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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.

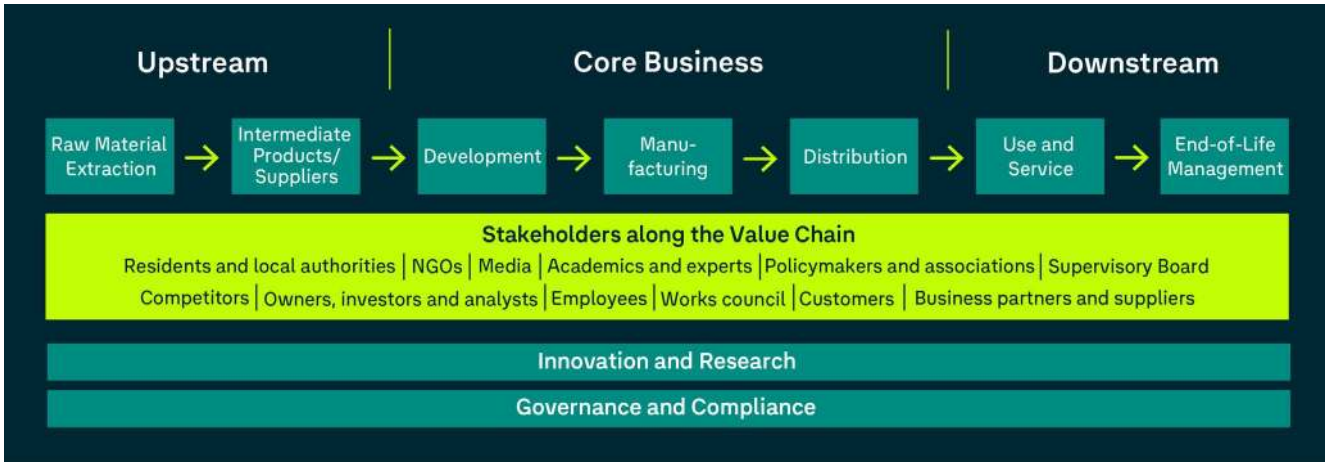
BUSINESS MODEL, VALUE CHAIN AND STRATEGY

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.

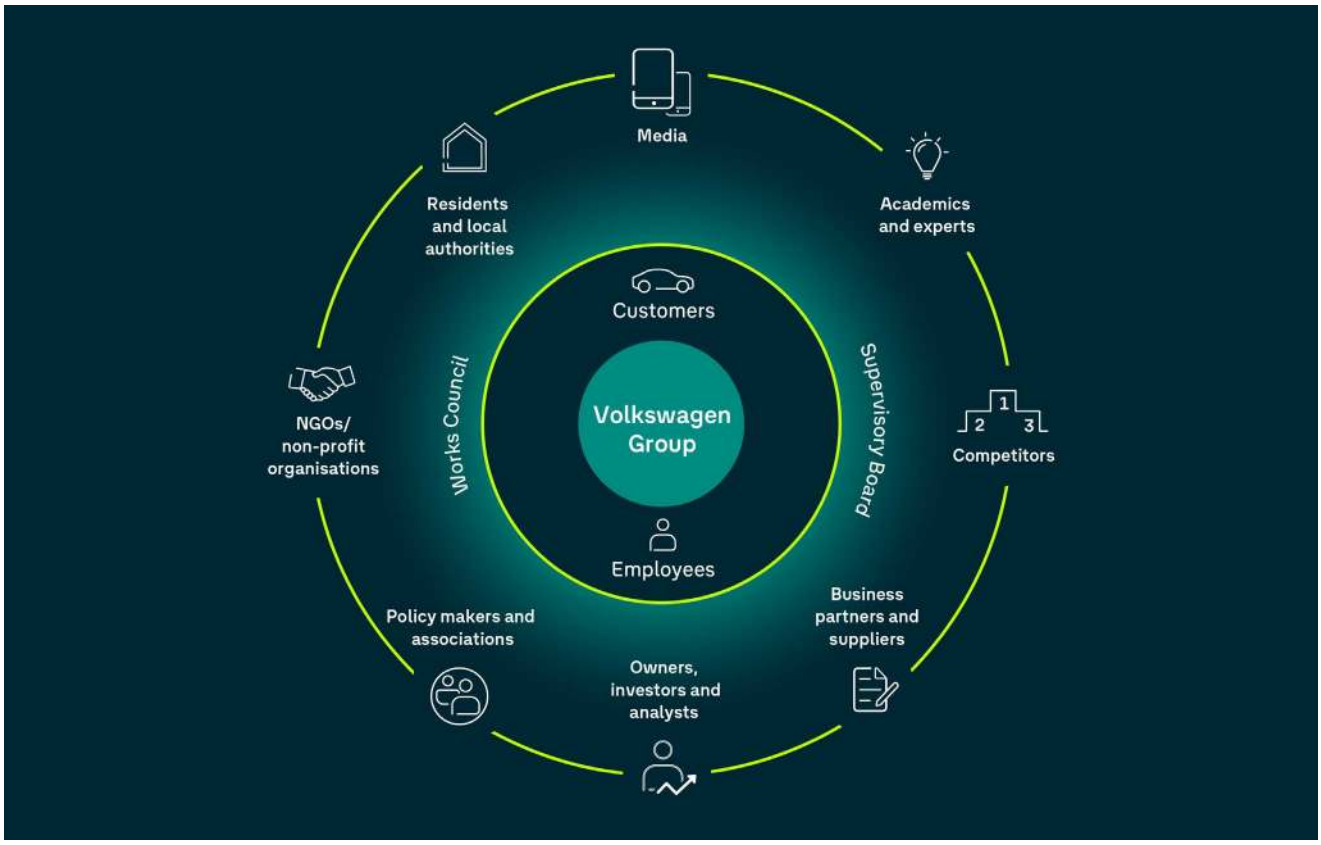
Financing: The Volkswagen Group is strengthening and intensifying its sustainable financing.

