilities	Fair value changes to determine hedge ineffectiveness
Hedging interest rate risk				
Interest rate swaps	47,470	142	673	-587
Hedging currency risk				
Currency forwards, currency options, cross-currency swaps	3,574	2	20	-17
Combined interest rate and currency risk hedging				
Cross-currency interest rate swaps	1,241	1	115	-69

DISCLOSURES ON HEDGING TRANSACTIONS IN FAIR VALUE HEDGES IN 2024

€ million	Notional amount	Other assets	Other liabilities	Fair value changes to determine hedge ineffectiveness
Hedging interest rate risk				
Interest rate swaps	45,506	204	1,102	-1,071
Hedging currency risk				
Currency forwards, currency options, cross-currency swaps	4,209	91	16	55
Combined interest rate and currency risk hedging				
Cross-currency interest rate swaps	1,578	124	25	28

In addition, hedges are used to hedge against risks of fluctuations in future cash flows. The table below shows the notional amounts, fair values and base variables for determining the ineffectiveness of hedging instruments designated in cash flow hedges:

DISCLOSURES ON HEDGING TRANSACTIONS IN CASH FLOW HEDGES IN 2025

€ million	Notional amount	Other assets	Other liabilities	Fair value changes to determine hedge ineffectiveness
Hedging interest rate risk				
Interest rate swaps	23,774	69	107	-55
Hedging currency risk				
Currency forwards and cross-currency swaps	91,786	3,318	1,552	1,771
Currency options	6,236	201	44	166
Combined interest rate and currency risk hedging				
Cross-currency interest rate swaps	2,429	51	33	17
Hedging commodities price risk				
Commodity forwards/swaps	6,996	1,250	246	731

DISCLOSURES ON HEDGING TRANSACTIONS IN CASH FLOW HEDGES IN 2024

€ million	Notional amount	Other assets	Other liabilities	Fair value changes to determine hedge ineffectiveness
Hedging interest rate risk				
Interest rate swaps	20,502	131	89	36
Hedging currency risk				
Currency forwards and cross-currency swaps	128,962	3,830	2,688	1,379
Currency options	8,321	126	104	35
Combined interest rate and currency risk hedging				
Cross-currency interest rate swaps	1,549	152	0	35
Hedging commodities price risk				
Commodity forwards/swaps	9,156	300	656	-741

The fair value change used to determine ineffectiveness corresponds to the fair value change of the designated component.

Disclosures on hedged items in hedge accounting

In addition to disclosures on hedging instruments, disclosures are also required on the hedged items, broken down by risk category and type of designation for hedge accounting. Below follows a list of hedged items designated in fair value hedges, separately from those designated in cash flow hedges:

DISCLOSURES ON HEDGED ITEMS IN FAIR VALUE HEDGES IN 2025

€ million	Carrying amount	Cumulative hedge adjustments	Hedge adjustments current period/ fiscal year	Cumulative hedge adjustments from discontinued hedging relationships
Hedging interest rate risk				
Financial services receivables	19,040	15	–78	–
Other financial assets	–	–	–	–
Financial liabilities	25,589	–784	–152	–
Hedging currency risk				
Financial services receivables	–	–	–	–
Other financial assets	1,267	9	8	–
Financial liabilities	–	–	–	–
Combined interest rate and currency risk hedging				
Financial services receivables	–	–	–	–
Other financial assets	34	–1	0	–
Financial liabilities	204	2	35	–

DISCLOSURES ON HEDGED ITEMS IN FAIR VALUE HEDGES IN 2024

€ million	Carrying amount	Cumulative hedge adjustments	Hedge adjustments current period/ fiscal year	Cumulative hedge adjustments from discontinued hedging relationships
Hedging interest rate risk				
Financial services receivables	20,588	92	–202	–
Other financial assets	–	–	–	–
Financial liabilities	30,909	–654	888	–
Hedging currency risk				
Financial services receivables	–	–	–	–
Other financial assets	1,335	0	3	–
Financial liabilities	461	–62	–50	–
Combined interest rate and currency risk hedging				
Financial services receivables	–	–	–	–
Other financial assets	34	–1	–6	–
Financial liabilities	1,248	113	–3	–

DISCLOSURES ON HEDGED ITEMS IN CASH FLOW HEDGES IN 2025

€ million	Changes in fair value to determine hedge ineffectiveness	RESERVE FOR Active cash flow hedges	RESERVE FOR Discontinued cash flow hedges
Hedging interest rate risk			
Designated components	–77	–67	–13
Non-designated components	–	–	–
Deferred taxes	–	10	3
Total hedging interest rate risk	–77	–57	–9
Hedging currency risk			
Designated components	1,909	2,104	204
Non-designated components	–	–172	–52
Deferred taxes	–	–511	–42
Total hedging currency risk	1,909	1,421	110
Combined interest rate and currency risk hedging			
Designated components	10	1	–
Non-designated components	–	–	–
Deferred taxes	–	0	–
Total hedging combined interest rate and currency risk	10	1	–
Hedging commodity price risk			
Designated components	735	740	–47
Non-designated components	–	–	–
Deferred taxes	–	–200	14
Total hedging commodity price risk	735	539	–34

DISCLOSURES ON HEDGED ITEMS IN CASH FLOW HEDGES IN 2024

€ million	Changes in fair value to determine hedge ineffectiveness	RESERVE FOR Active cash flow hedges	RESERVE FOR Discontinued cash flow hedges
Hedging interest rate risk			
Designated components	15	18	–8
Non-designated components	–	–	–
Deferred taxes	–	–13	2
Total hedging interest rate risk	15	4	–6
Hedging currency risk			
Designated components	1,433	1,413	19
Non-designated components	–	–526	15
Deferred taxes	–	–223	–10
Total hedging currency risk	1,433	664	24
Combined interest rate and currency risk hedging			
Designated components	48	26	–
Non-designated components	–	–	–
Deferred taxes	–	–9	–
Total hedging combined interest rate and currency risk	48	17	–
Hedging commodity price risk			
Designated components	–782	–723	–58
Non-designated components	–	–	–
Deferred taxes	–	217	17
Total hedging commodity price risk	–782	–506	–40

Changes in the reserve

When accounting for cash flow hedges, the designated effective portions of a hedge are recognized in OCI I directly in equity. All changes beyond this in the fair value of the designated component are recognized as ineffectiveness in profit or loss.

The tables below show a reconciliation to the reserve:

CHANGES IN THE RESERVE FOR CASH FLOW HEDGES (OCI I)

€ million	Interest rate risk	Currency risk	Interest rate/ currency risk	Commodity price risk	Total
Balance at Jan. 1, 2025	**-2**	**1,030**	**17**	**-547**	**498**
Gains or losses from effective hedging relationships	-77	1,873	-27	849	2,618
Reclassifications due to changes in whether the hedged item is expected to occur	-	-142	-	30	-112
Reclassifications due to realization of the hedged item	13	-1,084	10	173	-888
Balance at Dec. 31, 2025	**-66**	**1,677**	**1**	**506**	**2,117**

CHANGES IN THE RESERVE FOR CASH FLOW HEDGES (OCI I)

€ million	Interest rate risk	Currency risk	Interest rate/ currency risk	Commodity price risk	Total
Balance at Jan. 1, 2024	**33**	**1,669**	**-5**	**6**	**1,703**
Gains or losses from effective hedging relationships	-38	117	58	-576	-439
Reclassifications due to changes in whether the hedged item is expected to occur	-	-67	-	11	-56
Reclassifications due to realization of the hedged item	4	-689	-37	13	-709
Balance at Dec. 31, 2024	**-2**	**1,030**	**17**	**-547**	**498**

If expectations about the occurrence of the hedged item change, the arrangement is reclassified by terminating the hedging relationship prematurely. Changed expectations are primarily caused by a change in planning figures for hedging sales revenue.

Changes in the fair values of non-designated components of a derivative are likewise generally recognized immediately through profit or loss. An exception from this principle is any change in the fair value attributable to non-designated time values of options, to the extent that they relate to the hedged item. Moreover, the Volkswagen Group initially recognizes in equity (hedging costs) changes in the fair values of non-designated forward components in currency hedges attributed to cash flow hedges. This means that the Volkswagen Group recognizes changes in the fair value of the non-designated component respectively parts thereof immediately through profit or loss only if there is ineffectiveness.

The tables below show a summary of changes in the reserve for hedging costs resulting from the non-designated portions of options and currency hedges:

CHANGES IN THE RESERVE FOR HEDGING COSTS – NON-DESIGNATED TIME VALUES OF OPTIONS

	CURRENCY RISK	
€ million	2025	2024
Balance at Jan. 1	**-24**	**-22**
Gains and losses from non-designated time value of options		
Hedged item is recognized at a point in time	-18	-80
Reclassifications due to changes in whether the hedged item is expected to occur		
Hedged item is recognized at a point in time	0	1
Reclassification due to realization of the hedged item		
Hedged item is recognized at a point in time	27	77
Balance at Dec. 31	**-15**	**-24**

CHANGES IN THE RESERVE FOR HEDGING COSTS – NON-DESIGNATED FORWARD COMPONENT AND CROSS CURRENCY BASIS SPREAD (CCBS)

	CURRENCY RISK	
€ million	2025	2024
Balance at Jan. 1	**-318**	**-785**
Gains and losses from non-designated forward elements and CCBS		
Hedged item is recognized at a point in time	-336	-236
Reclassification due to changes in whether the hedged item is expected to occur		
Hedged item is recognized at a point in time	-50	-15
Reclassifications due to realization of the hedged item		
Hedged item is recognized at a point in time	573	719
Balance at Dec. 31	**-131**	**-318**

4.2 MARKET RISK IN THE VOLKSWAGEN GROUP (EXCLUDING VOLKSWAGEN GROUP MOBILITY)

4.2.1 FOREIGN CURRENCY RISK

Foreign currency risk in the Volkswagen Group (excluding Volkswagen Group Mobility) is attributable to investments, financing measures and operating activities. Currency forwards, currency options, currency swaps and cross-currency interest rate swaps are used to limit foreign currency risk. These transactions relate to the exchange rate hedging of material payments covering general business activities that are not made in the functional currency of the respective Group companies. The principle of matching currencies applies to the Group's financing activities.

In 2025, hedging transactions were entered into as part of foreign currency risk management in currencies including Australian dollars, Brazilian real, British pound sterling, Chinese renminbi, euros, Hong Kong dollars, Indian rupees, Japanese yen, Canadian dollars, Mexican pesos, Norwegian kroner, Polish zloty, Swedish kronor, Swiss francs, Singapore dollars, South African rand, South Korean won, Taiwan dollars, Czech koruna, Hungarian forints and US dollars.

All non-functional currencies in which the Volkswagen Group enters into financial instruments are included as relevant risk variables in the sensitivity analysis in accordance with IFRS 7.

If the functional currencies concerned had appreciated or depreciated by 10% against the other currencies, the exchange rates shown below would have resulted in the following effects on the hedging reserve in equity and on earnings after tax. It is not appropriate to add together the individual figures, since the results of the various functional currencies concerned are based on different scenarios.

The following table shows the sensitivities of the main currencies in the portfolio as of December 31, 2025:

	DEC. 31, 2025		DEC. 31, 2024	
€ million	+10%	-10%	+10%	-10%
Exchange rate				
EUR / GBP				
Hedging reserve	1,077	–1,079	1,868	–1,871
Earnings after tax	–85	82	–113	110
EUR / SEK				
Hedging reserve	420	–421	221	–221
Earnings after tax	–707	691	–678	673
EUR / USD				
Hedging reserve	–223	238	–33	55
Earnings after tax	–694	728	–430	401
EUR / CHF				
Hedging reserve	705	–716	810	–829
Earnings after tax	4	–3	10	–11
EUR / CNY				
Hedging reserve	201	–201	689	–648
Earnings after tax	–70	69	–230	230
CAD / USD				
Hedging reserve	–159	159	–55	55
Earnings after tax	140	–142	54	–54
EUR / PLN				
Hedging reserve	231	–231	243	–243
Earnings after tax	–42	42	–38	38
EUR / JPY				
Hedging reserve	143	–138	170	–168
Earnings after tax	–36	36	–49	49
EUR / TWD				
Hedging reserve	126	–126	134	–134
Earnings after tax	–12	12	–21	21
EUR / BRL				
Hedging reserve	17	–17	16	–16
Earnings after tax	–98	98	112	–112
EUR / AUD				
Hedging reserve	84	–84	167	–167
Earnings after tax	–27	27	–27	27
EUR / CAD				
Hedging reserve	80	–80	139	–139
Earnings after tax	–20	20	–12	12
EUR / KRW				
Hedging reserve	77	–77	107	–106
Earnings after tax	–15	15	–20	19
USD / MXN				
Hedging reserve	77	–77	31	–31
Earnings after tax	–7	7	–12	12
SEK / CNY				
Hedging reserve	–	–	–	–
Earnings after tax	69	–69	22	–22

4.2.2 INTEREST RATE RISK

Interest rate risk in the Volkswagen Group (excluding Volkswagen Group Mobility) results from changes in market interest rates, primarily for medium- and long-term variable interest receivables and liabilities. Interest rate swaps and cross-currency interest rate swaps are used to hedge against this risk, partially as fair value or cash flow hedge, and depending on market conditions. Intragroup financing arrangements are mainly structured to match the maturities of their refinancing. Departures from the Group standard are subject to centrally defined limits and monitored on an ongoing basis.

Interest rate risk within the meaning of IFRS 7 is calculated using sensitivity analyses. The effects of the risk-variable market rates of interest on the financial result and on equity are presented, net of tax.

If market interest rates had been 100 bps higher as of December 31, 2025, equity would have been €2 million (previous year: €7 million) higher. If market interest rates had been 100 bps lower as of December 31, 2025, equity would have been €2 million (previous year: €3 million) lower.

If market interest rates had been 100 bps higher as of December 31, 2025, earnings after tax would have been €368 million (previous year: €294 million) lower. If market interest rates had been 100 bps lower as of December 31, 2025, earnings after tax would have been €385 million (previous year: €314 million) higher.

4.2.3 COMMODITY PRICE RISK

Commodity price risk in the Volkswagen Group (excluding Volkswagen Group Mobility) primarily results from price fluctuations and the availability of ferrous and non-ferrous metals, precious metals and commodities required in connection with the Group's digitalization and electrification strategy, and of CO_2 certificates and rubber.

Commodity price risk is limited by entering into forward transactions and swaps.

However, not all commodities are suitable for these types of hedges, e.g. because of low market liquidity or a lack of correlation between hedged item and hedging instrument. Likewise, selected commodities were purchased on the spot market, which led to a corresponding increase in inventories. Commodity price risk within the meaning of IFRS 7 is presented using sensitivity analyses. These show what effect changes in the commodity price risk variable would have on earnings after tax and on equity.

If the commodity prices of the hedged non-ferrous metals and rubber had been 10% higher (lower) as of December 31, 2025, earnings after tax would have been €13 million (previous year: €26 million) higher (lower).

If commodity prices in hedging transactions to which hedge accounting is applied had been 10% higher (lower) as of December 31, 2025, equity would have been €590 million (previous year, adjusted: €315 million) higher (lower).

4.2.4 EQUITY AND BOND PRICE RISK

The special funds launched using surplus liquidity and the equity interests measured at fair value are subject in particular to equity price and bond price risk, which can arise from fluctuations in quoted market prices, stock exchange indices and market rates of interest. The changes in bond prices resulting from variations in the market rates of interest are quantified in sections 4.2.1 and 4.2.2, as are the measurement of foreign currency and other interest rate risks arising from the special funds and the equity interests measured at fair value. As a rule, risks arising from the special funds are countered by ensuring a broad diversification of products, issuers and regional markets when investing funds, as stipulated by the Investment Guidelines. Furthermore, the Investment Guidelines define fixed minimum values, which are to be met by taking suitable risk management measures. In addition, hedging is carried out when market conditions are appropriate.

As part of the presentation of market risk, IFRS 7 requires disclosures on how hypothetical changes in risk variables affect the price of financial instruments. Potential risk variables here are in particular quoted market prices or indices, as well as interest rate changes as bond price parameters.

If share prices had been 10% higher as of December 31, 2025, earnings after tax would have been €555 million (previous year: €478 million) higher and equity would have been €253 million (previous year: €134 million) higher. If share prices had been 10% lower as of December 31, 2025, earnings after tax would have been €516 million (previous year: €434 million) lower and equity would have been €253 million (previous year: €134 million) lower.

4.3 MARKET RISK AT VOLKSWAGEN GROUP MOBILITY

Exchange rate risk in Volkswagen Group Mobility is mainly attributable to assets that are not denominated in the functional currency and from refinancing within operating activities. Interest rate risk relates to refinancing without matching maturities and the varying interest rate elasticity of individual asset and liability items. The risks are limited by the use of currency and interest rate hedges.

Microhedges are used for interest rate hedging. Fixed-rate assets and liabilities included in the hedging strategy are recognized at fair value, as opposed to their original subsequent measurement at amortized cost. The resulting effects in the income statement are offset by the corresponding gains and losses on the interest rate hedging instruments (swaps). Currency hedges (currency forwards and cross-currency interest rate swaps) are used to mitigate foreign currency risk. All cash flows in foreign currency are hedged.

As of December 31, 2025, the value at risk was €2,697 million (previous year: €958 million) for interest rate risk and €2,502 million (previous year: €191 million) for foreign currency risk.

The value at risk for interest rate and foreign currency risk at Volkswagen Group Mobility was €3,987 million (previous year: €981 million).

5. Methods for monitoring hedge effectiveness

The Volkswagen Group assesses hedge effectiveness mainly on a prospective basis using the critical terms match method. Retrospective analysis of effectiveness uses a test for ineffectivities in the form of the dollar offset method. Under the dollar offset method, the changes in value of the hedged item expressed in monetary units are compared with the changes in value of the hedging instrument expressed in monetary units.

To this end, the accumulated changes in the fair value of the designated component of the hedging instrument and hedged item are compared. If the critical terms do not match, the same procedure is applied to the non-designated component.

Notional amount of derivatives

The summary below presents the remaining maturities profile of the notional amounts of the hedging instruments, which are accounted for under the Volkswagen Group's hedge accounting rules:

NOTIONAL AMOUNT OF DERIVATIVES IN 2025

	REMAINING TERM			TOTAL NOTIONAL AMOUNT
€ million	up to one year	within one to five years	more than five years	Dec. 31, 2025
Notional amount of hedging instruments within hedge accounting				
Hedging interest rate risk				
Interest rate swap	17,723	47,463	6,058	71,244
Hedging currency risk				
Currency forwards/Cross-currency swaps				
Currency forwards/Cross-currency swaps in CNY	4,228	6,856	42	11,126
Currency forwards/Cross-currency swaps in GBP	9,493	7,730	–	17,222
Currency forwards/Cross-currency swaps in USD	9,618	13,283	347	23,248
Currency forwards/Cross-currency swaps in CHF	2,682	7,188	107	9,977
Currency forwards/Cross-currency swaps in other currencies	18,212	15,408	167	33,787
Currency options				
Currency options in USD	1,702	–	–	1,702
Currency options in CHF	531	2,269	–	2,799
Currency options in other currencies	576	1,158	–	1,734
Combined interest rate and currency risk hedging				
Cross-currency interest rate swaps	2,734	935	–	3,670
Hedging commodity price risk				
Commodity forwards/swaps aluminium	1,233	2,094	–	3,327
Commodity forwards/swaps copper	491	1,012	–	1,504
Commodity forwards/swaps nickel	633	1,159	7	1,799
Commodity forwards/swaps other	306	60	–	366

NOTIONAL AMOUNT OF DERIVATIVES IN 2024

	REMAINING TERM			TOTAL NOTIONAL AMOUNT
€ million	up to one year	within one to five years	more than five years	Dec. 31, 2024
Notional amount of hedging instruments within hedge accounting				
Hedging interest rate risk				
Interest rate swap	14,498	45,796	5,714	66,008
Hedging currency risk				
Currency forwards/Cross-currency swaps				
Currency forwards/Cross-currency swaps in CNY	5,378	10,103	–	15,481
Currency forwards/Cross-currency swaps in GBP	15,919	17,015	–	32,933
Currency forwards/Cross-currency swaps in USD	14,675	21,404	123	36,202
Currency forwards/Cross-currency swaps in CHF	2,942	8,670	418	12,029
Currency forwards/Cross-currency swaps in other currencies	19,767	16,682	76	36,526
Currency options				
Currency options in CHF	1,204	2,281	–	3,485
Currency options in other currencies	2,835	2,001	–	4,836
Combined interest rate and currency risk hedging				
Cross-currency interest rate swaps	2,272	854	–	3,127
Hedging commodity price risk				
Commodity forwards/swaps aluminium	1,366	1,901	–	3,267
Commodity forwards/swaps copper	527	1,330	7	1,865
Commodity forwards/swaps nickel	1,059	1,972	116	3,148
Commodity forwards/swaps other	706	170	–	876

In addition to the derivatives used for hedging foreign currency, interest rate and price risk, the Group held options and other derivatives on equity instruments at the reporting date, mainly in connection with fund investments. The notional volume with a remaining maturity of less than one year was €25.7 billion (previous year: €30.3 billion). The notional volume with a remaining maturity of more than one year was €3.6 billion (previous year: €3.1 billion) and relates primarily to options in connection with the acquisition of Europcar.

Also in connection with fund investments, the Group held credit default swaps with a notional amount of €19.9 billion (previous year: €17.4 billion).

Existing cash flow hedges in the notional amount of €5.0 billion (previous year: €3.2 billion) were discontinued because of a reduction in the projections. In addition, hedges were to be terminated due to internal risk regulations.

Items hedged under cash flow hedges are expected to be realized in accordance with the maturity buckets of the hedges reported in the table. For cash flow hedges, the Volkswagen Group achieved an average hedging interest rate of 3.22% for hedging interest rate risk. In addition, currency risk was hedged at the following hedging exchange rates for the major currency pairs: EUR/USD at 1.16; EUR/GBP at 0.88; EUR/CNY at 7.62; EUR/CHF at 0.93.

The average hedging prices used in commodity price hedging were USD 2,601.43/tonne for aluminum, USD 8,779.40/tonne for copper and USD 19,341.07/tonne for nickel.

The fair values of the derivatives are estimated using market data at the balance sheet date as well as by appropriate valuation techniques. The following term structures were used for the calculation:

in %	EUR	CAD	CHF	CNY	CZK	GBP	JPY	PLN	SEK	USD
Interest rate for six months	1.9340	2.2755	–0.0450	1.6096	3.3887	3.6467	0.7833	3.8537	2.0975	3.5690
Interest rate for one year	1.9390	2.3355	–0.0370	1.5842	3.4562	3.5406	0.9043	3.6145	2.1024	3.4125
Interest rate for five years	2.3274	2.7630	0.3195	1.7200	3.8303	3.6570	1.5043	3.7394	2.5580	3.4155
Interest rate for ten years	2.6780	3.1330	0.6640	1.8750	4.1210	3.9965	1.8783	4.1725	2.9350	3.7560

37. Capital management

The Group's capital management ensures that its goals and strategies can be achieved in the interests of shareholders, employees and other stakeholders. In particular, management focuses on generating the minimum return on invested assets in the Automotive Division that is required by the capital markets, and on increasing the return on equity in the Financial Services Division. In the process, it aims overall to achieve the highest possible growth in the value of the Group and its divisions for the benefit of all the Company's stakeholder groups.

In order to ensure that resources are used as efficiently as possible in the Automotive Division and to measure the success of this, we apply return on investment (ROI).

The return on investment is defined as the return on invested capital for a particular period based on the operating result after tax. Invested capital is calculated by taking the operating assets reported in the balance sheet (property, plant and equipment, intangible assets, lease assets, inventories and receivables) and deducting non-interest-bearing liabilities (trade payables and payments on account received). Average invested capital is derived from the balance at the beginning and the end of the reporting period. If the return on investment exceeds the market cost of capital, there is an increase in the value of the invested capital. In the Group, a minimum required rate of return on invested capital of 9.0% is defined, which applies to both the business units and the individual products and product lines. The return on investment achieved for the Automotive Division was 4.8% in the reporting year, which is below the minimum rate of return on invested capital of 9.0%.

Due to the specific features of the Financial Services Division, its management focuses on return on equity, a special target linked to invested capital. This measure is calculated as the ratio of earnings before tax to average

equity. Average equity is calculated from the balance at the beginning and the end of the reporting period. In addition, the goals of the Financial Services Division are to meet the banking supervisory authorities' regulatory capital requirements, to procure equity for the growth planned in the coming fiscal years and to support its external rating by ensuring capital adequacy. To ensure compliance with prudential requirements at all times, planning procedures integrated into internal reporting have been put in place for Volkswagen Financial Services AG and for Volkswagen Bank, allowing the equity required for each to be continuously determined on the basis of actual and expected business performance. In the reporting period, this again ensured that regulatory minimum capital requirements were always met both at Group level and at the level of subordinate companies' individual, specific capital requirements.

The return on investment in the Automotive Division as well as the return on equity and the equity ratio in the Financial Services Division are shown in the following table:

€ million	2025	2024
Automotive Division[1,2]		
Operating result after tax	6,548	12,842
Invested capital (average)	135,159	129,229
Return on investment (ROI) in %	**4.8**	**9.9**
Financial Services Division		
Earnings before tax	3,340	2,994
Average equity	45,380	44,307
Return on equity before tax in %	**7.4**	**6.8**
Equity ratio in %	**14.2**	**14.4**

1 Including proportionate inclusion of the Chinese joint ventures; excluding effects on earnings and assets from purchase price allocation.
2 The prior-year figures reflect the changed reporting structure.

38. Contingent liabilities

€ million	Dec. 31, 2025	Dec. 31, 2024
Liabilities under guarantees	657	833
Liabilities under warranty contracts	61	63
Assets pledged as security for third-party liabilities	11	8
Other contingent liabilities	9,515	9,424
	10,244	**10,329**

In the case of liabilities from guarantees, the Group is required to make specific payments if the debtors fail to meet their obligations.

The other contingent liabilities primarily comprise potential liabilities arising from matters relating to taxes and customs duties, as well as litigation and proceedings relating to suppliers, dealers, customers, employees and investors. The contingent liabilities recognized in connection with the diesel issue totaled €4.0 billion (previous year: €4.0 billion), of which €3.8 billion (previous year: €3.8 billion) was attributable to investor lawsuits in Germany. Also included are certain elements of the class action lawsuits and proceedings/misdemeanor proceedings relating to the diesel issue as far as these can be quantified. As some of these proceedings are still at a very early stage, the plaintiffs have in a number of cases so far not specified the basis of their claims and/or there is insufficient certainty about the number of plaintiffs or the amounts being claimed. Where these lawsuits meet the definition of a contingent liability, no disclosure was normally required because it had not been possible to measure the amount involved.

In addition, other contingent liabilities include an amount of €0.4 billion (previous year: €0.5 billion) for potential liabilities resulting from the risk of tax proceedings instituted by the Brazilian tax authorities against Volkswagen Truck & Bus (formerly: MAN Latin America).

Since 2016, the U.S. National Highway Traffic Safety Administration (NHTSA) has announced further extensions of the recalls of various models from a variety of manufacturers containing certain airbags produced by the Takata company. Recalls were also demanded by the local authorities in individual countries. The recalls also included models manufactured by the Volkswagen Group. Appropriate provisions have been recognized. Currently, the possibility of further extensions to the recalls that could also affect Volkswagen Group models cannot be ruled out. It is not possible at the moment to provide further disclosures in accordance with IAS 37.86 in relation to this matter because the technical investigations and consultations with the authorities are still ongoing.

