

Annual Financial Statements of Volkswagen AG

Balance Sheet of Volkswagen AG as of December 31, 2022

€ million	Note	Dec. 31, 2022	Dec. 31, 2021
Assets			
Fixed assets			
Intangible assets	1	1,167	953
Tangible assets	1	8,409	8,349
Long-term financial assets	1	138,940	127,590
		148,516	136,892
Current assets			
Inventories	2	7,816	6,921
Receivables and other assets	3	59,700	32,303
Cash-in-hand and bank balances	4	9,122	10,168
		76,638	49,392
Prepaid expenses		73	52
Total assets		225,227	186,336
Equity and Liabilities			
Equity			
Subscribed capital	5	1,283	1,283
Ordinary shares		755	755
Preferred shares		528	528
Capital reserve	6	15,021	15,021
Revenue reserves	7	11,998	5,767
Net retained profits		12,021	19,101
		40,323	41,172
Special tax-allowable reserves	8	17	17
Provisions	9	46,323	45,350
Liabilities	10	137,276	98,540
Deferred income	11	1,288	1,257
Total equity and liabilities		225,227	186,336

This report complies with the disclosure requirements of the German Commercial Code and contains the components of an annual financial report in accordance with the German Securities Trading Act.

Income Statement of Volkswagen AG for the Period January 1 to December 31, 2022

€ million	Note	2022	2021
Sales	12	79,491	70,917
Cost of sales		-79,499	-67,424
Gross profit on sales		-8	3,494
Distribution expenses		-5,391	-5,281
General and administrative expenses		-1,901	-1,692
Other operating income	13	9,332	6,161
Other operating expenses	14	-7,334	-6,095
Financial result	15	16,950	8,545
Write-downs of long-term financial assets		-125	-
Taxes on income		955	-1,091
Earnings after taxes = Net income for the year		12,477	4,041

Notes to the Annual Financial Statements of Volkswagen AG for the Period ended December 31, 2022

Financial statements in accordance with the German Commercial Code

Volkswagen AG is domiciled in Wolfsburg, Germany, and entered in the commercial register at the Braunschweig Local Court under no. HRB 100484. The annual financial statements of Volkswagen AG have been prepared in accordance with the provisions of the Handelsgesetzbuch (HGB – German Commercial Code) and comply with the provisions of the Aktiengesetz (AktG – German Stock Corporation Act).

The fiscal year corresponds to the calendar year.

To enhance the clarity of presentation, individual items of the balance sheet and the income statement have been combined. These items are disclosed separately in the notes. The income statement uses the cost of sales (function of expense) format. Information that can be disclosed optionally in the balance sheet or income statement, or in the notes to the annual financial statements, is disclosed in its entirety in the notes to the annual financial statements. All figures shown are rounded, so minor discrepancies may arise from addition of these amounts.

Volkswagen AG performs electricity generation and distribution/sales activities together with a subsidiary. As a result, Volkswagen AG and this subsidiary are classed as a vertically integrated energy company within the meaning of section 3 no. 38 of the Energiewirtschaftsgesetz (EnWG – German Energy Industry Act) and are therefore subject to the provisions of the EnWG. Separate accounts must normally be maintained for certain activities in the energy sector in accordance with section 6b(3) of the EnWG (unbundling requirement in accounting systems). Volkswagen AG itself only operates customer systems in accordance with section 3 no. 24 b. a) of the EnWG (medium-voltage and low-voltage grids). The subsidiary distributes the electricity via a general supply network (high-voltage grid in Wolfsburg, section 3 no. 17 of the EnWG).

The list of all shareholdings is a component of the notes and can also be downloaded from the electronic companies register at www.unternehmensregister.de and from www.volkswagenag.com/en/InvestorRelations.html.

The Board of Management completed preparation of the annual financial statements on February 21, 2023. On February 21, 2023, the period ended in which adjusting events after the reporting period are recognized.

Declaration on the German Corporate Governance Code in accordance with section 161 of the AktG/section 285 no. 16 of the HGB

The Board of Management and Supervisory Board of Volkswagen AG issued the declaration of conformity in accordance with section 161 of the AktG on November 11, 2022.

The declaration of conformity has been made permanently available at www.volkswagenag.com/en/InvestorRelations.html.

Significant events in the fiscal year

DIESEL ISSUE

On September 18, 2015, the US Environmental Protection Agency (EPA) publicly announced in a “Notice of Violation” that irregularities in relation to nitrogen oxide (NO_x) emissions had been discovered in emissions tests on certain Volkswagen Group vehicles with 2.0 l diesel engines in the USA. In this context, Volkswagen AG announced that noticeable discrepancies between the figures recorded in testing and those measured in actual road use had been identified in type EA 189 diesel engines and that this engine type had been installed in roughly eleven million vehicles worldwide. On November 2, 2015, the EPA issued a “Notice of Violation” alleging that irregularities had also been discovered in the software installed in US vehicles with type V6 3.0 l diesel engines.

The so-called diesel issue is rooted in a modification of parts of the software of the relevant engine control units – which, according to Volkswagen AG’s legal position, is only unlawful under US law – for the type EA 189 diesel engines that Volkswagen AG was developing at that time. This software function was developed and implemented from 2006 on without knowledge at the level of the Board of Management. Members of the Board of Management did not learn of the development and implementation of this software function until the summer of 2015.

There are furthermore no findings that, following the publication in May 2014 of the study by the International Council on Clean Transportation, an unlawful “defeat device” under US law was disclosed to the persons responsible for preparing the 2014 annual and consolidated financial statements as the cause of the high NO_x emissions in certain US vehicles with 2.0 l type EA 189 diesel engines. Rather, at the time the 2014 annual and consolidated financial statements were being prepared, the persons responsible for preparing these financial statements remained under the impression that the issue could be resolved with comparatively little expense.

In the course of the summer of 2015, however, it became progressively apparent to individual members of Volkswagen AG’s Board of Management that the cause of the discrepancies in the USA was a modification of parts of the software of the engine control unit that was later identified as an unlawful “defeat device” as defined by US law. This culminated in Volkswagen’s disclosure of a “defeat device” to the EPA and the California Air Resources Board (CARB), a department of the Environmental Protection Agency of the State of California, on September 3, 2015. According to the assessment at the time by the responsible persons dealing with the matter, the magnitude of the costs expected to result for the Volkswagen Group (recall costs, retrofitting costs, and financial penalties) was not fundamentally dissimilar to that in previous cases involving other vehicle manufacturers. It therefore appeared to be manageable overall considering the business activities of the Volkswagen Group. This assessment by Volkswagen AG was based, among other things, on the advice of a law firm engaged in the USA for regulatory approval issues, according to which similar cases had in the past been amicably resolved with the US authorities. The EPA’s publication of the “Notice of Violation” on September 18, 2015, which the Board of Management had not expected, especially at that time, then presented the situation in an entirely different light.

In fiscal year 2022, special items in connection with the diesel issue amounted to €0.3 billion (previous year: €0.7 billion); they were mainly recognized in the other operating result.

The contingent liabilities within the meaning of IAS 37 recognized in connection with the diesel issue totaled €4.1 billion (previous year: €4.2 billion), of which €3.6 billion (previous year: €3.6 billion) was attributable to investor lawsuits in Germany. Also included are certain elements of the class action lawsuits relating to the diesel issue as well as criminal proceedings/misdemeanor proceedings as far as these can be quantified.

Further information on the litigation in connection with the diesel issue can be found in the “Litigation” section of the management report.

RUSSIA-UKRAINE CONFLICT / COVID-19 PANDEMIC / SEMICONDUCTOR SHORTAGES

The start of the Russia-Ukraine conflict in February 2022 led not only to a humanitarian crisis but also brought market upheaval around the world. There have been substantial price rises, particularly on the energy and commodity markets, and significant increases in interest and inflation rates have been observed internationally.

In addition, the parts supply shortages intensified in this context directly after the start of the conflict. In the Volkswagen Group, this particularly affected the supply of cable harnesses from Ukraine. Volkswagen took immediate action to clear these supply bottlenecks from Ukraine, with the result that there are no material bottlenecks in this regard at present.

Moreover, different sanctions have been imposed on Russia as a result of the conflict, especially by the EU and the USA. They restrict economic transactions with Russia and have an impact on the Russian companies and plants of the Volkswagen Group and on sales of vehicles to Russia. The sanctions also affect the new financial services business in Russia and lead to impairment risks to existing lease assets and financial receivables. Against the backdrop of the Russia-Ukraine conflict and the resulting consequences, Volkswagen has decided to suspend vehicle production in Russia until further notice. Vehicle exports to Russia have also been halted. In addition, the respective sanction requirements are also being complied with in relation to parts supplies and the provision of technical information. In addition, Russia itself, in its role as an energy exporter, has restricted gas deliveries to Europe. The resulting increase in commodity prices and intensified supply shortages are reinforcing the threat of persistently high inflation.

Russia's partial mobilization on September 21, 2022 and the ensuing tightening of sanctions led to adjustments to the risk assessment in relation to the situation in Russia in the third quarter and to the potential future development of the Group's business activities in Russia.

Since there was no noticeable easing in the Russia-Ukraine conflict in the fourth quarter, the discontinuation of business activities in Russia took concrete shape in the Volkswagen Group. In this context, the shares in OOO Volkswagen Group Rus, Kaluga, were almost fully written down in an amount of €119.1 million. Furthermore, risk provisions, especially for third-party expenses expected from the discontinuation of activities in Russia, were recognized.

Overall, total expenses of around €1 billion were recognized in the fiscal year as a direct result of the Russia-Ukraine conflict, which are reported in cost of sales, in other operating result and in the financial result.

During 2022, the restrictive measures put in place to protect the population from the SARS-CoV-2 virus were lifted to a large extent in many countries. The progress made in administering vaccines to the public had a positive effect, while the emergence of the new Omicron variant and its subvariants led to a renewed sharp rise in infections on a national scale, mostly causing milder symptoms but increased rates of sick leave. In China particularly, local outbreaks of infection in the course of 2022 led to tight restrictions under the zero-Covid strategy being pursued there, resulting in economic constraints and disruption to international supply chains. The departure from this strategy led to a rapid increase in infection rates in China at the end of the year.

In addition to the uncertainty and measures being taken around the world to deal with the Covid-19 pandemic, persistent semiconductor shortages and the resulting limited availability of Group models meant that demand could not be adequately met in some regions.

Please also refer to the comments in the 2022 group management report, specifically in the chapters entitled Business Development, Results of Operations, Financial Position and Net Assets, Report on Expected Developments and Report on Risks and Opportunities.

MATERIAL TRANSACTIONS

IPO of Porsche AG

On September 28, 2022, as part of the IPO of Dr. Ing. h.c. F. Porsche AG, Stuttgart (Porsche AG), a total of 113,875,000 preferred shares of Porsche AG were successfully placed with investors at a placement price of €82.50 per preferred share, totaling around €9.4 billion – including 14,853,260 preferred shares to cover potential additional allocations. The non-voting no-par value bearer shares came from the portfolio of Porsche Holding Stuttgart GmbH, Stuttgart – a wholly owned subsidiary of Volkswagen AG. The total number of preferred shares offered in the IPO corresponded to up to 25 % of the preference share capital of Porsche AG (including additional allocations). The non-voting preferred shares of Porsche AG have been traded on the Regulated Market of the Frankfurt Stock Exchange since September 29, 2022. Up to the early termination of the stabilization period on October 11, 2022, a total of 3,794,199 preferred shares had been bought back on the market. The free float of the preferred shares after the end of the stabilization period is therefore 24.2 % and comprises 110,080,801 preferred shares.

In connection with the IPO, the Volkswagen Group additionally sold an interest of 25 % of Porsche AG's ordinary shares plus one ordinary share to Porsche Automobil Holding SE, Stuttgart (Porsche SE). As consideration, Porsche SE has undertaken to pay a purchase price of around €10.1 billion to Volkswagen AG; this purchase price includes a premium of 7.5 % on the placement price of the preferred shares per share. The purchase of the ordinary shares will be completed in two tranches of 79,712,501 and 34,162,500 shares respectively. Porsche Holding Stuttgart, Stuttgart, made a gain of €13.2 billion on the sale of the shares, which is included in Volkswagen AG's financial result because of the profit transfer.

The resolution of the extraordinary General Meeting of Volkswagen AG on December 16, 2022 gave rise to the obligation to pay a dividend, which was increased by €19.06 per ordinary and preferred share ("special dividend") and led to a total obligation to the shareholders of Volkswagen AG amounting to €9.6 billion. Taking into account the offsetting transaction described below, a corresponding liability was recognized for this payment as of the balance sheet date. The cash outflow was slated for January 9, 2023 and occurred on that day.

Volkswagen AG and Porsche SE agreed to offset the obligation to pay a special dividend to Porsche SE against Volkswagen AG's claim to the payment of the purchase price still outstanding for the second tranche of ordinary shares. Upon payment of the special dividend on January 9, 2023, the netting process was completed.

The employees of Volkswagen AG are to participate in the economic success of the placement of the preferred shares and the sale of ordinary shares in Porsche AG by way of a one-off payment up to €2,000 per employee. A liability of €0.3 billion was recognized to this end as of the balance sheet date.

In connection with the IPO of Porsche AG, Volkswagen AG made a contribution of €2.8 billion to the capital reserves of Porsche Holding Stuttgart GmbH, Stuttgart.

Material capital transactions

To finance the creation of battery cell production by PowerCo SE, Salzgitter, Volkswagen AG made contributions of €1.7 billion to the capital reserves of Porsche Siebte Vermögensverwaltung GmbH, Wolfsburg.

To finance the acquisition of Europcar by Green Mobility Holding S.A., Strassen, Volkswagen AG paid contributions of €1.7 billion to the capital reserves of Volkswagen Finance Luxemburg S.A., Strassen (VFL). In addition, Volkswagen AG paid contributions of €0.9 billion to finance several capital increases by VFL at Volkswagen do Brasil Indústria de Veículos Automotores Ltda., São Bernardo do Campo.

Accounting policies

The accounting policies applied in the previous year were retained. Investment income, income from other investments and long-term loans, as well as net interest income, are combined in the income statement and presented as the financial result. This item is addressed in greater detail in note (15) Financial result.

Purchased intangible assets are recognized at cost and generally amortized over three to five years using the straight-line method. Internally generated intangible assets are not recognized. Grants paid for third-party assets are capitalized as purchased rights to use and amortized over five years. Software and grants paid are derecognized once they have been fully amortized.

Tangible assets are recognized at cost and reduced by depreciation. Investment grants are deducted from cost. Depreciation is based primarily on the following useful lives:

	Useful life
Buildings	14 – 50 years
Site improvements	10 – 35 years
Technical equipment and machinery	5 – 20 years
Other equipment, operating and office equipment including special tools	3 – 30 years

For additions up until December 31, 2009, to the extent allowed by tax law, depreciation of movable items of tangible assets is generally charged initially using the declining balance method, and subsequently using the straight-line method, and also reflects the use of assets in multishift operation. The option to retain and adjust lower carrying amounts of tangible asset balances at December 31, 2009 in accordance with section 67(4) of the Einführungsgesetz zum Handelsgesetzbuch (EGHGB – Introductory Act to the German Commercial Code) has been exercised. Movable items of tangible assets purchased or manufactured as from January 1, 2010 are depreciated using the straight-line method.

Prepayments made for tangible and intangible assets are measured at their nominal value. As a general rule, additions of assets are depreciated or amortized ratably in the year of acquisition.

Low-value assets are written off and derecognized in full in the year they are acquired. In addition, certain items of operating and office equipment with individual purchase costs of up to €1,500 are treated as disposals when their standard useful life has expired.

Write-downs are recognized if the impairment is expected to be permanent; write-downs are reversed up to the amount of historical cost, net of depreciation or impairment, as soon as the reasons for impairment no longer apply.

Shares in affiliated companies and other equity investments are measured at the lower of cost and fair value. Fair values are by preference calculated using the discounted cash flow method on the basis of corporate plans, if available.

The basis for calculating fair value using the discounted cash flow method is management's current planning, which is based on expectations regarding future economic trends. The planning period generally covers five years. The discount rate used for the expected cash flows is the weighted average cost of capital (WACC).

As a general principle, all loans are measured at their nominal amount. Non- or low-interest-bearing loans are carried at their present value.

Long-term investments are carried at the lower of cost or fair value in the case of permanent impairment.

Securities held as plan assets for post-employment benefit obligations are measured at fair value and offset against the corresponding provisions. These securities are assets that are exempt from attachment by all creditors and that exclusively serve to settle liabilities from post-employment benefit obligations. The fair value of these assets corresponds to the market price (section 255(4) of the HGB).

Raw materials, consumables and supplies, and merchandise carried in inventories are measured at the lower of average cost and replacement cost. In addition to direct materials and direct labor costs, the carrying amount of finished goods and work in progress also includes proportionate indirect materials and labor costs, including depreciation in the amount required. Adequate valuation allowances take account of all identifiable storage and inventory risks. Prepayments made for inventories are recognized at their nominal amounts.

Volkswagen AG recognizes emissions certificates as of the date of issue or acquisition. They are measured at the lower of cost or fair value. Emissions certificates issued free of charge are recognized as a memorandum item. Each certificate is valued at €80.90 per tonne of CO₂ as of the reporting date.

Receivables and other assets are carried at their principal amounts. Write-downs to the lower fair value are recognized for identifiable specific risks.

Non-interest-bearing receivables due after more than one year are carried at their present value at the balance sheet date by applying an interest rate to match the maturity.

Receivables denominated in foreign currencies are translated at the middle spot rate prevailing at the date of initial recognition. Receivables that are due within less than one year are translated at the middle spot rate at the reporting date. In the case of receivables with a longer term, a lower exchange rate at the balance sheet date results in the remeasurement of the receivable at a lower carrying amount, with the difference recognized in the income statement; a higher exchange rate at the balance sheet date (remeasurement gain) is not recognized. Hedged receivables are not remeasured at the closing rate ("net hedge presentation method").

Purchased foreign currency options are carried at the lower of cost or fair value until maturity.

Securities classified as current assets are carried at the lower of cost or fair value.

Cash and bank balances are measured at their nominal amount.

Expenditure prior to the balance sheet date that represents an expense for a specific period after this date is recognized under prepaid expenses on the assets side of the balance sheet.

Deferred taxes are recognized for temporary differences between the carrying amounts required by the HGB and the tax base of all assets and liabilities. As Volkswagen AG is the consolidated tax group parent and thus also the taxpayer for affiliated companies with which there are profit and loss transfer agreements, the differences at those companies are also included when calculating deferred taxes. Volkswagen AG is also a partner in various partnerships. Deferred taxes in respect of the difference between the HGB carrying amounts of assets and liabilities and their tax base are also reported at Volkswagen AG where these relate to corporation tax. The deferred taxes in respect of these differences are calculated on the basis of an average income tax rate of 30.0 % or 15.8 % for temporary differences that are attributable to different carrying amounts at partnerships in which Volkswagen AG is a partner. The option to recognize excess deferred tax assets in accordance with section 274 of the HGB is not exercised.

Interest anticipated on retrospective tax payments in Germany was calculated using an interest rate of 6 % until 2018 and an interest rate of 1.8 % from 2019 onward.

The differences between the carrying amounts from the previous years required by the HGB and the lower carrying amounts allowed under tax law were recorded in the special tax-allowable reserves presented between equity and liabilities in the balance sheet.

Existing special reserves are retained since they were recognized before the year of the transition to the provisions of the Bilanzrechtsmodernisierungsgesetz (BilMoG – German Accounting Law Modernization Act). These are reversed to the income statement and are based on the provisions of section 3(2) of the Zonenrandförderungsgesetz (German Zonal Border Development Act), section 6b of the Einkommensteuergesetz (EStG – German Income Tax Act)/regulation 6.6 of the Einkommensteuerrichtlinien (EStR – German Income Tax Regulations), section 7d of the EStG, section 82d of the Einkommensteuer-Durchführungsverordnung (EStDV – German Income Tax Implementing Regulation) and regulation 35 of the EStR. No new special reserves have been recognized since January 1, 2010.

Provisions for pensions and similar obligations are measured in accordance with actuarial principles; the projected unit credit method is used for defined benefit plans. Future obligations are measured on the basis of the ratable benefit entitlements earned as of the balance sheet date. In addition to the pension payments and vested entitlements known at the balance sheet date, future increases in salaries and pensions are taken into consideration, along with other relevant parameters. The discount rate published by the Deutsche Bundesbank as of December 31, 2022 is used. This figure is used to measure pension provisions in accordance with section 253(2) of the HGB and is based on the discount rate of 1.78 % for a remaining maturity of 15 years. For externally funded pension obligations, the fair value of the fund assets is offset against the settlement amount of the obligations in accordance with section 246(2) of the HGB. The fair value of the fund assets is determined on the basis of market values.

Provisions for obligations under partial retirement agreements are also measured in accordance with actuarial principles, taking account of expected salary trends and the latest mortality tables. They are discounted using a discount rate of 0.52 % in accordance with section 253 (2) of the HGB. This rate has been determined on the basis of a seven-year average and a remaining maturity of two years. For agreements entered into in the reporting year, it is assumed that the agreed benefits constitute remuneration. Consequently, the top-up amounts are accumulated ratably over the vesting period.

Provisions for taxes and other provisions are calculated according to the principles of prudent business judgment.

Adequate provisions are recognized at their settlement amount for identifiable risks and uncertain obligations on the basis of prudent business judgment, taking into account expected future price and cost increases. Provisions cover all identifiable risks of future settlement.

Provisions that have an expected remaining maturity of more than one year are discounted at an interest rate to match the maturity.

Provisions for warranty obligations are recognized on the basis of the historical or estimated probability of claims affecting vehicles delivered. Assumptions were made in respect of the warranty provisions recognized in connection with the diesel issues. These depend on the series, model year and country concerned and relate in particular to the effort, material costs and hourly wage rates involved, or to vehicle values in the case of repurchases. These assumptions are based on qualified estimates, which are based in turn on external data, and also reflect additional information available internally, such as values derived from past experience.

Provisions for litigation risks relating to the diesel issue, which comprise criminal, civil and administrative law cases as well as product-related lawsuits, including adequate defense and legal advice expenses, were calculated as the best estimate based on the present state of knowledge and current estimates.

Provisions for long-service jubilees and death benefits are also measured using the projected unit credit method.

Liabilities are carried at their settlement amount.

Liabilities denominated in foreign currencies are translated at the middle exchange rate prevailing at the date of initial recognition. Short-term foreign currency liabilities due within one year or less are measured at the middle spot rate. Long-term foreign currency liabilities are recognized at a higher carrying amount, with the difference recognized in the income statement if the closing rate is higher. Lower exchange rates at the balance sheet date (remeasurement gains) are not recognized.

Payments received are recognized at their nominal value.

Receipts prior to the balance sheet date that represent income for a specific period after that date are reported under deferred income on the equity and liabilities side of the balance sheet.

Currency forwards and commodity futures contracts are measured by comparing the agreed rate with the forward rate for the same maturity at the balance sheet date. A provision is recognized for any resulting unrealized loss. Any positive gains (remeasurement gains) are not recognized. Gains and losses are not offset. Measurement gains or losses are discounted to the present value.

Where possible and feasible, derivatives entered into for hedging purposes are combined to form hedges if they have comparable risks to the hedged item. These are recognized using the “net hedge presentation method”; i.e. the items are not measured to the extent that and for as long as offsetting changes in fair value or cash flows are compensated. In some cases, the gross hedge presentation method is used, i.e. offsetting changes or cash flows are recognized separately and compensate each other. In some cases, the gross hedge presentation method is used, i.e. offsetting changes or cash flows are recognized separately and compensate each other.

Derivatives not included in hedge accounting are measured individually at fair value. Any resulting unrealized losses are recognized in income. Assets or liabilities hedged by cross-currency swaps and currency forwards are translated at the contractually agreed rates at the time of initial recognition. Transactions denominated in foreign currencies are translated at the exchange rates prevailing at the transaction dates or at agreed exchange rates. Expected exchange rate losses at the balance sheet date are reflected in the measurement of the items.