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-

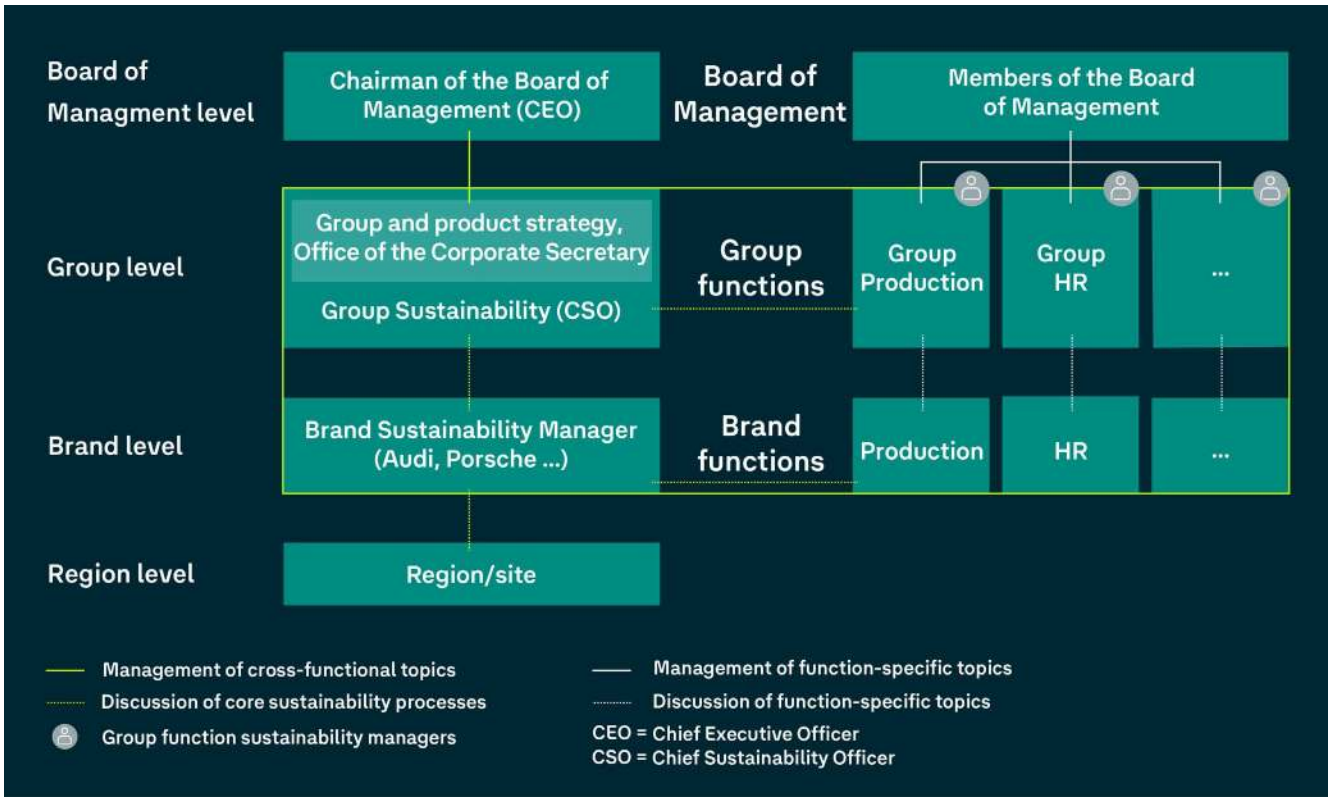
nies is structured via clearly defined core processes. The objective is to create transparency regarding external requirements and to translate these requirements into corporate action with the aim of continually improving the Group's sustainability performance.