In line with IAS 37.92, no further statements have been made concerning estimates of financial impact or regarding uncertainty as to the amount or maturity of provisions and contingent liabilities in relation to additional important legal cases. This is so as to not compromise the results of the proceedings or the interests of the Company. Further information can be found under the section entitled “Litigation”.

39. Litigation

Volkswagen AG and the companies in which it is directly or indirectly invested are involved in a substantial number of legal disputes and governmental proceedings in Germany and abroad. Such legal disputes and other proceedings occur, among other things, in connection with products and services or in relation to employees, public authorities, dealers, investors, customers, suppliers, or other contracting parties. For the companies in question, these disputes and proceedings may result in payments such as fines or in other obligations or consequences. In particular, substantial compensatory or punitive damages may have to be paid and cost-intensive measures may have to be implemented. In this context, specific estimation of the objectively likely consequences is often possible only to a very limited extent, if at all.

Various legal proceedings are pending worldwide in which customers are asserting purported product-related claims, either individually or in class actions. These claims are as a rule based on alleged vehicle defects, including defects alleged in vehicle parts supplied to the Volkswagen Group.

Compliance with legal or regulatory requirements is another area in which risks may arise. This is particularly true in gray areas where Volkswagen and the relevant public authorities may interpret the law differently.

In connection with their business activities, Volkswagen Group companies engage in constant dialogue with regulatory agencies, including the *Kraftfahrt-Bundesamt* (KBA – German Federal Motor Transport Authority). It is not possible to predict with assurance how government regulators will assess certain issues of fact and law in a particular situation. For this reason, the possibility that certain vehicle characteristics and/or type approval aspects may in particular ultimately be deemed deficient or impermissible cannot be ruled out. This is fundamentally a question of the regulatory agency's specific evaluation in a concrete situation.

A comparable challenge results from the tension between divergent national and international statutory or regulatory requirements regarding obligations to transfer information or documents, on the one hand, and privacy mandates under national and international data protection law on the other. Volkswagen is advised by outside law firms on these issues so as to preclude compliance violations as far as possible despite the sometimes unclear state of the law.

Litigation may furthermore result from demands for more extensive climate protection measures or from allegedly incomplete disclosures regarding the impact of climate change. The response of the Volkswagen Group to this risk includes, among other things, certification of its self-imposed decarbonization targets through independent and internationally respected organizations and systematic alignment of its non-financial reporting with the requirements of the law and the capital markets.

Risks may also result from actions for infringement of intellectual property, including infringement of patents, brands, or other third-party rights, particularly in Germany, before the Unified Patent Court and in the United States. If Volkswagen is alleged or determined to have violated third-party intellectual property rights, it may for instance have to pay damages, modify manufacturing processes, or redesign products, and may be barred from selling certain products; this may result in delivery and production restrictions or interruptions.

Criminal acts by individuals, which even the best compliance management system can never completely prevent, are another potential source of legal risks.

Appropriate insurance has been taken out to cover these risks where they were sufficiently definite and such coverage was economically sensible. Where necessary based on the information currently available, identified and correspondingly measurable risks have been reflected by recognizing provisions in amounts considered appropriate or disclosing contingent liabilities, as the case may be. As some risks cannot be assessed or can only be assessed to a limited extent, the possibility of material loss or damage not covered by the insured amounts or by provisions cannot be ruled out. This is, for instance, the case with regard to the legal risks assessed in connection with the diesel issue.

Unless otherwise explicitly stated, the amounts disclosed for the litigation being reported on refer only to the respective principal claim. Ancillary claims, such as for interest and litigation expense, are generally not considered.

DIESEL ISSUE

On September 18, 2015, the US Environmental Protection Agency (EPA) publicly announced in a "Notice of Violation" that irregularities in relation to nitrogen oxide (NOx) emissions had been discovered in emissions tests on certain Volkswagen Group vehicles with 2.0 l diesel engines in the USA. In this context, Volkswagen AG announced that noticeable discrepancies between the figures recorded in testing and those measured in actual road use had been identified in type EA 189 diesel engines and that this engine type had been installed in roughly eleven million vehicles worldwide. On November 2, 2015, the EPA issued a "Notice of Violation" alleging that irregularities had also been discovered in the software installed in US vehicles with type V6 3.0 l diesel engines.

The so-called diesel issue is rooted in a modification of parts of the software of the relevant engine control units – which, according to Volkswagen AG's legal position, is only unlawful under US law – for the type EA 189 diesel engines that Volkswagen AG was developing at that time. This software function was developed and implemented from 2006 on without knowledge at the level of the Board of Management. Members of the Board of Management did not learn of the development and implementation of this software function until the summer of 2015.

There are furthermore no findings that, following the publication in May 2014 of the study by the International Council on Clean Transportation, an unlawful "defeat device" under US law was disclosed to the persons responsible for preparing the 2014 annual and consolidated financial statements as the cause of the high NO_x emissions in certain US vehicles with 2.0 l type EA 189 diesel engines. Rather, at the time the 2014 annual and consolidated financial statements were being prepared, the persons responsible for preparing these financial statements remained under the impression that the issue could be resolved with comparatively little expense. In the course of the summer of 2015, however, it became progressively apparent to individual members of Volkswagen AG's Board of Management that the cause of the discrepancies in the USA was a modification of parts of the software of the engine control unit that was later identified as an unlawful "defeat device" as defined by US law. This culminated in Volkswagen's disclosure of a "defeat device" to the EPA and the California Air Resources Board (CARB), a department of the Environmental Protection Agency of the State of California, on September 3, 2015. According to the assessment at the time by the responsible persons dealing with the matter, the magnitude of the costs expected to result for the Volkswagen Group (recall costs, retrofitting costs, and financial penalties) was not fundamentally dissimilar to that in previous cases involving other vehicle manufacturers. It therefore appeared to be manageable overall considering the business activities of the Volkswagen Group. This assessment by Volkswagen AG was based, among other things, on the advice of a law firm engaged in the USA for regulatory approval issues, according to which similar cases had in the past been amicably resolved with the US authorities. The EPA's publication of the "Notice of Violation" on September 18, 2015, which the Board of Management had not expected, especially at that time, then presented the situation in an entirely different light.

The AUDI AG Board of Management members in office at the time in question have likewise stated that they had no knowledge of the use of "defeat device" software that was prohibited by US law in the type V6 3.0 l TDI engines until the EPA issued its November 2015 "Notice of Violation."

Within the Volkswagen Group, Volkswagen AG has development responsibility for the four-cylinder diesel engines and AUDI AG has development responsibility for the six- and eight-cylinder diesel engines.

As a consequence of the diesel issue, numerous judicial and regulatory proceedings were initiated in various countries. Volkswagen has in the interim succeeded in making substantial progress and ending many of these proceedings. In the USA, Volkswagen AG and certain affiliates reached settlement agreements with various government authorities and private plaintiffs, the latter represented by a Plaintiffs' Steering Committee in a multidistrict litigation in the US state of California. The agreements in question include various partial consent decrees as well as a plea agreement that resolved certain civil claims as well as criminal charges under US federal law and the laws of certain US states in connection with the diesel issue. Although Volkswagen is firmly committed to fulfilling the obligations arising from these agreements, a breach of these obligations cannot be completely ruled out. In the event of a violation, significant penalties could be imposed as stipulated in the agreements, in addition to the possibility of further monetary fines, criminal sanctions and injunctive relief.

In agreement with the respective responsible authorities, the Volkswagen Group is making technical measures available worldwide for virtually all diesel vehicles with type EA 189 engines. For all clusters (groups of vehicles) within its jurisdiction, the KBA determined that implementation of the technical measures would not result in any adverse changes in fuel consumption, CO_2 emissions, engine output, maximum torque, and noise emissions.

Following the studies carried out by AUDI AG to check all relevant diesel concepts for possible irregularities and retrofit potential, measures proposed by AUDI AG have been adopted and mandated by the KBA in various recall orders pertaining to vehicle models with V6 and V8 TDI engines. AUDI AG continues to anticipate that the total cost, including recall expenses, of the ongoing largely software-based retrofit program that began in July 2017 will be manageable and has recognized corresponding balance-sheet risk provisions. AUDI AG has in the meantime developed software updates for affected powertrains and, after approval by the KBA, already installed these updates in the vehicles of a large number of affected customers.

In connection with the diesel issue, potential consequences for Volkswagen's results of operations, financial position and net assets could emerge primarily in the following legal areas:

1. Criminal and administrative proceedings worldwide

Criminal investigations, regulatory offense proceedings, and/or administrative proceedings have been commenced in some countries. Criminal investigations into the core factual issues are being conducted by the Offices of the Public Prosecutor in Braunschweig and Munich.

In May 2025, the main trial proceedings relating to type EA 189 engines in connection with the diesel issue, which the Braunschweig Regional Court had commenced in September 2021 against individuals who were in some cases former employees of Volkswagen AG, concluded with the defendants' conviction on the charge of fraud. All four defendants were sentenced to prison terms, which were suspended subject to probation for two of them. The judgment is not yet final; all defendants filed appeals. The trial of a former chair of the Board of Management of Volkswagen AG, which had been severed from the aforementioned proceedings, was terminated on a provisional basis by the Braunschweig Regional Court in July 2025. Volkswagen AG is not party to these proceedings.

In June 2020, the Munich II Regional Court accepted the substantially unchanged indictment of the Munich II Office of the Public Prosecutor, which also named a former Chair of the Board of Management of AUDI AG, and opened the main trial proceedings on charges of, among other things, fraud in connection with the diesel issue involving 3.0 l and 4.2 l TDI engines. The trial before the Munich II Regional Court concluded in June 2023; the former Chair of the Board of Management of AUDI AG and two other defendants were sentenced to prison terms, the enforcement of which was in each case suspended subject to probation. The conditions of probation include the payment of sums set by the court. In December 2025, the *Bundesgerichtshof* (BGH – Federal Court of Justice) rejected the defendants' appeals. The judgment is thus now final.

In August 2020, the Munich II Office of the Public Prosecutor issued a further indictment charging three former members of the Board of Management of AUDI AG and others with, among other things, fraud in connection with the diesel issue involving 3.0 l and 4.2 l TDI engines. The Munich II Regional Court, which decides whether to accept the indictment, definitively terminated the proceedings against one of the three defendant former members of the Board of Management of AUDI AG subject to payment of a sum set by the court. However, the court has since accepted the indictments against the other two former members of the Board of Management of AUDI AG and opened main trial proceedings.

In February 2026, an indictment was brought against Volkswagen AG before a criminal court in Paris in connection with the diesel issue relating to vehicles equipped with engines of type EA 189. The indictment accuses Volkswagen AG of serious deception of customers and environmental criminal offenses. For the most part, the indictment is based not on evidence gathered by the French authorities through their own investigative measures, but on media reports and on reports on criminal proceedings in Germany, including proceedings, inter alia, against former Group employees of Volkswagen AG. The company contests the allegations in their entirety. As early as 2018, the Braunschweig Public Prosecutor's Office brought the administrative offense proceedings, which also covered all vehicles sold in France and also extended to the facts now forming the subject matter of the indictment

in France, to a legally binding conclusion by issuing a fine notice against Volkswagen AG. By reason of the Europe-wide prohibition of double jeopardy (ne bis in idem), the conduct of these further criminal proceedings against Volkswagen AG is inadmissible. This position, which is also shared by the Braunschweig Public Prosecutor's Office, has already been confirmed by numerous courts and authorities in several European countries, including Spain, Belgium, Austria, Switzerland, and Portugal.

As the type approval authority of proper jurisdiction, the KBA is moreover continuously testing Audi, Volkswagen, and Porsche brand vehicles for problematic functions. If certain functions are deemed impermissible by the KBA, the affected vehicles are recalled pursuant to a recall order or they are brought back into compliance by means of a voluntary service measure.

In judgments rendered in July and November 2022, the European Court of Justice (ECJ) ruled that a so-called thermal window (i.e. a temperature-dependent exhaust gas recirculation) in the range of 15°C and 33°C outside temperature represents a defeat device. In this context, the ECJ developed a new, unwritten criterion according to which a thermal window, even if it serves to prevent sudden and extraordinary damage, is impermissible if it is active "for most of the year under real driving conditions prevalent in the territory of the European Union." The KBA commenced formal administrative proceedings relating to certain first and second generation type EA 896 engines that were installed in certain older vehicle models as well as to individual vehicle models with type EA 189 engines. In July and October 2023, the KBA issued two administrative rulings against AUDI AG in which it ruled that the originally incorporated thermal window version failed to meet the ECJ's new vehicle engineering criterion in some of the affected vehicles. AUDI AG has appealed the rulings, and they are therefore not final. The KBA issued corresponding administrative rulings against Porsche AG in December 2023 and against Volkswagen AG in January 2024. Porsche AG and Volkswagen AG have appealed the rulings. The Volkswagen Group had previously already begun rolling out software updates that modify the thermal window in accordance with the ECJ's new vehicle engineering criterion and will continue to do so.

In September 2025, the Higher Administrative Court of Schleswig-Holstein dismissed the appeals filed by Volkswagen AG and the KBA against the February 2023 trial-level decision of the Schleswig Administrative Court. In an action filed against the KBA by *Deutsche Umwelthilfe* (DUH – Environmental Action Germany), the Schleswig Administrative Court had ruled in favor of the plaintiff and invalidated the notice of approval for a software update for certain older Golf Plus model vehicles to the extent this notice classified the thermal window, the so-called altitude correction feature (regulating exhaust gas recirculation as a function of atmospheric pressure), and the so-called taxi switch (regulating exhaust gas recirculation as a function engine idling time) as permissible deactivation devices (defeat devices). The Higher Administrative Court of Schleswig-Holstein affirmed the legal position of the Administrative Court as regards the temperature-dependent and the atmospheric-pressure-dependent regulation of exhaust gas recirculation. It denied leave to appeal its decision. Volkswagen AG is involved in the litigation as an interested party summoned. Volkswagen AG and the KBA have filed complaints on grounds of wrongful denial of leave to appeal. The decision of the Higher Administrative Court of Schleswig-Holstein remains non-final until the Federal Administrative Court has ruled on the petition to grant leave to appeal. In a separate action filed by DUH contesting the notices of approval for further Audi and Porsche brand vehicles equipped with type EA 189 engines or with selected V-TDI engines, the Schleswig Administrative Court issued a judgment in January 2024 applying its initial February 2023 decision to further vehicles with type EA 189 engines and invalidating the KBA's notices of approval for those vehicles; Volkswagen AG and the KBA appealed this judgment in April 2024. This decision is thus not legally final. Prior to judgment, the part of the action contesting the notices of approval for Audi and Porsche brand vehicles equipped with selected V-TDI engines was severed from the rest of the complaint and remains pending in three separate proceedings before the Schleswig Administrative Court. Also still pending before the Schleswig Administrative Court is a further action brought by DUH challenging all of the Group's Euro 5 and Euro 6b/c diesel vehicles.

Moreover, additional administrative proceedings relating to the diesel issue are ongoing in other jurisdictions. The companies of the Volkswagen Group are cooperating with the government authorities.

Risks may furthermore result from possible decisions by the ECJ construing EU type approval provisions.

Whether the criminal and administrative proceedings will ultimately result in fines or other consequences for the Company, and if so what amounts these may entail, is currently subject to estimation risks. According to Volkswagen's estimates, the likelihood that a sanction will be imposed is 50 % or less in the majority of these proceedings. Contingent liabilities have therefore been disclosed where the amount of such liabilities could be measured and the likelihood of a sanction being imposed was assessed at not less than 10 %.

2. Product-related lawsuits worldwide

A general possibility exists that customers in the affected markets will file civil lawsuits or that importers and dealers will assert recourse claims against Volkswagen AG and other Volkswagen Group companies. Besides individual lawsuits, various forms of collective actions (i.e. assertion of individual claims by plaintiffs acting jointly or as representatives of a class) are available in various jurisdictions. Furthermore, in a number of markets it is possible for consumer and/or environmental organizations to bring suit to enforce alleged rights to injunctive relief, declaratory judgment, or damages.

Customer class action lawsuits and actions brought by consumer and/or environmental organizations were pending in the reporting year against Volkswagen AG and other Volkswagen Group companies in a number of countries including Brazil, England and Wales, France, Germany, the Netherlands, and South Africa. These actions asserted alleged rights to damages and other relief. The pending actions included in particular the following:

In Brazil, two consumer protection class actions are pending. In the first class action, which pertains to some 17 thousand Amarok vehicles, the Superior Court of Justice in August 2022 rejected in part the appeal filed by Volkswagen do Brasil against the May 2019 judgment at the first appeals level that had initially reduced the damage liability of Volkswagen do Brasil considerably to around BRL 172 million. Following Volkswagen do Brasil's appeal, the Superior Court of Justice vacated its own prior decision in its entirety. The case was remanded to the lower appellate court for rehearing of certain issues. In October 2025, the appellate court ruled, among other things, that damages for intangible harm could not be awarded globally and instead had to be determined case-by-case in separate proceedings. The judgment is enforceable but remains non-final. In the second class action, which pertains to roughly 67 thousand later generation Amarok vehicles, the Superior Court of Justice rejected the appeal filed by the plaintiff against the June 2023 appellate court decision in April 2024. Subsequently, the plaintiff filed an interlocutory appeal against this decision with the Superior Court of Justice at the end of April 2024.

Actions have been filed in courts in England, Wales, and Scotland against Volkswagen AG, Volkswagen Group United Kingdom Limited, Volkswagen Financial Services (UK) Limited, and other Volkswagen Group companies in connection with various other diesel vehicles. So-called "outline generic particulars of claim," which provide a rough overview of the grounds of the complaint, were served in England and Wales in September 2024. In Scotland, motions for commencement of a class action and appointment of a representative were formally served, starting in October 2024, on Volkswagen Group United Kingdom Limited, Volkswagen Financial Services (UK) Limited, Volkswagen AG, SEAT S.A., and Škoda Auto a.s. The details of the respective complaints remain uncertain.

In France, a class action is pending that was filed by the French consumer organization *Confédération de la Consommation, du Logement et du Cadre de Vie* (CLCV) against Volkswagen Group Automotive Retail France, Volkswagen Group France, and Volkswagen AG for up to 1 million French owners and lessees of vehicles with type EA 189 engines. This is an opt-in class action in which CLCV is primarily seeking rescission without compensation for use of the vehicle or, in the alternative, damages amounting to 20-30% of the purchase price. In March 2025, a procedural judgment was rendered holding the opt-in class action to be admissible with respect to Volkswagen Group France and Volkswagen AG. The complaint against Volkswagen Group Automotive Retail France was ruled inadmissible, however. In the further course of the proceedings, the trial court will now consider the substantive merits of the action. The procedural judgment is not yet final. The decision regarding the admissibility of the complaint is subject to review in the context of an appeal against the anticipated trial court judgment.

In the Netherlands, Volkswagen AG signed a settlement agreement in July 2025 with *Stichting Volkswagen Car Claim*, the Diesel Emissions Justice Foundation (DEJF), and others terminating the class actions in relation to EA 189 vehicles. The opt-out class action lawsuit brought by DEJF seeking monetary damages on behalf of Dutch

consumers remains pending in part to the extent it pertains to engines other than the EA 189. In the DEJF action, the appellate court had ruled in August 2024 that the new class action regime – which permits damage awards in addition to declaratory judgment on the existence of claims – is applicable to vehicles in the Euro 6 emissions category. The decision is not yet final.

In South Africa, an opt-out class action seeking damages is pending; the action pertains to some 80 thousand vehicles, including vehicles with type EA 189 engines.

Furthermore, individual lawsuits and similar proceedings are pending against Volkswagen AG and other Volkswagen Group companies in various countries; most of these lawsuits are seeking damages or rescission of the purchase contract.

In Germany, roughly 5 thousand individual lawsuits relating to various diesel engine types are currently pending against Volkswagen AG or other Group companies, with the plaintiffs suing for damages or rescission of the contract in most cases. Fundamental judgments handed down by the BGH in previous years resolve legal issues of major importance for the litigation still pending. Details on these decisions can be found in the chapter entitled "Litigation" in the Annual Report of the Volkswagen Group for the fiscal year in which the respective fundamental judgment was issued.

Volkswagen estimates the likelihood that the plaintiffs will prevail to be 50 % or less in the great majority of cases: customer class actions, complaints filed by consumer and/or environmental organizations, and individual lawsuits. Contingent liabilities are disclosed for these proceedings where the amount of such liabilities can be measured and the chance that the plaintiff will prevail was assessed as not remote. Given the early stage of the proceedings, it is in some cases not yet possible to quantify the realistic risk exposure. Furthermore, provisions were recognized to the extent necessary based on the current assessment.

At this time, it cannot be estimated how many customers will choose to file lawsuits in the future in addition to those already pending and what prospect of success such lawsuits might have.

3. Lawsuits filed by investors worldwide

Investors from Germany and abroad have filed claims for damages against Volkswagen AG – in some cases along with Porsche Automobil Holding SE (Porsche SE) as joint and several debtors – based on purported losses due to alleged misconduct in capital market communications in connection with the diesel issue.

Almost all investor lawsuits are now pending before the Braunschweig Regional Court or the Braunschweig Higher Regional Court. In August 2016, the Braunschweig Regional Court issued an order referring common questions of law and fact relevant to the investor lawsuits pending in Braunschweig to the Higher Regional Court in Braunschweig for binding declaratory rulings pursuant to the *Kapitalanleger-Musterverfahrensgesetz* (KapMuG – German Capital Investor Model Declaratory Judgment Act). The investor lawsuits pending against Volkswagen AG in Germany are stayed pending resolution of the common issues, unless the cases can be dismissed for reasons independent of the common issues that are to be adjudicated in the model case proceedings. The resolution in the model case proceedings of the common questions of law and fact will be binding for the pending cases that have been stayed as described. The model case plaintiff is Deka Investment GmbH. Oral argument in the model case proceedings before the Braunschweig Higher Regional Court began in September 2018. The Braunschweig Higher Regional Court issued several notification rulings stating its position on certain legal issues of fundamental importance for the litigation. In July 2023, the Braunschweig Higher Regional Court issued an order for the taking of evidence including the examination of numerous persons as well as the production and consultation of documents and records. The mandated taking of evidence focuses initially on whether the Board of Management of Volkswagen AG or individual members thereof and/or individual members of Volkswagen AG's Ad Hoc Disclosure Clearing Office (the persons with ad hoc disclosure responsibility in the court's view) had or, as Volkswagen AG's state of knowledge indicates, lacked knowledge of the installation of deactivation devices prohibited under US law in Volkswagen AG vehicles, as well as on the conceptions of these persons regarding the potential share price impact of the information that each respectively possessed. Volkswagen AG has the burden of proof on some issues. The taking of testimony commenced in September 2023 and also continued in 2025. Several witnesses invoked a privilege against giving testimony. In some cases (not as to persons with ad hoc disclosure responsibility), the Braunschweig Higher Regional Court affirmed a comprehensive right to refuse to testify. In other cases, the decision was deferred in light of ongoing criminal investigations against the individuals in question. A large number of witnesses have testified since mid-September 2023. To date, none of the witnesses heard has testified that members of the Board of Management or persons with ad hoc disclosure responsibility at Volkswagen AG had knowledge prior to September 18, 2015 of any information relating to the diesel issue that Volkswagen AG considered to have share price relevance. Pursuant to § 286 of the Code of Civil Procedure, the Braunschweig Higher Regional Court must decide at its discretion and conviction, taking account of the entire content of the hearings and the results of the evidence taken.

Further investor lawsuits are pending before the Stuttgart Regional Court against Volkswagen AG, in some cases along with Porsche SE as joint and several debtor. An additional investor action for model declaratory judgment was filed with the Stuttgart Higher Regional Court against Porsche SE; Volkswagen AG is involved in this action as a third party intervening in support of a party to the dispute. The Wolverhampton City Council, Administrating Authority for the West Midlands Metropolitan Authorities Pension Fund, was appointed model case plaintiff. The Stuttgart Higher Regional Court rendered a model declaratory judgment in late March 2023. Based on the determinations made in the model declaratory judgment and the current substantive status of the underlying actions, all of the suspended investor lawsuits against Porsche SE would in effect have to be dismissed. The model declaratory judgment is not yet final. The model case plaintiff, several interested parties summoned, and Porsche SE petitioned the BGH for review on points of law. Volkswagen AG joined the proceedings as a third-party supporting the petition for review of Porsche SE. In a ruling dated November 18, 2025 that was made public in late January 2026, the BGH suspended proceedings on the petition for review and referred to the European Court of Justice (ECJ) various questions that the BGH regarded as material to the outcome concerning the interpretation of Directive 2003/6/EC of the European Parliament and of the Council of January 28, 2003 on insider dealing and market manipulation (Market Abuse Directive). In addition to questions probing the conditions that must be met

in order for Porsche SE to have an ad hoc disclosure obligation with respect to matters arising within the organizational sphere of Volkswagen AG, the BGH also asked whether Art. 6 (1) of the Market Abuse Directive is to be construed as requiring the disclosure of inside information only where knowledge thereof is imputable to the issuer. Once the ECJ renders its decision, the BGH will rule on the petition for review in accordance with the ECJ's guidance.

As in the preceding year, the claims being asserted worldwide against Volkswagen AG in connection with the diesel issue in the form of investor lawsuits, judicial applications for dunning and conciliation procedures, and claims registered under the KapMuG amount to approximately €8.6 billion despite the withdrawal and legally final dismissal of various actions in the reporting year. Since the beginning of the proceedings, investor lawsuits in excess of €1 billion have been withdrawn or finally and conclusively dismissed. Volkswagen AG remains of the opinion that it duly complied with its capital market obligations. Therefore, no provisions have been recognized for these investor lawsuits. Contingent liabilities have been disclosed where the chance of success was estimated to be not less than 10 %.

4. Special audit

In a November 2017 ruling, the Higher Regional Court of Celle ordered, upon the request of three US funds, the appointment of a special auditor for Volkswagen AG. The special auditor was supposed to examine whether the members of the Board of Management and Supervisory Board of Volkswagen AG breached their duties in connection with the diesel issue from June 22, 2006 onwards and, if so, whether this resulted in damages for Volkswagen AG. Volkswagen AG had filed a constitutional complaint with the German Federal Constitutional Court against this decision, which was originally unappealable as a formal matter. Volkswagen AG also filed a constitutional complaint against the subsequent (and likewise formally unappealable) decision by the Higher Regional Court of Celle to appoint a special auditor other than the one initially appointed. Following November 2022 rulings by the Federal Constitutional Court that upheld both of the constitutional complaints and remanded the cases to the Celle Higher Regional Court, this court dismissed the motion for appointment of a special auditor as well as the petitioners' motion in the action for replacement of the special auditor by rulings of November 2024 and December 2024 respectively. The petitioners have filed appeals on points of law with the BGH against both decisions. Volkswagen AG had in addition previously filed an action before the Braunschweig Regional Court seeking to enjoin the special auditor from performing the audit as long as he had not furnished sufficient proof of his independence. The Braunschweig Regional Court dismissed the action for injunctive relief in the summer of 2022; Volkswagen AG then appealed this decision to the Braunschweig Higher Regional Court.

A second motion seeking appointment of a special auditor for Volkswagen AG to examine matters relating to the diesel issue was filed with the Regional Court of Hanover. The proceedings in this matter were resumed after initially being stayed pending the decision of the Federal Constitutional Court in the first special audit case.

5. Risk assessment regarding the diesel issue

An amount of around €0.4 billion (previous year: €0.6 billion) has been included in the provisions for litigation and legal risks as of December 31, 2025 to account for the currently known legal risks related to the diesel issue based on the presently available information and the current assessments. Where adequately measurable at this stage, contingent liabilities relating to the diesel issue have been disclosed in the notes in an aggregate amount of €4.0 billion (previous year: €4.0 billion), whereby roughly €3.8 billion (previous year: €3.8 billion) of this amount results from lawsuits filed by investors in Germany. The provisions recognized, the contingent liabilities disclosed, and the other latent legal risks in the context of the diesel issue are in part subject to substantial estimation risks given the complexity of the individual relevant factors, the ongoing coordination with the authorities, and the fact that the fact-finding efforts have not yet been concluded. Should these legal or estimation risks materialize, this could result in further substantial financial charges. In particular, adjustment of the provisions recognized in light of knowledge acquired or events occurring in the future cannot be ruled out.