Equity investments are translated at the rate prevailing at the date of acquisition.

Production costs are recognized on the basis of directly attributable material and labor costs, as well as proportionate indirect material and labor costs, including depreciation and amortization. Administrative cost components are not included.

Cost of sales contains all expenses relating to the purchase of materials and the production function, the costs of merchandise, the cost of research and development, and warranties and product liability expenses including the amounts recharged by subsidiaries.

Selling expenses include personnel and non-personnel operating costs of our sales and marketing activities, as well as shipping, advertising, sales promotion, market research and customer service costs.

General and administrative expenses include personnel and non-personnel operating costs of the administrative functions.

Other taxes are allocated to the functional areas.

Balance Sheet Disclosures

(1) FIXED ASSETS

The classification of the assets combined in the balance sheet and their changes during the year are presented on pages 13 to 14.

Capital expenditures amounted to:

€ million	2022	2021
Intangible assets	363	266
Tangible assets	2,188	2,393
Long-term financial assets	12,066	6,545
	14,617	9,204

The additions of €12.1 billion (previous year: €6.5 billion) are accompanied by disposals of €0.6 billion (previous year: €0.6 billion).

Depreciation, amortization and write-downs were charged on:

€ million	2022	2021
Intangible assets	138	132
Tangible assets	2,141	2,021
Long-term financial assets	125	-
	2,404	2,154

Assets recognized before the introduction of the BilMoG continue to be depreciated using the declining balance method. Depreciation of tangible assets includes declining balance depreciation in the amount of €3.1 million (previous year: €3.6 million).

The write-downs of long-term financial assets relate mainly to impairment losses that had to be recognized on the shares in OOO Volkswagen Group Rus, Kaluga, in connection with the Russia-Ukraine conflict. Please refer to the section "Significant events in the fiscal year".

Disclosures in accordance with section 285 no. 26 of the HGB

Securities investment funds (values as of December 31, 2022)

€ million	Carrying amount	Fair value	Fair value – carrying amount	Distribution 2022	Daily redemption possible
UI-TV Fund ¹	14,553	13,510	-1,043	88	yes
UI-ZW Fund ¹	2,184	2,184	-	52	yes
UI-BAV Fund ¹	5,547	5,547	-	126	yes
UI-SA Fund ¹	700	700	-	0	yes

¹ Distributions received in 2022 were for 2021.

The funds' investment objectives are a return to match the maturity with appropriate risk diversification using the following asset classes: equities, fixed-income securities, cash investments and other assets. These can be invested in both Germany and internationally. The fund units can be redeemed on a daily basis. Fair values are calculated on the basis of quoted market prices.

The treasury fund (UI-TV) is allocated to fixed assets at Volkswagen AG and measured at cost. The UI-TV Fund was not written down to the lower fair value in 2022 as no permanent impairment was expected.

The UI-ZW fund (Time Assets fund), the UI-SA fund (security-based annuity fund) and the UI-BAV fund (occupational investment fund) solely serve the purpose of meeting occupational pension obligations and similar long-term obligations and are measured at fair value. The assets of these funds are offset against the related obligations. As the settlement amount exceeds the present value of the UI-BAV fund due to the relatively low interest rate applied, provisions were recognized. Income and expenses from fair value measurement of the funds are recognized immediately in income.

The UI-SA fund is a combination of special fund and interest-bearing capital investment (capitalization product).

Changes in Fixed Assets

€ million	GROSS CARRYING AMOUNTS				Cost Dec. 31, 2022
	Cost Jan. 1, 2022	Additions	Transfers	Disposals	
Intangible assets					
Industrial and similar rights and assets, and licenses in such rights and assets	880	80	201	82	1,079
Payments on account	414	283	-211	-	486
	1,294	363	-11	82	1,564
Tangible assets					
Land, land rights and buildings, including buildings on third-party land	6,555	106	54	8	6,707
Technical equipment and machinery	12,954	271	258	309	13,173
Other equipment, operating and office equipment	25,398	1,025	454	590	26,287
Payments on account and assets under construction	1,453	787	-755	13	1,472
	46,360	2,188	11	920	47,639
Long-term financial assets					
Shares in affiliated companies	114,231	8,466	-	400	122,298
Loans to affiliated companies	3,525	23	-	190	3,359
Other equity investments	1,231	-	-	-	1,231
Long-term investments	10,990	3,577	-	0	14,567
Other loans	20	-	-	1	18
	129,998	12,066	-	591	141,473
Total fixed assets	177,652	14,617	-	1,593	190,677

DEPRECIATION, AMORTIZATION AND WRITE-DOWNS							
Cumulative depreciation, amortization and write-downs Jan. 1, 2022	Depreciation, amortization and write-downs in current year	Disposals	Transfers	Reversals of write-downs	Cumulative depreciation, amortization and write-downs Dec. 31, 2022	Carrying amounts Dec. 31, 2022	Carrying amounts Dec. 31, 2021
341	138	82	-	-	397	682	540
-	-	-	-	-	-	486	414
341	138	82	-	-	397	1,167	953
-	-	-	-	-	-	-	-
4,763	125	6	-	-	4,882	1,825	1,791
11,371	623	304	0	-	11,690	1,483	1,583
21,877	1,393	611	-0	-	22,659	3,629	3,521
-	-	-	-	-	-	1,472	1,453
38,011	2,141	922	-	-	39,230	8,409	8,349
-	-	-	-	-	-	-	-
2,147	119	-	-	-	2,266	120,032	112,085
-	-	-	-	-	-	3,359	3,525
247	6	-	-	-	254	978	984
14	-	-	-	0	14	14,553	10,976
-	-	-	-	-	-	18	20
2,408	125	-	-	0	2,534	138,940	127,590
40,760	2,404	1,003	-	0	42,161	148,516	136,892

(2) INVENTORIES

€ million	Dec. 31, 2022	Dec. 31, 2021
Raw materials, consumables and supplies	3,058	3,163
Work in progress	1,411	1,146
Finished goods and merchandise	3,073	2,341
Payments on account	274	271
	7,816	6,921

The entire industry is currently experiencing supply shortages of semiconductor components. Inventories of work in progress and raw materials are still at a high level. In addition, finished goods increased compared with December 31, 2021 because of a shortage of transport capacity.

(3) RECEIVABLES AND OTHER ASSETS

€ million	Dec. 31, 2022	Dec. 31, 2021
Trade receivables	1,501	1,168
<i>of which due after more than one year</i>	36	39
Receivables from affiliated companies	43,169	26,852
<i>of which trade receivables</i>	6,929	5,566
<i>of which due after more than one year</i>	3,131	3,079
Receivables from other investees and investors	1,207	1,612
<i>of which trade receivables</i>	1,178	1,597
<i>of which due after more than one year</i>	-	-
Other assets	13,823	2,671
<i>of which due after more than one year</i>	264	182
	59,700	32,303

In addition to trade receivables, receivables from affiliated companies are composed primarily of short- and medium-term loans and receivables relating to profit distributions, including income tax allocations.

Other assets relate primarily to time deposits with banks with maturities of three months to one year in an amount of €11.2 billion (previous year: €0.5 billion). The item also includes tax reimbursements that are not yet due in the amount of €1,459 million (previous year: €929 million), option premiums paid in the amount of €401 million (previous year: €297 million) and prepayments made in the amount of €365 million (previous year: €327 million).

(4) CASH-IN-HAND AND BANK BALANCES

Bank balances (€9.1 billion; previous year: €10.2 billion) include a total of €2.4 billion (previous year: €2.4 billion) held by an affiliated company. Bank balances include restricted current time deposits of €6.6 billion (previous year: €7.6 billion) with a maximum maturity of three months. Bank balances of €2.4 billion (previous year: €2.4 billion) are held by the affiliated company and are subject to pledges.

(5) SUBSCRIBED CAPITAL

The subscribed capital of Volkswagen AG is composed of no-par value bearer shares with a notional value of €2.56. As well as ordinary shares, there are preferred shares that entitle the bearer to a €0.06 higher dividend than ordinary shares, but do not carry voting rights.

As before, the subscribed capital is composed of 295,089,818 no-par value ordinary shares and 206,205,445 no-par value preferred shares and amounts to €1,283 million (previous year: €1,283 million).

The amount to be recognized for provisions for pension obligations that would result if the corresponding average market interest rate for the past seven fiscal years were applied, exceeds the amount recognized in the balance sheet by €2.0 billion. In accordance with section 253(6) sentence 2 of the HGB, this amount is restricted for distribution.

Fund assets to cover pension obligations and liabilities relating to Time Assets are measured at fair value in accordance with section 253 (1) sentence 4 of the HGB. Since fair value is lower than the historical cost of the fund assets, net income for the year determined in accordance with the HGB includes unrealized losses, which means that there are no restrictions on distribution in accordance with section 268 (8) sentence 3 of the HGB.

Based on the resolution by the Annual General Meeting on May 14, 2019, authorized capital of up to €179 million, expiring on May 13, 2024, was approved for the issue of new preferred bearer shares.

(6) CAPITAL RESERVES

€ million	Dec. 31, 2022	Dec. 31, 2021
Capital Reserves	15,021	15,021

The capital reserves comprise the share premium from various capital increases (€14,695 million), the premium from the issue of bonds with warrants (€219 million) and an amount of €107 million appropriated on the basis of the capital reduction implemented in 2006.

(7) REVENUE RESERVES

€ million	Dec. 31, 2022	Dec. 31, 2021
Legal reserve	31	31
Other revenue reserves	11,967	5,736
	11,998	5,767

An amount of €6,230 million was appropriated from net income for the year to other revenue reserves in accordance with section 58(2) of the AktG.

(8) SPECIAL TAX-ALLOWABLE RESERVES

€ million	Dec. 31, 2022	Dec. 31, 2021
Accelerated tax depreciation	17	17
	17	17

(9) PROVISIONS

€ million	Dec. 31, 2022	Dec. 31, 2021
Provisions for pensions and similar obligations	25,259	21,261
Provisions for taxes	3,411	4,842
Other provisions	17,654	19,247
	46,323	45,350

Provisions for pensions and similar obligations

Provisions for pensions are recognized for commitments in the form of retirement, invalidity and dependents' benefits payable under pension plans. The benefits usually depend on the employees' length of service and remuneration. At Volkswagen AG, pension plans are based on defined benefit plans, whereby a distinction is made between provision-funded and externally funded pension plans.

Provisions for pensions and similar obligations are measured on the basis of the following assumptions:

	Dec. 31, 2022	Dec. 31, 2021
Discount rate	1.78%	1.87%
Salary trend	3.28%	3.30%
Wage/pension trend	2.20%	1.70%
Fluctuation	1.10%	1.10%
Basis of calculation	2018 G mortality tables	2018 G mortality tables
	RV-Altersgrenzen- anpassungsgesetz (German Act to Adapt the Standard Retirement Age to Reflect Demographic Trends and to Strengthen the Funding Basis for the Statutory Pension Insurance System)	RV-Altersgrenzen- anpassungsgesetz (German Act to Adapt the Standard Retirement Age to Reflect Demographic Trends and to Strengthen the Funding Basis for the Statutory Pension Insurance System)
Age limits	2007	2007

The percentage figure used to calculate the salary trend takes into account increases attributable to career development as a surcharge on regular salary increases. The discount rate applied is based on the average market interest rate for the past ten years. Because of continuing inflation, the pension trend was increased by 0.5 % percentage points.

The pension obligations reported in the balance sheet are composed of the following items:

€ million	Dec. 31, 2022	Dec. 31, 2021
Externally funded pension obligation		
Cost of the pension fund	6,122	5,611
Fair value of the pension fund	5,547	6,040
Settlement amount of the obligations in the pension fund model (fair value)	10,860	9,131
Offset against the fair value of the pension fund (in accordance with section 246(2) of the HGB)	5,313	3,091
Provision-funded pension obligation		
Settlement amount of the obligations outside the pension fund model	19,946	18,169
Pension provisions reported in the balance sheet	25,259	21,261

Externally funded pension benefits

The fund assets of externally funded pension obligations are measured at fair value. The settlement amount of the obligation exceeds the present value of the pension fund due to the relatively low interest rate applied. Consequently, corresponding provisions have been recognized. Since 1996, the occupational pension arrangements of Volkswagen AG have been based on a specially developed expense-related pension model. With effect from January 1, 2001, this model was developed into a pension fund, with the annual remuneration-linked contributions being invested in funds by Volkswagen Pension Trust e.V., Wolfsburg, as the trustee. By investing in funds, this model offers an opportunity for increasing benefit entitlements, while at the same time fully safeguarding them.

The following amounts were offset in the income statement:

€ million	2022	2021
Reinvested distributions from the pension fund	126	93
Measurement of the pension fund	-1,003	237
Change in value	-877	330
Adjustment of externally funded pension obligations in profit or loss	877	-330
Balance of income and expenses	-	-

Other provisions

Significant provisions were recognized for selling expenses including warranties (€7.6 billion; previous year: €8.0 billion), legal and litigation risks (€1.2 billion; previous year: €1.7 billion) and personnel expenses (€4.7 billion, mainly for long-service benefits, special benefits, partial retirement and other workforce costs; previous year: €4.5 billion).

Provisions for personnel expenses include liabilities relating to employee Time Assets. Volkswagen AG has been issuing Time Assets as a retirement benefit concept for working life planning since January 1, 1998. This allows employees to acquire Time Assets, which represent liabilities for Volkswagen AG. An approved fund (Time Assets fund) was launched to safeguard employees' claims. Investments are also made in a money market fund. By investing in funds, the model offers an opportunity for increasing the value of Time Assets, while at the same time fully safeguarding them.

The plan assets from both funds are measured at fair value in accordance with section 253(1) of the HGB. The fair value of offset assets in the Time Assets fund was determined by reference to market prices (stock market prices) in an active market. Fund assets and liabilities relating to Time Assets are offset:

€ million	Dec. 31, 2022	Dec. 31, 2021
Cost of the Time Asset funds	3,285	3,174
Fair value of the Time Asset funds	2,884	3,137
Settlement amount of the Time Asset obligation	2,964	3,142
Balance of the Time Asset fund and the settlement amount of the Time Asset obligation	80	5

The following amounts were offset:

€ million	2022	2021
Reinvested distributions from the Time Asset funds, including realization effects	32	34
Measurement of the Time Asset funds	-418	71
Change in value	-386	105
Settlement amount of the Time Asset obligation	386	-105
Balance of income and expenses	-	-

(10) LIABILITIES

€ million	Dec. 31, 2022	TERM TO MATURITY			
		due within one year	due in more than one year	of which due within one to five years	of which due over 5 years
Type of liability					
Liabilities to banks	3,462	647	2,814	2,812	2
Payments received on account of orders	209	209	-	-	-
Trade payables	3,248	3,248	-	-	-
Liabilities to affiliated companies	118,017	78,258	39,758	24,895	14,863
Liabilities to other investees and investors	1,754	1,754	-	-	-
Other liabilities	10,586	10,363	223	223	-
of which taxes	166	166	0	0	-
of which social security	46	40	-	-	-
	137,276	94,480	42,796	27,930	14,865

€ million	Dec. 31, 2021	TERM TO MATURITY			
		due within one year	due in more than one year	of which due within one to five years	of which due over 5 years
Type of liability					
Liabilities to banks	3,165	846	2,320	2,315	5
Payments received on account of orders	309	309	-	-	-
Trade payables	2,178	2,178	-	-	-
Liabilities to affiliated companies	90,056	43,101	46,956	24,866	22,090
Liabilities to other investees and investors	1,082	1,082	-	-	-
Other liabilities	1,750	1,584	166	166	-
of which taxes	157	157	0	0	-
of which social security	46	40	-	-	-
	98,540	49,099	49,441	27,346	22,095

The syndicated line of credit amounting to €10.0 billion taken out by Volkswagen AG in December 2019 was unused at the end of 2022.

In February 2022, Volkswagen AG called a hybrid note (maturity: 7 years) with a principal amount of €1.1 billion, which had been placed in 2015 via Volkswagen International Finance N.V., Amsterdam, the Netherlands (issuer). The hybrid note was redeemed on March 21, 2022.

In March 2022, Volkswagen International Finance N.V., Amsterdam, the Netherlands (VIF) placed two hybrid notes with a total volume of €2.25 billion. In November 2022 Volkswagen AG called a hybrid note (maturity: 5.5 years) with a principal amount of €1.5 billion, which had been placed in 2017 via VIF (issuer). The hybrid note was redeemed on December 14, 2022.

A second green bond was issued in June 2022 under the Green Finance Framework presented in 2020. At €1.5 billion, this was sufficient to refinance the bulk of the expenses arising from the Green Project Portfolio for the years 2017 to 2020.

The Volkswagen Group unveiled a new Green Finance Framework in November 2022. This will allow the company to finance capital expenditures that are aligned with the EU taxonomy, whereby Volkswagen will voluntarily limit itself to all-electric vehicles. On the basis of the new framework, an amount of €2.5 billion was placed in the same month by way of three green bonds.

Volkswagen Group of America Finance, LLC, Herndon / VA raised USD 3.0 billion from investors over the US refinancing market in May 2022.

Moreover, in the Canadian refinancing market, VW Credit Canada, Inc., St. Laurent / QC, / Crédit VW Canada, Inc. issued notes in an amount of CAD 750 million in November 2022.

€4.2 billion (previous year: €3.2 billion) of the liabilities to affiliated companies relates to trade payables. The rise in liabilities to affiliated companies is mainly due to higher loan liabilities.

The liabilities to other investees and investors contain trade payables of €207 million (previous year: €88 million).

Other liabilities include primarily liabilities for the special dividend in connection with the IPO of Dr. Ing. h.c. F. Porsche AG, Stuttgart (Porsche AG), in an amount of €9.6 billion (previous year: €– billion) and option premiums received in an amount of €304 million (previous year: €230 million).

Standard retention of title applies to the liabilities from deliveries of goods contained in the amounts shown above.

Other liabilities include liabilities to employees of €0.1 million (previous year: €0.4 million) that are secured by real estate liens.

(11) DEFERRED INCOME

Deferred income primarily comprises amounts for extended warranties and fees collected in relation to online services (Car-Net).

CONTINGENCIES AND COMMITMENTS

€ million	Dec. 31, 2022	Dec. 31, 2021
Contingent liabilities from guarantees	170	171
Contingent liabilities from warranties	38,935	34,313
<i>of which relating to pensions</i>	1,158	1,080
<i>of which relating to affiliated companies</i>	1,158	1,080 ¹
Granting of security for third-party liabilities	1,302	1,145
<i>of which relating to affiliated companies</i>	1,144	1,035
	40,407	35,630

¹ Prior-year figures adjusted.

Contingent liabilities from warranties

Contingent liabilities from warranties relate primarily to guarantees given to creditors of subsidiaries and for bonds issued by these subsidiaries.

Risk assessment of the settlement of contingent liabilities

Volkswagen AG provides guarantees for the capital market issues of the finance companies, for development loans from supranational financial institutions and, in specific cases, for loans to newly formed subsidiaries. Volkswagen AG manages its subsidiaries in such a way that they can discharge their financial obligations at any time. In addition to the preparation of a monthly liquidity report for Volkswagen AG, regular financial reviews are held during which the variances between the actual and projected liquidity are analyzed and the necessary corrective measures are implemented. Based on this information, the Company sees no risk of a claim being brought under the guarantees provided.

For more information, please refer to the disclosures on existing contingent liabilities in the section entitled "Related party disclosures".

Transactions not included in the balance sheet (section 285 no. 3 of the HGB)

Volkswagen AG finances its trade receivables from foreign affiliated companies and certain selected non-Group importers on the basis of nonrecourse factoring via foreign subsidiaries. In addition, selected receivables from partners of the domestic sales organization are financed on the basis of non-recourse factoring via a subsidiary. The total amount concerned was €25.0 billion (previous year: €26.6 billion) in the fiscal year. The Company received liquid funds in this amount. These transactions do not lead to any specific new risks.

Volkswagen AG sells a small number of vehicles, mainly to car rental companies, subject to the obligation to repurchase them for a predefined price after a fixed period of time. As of December 31, 2022, this was the case for 18,300 vehicles worth €0.4 billion (previous year: 10,928 vehicles worth €0.2 billion). Provisions are recognized for the risk arising from potential differences between the agreed prices and the market prices when such vehicles are marketed in the future.

TOTAL FEES PAID TO AUDITORS

The total fee paid to the auditors of the consolidated financial statements can be found in Note 41 of the notes to the consolidated financial statements.

The financial statement audit services related to the audit of the consolidated financial statements of Volkswagen AG and to the annual financial statements of subsidiaries, as well as to reviews of the interim consolidated financial statements of Volkswagen AG and of the interim financial statements of subsidiaries. Other assurance services mainly related to statutory and non-statutory audits as well as non-statutory assurance services for capital market transactions. The tax advisory services provided by the auditors in the previous year related primarily to assistance in the preparation of tax returns for employees on delegations abroad. Other services provided by the auditors related primarily to advisory services in connection with transformation processes.

OTHER FINANCIAL OBLIGATIONS

€ million	Dec. 31, 2022	Due 2023	Due 2024 - 2027	Due after 2027
Loan commitments	33,587	33,587	-	-
<i>of which related to affiliated companies</i>	33,581	33,581	-	-
Rental and leasing agreements	1,373	436	565	372
<i>of which related to affiliated companies</i>	472	247	126	99
Other Contracts	3,110	291	1,412	1,407
<i>of which related to affiliated companies</i>	221	195	12	14
<i>of which related to associated companies</i>	-	-	-	-
	38,070	34,313	1,977	1,780

The other financial obligations from long-term rental and leasing agreements comprise lease payments for business vehicles, rentals of storage, logistics and office space, test tracks as well as operating and office equipment. Around 44 hectares of land (carrying amount €7.1 million) are encumbered by heritable building rights.

In accordance with Art. 5(10) of the statutes of the Einlagensicherungsfonds (Deposit Protection Fund), Volkswagen AG has given an undertaking to indemnify Bundesverband deutscher Banken e.V., Berlin, against any losses incurred that are attributable to measures taken by it in favor of a majority-owned bank.

Volkswagen AG has liabilities from its investments in commercial partnerships.

Other financial obligations relate mostly to obligations under development and supply contracts. Other financial obligations also include commitments to invest in the infrastructure for zero-emission vehicles and in initiatives to promote access to and awareness of these technologies. The Volkswagen Group had committed itself to an amount of €0.5 billion under the settlement agreement relating to the diesel issue.

In addition to the other financial obligations shown in the table, purchase commitments exist for inventories with a short turnover period, which arise primarily from the Master Collaboration Agreement with Ford Motor Company for the joint development of vans and mid-sized pickups for the global market.

In addition, there are purchase commitments at normal levels for capital expenditure projects and advertising contracts.

Disclosures on derivatives

MEASUREMENT METHODS

The fair values of the derivatives generally correspond to the market or quoted market price. If no active market exists, fair value is determined using valuation techniques, such as by discounting the future cash flows at the market interest rate, or by using recognized option pricing models, and verified by confirmations from the banks that handle the transactions.

The calculations were based on the following term structures:

in %	EUR	AUD	CAD	CHF	CNY	CZK	GBP	JPY	USD
Interest rate for six months	2.7317	3.5266	4.8926	1.2200	2.4115	7.3492	4.0800	0.0088	4.7940
Interest rate for one year	3.0270	3.9000	4.9396	1.5100	2.4629	7.3476	4.4600	0.1025	4.8870
Interest rate for five years	3.1855	4.2475	3.7430	1.8150	3.0600	5.1950	4.0820	0.6000	3.7270
Interest rate for ten years	3.1510	4.5450	3.7590	2.0400	4.0700	4.7650	3.7520	0.9075	3.5340

DERIVATIVES

Currency forwards, currency options, commodity futures, cross-currency swaps and interest rate swaps are used as hedging instruments. All instruments serve to hedge currency, interest rate and commodity price risk exposures of hedged items attributable to the real economy, independently of whether or not they are included in hedge accounting. In the fiscal year under review, existing hedges of sales revenue and, to a small extent, of purchase transactions were terminated because the hedged items no longer met the criteria for hedge accounting. In cases in which they were settled, new hedging relationships were designated for the currency forwards concerned.