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.

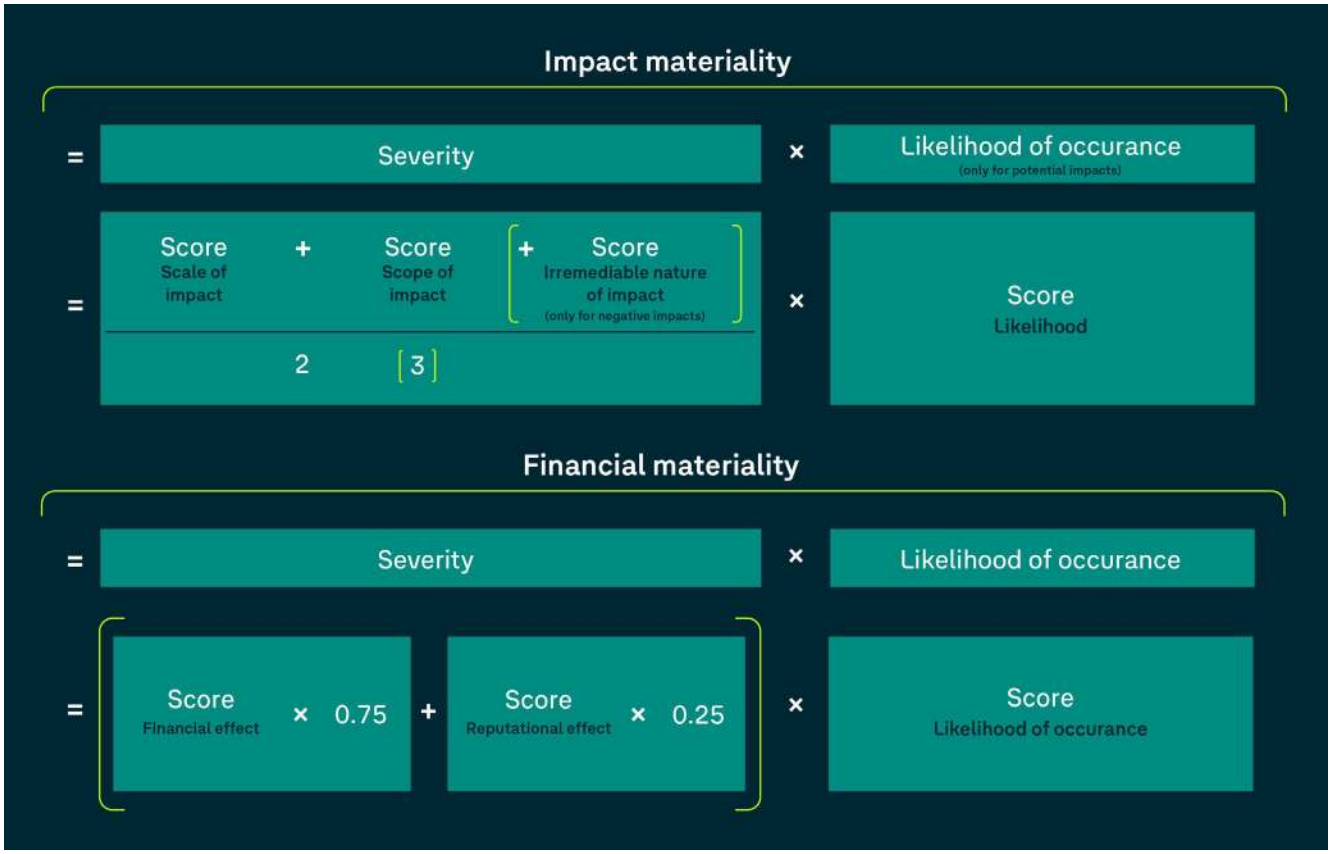
The score for the likelihood of occurrence increases as the probability increases until it reaches the highest score of 10 for a likelihood of more than 90% in the period under review. For the criterion of financial effect, the score rises in line with the scale of the loss; the highest score of 10 is 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	Corporate Culture	Positive Impact	Actual Impact	Own Operation	
G1: Business Conduct	Protection of Whistleblowers	Positive Impact	Actual Impact	Own Operation	
			Potential Impact	Own Operation	Medium-term Time Horizon (1–5 years)
	Political Engagement and Lobbying Activities	Positive Impact	Actual Impact	Own Operation	
		Risk		Own Operation	Long-term Time Horizon (> 5 years)
	Management of Relationships with Suppliers	Positive Impact	Actual Impact	Upstream Value Chain	
			Potential Impact	Upstream Value Chain	Long-term Time Horizon (> 5 years)
	Prevention of Corruption and Bribery	Positive Impact	Actual Impact	Own Operation	
			Potential Impact	Own Operation	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)