In line with IAS 37.92, no further statements have been made concerning estimates of financial impact or regarding uncertainty as to the amount or maturity of provisions and contingent liabilities in relation to the diesel issue. This is so as to not compromise the results of the proceedings or the interests of the Company.

ADDITIONAL IMPORTANT LEGAL CASES

In 2011, *ARFB Anlegerschutz UG* (haftungsbeschränkt) filed a claim for damages against Volkswagen AG and Porsche SE for allegedly violating disclosure requirements under capital market law in connection with the acquisition of ordinary shares in Volkswagen AG by Porsche SE in 2008. The damages being sought based on allegedly assigned rights currently amount to approximately €2.26 billion. In late September 2022 the 1st Antitrust Chamber of the Higher Regional Court of Celle issued a model case ruling by which all of the plaintiffs' objects of declaratory judgment were either dismissed or declared to be irrelevant. The legal positions of the model case defendants were thus upheld in their entirety. Two appeals alleging error of law in the model case ruling have been received, one of which is also directed against Volkswagen AG.

In Brazil, the Brazilian tax authorities commenced tax proceedings against Volkswagen Truck & Bus; at issue in these proceedings are the tax consequences of the acquisition structure chosen for Volkswagen Truck & Bus in 2009. In December 2017, an adverse administrative appeal ruling was rendered against Volkswagen Truck & Bus. Volkswagen Truck & Bus challenged this ruling before the regular court in 2018. In 2024, new legislation led to significant reductions in the penalties. In May 2025, the Brazilian Attorney General for the National Treasury reviewed the first phase of the proceedings. This led to a reduction of the risk due to the partial deduction of penalties, the related interest, and the allocable litigation costs. The partial success in the first phase reduced the risk from approximately BRL 3.1 billion to approximately BRL 2.3 billion for the entire contested period from 2009 onwards; this amount has been included in contingent liabilities in the notes. Estimation of the risk in the event the tax authorities were to prevail on all points of their original legal position remains subject to uncertainty because of differences in the amount of penalties and interest that might then apply under Brazilian law.

The Indian customs authorities initiated investigations into the question of the application of local customs duties at ŠKODA Auto Volkswagen India Private Limited (ŠKODA Auto India) and issued a "Show Cause Notice" in 2024. A final decision by the Indian authorities has not yet been made. In response to the allegations, ŠKODA Auto India filed an action with the High Court. However, due to the early stage of the investigations and the resulting uncertainty surrounding the information currently available, risks in this regard cannot yet be conclusively quantified.

After Volkswagen do Brasil had successfully brought an action in the Brazilian courts against what was held to constitute unconstitutional double taxation of vehicles on the part of the Brazilian federal government, Volkswagen do Brasil received a refund of the excess amount paid from the state of Brazil. In December 2023, the Brazilian dealership association *Associação Brasileira Dos Distribuidores Volkswagen* (Assobrav) and individual dealers, among others, filed lawsuits against Volkswagen do Brasil alleging that the dealers were at least partially entitled to the refunded amount. Eight such actions are pending. The lawsuit brought by Assobrav with a provisionally estimated amount in dispute of roughly BRL 2.4 billion is by far the largest of these actions. In January 2024, the court dismissed the dealership association's lawsuit in its entirety. In February 2026, the appellate court upheld the dismissal, the judgment is not yet final.

In 2011, the European Commission conducted searches at European truck manufacturers for suspected unlawful exchange of information during the period from 1997 to 2011; in November 2014, the Commission issued a statement of objections to MAN, Scania, and the other truck manufacturers concerned. In its settlement decision of July 2016, the European Commission assessed fines against five European truck manufacturers. MAN's fine was waived in full as the company had informed the European Commission about the irregularities as a key witness. In September 2017, the European Commission imposed a fine of €0.88 billion on Scania, which the European Court of Justice upheld in 2024 as the court of last resort. Furthermore, antitrust lawsuits seeking damages have been received from customers. As is the case in any antitrust proceedings, this may result in further lawsuits for damages. No provisions have been recognized for a large number of these legal disputes as they are not expected to result in final damage awards at the highest appeals level. Provisions have been recognized for those actions

in which, after reassessing the risks, the final outcome at the highest appeals level appears more likely than not to result in the payment of damages by MAN or Scania.

In July 2021, the European Commission assessed a fine totaling roughly €0.5 billion against Volkswagen AG, AUDI AG, and Dr. Ing. h.c. F. Porsche AG pursuant to a settlement decision. Volkswagen declined to file an appeal, hence the decision became final in 2021. The subject matter scope of the decision was limited to the cooperation of German automobile manufacturers on individual technical questions in connection with the development and introduction of SCR (selective catalytic reduction) systems for passenger cars that were sold in the European Economic Area. The manufacturers were not charged with any other misconduct such as price fixing or allocating markets and customers. Following the European Commission's July 2021 administrative fine decision, several class actions were filed in the United Kingdom beginning in late 2021 against Volkswagen AG, among others. Neither provisions nor contingent liabilities have been reported as a realistic estimate of risk exposure is not possible at the present stage of the proceedings. After analyzing potential violations based on the facts of the EU case, the Korean competition authority KFTC issued its administrative fine decision in April 2023. No fine was imposed on Volkswagen AG, and Porsche AG is not affected by the decision. A fine equaling just under €3 million was assessed against AUDI AG. AUDI AG and Volkswagen AG have appealed the decision to the relevant court in Seoul/Korea. The Turkish competition authorities, who investigated similar matters, issued a final decision in January 2022 in which they determined anticompetitive behavior to allegedly exist, but found that it had no effect on Türkiye, for which reason they refrained from imposing fines on the German automakers. The written grounds of the final decision are not yet available. Volkswagen AG, AUDI AG, and Porsche AG have filed appeals. Based on comparable matters, the Chinese competition authority has instituted proceedings against Volkswagen AG, AUDI AG, and Porsche AG, among others, and issued requests for information. On the basis of comparable matters, the Brazilian competition authority *Conselho Administrativo de Defesa Econômica* (CADE) likewise opened proceedings in July 2024 against Volkswagen AG, AUDI AG, Porsche AG, and others.

In April 2025, the European Commission and the English Competition and Markets Authority (CMA) assessed fines against various automobile manufacturers and automotive industry organizations pursuant to settlement procedures. This followed an investigation of European, Japanese, and Korean manufacturers as well as national organizations operating in such countries and the European organization European Automobile Manufacturers' Association (ACEA) on suspicion of having agreed in the period from 2001/2002 and up until the initiation of the proceedings – in particular through the ACEA Working Group Recycling and related sub-groups thereof – to avoid paying for the services of recycling companies that dispose of end-of-life vehicles (ELV) (specifically passenger cars and light utility vehicles). Also alleged was an agreement to refrain from competitive use of ELV issues, that is, not to publicize relevant recycling data (recyclates, recyclability, recovery) for competitive purposes. The European Commission assessed a fine of approximately €128 million against Volkswagen AG. The CMA imposed an overall fine of approximately GBP 15 million on Volkswagen AG and Volkswagen Group UK jointly. These proceedings are thereby terminated. In June 2024, the Chinese competition authorities also served Volkswagen AG with a request for information in this matter. The Korean competition authority KFTC also carried out a search of Volkswagen Group Korea in the same context and issued requests for information to Volkswagen Group Korea and Volkswagen AG, among others. The Spanish competition authority issued a request for information to SEAT S.A. in February 2026.

In October 2024, the Brazilian competition authority CADE opened proceedings against numerous companies on charges of improper anti-competitive exchange of human resources information. Within the Volkswagen Group, Volkswagen do Brasil is party to the proceedings.

In addition, a few national and international authorities initiated antitrust investigations. Volkswagen is cooperating closely with the responsible authorities in these investigations. An assessment of the underlying situation is not possible at this early stage.

The lawsuit brought by an organic farmer with Greenpeace support against Volkswagen AG remains pending. In his complaint filed in November 2021 with the Detmold Regional Court, the plaintiff in the action had sought, among other things, to compel Volkswagen AG to initially reduce in stages, and by 2029 completely cease, its production and placement into the stream of commerce of vehicles with internal combustion engines, as well as to reduce greenhouse gas emissions from development, production, and marketing (including third party vehicle use). The lawsuit further seeks to compel Volkswagen to exercise influence over Group companies, subsidiaries, and joint ventures so as to cause them to fulfill these demands as well. In February 2023, the Detmold Regional Court dismissed the action as unfounded. In April 2023, the plaintiff appealed this decision to the Hamm Higher Regional Court.

In the action brought in Russia by Automobile Plant GAZ LLC (GAZ) alleging claims of approximately RUB 28.5 billion, in October 2025 the Supreme Court of Russia – following the court of cassation and the appellate court – also upheld the July 2024 judgment ordering Volkswagen AG to pay damages in an amount of approximately RUB 16.9 billion. The judgment thereby became final. Volkswagen AG will continue to mount a comprehensive defense in the enforcement proceedings. In April 2025, the plaintiff GAZ assigned its alleged claims to a third-party entity, Kameya JSC, which in this manner assumed the procedural role of plaintiff in the lawsuit.

In line with IAS 37.92, no further statements have been made concerning estimates of financial impact or regarding uncertainty as to the amount or maturity of provisions and contingent liabilities in relation to additional important legal cases. This is so as to not compromise the results of the proceedings or the interests of the Company.

40. Other financial obligations

€ million	PAYABLE 2026	PAYABLE 2027 - 2030	PAYABLE from 2031	TOTAL Dec. 31, 2025
Purchase commitments in respect of				
property, plant and equipment	8,336	2,262	1	10,599
intangible assets	629	108	2	739
investment property	20	–	–	20
Obligations from loan commitments and irrevocable credit commitments	11,610	1,001	45	12,656
Obligations from leasing and rental contracts	548	224	59	831
Miscellaneous other financial obligations	9,003	6,013	990	16,007
	30,145	**9,609**	**1,098**	**40,851**

€ million	PAYABLE 2025	PAYABLE 2026 - 2029	PAYABLE from 2030	TOTAL Dec. 31, 2024
Purchase commitments in respect of				
property, plant and equipment	9,424	2,557	1	11,982
intangible assets	804	158	1	963
investment property	42	–	–	42
Obligations from loan commitments and irrevocable credit commitments	12,635[1]	1,170	32	13,837[1]
Obligations from leasing and rental contracts	599	264	22	885
Miscellaneous other financial obligations	9,471	6,082	1,232	16,785
	32,976[1]	**10,232**	**1,287**	**44,495[1]**

1 Prior-year figures adjusted.

In addition to the other financial obligations shown in the table, purchase commitments exist for inventories with a short turnover period, which arise primarily from the Master Collaboration Agreement with Ford Motor Company for the joint development of vans and mid-sized pickups for the global market.

41. Total fee of the Group auditor

Under the provisions of the Handelsgesetzbuch (HGB – German Commercial Code), Volkswagen AG is obliged to disclose the total fee charged for the fiscal year by the Group auditor, EY GmbH & Co. KG Wirtschaftsprüfungsgesellschaft.

€ million	2025	2024
Financial statement audit services	26	30
Other assurance services	6	5[1]
Tax advisory services	–	–
Other services	0	1
	32	**36**[1]

1 Prior-year figures adjusted.

The financial statement audit services mainly related to the audit of the consolidated financial statements of Volkswagen AG and of the annual financial statements of German Group companies, as well as to reviews of the interim consolidated financial statements of Volkswagen AG and of the interim financial statements of German Group companies. Other assurance services mainly related to statutory and non-statutory audits, and to non-statutory assurance services, including the audit of sustainability reports.

42. Personnel expenses

€ million	2025	2024
Wages and salaries	39,484	40,009
Social security	7,540	7,406
Post-employment and other employee benefit costs	2,056	2,371
	49,080	**49,786**

43. Average number of employees during the year

	2025	2024
Performance-related wage-earners	244,463	257,511
Salaried staff	344,573	340,790
	589,036	**598,301**
of which in the passive phase of partial retirement	16,592	13,845
Vocational trainees	16,310	16,222
	605,346	**614,523**
Employees of Chinese joint ventures	61,818	68,201
	667,164	**682,724**

44. Events after the balance sheet date

In February 2026, Volkswagen AG called a hybrid note (maturity: 12 years) with a principal amount of €1.75 billion, which had been placed in 2014 via Volkswagen International Finance N.V., Amsterdam/the Netherlands (issuer). Once called, the note must be classified as debt in accordance with IAS 32. Equity and net liquidity are reduced accordingly. The hybrid note will be redeemed in March 2026.

45. Remuneration based on performance shares

Selected beneficiaries within the Group receive remuneration based on performance share plans. The structure of these plans varies depending on the awarding Group companies or their reference shares, and on the hierarchy levels of the beneficiaries.

Performance share plans on the basis of Volkswagen preferred shares

The members of the Board of Management, top management and management, as well as selected participants below management level, are granted performance share plans based on Volkswagen's preferred shares that are largely functionally equivalent and settled in cash in full by Volkswagen AG or the awarding Group company.

BOARD OF MANAGEMENT AND TOP MANAGEMENT

Each performance period of the performance share plan for members of the Group Board of Management has a term of four years. At the grant date, the annual target amount under the LTI is converted into performance shares on the basis of the initial reference price of Volkswagen's preferred shares and allocated to the beneficiaries as a purely mathematical figure. Based on the degree of target achievement for the annual earnings per Volkswagen preferred share, the number of performance shares is definitively determined on the basis of a four-year, forward-looking performance period. After the end of the performance period, a cash settlement is made. The payment amount corresponds to the number of determined performance shares, multiplied by the closing reference price at the end of the period plus a dividend equivalent. For members of the Board of Management, the payment amount from the performance share plan is limited to 200% (250% from 2023) of the target amount. Penalty and clawback rules apply at the same time: if there is relevant misconduct during the assessment period, payments under the performance share plan can be reduced or demanded back. More information on the structure and objectives of the performance share plan for members of the Group Board of Management can be found in the remuneration report.

The performance period for beneficiaries in top management is three years and the payment amount under the performance share plan is limited to 200% of the target amount.

		Dec. 31, 2025	Dec. 31, 2024
Total expense of the reporting period	€ million	47	54
Carrying amount of the obligation	€ million	146	259
Intrinsic value of the obligation	€ million	108	100
Fair value on granting date	€ million	111	117
Granted performance shares	Shares	3,385,631	2,706,206
of which granted during the reporting period	Shares	1,305,460	1,096,012

MEMBERS OF MANAGEMENT AND SELECTED PARTICIPANTS BELOW MANAGEMENT LEVEL

The payment amount for members of management and selected participants below management level is determined by multiplying the target amount by the degree of target achievement for the annual earnings per Volkswagen preferred share and the ratio of the closing reference price at the end of the period, plus a dividend equivalent, to the initial reference price. Target achievement is determined on the basis of a three-year performance period with a forward-looking horizon of one year.

In the fiscal year, beneficiary members of management and selected participants below management level were allocated a target amount of €505 million (previous year: €623 million) on which target achievement of 100% is based. As of December 31, 2025, the total carrying amount of the obligation, which corresponded to the intrinsic value of the liabilities, was €613 million (previous year: €565 million). A total expense of €638 million (previous year: €576 million) was recognized for this commitment in the reporting period.

Other performance share plans

Group companies also have their own performance share plans, which are largely based on Volkswagen AG's performance share plans.

The performance share plans of Porsche AG is different in that the level of target achievement is determined on the basis of the annual earnings and share price performance of Porsche preferred shares. For Board of Management members and top management, the performance share plan is applied with a forward-looking four-year horizon in each case. For members of management, the plan is generally applied with a four-year term and a forward-looking horizon of one year.

For the performance share plans of the TRATON GROUP, the level of target achievement is determined on the basis of the annual earnings and share price performance of TRATON shares. For the members of the Board of Management and of the brand boards of management of the TRATON GROUP who are not members of the Board of Management of TRATON SE as defined under stock corporation law, and for members of management at International Motors, the performance share plans are applied with a forward-looking horizon of three or four years. For members of management and selected beneficiaries below the TRATON GROUP's management, a plan is generally applied with a four-year term and a forward-looking horizon of one year.

As of December 31, 2025, the total carrying amount of the obligation resulting from these plans was €139 million (previous year: €160 million) and the intrinsic value of the liabilities was €64 million (previous year: €89 million). A total expense of €87 million (previous year: €115 million) was recognized in the reporting period.

46. Related party disclosures in accordance with IAS 24

Related parties as defined by IAS 24 are natural persons and entities on which Volkswagen AG can exercise significant influence, or which have the ability to exercise significant influence on Volkswagen AG, or that are influenced by another related party of Volkswagen AG.

All transactions with related parties are regularly conducted on an arm's length basis.

Porsche SE held the majority of the voting rights in Volkswagen AG as of the reporting date. The creation of rights of appointment for the State of Lower Saxony was resolved at the extraordinary General Meeting of Volkswagen AG on December 3, 2009. This means that Porsche SE cannot elect all of shareholder representatives on the Supervisory Board of Volkswagen AG via the general meeting for as long as the State of Lower Saxony holds at least 15% of Volkswagen AG's ordinary shares. However, Porsche SE has the power to participate in the operating policy decisions of the Volkswagen Group and is therefore classified as a related party as defined by IAS 24.

According to a notification dated January 8, 2026, the State of Lower Saxony and Hannoversche Beteiligungsgesellschaft Niedersachsen mbH, Hanover, held 20.00% of the voting rights of Volkswagen AG on December 31, 2025. As mentioned above, the General Meeting of Volkswagen AG on December 3, 2009 also resolved that the State of Lower Saxony may appoint two members of the Supervisory Board (right of appointment).

Contribution of Porsche SE's holding company operating business

The contribution of Porsche SE's holding company operating business to Volkswagen AG on August 1, 2012 has the following effects on the agreements between Porsche SE, Volkswagen AG and companies of the Porsche Holding Stuttgart GmbH Group that existed prior to the contribution and were entered into on the basis of the Comprehensive Agreement and its related implementation agreements:

- Volkswagen AG continues to indemnify Porsche SE internally against claims by the Einlagensicherungsfonds (German deposit protection fund) after Porsche SE submitted an indemnification agreement required by the Bundesverband Deutscher Banken (Association of German Banks) to the Einlagensicherungsfonds in August 2009. Volkswagen AG has also undertaken to indemnify the Einlagensicherungsfonds against any losses caused by measures taken by the latter in favor of a bank in which Volkswagen AG holds a majority interest.

Under the terms of the Comprehensive Agreement, Porsche SE and Volkswagen AG had granted each other put and call options with regard to the remaining 50.1% interest in Porsche Holding Stuttgart GmbH held by Porsche SE until the contribution of its holding company operating business to Volkswagen AG. Both Volkswagen AG (if it had exercised its call option) and Porsche SE (if it had exercised its put option) had undertaken to bear the tax burden resulting from the exercise of the options and any subsequent activities in relation to the equity investment in Porsche Holding Stuttgart GmbH (e.g. from recapture taxation on the spin-off in 2007 and/or 2009). If tax benefits had accrued to Volkswagen AG, Porsche Holding Stuttgart GmbH, Porsche AG, or their respective subsidiaries as a result of recapture taxation on the spin-off in 2007 and/or 2009, the purchase price to be paid by Volkswagen AG for the transfer of the outstanding 50.1% equity investment in Porsche Holding Stuttgart GmbH if the put option had been exercised by Porsche SE would have been increased by the present value of the tax benefit. This arrangement was taken over under the terms of the contribution agreement to the effect that Porsche SE has a claim against Volkswagen AG for payment in the amount of the present value of the realizable tax benefits from any recapture taxation of the spin-off in 2007 as a result of the contribution. It was also agreed under the terms of the contribution that Porsche SE will indemnify Volkswagen AG, Porsche Holding Stuttgart GmbH and their subsidiaries against taxes if measures taken by or not taken by Porsche SE result in recapture taxation for 2012 at these companies in the course of or following implementation of the contribution. In this case, too, Porsche SE is entitled to assert a claim for payment against Volkswagen AG in the amount of the present value of the realizable tax benefits that arise at the level of Volkswagen AG or one of its subsidiaries as a result of such a transaction.

Further agreements were entered into and declarations were issued in connection with the contribution of Porsche SE's holding company operating business to Volkswagen AG, in particular:

- Porsche SE indemnifies the subsidiaries it contributed as part of the business contribution as well as Porsche Holding Stuttgart GmbH, Porsche AG and their subsidiaries against certain liabilities to Porsche SE that relate to the period up to and including December 31, 2011 and that exceed the obligations recognized in the financial statements of those companies for that period.
- Moreover, Porsche SE indemnifies Volkswagen AG, Porsche Holding Stuttgart GmbH, Porsche AG and their subsidiaries against half of the taxes (other than taxes on income) arising at those companies in conjunction with the contribution that would not have been incurred in the event of the exercise of the call options on the shares of Porsche Holding Stuttgart GmbH that continued to be held by Porsche SE until the contribution. Volkswagen AG therefore indemnifies Porsche SE against half of such taxes that the company incurs.
- Additionally, Porsche SE and Porsche AG agreed to allocate any subsequent VAT receivables or liabilities from transactions in the period up to December 31, 2009 to the company entitled to the receivable or incurring the liability.
- A range of information, conduct and cooperation obligations were agreed by Porsche SE and the Volkswagen Group in the contribution agreement.

Volkswagen AG and Porsche SE have agreed in connection with the IPO of Porsche AG and sale of ordinary shares to Porsche SE that representatives of Porsche SE will have a significant presence on the Supervisory Board of Porsche AG. Ultimate decision rights of the shareholder representatives determined by Volkswagen on the Supervisory Board with regard to the ability to direct the relevant activities at Porsche AG within the meaning of IFRS 10 will ensure continued control by Volkswagen AG.

Under the share purchase agreement, Volkswagen AG as warrantor provided several warranties to Porsche SE, which essentially put Porsche SE in the same position as buyers of the preferred shares sold under the IPO. In addition, Volkswagen AG assumes a small number of other standard market guarantees, most of them limited to positive knowledge of Volkswagen AG. The sale by Porsche SE of ordinary shares from the IPO of Porsche AG is subject to restrictions until 2027.

As part of the IPO of Porsche AG and the sale of ordinary shares to Porsche SE in fiscal year 2022, Porsche SE and Volkswagen AG entered into several agreements, including a "procedural and amendment agreement and agreement to amend the Comprehensive Agreement". The latter led to amendments to some provisions, including those on appointments to governing bodies of Porsche AG, contained in the Comprehensive Agreement.

Other related party disclosures in accordance with IAS 24

The following tables present the amounts of supplies and services transacted, as well as outstanding receivables and liabilities, between consolidated companies of the Volkswagen Group and related parties:

	SUPPLIES AND SERVICES RENDERED		SUPPLIES AND SERVICES RECEIVED	
€ million	2025	2024	2025	2024
Porsche SE and its majority interests	4	4	0	0
Supervisory Board members	3	3	2	5
Board of Management members	0	0	0	0
Unconsolidated subsidiaries	1,246	1,065	2,441	2,168
Joint ventures and their majority interests	15,590	18,606	1,817	1,447
Associates and their majority interests	544	425	2,932	2,897
Pension plans	2	2	5	3
Other related parties	0	0	1	1
State of Lower Saxony, its majority interests and joint ventures	5	4	5	5

	RECEIVABLES FROM		LIABILITIES (INCLUDING OBLIGATIONS) TO	
€ million	Dec. 31, 2025	Dec. 31, 2024	Dec. 31, 2025	Dec. 31, 2024
Porsche SE and its majority interests	0	0	0	2
Supervisory Board members	0	0	92	123
Board of Management members	0	0	80	79
Unconsolidated subsidiaries	1,974	2,576[1]	2,252	2,334
Joint ventures and their majority interests	19,046	17,710	5,363	5,004[1]
Associates and their majority interests	456	403	1,083	9,194[1]
Pension plans	3	2	0	0
Other related parties	–	–	3	4
State of Lower Saxony, its majority interests and joint ventures	1	1	2	1

1 Prior-year figures adjusted.

The tables above do not contain the dividend payments (net of withholding tax) of €1,679 million (previous year: €2,614 million) received from joint ventures and associates. The tables likewise do not contain the dividends of €1,271 million paid to Porsche SE (previous year: €1,703 million) or the dividend of €372 million (previous year: €531 million) paid to the State of Lower Saxony.

The changes in supplies and services rendered to joint ventures and their majority interests relate primarily to supplies to the Chinese joint ventures.

Receivables from joint ventures are primarily attributable to loans granted in an amount of €14,714 million (previous year, adjusted: €13,290 million) as well as trade receivables in an amount of €3,957 million (previous year: €3,770 million). Receivables from non-consolidated subsidiaries also result primarily from loans granted in an amount of €1,108 million (previous year, adjusted: €1,571 million) as well as trade receivables in an amount of €181 million (previous year: €157 million).

Outstanding related party receivables include doubtful receivables on which impairment losses of €561 million (previous year, adjusted: €460 million) were recognized. This incurred expenses of €550 million (previous year: €445 million) in fiscal year 2025.

In addition, the Volkswagen Group has furnished guarantees to external banks on behalf of related parties in the amount of €76 million (previous year: €73 million).

In the fiscal year, the Volkswagen Group made capital contributions of €1,123 million (previous year: €1,492 million) at related parties.

As in the previous year, obligations to members of the Supervisory Board and other related parties relate primarily to interest-bearing bank balances of Supervisory Board members and related parties that were invested at standard market terms and conditions at Volkswagen Group companies.

Obligations to members of the Board of Management include balances outstanding on the annual bonus, the fair values of performance shares granted to the members of the Board of Management and pension provisions of €72.4 million (previous year: €70.4 million).

In addition to the amounts shown above, the following expenses were recognized for benefits and remuneration granted to members of the Board of Management and Supervisory Board of the Volkswagen Group in the course of their activities as members of these bodies:

€	2025	2024
Short-term benefits	36,009,699	37,042,203
Benefits based on performance shares and virtual shares	9,404,032	11,781,129
Post-employment benefits (service cost only)	5,110,060	5,548,098
Termination benefits	6,909,105	–
	57,432,896	**54,371,430**

Employee representatives on the Supervisory Board who are employed by the company continue to be entitled to a regular salary under their contract. This applies accordingly to the representative of senior executives on the Supervisory Board.

The post-employment benefits relate to additions to pension provisions for current members of the Board of Management.

47. Notices and disclosure of changes regarding the ownership of voting rights in Volkswagen AG in accordance with the Wertpapierhandelsgesetz (WpHG – German Securities Trading Act)

Porsche

1) Porsche Automobil Holding SE, Stuttgart, Germany has notified us in accordance with article 21, section 1 of the WpHG that its share of the voting rights in Volkswagen Aktiengesellschaft, Wolfsburg, Germany, exceeded the threshold of 50% on January 5, 2009 and amounted to 50.76% (149,696,680 voting rights) at this date.