The following table shows the hedging volume of the financial instruments not included in hedge accounting.

€ million Type and volume	NOTIONAL AMOUNT		FAIR VALUE	
	Dec. 31, 2022	Dec. 31, 2021	Dec. 31, 2022	Dec. 31, 2021
Currency futures contracts	5,003	3,596		
of which currency purchases	4,496	3,244		
of which positive fair values			254	148
of which negative fair values			-42	-11
of which currency sales	507	352		
of which positive fair values			3	2
of which negative fair values			-3	0
Currency option contracts	-	-		
of which positive fair values			-	-
Commodity futures contracts	4,538	3,203		
of which positive fair values			1,816	1,106
of which negative fair values			-182	-39

Balance sheet items and carrying amounts

Derivatives not included in hedges are contained in the following balance sheet items at the carrying amounts shown:

€ million	Balance sheet item	CARRYING AMOUNT	
		Dec. 31, 2022	Dec. 31, 2021
Expected losses from open currency forwards	Other provisions	67	22
Expected losses from open commodity future contracts	Other provisions	183	41

Derivatives – included in hedges

Explanations of the risks hedged, the hedging strategy and the highly probable forecast transactions are included in the management report.

Hedges of currency, interest rate and commodity price risk exposures

The following risk exposures are included in hedge accounting:

€ million	NOTIONAL AMOUNT		FAIR VALUE	
	Dec. 31, 2022	Dec. 31, 2021	Dec. 31, 2022	Dec. 31, 2021
Hedged risks				
Currency risk from assets (cross currency swaps, currency forwards) and forecasted transactions	1,510	1,172		
negative fair values			-4	-29
positive fair values			8	1
Currency risk from forecast transactions	185,826	153,196		
negative fair values			-3,504	-2,760
positive fair values			4,911	2,917
Currency option contracts	53,822	46,045		
negative fair values			-435	-274
positive fair values			409	283
Commodity futures contracts	6,637	5,666		
negative fair values			-1,443	-1,003
positive fair values			1,457	1,004
Currency risk from executory contracts	10,552	9,688		
negative fair values			-313	-139
positive fair values			366	234

A portfolio approach is used to hedge currency risk exposures, under which expected cash inflows and outflows in foreign currencies are offset in order to hedge the net position. Since the volume of the hedges is lower than the volume of the planned commodity purchases and sales, there is a strong presumption that the changes in cash flows from hedging instruments in the future will offset the effects relating to commodity purchases and sales. Furthermore, the extent of hedging decreases the later the commodity purchase or sale is planned within the planning period. All hedges were recognized using both the net hedge presentation method and the gross hedge presentation method. The recognized hedges were effective.

Assets and liabilities in a nominal amount of €1.5 billion are hedged by combining cross-currency swaps with interest rate swaps of equal amounts in micro hedges; the term of the hedge is based on the term of the underlying transaction. An exposure of €4 million arising from liabilities was hedged as of the reporting date on December 31, 2022. The effectiveness of the hedge is assessed prospectively using the critical terms match method and retrospectively using the dollar offset method.

Micro hedges, macro hedges and portfolio hedges are recognized for the forecast transactions. Their effectiveness is assessed prospectively using the critical terms match method and retrospectively using the dollar offset method. With respect to the hedging of forecast transactions using currency forwards, risk exposures in the amount of €150.4 billion are hedged by micro hedges, €35.3 billion by macro hedges and €62 million by portfolio hedges.

Forecast transactions relating to risk exposures are micro-hedged in an amount of €51.7 billion and macro-hedged in an amount of €2.1 billion using currency options.

Executory contracts and forecast transactions mainly relate to planned commodity purchases in foreign currency and revenue from vehicle sales that are highly probable in the coming five years. There are also currency forwards that serve as offsetting transactions to close out terminated hedges.

Individual planned sales and purchases in connection with the future electric vehicle strategy also relate to periods beyond this. Currency risk exposures relating to executory contracts are hedged by micro hedges.

In addition to the derivatives used for hedging foreign currency, interest rate and price risk, the Group held options and other derivatives in connection with fund investments at the reporting date with a notional amount of €16.2 billion. Credit default swaps, also in connection with fund investments, had a notional amount of €9.5 billion.

Hedging of currency and commodity price risk exposures for subsidiaries

Volkswagen AG combines the currency and purchase price risk exposures of certain subsidiaries with its own exposures as part of uniform planning in order to hedge them using currency forwards, currency options and commodity futures with external partners. The notional amounts of the aggregate hedging transactions entered into by Volkswagen AG for forecast transactions and planned commodity purchases therefore also includes amounts attributable to subsidiaries included in the consolidated financial statements. They are allocated to subsidiaries either via hedging transactions between the subsidiary and Volkswagen AG that mirror the external hedging transactions, or by the subsidiary participating in the gain or loss when the hedging transaction is settled.

The term and method used to assess the effectiveness of hedging transactions entered into between Volkswagen AG and a subsidiary are the same as for external hedging transactions. Hedge accounting is applied only to micro hedges. The underlying is defined as the entire hedging transaction or a part of the hedging transaction entered into between Volkswagen AG and external partners.

Derivatives

The following table shows the hedging volume attributable to subsidiaries included in the consolidated financial statements that is not included in hedge accounting:

€ million	NOTIONAL AMOUNT		FAIR VALUE	
	Dec. 31, 2022	Dec. 31, 2021	Dec. 31, 2022	Dec. 31, 2021
Hedged risks				
Currency futures contracts	359	203		
of which currency purchases	353	198		
of which positive fair values			13	8
of which negative fair values			-3	-1
of which currency sales	6	5		
of which positive fair values			0	0
of which negative fair values			-	-
Currency option contracts	-	-		
of which positive fair values			-	-
Commodity futures contracts	353	200		
of which positive fair values			48	84
of which negative fair values			-4	-

Balance sheet items and carrying amounts

The carrying amounts of hedges not included in hedge accounting and attributable to subsidiaries are contained in the following balance sheet items:

€ million	Balance sheet item	CARRYING AMOUNT	
		Dec. 31, 2022	Dec. 31, 2021
Expected losses from open currency forwards	Other provisions	3	1
Expected losses from open commodity future contracts	Other provisions	4	-

Hedging of currency and commodity price risk exposures

The following exposures were hedged for subsidiaries and included in hedge accounting:

€ million	Hedging instrument	DEC. 31, 2022		
		Amount hedged	Positive fair value	Negative fair value
Hedged exchange rate risks				
Forecast transactions	Currency futures contracts	75,216	2,054	-1,031
	Currency option contracts	25,262	233	-157
	Commodity futures contracts	3,318	121	-1,323
		103,796	2,408	-2,511
Executory contracts	Currency futures contracts	3,513	19	-210
Assets	Currency futures contracts	-	-	-
		107,309	2,426	-2,722

Income Statement Disclosures

(12) SALES

€ million	2022	%	2021	%
by region				
Germany	33,196	41.8	28,619	40.4
Europe / excl. Germany	33,759	42.5	30,338	42.8
North America	3,873	4.9	3,010	4.2
South America	693	0.9	745	1.1
Africa	1,645	2.1	1,310	1.8
Asia-Pacific	6,324	8.0	6,895	9.7
	79,491	100.0	70,917	100.0
by segment				
Vehicle sales	48,668	61.2	41,459	58.5
Genuine parts	7,128	9.0	6,595	9.3
Other sales	23,695	29.8	22,864	32.2
	79,491	100.0	70,917	100.0

Other sales comprise deliveries of materials and parts worth €14.1 billion (previous year: €12.1 billion) to subsidiaries.

(13) OTHER OPERATING INCOME

€ million	2022	2021
Other operating income	9,332	6,161
<i>of which income from the reversal of special tax-allowable reserves</i>	0	1

Other operating income relates primarily to income from the measurement and settlement of hedging transactions and income from the foreign currency translation of goods and services deliveries in the amount of €5.9 billion (previous year: €2.9 billion). Income from the reversal of provisions amounts to €2.1 billion (previous year: €1.8 billion). Other income that is attributable to previous fiscal years amounts to €0.2 billion (previous year: €0.2 billion).

(14) OTHER OPERATING EXPENSES

€ million	2022	2021
Other operating expenses	7,334	6,095

Other operating expenses include legal and litigation risks relates primarily from the diesel issue amounting to €0.6 billion (previous year: €1.8 billion). This item also includes expenses from the measurement and settlement of hedging transactions and foreign currency translation expenses of €5.6 billion (previous year: €3.2 billion). Foreign currency translation expenses mainly relate to exchange rate losses from the measurement and settlement of foreign currency hedges, as well as exchange rate losses from the translation of operating receivables and liabilities that have not been offset.

(15) FINANCIAL RESULT

€ million	2022	2021
Income and expenses from investments	19,949	11,859
Interest income and expense	-1,376	-1,438
Other financial result	-1,622	-1,876
	16,950	8,545

Income and expenses from investments

€ million	2022	2021
Income from investments	2,034	6,342
<i>of which from affiliated companies</i>	331	4,608
Income from profit and loss transfer agreements	24,321	10,224
Other investment income	-	130
Other investment expenses	905	965
Cost of loss absorption	5,501	3,872
	19,949	11,859

Income from investments primarily comprises income from FAW-Volkswagen Automotive Company Ltd., Changchun, China, SAIC-Volkswagen Automotive Company Ltd., Shanghai, China, Volkswagen Konzernlogistik GmbH & Co. OHG, Wolfsburg, Germany, and Volkswagen Holding Österreich GmbH, Salzburg, Austria.

Income from profit and loss transfer agreements, which includes allocations of income-related taxes, primarily comprises income from Porsche Holding Stuttgart GmbH, Stuttgart, and AUDI AG, Ingolstadt. For information on the profit transfer of Porsche Holding Stuttgart GmbH, Stuttgart, please refer to "Significant events in the fiscal year".

Other investment expenses comprise the transfer of investment income of €0.9 billion to AUDI AG, Ingolstadt.

Interest income and expense

€ million	2022	2021
Income from other investments and long-term loans	111	82
<i>of which from affiliated companies</i>	17	29
Other interest and similar income	329	174
<i>of which from affiliated companies</i>	223	135
Interest and similar expenses	1,816	1,694
<i>of which to affiliated companies</i>	1,625	1,403
	-1,376	-1,438

Interest and similar expenses mainly relate to interest expenses to affiliated companies, bank commission and interest on overnight and fixed-term borrowings.

Other financial result

€ million	2022	2021
Interest component of pension expenses	-1,882	-2,236
Unwinding of the discount on/discounting provisions	259	360
Unwinding of the discount on/discounting of liabilities	0	0
	-1,622	-1,876

Other taxes

The other taxes allocated to the consuming functions amounted to €56 million (previous year: €54 million). They relate to VAT, vehicle taxes and land taxes.

Deferred taxes

Offsetting deferred tax assets and liabilities in the fiscal year resulted in an excess of tax assets in Volkswagen AG's consolidated tax group. This represents a future tax benefit and is not recognized as an asset. Deferred tax assets are mainly attributable to differences in the carrying amounts of pension provisions, other provisions and fixed assets. The option to recognize excess assets in accordance with section 274 of the HGB is not exercised.

NOTICES AND DISCLOSURE OF CHANGES REGARDING THE OWNERSHIP OF VOTING RIGHTS IN VOLKSWAGEN AG IN ACCORDANCE WITH THE WERTPAPIERHANDELSGESETZ (WPHG – GERMAN SECURITIES TRADING ACT) IN THE VERSION CURRENTLY VALID ON THE DATE OF PUBLICATION

PORSCHÉ

- 1) Porsche Automobil Holding SE, Stuttgart, Germany has notified us in accordance with article 21, section 1 of the WpHG that its share of the voting rights in Volkswagen Aktiengesellschaft, Wolfsburg, Germany, exceeded the threshold of 50% on January 5, 2009 and amounted to 50.76% (149,696,680 voting rights) at this date.
- 2) The following persons notified us in accordance with article 21, section 1 of the WpHG that their share of the voting rights in Volkswagen Aktiengesellschaft in each case exceeded the threshold of 50% on January 5, 2009 and in each case amounted to 50.76% (149,696,680 voting rights) at this date. All of the above-mentioned 149,696,680 voting rights are attributable to each of the persons making the notification in accordance with article 22, section 1, sentence 1 no. 1 of the WpHG. The voting rights attributed to the persons making the notifications are held via subsidiaries within the meaning of article 22, section 3 of the WpHG, whose attributed share of the voting rights amounts to 3% or more and whose names are given in brackets:

Mag. Josef Ahorner, Austria

(Ferdinand Porsche Privatstiftung, Salzburg/Austria; Ferdinand Porsche Holding GmbH, Salzburg/Austria; Louise Daxer-Piëch GmbH, Salzburg/Austria; Louise Daxer-Piech GmbH, Grünwald/Germany; Prof. Ferdinand Alexander Porsche GmbH, Salzburg/Austria; Ferdinand Alexander Porsche GmbH, Grünwald/Germany; Gerhard Anton Porsche GmbH, Salzburg/Austria; Gerhard Porsche GmbH, Grünwald/Germany; Familien Porsche-Daxer-Piech Beteiligung GmbH, Grünwald/Germany; Porsche Automobil Holding SE, Stuttgart/Germany),

Mag. Louise Kiesling, Austria

(Ferdinand Porsche Privatstiftung, Salzburg/Austria; Ferdinand Porsche Holding GmbH, Salzburg/Austria; Louise Daxer-Piëch GmbH, Salzburg/Austria; Louise Daxer-Piech GmbH, Grünwald/Germany; Prof. Ferdinand Alexander Porsche GmbH, Salzburg/Austria; Ferdinand Alexander Porsche GmbH, Grünwald/Germany; Gerhard Anton Porsche GmbH, Salzburg/Austria; Gerhard Porsche GmbH, Grünwald/Germany; Familien Porsche-Daxer-Piech Beteiligung GmbH, Grünwald/Germany; Porsche Automobil Holding SE, Stuttgart/Germany),

Prof. Ferdinand Alexander Porsche, Austria

(Ferdinand Porsche Privatstiftung, Salzburg/Austria; Ferdinand Porsche Holding GmbH, Salzburg/Austria; Louise Daxer-Piëch GmbH, Salzburg/Austria; Louise Daxer-Piech GmbH, Grünwald/Germany; Prof. Ferdinand Alexander Porsche GmbH, Salzburg/Austria; Ferdinand Alexander Porsche GmbH, Grünwald/Germany; Gerhard Anton Porsche GmbH, Salzburg/Austria; Gerhard Porsche GmbH, Grünwald/Germany; Familien Porsche-Daxer-Piech Beteiligung GmbH, Grünwald/Germany; Porsche Automobil Holding SE, Stuttgart/Germany),

Dr. Oliver Porsche, Austria

(Ferdinand Porsche Privatstiftung, Salzburg/Austria; Ferdinand Porsche Holding GmbH, Salzburg/Austria; Louise Daxer-Piëch GmbH, Salzburg/Austria; Louise Daxer-Piech GmbH, Grünwald/Germany; Prof. Ferdinand Alexander Porsche GmbH, Salzburg/Austria; Ferdinand Alexander Porsche GmbH, Grünwald/Germany; Gerhard Anton Porsche GmbH, Salzburg/Austria; Gerhard Porsche GmbH, Grünwald/Germany; Familien Porsche-Daxer-Piech Beteiligung GmbH, Grünwald/Germany; Porsche Automobil Holding SE, Stuttgart/Germany),

Kai Alexander Porsche, Austria

(Ferdinand Porsche Privatstiftung, Salzburg/Austria; Ferdinand Porsche Holding GmbH, Salzburg/Austria; Louise Daxer-Piëch GmbH, Salzburg/Austria; Louise Daxer-Piech GmbH, Grünwald/Germany; Prof. Ferdinand Alexander Porsche GmbH, Salzburg/Austria; Ferdinand Alexander Porsche GmbH, Grünwald/Germany; Gerhard Anton Porsche GmbH, Salzburg/Austria; Gerhard Porsche GmbH, Grünwald/Germany; Familien Porsche-Daxer-Piech Beteiligung GmbH, Grünwald/Germany; Porsche Automobil Holding SE, Stuttgart/Germany),

Mark Philipp Porsche, Austria

(Ferdinand Porsche Privatstiftung, Salzburg/Austria; Ferdinand Porsche Holding GmbH, Salzburg/Austria; Louise Daxer-Piëch GmbH, Salzburg/Austria; Louise Daxer-Piech GmbH, Grünwald/Germany; Prof. Ferdinand Alexander Porsche GmbH, Salzburg/Austria; Ferdinand Alexander Porsche GmbH, Grünwald/Germany; Gerhard Anton Porsche GmbH, Salzburg/Austria; Gerhard Porsche GmbH, Grünwald/Germany; Familien Porsche-Daxer-Piech Beteiligung GmbH, Grünwald/Germany; Porsche Automobil Holding SE, Stuttgart/Germany),

Gerhard Anton Porsche, Austria

(Ferdinand Porsche Privatstiftung, Salzburg/Austria; Ferdinand Porsche Holding GmbH, Salzburg/Austria; Louise Daxer-Piëch GmbH, Salzburg/Austria; Louise Daxer-Piech GmbH, Grünwald/Germany; Prof. Ferdinand Alexander Porsche GmbH, Salzburg/Austria; Ferdinand Alexander Porsche GmbH, Grünwald/Germany; Gerhard Anton Porsche GmbH, Salzburg/Austria; Gerhard Porsche GmbH, Grünwald/Germany; Familien Porsche-Daxer-Piech Beteiligung GmbH, Grünwald/Germany; Porsche Automobil Holding SE, Stuttgart/Germany),

Ing. Hans-Peter Porsche, Austria

(Familie Porsche Privatstiftung, Salzburg/Austria; Familie Porsche Holding GmbH, Salzburg/Austria; Ing. Hans-Peter Porsche GmbH, Salzburg/Austria; Hans-Peter Porsche GmbH, Grünwald/Germany; Familie Porsche Beteiligung GmbH, Grünwald/Germany; Porsche Automobil Holding SE, Stuttgart/Germany),

Peter Daniell Porsche, Austria

(Familie Porsche Privatstiftung, Salzburg/Austria; Familie Porsche Holding GmbH, Salzburg/Austria; Ing. Hans-Peter Porsche GmbH, Salzburg/Austria; Hans-Peter Porsche GmbH, Grünwald/Germany; Familie Porsche Beteiligung GmbH, Grünwald/Germany; Porsche Automobil Holding SE, Stuttgart/Germany),

Dr. Wolfgang Porsche, Germany

(Familie Porsche Privatstiftung, Salzburg/Austria; Familie Porsche Holding GmbH, Salzburg/Austria; Ing. Hans-Peter Porsche GmbH, Salzburg/Austria; Hans-Peter Porsche GmbH, Grünwald/Germany; Wolfgang Porsche GmbH, Grünwald/Germany; Familie Porsche Beteiligung GmbH, Grünwald/Germany; Porsche Automobil Holding SE, Stuttgart/Germany),

Ferdinand Porsche Privatstiftung, Salzburg/Austria

(Ferdinand Porsche Holding GmbH, Salzburg/Austria; Louise Daxer-Piëch GmbH, Salzburg/Austria; Louise Daxer-Piech GmbH, Grünwald/Germany; Prof. Ferdinand Alexander Porsche GmbH, Salzburg/Austria; Ferdinand Alexander Porsche GmbH, Grünwald/Germany; Gerhard Anton Porsche GmbH, Salzburg/Austria; Gerhard Porsche GmbH, Grünwald/Germany; Familien Porsche-Daxer-Piech Beteiligung GmbH, Grünwald/Germany; Porsche Automobil Holding SE, Stuttgart/Germany),

Familie Porsche Privatstiftung, Salzburg/Austria

(Familie Porsche Holding GmbH, Salzburg/Austria; Ing. Hans-Peter Porsche GmbH, Salzburg/Austria; Hans-Peter Porsche GmbH, Grünwald/Germany; Familie Porsche Beteiligung GmbH, Grünwald/Germany; Porsche Automobil Holding SE, Stuttgart/Germany),

Ferdinand Porsche Holding GmbH, Salzburg/Austria
(Louise Daxer-Piëch GmbH, Salzburg/Austria; Louise Daxer-Piech GmbH, Grünwald/Germany; Prof. Ferdinand Alexander Porsche GmbH, Salzburg/Austria; Ferdinand Alexander Porsche GmbH, Grünwald/Germany; Gerhard Anton Porsche GmbH, Salzburg/Austria; Gerhard Porsche GmbH, Grünwald/Germany; Familien Porsche-Daxer-Piech Beteiligung GmbH, Grünwald/Germany; Porsche Automobil Holding SE, Stuttgart/Germany),

Familie Porsche Holding GmbH, Salzburg/Austria
(Ing. Hans-Peter Porsche GmbH, Salzburg/Austria; Hans-Peter Porsche GmbH, Grünwald/Germany; Familie Porsche Beteiligung GmbH, Grünwald/Germany; Porsche Automobil Holding SE, Stuttgart/Germany),

Louise Daxer-Piëch GmbH, Salzburg/Austria
(Louise Daxer-Piech GmbH, Grünwald/Germany; Porsche Automobil Holding SE, Stuttgart/Germany; Familien Porsche-Daxer-Piech Beteiligung GmbH, Grünwald/Germany),

Prof. Ferdinand Alexander Porsche GmbH, Salzburg/Austria
(Ferdinand Alexander Porsche GmbH, Grünwald/Germany; Familien Porsche-Daxer-Piech Beteiligung GmbH, Grünwald/Germany; Porsche Automobil Holding SE, Stuttgart/Germany),

Gerhard Anton Porsche GmbH, Salzburg/Austria
(Gerhard Porsche GmbH, Grünwald/Germany; Familien Porsche-Daxer-Piech Beteiligung GmbH, Grünwald/Germany; Porsche Automobil Holding SE, Stuttgart/Germany),

Louise Daxer-Piech GmbH, Grünwald/Germany
(Familien Porsche-Daxer-Piech Beteiligung GmbH, Grünwald/Germany; Porsche Automobil Holding SE, Stuttgart/Germany),

Ferdinand Alexander Porsche GmbH, Grünwald/Germany
(Familien Porsche-Daxer-Piech Beteiligung GmbH, Grünwald/Germany; Porsche Automobil Holding SE, Stuttgart/Germany),

Gerhard Porsche GmbH, Grünwald/Germany
(Familien Porsche-Daxer-Piech Beteiligung GmbH, Grünwald/Germany; Porsche Automobil Holding SE, Stuttgart/Germany),

Ing. Hans-Peter Porsche GmbH, Salzburg/Austria
(Hans-Peter Porsche GmbH, Grünwald/Germany; Familie Porsche Beteiligung GmbH, Grünwald/Germany; Porsche Automobil Holding SE, Stuttgart/Germany),

Hans-Peter Porsche GmbH, Grünwald/Germany
(Familie Porsche Beteiligung GmbH, Grünwald/Germany; Porsche Automobil Holding SE, Stuttgart/Germany),

Wolfgang Porsche GmbH, Grünwald/Germany
(Familie Porsche Beteiligung GmbH, Grünwald/Germany; Porsche Automobil Holding SE, Stuttgart/Germany),

Familien Porsche-Daxer-Piech Beteiligung GmbH, Grünwald/Germany
(Porsche Automobil Holding SE, Stuttgart/Germany),

Familie Porsche Beteiligung GmbH, Grünwald/Germany
(Porsche Automobil Holding SE, Stuttgart/Germany),

Porsche GmbH, Stuttgart/Germany
(Porsche Automobil Holding SE, Stuttgart/Germany),

Dr. Hans Michel Piëch, Austria
(Porsche Automobil Holding SE, Stuttgart/Germany; Hans Michel Piech GmbH, Grünwald/Germany;
Dr. Hans Michel Piëch GmbH, Salzburg/Austria),

Dr. Hans Michel Piëch GmbH, Salzburg/Austria
(Porsche Automobil Holding SE, Stuttgart/Germany; Hans Michel Piech GmbH, Grünwald/Germany),

Hans Michel Piech GmbH, Grünwald/Germany
(Porsche Automobil Holding SE, Stuttgart/Germany),

Dipl.-Ing. Dr. h.c. Ferdinand Piëch, Austria
(Porsche Automobil Holding SE, Stuttgart/Germany; Ferdinand Piech GmbH, Grünwald/Germany;
Dipl.-Ing. Dr. h.c. Ferdinand Piëch GmbH, Salzburg/Austria; Ferdinand Karl Alpha Privatstiftung,
Vienna/Austria),

Ferdinand Karl Alpha Privatstiftung, Vienna/Austria
(Porsche Automobil Holding SE, Stuttgart/Germany; Ferdinand Piech GmbH, Grünwald/Germany;
Dipl.-Ing. Dr. h.c. Ferdinand Piëch GmbH, Salzburg/Austria),

Dipl.-Ing. Dr. h.c. Ferdinand Piëch GmbH, Salzburg/Austria
(Porsche Automobil Holding SE, Stuttgart/Germany; Ferdinand Piech GmbH, Grünwald/Germany),

Ferdinand Piech GmbH, Grünwald/Germany
(Porsche Automobil Holding SE, Stuttgart/Germany).