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 objecttives (see illustration).

Protecting the climate

We are committed to the Paris Climate Agreement and align our activities with the 1.5° target.
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 want to be a net carbon-neutral company by 2050 at the latest.

Conserving resources

We reduce the volumes of primary raw materials needed by using recycled material and renewable raw materials. We maximize our energy and resource efficiency and establish closed loops for materials and water.
Together with our business partners we cut down on the amount of natural resources utilized throughout our supply chain.

Conserving ecosystems

We reduce harmful emissions in air, soil and water.
We mitigate the impact of our business operations on biodiversity and ecosystem performance and support projects to conserve these.

Ensuring environmental compliance

Where integrity and compliance are concerned, we aim to be a role model for a modern, transparent, successful enterprise.
We use effective environmental compliance management systems to identify and manage environmental risks and opportunities throughout the lifetime of our mobility solutions.
We conduct open dialogue with our stakeholders and incorporate their expectations into our decisions.

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.

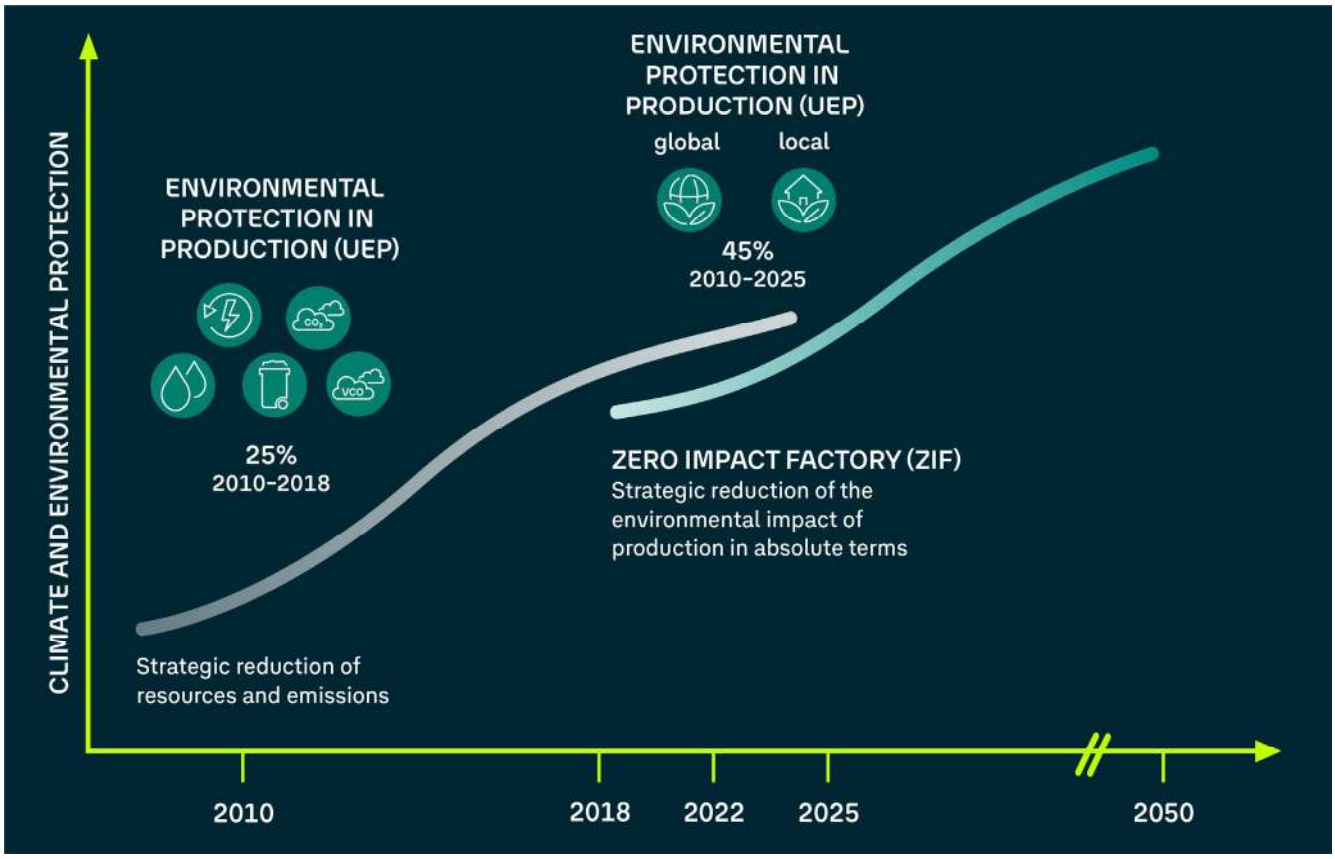
Reduction of absolute environmental impact of production