2) The following persons notified us in accordance with article 21, section 1 of the WpHG that their share of the voting rights in Volkswagen Aktiengesellschaft in each case exceeded the threshold of 50% on January 5, 2009 and in each case amounted to 50.76% (149,696,680 voting rights) at this date. All of the above-mentioned 149,696,680 voting rights are attributable to each of the persons making the notification in accordance with article 22, section 1, sentence 1 no. 1 of the WpHG. The voting rights attributed to the persons making the notifications are held via subsidiaries within the meaning of article 22, section 3 of the WpHG, whose attributed share of the voting rights amounts to 3% or more and whose names are given in brackets:

Mag. Josef Ahorner, Austria
(Ferdinand Porsche Privatstiftung, Salzburg/Austria; Ferdinand Porsche Holding GmbH, Salzburg/Austria; Louise Daxer-Piëch GmbH, Salzburg/Austria; Louise Daxer-Piech GmbH, Grünwald/Germany; Prof. Ferdinand Alexander Porsche GmbH, Salzburg/Austria; Ferdinand Alexander Porsche GmbH, Grünwald/Germany; Gerhard Anton Porsche GmbH, Salzburg/Austria; Gerhard Porsche GmbH, Grünwald/Germany; Familien Porsche-Daxer-Piech Beteiligung GmbH, Grünwald/Germany; Porsche Automobil Holding SE, Stuttgart/Germany),

Mag. Louise Kiesling, Austria
(Ferdinand Porsche Privatstiftung, Salzburg/Austria; Ferdinand Porsche Holding GmbH, Salzburg/Austria; Louise Daxer-Piëch GmbH, Salzburg/Austria; Louise Daxer-Piech GmbH, Grünwald/Germany; Prof. Ferdinand Alexander Porsche GmbH, Salzburg/Austria; Ferdinand Alexander Porsche GmbH, Grünwald/Germany; Gerhard Anton Porsche GmbH, Salzburg/Austria; Gerhard Porsche GmbH, Grünwald/Germany; Familien Porsche-Daxer-Piech Beteiligung GmbH, Grünwald/Germany; Porsche Automobil Holding SE, Stuttgart/Germany),

Prof. Ferdinand Alexander Porsche, Austria
(Ferdinand Porsche Privatstiftung, Salzburg/Austria; Ferdinand Porsche Holding GmbH, Salzburg/Austria; Louise Daxer-Piëch GmbH, Salzburg/Austria; Louise Daxer-Piech GmbH, Grünwald/Germany; Prof. Ferdinand Alexander Porsche GmbH, Salzburg/Austria; Ferdinand Alexander Porsche GmbH, Grünwald/Germany; Gerhard Anton Porsche GmbH, Salzburg/Austria; Gerhard Porsche GmbH, Grünwald/Germany; Familien Porsche-Daxer-Piech Beteiligung GmbH, Grünwald/Germany; Porsche Automobil Holding SE, Stuttgart/Germany),

Dr. Oliver Porsche, Austria
(Ferdinand Porsche Privatstiftung, Salzburg/Austria; Ferdinand Porsche Holding GmbH, Salzburg/Austria; Louise Daxer-Piëch GmbH, Salzburg/Austria; Louise Daxer-Piech GmbH, Grünwald/Germany; Prof. Ferdinand Alexander Porsche GmbH, Salzburg/Austria; Ferdinand Alexander Porsche GmbH, Grünwald/Germany; Gerhard Anton Porsche GmbH, Salzburg/Austria; Gerhard Porsche GmbH, Grünwald/Germany; Familien Porsche-Daxer-Piech Beteiligung GmbH, Grünwald/Germany; Porsche Automobil Holding SE, Stuttgart/Germany),

Kai Alexander Porsche, Austria
(Ferdinand Porsche Privatstiftung, Salzburg/Austria; Ferdinand Porsche Holding GmbH, Salzburg/Austria; Louise Daxer-Piëch GmbH, Salzburg/Austria; Louise Daxer-Piech GmbH, Grünwald/Germany; Prof. Ferdinand Alexander Porsche GmbH, Salzburg/Austria; Ferdinand Alexander Porsche GmbH, Grünwald/Germany; Gerhard Anton Porsche GmbH, Salzburg/Austria; Gerhard Porsche GmbH, Grünwald/Germany; Familien Porsche-Daxer-Piech Beteiligung GmbH, Grünwald/Germany; Porsche Automobil Holding SE, Stuttgart/Germany),

Mark Philipp Porsche, Austria
(Ferdinand Porsche Privatstiftung, Salzburg/Austria; Ferdinand Porsche Holding GmbH, Salzburg/Austria; Louise Daxer-Piëch GmbH, Salzburg/Austria; Louise Daxer-Piech GmbH, Grünwald/Germany; Prof. Ferdinand Alexander Porsche GmbH, Salzburg/Austria; Ferdinand Alexander Porsche GmbH, Grünwald/Germany; Gerhard Anton Porsche GmbH, Salzburg/Austria; Gerhard Porsche GmbH, Grünwald/Germany; Familien Porsche-Daxer-Piech Beteiligung GmbH, Grünwald/Germany; Porsche Automobil Holding SE, Stuttgart/Germany),

Gerhard Anton Porsche, Austria
(Ferdinand Porsche Privatstiftung, Salzburg/Austria; Ferdinand Porsche Holding GmbH, Salzburg/Austria; Louise Daxer-Piëch GmbH, Salzburg/Austria; Louise Daxer-Piech GmbH, Grünwald/Germany; Prof. Ferdinand Alexander Porsche GmbH, Salzburg/Austria; Ferdinand Alexander Porsche GmbH, Grünwald/Germany; Gerhard Anton Porsche GmbH, Salzburg/Austria; Gerhard Porsche GmbH, Grünwald/Germany; Familien Porsche-Daxer-Piech Beteiligung GmbH, Grünwald/Germany; Porsche Automobil Holding SE, Stuttgart/Germany),

Ing. Hans-Peter Porsche, Austria
(Familie Porsche Privatstiftung, Salzburg/Austria; Familie Porsche Holding GmbH, Salzburg/Austria; Ing. Hans-Peter Porsche GmbH, Salzburg/Austria; Hans-Peter Porsche GmbH, Grünwald/Germany; Familie Porsche Beteiligung GmbH, Grünwald/Germany; Porsche Automobil Holding SE, Stuttgart/Germany),

Peter Daniell Porsche, Austria
(Familie Porsche Privatstiftung, Salzburg/Austria; Familie Porsche Holding GmbH, Salzburg/Austria; Ing. Hans-Peter Porsche GmbH, Salzburg/Austria; Hans-Peter Porsche GmbH, Grünwald/Germany; Familie Porsche Beteiligung GmbH, Grünwald/Germany; Porsche Automobil Holding SE, Stuttgart/Germany),

Dr. Wolfgang Porsche, Germany
(Familie Porsche Privatstiftung, Salzburg/Austria; Familie Porsche Holding GmbH, Salzburg/Austria; Ing. Hans-Peter Porsche GmbH, Salzburg/Austria; Hans-Peter Porsche GmbH, Grünwald/Germany; Wolfgang Porsche GmbH, Grünwald/Germany; Familie Porsche Beteiligung GmbH, Grünwald/Germany; Porsche Automobil Holding SE, Stuttgart/Germany),

Ferdinand Porsche Privatstiftung, Salzburg/Austria
(Ferdinand Porsche Holding GmbH, Salzburg/Austria; Louise Daxer-Piëch GmbH, Salzburg/Austria; Louise Daxer-Piech GmbH, Grünwald/Germany; Prof. Ferdinand Alexander Porsche GmbH, Salzburg/Austria; Ferdinand Alexander Porsche GmbH, Grünwald/Germany; Gerhard Anton Porsche GmbH, Salzburg/Austria; Gerhard Porsche GmbH, Grünwald/Germany; Familien Porsche-Daxer-Piech Beteiligung GmbH, Grünwald/Germany; Porsche Automobil Holding SE, Stuttgart/Germany),

Familie Porsche Privatstiftung, Salzburg/Austria
(Familie Porsche Holding GmbH, Salzburg/Austria; Ing. Hans-Peter Porsche GmbH, Salzburg/Austria; Hans-Peter Porsche GmbH, Grünwald/Germany; Familie Porsche Beteiligung GmbH, Grünwald/Germany; Porsche Automobil Holding SE, Stuttgart/Germany),

Ferdinand Porsche Holding GmbH, Salzburg/Austria
(Louise Daxer-Piëch GmbH, Salzburg/Austria; Louise Daxer-Piech GmbH, Grünwald/Germany; Prof. Ferdinand Alexander Porsche GmbH, Salzburg/Austria; Ferdinand Alexander Porsche GmbH, Grünwald/Germany; Gerhard Anton Porsche GmbH, Salzburg/Austria; Gerhard Porsche GmbH, Grünwald/Germany; Familien Porsche-Daxer-Piech Beteiligung GmbH, Grünwald/Germany; Porsche Automobil Holding SE, Stuttgart/Germany),

Familie Porsche Holding GmbH, Salzburg/Austria
(Ing. Hans-Peter Porsche GmbH, Salzburg/Austria; Hans-Peter Porsche GmbH, Grünwald/Germany; Familie Porsche Beteiligung GmbH, Grünwald/Germany; Porsche Automobil Holding SE, Stuttgart/Germany),

Louise Daxer-Piëch GmbH, Salzburg/Austria
(Louise Daxer-Piech GmbH, Grünwald/Germany; Porsche Automobil Holding SE, Stuttgart/Germany; Familien Porsche-Daxer-Piech Beteiligung GmbH, Grünwald/Germany),

Prof. Ferdinand Alexander Porsche GmbH, Salzburg/Austria
(Ferdinand Alexander Porsche GmbH, Grünwald/Germany; Familien Porsche-Daxer-Piech Beteiligung GmbH, Grünwald/Germany; Porsche Automobil Holding SE, Stuttgart/Germany),

Gerhard Anton Porsche GmbH, Salzburg/Austria
(Gerhard Porsche GmbH, Grünwald/Germany; Familien Porsche-Daxer-Piech Beteiligung GmbH, Grünwald/Germany; Porsche Automobil Holding SE, Stuttgart/Germany),

Louise Daxer-Piech GmbH, Grünwald/Germany
(Familien Porsche-Daxer-Piech Beteiligung GmbH, Grünwald/Germany; Porsche Automobil Holding SE, Stuttgart/Germany),

Ferdinand Alexander Porsche GmbH, Grünwald/Germany
(Familien Porsche-Daxer-Piech Beteiligung GmbH, Grünwald/Germany; Porsche Automobil Holding SE, Stuttgart/Germany),

Gerhard Porsche GmbH, Grünwald/Germany
(Familien Porsche-Daxer-Piech Beteiligung GmbH, Grünwald/Germany; Porsche Automobil Holding SE, Stuttgart/Germany),

Ing. Hans-Peter Porsche GmbH, Salzburg/Austria
(Hans-Peter Porsche GmbH, Grünwald/Germany; Familie Porsche Beteiligung GmbH, Grünwald/Germany; Porsche Automobil Holding SE, Stuttgart/Germany),

Hans-Peter Porsche GmbH, Grünwald/Germany
(Familie Porsche Beteiligung GmbH, Grünwald/Germany; Porsche Automobil Holding SE, Stuttgart/Germany),

Wolfgang Porsche GmbH, Grünwald/Germany
(Familie Porsche Beteiligung GmbH, Grünwald/Germany; Porsche Automobil Holding SE, Stuttgart/Germany),

Familien Porsche-Daxer-Piech Beteiligung GmbH, Grünwald/Germany
(Porsche Automobil Holding SE, Stuttgart/Germany),

Familie Porsche Beteiligung GmbH, Grünwald/Germany
(Porsche Automobil Holding SE, Stuttgart/Germany),

Porsche GmbH, Stuttgart/Germany
(Porsche Automobil Holding SE, Stuttgart/Germany),

Dr. Hans Michel Piëch, Austria
(Porsche Automobil Holding SE, Stuttgart/Germany; Hans Michel Piech GmbH, Grünwald/Germany; Dr. Hans Michel Piëch GmbH, Salzburg/Austria),

Dr. Hans Michel Piëch GmbH, Salzburg/Austria
(Porsche Automobil Holding SE, Stuttgart/Germany; Hans Michel Piech GmbH, Grünwald/Germany),

Hans Michel Piech GmbH, Grünwald/Germany
(Porsche Automobil Holding SE, Stuttgart/Germany),

Dipl.-Ing. Dr. h.c. Ferdinand Piëch, Austria
(Porsche Automobil Holding SE, Stuttgart/Germany; Ferdinand Piech GmbH, Grünwald/Germany;
Dipl.-Ing. Dr. h.c. Ferdinand Piëch GmbH, Salzburg/Austria; Ferdinand Karl Alpha Privatstiftung, Vienna/Austria),

Ferdinand Karl Alpha Privatstiftung, Vienna/Austria
(Porsche Automobil Holding SE, Stuttgart/Germany; Ferdinand Piech GmbH, Grünwald/Germany;
Dipl.-Ing. Dr. h.c. Ferdinand Piëch GmbH, Salzburg/Austria),

Dipl.-Ing. Dr. h.c. Ferdinand Piëch GmbH, Salzburg/Austria
(Porsche Automobil Holding SE, Stuttgart/Germany; Ferdinand Piech GmbH, Grünwald/Germany),

Ferdinand Piech GmbH, Grünwald/Germany
(Porsche Automobil Holding SE, Stuttgart/Germany).

3) Porsche Holding Gesellschaft m.b.H., Salzburg/Austria, and Porsche GmbH, Salzburg/Austria, notified us in accordance with article 21, section 1 of the WpHG that their share of the voting rights in Volkswagen Aktiengesellschaft in each case exceeded the threshold of 50% on January 5, 2009 and in each case amounted to 53.13% (156,702,015 voting rights) at this date.

All the above-mentioned 156,702,015 voting rights are attributable to Porsche Holding Gesellschaft m.b.H. in accordance with article 22, section 1, sentence 1 no. 1 of the WpHG. The companies via which the voting rights are actually held and whose attributed share of the voting rights amounts to 3% or more are:
– Porsche GmbH, Salzburg/Austria;
– Porsche GmbH, Stuttgart/Germany;
– Porsche Automobil Holding SE, Stuttgart/Germany.

Of the above-mentioned 156,702,015 voting rights, 50.76% of the voting rights (149,696,753 voting rights) are attributable to Porsche GmbH, Salzburg/Austria, in accordance with article 22, section 1, sentence 1 no. 1 of the WpHG. The companies via which the voting rights are actually held and whose attributed share of the voting rights amounts to 3% or more are:
– Porsche GmbH, Stuttgart/Germany;
– Porsche Automobil Holding SE, Stuttgart/Germany.

4) Porsche Wolfgang 1. Beteiligungs GmbH & Co. KG, Stuttgart, Germany has notified us in accordance with article 21, section 1 of the WpHG that its (indirect) share of the voting rights in Volkswagen Aktiengesellschaft, Wolfsburg, Germany, exceeded the thresholds of 3%, 5%, 10%, 15%, 20%, 25%, 30% and 50% of the voting rights on September 29, 2010 and amounted to 50.74% of the voting rights (149,696,680 voting rights) at this date.

Of this figure, 50.74% of the voting rights (149,696,680 voting rights) are attributable to Porsche Wolfgang 1. Beteiligungs GmbH & Co. KG in accordance with article 22, section 1, sentence 1 no. 1 of the WpHG.

The voting rights attributed to Porsche Wolfgang 1. Beteiligungs GmbH & Co. KG are held via the following enterprises controlled by it, whose share of the voting rights in Volkswagen Aktiengesellschaft amounts to 3% or more in each case: Wolfgang Porsche GmbH, Grünwald, Familie Porsche Beteiligung GmbH, Grünwald, Porsche Automobil Holding SE, Stuttgart.

These voting rights were not reached by exercise of purchase rights resulting from financial instruments according to article 25, section 1, sentence 1 of the WpHG.

5) On August 12, 2013, LK Holding GmbH, Salzburg, Austria, has notified us in accordance with article 21, section 1 of the WpHG that its share of the voting rights in VOLKSWAGEN AKTIENGESELLSCHAFT, Wolfsburg, Germany, exceeded the thresholds of 3%, 5%, 10%, 15%, 20%, 25%, 30% and 50% of the voting rights on August 10, 2013 and amounted to 50.73% of the voting rights (149,696,681 voting rights) at this date.

Of this figure, 50.73% of the voting rights (149,696,681 voting rights) are attributable to LK Holding GmbH in accordance with article 22, section 1, sentence 1 no. 1 of the WpHG.

The voting rights attributed to LK Holding GmbH are held via the following enterprises controlled by it, whose share of the voting rights in VOLKSWAGEN AKTIENGESELLSCHAFT amounts to 3% or more in each case: Porsche Automobil Holding SE, Stuttgart; Familien Porsche-Kiesling Beteiligung GmbH, Grünwald; Louise Daxer-Piech GmbH, Grünwald.

6) On September 11, 2013, Ahorner Alpha Beteiligungs GmbH, Grünwald, Germany, has notified us in accordance with article 21, section 1 of the WpHG that its share of the voting rights in VOLKSWAGEN AKTIENGESELLSCHAFT, Wolfsburg, Germany, exceeded the thresholds of 3%, 5%, 10%, 15%, 20%, 25%, 30% and 50% of the voting rights on September 11, 2013 and amounted to 50.73% of the voting rights (149,696,681 voting rights) at this date. Of this figure, 50.73% of the voting rights (149,696,681 voting rights) are attributable to Ahorner Alpha Beteiligungs GmbH in accordance with article 22, section 1, sentence 1 no. 1 of the WpHG.

The voting rights attributed to Ahorner Alpha Beteiligungs GmbH are held via the following enterprises controlled by it, whose share of the voting rights in VOLKSWAGEN AKTIENGESELLSCHAFT amounts to 3% or more in each case: Porsche Automobil Holding SE, Stuttgart.

7) On September 11, 2013, Ahorner Beta Beteiligungs GmbH, Grünwald, Germany, has notified us in accordance with article 21, section 1 of the WpHG that its share of the voting rights in VOLKSWAGEN AKTIENGESELLSCHAFT, Wolfsburg, Germany, exceeded the thresholds of 3%, 5%, 10%, 15%, 20%, 25%, 30% and 50% of the voting rights on September 11, 2013 and amounted to 50.73% of the voting rights (149,696,681 voting rights) at this date. Of this figure, 50.73% of the voting rights (149,696,681 voting rights) are attributable to Ahorner Beta Beteiligungs GmbH in accordance with article 22, section 1, sentence 1 no. 1 of the WpHG.

The voting rights attributed to Ahorner Beta Beteiligungs GmbH are held via the following enterprises controlled by it, whose share of the voting rights in VOLKSWAGEN AKTIENGESELLSCHAFT amounts to 3% or more in each case: Ahorner Alpha Beteiligungs GmbH, Grünwald; Porsche Automobil Holding SE, Stuttgart.

8) On September 11, 2013, Louise Daxer-Piech GmbH, Salzburg, Austria, has notified us in accordance with article 21, section 1 of the WpHG that its share of the voting rights in VOLKSWAGEN AKTIENGESELLSCHAFT, Wolfsburg, Germany, exceeded the thresholds of 3%, 5%, 10%, 15%, 20%, 25%, 30% and 50% of the voting rights on September 11, 2013 and amounted to 50.73% of the voting rights (149,696,681 voting rights) at this date. Of this figure, 50.73% of the voting rights (149,696,681 voting rights) are attributable to Louise Daxer-Piech GmbH in accordance with article 22, section 1, sentence 1 no. 1 of the WpHG.

The voting rights attributed to Louise Daxer-Piech GmbH are held via the following enterprises controlled by it, whose share of the voting rights in VOLKSWAGEN AKTIENGESELLSCHAFT amounts to 3% or more in each case: Ahorner Beta Beteiligungs GmbH, Grünwald; Ahorner Alpha Beteiligungs GmbH, Grünwald; Porsche Automobil Holding SE, Stuttgart.

9) On September 11, 2013, Ahorner Holding GmbH, Salzburg, Austria, has notified us in accordance with article 21, section 1 of the WpHG that its share of the voting rights in VOLKSWAGEN AKTIENGESELLSCHAFT, Wolfsburg, Germany, exceeded the thresholds of 3%, 5%, 10%, 15%, 20%, 25%, 30% and 50% of the voting rights on September 11, 2013 and amounted to 50.73% of the voting rights (149,696,681 voting rights) at this date. Of this figure, 50.73% of the voting rights (149,696,681 voting rights) are attributable to Ahorner Holding GmbH in accordance with article 22, section 1, sentence 1 no. 1 of the WpHG.

The voting rights attributed to Ahorner Holding GmbH are held via the following enterprises controlled by it, whose share of the voting rights in VOLKSWAGEN AKTIENGESELLSCHAFT amounts to 3% or more in each case: Louise Daxer-Piech GmbH, Salzburg, Austria; Ahorner Beta Beteiligungs GmbH, Grünwald; Ahorner Alpha Beteiligungs GmbH, Grünwald; Porsche Automobil Holding SE, Stuttgart.

10) On December 16, 2014, Porsche Wolfgang 1. Beteiligungsverwaltungs GmbH, Stuttgart, Germany, has notified us in accordance with article 21, section 1 of the WpHG that its share of the voting rights in VOLKSWAGEN AKTIENGESELLSCHAFT, Wolfsburg, Germany, fell below the thresholds of 50%, 30%, 25%, 20%, 15%, 10%, 5% and 3% of the voting rights on December 15, 2014 and amounted to 0% of the voting rights (0 voting rights) at this date.

11) On December 17, 2014, Dr. Wolfgang Porsche Holding GmbH, Salzburg, Austria, has notified us in accordance with article 21, section 1 of the WpHG that its share of the voting rights in VOLKSWAGEN AKTIENGESELLSCHAFT, Wolfsburg, Germany, exceeded the thresholds of 3%, 5%, 10%, 15%, 20%, 25%, 30% and 50% of the voting rights on December 15, 2014 and amounted to 50.73% of the voting rights (149,696,681 voting rights) at this date. Of this figure, 50.73% of the voting rights (149,696,681 voting rights) are attributable to Dr. Wolfgang Porsche Holding GmbH in accordance with article 22, section 1, sentence 1 no. 1 of the WpHG.

The voting rights attributed to Dr. Wolfgang Porsche Holding GmbH are held via the following enterprises controlled by it, whose share of the voting rights in VOLKSWAGEN AKTIENGESELLSCHAFT amounts to 3% or more in each case: Wolfgang Porsche GmbH, Grünwald; Familie Porsche Beteiligung GmbH, Grünwald; Porsche Automobil Holding SE, Stuttgart.

12) On July 15, 2015, the following persons in each case have notified us in accordance with article 21, section 1 of the WpHG that their share of the voting rights in VOLKSWAGEN AKTIENGESELLSCHAFT, Wolfsburg, Germany, exceeded the thresholds of 3%, 5%, 10%, 15%, 20%, 25%, 30% and 50% of the voting rights on July 14, 2015 and in each case amounted to 50.73% of the voting rights (149,696,681 voting rights) at this date:

- Dipl.-Design. Stephanie Porsche-Schröder, Austria,
- Dr. Dr. Christian Porsche, Austria,
- Ferdinand Rudolf Wolfgang Porsche, Austria

Of this figure, in each case 50.73% of the voting rights (149,696,681 voting rights) are attributable to each of the above-mentioned notifying persons in accordance with article 22, section 1, sentence 1 no. 1 of the WpHG. The voting rights attributed to the notifying persons in each case are held via the following enterprises controlled by the notifying persons, whose share of the voting rights in VOLKSWAGEN AKTIENGESELLSCHAFT amounts to 3% or more in each case:

Dr. Wolfgang Porsche Holding GmbH, Salzburg; Wolfgang Porsche GmbH, Grünwald; Ferdinand Porsche Familien-Privatstiftung, Salzburg; Familie Porsche Holding GmbH, Salzburg; Ing. Hans-Peter Porsche GmbH, Salzburg; Hans-Peter Porsche GmbH, Grünwald; Ferdinand Porsche Holding GmbH, Salzburg; Prof. Ferdinand Alexander Porsche GmbH, Salzburg; Ferdinand Alexander Porsche GmbH, Grünwald; Gerhard Anton Porsche GmbH, Salzburg; Gerhard Porsche GmbH, Grünwald; LK Holding GmbH, Salzburg; Louise Kiesling GmbH, Grünwald; Familie Porsche Beteiligung GmbH, Grünwald; Porsche Automobil Holding SE, Stuttgart.

13) On July 15, 2015, Familie Porsche Privatstiftung, Salzburg, Austria, has notified us in accordance with article 21, section 1 of the WpHG that its share of the voting rights in VOLKSWAGEN AKTIENGESELLSCHAFT, Wolfsburg, Germany, fell below the thresholds of 50%, 30%, 25%, 20%, 15%, 10%, 5% and 3% of the voting rights on July 14, 2015 and amounted to 0% of the voting rights (0 voting rights) at this date.

14) On July 15, 2015, Ferdinand Porsche Privatstiftung, Salzburg, Austria, has notified us in accordance with article 21, section 1 of the WpHG that its share of the voting rights in VOLKSWAGEN AKTIENGESELLSCHAFT, Wolfsburg, Germany, fell below the thresholds of 50%, 30%, 25%, 20%, 15%, 10%, 5% and 3% of the voting rights on July 14, 2015 and amounted to 0% of the voting rights (0 voting rights) at this date.

15) On July 15, 2015, Ferdinand Porsche Familien-Privatstiftung, Salzburg, Austria, has notified us in accordance with article 21, section 1 of the WpHG that its share of the voting rights in VOLKSWAGEN AKTIENGESELLSCHAFT, Wolfsburg, Germany, exceeded the thresholds of 3%, 5%, 10%, 15%, 20%, 25%, 30% and 50% of the voting rights on July 14, 2015 and amounted to 50.73% of the voting rights (149,696,681 voting rights) at this date. Of this figure, 50.73% of the voting rights (149,696,681 voting rights) are attributable to Ferdinand Porsche Familien-Privatstiftung in accordance with article 22, section 1, sentence 1 no. 1 of the WpHG.

The voting rights attributed to Ferdinand Porsche Familien-Privatstiftung are held via the following enterprises controlled by it, whose share of the voting rights in VOLKSWAGEN AKTIENGESELLSCHAFT amounts to 3% or more in each case:

Familie Porsche Holding GmbH, Salzburg; Ing. Hans-Peter Porsche GmbH, Salzburg; Hans-Peter Porsche GmbH, Grünwald; Ferdinand Porsche Holding GmbH, Salzburg; Prof. Ferdinand Alexander Porsche GmbH, Salzburg; Ferdinand Alexander Porsche GmbH, Grünwald; Gerhard Anton Porsche GmbH, Salzburg; Gerhard Porsche GmbH, Grünwald; LK Holding GmbH, Salzburg; Louise Kiesling GmbH, Grünwald; Familie Porsche Beteiligung GmbH, Grünwald; Porsche Automobil Holding SE, Stuttgart.

16) On July 20, 2015, the following persons in each case have notified us in accordance with article 21, section 1 of the WpHG that their share of the voting rights in VOLKSWAGEN AKTIENGESELLSCHAFT, Wolfsburg, Germany, exceeded the thresholds of 3%, 5%, 10%, 15%, 20%, 25%, 30% and 50% of the voting rights on July 14, 2015 and in each case amounted to 50.73% of the voting rights (149,696,681 voting rights) at this date:

- Dr. Geraldine Porsche, Austria,
- Diana Porsche, Austria,
- Felix Alexander Porsche, Germany.

Of this figure, in each case 50.73% of the voting rights (149,696,681 voting rights) are attributable to each of the above-mentioned notifying persons in accordance with article 22, section 1, sentence 1 no. 1 of the WpHG. The voting rights attributed to the notifying persons in each case are held via the following enterprises controlled by the notifying persons, whose share of the voting rights in VOLKSWAGEN AKTIENGESELLSCHAFT amounts to 3% or more in each case:

Ferdinand Porsche Familien-Privatstiftung, Salzburg; Familie Porsche Holding GmbH, Salzburg; Ing. Hans-Peter Porsche GmbH, Salzburg; Hans-Peter Porsche GmbH, Grünwald; Ferdinand Porsche Holding GmbH, Salzburg; Prof. Ferdinand Alexander Porsche GmbH, Salzburg; Ferdinand Alexander Porsche GmbH, Grünwald; Gerhard Anton Porsche GmbH, Salzburg; Gerhard Porsche GmbH, Grünwald; LK Holding GmbH, Salzburg; Louise Kiesling GmbH, Grünwald; Familie Porsche Beteiligung GmbH, Grünwald; Porsche Automobil Holding SE, Stuttgart.