- 3) Porsche Holding Gesellschaft m.b.H., Salzburg/Austria, and Porsche GmbH, Salzburg/Austria, notified us in accordance with article 21, section 1 of the WpHG that their share of the voting rights in Volkswagen Aktiengesellschaft in each case exceeded the threshold of 50% on January 5, 2009 and in each case amounted to 53.13% (156,702,015 voting rights) at this date.

All the above-mentioned 156,702,015 voting rights are attributable to Porsche Holding Gesellschaft m.b.H. in accordance with article 22, section 1, sentence 1 no. 1 of the WpHG. The companies via which the voting rights are actually held and whose attributed share of the voting rights amounts to 3% or more are:

- Porsche GmbH, Salzburg/Austria;
- Porsche GmbH, Stuttgart/Germany;
- Porsche Automobil Holding SE, Stuttgart/Germany.

Of the above-mentioned 156,702,015 voting rights, 50.76% of the voting rights (149,696,753 voting rights) are attributable to Porsche GmbH, Salzburg/Austria, in accordance with article 22, section 1, sentence 1 no. 1 of the WpHG. The companies via which the voting rights are actually held and whose attributed share of the voting rights amounts to 3% or more are:

- Porsche GmbH, Stuttgart/Germany;
- Porsche Automobil Holding SE, Stuttgart/Germany.

- 4) Porsche Wolfgang 1. Beteiligungs GmbH & Co. KG, Stuttgart, Germany has notified us in accordance with article 21, section 1 of the WpHG that its (indirect) share of the voting rights in Volkswagen Aktiengesellschaft, Wolfsburg, Germany, exceeded the thresholds of 3%, 5%, 10%, 15%, 20%, 25%, 30% and 50% of the voting rights on September 29, 2010 and amounted to 50.74% of the voting rights (149,696,680 voting rights) at this date.

Of this figure, 50.74% of the voting rights (149,696,680 voting rights) are attributable to Porsche Wolfgang 1. Beteiligungs GmbH & Co. KG in accordance with article 22, section 1, sentence 1 no. 1 of the WpHG.

The voting rights attributed to Porsche Wolfgang 1. Beteiligungs GmbH & Co. KG are held via the following enterprises controlled by it, whose share of the voting rights in Volkswagen Aktiengesellschaft amounts to 3% or more in each case: Wolfgang Porsche GmbH, Grünwald, Familie Porsche Beteiligung GmbH, Grünwald, Porsche Automobil Holding SE, Stuttgart.

These voting rights were not reached by exercise of purchase rights resulting from financial instruments according to article 25, section 1, sentence 1 of the WpHG.

- 5) On August 12, 2013, LK Holding GmbH, Salzburg, Austria, has notified us in accordance with article 21, section 1 of the WpHG that its share of the voting rights in VOLKSWAGEN AKTIENGESELLSCHAFT, Wolfsburg, Germany, exceeded the thresholds of 3%, 5%, 10%, 15%, 20%, 25%, 30% and 50% of the voting rights on August 10, 2013 and amounted to 50.73% of the voting rights (149,696,681 voting rights) at this date.

Of this figure, 50.73% of the voting rights (149,696,681 voting rights) are attributable to LK Holding GmbH in accordance with article 22, section 1, sentence 1 no. 1 of the WpHG.

The voting rights attributed to LK Holding GmbH are held via the following enterprises controlled by it, whose share of the voting rights in VOLKSWAGEN AKTIENGESELLSCHAFT amounts to 3% or more in each case: Porsche Automobil Holding SE, Stuttgart; Familien Porsche-Kiesling Beteiligung GmbH, Grünwald; Louise Daxer-Piech GmbH, Grünwald.

- 6) On September 11, 2013, Ahorner Alpha Beteiligungs GmbH, Grünwald, Germany, has notified us in accordance with article 21, section 1 of the WpHG that its share of the voting rights in VOLKSWAGEN AKTIENGESELLSCHAFT, Wolfsburg, Germany, exceeded the thresholds of 3%, 5%, 10%, 15%, 20%, 25%, 30% and 50% of the voting rights on September 11, 2013 and amounted to 50.73% of the voting rights (149,696,681 voting rights) at this date. Of this figure, 50.73% of the voting rights (149,696,681 voting rights) are attributable to Ahorner Alpha Beteiligungs GmbH in accordance with article 22, section 1, sentence 1 no. 1 of the WpHG.

The voting rights attributed to Ahorner Alpha Beteiligungs GmbH are held via the following enterprises controlled by it, whose share of the voting rights in VOLKSWAGEN AKTIENGESELLSCHAFT amounts to 3% or more in each case: Porsche Automobil Holding SE, Stuttgart.

- 7) On September 11, 2013, Ahorner Beta Beteiligungs GmbH, Grünwald, Germany, has notified us in accordance with article 21, section 1 of the WpHG that its share of the voting rights in VOLKSWAGEN AKTIENGESELLSCHAFT, Wolfsburg, Germany, exceeded the thresholds of 3%, 5%, 10%, 15%, 20%, 25%, 30% and 50% of the voting rights on September 11, 2013 and amounted to 50.73% of the voting rights (149,696,681 voting rights) at this date. Of this figure, 50.73% of the voting rights (149,696,681 voting rights) are attributable to Ahorner Beta Beteiligungs GmbH in accordance with article 22, section 1, sentence 1 no. 1 of the WpHG.

The voting rights attributed to Ahorner Beta Beteiligungs GmbH are held via the following enterprises controlled by it, whose share of the voting rights in VOLKSWAGEN AKTIENGESELLSCHAFT amounts to 3% or more in each case: Ahorner Alpha Beteiligungs GmbH, Grünwald; Porsche Automobil Holding SE, Stuttgart.

- 8) On September 11, 2013, Louise Daxer-Piech GmbH, Salzburg, Austria, has notified us in accordance with article 21, section 1 of the WpHG that its share of the voting rights in VOLKSWAGEN AKTIENGESELLSCHAFT, Wolfsburg, Germany, exceeded the thresholds of 3%, 5%, 10%, 15%, 20%, 25%, 30% and 50% of the voting rights on September 11, 2013 and amounted to 50.73% of the voting rights (149,696,681 voting rights) at this date. Of this figure, 50.73% of the voting rights (149,696,681 voting rights) are attributable to Louise Daxer-Piech GmbH in accordance with article 22, section 1, sentence 1 no. 1 of the WpHG.

The voting rights attributed to Louise Daxer-Piech GmbH are held via the following enterprises controlled by it, whose share of the voting rights in VOLKSWAGEN AKTIENGESELLSCHAFT amounts to 3% or more in each case: Ahorner Beta Beteiligungs GmbH, Grünwald; Ahorner Alpha Beteiligungs GmbH, Grünwald; Porsche Automobil Holding SE, Stuttgart.

- 9) On September 11, 2013, Ahorner Holding GmbH, Salzburg, Austria, has notified us in accordance with article 21, section 1 of the WpHG that its share of the voting rights in VOLKSWAGEN AKTIENGESELLSCHAFT, Wolfsburg, Germany, exceeded the thresholds of 3%, 5%, 10%, 15%, 20%, 25%, 30% and 50% of the voting rights on September 11, 2013 and amounted to 50.73% of the voting rights (149,696,681 voting rights) at this date. Of this figure, 50.73% of the voting rights (149,696,681 voting rights) are attributable to Ahorner Holding GmbH in accordance with article 22, section 1, sentence 1 no. 1 of the WpHG.

The voting rights attributed to Ahorner Holding GmbH are held via the following enterprises controlled by it, whose share of the voting rights in VOLKSWAGEN AKTIENGESELLSCHAFT amounts to 3% or more in each case: Louise Daxer-Piech GmbH, Salzburg, Austria; Ahorner Beta Beteiligungs GmbH, Grünwald; Ahorner Alpha Beteiligungs GmbH, Grünwald; Porsche Automobil Holding SE, Stuttgart.

- 10) On December 16, 2014, Porsche Wolfgang 1. Beteiligungsverwaltungs GmbH, Stuttgart, Germany, has notified us in accordance with article 21, section 1 of the WpHG that its share of the voting rights in VOLKSWAGEN AKTIENGESELLSCHAFT, Wolfsburg, Germany, fell below the thresholds of 50%, 30%, 25%, 20%, 15%, 10%, 5% and 3% of the voting rights on December 15, 2014 and amounted to 0% of the voting rights (0 voting rights) at this date.

- 11) On December 17, 2014, Dr. Wolfgang Porsche Holding GmbH, Salzburg, Austria, has notified us in accordance with article 21, section 1 of the WpHG that its share of the voting rights in VOLKSWAGEN AKTIENGESELLSCHAFT, Wolfsburg, Germany, exceeded the thresholds of 3%, 5%, 10%, 15%, 20%, 25%, 30% and 50% of the voting rights on December 15, 2014 and amounted to 50.73% of the voting rights (149,696,681 voting rights) at this date. Of this figure, 50.73% of the voting rights (149,696,681 voting rights) are attributable to Dr. Wolfgang Porsche Holding GmbH in accordance with article 22, section 1, sentence 1 no. 1 of the WpHG.

The voting rights attributed to Dr. Wolfgang Porsche Holding GmbH are held via the following enterprises controlled by it, whose share of the voting rights in VOLKSWAGEN AKTIENGESELLSCHAFT amounts to 3% or more in each case: Wolfgang Porsche GmbH, Grünwald; Familie Porsche Beteiligung GmbH, Grünwald; Porsche Automobil Holding SE, Stuttgart.

12) On July 15, 2015, the following persons in each case have notified us in accordance with article 21, section 1 of the WpHG that their share of the voting rights in VOLKSWAGEN AKTIENGESELLSCHAFT, Wolfsburg, Germany, exceeded the thresholds of 3%, 5%, 10%, 15%, 20%, 25%, 30% and 50% of the voting rights on July 14, 2015 and in each case amounted to 50.73% of the voting rights (149,696,681 voting rights) at this date:

- Dipl.-Design. Stephanie Porsche-Schröder, Austria,
- Dr. Dr. Christian Porsche, Austria,
- Ferdinand Rudolf Wolfgang Porsche, Austria

Of this figure, in each case 50.73% of the voting rights (149,696,681 voting rights) are attributable to each of the above-mentioned notifying persons in accordance with article 22, section 1, sentence 1 no. 1 of the WpHG. The voting rights attributed to the notifying persons in each case are held via the following enterprises controlled by the notifying persons, whose share of the voting rights in VOLKSWAGEN AKTIENGESELLSCHAFT amounts to 3% or more in each case:

Dr. Wolfgang Porsche Holding GmbH, Salzburg; Wolfgang Porsche GmbH, Grünwald; Ferdinand Porsche Familien-Privatstiftung, Salzburg; Familie Porsche Holding GmbH, Salzburg; Ing. Hans-Peter Porsche GmbH, Salzburg; Hans-Peter Porsche GmbH, Grünwald; Ferdinand Porsche Holding GmbH, Salzburg; Prof. Ferdinand Alexander Porsche GmbH, Salzburg; Ferdinand Alexander Porsche GmbH, Grünwald; Gerhard Anton Porsche GmbH, Salzburg; Gerhard Porsche GmbH, Grünwald; LK Holding GmbH, Salzburg; Louise Kiesling GmbH, Grünwald; Familie Porsche Beteiligung GmbH, Grünwald; Porsche Automobil Holding SE, Stuttgart.

13) On July 15, 2015, Familie Porsche Privatstiftung, Salzburg, Austria, has notified us in accordance with article 21, section 1 of the WpHG that its share of the voting rights in VOLKSWAGEN AKTIENGESELLSCHAFT, Wolfsburg, Germany, fell below the thresholds of 50%, 30%, 25%, 20%, 15%, 10%, 5% and 3% of the voting rights on July 14, 2015 and amounted to 0% of the voting rights (0 voting rights) at this date.

14) On July 15, 2015, Ferdinand Porsche Privatstiftung, Salzburg, Austria, has notified us in accordance with article 21, section 1 of the WpHG that its share of the voting rights in VOLKSWAGEN AKTIENGESELLSCHAFT, Wolfsburg, Germany, fell below the thresholds of 50%, 30%, 25%, 20%, 15%, 10%, 5% and 3% of the voting rights on July 14, 2015 and amounted to 0% of the voting rights (0 voting rights) at this date.

15) On July 15, 2015, Ferdinand Porsche Familien-Privatstiftung, Salzburg, Austria, has notified us in accordance with article 21, section 1 of the WpHG that its share of the voting rights in VOLKSWAGEN AKTIENGESELLSCHAFT, Wolfsburg, Germany, exceeded the thresholds of 3%, 5%, 10%, 15%, 20%, 25%, 30% and 50% of the voting rights on July 14, 2015 and amounted to 50.73% of the voting rights (149,696,681 voting rights) at this date. Of this figure, 50.73% of the voting rights (149,696,681 voting rights) are attributable to Ferdinand Porsche Familien-Privatstiftung in accordance with article 22, section 1, sentence 1 no. 1 of the WpHG.

The voting rights attributed to Ferdinand Porsche Familien-Privatstiftung are held via the following enterprises controlled by it, whose share of the voting rights in VOLKSWAGEN AKTIENGESELLSCHAFT amounts to 3% or more in each case:

Familie Porsche Holding GmbH, Salzburg; Ing. Hans-Peter Porsche GmbH, Salzburg; Hans-Peter Porsche GmbH, Grünwald; Ferdinand Porsche Holding GmbH, Salzburg; Prof. Ferdinand Alexander Porsche GmbH, Salzburg; Ferdinand Alexander Porsche GmbH, Grünwald; Gerhard Anton Porsche GmbH, Salzburg; Gerhard Porsche GmbH, Grünwald; LK Holding GmbH, Salzburg; Louise Kiesling GmbH, Grünwald; Familie Porsche Beteiligung GmbH, Grünwald; Porsche Automobil Holding SE, Stuttgart.

16) On July 20, 2015, the following persons in each case have notified us in accordance with article 21, section 1 of the WpHG that their share of the voting rights in VOLKSWAGEN AKTIENGESELLSCHAFT, Wolfsburg, Germany, exceeded the thresholds of 3%, 5%, 10%, 15%, 20%, 25%, 30% and 50% of the voting rights on July 14, 2015 and in each case amounted to 50.73% of the voting rights (149,696,681 voting rights) at this date:

- Dr. Geraldine Porsche, Austria,
- Diana Porsche, Austria,
- Felix Alexander Porsche, Germany.

Of this figure, in each case 50.73% of the voting rights (149,696,681 voting rights) are attributable to each of the above-mentioned notifying persons in accordance with article 22, section 1, sentence 1 no. 1 of the WpHG. The voting rights attributed to the notifying persons in each case are held via the following enterprises controlled by the notifying persons, whose share of the voting rights in VOLKSWAGEN AKTIENGESELLSCHAFT amounts to 3% or more in each case:

Ferdinand Porsche Familien-Privatstiftung, Salzburg; Familie Porsche Holding GmbH, Salzburg; Ing. Hans-Peter Porsche GmbH, Salzburg; Hans-Peter Porsche GmbH, Grünwald; Ferdinand Porsche Holding GmbH, Salzburg; Prof. Ferdinand Alexander Porsche GmbH, Salzburg; Ferdinand Alexander Porsche GmbH, Grünwald; Gerhard Anton Porsche GmbH, Salzburg; Gerhard Porsche GmbH, Grünwald; LK Holding GmbH, Salzburg; Louise Kiesling GmbH, Grünwald; Familie Porsche Beteiligung GmbH, Grünwald; Porsche Automobil Holding SE, Stuttgart.

17) On August 4, 2015, Ferdinand Porsche Familien- Holding GmbH, Salzburg, Austria, has notified us in accordance with article 21, section 1 of the WpHG that its share of the voting rights in VOLKSWAGEN AKTIENGESELLSCHAFT, Wolfsburg, Germany, exceeded the thresholds of 3%, 5%, 10%, 15%, 20%, 25%, 30% and 50% of the voting rights on July 31, 2015 and amounted to 50.73% of the voting rights (149,696,681 voting rights) at this date. Of this figure, 50.73% of the voting rights (149,696,681 voting rights) are attributable to Ferdinand Porsche Familien- Holding GmbH in accordance with article 22, section 1, sentence 1 no. 1 of the WpHG.

The voting rights attributed to Ferdinand Porsche Familien- Holding GmbH are held via the following enterprises controlled by it, whose share of the voting rights in VOLKSWAGEN AKTIENGESELLSCHAFT amounts to 3% or more in each case:

Hans-Peter Porsche GmbH, Grünwald; Ferdinand Alexander Porsche GmbH, Grünwald; Gerhard Porsche GmbH, Grünwald; Louise Kiesling GmbH, Grünwald; Familie Porsche Beteiligung GmbH, Grünwald; Porsche Automobil Holding SE, Stuttgart.

18) Release according to article 26, section 1 of the WpHG of June 3, 2016

1. Details of issuer VOLKSWAGEN AKTIENGESELLSCHAFT, Berliner Ring 2, 38440 Wolfsburg, Germany

2. Reason for notification <input type="checkbox"/> Acquisition/disposal of shares with voting rights <input checked="" type="checkbox"/> Acquisition/disposal of instruments <input type="checkbox"/> Change of breakdown of voting rights <input type="checkbox"/> Other reason:

3. Details of person subject to the notification obligation Name: Dr. Dr. Christian Porsche, Dipl.- Design. Stephanie Porsche-Schröder, Ferdinand Rudolf Wolfgang Porsche, Felix Alexander Porsche	City and country of registered office:
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4. Names of shareholder(s) holding directly 3% or more voting rights, if different from 3. Porsche Automobil Holding SE

5. Date on which threshold was crossed or reached June 1, 2016
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6. Total positions				
	% of voting rights attached to shares (total of 7.a.)	% of voting rights through instruments (total of 7.b.1. + 7.b.2.)	total of both in % (7.a. + 7.b.)	total number of voting rights of issuer
Resulting situation	52.22%	52.22%	52.22%	295089818
Previous notification	50.73%	n/a%	0.00%	

7. Notified details of the resulting situation				
a. Voting rights attached to shares (articles 21, 22 WpHG)				
ISIN	absolute		in %	
	direct (article 21 WpHG)	indirect (article 22 WpHG)	direct (article 21 WpHG)	indirect (article 22 WpHG)
DE0007664005	0	154093681	0%	52.22%
Total	154093681		52.22 %	

b.1. Instruments according to article 25, section 1, no. 1 WpHG				
Type of instrument	Expiration or maturity date	Exercise or conversion period	Voting rights absolute	Voting rights in %
				%
		Total		%

b.2. Instruments according to article 25, section 1, no. 2 WpHG					
Type of instrument	Expiration or maturity date	Exercise or conversion period	Cash or physical settlement	Voting rights absolute	Voting rights in %
Contribution Agreement	n/a	n/a	physical	154093681	52.22%
			Total	154093681	52.22%

8. Information in relation to the person subject to the notification obligation			
<input type="checkbox"/> Person subject to the notification obligation (3.) is not controlled and does itself not control any other undertaking(s) holding directly or indirectly an interest in the (underlying) issuer (1.).			
<input checked="" type="checkbox"/> <u>Full</u> chain of controlled undertakings starting with the ultimate controlling natural person or legal entity:			
Name	% of voting rights (if at least held 3% or more)	% of voting rights through instruments (if at least held 5% or more)	Total of both (if at least held 5% or more)
Dr. Dr. Christian Porsche, Dipl.-Design. Stephanie Porsche-Schröder, Ferdinand Rudolf Wolfgang Porsche, Felix Alexander Porsche	%	%	%
Familie WP Holding GmbH	%	52.22%	52.22%
Dr. Dr. Christian Porsche, Dipl.-Design. Stephanie Porsche-Schröder, Ferdinand Rudolf Wolfgang Porsche, Felix Alexander Porsche	%	%	%
Dr. Wolfgang Porsche Holding GmbH	%	%	%
Ferdinand Alexander Porsche GmbH	%	%	%
Familie Porsche Beteiligung GmbH	%	%	%
Porsche Automobil Holding SE	52.22%	%	52.22%
Dr. Dr. Christian Porsche, Dipl.-Design. Stephanie Porsche-Schröder, Ferdinand Rudolf Wolfgang Porsche, Felix Alexander Porsche	%	%	%
Ferdinand Porsche Familien-Privatstiftung	%	%	%
Ferdinand Porsche Familien- Holding GmbH	%	%	%
Ferdinand Alexander Porsche GmbH	%	%	%
Familie Porsche Beteiligung GmbH	%	%	%

Porsche Holding SE	Automobil	52.22%	%	52.22%
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9. In case of proxy voting according to article 22, section 3 WpHG

(only possible when attributable according to article 22, section 1, sentence 1 no. 6 of the WpHG)

Date of general meeting:

Holding position after general meeting: % (equals voting rights)

19) Release according to article 26, section 1 of the WpHG of June 3, 2016

1. Details of issuer

VOLKSWAGEN AKTIENGESELLSCHAFT, Berliner Ring 2, 38440 Wolfsburg, Germany

2. Reason for notification

- Acquisition/disposal of shares with voting rights
 Acquisition/disposal of instruments
 Change of breakdown of voting rights
 Other reason:

3. Details of person subject to the notification obligation

Name:

Mr. Dr. Wolfgang Porsche

City and country of registered office:

4. Names of shareholder(s) holding directly 3% or more voting rights, if different from 3.

Porsche Automobil Holding SE

5. Date on which threshold was crossed or reached

June 1, 2016

6. Total positions

	% of voting rights attached to shares (total of 7.a.)	% of voting rights through instruments (total of 7.b.1. + 7.b.2.)	total of both in % (7.a. + 7.b.)	total number of voting rights of issuer
Resulting situation	52.22%	52.22%	52.22%	295089818
Previous notification	50.76%	n/a%	0.00%	

7. Notified details of the resulting situation**a. Voting rights attached to shares (articles 21, 22 WpHG)**

ISIN	absolute		in %	
	direct (article 21 WpHG)	indirect (article 22 WpHG)	direct (article 21 WpHG)	indirect (article 22 WpHG)
DE0007664005	0	154093681	0%	52.22%
Total	154093681		52.22%	

b.1. Instruments according to article 25, section 1, no. 1 WpHG				
Type of instrument	Expiration or maturity date	Exercise or conversion period	Voting rights absolute	Voting rights in %
				%
		Total		%

b.2. Instruments according to article 25, section 1, no. 2 WpHG					
Type of instrument	Expiration or maturity date	Exercise or conversion period	Cash or physical settlement	Voting rights absolute	Voting rights in %
Contribution Agreement	n/a	n/a	physical	154093681	52.22%
			Total	154093681	52.22%