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.

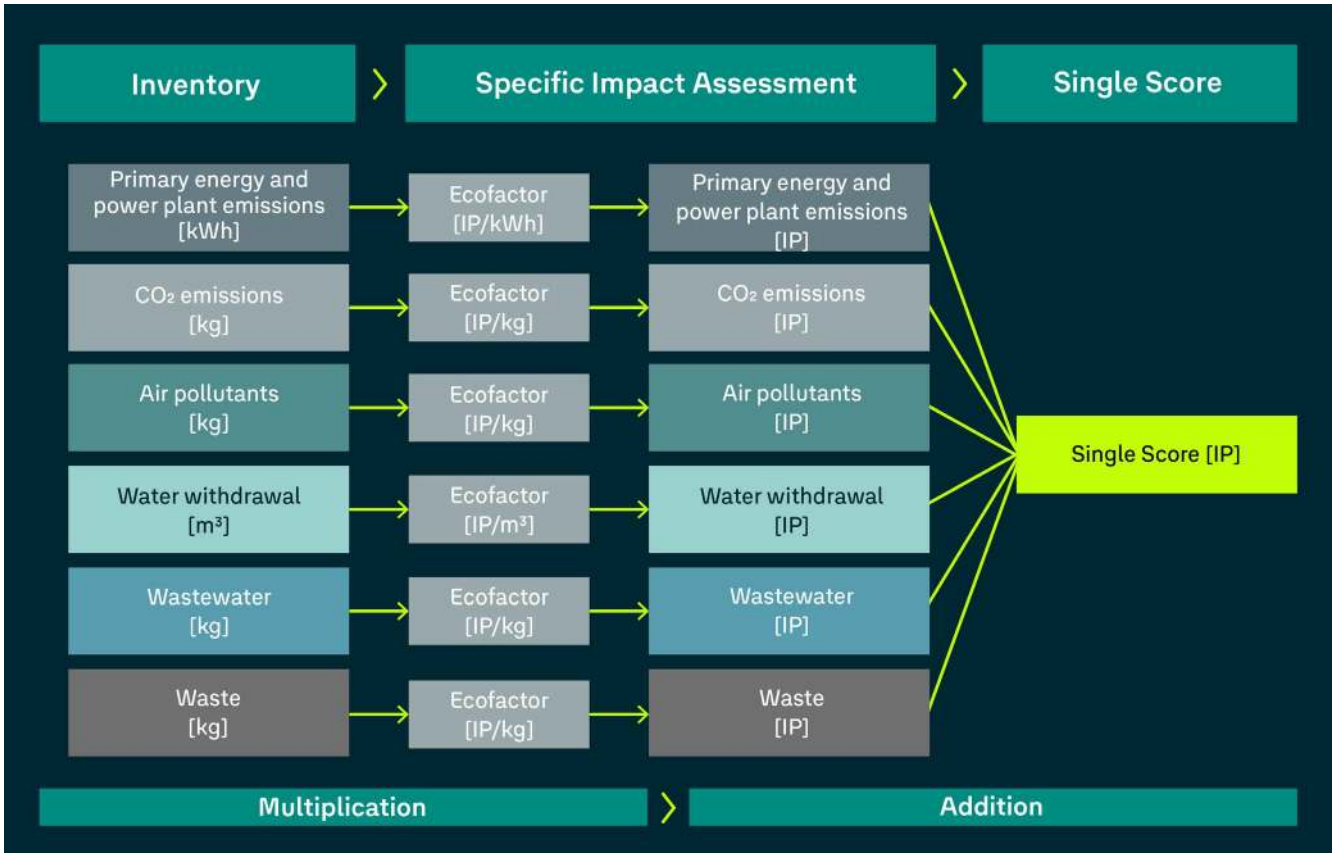


The Impact Points method was developed in close cooperation with partners from the scientific community, primarily the Technical University Berlin, and published in two scientific papers. These are publicly available at https://www.sciencedirect.com/science/article/abs/pii/S0959652622052209 and https://www.mdpi.com/2071-1050/16/7/3011. 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.	⊖	⌛	▶▶▶	

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 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.