17) On August 4, 2015, Ferdinand Porsche Familien- Holding GmbH, Salzburg, Austria, has notified us in accordance with article 21, section 1 of the WpHG that its share of the voting rights in VOLKSWAGEN AKTIENGESELLSCHAFT, Wolfsburg, Germany, exceeded the thresholds of 3%, 5%, 10%, 15%, 20%, 25%, 30% and 50% of the voting rights on July 31, 2015 and amounted to 50.73% of the voting rights (149,696,681 voting rights) at this date. Of this figure, 50.73% of the voting rights (149,696,681 voting rights) are attributable to Ferdinand Porsche Familien- Holding GmbH in accordance with article 22, section 1, sentence 1 no. 1 of the WpHG.

The voting rights attributed to Ferdinand Porsche Familien- Holding GmbH are held via the following enterprises controlled by it, whose share of the voting rights in VOLKSWAGEN AKTIENGESELLSCHAFT amounts to 3% or more in each case: Hans-Peter Porsche GmbH, Grünwald; Ferdinand Alexander Porsche GmbH, Grünwald; Gerhard Porsche GmbH, Grünwald; Louise Kiesling GmbH, Grünwald; Familie Porsche Beteiligung GmbH, Grünwald; Porsche Automobil Holding SE, Stuttgart.

18) Release according to article 26, section 1 of the WpHG of June 3, 2016

1. Details of issuer
VOLKSWAGEN AKTIENGESELLSCHAFT, Berliner Ring 2, 38440 Wolfsburg, Germany

2. Reason for notification
[ ] Acquisition/disposal of shares with voting rights
[X] Acquisition/disposal of instruments
[ ] Change of breakdown of voting rights
[ ] Other reason:

3. Details of person subject to the notification obligation

Name:	City and country of registered office:
Dr. Dr. Christian Porsche, Dipl.- Design. Stephanie Porsche-Schröder, Ferdinand Rudolf Wolfgang Porsche, Felix Alexander Porsche	

4. Names of shareholder(s) holding directly 3% or more voting rights, if different from 3.
Porsche Automobil Holding SE

5. Date on which treshold was crossed or reached
June 1, 2016

6. Total positions

	% of voting rights attached to shares (total of 7.a.)	% of voting rights through instruments (total of 7.b.1. + 7.b.2.)	total of both in % (7.a. + 7.b.)	total number of voting rights of issuer
Resulting situation	52.22%	52.22%	52.22%	295089818
Previous notification	50.73%	n/a%	0.00%	

7. Notified details of the resulting situation **a. Voting rights attached to shares (articles 21, 22 WpHG)**				
ISIN	absolute		in %	
	direct (article 21 WpHG)	indirect (article 22 WpHG)	direct (article 21 WpHG)	indirect (article 22 WpHG)
DE0007664005	0	154093681	0%	52.22%
Total	154093681		**52.22%**	

b.1. Instruments according to article 25, section 1, no. 1 WpHG				
Type of instrument	Expiration or maturity date	Exercise or conversion period	Voting rights absolute	Voting rights in %
				%
		Total		**%**

b.2. Instruments according to article 25, section 1, no. 2 WpHG					
Type of instrument	Expiration or maturity date	Exercise or conversion period	Cash or physical settlement	Voting rights absolute	Voting rights in %
Contribution Agreement	n/a	n/a	physical	154093681	52.22%
			Total	**154093681**	**52.22%**

8. Information in relation to the person subject to the notification obligation

[ ] Person subject to the notification obligation (3.) is not controlled and does itself not control any other undertaking(s) holding directly or indirectly an interest in the (underlying) issuer (1.).

[X] Full chain of controlled undertakings starting with the ultimate controlling natural person or legal entity:

Name	% of voting rights (if at least held 3% or more)	% of voting rights through instruments (if at least held 5% or more)	Total of both (if at least held 5% or more)
Dr. Dr. Christian Porsche, Dipl.-Design. Stephanie Porsche-Schröder, Ferdinand Rudolf Wolfgang Porsche, Felix Alexander Porsche	%	%	%
Familie WP Holding GmbH	%	52.22%	52.22%
Dr. Dr. Christian Porsche, Dipl.-Design. Stephanie Porsche-Schröder, Ferdinand Rudolf Wolfgang Porsche, Felix Alexander Porsche	%	%	%
Dr. Wolfgang Porsche Holding GmbH	%	%	%
Ferdinand Alexander Porsche GmbH	%	%	%
Familie Porsche Beteiligung GmbH	%	%	%
Porsche Automobil Holding SE	52.22%	%	52.22%
Dr. Dr. Christian Porsche, Dipl.-Design. Stephanie Porsche-Schröder, Ferdinand Rudolf Wolfgang Porsche, Felix Alexander Porsche	%	%	%
Ferdinand Porsche Familien-Privatstiftung	%	%	%
Ferdinand Porsche Familien- Holding GmbH	%	%	%
Ferdinand Alexander Porsche GmbH	%	%	%
Familie Porsche Beteiligung GmbH	%	%	%
Porsche Automobil Holding SE	52.22%	%	52.22%

9. In case of proxy voting according to article 22, section 3 WpHG
(only possible when attributable according to article 22, section 1, sentence 1 no. 6 of the WpHG)
Date of general meeting:

Holding position after general meeting: % (equals voting rights)

19) Release according to article 26, section 1 of the WpHG of June 3, 2016

1. Details of issuer
VOLKSWAGEN AKTIENGESELLSCHAFT, Berliner Ring 2, 38440 Wolfsburg, Germany

2. Reason for notification
[ ] Acquisition/disposal of shares with voting rights
[X] Acquisition/disposal of instruments
[ ] Change of breakdown of voting rights
[ ] Other reason:

3. Details of person subject to the notification obligation

Name:	City and country of registered office:
Mr. Dr. Wolfgang Porsche	

4. Names of shareholder(s) holding directly 3% or more voting rights, if different from 3.
Porsche Automobil Holding SE

5. Date on which treshold was crossed or reached
June 1, 2016

6. Total positions

	% of voting rights attached to shares (total of 7.a.)	% of voting rights through instruments (total of 7.b.1. + 7.b.2.)	total of both in % (7.a. + 7.b.)	total number of voting rights of issuer
Resulting situation	52.22%	52.22%	52.22%	295089818
Previous notification	50.76%	n/a %	0.00%	

7. Notified details of the resulting situation a. Voting rights attached to shares (articles 21, 22 WpHG)				
ISIN	absolute		in %	
	direct (article 21 WpHG)	indirect (article 22 WpHG)	direct (article 21 WpHG)	indirect (article 22 WpHG)
DE0007664005	0	154093681	0%	52.22%
Total	**154093681**		**52.22%**	

b.1. Instruments according to article 25, section 1, no. 1 WpHG				
Type of instrument	Expiration or maturity date	Exercise or conversion period	Voting rights absolute	Voting rights in %
				%
		Total		**%**

b.2. Instruments according to article 25, section 1, no. 2 WpHG					
Type of instrument	Expiration or maturity date	Exercise or conversion period	Cash or physical settlement	Voting rights absolute	Voting rights in %
Contribution Agreement	n/a	n/a	physical	154093681	52.22%
			Total	**154093681**	**52.22%**

8. Information in relation to the person subject to the notification obligation

[ ] Person subject to the notification obligation (3.) is not controlled and does itself not control any other undertaking(s) holding directly or indirectly an interest in the (underlying) issuer (1.).

[X] Full chain of controlled undertakings starting with the ultimate controlling natural person or legal entity:

Name	% of voting rights (if at least held 3% or more)	% of voting rights through instruments (if at least held 5% or more)	Total of both (if at least held 5% or more)
Dr. Wolfgang Porsche	%	%	%
Familie WP Holding GmbH	%	52.22%	52.22%
Dr. Wolfgang Porsche	%	%	%
Dr. Wolfgang Porsche Holding GmbH	%	%	%
Ferdinand Alexander Porsche GmbH	%	%	%
Familie Porsche Beteiligung GmbH	%	%	%
Porsche Automobil Holding SE	52.22%	%	52.22%
Dr. Wolfgang Porsche	%	%	%
Ferdinand Porsche Familien-Privatstiftung	%	%	%
Ferdinand Porsche Familien- Holding GmbH	%	%	%
Ferdinand Alexander Porsche GmbH	%	%	%
Familie Porsche Beteiligung GmbH	%	%	%
Porsche Automobil Holding SE	52.22%	%	52.22%

9. In case of proxy voting according to article 22, section 3 WpHG
(only possible when attributable according to article 22, section 1, sentence 1 no. 6 of the WpHG)
Date of general meeting:
Holding position after general meeting: % (equals voting rights)

20) Release according to article 26, section 1 of the WpHG of June 17, 2016

1. Details of issuer
VOLKSWAGEN AKTIENGESELLSCHAFT, Berliner Ring 2, 38440 Wolfsburg, Germany

2. Reason for notification
[ ] Acquisition/disposal of shares with voting rights
[X] Acquisition/disposal of instruments
[ ] Change of breakdown of voting rights
[X] Other reason: Group notification due to intra group restructuring

3. Details of person subject to the notification obligation
Name: Dr. Wolfgang Porsche, Dr. Dr. Christian Porsche, Dipl.-Design. Stephanie Porsche-Schröder, Ferdinand Rudolf Wolfgang Porsche, Felix Alexander Porsche
City and country of registered office:

4. Names of shareholder(s) holding directly 3% or more voting rights, if different from 3.
Porsche Automobil Holding SE

5. Date on which treshold was crossed or reached
June 15, 2016

6. Total positions

	% of voting rights attached to shares (total of 7.a.)	% of voting rights through instruments (total of 7.b.1. + 7.b.2.)	total of both in % (7.a. + 7.b.)	total number of voting rights of issuer
Resulting situation	52.22%	0.00%	52.22%	295089818
Previous notifcation	52.22%	52.22%	52.22%	

7. Notified details of the resulting situation **a. Voting rights attached to shares (articles 21, 22 WpHG)**				
ISIN	absolute		in %	
	direct (article 21 WpHG)	indirect (article 22 WpHG)	direct (article 21 WpHG)	indirect (article 22 WpHG)
DE0007664005	0	154093681	0%	52.22%
Total	**154093681**		**52.22%**	

b.1. Instruments according to article 25, section 1, no. 1 WpHG				
Type of instrument	Expiration or maturity date	Exercise or conversion period	Voting rights absolute	Voting rights in %
				%
		Total		**%**

b.2. Instruments according to article 25, section 1, no. 2 WpHG					
Type of instrument	Expiration or maturity date	Exercise or conversion period	Cash or physical settlement	Voting rights absolute	Voting rights in %
					%
			Total		**%**

8. Information in relation to the person subject to the notification obligation

[ ] Person subject to the notification obligation (3.) is not controlled and does itself not control any other undertaking(s) holding directly or indirectly an interest in the (underlying) issuer (1.).

[X] Full chain of controlled undertakings starting with the ultimate controlling natural person or legal entity:

Name	% of voting rights (if at least held 3% or more)	% of voting rights through instruments (if at least held 5% or more)	Total of both (if at least held 5% or more)
Dr. Wolfgang Porsche, Dr. Dr. Christian Porsche, Dipl.-Design. Stephanie Porsche-Schröder, Ferdinand Rudolf Wolfgang Porsche, Felix Alexander Porsche	%	%	%
Familie WP Holding GmbH	%	%	%
Dr. Wolfgang Porsche Holding GmbH	%	%	%
Ferdinand Alexander Porsche GmbH	%	%	%
Familie Porsche Beteiligung GmbH	%	%	%
Porsche Automobil Holding SE	52.22%	%	52.22%
Dr. Wolfgang Porsche, Dr. Dr. Christian Porsche, Dipl.-Design. Stephanie Porsche-Schröder, Ferdinand Rudolf Wolfgang Porsche, Felix Alexander Porsche	%	%	%
Ferdinand Porsche Familien-Privatstiftung	%	%	%
Ferdinand Porsche Familien- Holding-GmbH	%	%	%
Ferdinand Alexander Porsche GmbH	%	%	%
Familie Porsche Beteiligung GmbH	%	%	%
Porsche Automobil Holding SE	52.22%	%	52.22%

9. In case of proxy voting according to article 22, section 3 WpHG
(only possible when attributable according to article 22, section 1, sentence 1 no. 6 of the WpHG)
Date of general meeting:
Holding position after general meeting: % (equals voting rights)

21) Release according to article 26, section 1 of the WpHG of November 10, 2017

1. Details of issuer
VOLKSWAGEN AKTIENGESELLSCHAFT, Berliner Ring 2, 38440 Wolfsburg, Germany

2. Reason for notification
[ ] Acquisition/disposal of shares with voting rights
[ ] Acquisition/disposal of instruments
[ ] Change of breakdown of voting rights
[X] Other reason: Disposal of subsidiary

3. Details of person subject to the notification obligation
Name: Mr Hon.-Prof. Dr. techn. h.c. Dipl.-Ing. ETH Ferdinand Karl Piëch, Date of birth: April 17, 1937
City and country of registered office:

4. Names of shareholder(s) holding directly 3% or more voting rights, if different from 3.

5. Date on which treshold was crossed or reached
November 8, 2017

6. Total positions

	% of voting rights attached to shares (total of 7.a.)	% of voting rights through instru-ments (total of 7.b.1. + 7.b.2.)	total of both in % (7.a. + 7.b.)	total number of voting rights of issuer
Resulting situation	0.00%	0.00%	0.00%	295089818
Previous notification	50.76%	n/a%	n/a%	

7. Notified details of the resulting situation **a. Voting rights attached to shares (articles 21, 22 WpHG)**				
ISIN	absolute		in %	
	direct (article 21 WpHG)	indirect (article 22 WpHG)	direct (article 21 WpHG)	indirect (article 22 WpHG)
DE0007664005	0	0	0.00%	0.00%
Total	**0**		**0.00%**	

b.1. Instruments according to article 25, section 1, no. 1 WpHG				
Type of instrument	Expiration or maturity date	Exercise or conversion period	Voting rights absolute	Voting rights in %
				%
		Total		**%**

b.2. Instruments according to article 25, section 1, no. 2 WpHG					
Type of instrument	Expiration or maturity date	Exercise or conversion period	Cash or physical settlement	Voting rights absolute	Voting rights in %
					%
			Total		**%**

8. Information in relation to the person subject to the notification obligation

[X] Person subject to the notification obligation (3.) is not controlled and does itself not control any other undertaking(s) holding directly or indirectly an interest in the (underlying) issuer (1.).

[ ] Full chain of controlled undertakings starting with the ultimate controlling natural person or legal entity:

Name	% of voting rights (if at least held 3% or more)	% of voting rights through instruments (if at least held 5% or more)	Total of both (if at least held 5% or more)

9. In case of proxy voting according to article 22, section 3 WpHG

(only possible when attributable according to article 22, section 1, sentence 1 no. 6 of the WpHG)

Date of general meeting:

Holding position after general meeting: % (equals voting rights)

10. Other explanatory remarks:
This voting rights notification is made with releasing effect also for Dipl.Ing. Dr. h.c. Ferdinand K. Piech GmbH, Salzburg, and Ferdinand Karl Alpha Privatstiftung, Salzburg. Due to the sale and transfer of the participation in Auto 2015 Beteiligungs GmbH by Dipl.-Ing. Dr. h.c. Ferdinand K. Piech GmbH, Salzburg, voting rights in VOLKSWAGEN AKTIENGESELLSCHAFT are also no longer attributed to Dipl.Ing. Dr. h.c. Ferdinand K. Piech GmbH, Salzburg, and Ferdinand Karl Alpha Privatstiftung, Salzburg.

22) Release according to article 40, section 1 of the WpHG of December 18, 2024

1. Details of issuer
VOLKSWAGEN AKTIENGESELLSCHAFT, Berliner Ring 2, 38440 Wolfsburg, Germany, 529900NNUPAGGOMPXZ31

2. Reason for notification
[ ] Acquisition/disposal of shares with voting rights
[ ] Acquisition/disposal of instruments
[ ] Change of breakdown of voting rights
[X] Other reason: Control relinquished

3. Details of person subject to the notification obligation
Natural person (first name, surname): Hans-Peter Ing. Porsche
Date of birth: 29 Oct 1940

4. Names of shareholder(s) holding directly 3% or more voting rights, if different from 3.

5. Date on which treshold was crossed or reached
18 Dec 2024

6. Total positions

	% of voting rights attached to shares (total of 7.a.)	% of voting rights through instruments (total of 7.b.1. + 7.b.2.)	total of both in % (7.a. + 7.b.)	Total number of voting rights pursuant to Sec. 41 WpHG
New	0.00%	0.00%	0.00%	295089818
Previous notification	50.73%	0%	n/a%	/

7. Details on total positions
a. Voting rights attached to shares (Sec. 33, 34 WpHG)

ISIN	absolute		in %	
	Direct (Sec. 33 WpHG)	Indirect (Sec. 34 WpHG)	Direct (Sec. 33 WpHG)	Indirect (Sec. 34 WpHG)
DE0007664005	0	0	0.00%	0.00%
Total	**0**		**0.00%**	

b.1. Instruments according to Sec. 38 (1) no. 1 WpHG

Type of instrument	Expiration or maturity date	Exercise or conversion period	Voting rights absolute	Voting rights in %
			0	0.00%
		Total	**0**	**0.00%**

b.2. Instruments according to Sec. 38 (1) no. 2 WpHG

Type of instrument	Expiration or maturity date	Exercise or conversion period	Cash or physical settlement	Voting rights absolute	Voting rights in %
				0	0.0%
			Total	0	**0.0%**

8. Information in relation to the person subject to the notification obligation

[X] Person subject to the notification obligation is not controlled nor does it control any other undertaking(s) that directly or indirectly hold(s) an interest in the (underlying) issuer (1.)

[ ] Full chain of controlled undertakings starting with the ultimate controlling natural person or legal entity:

Name	% of voting rights (if at least 3% or more)	% of voting rights through instruments (if at least 5% or more)	Total of both (if at least 5% or more)

9. In case of proxy voting according to Sec. 34 para. 3 WpHG
(only in case of attribution of voting rights in accordance with Sec. 34 para. 1 sent. 1 No. 6 WpHG)
Date of general meeting:
Holding total positions after general meeting (6.) after annual general meeting:

Proportion of voting rights	Proportion of instruments	Total of both
%	%	%

10. Other explanatory remarks:

23) Release according to article 40, section 1 of the WpHG of March 21, 2025

1. Details of issuer
VOLKSWAGEN AKTIENGESELLSCHAFT, Berliner Ring 2, 38440 Wolfsburg, Germany,
529900NNUPAGGOMPXZ31

2. Reason for notification
[ ] Acquisition/disposal of shares with voting rights
[ ] Acquisition/disposal of instruments
[ ] Change of breakdown of voting rights
[X] Other reason: Control assumed

3. Details of person subject to the notification obligation
Natural person (first name, surname):
Andreas Johann Kiesling, BA, MA
Date of birth: 29 Aug 1989

4. Names of shareholder(s)
holding directly 3% or more voting rights, if different from 3.
Porsche Automobil Holding SE

5. Date on which treshold was crossed or reached
20 March 2025

6. Total positions

	% of voting rights attached to shares (total of 7.a.)	% of voting rights through instruments (total of 7.b.1. + 7.b.2.)	total of both in % (7.a. + 7.b.)	Total number of voting rights pursuant to Sec. 41 WpHG
New	53.35 %	0.00 %	53.35 %	295089818
Previous notification	n/a %	n/a %	n/a %	/

7. Details on total positions
a. Voting rights attached to shares (Sec. 33, 34 WpHG)

ISIN	absolute		in %	
	Direct (Sec. 33 WpHG)	Indirect (Sec. 34 WpHG)	Direct (Sec. 33 WpHG)	Indirect (Sec. 34 WpHG)
DE0007664005	0	157426554	0.00 %	53.35 %
Total	**157426554**		53.35 %	

b.1. Instruments according to Sec. 38 (1) no. 1 WpHG

Type of instrument	Expiration or maturity date	Exercise or conversion period	Voting rights absolute	Voting rights

				in %
			0	0.00 %
		Total	**0**	**0.00 %**

b.2. Instruments according to Sec. 38 (1) no. 2 WpHG					
Type of instrument	Expiration or maturity date	Exercise or conversion period	Cash or physical settlement	Voting rights absolute	Voting rights in %
				0	0.00 %
			Total	0	**0.00 %**

8. Information in relation to the person subject to the notification obligation

[ ] Person subject to the notification obligation is not controlled nor does it control any other undertaking(s) that directly or indirectly hold(s) an interest in the (underlying) issuer (1.)

[X] Full chain of controlled undertakings starting with the ultimate controlling natural person or legal entity:

Name	% of voting rights (if at least 3% or more)	% of voting rights through instruments (if at least 5% or more)	Total of both (if at least 5% or more)
Andreas Johann Kiesling, BA, MA (regarding to other family shareholders, see No. 10)	%	%	%
Ferdinand Porsche Familien-Privatstiftung	%	%	%
Ferdinand Porsche Familien-Holding GmbH	%	%	%
Ferdinand Alexander Porsche GmbH	%	%	%
Familie Porsche Beteiligung GmbH	%	%	%
Porsche Automobil Holding SE	53.35 %		53.35 %

9. In case of proxy voting according to Sec. 34 para. 3 WpHG
(only in case of attribution of voting rights in accordance with Sec. 34 para. 1 sent. 1 No. 6 WpHG)
Date of general meeting:
Holding total positions after general meeting (6.) after annual general meeting:

Proportion of voting rights	Proportion of instruments	Total of both
%	%	%

10. Other explanatory remarks:
Supplement to section 8: Dr. Wolfgang Porsche/Dr. Dr. Christian Porsche/Dipl.- Design. Stephanie Porsche-Schröder/Ferdinand Rudolf Wolfgang Porsche/Felix Alexander Porsche/Gerhard Anton Porsche/Dr. Ferdinand Oliver Porsche/Mag. Mark Philipp Porsche/KSupplement to section 8ai Alexander Porsche/Dr. Geraldine Porsche/Peter Daniell Porsche/Diana Porsche/Hubertus Josef Kiesling, BSc

24) Release according to article 40, section 1 of the WpHG of March 21, 2025

1. Details of issuer
VOLKSWAGEN AKTIENGESELLSCHAFT, Berliner Ring 2, 38440 Wolfsburg, Germany,
529900NNUPAGGOMPXZ31

2. Reason for notification
[ ] Acquisition/disposal of shares with voting rights
[ ] Acquisition/disposal of instruments
[ ] Change of breakdown of voting rights
[X] Other reason: Control assumed

3. Details of person subject to the notification obligation
Natural person (first name, surname):
Hubertus Josef Kiesling, BSc
Date of birth: 23 Sep 1992

4. Names of shareholder(s)
holding directly 3% or more voting rights, if different from 3.
Porsche Automobil Holding SE

5. Date on which treshold was crossed or reached
20 March 2025

6. Total positions

	% of voting rights attached to shares (total of 7.a.)	% of voting rights through instruments (total of 7.b.1. + 7.b.2.)	total of both in % (7.a. + 7.b.)	Total number of voting rights pursuant to Sec. 41 WpHG
New	53.35 %	0.00 %	53.35 %	295089818
Previous notification	n/a %	n/a %	n/a %	/

7. Details on total positions
a. Voting rights attached to shares (Sec. 33, 34 WpHG)

ISIN	absolute		in %	
	Direct (Sec. 33 WpHG)	Indirect (Sec. 34 WpHG)	Direct (Sec. 33 WpHG)	Indirect (Sec. 34 WpHG)

DE0007664005	0	157426554	0.00 %	53.35 %
Total	**157426554**		53.35 %	

b.1. Instruments according to Sec. 38 (1) no. 1 WpHG				
Type of instrument	Expiration or maturity date	Exercise or conversion period	Voting rights absolute	Voting rights in %
			0	0.00 %
		Total	**0**	**0.00 %**

b.2. Instruments according to Sec. 38 (1) no. 2 WpHG					
Type of instrument	Expiration or maturity date	Exercise or conversion period	Cash or physical settlement	Voting rights absolute	Voting rights in %
				0	0.00 %
			Total	0	**0.00 %**

8. Information in relation to the person subject to the notification obligation

[ ] Person subject to the notification obligation is not controlled nor does it control any other undertaking(s) that directly or indirectly hold(s) an interest in the (underlying) issuer (1.)

[X] Full chain of controlled undertakings starting with the ultimate controlling natural person or legal entity:

Name	% of voting rights (if at least 3% or more)	% of voting rights through instruments (if at least 5% or more)	Total of both (if at least 5% or more)
Hubertus Josef Kiesling, BSc (regarding to other family shareholders, see No. 10)	%	%	%
Ferdinand Porsche Familien-Privatstiftung	%	%	%
Ferdinand Porsche Familien-Holding GmbH	%	%	%
Ferdinand Alexander Porsche GmbH	%	%	%
Familie Porsche Beteiligung GmbH	%	%	%
Porsche Automobil Holding SE	53.35 %		53.35 %

9. In case of proxy voting according to Sec. 34 para. 3 WpHG
(only in case of attribution of voting rights in accordance with Sec. 34 para. 1 sent. 1 No. 6 WpHG)
Date of general meeting:
Holding total positions after general meeting (6.) after annual general meeting:

Proportion of voting rights	Proportion of instruments	Total of both
%	%	%

10. Other explanatory remarks:
Supplement to section 8: Dr. Wolfgang Porsche/Dr. Dr. Christian Porsche/Dipl.- Design.Stephanie Porsche-Schröder/Ferdinand Rudolf Wolfgang Porsche/Felix Alexander Porsche/Gerhard Anton Porsche/Dr. Ferdinand Oliver Porsche/Mag. Mark Philipp Porsche/Kai Alexander Porsche/Dr. Geraldine Porsche/Peter Daniell Porsche/Diana Porsche/Andreas Johann Kiesling, BA, MA

25) Release according to article 40, section 1 of the WpHG of April 07, 2025

1. Details of issuer
VOLKSWAGEN AKTIENGESELLSCHAFT, Berliner Ring 2, 38440 Wolfsburg, Germany,
529900NNUPAGGOMPXZ31

2. Reason for notification
[ ] Acquisition/disposal of shares with voting rights
[ ] Acquisition/disposal of instruments
[ ] Change of breakdown of voting rights
[X] Other reason: voluntary group notification withtriggered threshold on subsidiary level

3. Details of person subject to the notification obligation
Natural person (first name, surname): Wolfgang Dr. Porsche
Date of birth: 10 May 1943
Natural person (first name, surname): Christian Dr. Dr. Porsche
Date of birth: 21 March 1974
Natural person (first name, surname): Stephanie Dipl.-Design. Porsche-Schröder
Date of birth: 11 Feb 1978
Natural person (first name, surname): Ferdinand Rudolf Wolfgang Porsche
Date of birth: 14 Apr 1993
Natural person (first name, surname): Felix Alexander Porsche
Date of birth: 15 Feb 1996
Natural person (first name, surname): Gerhard Anton Porsche
Date of birth: 05 Jun 1938
Natural person (first name, surname): Ferdinand Oliver Dr. Porsche
Date of birth: 13 March 1961
Natural person (first name, surname): Mark Philipp Mag. Porsche
Date of birth: 17 Sep 1977
Natural person (first name, surname): Kai Alexander Porsche
Date of birth: 14 Dec 1964
Natural person (first name, surname): Geraldine Dr. Porsche

Date of birth: 22 Jul 1980
Natural person (first name, surname): Peter Daniell Porsche
Date of birth: 17 Sep 1973
Natural person (first name, surname): Diana Porsche
Date of birth: 03 March 1996
Natural person (first name, surname): Andreas Johann Kiesling, BA, MA
Date of birth: 29 Aug 1989
Natural person (first name, surname): Hubertus Josef Kiesling, BSc
Date of birth: 23 Sep 1992

4. Names of shareholder(s)
holding directly 3% or more voting rights, if different from 3.
Porsche Automobil Holding SE

5. Date on which treshold was crossed or reached
04 Apr 2025

6. Total positions

	% of voting rights attached to shares (total of 7.a.)	% of voting rights through instruments (total of 7.b.1. + 7.b.2.)	total of both in % (7.a. + 7.b.)	Total number of voting rights pursuant to Sec. 41 WpHG
New	53.35 %	0.00 %	53.35 %	295089818
Previous notification	52.22 %	0.00 %	52.22 %	/

7. Details on total positions
a. Voting rights attached to shares (Sec. 33, 34 WpHG)

ISIN	absolute		in %	
	Direct (Sec. 33 WpHG)	Indirect (Sec. 34 WpHG)	Direct (Sec. 33 WpHG)	Indirect (Sec. 34 WpHG)
DE0007664005	0	157426554	0.00 %	53.35 %
Total	**157426554**		53.35 %	

b.1. Instruments according to Sec. 38 (1) no. 1 WpHG				
Type of instrument	Expiration or maturity date	Exercise or conversion period	Voting rights absolute	Voting rights in %
			0	0.00 %
		Total	**0**	**0.00 %**

b.2. Instruments according to Sec. 38 (1) no. 2 WpHG					
Type of instrument	Expiration or maturity date	Exercise or conversion period	Cash or physical settlement	Voting rights absolute	Voting rights in %
				0	0.00 %
			Total	0	**0.00 %**

8. Information in relation to the person subject to the notification obligation

[ ] Person subject to the notification obligation is not controlled nor does it control any other undertaking(s) that directly or indirectly hold(s) an interest in the (underlying) issuer (1.)