8. Information in relation to the person subject to the notification obligation			
<input type="checkbox"/> Person subject to the notification obligation (3.) is not controlled and does itself not control any other undertaking(s) holding directly or indirectly an interest in the (underlying) issuer (1.).			
<input checked="" type="checkbox"/> Full chain of controlled undertakings starting with the ultimate controlling natural person or legal entity:			
Name	% of voting rights (if at least held 3% or more)	% of voting rights through instruments (if at least held 5% or more)	Total of both (if at least held 5% or more)
Dr. Wolfgang Porsche	%	%	%
Familie WP Holding GmbH	%	52.22%	52.22%
Dr. Wolfgang Porsche	%	%	%
Dr. Wolfgang Porsche Holding GmbH	%	%	%
Ferdinand Alexander Porsche GmbH	%	%	%
Familie Porsche Beteiligung GmbH	%	%	%
Porsche Automobil Holding SE	52.22%	%	52.22%
Dr. Wolfgang Porsche	%	%	%
Ferdinand Porsche Familien-Privatstiftung	%	%	%
Ferdinand Porsche Familien- Holding GmbH	%	%	%
Ferdinand Alexander Porsche GmbH	%	%	%
Familie Porsche Beteiligung GmbH	%	%	%
Porsche Automobil Holding SE	52.22%	%	52.22%

9. In case of proxy voting according to article 22, section 3 WpHG

(only possible when attributable according to article 22, section 1, sentence 1 no. 6 of the WpHG)

Date of general meeting:

Holding position after general meeting: % (equals voting rights)

20) Release according to article 26, section 1 of the WpHG of June 17, 2016

1. Details of issuer

VOLKSWAGEN AKTIENGESELLSCHAFT, Berliner Ring 2, 38440 Wolfsburg, Germany

2. Reason for notification

- Acquisition/disposal of shares with voting rights
 Acquisition/disposal of instruments
 Change of breakdown of voting rights
 Other reason: Group notification due to intra group restructuring

3. Details of person subject to the notification obligation

Name:

Dr. Wolfgang Porsche, Dr. Dr. Christian Porsche, Dipl.-Design.
 Stephanie Porsche-Schröder, Ferdinand Rudolf Wolfgang Porsche,
 Felix Alexander Porsche

City and country of registered office:

4. Names of shareholder(s) holding directly 3% or more voting rights, if different from 3.
Porsche Automobil Holding SE

5. Date on which threshold was crossed or reached
June 15, 2016

6. Total positions

	% of voting rights attached to shares (total of 7.a.)	% of voting rights through instruments (total of 7.b.1. + 7.b.2.)	total of both in % (7.a. + 7.b.)	total number of voting rights of issuer
Resulting situation	52.22%	0.00%	52.22%	295089818
Previous notification	52.22%	52.22%	52.22%	

7. Notified details of the resulting situation

a. Voting rights attached to shares (articles 21, 22 WpHG)

ISIN	absolute		in %	
	direct (article 21 WpHG)	indirect (article 22 WpHG)	direct (article 21 WpHG)	indirect (article 22 WpHG)
DE0007664005	0	154093681	0	52.22%
Total		154093681		52.22%

b.1. Instruments according to article 25, section 1, no. 1 WpHG

Type of instrument	Expiration or maturity date	Exercise or conversion period	Voting rights absolute	Voting rights in %
				%
		Total		%

b.2. Instruments according to article 25, section 1, no. 2 WpHG					
Type of instrument	Expiration or maturity date	Exercise or conversion period	Cash or physical settlement	Voting rights absolute	Voting rights in %
					%
			Total		%

8. Information in relation to the person subject to the notification obligation			
<input type="checkbox"/> Person subject to the notification obligation (3.) is not controlled and does itself not control any other undertaking(s) holding directly or indirectly an interest in the (underlying) issuer (1.).			
<input checked="" type="checkbox"/> <u>Full</u> chain of controlled undertakings starting with the ultimate controlling natural person or legal entity:			
Name	% of voting rights (if at least held 3% or more)	% of voting rights through instruments (if at least held 5% or more)	Total of both (if at least held 5% or more)
Dr. Wolfgang Porsche, Dr. Dr. Christian Porsche, Dipl.- Design. Stephanie Porsche-Schröder, Ferdinand Rudolf Wolfgang Porsche, Felix Alexander Porsche	%	%	%
Familie WP Holding GmbH	%	%	%
Dr. Wolfgang Porsche Holding GmbH	%	%	%
Ferdinand Alexander Porsche GmbH	%	%	%
Familie Porsche Beteiligung GmbH	%	%	%
Porsche Automobil Holding SE	52.22%	%	52.22%
Dr. Wolfgang Porsche, Dr. Dr. Christian Porsche, Dipl.- Design. Stephanie Porsche-Schröder, Ferdinand Rudolf Wolfgang Porsche, Felix Alexander Porsche	%	%	%
Ferdinand Porsche Familien-Privatstiftung	%	%	%
Ferdinand Porsche Familien- Holding GmbH	%	%	%
Ferdinand Alexander Porsche GmbH	%	%	%
Familie Porsche Beteiligung GmbH	%	%	%
Porsche Automobil Holding SE	52.22%	%	52.22%

9. In case of proxy voting according to article 22, section 3 WpHG

(only possible when attributable according to article 22, section 1, sentence 1 no. 6 of the WpHG)

Date of general meeting:

Holding position after general meeting: % (equals voting rights)

21) Release according to article 26, section 1 of the WpHG of November 10, 2017

1. Details of issuer

VOLKSWAGEN AKTIENGESELLSCHAFT, Berliner Ring 2, 38440 Wolfsburg, Germany

2. Reason for notification

- Acquisition/disposal of shares with voting rights
 Acquisition/disposal of instruments
 Change of breakdown of voting rights
 Other reason: Disposal of subsidiary

3. Details of person subject to the notification obligation

Name:

Mr Hon.-Prof. Dr. techn. h.c. Dipl.-Ing. ETH Ferdinand Karl Piëch,

Date of birth: April 17, 1937

City and country of registered office:

4. Names of shareholder(s) holding directly 3% or more voting rights, if different from 3.

5. Date on which threshold was crossed or reached

November 8, 2017

6. Total positions

	% of voting rights attached to shares (total of 7.a.)	% of voting rights through instruments (total of 7.b.1. + 7.b.2.)	total of both in % (7.a. + 7.b.)	total number of voting rights of issuer
Resulting situation	0.00%	0.00%	0.00%	295089818
Previous notification	50.76%	n/a%	n/a%	

7. Notified details of the resulting situation				
a. Voting rights attached to shares (articles 21, 22 WpHG)				
ISIN	absolute		in %	
	direct (article 21 WpHG)	indirect (article 22 WpHG)	direct (article 21 WpHG)	indirect (article 22 WpHG)
DE0007664005	0	0	0.00%	0.00%
Total	0		0.00%	

b.1. Instruments according to article 25, section 1, no. 1 WpHG				
Type of instrument	Expiration or maturity date	Exercise or conversion period	Voting rights absolute	Voting rights in %
				%
		Total		%

b.2. Instruments according to article 25, section 1, no. 2 WpHG					
Type of instrument	Expiration or maturity date	Exercise or conversion period	Cash or physical settlement	Voting rights absolute	Voting rights in %
					%
			Total		%

8. Information in relation to the person subject to the notification obligation			
<input checked="" type="checkbox"/> Person subject to the notification obligation (3.) is not controlled and does itself not control any other undertaking(s) holding directly or indirectly an interest in the (underlying) issuer (1.).			
<input type="checkbox"/> Full chain of controlled undertakings starting with the ultimate controlling natural person or legal entity:			
Name	% of voting rights (if at least held 3% or more)	% of voting rights through instruments (if at least held 5% or more)	Total of both (if at least held 5% or more)

9. In case of proxy voting according to article 22, section 3 WpHG	
(only possible when attributable according to article 22, section 1, sentence 1 no. 6 of the WpHG)	
Date of general meeting:	
Holding position after general meeting:	% (equals voting rights)

10. Other explanatory remarks:
This voting rights notification is made with releasing effect also for Dipl.Ing. Dr. h.c. Ferdinand K. Piech GmbH, Salzburg, and Ferdinand Karl Alpha Privatstiftung, Salzburg. Due to the sale and transfer of the participation in Auto 2015 Beteiligungs GmbH by Dipl.Ing. Dr. h.c. Ferdinand K. Piech GmbH, Salzburg, voting rights in VOLKSWAGEN AKTIENGESELLSCHAFT are also no longer attributed to Dipl.Ing. Dr. h.c. Ferdinand K. Piech GmbH, Salzburg, and Ferdinand Karl Alpha Privatstiftung, Salzburg.

QATAR

We have received the following notification:

- (1) Pursuant to article 21, section 1 of the WpHG we hereby notify for and on behalf of the State of Qatar, acting by and through the Qatar Investment Authority, Doha, Qatar, that its indirect voting rights in Volkswagen Aktiengesellschaft
 - (a) exceeded the threshold of 10% on December 17, 2009 and amounted to 13.71% of the voting rights of Volkswagen Aktiengesellschaft (40,440,274 voting rights) as per this date
 - (i) 6.93% (20,429,274 voting rights) of which have been obtained by the exercise by Qatar Holding LLC of financial instruments within the meaning of article 25, section 1, sentence 1 of the WpHG on that date granting the right to acquire shares in Volkswagen Aktiengesellschaft, and
 - (ii) all of which are attributed to the State of Qatar pursuant to article 22, section 1, sentence 1 no. 1 of the WpHG.
 - (b) exceeded the threshold of 15% on December 18, 2009 and amounted to 17.00% of the voting rights of Volkswagen Aktiengesellschaft (50,149,012 voting rights) as per this date
 - (i) 3.29% (9,708,738 voting rights) of which have been obtained by the exercise by Qatar Holding LLC of financial instruments within the meaning of article 25, section 1, sentence 1 of the WpHG on that date granting the right to acquire shares in Volkswagen Aktiengesellschaft, and
 - (ii) all of which are attributed to the State of Qatar pursuant to article 22, section 1, sentence 1 no. 1 of the WpHG.

Voting rights that are attributed to the State of Qatar pursuant to lit. (a) and (b) above are held via the following entities which are controlled by it and whose attributed proportion of voting rights in Volkswagen Aktiengesellschaft amount to 3% each or more:

- (aa) Qatar Investment Authority, Doha, Qatar;
- (bb) Qatar Holding LLC, Doha, Qatar;
- (cc) Qatar Holding Luxembourg II S.à.r.l., Luxembourg, Luxembourg;
- (dd) Qatar Holding Netherlands B.V., Amsterdam, The Netherlands.

- (2) Pursuant to article 21, section 1 of the WpHG we hereby notify for and on behalf of the Qatar Investment Authority, Doha, Qatar, that its indirect voting rights in Volkswagen Aktiengesellschaft
- (a) exceeded the threshold of 10% on December 17, 2009 and amounted to 13.71% of the voting rights of Volkswagen Aktiengesellschaft (40,440,274 voting rights) as per this date
 - (i) 6.93% (20,429,274 voting rights) of which have been obtained by the exercise by Qatar Holding LLC of financial instruments within the meaning of article 25, section 1, sentence 1 of the WpHG on that date granting the right to acquire shares in Volkswagen Aktiengesellschaft, and
 - (ii) all of which are attributed to the Qatar Investment Authority pursuant to article 22, section 1, sentence 1 no. 1 of the WpHG.
 - (b) exceeded the threshold of 15% on December 18, 2009 and amounted to 17.00% of the voting rights of Volkswagen Aktiengesellschaft (50,149,012 voting rights) as per this date
 - (i) 3.29% (9,708,738 voting rights) of which have been obtained by the exercise by Qatar Holding LLC of financial instruments within the meaning of article 25, section 1, sentence 1 of the WpHG on that date granting the right to acquire shares in Volkswagen Aktiengesellschaft, and
 - (ii) all of which are attributed to the Qatar Investment Authority pursuant to article 22, section 1, sentence 1 no. 1 of the WpHG.

Voting rights that are attributed to the Qatar Investment Authority pursuant to lit. (a) and (b) above are held via the entities as set forth in (1) (bb) through (dd) which are controlled by it and whose attributed proportion of voting rights in Volkswagen Aktiengesellschaft amount to 3% each or more.

- (3) Pursuant to article 21, section 1 of the WpHG we hereby notify for and behalf of Qatar Holding LLC, Doha, Qatar, that its direct and indirect voting rights in Volkswagen Aktiengesellschaft
- (a) exceeded the threshold of 10% on December 17, 2009 and amounted to 13.71% of the voting rights of Volkswagen Aktiengesellschaft (40,440,274 voting rights) as per this date
 - (i) 6.93% (20,429,274 voting rights) of which have been obtained by the exercise of financial instruments within the meaning of article 25, section 1, sentence 1 of the WpHG on that date granting the right to acquire shares in Volkswagen Aktiengesellschaft, and
 - (ii) 6.78% (20,011,000 voting rights) of which are attributed to Qatar Holding LLC pursuant to article 22, section 1, sentence 1 no. 1 of the WpHG.
 - (b) exceeded the threshold of 15% on December 18, 2009 and amounted to 17.00% of the voting rights of Volkswagen Aktiengesellschaft (50,149,012 voting rights) as per this date
 - (i) 3.29% (9,708,738 voting rights) of which have been obtained by the exercise of financial instruments within the meaning of article 25, section 1, sentence 1 of the WpHG on that date granting the right to acquire shares in Volkswagen Aktiengesellschaft, and
 - (ii) 6.78% (20,011,000 voting rights) of which are attributed to Qatar Holding LLC pursuant to article 22, section 1, sentence 1 no. 1 of the WpHG.

Voting rights that are attributed to Qatar Holding LLC pursuant to lit. (a) and (b) above are held via the entities as set forth in (1) (cc) through (dd) which are controlled by it and whose attributed proportion of voting rights in Volkswagen Aktiengesellschaft amount to 3% each or more.

We have received the following notification:

- (1) Pursuant to article 21, section 1 of the WpHG we hereby notify for and on behalf of Qatar Holding Luxembourg II S.à.r.l., Luxembourg, Luxembourg, that its indirect voting rights in Volkswagen Aktiengesellschaft exceeded the thresholds of 10% and 15% on December 18, 2009 and amounted to 17.00% of the voting rights of Volkswagen Aktiengesellschaft (50,149,012 voting rights) as per this date, all of which are attributed to Qatar Holding Luxembourg II S.à.r.l. pursuant to article 22, section 1, sentence 1 no.1 of the WpHG.

Voting rights that are attributed to Qatar Holding Luxembourg II S.à.r.l. are held via the following entities which are controlled by it and whose attributed proportion of voting rights in Volkswagen Aktiengesellschaft amount to 3% each or more:

- (a) Qatar Holding Netherlands B.V., Amsterdam, The Netherlands;
- (b) Qatar Holding Germany GmbH, Frankfurt am Main, Germany.

- (2) Pursuant to article 21, section 1 of the WpHG we hereby notify for and on behalf of Qatar Holding Netherlands B.V., Amsterdam, The Netherlands, that its indirect voting rights in Volkswagen Aktiengesellschaft exceeded the thresholds of 10% and 15% on December 18, 2009 and amounted to 17.00% of the voting rights of Volkswagen Aktiengesellschaft (50,149,012 voting rights) as per this date, all of which are attributed to Qatar Holding Luxembourg II S.à.r.l. pursuant to article 22, section 1, sentence 1 no. 1 of the WpHG.

Voting rights that are attributed to Qatar Holding Netherlands B.V. are held via the entity as set forth in (1) (b) which is controlled by it and whose attributed proportion of voting rights in Volkswagen Aktiengesellschaft amounts to 3% or more.

- (3) Pursuant to article 21, section 1 of the WpHG we hereby notify for and on behalf of Qatar Holding Germany GmbH, Frankfurt am Main, Germany, that its direct voting rights in Volkswagen Aktiengesellschaft exceeded the thresholds of 3%, 5%, 10% and 15% on December 18, 2009 and amounted to 17.00% of the voting rights of Volkswagen Aktiengesellschaft (50,149,012 voting rights) as per this date.

STATE OF LOWER SAXONY

The State of Lower Saxony notified us on January 9, 2023 that it held a total of 59,022,390 ordinary shares of Volkswagen AG as of December 31, 2022. It held 520 VW ordinary shares directly and 59,021,870 ordinary shares indirectly via Hannoversche Beteiligungsgesellschaft Niedersachsen mbH (HanBG), which is owned by the State of Lower Saxony.

RECONCILIATION OF NET INCOME TO NET RETAINED PROFITS

€ million	2022	2021
Net income for the year	12,477	4,041
Retained profits brought forward	5,774	1,609
Appropriations to revenue reserves	-6,230	-
Transfer from other revenue reserves	-	13,450
Net retained profits	12,021	19,101

Declining balance depreciation continues to be charged to net income. See page 11 for the amount incurred in the fiscal year. The Board of Management and the Supervisory Board propose to the Annual General Meeting that a dividend of €4.4 billion be distributed from net retained profits of €12.0 billion and that €7.6 billion be appropriated to other revenue reserves.

TOTAL EXPENSE FOR THE PERIOD

Cost of materials

€ million	2022	2021
Cost of raw materials, consumables and supplies, and of purchased merchandise	54,643	45,774
Cost of purchased services	4,402	4,659
	59,045	50,434

Personnel expenses

€ million	2022	2021
Wages and salaries	9,439	8,900
Social security, post-employment and other employee benefit costs	5,067	2,685
<i>of which in respect of post-employment benefits</i>	<i>3,557</i>	<i>1,345</i>
	14,506	11,585

AVERAGE NUMBER OF EMPLOYEES OF VOLKSWAGEN AG DURING THE YEAR

	2022	2021
by group		
Direct area	54,108	55,119
Indirect area	62,673	62,609
	116,781	117,728
Apprentices	4,143	4,341
	120,924	122,069
by plant		
Wolfsburg	66,340	67,055
Hanover	14,697	14,741
Braunschweig	7,220	7,073
Kassel	16,757	17,089
Emden	9,013	8,986
Salzgitter	6,897	7,125
	120,924	122,069

Information about the composition of the Board of Management and the Supervisory Board, on changes in these executive bodies and on the memberships of members of the Board of Management and the Supervisory Board of other statutory supervisory boards and comparable supervisory bodies is contained in an annex to the notes.

REPORT ON SUBSEQUENT EVENTS

Negative report.

REMUNERATION

Total remuneration granted to the members of the Board of Management amounted to €57.0 million (previous year: €51.5 million).

Under the performance share plan, active members of the Board of Management were granted a total of 114,484 performance shares for fiscal year 2022 (previous year: 110,165), whose value at the grant date amounted to €17.7 million (previous year: €16.3 million).

No more advances were granted to members of the Board of Management under the performance share plan in fiscal year 2022. In total, advances amounting to €1.4 million were deducted from payments under the performance share plan (previous year: €5.1 million) in the fiscal year.

Total remuneration granted to the members of the Supervisory Board amounted to €3.4 million (previous year: €3.5 million).

The former members of the Board of Management and their surviving dependents were granted €55.0 million (previous year: €17.6 million). Pension provisions for this group of individuals amounted to €344.3 million (previous year: €340.1 million).

The individual remuneration of the members of the Board of Management and the Supervisory Board is explained in the remuneration report. A comprehensive assessment of the individual remuneration components can also be found there.

RELATED PARTY DISCLOSURES

Related parties as defined by IAS 24 are natural persons and entities that Volkswagen AG has the ability to control or on which it can exercise significant influence, or natural persons and entities that have the ability to control or exercise significant influence on Volkswagen AG, or that are influenced by another related party of Volkswagen AG.

All transactions with related parties are regularly conducted on an arm's length basis.

Porsche SE held the majority of the voting rights in Volkswagen AG as of the reporting date. The creation of rights of appointment for the State of Lower Saxony was resolved at the extraordinary General Meeting of Volkswagen AG on December 3, 2009. This means that Porsche SE cannot elect all shareholder representatives to the Supervisory Board of Volkswagen AG for as long as the State of Lower Saxony holds at least 15 % of Volkswagen AG's ordinary shares. However, Porsche SE has the power to participate in the operating policy decisions of the Volkswagen Group and is therefore classified as a related party as defined by IAS 24.

According to a notification dated, January 9, 2023, the State of Lower Saxony and Hannoversche Beteiligungsgesellschaft Niedersachsen mbH, Hanover, held 20.00 % of the voting rights of Volkswagen AG on December 31, 2022. As mentioned above, the General Meeting of Volkswagen AG on December 3, 2009 also resolved that the State of Lower Saxony may appoint two members of the Supervisory Board (right of appointment).

CONTRIBUTION OF PORSCHE SE'S HOLDING COMPANY OPERATING BUSINESS

The contribution of Porsche SE's holding company operating business to Volkswagen AG on August 1, 2012 has the following effects on the agreements between Porsche SE, Volkswagen AG and companies of the Porsche Holding Stuttgart GmbH Group that existed prior to the contribution and were entered into on the basis of the Comprehensive Agreement and its related implementation agreements:

- > Volkswagen AG continues to indemnify Porsche SE internally against claims by the Einlagensicherungsfonds (German deposit protection fund) after Porsche SE submitted an indemnification agreement required by the Bundesverband Deutscher Banken (Association of German Banks) to the Einlagensicherungsfonds in August 2009. Volkswagen AG has also undertaken to indemnify the Einlagensicherungsfonds against any losses caused by measures taken by the latter in favor of a bank in which Volkswagen AG holds a majority interest.
- > Under certain conditions, Porsche SE continues to indemnify Porsche Holding Stuttgart GmbH, Porsche AG and their legal predecessors against tax disadvantages that exceed the obligations recognized in the financial statements of those companies relating to periods up to and including July 31, 2009. In return, Volkswagen AG has undertaken to reimburse Porsche SE for any tax advantages of Porsche Holding Stuttgart GmbH, Porsche AG and their legal predecessors and subsidiaries relating to tax assessment periods up to July 31, 2009. Based on the results of the external tax audit for the assessment periods 2006 to 2008, which has now been completed, and based on information for the 2009 assessment period available at the date of preparing these consolidated financial statements, a compensation obligation estimated in the low triple-digit million euro range will arise for Volkswagen AG. New information emerging in the future could result in an increase or decrease in the potential compensation obligation.

Under the terms of the Comprehensive Agreement, Porsche SE and Volkswagen AG had granted each other put and call options with regard to the remaining 50.1 % interest in Porsche Holding Stuttgart GmbH held by Porsche SE until the contribution of its holding company operating business to Volkswagen AG. Both Volkswagen AG (if it had exercised its call option) and Porsche SE (if it had exercised its put option) had undertaken to bear the tax burden resulting from the exercise of the options and any subsequent activities in relation to the equity investment in Porsche Holding Stuttgart GmbH (e.g. from recapture taxation on the spin-off in 2007 and/or 2009). If tax benefits had accrued to Volkswagen AG, Porsche Holding Stuttgart GmbH, Porsche AG, or their respective subsidiaries as a result of recapture taxation on the spin-off in 2007 and/or 2009, the purchase price to be paid by Volkswagen AG for the transfer of the outstanding 50.1 % equity investment in Porsche Holding Stuttgart if the put option had been exercised by Porsche SE would have been increased by the present value of the tax benefit. This arrangement was taken over under the terms of the contribution agreement to the effect that Porsche SE has a claim against Volkswagen AG for payment in the amount of the present value of the realizable tax benefits from any recapture taxation of the spin-off in 2007 as a result of the contribution. It was also agreed under

the terms of the contribution that Porsche SE will indemnify Volkswagen AG, Porsche Holding Stuttgart GmbH and their subsidiaries against taxes if measures taken by or not taken by Porsche SE result in recapture taxation for 2012 at these companies in the course of or following implementation of the contribution. In this case, too, Porsche SE is entitled to assert a claim for payment against Volkswagen AG in the amount of the present value of the realizable tax benefits that arise at the level of Volkswagen AG or one of its subsidiaries as a result of such a transaction.