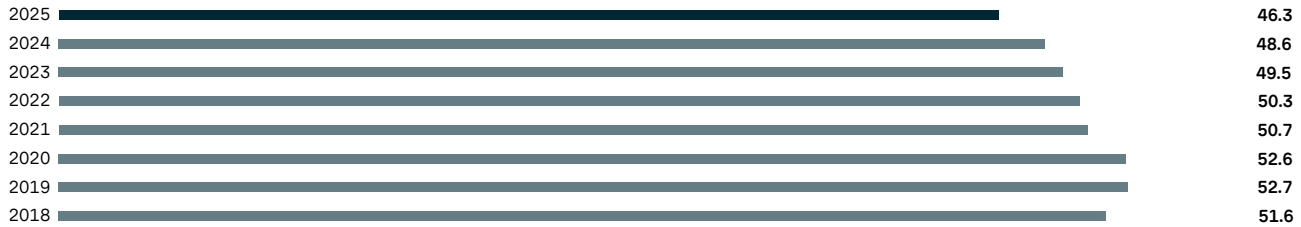
Based on the recalculation described in the above list, the chart below shows homogenized performance of the DCI since 2018 in terms of the data basis and calculation method. The DCI values for 2018 and 2019 were calculated using a simplified method based on Scope 3 GHG emissions. The values for the 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 Volkswagen Group	2025 Companies with operational control	2024 Volkswagen Group	2024 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.				

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

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.	Negative Impact	Actual Impact	Upstream Value Chain	
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.		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 | 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 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
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 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.				

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 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 m^3). 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 m^3). 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 m^3 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 m^3	7.5	4.9	7.7	5.0
In areas at water risk	in million m^3	2.8	3.0	2.6	3.1
Water intensity[1]	liter/€	0.02	-	0.02	-
Water withdrawals					
Total water withdrawals[2]	in million m^3	19.9	11.6	21.2	13.2
In areas at water risk[2, 3]	in million m^3	4.5	8.5	4.4	10.2
Wastewater discharge					
Total wastewater discharge[2]	in million m^3	12.1	6.7	13.9	8.2
In areas at water risk[2, 3]	in million m^3	1.9	5.5	2.0	7.1
Reused water					
Total reused water	in million m^3	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	Own Operation	
		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	Downstream Value Chain	Long-term Time Horizon (> 5 years)
		Potential Impact	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)

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.