[X] Full chain of controlled undertakings starting with the ultimate controlling natural person or legal entity:

Name	% of voting rights (if at least 3% or more)	% of voting rights through instruments (if at least 5% or more)	Total of both (if at least 5% or more)
Notifiable Nos. 1 to 14	%	%	%
Ferdinand Porsche Familien-Privatstiftung	%	%	%
Ferdinand Porsche Familien-Holding GmbH	%	%	%
Ferdinand Alexander Porsche Zweite GmbH	%	%	%
Ferdinand Alexander Porsche GmbH	%	%	%
Familie Porsche Beteiligung GmbH	%	%	%
Porsche Automobil Holding SE	53.35 %	%	53.35 %
-	%	%	%
Dr. Wolfgang Porsche/Dr. Dr.Christian Porsche/Dipl.-Design. Stephanie Porsche-Schröder/Ferdinand	%	%	%

Rudolf Wolfgang Porsche/Felix Alexander Porsche			
Familie WP Holding GmbH	%	%	%
Ferdinand Porsche Familien-Holding GmbH	%	%	%
Ferdinand Alexander Porsche Zweite GmbH	%	%	%
Ferdinand Alexander Porsche GmbH	%	%	%
Familie Porsche Beteiligung GmbH	%	%	%
Porsche Automobil Holding SE	53.35 %	%	53.35 %

9. In case of proxy voting according to Sec. 34 para. 3 WpHG
(only in case of attribution of voting rights in accordance with Sec. 34 para. 1 sent. 1 No. 6 WpHG)
Date of general meeting:
Holding total positions after general meeting (6.) after annual general meeting:

Proportion of voting rights	Proportion of instruments	Total of both
%	%	%

10. Other explanatory remarks:
A 100.00 per cent interest in Ferdinand Alexander Porsche GmbH was transferred from Ferdinand Porsche Familien-Holding GmbH to Ferdinand Alexander Porsche Zweite GmbH due to a group-internal restructuring.

26) Mr. Hubertus Josef Kiesling, BSc, Austria, notified Volkswagen Aktiengesellschaft, Wolfsburg, Germany, on April 8, 2025 - and with reference to the voting rights notification of March 21, 2025 - pursuant to Section 43 (1) German Securities Trading Act (Wertpapierhandelsgesetz - WpHG) of the following:

'The exceeding of the voting rights thresholds is not due to the acquisition of shares by the Notifying Party, but rather due to the first-time attribution of voting rights from shares of a subsidiary of the Notifying Party (Section 34 (1) sentence 1 no. 1 WpHG).

1) Objectives pursued with the acquisition of voting rights:
a) The facts underlying the attribution of the voting rights serve neither to generate trading profits for the Notifying Party nor the implementation of strategic goals.
b) The Notifying Party does currently not intend to acquire further voting rights within the next twelve months by acquisition or otherwise.
c) The Notifying Party does currently not seek to exert any further influence on the composition of the issuer's administrative, management and supervisory bodies beyond the already existing scope of influence to the extent permitted by law.
d) In his function as an indirect shareholder, the Notifying Party does currently not seek any significant change in the capital structure of the issuer, in particular with regard to the ratio of equity and debt financing and the dividend policy.

2) Origin of the funds used for the acquisition:
The acquisition of voting rights is not due to the Notifying Party acquiring shares in the issuer, but rather due to the attribution of voting rights in accordance with Section 34 (1) sentence 1 no. 1 WpHG. No equity or borrowed funds were used to finance the acquisition of voting rights.'

27) Mr. Andreas Johann Kiesling, BA, MA, Austria, notified Volkswagen Aktiengesellschaft, Wolfsburg, Germany, on April 8, 2025 - and with reference to the voting rights notification of March 21, 2025 - pursuant to Section 43 (1) German Securities Trading Act (Wertpapierhandelsgesetz - WpHG) of the following:

'The exceeding of the voting rights thresholds is not due to the acquisition of shares by the Notifying Party, but rather due to the first-time attribution of voting rights from shares of a subsidiary of the Notifying Party (Section 34 (1) sentence 1 no. 1 WpHG).

1) Objectives pursued with the acquisition of voting rights:
a) The facts underlying the attribution of the voting rights serve neither to generate trading profits for the Notifying Party nor the implementation of strategic goals.
b) The Notifying Party does currently not intend to acquire further voting rights within the next twelve months by acquisition or otherwise.
c) The Notifying Party does currently not seek to exert any further influence on the composition of the issuer's administrative, management and supervisory bodies beyond the already existing scope of influence to the extent permitted by law.
d) In his function as an indirect shareholder, the Notifying Party does currently not seek any significant change in the capital structure of the issuer, in particular with regard to the ratio of equity and debt financing and the dividend policy.

2) Origin of the funds used for the acquisition:
The acquisition of voting rights is not due to the Notifying Party acquiring shares in the issuer, but rather due to the attribution of voting rights in accordance with Section 34(1) sentence 1 no. 1 WpHG. No equity or borrowed funds were used to finance the acquisition of voting rights.'

28) The Ferdinand Alexander Porsche Zweite GmbH with its registered seat in Grünwald, Munich, Germany, registered with the commercial register of the local court of Munich under HRB 287799, notified Volkswagen Aktiengesellschaft, Wolfsburg, Germany, on April 15, 2025 – and with reference to the voting rights notification of Dr. Wolfgang Porsche, Dr. Dr. Christian Porsche, Dipl.-Design. Stephanie Porsche-Schröder, Ferdinand Rudolf Wolfgang Porsche, Felix Alexander Porsche, Gerhard Anton Porsche, Dr. Ferdinand Oliver Porsche, Mag. Mark Philipp Porsche, Kai Alexander Porsche, Dr. Geraldine Porsche, Peter Daniell Porsche, Diana Porsche, Andreas Johann Kiesling, BA, MA, and Hubertus Josef Kiesling, BSc dated 4 April 2025 – pursuant to Section 43 (1) WpHG of the following:

'The exceeding of the voting rights thresholds is not due to the acquisition of shares by the Notifying Party, but rather due to the first-time attribution of voting rights from shares of a subsidiary of the Notifying Party (Section 34 (1) sentence 1 no. 1 WpHG).

1) Objectives pursued with the acquisition of voting rights:
a) The facts underlying the attribution of the voting rights serve neither to generate trading profits for the Notifying Party nor the implementation of strategic goals.
b) The Notifying Party does currently not intend to acquire further voting rights within the next twelve months by acquisition or otherwise.

c) The Notifying Party does currently not seek to exert any further influence on the composition of the issuer's administrative, management and supervisory bodies beyond the already existing scope of influence to the extent permitted by law.
d) In its function as an indirect shareholder, the Notifying Party does currently not seek any significant change in the capital structure of the issuer, in particular with regard to the ratio of equity and debt financing and the dividend policy.

2) Origin of the funds used for the acquisition:
The acquisition of voting rights is not due to the Notifying Party acquiring shares in the issuer, but rather due to the attribution of voting rights in accordance with Section 34 (1) sentence 1 no. 1 WpHG. No equity or borrowed funds were used to finance the acquisition of voting rights.'

Qatar

We have received the following notification:

(1) Pursuant to article 21, section 1 of the WpHG we hereby notify for and on behalf of the State of Qatar, acting by and through the Qatar Investment Authority, Doha, Qatar, that its indirect voting rights in Volkswagen Aktiengesellschaft

(a) exceeded the threshold of 10% on December 17, 2009 and amounted to 13.71% of the voting rights of Volkswagen Aktiengesellschaft (40,440,274 voting rights) as per this date

(i) 6.93% (20,429,274 voting rights) of which have been obtained by the exercise by Qatar Holding LLC of financial instruments within the meaning of article 25, section 1, sentence 1 of the WpHG on that date granting the right to acquire shares in Volkswagen Aktiengesellschaft, and

(ii) all of which are attributed to the State of Qatar pursuant to article 22, section 1, sentence 1 no. 1 of the WpHG.

(b) exceeded the threshold of 15% on December 18, 2009 and amounted to 17.00% of the voting rights of Volkswagen Aktiengesellschaft (50,149,012 voting rights) as per this date

(i) 3.29% (9,708,738 voting rights) of which have been obtained by the exercise by Qatar Holding LLC of financial instruments within the meaning of article 25, section 1, sentence 1 of the WpHG on that date granting the right to acquire shares in Volkswagen Aktiengesellschaft, and

(ii) all of which are attributed to the State of Qatar pursuant to article 22, section 1, sentence 1 no. 1 of the WpHG.

Voting rights that are attributed to the State of Qatar pursuant to lit. (a) and (b) above are held via the following entities which are controlled by it and whose attributed proportion of voting rights in Volkswagen Aktiengesellschaft amount to 3% each or more:

(aa) Qatar Investment Authority, Doha, Qatar;
(bb) Qatar Holding LLC, Doha, Qatar;
(cc) Qatar Holding Luxembourg II S.à.r.l., Luxembourg, Luxembourg;
(dd) Qatar Holding Netherlands B.V., Amsterdam, The Netherlands.

(2) Pursuant to article 21, section 1 of the WpHG we hereby notify for and on behalf of the Qatar Investment Authority, Doha, Qatar, that its indirect voting rights in Volkswagen Aktiengesellschaft

(a) exceeded the threshold of 10% on December 17, 2009 and amounted to 13.71% of the voting rights of Volkswagen Aktiengesellschaft (40,440,274 voting rights) as per this date

(i) 6.93% (20,429,274 voting rights) of which have been obtained by the exercise by Qatar Holding LLC of financial instruments within the meaning of article 25, section 1, sentence 1 of the WpHG on that date granting the right to acquire shares in Volkswagen Aktiengesellschaft, and

(ii) all of which are attributed to the Qatar Investment Authority pursuant to article 22, section 1, sentence 1 no. 1 of the WpHG.

(b) exceeded the threshold of 15% on December 18, 2009 and amounted to 17.00% of the voting rights of Volkswagen Aktiengesellschaft (50,149,012 voting rights) as per this date

(i) 3.29% (9,708,738 voting rights) of which have been obtained by the exercise by Qatar Holding LLC of financial instruments within the meaning of article 25, section 1, sentence 1 of the WpHG on that date granting the right to acquire shares in Volkswagen Aktiengesellschaft, and

(ii) all of which are attributed to the Qatar Investment Authority pursuant to article 22, section 1, sentence 1 no. 1 of the WpHG.

Voting rights that are attributed to the Qatar Investment Authority pursuant to lit. (a) and (b) above are held via the entities as set forth in (1) (bb) through (dd) which are controlled by it and whose attributed proportion of voting rights in Volkswagen Aktiengesellschaft amount to 3% each or more.

(3) Pursuant to article 21, section 1 of the WpHG we hereby notify for and behalf of Qatar Holding LLC, Doha, Qatar, that its direct and indirect voting rights in Volkswagen Aktiengesellschaft

(a) exceeded the threshold of 10% on December 17, 2009 and amounted to 13.71% of the voting rights of Volkswagen Aktiengesellschaft (40,440,274 voting rights) as per this date

(i) 6.93% (20,429,274 voting rights) of which have been obtained by the exercise of financial instruments within the meaning of article 25, section 1, sentence 1 of the WpHG on that date granting the right to acquire shares in Volkswagen Aktiengesellschaft, and

(ii) 6.78% (20,011,000 voting rights) of which are attributed to Qatar Holding LLC pursuant to article 22, section 1, sentence 1 no. 1 of the WpHG.

(b) exceeded the threshold of 15% on December 18, 2009 and amounted to 17.00% of the voting rights of Volkswagen Aktiengesellschaft (50,149,012 voting rights) as per this date

(i) 3.29% (9,708,738 voting rights) of which have been obtained by the exercise of financial instruments within the meaning of article 25, section 1, sentence 1 of the WpHG on that date granting the right to acquire shares in Volkswagen Aktiengesellschaft, and

(ii) 6.78% (20,011,000 voting rights) of which are attributed to Qatar Holding LLC pursuant to article 22, section 1, sentence 1 no. 1 of the WpHG.

Voting rights that are attributed to Qatar Holding LLC pursuant to lit. (a) and (b) above are held via the entities as set forth in (1) (cc) through (dd) which are controlled by it and whose attributed proportion of voting rights in Volkswagen Aktiengesellschaft amount to 3% each or more.

We have received the following notification:

(1) Pursuant to article 21, section 1 of the WpHG we hereby notify for and on behalf of Qatar Holding Luxembourg II S.à.r.l., Luxembourg, Luxembourg, that its indirect voting rights in Volkswagen Aktiengesellschaft exceeded the thresholds of 10% and 15% on December 18, 2009 and amounted to 17.00% of the voting rights of Volkswagen Aktiengesellschaft (50,149,012 voting rights) as per this date, all of which are attributed to Qatar Holding Luxembourg II S.à.r.l. pursuant to article 22, section 1, sentence 1 no.1 of the WpHG.

Voting rights that are attributed to Qatar Holding Luxembourg II S.à.r.l. are held via the following entities which are controlled by it and whose attributed proportion of voting rights in Volkswagen Aktiengesellschaft amount to 3% each or more:
(a) Qatar Holding Netherlands B.V., Amsterdam, The Netherlands;
(b) Qatar Holding Germany GmbH, Frankfurt am Main, Germany.

(2) Pursuant to article 21, section 1 of the WpHG we hereby notify for and on behalf of Qatar Holding Netherlands B.V., Amsterdam, The Netherlands, that its indirect voting rights in Volkswagen Aktiengesellschaft exceeded the thresholds of 10% and 15% on December 18, 2009 and amounted to 17.00% of the voting rights of Volkswagen Aktiengesellschaft (50,149,012 voting rights) as per this date, all of which are attributed to Qatar Holding Luxembourg II S.à.r.l. pursuant to article 22, section 1, sentence 1 no. 1 of the WpHG

Voting rights that are attributed to Qatar Holding Netherlands B.V. are held via the entity as set forth in (1) (b) which is controlled by it and whose attributed proportion of voting rights in Volkswagen Aktiengesellschaft amounts to 3% or more.

(3) Pursuant to article 21, section 1 of the WpHG we hereby notify for and on behalf of Qatar Holding Germany GmbH, Frankfurt am Main, Germany, that its direct voting rights in Volkswagen Aktiengesellschaft exceeded the thresholds of 3%, 5%, 10% and 15% on December 18, 2009 and amounted to 17.00% of the voting rights of Volkswagen Aktiengesellschaft (50,149,012 voting rights) as per this date.

State of Lower Saxony

1) Release according to article 40, section 1 of the WpHG of March 28, 2025

1. Details of issuer
VOLKSWAGEN AKTIENGESELLSCHAFT, Berliner Ring 2, 38440 Wolfsburg, Germany,
529900NNUPAGGOMPXZ31

2. Reason for notification
[ ] Acquisition/disposal of shares with voting rights
[ ] Acquisition/disposal of instruments
[ ] Change of breakdown of voting rights
[X] Other reason: Voluntary Group notification due to a subsidiary touching a threshold

3. Details of person subject to the notification obligation
Legal entity: State of Lower Saxony, represented by the Ministry of Finance of Lower Saxony
City of registered office, country: Hannover, Germany

4. Names of shareholder(s)
holding directly 3% or more voting rights, if different from 3.
Hannoversche Beteiligungsgesellschaft Niedersachsen mbH
Wissenschafts- und Forschungsförderung Niedersachsen gGmbH

5. Date on which treshold was crossed or reached
26 March 2025

6. Total positions

	% of voting rights attached to shares (total of 7.a.)	% of voting rights through instruments (total of 7.b.1. + 7.b.2.)	total of both in % (7.a. + 7.b.)	Total number of voting rights pursuant to Sec. 41 WpHG
New	20.001594904234 %	0.00 %	20.001594904234 %	295089818
Previous notification	20.26 %	n/a %	n/a %	/

7. Details on total positions
a. Voting rights attached to shares (Sec. 33, 34 WpHG)

ISIN	absolute		in %	
	Direct (Sec. 33 WpHG)	Indirect (Sec. 34 WpHG)	Direct (Sec. 33 WpHG)	Indirect (Sec. 34 WpHG)
DE0007664005	800	59021870	0.00 %	20.00 %
Total	**59022670**		20.001594904234 %	

b.1. Instruments according to Sec. 38 (1) no. 1 WpHG

Type of instrument	Expiration or maturity date	Exercise or conversion period	Voting rights absolute	Voting rights in %
			0	0.00 %
		Total	**0**	**0.00 %**

b.2. Instruments according to Sec. 38 (1) no. 2 WpHG

Type of instrument	Expiration or maturity date	Exercise or conversion period	Cash or physical settlement	Voting rights absolute	Voting rights in %

				0	0.00 %
			Total	0	**0.00 %**

8. Information in relation to the person subject to the notification obligation [ ] Person subject to the notification obligation is not controlled nor does it control any other undertaking(s) that directly or indirectly hold(s) an interest in the (underlying) issuer (1.) [X] Full chain of controlled undertakings starting with the ultimate controlling natural person or legal entity:			
Name	% of voting rights (if at least 3% or more)	% of voting rights through instruments (if at least 5% or more)	Total of both (if at least 5% or more)
State of Lower Saxony	%	%	%
Hannoversche Beteiligungsgesellschaft Niedersachsen mbH	9.76 %	%	9.76 %
Wissenschafts- und Forschungsförderung Niedersachsen gGmbH	10.25 %	%	10.25 %

9. In case of proxy voting according to Sec. 34 para. 3 WpHG (only in case of attribution of voting rights in accordance with Sec. 34 para. 1 sent. 1 No. 6 WpHG) Date of general meeting: Holding total positions after general meeting (6.) after annual general meeting:		
Proportion of voting rights	Proportion of instruments	Total of both
%	%	%

10. Other explanatory remarks: Transfer of shares with voting rights to a subsidiary due to a spin-off in accordance with the German Transformation Act (Umwandlungsgesetz)

2) The State of Lower Saxony notified us on January 8, 2026 that it held a total of 59,022,790 ordinary shares and 100 preferred shares of Volkswagen AG as of December 31, 2025. Of the ordinary shares, the State of Lower Saxony holds 920 shares directly and 28,777,270 indirectly via Hannoversche Beteiligungsgesellschaft Niedersachsen mbH (HanBG), which is owned by the State of Lower Saxony; it also holds 30,244,600 shares indirectly via Wissenschafts- und Forschungsförderung Niedersachsen gGmbH, a wholly owned subsidiary.

48. German Corporate Governance Code

The Board of Management and Supervisory Board of Volkswagen AG issued the declaration of conformity with the German Corporate Governance Code in accordance with section 161 of the AktG on November 14, 2025. It has been made permanently available to the shareholders of Volkswagen AG on the Company's website at www.volkswagen-group.com/declaration.

In December 2025, the Board of Management and Supervisory Board of TRATON SE also issued their declaration of conformity with the German Corporate Governance Code and made it permanently available to the shareholders at https://ir.traton.com/websites/traton/English/5000/corporate-governance.html.

The Executive Board and Supervisory Board of Dr. Ing. h.c. F. Porsche AG also issued their declaration of conformity with the German Corporate Governance Code in December 2025. It has been made permanently available to shareholders on the company's website at https://investorrelations.porsche.com/en/corporate-governance.

49. Remuneration of the Board of Management and the Supervisory Board

Total remuneration granted to the members of the Board of Management amounted to €48.3 million (previous year: €49.2 million).

Under the performance share plan, a total of 250,710 performance shares (previous year: 201,434) were granted to active members of the Bord of Management for fiscal year 2025; their value at the grant date was €20.1 million (previous year: €19.9 million).

Total remuneration granted to the members of the Supervisory Board amounted to €7.8 million (previous year: €7.8 million).

Pension entitlements and benefits to retired members of the board of management

The former members of the Board of Management and their surviving dependents were granted €6.9 million (previous year: €0.0 million). Pension provisions for this group of individuals amounted to €244.3 million (previous year: €265.2 million).

The individual remuneration of the members of the Board of Management and the Supervisory Board is explained in the remuneration report. A comprehensive assessment of the individual remuneration components can also be found there.

Wolfsburg, February 24, 2026

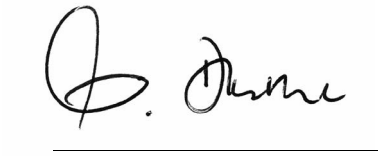
Volkswagen Aktiengesellschaft
The Board of Management

Responsibility Statement

To the best of our knowledge, and in accordance with the applicable reporting principles, the consolidated financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss, as well as the cash flows of the Group, and the Group management report includes a fair review of the development and performance of the business and the position of the Group, together with a description of the material opportunities and risks associated with the expected development of the Group.

Wolfsburg, February 24, 2026

Volkswagen Aktiengesellschaft
The Board of Management



Oliver Blume



Arno Antlitz



Ralf Brandstätter



Gernot Döllner



Manfred Döss



Thomas Schäfer



Thomas Schmall-von Westerholt



Hauke Stars

Independent auditor's report

On completion of our audit, we issued an unqualified auditor's report dated March 6, 2026 in German language. The following text is a translation of this auditor's report. The German text is authoritative:

To VOLKSWAGEN AKTIENGESELLSCHAFT

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS AND OF THE GROUP MANAGEMENT REPORT

Opinions

We have audited the consolidated financial statements of VOLKSWAGEN AKTIENGESELLSCHAFT, Wolfsburg, and its subsidiaries (the Group), which comprise the consolidated income statement and consolidated statement of comprehensive income for the fiscal year from 1 January to 31 December 2025, and the consolidated balance sheet as at 31 December 2025, consolidated statement of changes in equity and consolidated cash flow statement for the fiscal year from 1 January to 31 December 2025, and notes to the consolidated financial statements, including material accounting policy information. In addition, we have audited the group management report of VOLKSWAGEN AKTIENGESELLSCHAFT, which is combined with the Company's management report, for the fiscal year from 1 January to 31 December 2025. In accordance with the German legal requirements, we have not audited the content of the parts of the group management report listed in the appendix and the company information stated therein that is provided outside of the annual report and is referenced in the group management report.

In our opinion, on the basis of the knowledge obtained in the audit,

- the accompanying consolidated financial statements comply, in all material respects, with the IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB) (IFRS Accounting Standards) and adopted by the EU, and the additional requirements of German commercial law pursuant to Sec. 315e (1) HGB ["Handelsgesetzbuch": German Commercial Code] and, in compliance with these requirements, give a true and fair view of the assets, liabilities and financial position of the Group as at 31 December 2025 and of its financial performance for the fiscal year from 1 January to 31 December 2025, and
- the accompanying group management report as a whole provides an appropriate view of the Group's position. In all material respects, this group management report is consistent with the consolidated financial statements, complies with German legal requirements and appropriately presents the opportunities and risks of future development. We do not express an opinion on the parts of the group management report listed in the appendix.

Pursuant to Sec. 322 (3) Sentence 1 HGB, we declare that our audit has not led to any reservations relating to the legal compliance of the consolidated financial statements and of the group management report.

Basis for the opinions

We conducted our audit of the consolidated financial statements and of the group management report in accordance with Sec. 317 HGB and the EU Audit Regulation (No 537/2014, referred to subsequently as "EU Audit Regulation") and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer [Institute of Public Auditors in Germany] (IDW). Our responsibilities under those requirements and principles are further described in the "Auditor's responsibilities for the audit of the consolidated financial statements and of the group management report" section of our auditor's report. We are

independent of the Group entities in accordance with the requirements of European law and German commercial and professional law as well as the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), as applicable to audits of financial statements of public interest entities. We have also fulfilled our other German professional responsibilities in accordance with these requirements and the IESBA Code. In addition, in accordance with Art. 10 (2) f) of the EU Audit Regulation, we declare that we have not provided non-audit services prohibited under Art. 5 (1) of the EU Audit Regulation. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions on the consolidated financial statements and on the group management report.

Key audit matters in the audit of the consolidated financial statements

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the fiscal year from 1 January to 31 December 2025. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon; we do not provide a separate opinion on these matters.

Below, we describe what we consider to be the key audit matters:

1. RECOVERABILITY OF GOODWILL AND ACQUIRED BRAND NAMES

Reasons why the matter was determined to be a key audit matter

To assess the recoverability of the goodwill recognized in the balance sheet and of the acquired brands, the Company carries out an annual impairment test based on the relevant budgets and forecasts of the related cash-generating units. The result of the impairment testing is highly dependent on the executive directors' estimate of future cash flows of the respective cash-generating units and which discount rates they use to discount these cash flows. The recoverable amount of the cash-generating units to which goodwill is allocated is calculated as the present value of the expected future cash flows using discounted cash flow models.

The ongoing transformation of the core business toward e-mobility and digitalization, the transition to autonomous vehicles and changing environmental regulation lead to uncertainties that have to be factored into the estimation of future market shares of the Volkswagen Group, the margins achievable, especially on battery-electric vehicles, as well as the long-term growth rates. Uncertainties regarding a possible delay in the rollout of e-mobility and the high intensity of competition, in particular from new Chinese manufacturers, must also be taken into account. Moreover, protectionist measures in the form of tariffs are also giving rise to increasing uncertainties. The estimates by the executive directors are subject to risk and may be revised in the future in response to changes in environmental regulation and market conditions.

In addition, the executive directors have scope for judgment in determining the cash-generating units for impairment testing, in determining the discount rates used and the long-term growth rates assumed.

In view of the foregoing, the materiality of goodwill and the acquired brand names in relation to total assets, the impairment loss recognized on the goodwill attributable to the Porsche Automobile cash-generating unit in the interim financial statements as of 30 September 2025, the complexity of the valuation and the judgment exercised during valuation, the impairment testing of goodwill and the acquired brands was a key audit matter.