Further agreements were entered into and declarations were issued in connection with the contribution of Porsche SE's holding company operating business to Volkswagen AG, in particular:

- > Porsche SE indemnifies the subsidiaries it contributed as part of the business contribution as well as Porsche Holding Stuttgart GmbH, Porsche AG and their subsidiaries against certain liabilities to Porsche SE that relate to the period up to and including December 31, 2011 and that exceed the obligations recognized in the financial statements of those companies for that period.
- > Moreover, Porsche SE indemnifies Volkswagen AG, Porsche Holding Stuttgart GmbH, Porsche AG and their subsidiaries against half of the taxes (other than taxes on income) arising at those companies in conjunction with the contribution that would not have been incurred in the event of the exercise of the call options on the shares of Porsche Holding Stuttgart GmbH that continued to be held by Porsche SE until the contribution. Volkswagen AG therefore indemnifies Porsche SE against half of such taxes that the company incurs.
- > Additionally, Porsche SE and Porsche AG agreed to allocate any subsequent VAT receivables or liabilities from transactions in the period up to December 31, 2009 to the company entitled to the receivable or incurring the liability.
- > A range of information, conduct and cooperation obligations were agreed by Porsche SE and the Volkswagen Group in the contribution agreement.

As part of the IPO of Porsche AG and the sale of ordinary shares to Porsche SE, Porsche SE and Volkswagen AG entered not only into the share purchase agreement and the shareholders' agreement, but also into a "Procedural and amendment agreement and agreement to amend the Comprehensive Agreement". The latter led to amendments to some provisions, including those on appointments to governing bodies of Porsche AG, contained in the Comprehensive Agreement.

IPO of Porsche AG

On September 28, 2022, Volkswagen placed 25 % of the preferred shares (including additional allocations) of its subsidiary Porsche AG with investors at a placement price of € 82.50 per preferred share. These preferred shares have been traded on the stock exchange since the day after the placement. The basis for the IPO was a comprehensive agreement to enter into a number of contracts between Volkswagen and Porsche SE. In this context, the two parties agreed that Porsche SE would acquire 25 % of the ordinary shares of Porsche AG plus one ordinary share from Volkswagen. The price per ordinary share equaled the placement price per preferred share plus a premium of 7.5%. The remaining shares of the preference and ordinary share capital of Porsche AG continue to be held by Volkswagen Group companies. Under the purchase agreement, Volkswagen AG as warrantor provides several warranties to Porsche SE, which essentially puts Porsche SE in the same position as buyers of the preferred shares sold under the IPO. In addition, Volkswagen AG assumes a small number of other standard market guarantees, most of them limited to positive knowledge of Volkswagen AG.

Porsche SE acquired the ordinary shares in two tranches of 79,712,501 and 34,162,500 shares respectively, but the voting rights attached to the 113,875,001 ordinary shares were already transferred to Porsche SE on delivery of the first tranche. Completion of the first tranche was conditional on the full placement of the preferred shares within the price range as part of the IPO as well as on the book transfer of the placement shares against payment of the placement price. Completion, which occurred on October 4, 2022, coincided with the settlement of the purchase price liability of €7.1 billion for the first tranche. Completion of the second tranche of ordinary shares was conditional on the completion of the first tranche and distribution of the special dividend of 49 % of the total gross proceeds from the placement of the preferred shares (including any additional allocations) and the sale of the ordinary shares. Porsche SE had the right unilaterally to waive this second closing condition and in this way initiate the early transfer of the second tranche against payment of the purchase price. Moreover, Porsche SE had

the right to bring about the transfer of the second tranche as of December 30, 2022 without amending the due date of the purchase price as of the distribution date of the special dividend. To this end, a lien was to be granted over the ordinary shares of the second tranche to secure Volkswagen's purchase price receivable. Porsche SE exercised this right so that the material transfer of the second tranche was completed on December 30, 2022. The transaction resulted in a receivable from Porsche SE in an amount of €3.0 billion.

The resolution of the extraordinary General Meeting of Volkswagen AG on December 16, 2022 gave rise to the obligation to pay a dividend, which was increased by €19.06 per ordinary and preferred share ("special dividend") and led to a total obligation to the shareholders of Volkswagen AG amounting to €9.6 billion. The cash outflow had been slated for January 9, 2023 and occurred on that day. Out of the total, an amount of €3.1 billion was attributable to Porsche SE.

Volkswagen AG and Porsche SE agreed to offset the obligation to pay a special dividend to Porsche SE against Volkswagen AG's claim to the payment of the purchase price still outstanding for the second tranche of ordinary shares. Upon payment of the special dividend on January 9, 2023, the netting process was completed.

In connection with the IPO of Porsche AG, Volkswagen AG also assumed obligations for dividend distributions of Porsche AG, although payments will only be made in 2023 after the Annual General Meeting of Porsche AG. €114 million of this obligation is attributable to Porsche SE.

Volkswagen AG and Porsche SE have agreed in connection with the IPO and sale of ordinary shares to Porsche SE that representatives of Porsche SE will have a significant presence on the Supervisory Board of Porsche AG. Ultimate decision rights of the shareholder representatives determined by Volkswagen on the Supervisory Board with regard to the ability to direct the relevant activities at Porsche AG within the meaning of IFRS 10 will ensure continued control by Volkswagen AG.

The following tables present the amounts of supplies and services transacted between Volkswagen AG and related parties. The scope of such related parties was defined on the basis of IAS 24 and comprises unconsolidated and consolidated subsidiaries unless Volkswagen AG directly or indirectly holds 100 % of the shares, joint ventures, associates, Porsche SE and its affiliated companies as well as other related parties. In addition to the amounts disclosed in the following tables, Volkswagen AG paid dividends to Porsche SE in the amount of €1,201 million (previous year: €756 million).

RELATED PARTIES

€ million	SUPPLIES AND SERVICES RENDERED	SUPPLIES AND SERVICES RECEIVED
	2022	2022
Porsche SE and its majority interests	1	0
Supervisory Board members	0	-
Board of Management members	0	-
Consolidated subsidiaries	4,943	285
Unconsolidated subsidiaries	28	118
Joint ventures and its majority interests	1,719	247
Associates and its majority interests	41	1,213
Pension plans	1	-
State of Lower Saxony, its majority interests and joint ventures	11	5

€ million	SUPPLIES AND SERVICES RENDERED	SUPPLIES AND SERVICES RECEIVED
	2021	2021
Porsche SE and its majority interests	1	0
Supervisory Board members	0	-
Board of Management members	0	-
Consolidated subsidiaries	2,314	1,283
Unconsolidated subsidiaries	44	204
Joint ventures and its majority interests	2,655	259
Associates and its majority interests	122	605
Pension plans	1	-
State of Lower Saxony, its majority interests and joint ventures	7	6

€ million	INCOME FROM PROFIT AND LOSS TRANSFER AGREEMENTS	COST OF LOSS ABSORPTION	INTEREST INCOME	INTEREST EXPENSE
	2022	2022	2022	2022
Porsche SE and its majority interests	-	-	-	-
Consolidated subsidiaries	17	-	19	19
Unconsolidated subsidiaries	2	2	1	0
Joint ventures and its majority interests	1,703	-	-	0
Associates and its majority interests	-	-	-	-
State of Lower Saxony, its majority interests and joint ventures	0	-	-	0

€ million	INCOME FROM PROFIT AND LOSS TRANSFER AGREEMENTS	COST OF LOSS ABSORPTION	INTEREST INCOME	INTEREST EXPENSE
	2021	2021	2021	2021
Porsche SE and its majority interests	-	-	-	-
Consolidated subsidiaries	16	-	6	0
Unconsolidated subsidiaries	0	3	0	0
Joint ventures and its majority interests	1,734	-	-	0
Associates and its majority interests	-	-	-	-
State of Lower Saxony, its majority interests and joint ventures	0	-	-	-

€ million	COLLATERAL	COLLATERAL	CREDIT LINES
	GRANTED	RECEIVED	GRANTED
	2022	2022	2022
Consolidated subsidiaries	595	-	6,427
Unconsolidated subsidiaries	-	-	1
Joint ventures and its majority interests	-	733	-
State of Lower Saxony, its majority interests and joint ventures	-	-	-

€ million	COLLATERAL	COLLATERAL	CREDIT LINES
	GRANTED	RECEIVED	GRANTED
	2021	2021	2021
Consolidated subsidiaries	504	-	3,757
Unconsolidated subsidiaries	-	-	168
Joint ventures and its majority interests	-	1,396	-
State of Lower Saxony, its majority interests and joint ventures	-	-	-

Executive Bodies

MEMBERS OF THE BOARD OF MANAGEMENT

(Appointments: as of December 31, 2022 or the leaving date from the Board of Management of Volkswagen AG)

DR. OLIVER BLUME (*1968)

Chair (since September 1, 2022),
Sport & Luxury brand group,
Chair of the Executive Board of
Dr. Ing. h.c. F. Porsche AG,
April 13, 2018¹, appointed until 2028
Nationality: German

Appointments:

- CARIAD SE, Wolfsburg (Chair)³

MURAT AKSEL (*1972)

Purchasing (until August 31, 2022),
January 1, 2021 to August 31, 2022¹
Nationality: German

Appointments (as of August 31, 2022):

- ŠKODA Auto a.s., Mladá Boleslav³
- VfL Wolfsburg-Fußball GmbH, Wolfsburg³

DR. ARNO ANTLITZ (*1970)

Finance,
IT (until January 31, 2022),
April 1, 2021¹, appointed until 2027
Nationality: German

Appointments:

- Dr. Ing. h.c. F. Porsche AG, Stuttgart^{3,4}
- PowerCo SE, Salzgitter³
- Volkswagen Financial Services AG, Braunschweig (Chair)³
- Porsche Austria GmbH, Salzburg (Deputy Chair)³
- Porsche Holding Gesellschaft m.b.H., Salzburg (Deputy Chair)³
- Porsche Retail GmbH, Salzburg³
- Volkswagen (China) Investment Co., Ltd., Beijing³
- Volkswagen Group of America, Inc., Herndon (Chair)³

RALF BRANDSTÄTTER (*1968)

Volkswagen Passenger Cars (until June 30, 2022),
Chair of the Board of Management of the Volkswagen Passenger Cars brand (until June 30, 2022),
China (since August 1, 2022),
Chair of the Board of Management of Volkswagen (China) Investment Co. Ltd. (since August 1, 2022)
January 1, 2022¹, appointed until 2026
Nationality: German

Appointments:

- CARIAD SE, Wolfsburg³
- Audi (China) Enterprise Management Co., Ltd., Beijing³
- FAW-Volkswagen Automotive Co., Ltd., Changchun (Deputy Chair)²
- Mobility Asia Smart Technology Co. Ltd., Beijing³
- SAIC Volkswagen Automotive Co., Ltd., Shanghai (Deputy Chair)²
- Volkswagen (Anhui) Automotive Co., Ltd., Hefei (Chair)³
- Volkswagen (China) Investment Co., Ltd., Beijing (Chair)³

DR.-ING. HERBERT DIESS (*1958)

Chair (until August 31, 2022),
Volume brand group (until August 31, 2022),
China (until July 31, 2022)
July 1, 2015 to August 31, 2022¹
Nationality: Austrian

Appointments (as of August 31, 2022):

- AUDI AG, Ingolstadt (Chair)³
- CARIAD SE, Wolfsburg (Chair)³
- FAW-Volkswagen Automotive Co., Ltd., Changchun²
- Porsche Austria GmbH, Salzburg (Deputy Chair)³
- Porsche Holding Gesellschaft m.b.H., Salzburg (Deputy Chair)³
- Porsche Retail GmbH, Salzburg³
- SAIC Volkswagen Automotive Co., Ltd., Shanghai (Deputy Chair)²
- Volkswagen (China) Investment Co., Ltd., Beijing (Chair)³

DR. JUR. MANFRED DÖSS (*1958)

Integrity and Legal Affairs (since February 1, 2022)
February 1, 2022¹, appointed until 2025
Nationality: German

Appointments:

- AUDI AG, Ingolstadt (Chair)³
- TRATON SE, Munich^{3,4}
- Grizzlys Wolfsburg GmbH, Wolfsburg²

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

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

MARKUS DUESMANN (*1969)

Premium brand group,

Chair of the Board of Management of AUDI AG

April 1, 2020¹, appointed until 2025

Nationality: German

Appointments:

- FC Bayern München AG, Munich (Deputy Chair)²
- ⊙ Audi (China) Enterprise Management Co., Ltd., Beijing (Chair)³
- ⊙ Automobili Lamborghini S.p.A., Sant'Agata Bolognese (Chair)³
- ⊙ Bentley Motors Ltd., Crewe³
- ⊙ Ducati Motor Holding S.p.A., Bologna³
- ⊙ FAW-Volkswagen Automotive Co., Ltd., Changchun³
- ⊙ SAIC Volkswagen Automotive Co., Ltd., Shanghai³
- ⊙ Volkswagen (China) Investment Co., Ltd., Beijing³

GUNNAR KILIAN (*1975)

Human Resources and Truck & Bus

April 13, 2018¹, appointed until 2026

Nationality: German

Appointments:

- AUDI AG, Ingolstadt³
- MAN Energy Solutions SE, Augsburg (Chair)³
- MAN Truck & Bus SE, Munich³
- PowerCo SE, Salzgitter³
- TRATON SE, Munich^{3,4}
- Volkswagen Group Services GmbH, Wolfsburg (Chair)³
- Wolfsburg AG, Wolfsburg (Chair)²
- ⊙ Allianz für die Region GmbH, Braunschweig²
- ⊙ Autostadt GmbH, Wolfsburg (Chair)³
- ⊙ FAW-Volkswagen Automotive Co., Ltd., Changchun³
- ⊙ Scania AB, Södertälje³
- ⊙ Scania CV AB, Södertälje³
- ⊙ Volkswagen Immobilien GmbH, Wolfsburg (Chair)³

THOMAS SCHÄFER (*1970)

Volume brand group (since September 1, 2022),

Chair of the Board of Management of the

Volkswagen Passenger Cars brand (since July 1, 2022)

July 1, 2022¹, appointed until 2025

Nationality: German

Appointments:

- ⊙ FAW-Volkswagen Automotive Co., Ltd., Changchun²
- ⊙ SAIC Volkswagen Automotive Co., Ltd., Shanghai²
- ⊙ SEAT, S.A., Martorell (Chair)³
- ⊙ ŠKODA Auto a.s., Mladá Boleslav (Chair)³

THOMAS SCHMALL-VON WESTERHOLT (*1964)

Technology,

Chair of the Board of Management of

Volkswagen Group Components,

January 1, 2021¹, appointed until 2023

Nationality: German, Brazilian

Appointments:

- PowerCo SE, Salzgitter (Chair)³
- Volkswagen Group Services GmbH, Wolfsburg³
- Wolfsburg AG, Wolfsburg²
- ⊙ Brose Sitech Sp. Z o.o., Polkowice³

HAUKE STARS (*1967)

IT (since February 1, 2022)

February 1, 2022¹, appointed until 2025

Nationality: German

Appointments:

- AUDI AG, Ingolstadt³
- CARIAD SE, Wolfsburg³
- Dr. Ing. h.c. F. Porsche AG, Stuttgart^{3,4}
- PowerCo SE, Salzgitter³
- RWE AG, Essen^{2,4}
- ⊙ Kühne + Nagel International AG, Schindeldleg^{2,4}

HILTRUD DOROTHEA WERNER (*1966)

Integrity and Legal Affairs (until January 31, 2022)

February 1, 2017 to January 31, 2022¹

Nationality: German

Appointments (as of January 31, 2022):

- AUDI AG, Ingolstadt³
- CARIAD SE, Wolfsburg³
- Dr. Ing. h.c. F. Porsche AG, Stuttgart³
- MAN Energy Solutions SE, Augsburg³
- Mitteldeutsche Flughafen AG, Leipzig (Chair)²

HILDEGARD WORTMANN (*1966)

Sales (until August 31, 2022)

February 1, 2022 to August 31, 2022¹

Nationality: German

Appointments (as of August 31, 2022):

- CARIAD SE, Wolfsburg³
- Volkswagen Financial Services AG, Braunschweig³
- ⊙ Audi (China) Enterprise Management Co., Ltd., Beijing³
- ⊙ Audi of America, LLC, Herndon (Chair)³
- ⊙ FAW-Audi Sales Co., Ltd., Hangzhou³
- ⊙ Ferrovial S.A., Madrid^{2,4}
- ⊙ Porsche Austria Gesellschaft m.b.H., Salzburg³
- ⊙ Porsche Holding Gesellschaft m.b.H., Salzburg³
- ⊙ Porsche Retail GmbH, Salzburg³

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

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

MEMBERS OF THE SUPERVISORY BOARD AND COMPOSITION OF THE COMMITTEES

(Appointments: as of December 31, 2022
or the leaving date from the
Supervisory Board of Volkswagen AG)

HANS DIETER PÖTSCH (*1951)

Chair (since October 7, 2015),
Chair of the Board of Management of
Porsche Automobil Holding SE
October 7, 2015¹, elected until 2026
Nationality: Austrian

Appointments:

- AUDI AG, Ingolstadt³
- Bertelsmann Management SE, Gütersloh²
- Bertelsmann SE & Co. KGaA, Gütersloh²
- Dr. Ing. h.c. F. Porsche AG, Stuttgart^{3,4}
- TRATON SE, Munich (Chair)^{3,4}
- Wolfsburg AG, Wolfsburg³
- Autostadt GmbH, Wolfsburg³
- Porsche Austria Gesellschaft m.b.H., Salzburg (Chair)³
- Porsche Holding Gesellschaft m.b.H., Salzburg (Chair)³
- Porsche Retail GmbH, Salzburg (Chair)³
- VfL Wolfsburg-Fußball GmbH, Wolfsburg (Deputy Chair)³

JÖRG HOFMANN (*1955)

Deputy Chair (since November 20, 2015),
First Chair of IG Metall
November 20, 2015¹, appointed until 2027
Nationality: German

Appointments:

- Robert Bosch GmbH, Stuttgart²

DR. HUSSAIN ALI AL ABDULLA (*1957)

Minister of State
April 22, 2010 to May 12, 2022¹
Nationality: Qatari

Appointments (as of May 12, 2022):

- Gulf Investment Corporation, Safat/Kuwait (Board member)²
- Qatar Supreme Council for Economic Affairs and Investment, Doha (Board member)²

DR. HESSA SULTAN AL JABER (*1959)

Former Minister of Information and Communications
Technology, Qatar
June 22, 2016¹, elected until 2024
Nationality: Qatari

Appointments:

- Malomatia, Doha (Chair)²
- MEEZA, Doha²
- Qatar Satellite Company (Es'hailSat), Doha (Chair)²
- Trio Investment, Doha (Chair)²

MANSOOR EBRAHIM AL-MAHMOUD (*1974)

Chief Executive Officer of
Qatar Investment Authority
May 12, 2022¹, elected until 2025
Nationality: Qatari

Appointments:

- Harrods Ltd., London (Board member)²
- Harrods Group (Holding) Ltd., London (Chair)²
- Qatar Airways, Doha (Deputy Chair)²
- Qatar National Bank, Doha (Board member)²
- Qatar Stock Exchange, Doha (Deputy Chair)²
- Qatari Diar Real Estate Investment Company, Doha (Board member)²

DR. BERND ALTHUSMANN (*1966)

Minister of Economic Affairs, Labor, Transport and
Digitalization for the Federal State of Lower Saxony
December 14, 2017 to November 8, 2022¹
Nationality: German

Appointments (as of November 8, 2022):

- Deutsche Messe AG, Hanover (Deputy Chair)²
- Container Terminal Wilhelmshaven JadeWeserPort-Marketing GmbH & Co. KG, Wilhelmshaven (Chair)²
- JadeWeserPort Realisierungs GmbH & Co. KG, Wilhelmshaven (Chair)²
- JadeWeserPort Realisierungs-Beteiligungs-GmbH, Wilhelmshaven (Chair)²
- Niedersachsen Ports GmbH & Co. KG, Oldenburg (Chair)²
- Transformationsagentur Niedersachsen GmbH, Hanover²

HARALD BUCK (*1962)

Chair of the General and Group Works Councils of
Dr. Ing. h.c. F. Porsche AG
October 4, 2022¹, appointed until 2027
Nationality: German

Appointments:

- Dr. Ing. h.c. F. Porsche AG, Stuttgart^{3,4}

MATÍAS CARNERO SOJO (*1968)

Chair of the General Works Council of SEAT
April 1, 2021¹, appointed until 2027
Nationality: Spanish

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

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

DANIELA CAVALLO (*1975)

Chair of the General and Group Works Councils of Volkswagen AG

May 11, 2021¹, appointed until 2027

Nationality: Italian, German

Appointments:

- PowerCo SE, Salzgitter³
- TRATON SE, Munich^{3,4}
- Volkswagen Financial Services AG, Braunschweig (Deputy Chair)³
- Wolfsburg AG, Wolfsburg³
- Allianz für die Region GmbH, Braunschweig²
- Brose Sitech Sp. Z o.o., Polkowice³
- Porsche Holding Gesellschaft m.b.H., Salzburg³
- SEAT, S.A., Martorell³
- ŠKODA Auto a.s., Mladá Boleslav³
- VfL Wolfsburg-Fußball GmbH, Wolfsburg³
- Volkswagen Group Services GmbH³

DR. JUR. HANS-PETER FISCHER (*1959)

Chair of the Board of Management of Volkswagen Management Association e.V.

January 1, 2013 to May 12, 2022¹

Nationality: German

Appointments (as of May 12, 2022):

- Volkswagen Pension Trust e.V., Wolfsburg³

JULIA WILLIE HAMBURG (*1986)

Minister of Education and Cultural Affairs for the Federal State of Lower Saxony

November 8, 2022¹, delegated until 2023

Nationality: German

MARIANNE HEIß (*1972)

Chief Executive Officer of BBDO Group Germany GmbH, Düsseldorf

February 14, 2018¹, elected until 2023

Nationality: Austrian

Appointments:

- AUDI AG, Ingolstadt³
- Porsche Automobil Holding SE, Stuttgart^{2,4}

DR.-ING. ARNO HOMBURG (*1968)

Chair of the Board of Management of Volkswagen Management Association e.V.