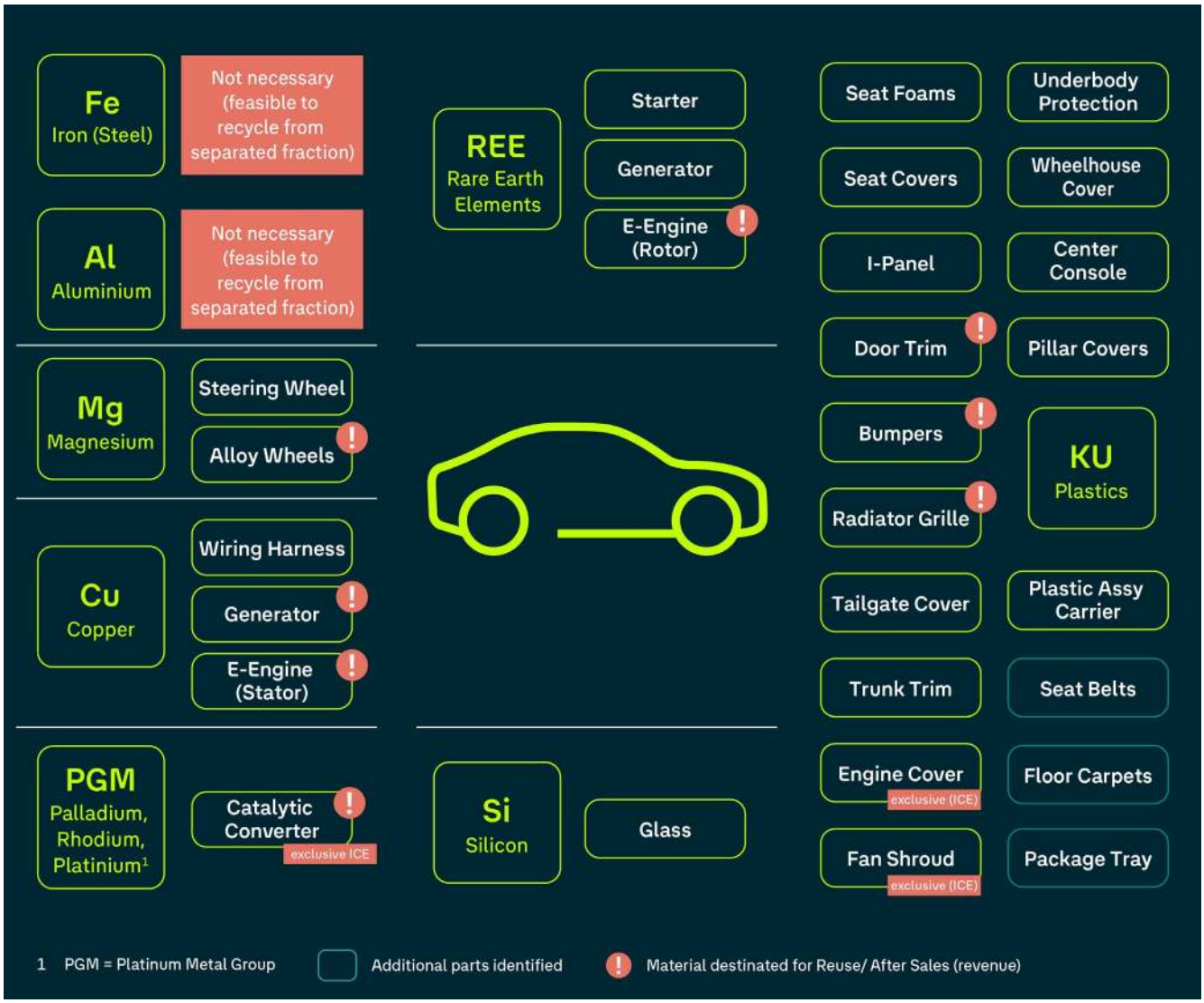
Waste management also forms part of the Code of Conduct for Business Partners. As such, business partners must take appropriate and reasonable actions to prevent waste, to reuse resources, to implement recycling, and to dispose of residual waste, chemicals and wastewater in a safe and environmentally 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).

List of EU critical raw materials according to CRMA
Regulation (EU) 2024/1252

Antimony	Feldspar	Graphite	Titanium
Arsenic	Fluorspar	Nickel	Tungsten
Barite	Gallium	Niobium	Vanadium
Beryllium	Germanium	Phosphate Rock	Plastic
Bismuth	Hafnium	Phosphorus	Indium
Boron	Helium	PGM	Bauxite / Aluminum
REE	Scandium	Cobalt	Lithium
Silicon	Coking Coal	Magnesium	Strontium
Copper	Manganese	Tantalum	

- Commodity relevant to the VW Group strategic raw material procurement
- Critical and strategic according to CRMA (Regulation EU 2024/1252)
- Critical or strategic according to CRMA (Regulation EU 2024/1252)

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 Volkswagen Group	2025 Companies with operational control	2024 Volkswagen Group	2024 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						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]
					Climate change mitigation	Climate change adaptation	Water	Circular economy	Pollution	Biodiversity					
	€ 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						Enabling activity	Transitional activity	Proportion of taxonomy alignment in taxonomy eligibility
					Climate change mitigation	Climate change adaptation	Water	Circular economy	Pollution	Biodiversity			
		%	€ 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	Upstream Value Chain	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	Upstream Value Chain	
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	Upstream Value Chain	
This impact manifests itself in isolated, individual cases of unfair treatment and inequality of opportunities.	Negative Impact	Actual Impact	Upstream Value Chain	
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	Upstream Value Chain	
		Potential Impact	Upstream 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)

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.	Positive Impact	Actual Impact	Upstream Value Chain	
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.	Negative Impact	Actual Impact Potential Impact	Own Operation Upstream Value Chain	Medium-term Time Horizon (1–5 years)
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.	Positive Impact	Actual Impact	Upstream Value Chain	
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.	Negative Impact	Actual Impact Potential Impact	Own Operation Upstream Value Chain	Medium-term Time Horizon (1–5 years)
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.	Positive Impact	Actual Impact	Upstream Value Chain	
This impact arises from a threat to workers' human rights, particularly from forced and child labor.	Negative Impact	Actual Impact Potential Impact	Own Operation Upstream Value Chain	Medium-term Time Horizon (1–5 years)
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.	Risk		Upstream 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)

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.