Auditor's response

The reduction in the strategic return level of Dr. Ing. h.c. F. Porsche AG during the year represented an impairment indicator ("triggering event") within the meaning of IAS 36. Consequently, an event-driven impairment test had to be performed at the level of the Porsche operating segment as part of the preparation of the interim financial statements as of the reporting date 30 September 2025.

For our assessment as of the interim reporting date 30 September 2025, we analyzed and scrutinized the central planning assumptions of the event-driven impairment test. For this purpose, we made inquiries and held management discussions with the relevant persons responsible for planning at Group and brand level. We also assessed the model and tested the plausibility of the planning assumptions underlying the event-driven impairment test.

During our audit, we involved valuation specialists to assess among other things the methodology used to perform the impairment tests in light of the provisions of IAS 36. We also checked the arithmetical accuracy of the valuation models used.

On the basis of the Volkswagen Group's internal reporting, we assessed for the acquired brands whether the brands represent the lowest level within the Volkswagen Group at which largely independent cash inflows are generated and whether goodwill is monitored at brand level for internal management purposes.

We analyzed the planning process established in the Volkswagen Group as well as the impairment testing process and tested the operating effectiveness of the controls identified in the processes. As a starting point, we compared the Volkswagen Group's five-year operational plan prepared by the executive directors with the forecast figures in the underlying impairment tests. We also assessed the extent to which measures adopted after the reporting date and included in the Group planning were to be included in the determination of the value in use. We discussed the key planning assumptions for selected brands to which significant goodwill and acquired brand names are allocated with the executive directors and compared them with past earnings and cash inflows to assess the planning accuracy.

We based plausibility testing of the inputs for the impairment tests among other things on a comparison with general and industry-specific market expectations underlying the expected cash inflows and on a consideration of current macroeconomic and geopolitical developments such as changes in tariffs. We also investigated the expectations regarding the development of market shares for battery-electric vehicles, the expectations for the development of the market shares of the Volkswagen Group as a whole as well as the effects on the planned investments, especially related to the transformation of the core business, and their indirect effects on the long-term cash inflows expected by the executive directors.

With respect to the rollforward from the medium-term plan to the long-term forecast, we assessed the plausibility of the assumed growth rates by comparing them with observable data. To assess the discount rates and growth rates applied, we analyzed the inputs used to determine them on the basis of publicly available information and obtained an understanding of the methods used with regard to the relevant requirements of IAS 36.

We also assessed the sensitivity analyses performed by the executive directors in order to estimate any potential impairment risk associated with a reasonably possible change in one of the significant assumptions used in the valuation.

Our procedures did not lead to any reservations relating to the recoverability of goodwill and the acquired brand names.

Reference to related disclosures

With regard to the recognition and measurement policies applied for goodwill and the acquired brand names, refer to the disclosure on intangible assets in the "Accounting policies" section of the notes to the consolidated financial statements. For the related disclosures on judgments by the executive directors and sources of estimation uncertainty as well as the disclosures on goodwill and the acquired brand names, refer to the disclosure in the "Accounting policies" section on "Management estimates and assumptions" and note 12, "Intangible assets" in the "Balance sheet disclosures" section of the notes to the consolidated financial statements. In the group management report, refer to the "Report on Risks and Opportunities" chapter, "Risks and opportunities" section, subsection "Risks arising from the impairment of goodwill, brand names or capitalized development costs." With regard to the impairment loss recognized during the fiscal year on goodwill allocated to the Porsche operating segment, refer to the disclosures in the "Key events" section of the notes to the consolidated financial statements.

2. CAPITALIZATION AND RECOVERABILITY OF DEVELOPMENT COSTS

Reasons why the matter was determined to be a key audit matter

Key criteria for capitalizing development costs are the ability to implement the development projects (including their technical feasibility, the intention to complete them and the ability to use them) as well as the realization of an expected future economic benefit. The complexity of research and development projects is mounting in view of the technological transformation of the Volkswagen Group and the resulting new development areas (including high investments in e-mobility, software and autonomous driving). Assessments of project feasibility are playing an ever greater role in this connection and entail the use of considerable judgment.

Where capitalized development costs are not yet subject to amortization, they must be tested for impairment as part of the related cash-generating unit at least annually at the level of the brands defined as cash-generating units. The assumption of realizing future economic benefits and the result of testing the recoverability of capitalized development costs during the analyses and impairment tests performed are highly dependent on the executive directors' estimate of future cash flows and which discount rates they use. The recoverable amount of the cash-generating units is calculated on the basis of their value in use, applying discounted cash flow models.

The ongoing transformation of the core business toward e-mobility and digitalization, the transition to autonomous vehicles and changing environmental regulation lead to uncertainties that have to be factored into the estimation of future market shares of the Volkswagen Group, the margins achievable, especially on battery-electric vehicles, as well as the long-term growth rates. Uncertainties regarding a possible delay in the rollout of e-mobility and the high intensity of competition, in particular from new Chinese manufacturers, must also be taken into account. Moreover, protectionist measures in the form of tariffs are also giving rise to increasing uncertainties. The estimates by the executive directors are subject to risk and may be revised in the future in response to changes in environmental regulation and market conditions.

In addition, the executive directors have scope for judgment in determining the cash-generating units for impairment testing, in determining the discount rates used and the long-term growth rates assumed.

In light of the foregoing, the materiality of the capitalized development costs in relation to total assets, the impairment loss recognized on the development costs attributable to the Porsche Automobile cash-generating unit in the interim financial statements as of 30 September 2025, the complexity of the valuation and the judgment exercised in the valuation process, the capitalization of development costs and the impairment test were a key audit matter.

Auditor's response

During our audit, we examined the process for identifying the research and development costs, particularly with reference to the criteria for capitalization. In this connection, we carried out analytical audit procedures such as comparisons of project budgets and capitalization rates, inspected documentation on project feasibility and tested process-related controls in some areas. We also assessed the future economic benefit criterion for capitalization based on the assumptions regarding the cash inflows of the cash-generating unit to which the capitalized development work is allocated.

Moreover, we involved valuation specialists to assess among other things the methodology used to determine the relevant cash-generating units and perform the impairment tests in light of the provisions of IAS 36. We also checked the arithmetical accuracy of the valuation models used.

We analyzed the planning process established in the Volkswagen Group as well as the impairment testing process and tested the operating effectiveness of the controls identified in the processes. As a starting point, we compared the Volkswagen Group's five-year operational plan prepared by the executive directors with the forecast figures in the underlying impairment tests. We also assessed the extent to which measures adopted after the reporting date and included in the Group planning were to be included in the determination of the value in use. We discussed with the executive directors the key planning assumptions for selected brands with significant capitalized development costs and compared them with past earnings and cash inflows to assess the planning accuracy.

We based plausibility testing of the inputs for the impairment tests among other things on a comparison with general and industry-specific market expectations underlying the expected cash inflows and on a consideration of current macroeconomic and geopolitical developments such as changes in tariffs. We also investigated the expectations regarding the development of market shares for battery-electric vehicles, the effects on the planned investments and their indirect effects on the long-term cash inflows expected by the executive directors.

With respect to the rollforward from the medium-term plan to the long-term forecast, we assessed the plausibility of the assumed growth rates by comparing them with observable data. To assess the discount rates and growth rates applied, we analyzed the inputs used to determine them on the basis of publicly available information and obtained an understanding of the methods used with regard to the relevant requirements of IAS 36.

We also assessed the sensitivity analyses performed by the executive directors in order to estimate any potential impairment risk associated with a reasonably possible change in one of the significant assumptions used in the valuation.

Our procedures did not lead to any reservations relating to the recognition and recoverability of the capitalized development costs.

Reference to related disclosures

With regard to the recognition and measurement policies applied for capitalized development costs, refer to the disclosure on intangible assets in the "Accounting policies" section of the notes to the consolidated financial statements. For the related disclosures on judgments by the executive directors and sources of estimation uncertainty as well as the disclosures on capitalized development costs, refer to the disclosures in the "Accounting policies" section on "Management estimates and assumptions" and note 12, "Intangible assets" in the "Balance sheet disclosures" section of the notes to the consolidated financial statements.

3. ACCOUNTING TREATMENT OF THE RISK PROVISIONS FOR THE DIESEL ISSUE

Reasons why the matter was determined to be a key audit matter

Due to indications of irregularities in connection with exhaust gas emissions from diesel engines in certain vehicles of the Volkswagen Group, regulatory authorities in numerous countries (particularly in Europe, the USA and Canada) commenced investigations in the past few years, some of which are still ongoing.

On the basis of its own findings and those of the authorities, the Volkswagen Group implemented various measures, which differed according to the country in some cases and included hardware and software measures, vehicle buybacks and early termination of leases as well as compensation payments to vehicle owners in some instances. The hardware and software measures had largely been completed as of the reporting date. The risk provisions for the diesel issue mainly include provisions for administrative and civil proceedings. Furthermore, there are legal risks from other criminal and administrative proceedings as well as civil actions, particularly by customers and holders of securities.

The provisions recognized as of 31 December 2025 and the contingent liabilities disclosed in the notes to the consolidated financial statements are subject to a significant estimation risk in view of the extensive ongoing legal and administrative investigations and proceedings, the complexity of the different issues, developments in current court rulings and market conditions for used diesel vehicles. Whether provisions need to be recognized or contingent liabilities disclosed for the legal risks from the diesel issue, and in what amount, depends to a large extent on the assessments and assumptions made by the executive directors. As described in the notes to the consolidated financial statements, the executive directors considered in their assessments in particular the fact that, based on the various measures taken and meanwhile largely concluded to resolve the diesel issue, there is still no confirmation that members of the Board of Management were aware of any deliberate manipulation of the engine control unit software prior to the summer of 2015.

In light of the significance of the risk provisions and the extent of the assumptions and scope for judgment by the executive directors, this matter was a key audit matter.

Auditor's response

To assess the recognition and measurement of the provisions for legal risks and the disclosure of contingent liabilities arising from the diesel issue, we considered, in particular, work and opinions by experts engaged by the executive directors of the Volkswagen Group in addition to available official notices and current court judgments as part of a risk-based selection of significant transactions. Moreover, with the involvement of our own legal and forensic specialists, we held regular meetings with the Legal department to obtain oral explanations about the current developments and reasons leading to the assessments of the ongoing proceedings. We compared confirmations received from external lawyers with the risk assessment by the executive directors. We also regularly reviewed publicly available information, such as media reports, to assess the completeness of the provisions and contingent liabilities.

In addition, we reviewed on a sample basis the input factors (quantity and value) of the provisions and contingent liabilities for individual matters using statements of claims received, settlement agreements and court judgments. With regard to the valuation, we also compared the current assessments by the executive directors with past experience, where observable. For significant additions to provisions, we examined whether they were due to new matters or to changes in the estimation inputs and obtained corresponding evidence. To analyze significant utilizations of the provisions, we obtained an understanding of the procedural controls implemented and examined a sample to determine whether they were based on settlement agreements or court judgments and whether corresponding payments were made.

Our audit procedures did not lead to any reservations relating to the accounting treatment of the risk provisions for the diesel issue.

Reference to related disclosures

The information presented and the statements made in connection with the diesel issue, including the comments on the underlying causes, on when the members of the Board of Management became aware of the issue and on the effects on the accompanying financial statements are contained in the "Key events" and "Accounting policies" sections on "Management estimates and assumptions" and "Balance sheet disclosures," note 30, "Non-current and current other provisions," note 38, "Contingent liabilities" and note 39, "Litigation" of the notes to the consolidated financial statements and in the "Report on Risks and Opportunities" chapter of the group management report, "Legal risks" section, subsection "Diesel issue."

4. COMPLETENESS AND MEASUREMENT OF PROVISIONS FOR WARRANTY OBLIGATIONS

Reasons why the matter was determined to be a key audit matter

Obligations for warranty claims are calculated on the basis of estimated warranty costs and ex gratia arrangements. Where unusual individual technical risks are anticipated, an individual assessment is made whether and, if so, to what extent measures are required to remediate them and provisions need to be recognized.

The amount of provisions for warranty claims is significant overall. Besides the general use of judgment in selecting the valuation methods and assessing the obligations, the currently elevated estimation uncertainty stems from the growing proportion of hybrid and battery-electric vehicles entering the market and a lack of experience of their susceptibility to faults. In light of the amount of the provisions and the judgment exercised during valuation, the completeness and measurement of provisions for warranty obligations was a key audit matter.

Auditor's response

With regard to the accounting for the provisions for warranty obligations, we examined the underlying processes for recording previous claims, calculating and valuing the estimated future warranty costs and recognizing the provisions, and tested the effectiveness of implemented controls in some areas.

In light of the uncertainty in relation to the estimated future warranty costs, we assessed the underlying valuation assumptions, especially the expected claim rate per vehicle and the cost thereof, using analyses of historical data. Where there was a lack of past experience, we obtained an understanding of the assumptions made by the executive directors and tested their plausibility using historical data for comparable items. Using the calculation bases derived from these historical data, we checked the estimated costs for expected claims per vehicle. To assess the completeness of the provisions, we also reconciled the number of sold vehicles used to recognize the provision with the sales volumes. We obtained an understanding of the method used for calculating the provisions, including the discounting, and reperformed the calculations.

For significant individual technical risks, we assessed the expected incidence of technical faults and the calculation of expected costs per claim/vehicle using documentation on previous claims, inspecting resolutions passed by technical committees and holding discussions with the departments responsible.

Our audit procedures did not lead to any reservations relating to the completeness and valuation of provisions for warranty obligations.

Reference to related disclosures

With regard to the recognition and measurement policies applied in accounting for provisions for warranty obligations, refer to the disclosures in the "Accounting policies" section on "Management estimates and assumptions" and note 30, "Non-current and current other provisions" in the "Balance sheet disclosures" section of the notes to the consolidated financial statements.

5. DETERMINATION OF THE EXPECTED RESIDUAL VALUES OF LEASE ASSETS DURING IMPAIRMENT TESTING

Reasons why the matter was determined to be a key audit matter

The lease assets balance sheet item comprises vehicles under operating leases. The recoverability of the lease assets depends in particular on the expected residual value of the leased vehicles after expiration of the contractual term. The expected residual values are reviewed by the Company on a quarterly basis. The forecast residual values are adjusted to include constantly updated internal and external information on residual values, depending on specific local factors and the experiences gained in the marketing of used cars. This requires management to make, in particular, assumptions about vehicle supply and demand in the future, as well as about vehicle price trends.

The residual values of vehicles are particularly influenced by the development of purchasing power in the respective markets and thus by demand driven by economic conditions and, in the case of electric vehicles, by a high pace of innovation and state subsidies. Due to the ongoing geopolitical tensions, conflicts and protectionist tendencies as well as the resulting risk of negative effects on the global economy, the estimation uncertainty in relation to the determination of the expected residual values remained heightened in the fiscal year. In this light, the determination of the expected residual values of assets leased under operating leases during impairment testing was a key audit matter.

Auditor's response

During our audit, we analyzed the process implemented by the executive directors of the Company for determining and monitoring the residual values to identify any risks of material misstatement and obtained an understanding of the process steps and controls. On this basis, we tested the operating effectiveness of the implemented controls over the determination and monitoring of the expected residual values. To assess the forecasting models used to determine the residual values, we analyzed the validation plans on the basis of the respective model designs to determine whether the validation procedures described in the plans allow an assessment of the models' forecast quality. We investigated whether the validation procedures and the backtesting performed led to any indications of model weaknesses or any need to adjust the models. Furthermore, we assessed whether the assumptions underlying the forecasting model and the inputs used for determining the expected residual values were clearly documented. To this end, we obtained evidence for the main inputs and assumptions used for mileage, age and lifecycle phase of the vehicles to determine the residual values and examined them for currentness and transparency. We assessed whether the marketing assumptions used reflect industry-specific and general market expectations as well as, in particular, current marketing results.

Our audit procedures did not lead to any reservations relating to the determination of the expected residual values of the assets leased under operating leases during impairment testing.

Reference to related disclosures

With regard to the recognition and measurement policies applied for lease assets, refer to the disclosure on lease assets in the "Accounting policies" section of the notes to the consolidated financial statements. For the related disclosures on judgments by the executive directors and sources of estimation uncertainty, refer to the disclosures in the "Accounting policies" section on "Management estimates and assumptions" and note 14, "Lease assets and investment property" in the "Balance sheet disclosures" section of the notes to the consolidated financial statements.

Other information

The Supervisory Board is responsible for the Report of the Supervisory Board contained in the "To our Shareholders" chapter. The executive directors and the Supervisory Board are responsible for the declaration pursuant to Sec. 161 AktG ["Aktiengesetz": German Stock Corporation Act] on the German Corporate Governance Code, which is part of the Group Corporate Governance Declaration, and for the Remuneration Report pursuant to Sec. 162 AktG. In all other respects, the executive directors are responsible for the other information. The other information comprises the parts of the annual report listed in the appendix.

Our opinions on the consolidated financial statements and on the group management report do not cover the other information, and consequently we do not express an opinion or any other form of assurance conclusion thereon.

In connection with our audit, our responsibility is to read the other information and, in so doing, to consider whether the other information

- is materially inconsistent with the consolidated financial statements, with the group management report or our knowledge obtained in the audit, or
- otherwise appears to be materially misstated.

RESPONSIBILITIES OF THE EXECUTIVE DIRECTORS AND THE SUPERVISORY BOARD FOR THE CONSOLIDATED FINANCIAL STATEMENTS AND THE GROUP MANAGEMENT REPORT

The executive directors are responsible for the preparation of the consolidated financial statements that comply, in all material respects, with the IFRS Accounting Standards as adopted by the EU and the additional requirements of German commercial law pursuant to Sec. 315e (1) HGB, and that the consolidated financial statements, in compliance with these requirements, give a true and fair view of the assets, liabilities, financial position and financial performance of the Group. In addition, the executive directors are responsible for such internal control as they have determined necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud (i.e., fraudulent financial reporting and misappropriation of assets) or error.

In preparing the consolidated financial statements, the executive directors are responsible for assessing the Group's ability to continue as a going concern. They also have the responsibility for disclosing, as applicable, matters related to going concern. In addition, they are responsible for financial reporting based on the going concern basis of accounting unless there is an intention to liquidate the Group or to cease operations, or there is no realistic alternative but to do so.

Furthermore, the executive directors are responsible for the preparation of the group management report that, as a whole, provides an appropriate view of the Group's position and is, in all material respects, consistent with the consolidated financial statements, complies with German legal requirements, and appropriately presents the opportunities and risks of future development. In addition, the executive directors are responsible for such arrangements and measures (systems) as they have considered necessary to enable the preparation of a group management report that is in accordance with the applicable German legal requirements, and to be able to provide sufficient appropriate evidence for the assertions in the group management report.

The Supervisory Board is responsible for overseeing the Group's financial reporting process for the preparation of the consolidated financial statements and of the group management report.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS AND OF THE GROUP MANAGEMENT REPORT

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and whether the group management report as a whole provides an appropriate view of the Group's position and, in all material respects, is consistent with the consolidated financial statements and the knowledge obtained in the audit, complies with the German legal requirements and appropriately presents the opportunities and risks of future development, as well as to issue an auditor's report that includes our opinions on the consolidated financial statements and on the group management report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Sec. 317 HGB and the EU Audit Regulation and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer (IDW) will always detect a material misstatement. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements and this group management report.

We exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements and of the group management report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinions. The risk of not detecting a material misstatement resulting from fraud is higher than the risk of not detecting a material misstatement resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit of the consolidated financial statements and of arrangements and measures relevant to the audit of the group management report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control and of such arrangements and measures.
- Evaluate the appropriateness of accounting policies used by the executive directors and the reasonableness of estimates made by the executive directors and related disclosures.
- Conclude on the appropriateness of the executive directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the consolidated financial statements and in the group management report or, if such disclosures are inadequate, to modify our respective opinions. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to be able to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements present the underlying transactions and events in a manner that the consolidated financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Group in compliance with the IFRS Accounting Standards as adopted by the EU and the additional requirements of German commercial law pursuant to Sec. 315e (1) HGB.
- Plan and perform the audit of the consolidated financial statements to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming opinions on the consolidated financial statements and on the group management report. We are responsible for the direction, supervision and review of the work performed for the group audit. We remain solely responsible for our audit opinions.
- Evaluate the consistency of the group management report with the consolidated financial statements, its conformity with [German] law, and the view of the Group's position it provides.
- Perform audit procedures on the prospective information presented by the executive directors in the group management report. On the basis of sufficient appropriate audit evidence we evaluate, in particular, the significant assumptions used by the executive directors as a basis for the prospective information, and evaluate the proper derivation of the prospective information from these assumptions. We do not express a separate opinion on the prospective information and on the assumptions used as a basis. There is a substantial unavoidable risk that future events will differ materially from the prospective information.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with the relevant independence requirements, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence and where applicable, the related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter.

Other legal and regulatory requirements

REPORT ON THE ASSURANCE ON THE ELECTRONIC RENDERING OF THE CONSOLIDATED FINANCIAL STATEMENTS AND THE GROUP MANAGEMENT REPORT PREPARED FOR PUBLICATION PURPOSES IN ACCORDANCE WITH SEC. 317 (3A) HGB

Opinion

We have performed assurance work in accordance with Sec. 317 (3a) HGB to obtain reasonable assurance about whether the rendering of the consolidated financial statements and the group management report (hereinafter the "ESEF documents") contained in the file VWAG_JFB_Konzern-2025-12-31-DE.zip and prepared for publication purposes complies in all material respects with the requirements of Sec. 328 (1) HGB for the electronic reporting format ("ESEF format"). In accordance with German legal requirements, this assurance work extends only to the conversion of the information contained in the consolidated financial statements and the group management report into the ESEF format and therefore relates neither to the information contained within these renderings nor to any other information contained in the file identified above.

In our opinion, the rendering of the consolidated financial statements and the group management report contained in the file identified above and prepared for publication purposes complies in all material respects with the requirements of Sec. 328 (1) HGB for the electronic reporting format. Beyond this assurance opinion and our audit opinions on the accompanying consolidated financial statements and the accompanying group management report for the fiscal year from 1 January to 31 December 2025 contained in the "Report on the audit of the consolidated financial statements and of the group management report" above, we do not express any assurance opinion on the information contained within these renderings or on the other information contained in the file identified above.

Basis for the opinion

We conducted our assurance work on the rendering of the consolidated financial statements and the group management report contained in the file identified above in accordance with Sec. 317 (3a) HGB and the IDW Assurance Standard: Assurance on the Electronic Rendering of Financial Statements and Management Reports Prepared for Publication Purposes in Accordance with Sec. 317 (3a) HGB (IDW AsS 410 (06.2022)). Our responsibility in accordance therewith is further described in the "Group auditor's responsibilities for the assurance work on the ESEF documents" section. Our audit firm applies the IDW Standard on Quality Management: Requirements for Quality Management in the Audit Firm (IDW QMS 1 (09.2022)).

Responsibilities of the executive directors and the Supervisory Board for the ESEF documents

The executive directors of the Company are responsible for the preparation of the ESEF documents including the electronic rendering of the consolidated financial statements and the group management report in accordance with Sec. 328 (1) Sentence 4 No. 1 HGB and for the tagging of the consolidated financial statements in accordance with Sec. 328 (1) Sentence 4 No. 2 HGB.

In addition, the executive directors of the Company are responsible for such internal control as they have determined necessary to enable the preparation of ESEF documents that are free from material intentional or unintentional non-compliance with the requirements of Sec. 328 (1) HGB for the electronic reporting format.

The Supervisory Board is responsible for overseeing the process for preparing the ESEF documents as part of the financial reporting process.

Group auditor's responsibilities for the assurance work on the ESEF documents

Our objective is to obtain reasonable assurance about whether the ESEF documents are free from material intentional or unintentional non-compliance with the requirements of Sec. 328 (1) HGB. We exercise professional judgment and maintain professional skepticism throughout the assurance work. We also:

- Identify and assess the risks of material intentional or unintentional non-compliance with the requirements of Sec. 328 (1) HGB, design and perform assurance procedures responsive to those risks, and obtain assurance evidence that is sufficient and appropriate to provide a basis for our assurance opinion.
- Obtain an understanding of internal control relevant to the assurance on the ESEF documents in order to design assurance procedures that are appropriate in the circumstances, but not for the purpose of expressing an assurance opinion on the effectiveness of these controls.
- Evaluate the technical validity of the ESEF documents, i.e., whether the file containing the ESEF documents meets the requirements of Commission Delegated Regulation (EU) 2019/815, in the version in force at the date of the financial statements, on the technical specification for this file.
- Evaluate whether the ESEF documents enable an XHTML rendering with content equivalent to the audited consolidated financial statements and to the audited group management report.
- Evaluate whether the tagging of the ESEF documents with Inline XBRL technology (iXBRL) in accordance with the requirements of Arts. 4 and 6 of Commission Delegated Regulation (EU) 2019/815, in the version in force at the date of the financial statements, enables an appropriate and complete machine-readable XBRL copy of the XHTML rendering.

FURTHER INFORMATION PURSUANT TO ART. 10 OF THE EU AUDIT REGULATION

We were elected as group auditor by the Annual General Meeting on 16 May 2025. We were engaged by the Supervisory Board on 30 June 2025. We have been the group auditor of VOLKSWAGEN AKTIENGESELLSCHAFT since fiscal year 2020.

We declare that the opinions expressed in this auditor's report are consistent with the additional report to the Audit Committee pursuant to Art. 11 of the EU Audit Regulation (long-form audit report).

OTHER MATTER – USE OF THE AUDITOR'S REPORT

Our auditor's report must always be read together with the audited consolidated financial statements and the audited group management report as well as the assured ESEF documents. The consolidated financial statements and the group management report converted to the ESEF format – including the versions to be published in the *Unternehmensregister* [German Company Register] – are merely electronic renderings of the audited consolidated financial statements and the audited group management report and do not take their place. In particular, the ESEF report and our assurance opinion contained therein are to be used solely together with the assured ESEF documents made available in electronic form.

GERMAN PUBLIC AUDITOR RESPONSIBLE FOR THE ENGAGEMENT

The German Public Auditor responsible for the engagement is Dr. Christian Janze.

Appendix to the auditor's report:

1. PARTS OF THE GROUP MANAGEMENT REPORT WHOSE CONTENT IS UNAUDITED

We have not audited the content of the following parts of the group management report:

- The Group Corporate Governance Declaration which is published on the website stated in the group management report and is part of the group management report.
- The "Sustainability Report" chapter.
- The disclosures extraneous to management reports contained in the "Report on Risks and Opportunities" chapter in the section entitled "Monitoring the effectiveness of the risk management system and the internal control system."

Disclosures extraneous to management reports are such disclosures that are not required pursuant to Secs. 315, 315a HGB or Secs. 315b to 315d HGB or GAS 20.

2. FURTHER OTHER INFORMATION

The other information also comprises other parts to be included in the annual report, of which we obtained a copy prior to issuing this auditor's report, in particular the sections:

- To our Shareholders
- Divisions
- Group Corporate Governance Declaration
- Remuneration Report
- Responsibility Statement; and
- Additional Information

but not the consolidated financial statements, not the group management report disclosures whose content is audited and not our auditor's report thereon.

3. COMPANY INFORMATION OUTSIDE OF THE ANNUAL REPORT REFERENCED IN THE GROUP MANAGEMENT REPORT

The group management report contains other cross-references to webpages of the Group. We have not audited the content of the information to which these cross-references refer.