May 12, 2022¹, appointed until 2027

Nationality: German

Appointments:

- Volkswagen Pension Trust e.V., Wolfsburg³

ULRIKE JAKOB (*1960)

Deputy Chair of the Works Council of Volkswagen AG Kassel plant (until May 4, 2022)

May 10, 2017 to May 12, 2022¹

Nationality: German

DR. LOUISE KIESLING (*1957)

Entrepreneur

April 30, 2015 to December 9, 2022¹

Nationality: Austrian

SIMONE MAHLER (*1971)

Chair of the Joint Works Council of VW Financial Services AG and Volkswagen Bank GmbH

May 12, 2022¹, appointed until 2027

Nationality: German

Appointments:

- EURO-Leasing GmbH, Sittensen³
- Volkswagen Financial Services AG, Braunschweig³
- Volkswagen Pension Trust e.V., Wolfsburg³

PETER MOSCH (*1972)

Chairman of the General Works Council of AUDI AG

January 18, 2006¹, appointed until 2027

Nationality: German

Appointments:

- AUDI AG, Ingolstadt (Deputy Chair)³
- Audi Pensionskasse – Altersversorgung der AUTO UNION GmbH, VVaG, Ingolstadt³
- CARIAD SE, Wolfsburg (Deputy Chair)³
- Audi Stiftung für Umwelt GmbH, Ingolstadt³

BERTINA MURKOVIC (*1957)

Chair of the Works Council of Volkswagen Commercial Vehicles

May 10, 2017 to May 12, 2022¹

Nationality: German

Appointments (as of May 12, 2022):

- MOIA GmbH, Berlin³

DANIELA NOWAK (*1970)

Chair of the Works Council of Volkswagen AG, Braunschweig plant

May 12, 2022¹, appointed until 2027

Nationality: German

Appointments:

- Volkswagen Pension Trust e.V., Wolfsburg³

DR. JUR. HANS MICHEL PIĚCH (*1942)

Lawyer

August 7, 2009¹, elected until 2024

Nationality: Austrian

Appointments:

- AUDI AG, Ingolstadt³
- Dr. Ing. h.c. F. Porsche AG, Stuttgart^{3,4}
- Porsche Automobil Holding SE, Stuttgart (Deputy Chair)^{2,4}
- Porsche Holding Gesellschaft m.b.H., Salzburg³
- Schmittenhöhebahn AG, Zell am See²

DR. JUR. FERDINAND OLIVER PORSCHE (*1961)

Member of the Board of Management of Familie Porsche AG Beteiligungsgesellschaft

August 7, 2009¹, elected until 2024

Nationality: Austrian

Appointments:

- AUDI AG, Ingolstadt³
- Dr. Ing. h.c. F. Porsche AG, Stuttgart^{3,4}
- Porsche Automobil Holding SE, Stuttgart^{2,4}
- Porsche Holding Gesellschaft m.b.H., Salzburg³
- Porsche Lifestyle GmbH & Co. KG, Ludwigsburg³

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

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

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

Chair of the Supervisory Board of
Porsche Automobil Holding SE;
Chair of the Supervisory Board of
Dr. Ing. h.c. F. Porsche AG
April 24, 2008¹, elected until 2023
Nationality: Austrian

Appointments:

- AUDI AG, Ingolstadt³
- Dr. Ing. h.c. F. Porsche AG, Stuttgart (Chair)^{3,4}
- Porsche Automobil Holding SE, Stuttgart (Chair)^{2,4}
- Familie Porsche AG Beteiligungsgesellschaft, Salzburg (Chair)²
- Porsche Holding Gesellschaft m.b.H., Salzburg³
- Schmittenhöhebahn AG, Zell am See²

JENS ROTHE (*1970)

Chair of the General Works Council
of Volkswagen Sachsen GmbH
October 22, 2021¹, appointed until 2027
Nationality: German

Appointments:

- Volkswagen Sachsen GmbH, Zwickau (Deputy Chair)³

CONNY SCHÖNHARDT (*1978)

Union Secretary and Head of the Mobility and Vehicle
Construction Unit attached to the IG Metall board
June 21, 2019¹, appointed until: 2027
Nationality: German

Appointments:

- CARIAD SE, Wolfsburg³
- PowerCo SE, Salzgitter³
- Volkswagen Bank GmbH, Braunschweig³

STEPHAN WEIL (*1958)

Minister-President of the Federal State of
Lower Saxony
February 19, 2013¹, delegated until 2023
Nationality: German

WERNER WERESCH (*1961)

Member of the Executive Committee of the Works
Council of Porsche Automobil Holding SE and
Chairman of the General and Group Works Councils
of Dr. Ing. h.c. F. Porsche AG
February 21, 2019 to September 30, 2022¹
Nationality: German

**COMMITTEES OF THE SUPERVISORY BOARD
AS OF DECEMBER 31, 2022****Members of the Executive Committee**

Hans Dieter Pötsch (Chair)
Jörg Hofmann (Deputy Chair)
Daniela Cavallo
Peter Mosch
Dr. Hans Michel Piëch
Dr. Wolfgang Porsche
Jens Rothe
Stephan Weil

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

Hans Dieter Pötsch (Chair)
Jörg Hofmann (Deputy Chair)
Daniela Cavallo
Stephan Weil

Members of the Audit Committee

Mansoor Ebrahim Al-Mahmoud (Chair)
Daniela Cavallo (Deputy Chair)
Marianne Heiß
Dr. Ferdinand Oliver Porsche
Jens Rothe
Conny Schönhardt

Members of the Nomination Committee

Hans Dieter Pötsch (Chair)
Dr. Hans Michel Piëch
Dr. Wolfgang Porsche
Stephan Weil

Wolfsburg, 21 February, 2023

Volkswagen Aktiengesellschaft

The Board of Management

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

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

VOLKSWAGEN

AKTIENGESELLSCHAFT

**Shareholdings
of Volkswagen AG
and the Volkswagen Group
in accordance with
sections 285 and 313 of the HGB
and presentation of the companies
included in Volkswagen's
consolidated financial statements
in accordance with IFRS 12
as of 31.12.2022**

Name and domicile of company	Currency	Exchange rate (1€ =) Dec. 31, 2022	VW AG 's interest in capital in %			Equity in thousands, local currency	Profit/loss in thousands, local currency	Footnote	Year
			Direct	Indirect	Total				
I. PARENT COMPANY									
VOLKSWAGEN AG, Wolfsburg									
II. SUBSIDIARIES									
A. Consolidated companies									
1. Germany									
ARTEMIS GmbH, Ingolstadt	EUR			100.00	100.00	29,025	-	1)	2022
AUDI AG, Ingolstadt	EUR		100.00	-	100.00	13,566,579	-	1)	2021
Audi Berlin GmbH, Berlin	EUR			100.00	100.00	9,971	-	1)	2021
Audi Frankfurt GmbH, Frankfurt am Main	EUR			100.00	100.00	8,477	-	1)	2021
Audi Hamburg GmbH, Hamburg	EUR			100.00	100.00	13,425	-	1)	2021
Audi Hannover GmbH, Hannover	EUR			100.00	100.00	16,621	-	1)	2021
AUDI Immobilien Verwaltung GmbH, Ingolstadt	EUR			100.00	100.00	281,016	1,436		2021
Audi Leipzig GmbH, Leipzig	EUR			100.00	100.00	9,525	-	1)	2021
Audi München GmbH, Munich	EUR			100.00	100.00	270	-	1)	2021
Audi Real Estate GmbH, Ingolstadt	EUR			100.00	100.00	17,933	4,019		2021
Audi Sport GmbH, Neckarsulm	EUR			100.00	100.00	186,200	-	1)	2022
Audi Stuttgart GmbH, Stuttgart	EUR			100.00	100.00	6,677	-	1)	2021
Auto & Service PIA GmbH, Munich	EUR			100.00	100.00	19,895	-	1)	2021
Autostadt GmbH, Wolfsburg	EUR		100.00	-	100.00	50	-	1)	2021
Bugatti Engineering GmbH, Wolfsburg	EUR			100.00	100.00	25	-	1)	2021
CARIAD SE, Wolfsburg	EUR			100.00	100.00	2,979,973	-	1)	2021
Dr. Ing. h.c. F. Porsche AG, Stuttgart	EUR			75.42	75.42	5,648,484	-	1)	2022
Ducati Motor Deutschland GmbH, Neuburg a.d. Donau	EUR			100.00	100.00	15,553	1,063		2021
dx.one GmbH, Wolfsburg	EUR		100.00	-	100.00	805	-	1)	2021
Eberhardt Kraftfahrzeug GmbH & Co. KG, Ulm	EUR			98.59	98.59	512	-		2021
EURO-Leasing GmbH, Sittensen	EUR			100.00	100.00	35,814	12,531	1)	2022
GETAS Verwaltung GmbH & Co. Objekt Augsburg KG, Pullach i. Isartal	EUR			100.00	100.00	-128	232		2021
GETAS Verwaltung GmbH & Co. Objekt Heinrich-von-Buz-Straße KG, Pullach i.	EUR			100.00	100.00	-257	158		2021
HABAMO Verwaltung GmbH & Co. Objekt Sterkrade KG, Pullach i. Isartal	EUR			100.00	100.00	21,170	5,721		2021
Haberl Beteiligungs-GmbH, Munich	EUR			100.00	100.00	16,174	-	1)	2020
Held & Ströhle GmbH & Co. KG, Ulm	EUR			70.30	70.30	2,915	-		2021
H-TEC SYSTEMS GmbH, Augsburg	EUR			100.00	100.00	-2,256	-11,573	12)	2021
KOSIGA GmbH & Co. KG, Pullach i. Isartal	EUR			94.00	94.00	38,087	765		2021
LOTS Germany GmbH, Koblenz	EUR			100.00	100.00	-	-	4) 6)	2022
M A N Verwaltungs-Gesellschaft mbH, Munich	EUR			100.00	100.00	1,039	-	1)	2022
MAHAG Automobilhandel und Service GmbH & Co. oHG, Munich	EUR			100.00	100.00	131,146	-		2021
MAHAG GmbH, Munich	EUR			100.00	100.00	119,063	-	1)	2021
MAHAG Sportwagen Zentrum Albrechtstraße GmbH, Munich	EUR			100.00	100.00	100	-	1)	2020
MAN Brand GmbH & Co. KG, Grünwald	EUR			100.00	100.00	21	4	4)	2021
MAN Energy Solutions SE, Augsburg	EUR			100.00	100.00	699,650	-	1)	2021
MAN GHH Immobilien GmbH, Oberhausen	EUR			100.00	100.00	44,668	-	1)	2022
MAN Grundstücksgesellschaft mbH & Co. Epsilon KG, Munich	EUR			100.00	100.00	665	47		2021
MAN Marken GmbH, Munich	EUR			100.00	100.00	27	-		2021
MAN Service und Support GmbH, Munich	EUR			100.00	100.00	25	-	1)	2022
MAN Truck & Bus Deutschland GmbH, Munich	EUR			100.00	100.00	130,934	-	1)	2022
MAN Truck & Bus SE, Munich	EUR			100.00	100.00	564,841	-	1) 13)	2022
Memphis I GmbH, Stuttgart	EUR			100.00	100.00	-	-	4) 6)	2022
MHP Management- und IT-Beratung GmbH, Ludwigsburg	EUR			81.80	81.80	214,076	96,303		2021
MOIA GmbH, Berlin	EUR		100.00	-	100.00	39	-	1)	2021
MOIA Operations Germany GmbH, Hanover	EUR			100.00	100.00	25	-	1)	2021
Navistar Europe GmbH, Nuremberg	EUR			100.00	100.00	604	18		2021
POFIN Financial Services GmbH & Co. KG, Freilassing	EUR			100.00	100.00	79,232	-		2021
POFIN Financial Services Verwaltungs GmbH, Freilassing	EUR			100.00	100.00	470,438	3,218		2021
Porsche Consulting GmbH, Bietigheim-Bissingen	EUR			100.00	100.00	700	-	1)	2021
Porsche Deutschland GmbH, Bietigheim-Bissingen	EUR			100.00	100.00	11,625	-	1)	2021
Porsche Dienstleistungs GmbH, Stuttgart	EUR			100.00	100.00	43	-	1)	2021
Porsche Digital GmbH, Ludwigsburg	EUR			100.00	100.00	20,025	-	1)	2021
Porsche Engineering Group GmbH, Weissach	EUR			100.00	100.00	4,000	-	1)	2021
Porsche Engineering Services GmbH, Bietigheim-Bissingen	EUR			100.00	100.00	1,601	-	1)	2021
Porsche Erste Beteiligungsgesellschaft mbH, Stuttgart	EUR			100.00	100.00	64,425	-	1)	2021
Porsche Financial Services GmbH & Co. KG, Bietigheim-Bissingen	EUR			100.00	100.00	150,016	10,155		2021
Porsche Financial Services GmbH, Bietigheim-Bissingen	EUR			100.00	100.00	26,608	-	1)	2021
Porsche Financial Services Verwaltungsgesellschaft mbH, Bietigheim-Bissingen	EUR			100.00	100.00	108	4		2021
Porsche Holding Stuttgart GmbH, Stuttgart	EUR		100.00	-	100.00	17,096,918	-	1)	2022
Porsche Immobilien GmbH & Co. KG, Stuttgart	EUR			100.00	100.00	59,971	5,792		2021
Porsche Investments GmbH, Stuttgart	EUR			100.00	100.00	172,062	-30,656		2021
Porsche Leipzig GmbH, Leipzig	EUR			100.00	100.00	2,500	-	1)	2021
Porsche Lifestyle GmbH & Co. KG, Ludwigsburg	EUR			100.00	100.00	-19,825	4,474		2021
Porsche Logistik GmbH, Stuttgart	EUR			100.00	100.00	1,000	-	1)	2021
Porsche Niederlassung Berlin GmbH, Berlin	EUR			100.00	100.00	2,500	-	1)	2021
Porsche Niederlassung Berlin-Potsdam GmbH, Kleinmachnow	EUR			100.00	100.00	1,700	-	1)	2021
Porsche Niederlassung Hamburg GmbH, Hamburg	EUR			100.00	100.00	2,000	-	1)	2021
Porsche Niederlassung Mannheim GmbH, Bietigheim-Bissingen	EUR			100.00	100.00	1,000	-	8)	2021
Porsche Niederlassung Stuttgart GmbH, Stuttgart	EUR			100.00	100.00	2,500	-	1)	2021
Porsche Nordamerika Holding GmbH, Ludwigsburg	EUR			100.00	100.00	58,311	-	1)	2021
Porsche Sales & Marketplace GmbH, Stuttgart	EUR			100.00	100.00	2,123	-	1)	2021
Porsche Siebte Vermögensverwaltung GmbH, Wolfsburg	EUR		100.00	-	100.00	3,430,578	-	1)	2021
Porsche Verwaltungsgesellschaft mit beschränkter Haftung, Ludwigsburg	EUR			100.00	100.00	41	1		2021
Porsche Werkzeugbau GmbH, Schwarzenberg	EUR			100.00	100.00	38,472	3,327		2021
Porsche Zentrum Hoppegarten GmbH, Stuttgart	EUR			100.00	100.00	2,556	-	1)	2021
PowerCo SE, Salzgitter	EUR			100.00	100.00	119	-1	4) 12) 13)	2021
PSW automotive engineering GmbH, Gaimersheim	EUR			100.00	100.00	38,112	10,503		2021
PZ Leipzig GmbH, Leipzig	EUR			100.00	100.00	500	-	12)	2021
Scania CV Deutschland Holding GmbH, Koblenz	EUR			100.00	100.00	66,295	-		2021
SCANIA DEUTSCHLAND GmbH, Koblenz	EUR			100.00	100.00	45,791	-	1)	2022
Scania Finance Deutschland GmbH, Koblenz	EUR			100.00	100.00	62,913	-		2021
SCANIA Real Estate Deutschland GmbH, Koblenz	EUR			100.00	100.00	15,183	-		2021
Scania Versicherungsvermittlung GmbH, Koblenz	EUR			100.00	100.00	1,133	204		2021
SCANIA Vertrieb und Service GmbH, Koblenz	EUR			100.00	100.00	21,756	-	1)	2022
Schwaba GmbH, Augsburg	EUR			100.00	100.00	19,790	-	1)	2021
SEAT Deutschland GmbH, Weiterstadt	EUR			100.00	100.00	159,197	23,083		2021
SEAT Deutschland Niederlassung GmbH, Frankfurt am Main	EUR			100.00	100.00	325	-	1)	2021
SKODA AUTO Deutschland GmbH, Weiterstadt	EUR			100.00	100.00	24,119	-	1)	2021
Sportwagen GmbH Donautal, Ulm	EUR			100.00	100.00	3,105	-	1)	2021
SZM Sportwagen Zentrum München GmbH, Munich	EUR			100.00	100.00	19,157	-	1)	2021
TARONA Verwaltung GmbH & Co. Alpha KG, Pullach i. Isartal	EUR			100.00	100.00	5,124	4,008		2021
TB Digital Services GmbH, Munich	EUR			100.00	100.00	25	-	1) 13)	2022
TORINU Verwaltung GmbH & Co. Beta KG, Pullach i. Isartal	EUR			100.00	100.00	18,100	505		2021
TRATON SE, Munich	EUR			89.72	89.72	14,561,081	260,668	13)	2022
UI-356-Fonds, Frankfurt am Main	EUR			100.00	100.00	1,071,692	16,802	14)	2021
UI-S5-Fonds, Frankfurt am Main	EUR			100.00	100.00	-	-	14)	2022
UI-SP25-Fonds, Frankfurt am Main	EUR			100.00	100.00	-	-	4) 6) 14)	2022

Name and domicile of company	Currency	Exchange rate (1€ =) Dec. 31, 2022	VW AG 's interest in capital in %			Equity in thousands, local currency	Profit/loss in thousands, local currency	Footnote	Year
			Direct	Indirect	Total				
UI-TV-Fonds, Frankfurt am Main	EUR		100.00	-	100.00	10,548,139	36,741	14)	2021
Vehicle Trading International (VTI) GmbH, Braunschweig	EUR			100.00	100.00	2,763	-	1)	2022
VfL Wolfsburg-Fußball GmbH, Wolfsburg	EUR			100.00	100.00	30,973	-	1) 3)	2022
VGRB GmbH, Berlin	EUR			100.00	100.00	25	-	1) 4)	2020
VGRD GmbH, Wolfsburg	EUR		100.00	-	100.00	282,939	-	1)	2021
VGRHH GmbH, Hamburg	EUR			100.00	100.00	15,153	-	1)	2021
Volim Volkswagen Immobilien Vermietgesellschaft für VW-/Audi-Händlerbetriebe mbH, Braunschweig	EUR			100.00	100.00	26	-	1)	2022
Volkswagen ADMT Hannover GmbH, Hannover	EUR			100.00	100.00	25	-	4)	2021
Volkswagen AirService GmbH, Braunschweig	EUR			100.00	100.00	100	-	1)	2021
Volkswagen Automobile Berlin GmbH, Berlin	EUR			100.00	100.00	27,762	-	1) 13)	2021
Volkswagen Automobile Chemnitz GmbH, Chemnitz	EUR			100.00	100.00	6,439	-	1)	2021
Volkswagen Automobile Frankfurt GmbH, Frankfurt am Main	EUR			100.00	100.00	12,111	-	1)	2021
Volkswagen Automobile Hamburg GmbH, Hamburg	EUR			100.00	100.00	50,371	-	1)	2021
Volkswagen Automobile Hannover GmbH, Hannover	EUR			100.00	100.00	20,359	-	1)	2021
VOLKSWAGEN Automobile Leipzig GmbH, Leipzig	EUR			100.00	100.00	13,805	-	1)	2021
Volkswagen Automobile Region Hannover GmbH, Hannover	EUR			100.00	100.00	7,525	-	1)	2021
Volkswagen Automobile Rhein-Neckar GmbH, Mannheim	EUR			100.00	100.00	12,910	-	1)	2021
Volkswagen Automobile Stuttgart GmbH, Stuttgart	EUR			100.00	100.00	5,725	-	1)	2021
Volkswagen Bank GmbH, Braunschweig	EUR		100.00	-	100.00	9,224,479	-	1)	2022
Volkswagen Beteiligungsverwaltung GmbH, Wolfsburg	EUR		100.00	-	100.00	200	-	1)	2021
Volkswagen Deutschland GmbH & Co. KG, Wolfsburg	EUR		100.00	-	100.00	20	4		2021
Volkswagen Deutschland Verwaltungs GmbH, Wolfsburg	EUR		100.00	-	100.00	74	-	1)	2021
Volkswagen Dritte Leasingobjekt GmbH, Braunschweig	EUR			100.00	100.00	25	-	1)	2021
Volkswagen Erste Leasingobjekt GmbH, Braunschweig	EUR			100.00	100.00	25	-	1)	2021
VOLKSWAGEN FINANCIAL SERVICES AG, Braunschweig	EUR		100.00	-	100.00	3,758,666	-	1)	2022
Volkswagen Financial Services Digital Solutions GmbH, Braunschweig	EUR			100.00	100.00	116,446	13,355		2021
Volkswagen Fünfte Leasingobjekt GmbH, Braunschweig	EUR			100.00	100.00	25	-	1)	2021
Volkswagen Gebrauchtfahrzeughandels und Service GmbH, Langenhagen	EUR			100.00	100.00	603	-	1)	2021
Volkswagen Group Charging GmbH, Berlin	EUR			100.00	100.00	100	-	1)	2021
Volkswagen Group IT Solutions GmbH, Wolfsburg	EUR			100.00	100.00	200	-	1)	2021
Volkswagen Group Logistics GmbH, Wolfsburg	EUR		100.00	-	100.00	3,931	441		2021
Volkswagen Group Real Estate GmbH & Co. KG, Wolfsburg	EUR			100.00	100.00	331,726	14,499		2021
Volkswagen Group Services GmbH, Wolfsburg	EUR		100.00	-	100.00	26,594	-	1)	2021
Volkswagen Immobilien GmbH, Wolfsburg	EUR		100.00	-	100.00	175,169	-	1)	2021
Volkswagen Insurance Brokers GmbH, Braunschweig	EUR			100.00	100.00	54,829	-	1)	2022
Volkswagen Konzernlogistik GmbH & Co. OHG, Wolfsburg	EUR		81.00	19.00	100.00	511	257,522	17)	2021
Volkswagen Leasing GmbH, Braunschweig	EUR			100.00	100.00	269,912	-	1)	2022
Volkswagen Original Teile Logistik Beteiligungs-GmbH, Baunatal	EUR		49.80	3.80	53.60	31	-2		2021
Volkswagen Original Teile Logistik GmbH & Co. KG, Baunatal	EUR		50.87	3.88	54.75	48,789	29,699		2021
Volkswagen Osnabrück GmbH, Osnabrück	EUR		100.00	-	100.00	10,511	-	1)	2021
Volkswagen Sachsen GmbH, Zwickau	EUR		100.00	-	100.00	672,503	-	1)	2021
Volkswagen Sechste Leasingobjekt GmbH, Braunschweig	EUR			100.00	100.00	25	-	1)	2021
Volkswagen Siebte Leasingobjekt GmbH, Braunschweig	EUR			100.00	100.00	25	-	1)	2021
Volkswagen Software Asset Management GmbH, Wolfsburg	EUR			100.00	100.00	100	-	1)	2021
Volkswagen Vermögensverwaltungs-GmbH, Wolfsburg	EUR		100.00	-	100.00	2,300,025	-	1)	2021
Volkswagen Versicherung AG, Braunschweig	EUR			100.00	100.00	97,055	-	1)	2022
Volkswagen Vierte Leasingobjekt GmbH, Braunschweig	EUR			100.00	100.00	25	-	1)	2021
Volkswagen Zubehör GmbH, Dreieich	EUR		100.00	-	100.00	8,911	-	1)	2021
Volkswagen Zweite Leasingobjekt GmbH, Braunschweig	EUR			100.00	100.00	25	-	1)	2021
Volkswagen-Versicherungsdienst GmbH, Braunschweig	EUR			100.00	100.00	54,369	-	1)	2022
VW Kraftwerk GmbH, Wolfsburg	EUR		100.00	-	100.00	219,914	-	1)	2021
ZellCo 1. Projektgesellschaft mbH, Salzgitter	EUR		51.00	49.00	100.00	-	-	4) 6)	2022
2. International									
AB Dure, Södertälje	SEK	11.0787		100.00	100.00	1,440	-	5)	2021
AB Folkvagn, Södertälje	SEK	11.0787		100.00	100.00	1,440	-	5)	2021
AB Otrem, Stockholm	SEK	11.0787		100.00	100.00	-	-	7)	2022
AB Scania-Vabis, Södertälje	SEK	11.0787		100.00	100.00	100	-	5)	2021
Ainax AB, Södertälje	SEK	11.0787		100.00	100.00	120	-	5)	2021
Aktiebolaget Tönseth & Co, Stockholm	SEK	11.0787		100.00	100.00	14,369	337		2021
ARAC GmbH, Salzburg	EUR			100.00	100.00	8,977	84		2021
Audi (China) Enterprise Management Co., Ltd., Beijing	CNY	7.3661		100.00	100.00	4,343,380	2,140,736		2021
Audi Australia Pty. Ltd., Zetland	AUD	1.5706		100.00	100.00	200,042	-1,861	5)	2021
Audi Australia Retail Operations Pty. Ltd., Zetland	AUD	1.5706		100.00	100.00	11,746	5,422		2021
Audi Brussels S.A./N.V., Brussels	EUR			100.00	100.00	616,596	6,598		2021
Audi Canada, Inc., Ajax / ON	CAD	1.4440		100.00	100.00	255,152	37,015		2022
Audi do Brasil Indústria e Comércio de Veículos Ltda., São Paulo	BRL	5.6444		100.00	100.00	591,132	192,599		2021
Audi FAW NEV Co., Ltd., Changchun	CNY	7.3661		60.00	60.00	2,965,594	-312,710	4)	2021
Audi Hungaria Zrt., Győr	EUR			100.00	100.00	1,327,468	343,495		2022
Audi Japan Sales K.K., Tokyo	JPY	140.6650		100.00	100.00	3,956,559	1,492,241		2021
Audi Luxemburg S.A., Strassen	EUR			100.00	100.00	501,411	-30		2021
Audi México S.A. de C.V., San José Chiapa	USD	1.0677		100.00	100.00	1,709,571	68,946	11)	2022
Audi of America, LLC, Herndon / VA	USD	1.0677		100.00	100.00	944,896	119,731	11)	2022
Audi Singapore Pte. Ltd., Singapore	SGD	1.4310		100.00	100.00	42,313	4,728		2021
Audi Tooling Barcelona, S.L., Martorell	EUR			100.00	100.00	50,297	2,460		2021
Audi Volkswagen Middle East FZE, Dubai	USD	1.0677		100.00	100.00	153,059	25,112		2021
Auto Expo Avion Premium S.A.S., Avion	EUR			100.00	100.00	2,355	373		2021
Auto Expo Avion S.A.S., Avion	EUR			100.00	100.00	5,863	286		2021
Auto Expo Béthune S.A.R.L., Béthune	EUR			100.00	100.00	803	133		2021
Auto Expo Bruay Premium S.A.S., Bruay-la-Buissière	EUR			100.00	100.00	1,892	252		2021
Auto Expo Bruay S.A.S., Bruay-la-Buissière	EUR			100.00	100.00	4,841	107		2021
Auto Expo Dunkerque Premium S.A.R.L., Dunkerque	EUR			100.00	100.00	1,769	47		2021
Auto Expo Dunkerque S.A.S., Dunkerque	EUR			100.00	100.00	3,286	156		2021
Auto Expo Hazebrouck Premium S.A.S., Hazebrouck	EUR			100.00	100.00	2,352	81		2021
Auto Expo Hazebrouck S.A.S., Hazebrouck	EUR			100.00	100.00	8,011	167		2021
Auto Expo Montigny S.A.R.L., Montigny-en-Gohelle	EUR			100.00	100.00	320	47		2021
Auto Expo Villeneuve d'Ascq S.A.S., Villeneuve d'Ascq	EUR			100.00	100.00	7,051	969		2021
Auto Garage de l'Ouest S.A.S., Orvault	EUR			100.00	100.00	-575	-2,141		2021
Autocentro Baistrocchi S.p.A., Bolzano	EUR			100.00	100.00	7,679	-3,613		2021
Autofinance S.A., Luxembourg	SEK	11.0787		-	-	350	-	14)	2021
Autohaus Robert Stipschitz GmbH, Salzburg	EUR			100.00	100.00	11,648	292		2021
Automobili Lamborghini America, LLC, Herndon / VA	USD	1.0677		100.00	100.00	35,215	8,344	11)	2022
Automobili Lamborghini S.p.A., Sant'Agata Bolognese	EUR			100.00	100.00	5,372,367	235,182		2021
Axone Automobiles S.A.S., Paris	EUR			100.00	100.00	-575	-2,141		2021
Banco Volkswagen S.A., São Paulo	BRL	5.6444		100.00	100.00	2,824,219	322,566		2021
Beijing Binjie Automobile Sales & Service Co., Ltd., Beijing	CNY	7.3661		100.00	100.00	40,856	11,097		2021
Beijing Junbaohang Automobile Sales and Service Co., Ltd., Beijing	CNY	7.3661		100.00	100.00	176,735	31,077		2021
Beijing Junbaojie Automobile Sales & Service Co., Ltd., Beijing	CNY	7.3661		100.00	100.00	28,436	115,778		2021
Beijing Junbaojie Automobile Trade Co., Ltd., Beijing	CNY	7.3661		100.00	100.00	74,049	21,600		2021
Bentley Motors Canada Ltd./Ltee., Montreal / QC	CAD	1.4440		100.00	100.00	11,629	696	11)	2022
Bentley Motors Ltd., Crewe	GBP	0.8868		100.00	100.00	-569,557	440,028		2021
Bentley Motors, Inc., Boston / MA	USD	1.0677		100.00	100.00	106,546	14,361	11)	2022
Bil Fastigheter i Sverige AB, Stockholm	SEK	11.0787		100.00	100.00	6,795	3,836		2021