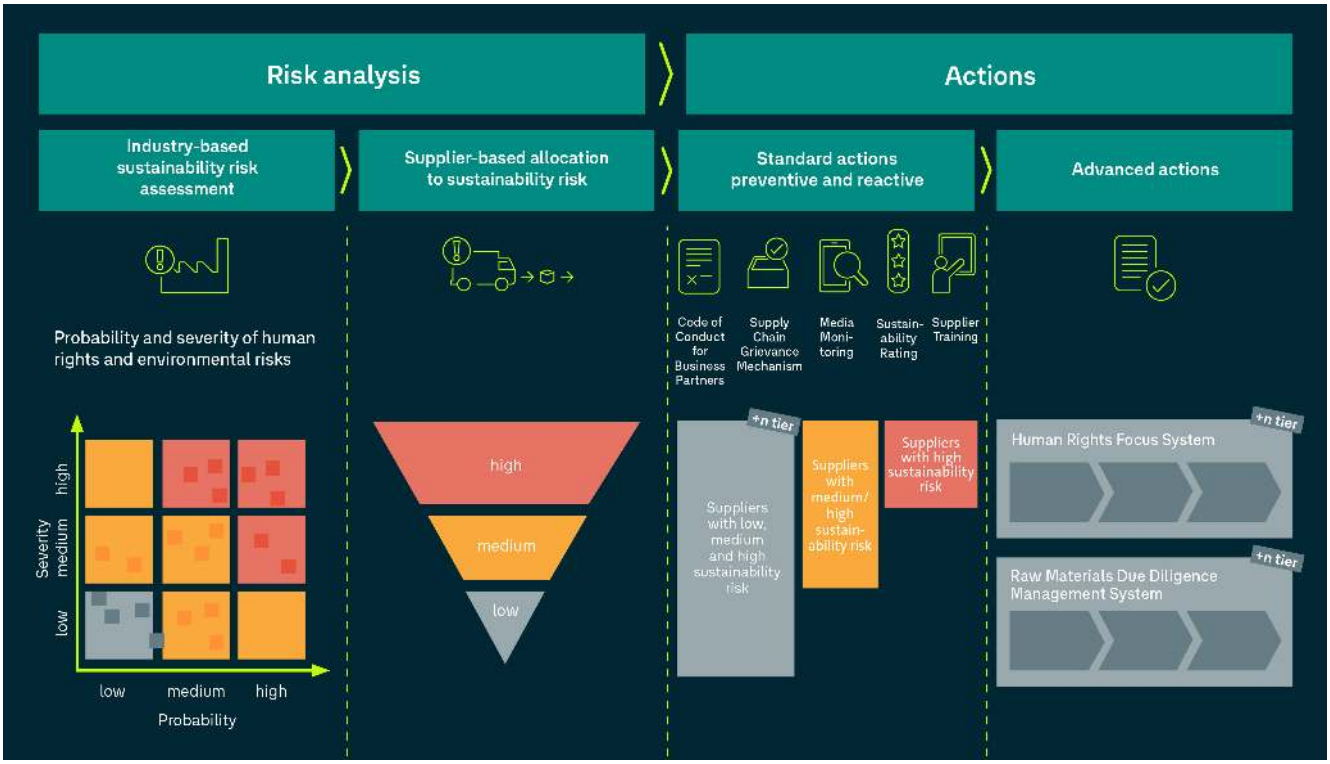
These actions can help to prevent violations of the Volkswagen Group's sustainability requirements related to working conditions, equal treatment and equal opportunities, and other work-related rights. They reinforce the rights of the workers in the upstream and downstream supply chain and enable remedial 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	Upstream Value Chain	
		Potential Impact	Own Operation	Medium-term Time Horizon (1–5 years)

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)

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	Own Operation	
		Potential Impact	Own Operation	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	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)

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.	+	Actual Impact	Own Operation	
		Potential Impact	Own Operation	Medium-term Time Horizon (1–5 years)

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)

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.	Positive Impact	Actual Impact	Own Operation	

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 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.	+	Actual Impact	Upstream Value Chain	
		Potential Impact	Own Operation	Short-term Time Horizon (< 1 year)

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 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.	+			

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

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.				

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 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	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)

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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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
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ESRS E1-5	40 - 43	Energy intensity associated with activities in high climate impact sectors	Indicator number 6 Table #1 of Annex 1				Climate Change: Metrics: Climate change
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
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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
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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
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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

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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
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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

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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
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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 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	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 Ingolstadt 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 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	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