Hanover, 6 March 2026

EY GmbH & Co. KG
Wirtschaftsprüfungsgesellschaft

Dr. Gaenslen	Dr. Janze
Wirtschaftsprüfer	Wirtschaftsprüfer
[German Public Auditor]	[German Public Auditor]

Assurance report of the independent German public auditor on a limited and reasonable assurance engagement in relation to the sustainability statement

To VOLKSWAGEN AKTIENGESELLSCHAFT, Wolfsburg

ASSURANCE CONCLUSION AND OPINION

We have conducted a limited assurance engagement on the sustainability statement included in the group management report of Volkswagen Aktiengesellschaft, Wolfsburg, for the fiscal year from 1 January 2025 to 31 December 2025, taking into account, as set forth in the subsequent paragraph, the reasonable assurance engagement on the disclosures on the EU Taxonomy included in the "EU Taxonomy" section as well as the tables included in "Climate Change" section titled "CO2 emissions over the entire life cycle (DCI)" containing the disclosures on the Decarbonization Index for the years 2024 and 2025 ("DCI") and on the values of the Base Year Recalculation of the DCI for the years 2020 to 2024 ("BYR") (hereinafter collectively the disclosures on the EU Taxonomy as well as on DCI and BYR") . The sustainability statement was prepared to fulfill the requirements of Directive (EU) 2022/2464 of the European Parliament and of the Council of 14 December 2022 (Corporate Sustainability Reporting Directive, CSRD) and Art. 8 of Regulation (EU) 2020/852 as well as Secs. 289b to 289e and Secs. 315b and 315c HGB ["Handelsgesetzbuch": German Commercial Code] for a group non-financial statement which is combined with the parent company's nonfinancial statement.

Based on the particular engagement, we have conducted a reasonable assurance engagement on the disclosures on the EU Taxonomy as well as on DCI and BYR included in the sustainability statement. A reasonable assurance engagement on these disclosures fulfills the requirements for a limited assurance engagement and, in accordance with Recital 60 to the CSRD, thereby complies with the requirements of the CSRD relating to assurance of the sustainability statement.

Based on the procedures performed and the evidence obtained as part of our limited assurance engagement, nothing has come to our attention that causes us to believe that the accompanying sustainability statement, taking into account the disclosures on the EU Taxonomy as well as on DCI and BYR included in the sustainability statement and subject to a reasonable assurance engagement, is not prepared, in all material respects, in accordance with the requirements of the CSRD and Art. 8 of Regulation (EU) 2020/852, Secs. 289b to 289e and Secs. 315b and 315c HGB for a group nonfinancial statement which is combined with the parent company's nonfinancial statement and the supplementary criteria presented by the executive directors of the Company. This assurance conclusion includes that nothing has come to our attention that causes us to believe that:

- The accompanying sustainability statement does not comply, in all material respects, with the European Sustainability Reporting Standards (ESRS), including that the process carried out by the Company to identify information to be included in the sustainability statement (the materiality assessment) is not, in all material respects, in accordance with the description set out in "General information (ESRS 2)" section of the sustainability statement, or
- The disclosures on the EU Taxonomy included in the "EU Taxonomy" section of the sustainability statement do not comply, in all material respects, with Art. 8 of Regulation (EU) 2020/852.

In our opinion, on the basis of our reasonable assurance engagement, the disclosures on the EU Taxonomy as well as on DCI and BYR included in the sustainability statement were prepared, in all material respects, in accordance with the requirements applicable to these disclosures and the supplementary criteria presented by the executive directors of the Company.

BASIS FOR THE ASSURANCE CONCLUSION AND OPINION

We conducted our assurance engagement in accordance with International Standard on Assurance Engagements (ISAE) 3000 (Revised): Assurance Engagements Other Than Audits or Reviews of Historical Financial Information issued by the International Auditing and Assurance Standards Board (IAASB).

The procedures in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

Our responsibilities under ISAE 3000 (Revised) are further described in the section "German public auditor's responsibilities for the assurance engagement on the sustainability statement."

We are independent of the Company in accordance with the requirements of European law and German commercial and professional law, and we have fulfilled our other German professional responsibilities in accordance with these requirements. Our audit firm has applied the requirements for a system of quality control as set forth in the IDW Quality Management Standard issued by the Institut der Wirtschaftsprüfer [Institute of Public Auditors in Germany] (IDW): Requirements for Quality Management in the Audit Firm (IDW QMS 1 (09.2022)) and International Standard on Quality Management (ISQM) 1 issued by the IAASB. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our assurance conclusion and opinion.

RESPONSIBILITIES OF THE EXECUTIVE DIRECTORS AND THE SUPERVISORY BOARD FOR THE SUSTAINABILITY STATEMENT

The executive directors are responsible for the preparation of the sustainability statement in accordance with the requirements of the CSRD and the applicable German legal and other European requirements as well as with the supplementary criteria presented by the executive directors of the Company and for designing, implementing and maintaining such internal control that they have considered necessary to enable the preparation of a sustainability statement in accordance with these requirements that is free from material misstatement, whether due to fraud (i.e., fraudulent sustainability reporting in the sustainability statement) or error.

This responsibility of the executive directors includes establishing and maintaining the materiality assessment process, selecting and applying appropriate reporting policies for preparing the sustainability statement, as well as making assumptions and estimates and ascertaining forward-looking information for individual sustainability-related disclosures.

The Supervisory Board is responsible for overseeing the process for the preparation of the sustainability statement.

INHERENT LIMITATIONS IN PREPARING THE SUSTAINABILITY STATEMENT

The CSRD and the applicable German legal and other European requirements contain wording and terms that are subject to considerable interpretation uncertainties and for which no authoritative, comprehensive interpretations have yet been published. Therefore, the executive directors have disclosed their interpretations of such wording and terms in "EU Taxonomy" section of the sustainability statement. The executive directors are responsible for the reasonableness of these interpretations. As such wording and terms may be interpreted differently by regulators or courts, the legality of measurements or evaluations of sustainability matters based on these interpretations is uncertain.

These inherent limitations also affect the assurance engagement on the sustainability statement.

GERMAN PUBLIC AUDITOR'S RESPONSIBILITIES FOR THE ASSURANCE ENGAGEMENT ON THE SUSTAINABILITY STATEMENT

Our objectives are

a) to express a limited assurance conclusion, based on the assurance engagement we have conducted, on whether any matters have come to our attention that cause us to believe that the accompanying sustainability statement, taking into account the disclosures on the EU Taxonomy as well as on DCI and BYR included in the sustainability statement, has not been prepared, in all material respects, in accordance with the CSRD, the applicable German legal and other European requirements and the supplementary criteria presented by the Company's executive directors, and to issue an assurance report that includes our assurance conclusion on the sustainability statement, taking into account the disclosures on the EU Taxonomy as well as on DCI and BYR included in the sustainability statement, which were subject to a reasonable assurance engagement.

b) to express a reasonable assurance opinion, based on the assurance engagement we have conducted, on whether the disclosures on the EU Taxonomy as well as on DCI and BYR included in the sustainability statement are prepared, in all material respects, in accordance with the requirements applicable to these disclosures and the supplementary criteria presented by the executive directors of the Company.

As part of an assurance engagement in accordance with ISAE 3000 (Revised), we exercise professional judgment and maintain professional skepticism. We also:

a) For the limited assurance engagement

- Obtain an understanding of the process used to prepare the sustainability statement, including the materiality assessment process carried out by the Company to identify the disclosures to be reported in the sustainability statement.
- Identify disclosures where a material misstatement due to fraud or error is likely to arise, design and perform procedures to address these disclosures and obtain limited assurance to support the assurance conclusion. The risk of not detecting a material misstatement resulting from fraud is higher than the risk of not detecting a material misstatement resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control. In addition, the risk of not detecting a material misstatement in information obtained from sources in the value chain not within the Company's control (value chain information) is ordinarily higher than the risk of not detecting a material misstatement in information obtained from sources within the Company's control, as both the Company's executive directors and we as practitioners are ordinarily subject to restrictions on direct access to the sources of the value chain information.
- Consider the forward-looking information, including the appropriateness of the underlying assumptions. There is a substantial unavoidable risk that future events will differ materially from the forward-looking information.

b) For the reasonable assurance engagement

- perform risk assessment procedures, including obtaining an understanding of the internal controls that are relevant to the assurance engagement on the disclosures on the EU Taxonomy as well as on DKI and BYR included in the sustainability statement in order to identify and assess the risks of material misstatement at the assertion level due to fraud or error, but not for the purpose of expressing an assurance opinion on the effectiveness of these internal controls of the Company. The risk of not detecting a material misstatement resulting from fraud is higher than the risk of not detecting a material misstatement resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control. In addition, the risk of not detecting a material misstatement in information obtained from sources in the value chain not within the Company's control (value chain information) is ordinarily higher than the risk of not detecting a material misstatement in information obtained from sources within the Company's control, as both the Company's executive directors and we as practitioners are ordinarily subject to restrictions on direct access to the sources of the value chain information.
- Evaluate the appropriate derivation of the forward-looking disclosures from the significant assumptions and the appropriateness of these assumptions. We do not express a separate assurance opinion either on the forward-looking disclosures nor on the assumptions on which they are based. There is a substantial unavoidable risk that future events will differ materially from the forward-looking disclosures.

SUMMARY OF THE PROCEDURES PERFORMED FOR THE LIMITED ASSURANCE ENGAGEMENT BY THE GERMAN PUBLIC AUDITOR

A limited assurance engagement involves the performance of procedures to obtain evidence about the sustainability information. The nature, timing and extent of the selected procedures are subject to our professional judgment.

In performing our limited assurance engagement, we:

- Gained an understanding of the structure of the sustainability organization and stakeholder engagement
- Obtained an understanding of the process used to prepare the subject matter, including the materiality assessment process carried out by the Company to identify the disclosures to be reported, and about the internal controls relating to this process.
- Evaluated the suitability of the criteria as a whole presented by the executive directors in the sustainability statement.
- Inquired of the executive directors and relevant management personnel involved in the preparation of the sustainability statement about the preparation process, including the materiality assessment process carried out by the Company to identify the disclosures to be reported in the sustainability statement, and about the internal controls relating to this process.
- Inquired of the executive directors and relevant management personnel responsible for data capture and consolidation as well as the preparation of the subject matter, to evaluate the reporting system, the data capture and compilation methods as well as internal controls to the extent relevant for the assurance of the disclosures in the subject matter.
- Evaluated the reporting policies used by the executive directors to prepare the sustainability statement.
- Evaluated the reasonableness of the estimates and related information provided by the executive directors. If, in accordance with the ESRS, the executive directors estimate the value chain information to be reported for a case in which the executive directors are unable to obtain the information from the value chain despite making reasonable efforts, our assurance engagement is limited to evaluating whether the executive directors have undertaken these estimates in accordance with the ESRS and assessing the reasonableness of these estimates, but does not include identifying information in the value chain that the executive directors were unable to obtain.
- Inspected relevant documentation on the systems and processes for the collection, aggregation and validation of data in the relevant areas during the reporting period.
- Performed selective testing and obtained evidence relating to the collection and reporting of selected disclosures in the subject matter.
- Considered the implementation of key management requirements, processes and data collection requirements through site visits to selected locations of Volkswagen AG.
- Performed analytical procedures and made inquiries in relation to selected information in the sustainability statement.
- Compared selected disclosures with the corresponding disclosures in the group management report of Volkswagen AG, Wolfsburg.
- Considered the presentation of the information in the sustainability statement.
- Considered the process for identifying taxonomy-eligible and taxonomy-aligned economic activities and the corresponding disclosures in the sustainability statement.
- Considered the existence of the CO2 compensation certificates but not their effectiveness.

RESTRICTION OF USE

We draw attention to the fact that the assurance engagement was conducted for the Company's purposes and that the assurance report is intended solely to inform the Company about the result of the assurance engagement. As a result, it may not be suitable for another purpose than the aforementioned. Accordingly, the assurance report is not intended to be used by third parties for making (financial) decisions based on it. Our responsibility is to the Company alone. We do not accept any responsibility to third parties. Our assurance conclusion is not modified in this respect.

GENERAL ENGAGEMENT TERMS AND LIABILITY

The "General Engagement Terms for Wirtschaftsprüferinnen, Wirtschaftsprüfer and Wirtschaftsprüfungsgesellschaften [German Public Auditors and Public Audit Firms]" dated 1 January 2024 are applicable to this engagement and also govern our relations with third parties in the context of this engagement (https://www.ey.com/content/dam/ey-unified-site/ey-com/de-de/legal/documents/ey-idw-aab-en-2024.pdf).

In addition, please refer to the liability provisions contained there in no. 9 and to the exclusion of liability towards third parties. We accept no responsibility, liability or other obligations towards third parties unless we have concluded a written agreement to the contrary with the respective third party or liability cannot effectively be precluded.

We make express reference to the fact that we will not update the assurance report to reflect events or circumstances arising after it was issued, unless required to do so by law. It is the sole responsibility of anyone taking note of the summarized result of our work contained in this report to decide whether and in what way this result is useful or suitable for their purposes and to supplement, verify or update it by means of their own review procedures.

Hanover, 6 March 2026

EY GmbH & Co. KG
Wirtschaftsprüfungsgesellschaft

Dr. Janze
Wirtschaftsprüfer
[German Public Auditor]

Hinderer
Wirtschaftsprüfer
[German Public Auditor]

Independent auditor's report

To VOLKSWAGEN AKTIENGESELLSCHAFT

We have audited the attached remuneration report of VOLKSWAGEN AKTIENGESELLSCHAFT, Wolfsburg, prepared to comply with Sec. 162 AktG ["Aktiengesetz": German Stock Corporation Act] for the fiscal year from 1 January to 31 December 2025 and the related disclosures. We have not audited the content of the disclosures on appropriateness and market alignment in section "1. Principles of Board of Management remuneration" of the remuneration report where they go beyond the scope of Sec. 162 AktG.

RESPONSIBILITIES OF THE EXECUTIVE DIRECTORS AND THE SUPERVISORY BOARD

The executive directors and the Supervisory Board of VOLKSWAGEN AKTIENGESELLSCHAFT are responsible for the preparation of the remuneration report and the related disclosures in compliance with the requirements of Sec. 162 AktG. In addition, the executive directors and the Supervisory Board are responsible for such internal control as they determine is necessary to enable the preparation of a remuneration report and the related disclosures that are free from material misstatement, whether due to fraud (i.e., fraudulent financial reporting and misappropriation of assets) or error.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on this remuneration report and the related disclosures based on our audit. We conducted our audit in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer [Institute of Public Auditors in Germany] (IDW). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the remuneration report and the related disclosures are free from material misstatement, whether due to fraud or error.

An audit involves performing procedures to obtain audit evidence about the amounts in the remuneration report and the related disclosures. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the remuneration report and the related disclosures, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the preparation of the remuneration report and the related disclosures in order to plan and perform audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the accounting policies used and the reasonableness of accounting estimates made by the executive directors and the Supervisory Board, as well as evaluating the overall presentation of the remuneration report and the related disclosures.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

OPINION

In our opinion, on the basis of the knowledge obtained in the audit, the remuneration report for the fiscal year from 1 January to 31 December 2025 and the related disclosures comply, in all material respects, with the financial reporting provisions of Sec. 162 AktG. We do not express an opinion on the content of the abovementioned disclosures of the remuneration report that go beyond the scope of Sec. 162 AktG.

OTHER MATTER – FORMAL AUDIT OF THE REMUNERATION REPORT

The audit of the content of the remuneration report described in this auditor's report comprises the formal audit of the remuneration report required by Sec. 162 (3) AktG and the issue of a report on this audit. As we are issuing an unqualified opinion on the audit of the content of the remuneration report, this also includes the opinion that the disclosures pursuant to Sec. 162 (1) and (2) AktG are made in the remuneration report in all material respects.

Hanover, 6 March 2026

EY GmbH & Co. KG
Wirtschaftsprüfungsgesellschaft

Dr. Gaenslen
Wirtschaftsprüfer
[German Public Auditor]

Dr. Janze
Wirtschaftsprüfer
[German Public Auditor]

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Five-Year Review

	2025	2024	2023[1]	2022[2]	2021
Volume Data (thousands)					
Vehicle sales (units)	**9,022**	**9,037**	**9,362**	**8,481**	**8,576**
Germany	1,220	1,195	1,178	1,005	973
Abroad	7,802	7,842	8,184	7,476	7,603
Production (units)	**8,866**	**8,954**	**9,309**	**8,717**	**8,283**
Germany	1,789	1,686	1,914	1,648	1,483
Abroad	7,077	7,267	7,395	7,069	6,800
Employees (yearly average)	**667**	**683**	**676**	**669**	**668**
Germany	287	295	293	289	294
Abroad	381	388	383	380	373
Financial Data (in € million)					
Income Statement					
Sales revenue	**321,913**	**324,656**	**322,284**	**279,050**	**250,200**
Cost of sales	–270,671	–265,184	–261,299	–226,866	–202,959
Gross profit	**51,243**	**59,472**	**60,985**	**52,184**	**47,241**
Distribution expenses	–22,804	–22,320	–21,345	–19,840	–19,228
Administrative expenses	–12,541	–12,754	–12,729	–11,655	–10,420
Net other operating result	–7,029	–5,338	–4,382	1,421	1,682
Operating result	**8,868**	**19,060**	**22,528**	**22,109**	**19,275**
Financial result	439	–2,255	570	–40	851
Earnings before tax	**9,307**	**16,806**	**23,099**	**22,070**	**20,126**
Income tax expense	–2,403	–4,411	–5,237	–6,217	–4,698
Earnings after tax	**6,904**	**12,394**	**17,861**	**15,852**	**15,428**
Personnel expenses	**49,080**	**49,786**	**49,755**	**47,002**	**43,677**
Balance Sheet (at December 31)					
Non-current assets	396,602	387,674	361,005	339,853	328,261
Current assets	247,865	245,231	239,644	224,159	200,347
Total assets	**644,467**	**632,905**	**600,649**	**564,013**	**528,609**
Equity	203,054	196,731	189,186	178,328	146,154
of which: noncontrolling interests	14,777	14,437	14,218	12,952	1,705
Non-current liabilities	214,887	219,134	205,427	202,961	218,062
Current liabilities	226,525	217,039	206,036	182,723	164,393
Total equity and liabilities	**644,467**	**632,905**	**600,649**	**564,013**	**528,609**
Cash flows from operating activities	**15,009**	**17,151**	**19,356**	**28,496**	**38,633**
Cash flows from investing activities attributable to operating activities	**25,060**	**28,853**	**28,031**	**25,454**	**24,181**
Cash flows from financing activities	**11,918**	**11,140**	**16,008**	**4,225**	**–7,754**

1 The year 2023 was adjusted.
2 The year 2022 was adjusted.

Financial Key Performance Indicators

%	2025	2024	2023[1]	2022[2]	2021
Volkswagen Group					
Gross margin	15.9	18.3	18.9	18.7	18.9
Personnel expense ratio	15.2	15.3	15.4	16.8	17.5
Operating return on sales	2.8	5.9	7.0	7.9	7.7
Return on sales before tax	2.9	5.2	7.2	7.9	8.0
Return on sales after tax	2.1	3.8	5.5	5.7	6.2
Equity ratio	31.5	31.1	31.5	31.6	27.6
Automotive Division[3]					
Change in unit sales year-on-year[4]	–0.2	–3.5	+10.4	–1.1	–6.3
Change in sales revenue year-on-year	–0.1	–1.2	+15.4	+12.7	+13.3
Operating return on sales	1.8	5.6	7.0	7.1	6.4
EBITDA (in € million)[5]	32,102	37,967	36,472	37,325	31,609
Return on investment (ROI)[6]	4.8	9.9	12.3	12.0	10.4
Cash flows from operating activities as a percentage of sales revenue	10.8	11.8	14.1	12.9	15.7
Cash flows from investing activities attributable to operating activities as a percentage of sales revenue	8.6	10.0	10.1	10.8	11.5
Net liquidity as a percentage of sales revenue	10.7	10.6	12.5	15.4	10.7
Ratio of capex to sales revenue in %	5.1	5.8	5.4	5.5	5.1
Research and development costs as a percentage of sales revenue	6.7	7.2	8.1	8.1	7.6
Automotive investment ratio	11.8	13.0	13.5	13.6	12.6
Cash conversion rate	122.1	31.8	57.1	29.2	65.1
Equity ratio	43.0	41.7	47.5	45.1	40.1
Financial Services Division					
Increase in total assets[7]	+2.9	+6.2	+12.0	+2.6	+5.6
Return on equity before tax[8]	7.4	6.8	8.8	14.1	17.3
Equity ratio	14.2	14.4	14.8	16.1	14.5

1 The year 2023 was adjusted.
2 The year 2022 was adjusted.
3 Since 2024 the figures reflect the adjusted reporting structure.
4 Including the equity-accounted Chinese joint ventures.
5 Operating result plus net depreciation/amortization and impairment losses/reversals of impairment as reported in the cash flow statement.
6 For details, see the section entitled "Return on investment (ROI)" in the chapter entitled "Results of Operations, Financial Position and Net Assets".
7 The year 2024 was adjusted.
8 Earnings before tax as a percentage of average equity.

Glossary

Selected terms at a glance

End-to-end electronics architecture
A scalable platform developed by CARIAD for secure and rapid processing of data in the digitally connected vehicle. This platform improves communication between the vehicle and the cloud, thereby enhancing vehicle performance.

Hybrid drive
Drive combining two different types of engine and energy storage systems (usually an internal combustion engine and an electric motor).

Hybrid notes
Hybrid notes issued by Volkswagen are classified in their entirety as equity. The issuer has call options at defined dates during their perpetual maturities. They pay a fixed coupon until the first possible call date, followed by a variable rate depending on their terms and conditions.

Liquefied Natural Gas (LNG)
LNG is needed so that natural gas engines can be used in long-distance trucks and buses, since this is the only way of achieving the required energy density.

Modular Electric Drive Toolkit (MEB)
The modular system is for the manufacturing of electric vehicles. The MEB establishes parameters for axles, drive systems, high-voltage batteries, wheelbases and weight ratios to ensure a vehicle optimally fulfills the requirements of e-mobility. The production of the first vehicles based on the MEB started into series production in 2020.

Modular Transverse Toolkit (MQB)
As an extension of the modular strategy, this platform can be deployed in vehicles whose architecture permits a transverse arrangement of the engine components. The modular perspective enables high synergies to be achieved between the vehicles in the Volkswagen Passenger Cars, Volkswagen Commercial Vehicles, Audi, SEAT and Škoda brands.

Net carbon neutrality
Net carbon neutrality will be achieved if anthropogenic CO_2 (carbon dioxide) emissions are offset globally through avoidance, reduction and compensation over a specified period of time. This encompasses all other relevant greenhouse gases as well. Avoidance and reduction of such gases is a priority for the Volkswagen Group.

Plug-in hybrid
Performance levels of hybrid vehicles. Plug-in hybrid electric vehicles (PHEVs) have a larger battery with a correspondingly higher capacity that can be charged via the combustion engine, the brake system, or an electrical outlet. This increases the range of the vehicle.

Premium Platform Electric (PPE)
A new vehicle platform for all-electric premium, sport and luxury class vehicles. The components and functions of this platform are especially tailored to meet the high demands of this segment. This platform enables high synergies to be achieved particularly between the Audi, Porsche and Bentley brands.

Rating
Systematic assessment of companies in terms of their credit quality. Ratings are expressed by means of rating classes, which are defined differently by the individual rating agencies.

Scalable Systems Platform (SSP)
The Scalable Systems Platform (SSP) is a future-oriented and industry-leading mechatronics platform for all-electric and fully digitalized vehicles based on a standardized software architecture. Innovative technologies and scalability enable high synergies from the smallest vehicles all the way up to the premium segment with the necessary differentiation between the brand groups Volume, Premium and Sport & Luxury, while at the same time enabling low investment requirements.

Software Defined Vehicles (SDV)
Vehicles designed and developed with a focus on software. Highly digitalized with high-performance computers and modern, embedded computer systems. Their functions can be centrally controlled and updated and extended over the vehicle's life. Their software docks flexibly with all kinds of hardware – from control units to sensors such as cameras and lidar. SDVs are considered the basis for safe, intelligently communicating vehicle fleets, a new customer experience in infotainment and highly automated driving functions.

Test procedure
Levels of fuel consumption and exhaust gas emissions for vehicles registered in Europe were previously measured on a chassis dynamometer with the help of the "New European Driving Cycle (NEDC)". Since fall 2017, the existing test procedure for emissions and fuel consumption used in the EU is being gradually replaced by the Worldwide Harmonized Light Vehicles Test Procedure (WLTP). This has been in place for new vehicle types since fall 2017 and for all new vehicles since fall 2018. The aim of this new test cycle is to state CO_2 emissions and fuel consumption in a more practice-oriented manner. A further important European regulation is the Real Driving Emissions (RDE) for passenger cars and light commercial vehicles, which also monitors emissions using portable emission measuring technology in real road traffic.

Turntable concept
Concept of flexible manufacturing enabling the production of different models in variable daily volumes within a single plant, as well as offering the facility to vary daily production volumes of one model between two or more plants.

Vehicle-Lifetime-Value
The value a vehicle generates for the Volkswagen Group including the dealer organization over its entire life cycle, starting with income from the sale, through income during the operational life, up to the recycling at the end of the vehicle life cycle.

Vocational groups
For example, electronics, logistics, marketing, or finance. A new teaching and learning culture is gradually being established by promoting training in the vocational groups. The specialists are actively involved in the teaching process by passing on their skills and knowledge to their colleagues.

Zero-Emissions Vehicle (ZEV)
Vehicles that operate without exhibiting any harmful emissions from combustion gases. Examples of zero-emissions vehicles include purely battery-powered electric vehicles (BEV) or fuel cell vehicles.

Capitalization ratio
The capitalization ratio is defined as the ratio of capitalized development costs to total research and development costs in the Automotive Division. It shows the proportion of primary research and development costs subject to capitalization.

Cash Conversion Rate
The cash conversion rate is the ratio of net cash flow to the operating result in the Automotive Division. It shows the relationship between excess funds and operating profit.

Distribution ratio
The distribution ratio is the ratio of total dividends attributable to ordinary and preferred shares to earnings after tax attributable to the shareholders of Volkswagen AG. The distribution ratio provides information on how earnings are distributed.

Dividend yield
The dividend yield is the ratio of the dividend for the reporting year to the closing price per share class on the last trading day of the reporting year; it represents the interest rate earned per share. The dividend yield is used in particular for measuring and comparing shares.

Equity ratio
The equity ratio measures the percentage of total assets attributable to shareholders' equity as of a reporting date. This ratio indicates the stability and financial strength of the company and shows the degree of financial independence.

Gross margin
Gross margin is the percentage of sales revenue attributable to gross profit in a period. Gross margin provides information on profitability net of cost of sales.

Price-earnings ratio
The price-earnings ratio is calculated by dividing the share price per share class at the end of the year by the earnings per share. It reflects a company's profitability per share; a comparison over several years shows how its performance has developed over time.

Return on equity before tax
The return on equity shows the ratio of profit before tax to average shareholders' equity of a period, expressed as a percentage. It reflects the company's profitability per share and indicates the interest rate earned on equity.

Return on sales before tax
The return on sales is the ratio of profit before tax to sales revenue in a period, expressed as a percentage. It shows the level of profit generated for each unit of sales revenue. The return on sales provides information on the profitability of all business activities before deducting income tax expense.

Tax rate
The tax rate is the ratio of income tax expense to profit before tax, expressed in percent. It shows what percentage of the profit generated has to be paid over as tax.

Scheduled Dates 2026

→ March 10

Volkswagen AG Annual Media Conference and Investor Conference

→ April 30

Interim Report January – March 2026

→ June 18

Volkswagen AG Annual General Meeting

→ July 24

Half-Yearly Financial Report 2026

→ October 29

Interim Report January – September 2026



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