Name and domicile of company	Currency	Exchange rate (1€ =) Dec. 31, 2022	VW AG's interest in capital in %			Equity in thousands, local currency	Profit/loss in thousands, local currency	Footnote	Year
			Direct	Indirect	Total				
Bilfastighet i Täby AB, Stockholm	SEK	11.0787		100.00	100.00	1,258	527		2021
Bilmetro AB, Gävle	SEK	11.0787		100.00	100.00	-	-	7)	2022
Bilmetro i Dalarna AB, Stockholm	SEK	11.0787		100.00	100.00	-	-	7)	2022
Bilmetro Lastbilar i Hudiksvall AB, Gävle	SEK	11.0787		100.00	100.00	-	-	7)	2022
Bilmetropolen i Gävle-Dala AB, Stockholm	SEK	11.0787		100.00	100.00	-	-	7)	2022
Blue Diamond Parts LLC, Lisle / IL	USD	1.0677		100.00	100.00	11,705	41,131		2021
Bonaldi Motori S.p.A., Bolzano	EUR			100.00	100.00	44,334	8,107		2021
Bonaldi Tech S.p.A., Bolzano	EUR			100.00	100.00	12,840	5,266		2021
CARIAD Estonia A.S., Tallinn	EUR			100.00	100.00	2,785,709	367,139		2021
Carrera Finance S.A., Luxembourg	EUR			-	-	31	-	14)	2021
Carrera Italia SPV S.r.l., Conegliano	EUR			-	-	10	-	14)	2021
Centro Porsche Padova S.r.l., Padua	EUR			100.00	100.00	5,817	1,725		2021
Centurion Truck & Bus (Pty) Ltd. t/a, Centurion	ZAR	18.0795		70.00	70.00	20,391	5,598		2021
Changshu Jiejun Automobile Sales and Service Co., Ltd., Changshu	CNY	7.3661		100.00	100.00	56,690	7,364		2021
Changxing Junbaohang Automobile Sales and Service Co., Ltd., Huzhou	CNY	7.3661		100.00	100.00	35,497	-8,238		2021
Changzhou Aobaohang Automobile Sales and Service Co., Ltd., Changzhou	CNY	7.3661		100.00	100.00	64,013	-7,158		2021
Chicago International Trucks - Chicago, LLC, Chicago / IL	USD	1.0677		100.00	100.00	-5,793	-	5)	2021
Cixi Jiejun Automobile Sales and Service Co., Ltd., Cixi	CNY	7.3661		100.00	100.00	102,951	39,871		2021
Codema Comercial e Importadora Ltda., Guarulhos	BRL	5.6444		99.98	99.98	394,577	90,209		2021
Consórcio Nacional Volkswagen - Administradora de Consórcio Ltda., São Paulo	BRL	5.6444		100.00	100.00	371,132	70,998		2021
Diettert A31 S.A.S., Thionville	EUR			100.00	100.00	1,408	68		2021
Diettert Gassion S.A.S., Thionville	EUR			100.00	100.00	1,223	258		2021
Din Bil Fastigheter Göteborg AB, Stockholm	SEK	11.0787		100.00	100.00	16,341	635		2021
Din Bil Fastigheter Syd AB, Södertälje	SEK	11.0787		100.00	100.00	10,604	540		2021
Din Bil Helsingborg AB, Stockholm	SEK	11.0787		100.00	100.00	15,784	663		2021
Din Bil Sverige AB, Stockholm	SEK	11.0787		100.00	100.00	1,661,262	396,638		2021
Dorigoni S.p.A., Bolzano	EUR			100.00	100.00	21,170	2,457		2021
Driver Brasil five Banco Volkswagen Fundo de Investimento em Direitos Creditórios	BRL	5.6444		-	-	1,136,966	13,964	4) 14)	2021
Financiamento de Veículos, Osasco	CNY	7.3661		-	-	7,451,677	323,440	14)	2021
Driver China Eleven Auto Loan Securitization Trust, Beijing	CNY	7.3661		-	-	-	-	4) 6) 14)	2022
Driver China Fourteen Auto Loan Securitization Trust, Beijing	CNY	7.3661		-	-	-	-	14)	2021
Driver China Ten Auto Loan Securitization Trust, Beijing	CNY	7.3661		-	-	2,339,646	181,431	14)	2021
Driver China Thirteen Auto Loan Securitization Trust, Beijing	CNY	7.3661		-	-	7,955,905	19,999	4) 14)	2021
Driver China Twelve Auto Loan Securitization Trust, Beijing	CNY	7.3661		-	-	4,631,723	53,764	4) 14)	2021
Driver España six, Fondo de Titulización, Madrid	EUR			-	-	-	-	14)	2021
Driver Master S.A., Luxembourg	EUR			-	-	31	-	14)	2021
Driver Multi-Compartment S.A., Luxembourg	EUR			-	-	30	14	14)	2021
Driver UK Master S.A., Luxembourg	GBP	0.8868		-	-	29	-	3) 14)	2021
Driver UK Multi-Compartment S.A., Luxembourg	GBP	0.8868		-	-	29	-	3) 14)	2021
Ducati (Schweiz) AG, Feusisberg	CHF	0.9852		100.00	100.00	4,404	707		2021
Ducati do Brasil Indústria e Comércio de Motocicletas Ltda., São Paulo	BRL	5.6444		100.00	100.00	43,089	10,037		2021
Ducati Japan K.K., Yokohama	JPY	140.6650		100.00	100.00	311,621	69,995		2021
Ducati Motor (Thailand) Co. Ltd., Amphur Pluakdaeng	THB	36.8837		100.00	100.00	2,119,755	649,588		2021
Ducati Motor Holding S.p.A., Bologna	EUR			100.00	100.00	856,473	103,855		2021
Ducati Motors de Mexico S. de R.L. de C.V., Mexico City	MXN	20.8879		100.00	100.00	9,105	-391		2021
Ducati North America, Inc., Sunnysvale / CA	USD	1.0677		100.00	100.00	38,796	1,782		2021
Ducati North Europe B.V., Den Haag	EUR			100.00	100.00	7,289	883		2021
Ducati Powertrain (Thailand) Co. Ltd., Amphur Pluakdaeng	THB	36.8837		100.00	100.00	250,567	167,741		2021
Ducati U.K. Ltd., Towcester	GBP	0.8868		100.00	100.00	6,522	751		2021
Ducati West Europe S.A.S., Colombes	EUR			100.00	100.00	12,123	1,886		2021
Electrify America, LLC, Reston / VA	USD	1.0677		94.90	94.90	341,000	-102,000		2021
Erre Esse S.p.A., Bolzano	EUR			100.00	100.00	7,204	1,246		2021
Eurent Autovermietung Kft., Budapest	HUF	400.3900		100.00	100.00	592,693	-245,684		2021
Euro-Leasing A/S, Padborg	DKK	7.4369		100.00	100.00	15,440	6,063		2021
Eurocar Immobili Italia s.r.l., Bolzano	EUR			100.00	100.00	18,235	-8,740		2021
Eurocar Italia S.r.l., Bolzano	EUR			100.00	100.00	94,852	-958		2021
Europeisk Biluthyrning AB, Stockholm	SEK	11.0787		100.00	100.00	49,692	10,079		2021
ExB II LLC, Atlanta / GA	USD	1.0677		100.00	100.00	29,153	1,017	14)	2021
ExB LLC, Atlanta / GA	USD	1.0677		100.00	100.00	13,758	-1,671	14)	2021
Exclusive Cars Vertriebs GmbH, Salzburg	EUR			100.00	100.00	7,318	674		2021
Exclusive Motors S.A.S., Paris	EUR			100.00	100.00	3,175	777		2021
Fastighet Kallebäck 2:4 i Göteborg AB, Stockholm	SEK	11.0787		100.00	100.00	6,019	109		2021
Fastighets AB Hammarbyvagnen, Stockholm	SEK	11.0787		100.00	100.00	2,699	2,126		2021
Fastighets AB Kabisten 1, Stockholm	SEK	11.0787		100.00	100.00	2,901	568		2021
Fastighets AB Xalam, Stockholm	SEK	11.0787		100.00	100.00	12,881	-70		2021
Fastighetsaktiebolaget Flygmotorn, Södertälje	SEK	11.0787		100.00	100.00	18,683	-	1)	2021
Fastighetsaktiebolaget Hjulnavet, Södertälje	SEK	11.0787		100.00	100.00	53,892	-	1)	2021
Fastighetsaktiebolaget Vindbron, Södertälje	SEK	11.0787		100.00	100.00	43,067	-	1)	2021
Ferruform AB, Luleå	SEK	11.0787		100.00	100.00	71,567	-1,372		2021
Garage André Flocc S.A.S., Cesson-Sévigné	EUR			100.00	100.00	8,793	895		2021
Griffin Automotive Ltd., Road Town	TWD	32.7048		100.00	100.00	2,115,174	449,784		2021
Griffin Lux S.à r.l., Luxembourg	EUR			-	-	-	-	14)	2021
Gulf Turbo Services LLC, Doha	QAR	3.8999		55.00	55.00	16,804	3,187		2021
Hamlin Services, LLC, Herndon / VA	USD	1.0677		100.00	100.00	-	-	10)	2021
Hangzhou Aobaohang Automobile Sales & Service Co., Ltd., Hangzhou	CNY	7.3661		100.00	100.00	74,746	1,167		2021
Hangzhou Jieshenghang Automobile Sales and Service Co., Ltd., Hangzhou	CNY	7.3661		100.00	100.00	186,954	52,761		2021
Hangzhou Junbaohang Automobile Sales & Service Co., Ltd., Hangzhou	CNY	7.3661		100.00	100.00	255,553	81,510		2021
Hangzhou Tongxie Binjie Automobile Sales and Service Co., Ltd., Hangzhou	CNY	7.3661		100.00	100.00	20,490	10,216		2021
Hangzhou Xiaoshan Jiejun Automobile Sales and Service Co., Ltd., Hangzhou	CNY	7.3661		100.00	100.00	95,246	24,117		2021
Hangzhou Xiaoshan Shidai Junbaohang Automobile Sales & Service Co., Ltd., Hangzhou	CNY	7.3661		100.00	100.00	71,412	11,134		2021
Harbour Assurance Company of Bermuda Ltd., Hamilton	BMD	1.0677		100.00	100.00	26,251	3,634		2021
Hemlingby 20:11 Fastighets AB, Stockholm	SEK	11.0787		100.00	100.00	-	-	7)	2022
Hemlingby 61:2 AB, Stockholm	SEK	11.0787		100.00	100.00	-	-	7)	2022
HTD i Oskarshamn AB, Oskarshamn	SEK	11.0787		100.00	100.00	-	-		2021
Huzhou Jiejun Automobile Sales and Service Co., Ltd., Huzhou	CNY	7.3661		100.00	100.00	74,461	22,345		2021
Huzhou Junbaohang Automobile Sales and Service Co., Ltd., Huzhou	CNY	7.3661		100.00	100.00	136,132	35,357		2021
IC Bus LLC, Lisle / IL	USD	1.0677		100.00	100.00	919,350	30,036		2021
IC Bus of Oklahoma, LLC, Tulsa / OK	USD	1.0677		100.00	100.00	-	-	3)	2021
Immobilier France VGRF S.A.S., Roissy-en-France	EUR			100.00	100.00	28,823	848	13)	2021
International DealCor Operations, Ltd., George Town	KYD	0.8862		100.00	100.00	56,787	-		2021
International Engine Intellectual Property Company, LLC, Lisle / IL	USD	1.0677		100.00	100.00	501,939	199		2021
International of Mexico Holding Corporation LLC, Lisle / IL	USD	1.0677		100.00	100.00	403,740	-130,973		2021
International Parts Distribution S. de R.L. de C.V., Miguel Hidalgo	MXN	20.8879		100.00	100.00	434,487	269,254		2021
International Truck and Engine Corporation Cayman Islands Holding Company, Lisle / IL	USD	1.0677		100.00	100.00	623,249	2,783		2021
International Truck and Engine Corporation U.S. Holding Company, LLC, Lisle / IL	USD	1.0677		100.00	100.00	92	0		2021
International Truck and Engine Investments Corp., Lisle / IL	USD	1.0677		100.00	100.00	-47,308	-764		2021
International Truck and Engine Overseas Corp., Lisle / IL	USD	1.0677		100.00	100.00	-10,124	-		2021
International Truck Intellectual Property Company, LLC, Lisle / IL	USD	1.0677		100.00	100.00	985,352	-836		2021
International Truck Leasing Corp., Lisle / IL	USD	1.0677		100.00	100.00	4,749	-31		2021
Italdesign Giugiaro S.p.A., Moncalieri	EUR			100.00	100.00	59,620	3,485		2021
ItalSCANIA S.p.A., Trento	EUR			100.00	100.00	58,256	35,022		2021
J.M.C. Autos S.A.S., Charnail	EUR			100.00	100.00	744	-86		2021

Name and domicile of company	Currency	Exchange rate (1€ =) Dec. 31, 2022	VW AG 's interest in capital in %			Equity in thousands, local currency	Profit/loss in thousands, local currency	Footnote	Year
			Direct	Indirect	Total				
Jacob S.A.S., Metz	EUR			100.00	100.00	4,053	-178		2021
Jacques Carlet S.A.S., Mozac	EUR			100.00	100.00	7,885	252		2021
James Young Ltd., Crewe	GBP	0.8868		100.00	100.00	12,474	-	5)	2021
Jiangmen Jiejun Automobile Sales and Service Co., Ltd., Jiangmen	CNY	7.3661		100.00	100.00	47,276	5,915		2021
Jiaying Jiejun Automobile Sales and Service Co., Ltd., Jiaying	CNY	7.3661		100.00	100.00	149,627	63,597		2021
Jiaying Junbaohang Automobile Sales and Service Co., Ltd., Jiaying	CNY	7.3661		100.00	100.00	147,125	51,347		2021
Jiaying Zhongyue Junbaohang Automobile Sales and Service Co., Ltd., Jiaying	CNY	7.3661		100.00	100.00	26,778	-15,361		2021
Jinhua Jiejun Automobile Sales and Service Co., Ltd., Jinhua	CNY	7.3661		100.00	100.00	109,256	55,049		2021
Jinhua Junbaohang Automobile Sales and Service Co., Ltd., Jinhua	CNY	7.3661		100.00	100.00	109,235	26,780		2021
Kai Tak Holding AB, Södertälje	SEK	11.0787		100.00	100.00	120	-	5)	2021
Kunshan Junbaohang Automobile Sales and Service Co., Ltd., Kunshan	CNY	7.3661		100.00	100.00	83,050	21,852		2021
Laxå Specialvehicles AB, Laxå	SEK	11.0787		100.00	100.00	119,039	21,680		2021
LKW Komponenten s.r.o., Bánovce nad Bebravou	EUR			100.00	100.00	9,828	-1,487		2021
Lorraine Motors S.A.S., Tomblaine	EUR			100.00	100.00	6,558	140		2021
LOTS Chile S.p.A., Santiago de Chile	CLP	915.6600		100.00	100.00	-	-	4)	2021
LOTS Group AB, Södertälje	SEK	11.0787		100.00	100.00	416,417	-449		2021
LOTS Latin América Logística de Transportes Ltda., São Bernardo do Campo	BRL	5.6444		100.00	100.00	87,464	-3,312		2021
Lots Logistics (Guangxi) Co. Ltd., Beihai	CNY	7.3661		100.00	100.00	1,610	1,381		2021
LOTS SPV USA LLC, Wilmington / DE	USD	1.0677		70.00	70.00	-	-	4)	2021
LOTS Ventures Canada Inc., Vancouver / BC	CAD	1.4440		80.00	80.00	-	-		2021
LOTS Ventures USA Inc., Wilmington / DE	USD	1.0677		100.00	100.00	-	-		2021
Mälardalens Tekniska Gymnasium AB, Södertälje	SEK	11.0787		80.00	80.00	27,033	3,945		2021
MAN Automotive (South Africa) (Pty) Ltd., Johannesburg	ZAR	18.0795		100.00	100.00	991,829	65,101		2021
MAN Bus Sp. z o.o., Starachowice	PLN	4.6860		100.00	100.00	888,558	71,718		2021
MAN Energy Solutions Australia Pty. Ltd., Yennora	AUD	1.5706		100.00	100.00	20,310	1,758		2021
MAN Energy Solutions Belgium N.V., Antwerp	EUR			100.00	100.00	12,954	1,260		2021
MAN Energy Solutions Brasil Equipamentos & Serviços Ltda., Rio de Janeiro	BRL	5.6444		100.00	100.00	49,532	20,627		2021
MAN Energy Solutions Canada Ltd., Richmond / BC	CAD	1.4440		100.00	100.00	10,713	1,654		2021
MAN Energy Solutions Canarias S.L.U., Las Palmas de Gran Canaria	EUR			100.00	100.00	4,812	650		2021
MAN Energy Solutions Chile Ltda., Valparaíso	CLP	915.6600		100.00	100.00	6,374,776	1,194,104		2021
MAN Energy Solutions China Co., Ltd., Shanghai	CNY	7.3661		100.00	100.00	195,433	37,212		2021
MAN Energy Solutions China Production Co., Ltd., Changzhou	CNY	7.3661		100.00	100.00	440,790	55,724		2021
MAN Energy Solutions España S.A., Madrid	EUR			100.00	100.00	7,561	483		2021
MAN Energy Solutions France S.A.S., Saint-Nazaire	EUR			100.00	100.00	164,910	32,861		2021
MAN Energy Solutions Hellas E.P.E., Piraeus	EUR			100.00	100.00	13,768	3,169		2021
MAN Energy Solutions Hong Kong Ltd., Hong Kong	HKD	8.3210		100.00	100.00	110,195	11,855		2021
MAN Energy Solutions India Pvt. Ltd., Aurangabad	INR	88.1640		100.00	100.00	4,540,650	647,670		2021
MAN Energy Solutions Italia S.r.l., Genoa	EUR			100.00	100.00	8,154	947		2021
MAN Energy Solutions Korea Ltd., Busan	KRW	1,338.2950		100.00	100.00	39,389,113	7,636,487		2021
MAN Energy Solutions Malaysia ES Sdn. Bhd., Kuala Lumpur	MYR	4.7032		100.00	100.00	60,516	9,960		2021
MAN Energy Solutions Middle East LLC FZE, Fujairah	AED	3.9213		100.00	100.00	17,609	2,331		2021
MAN Energy Solutions Middle East LLC, Dubai	AED	3.9213		100.00	100.00	13,027	8,622		2021
MAN Energy Solutions Netherlands B.V., Schiedam	EUR			100.00	100.00	10,242	1,404		2021
MAN Energy Solutions Pakistan Pvt. Ltd., Lahore	PKR	242.0475		100.00	100.00	1,401,895	483,262		2021
MAN Energy Solutions Panama Inc., Panama-City	PAB	1.0677		100.00	100.00	15,452	3,888		2021
MAN Energy Solutions Qatar Navigation LLC, Doha	QAR	3.8999		49.00	49.00	23,770	952		2021
MAN Energy Solutions Saudi Arabia LLC, Jeddah	SAR	4.0162		100.00	100.00	22,276	3,492		2021
MAN Energy Solutions Schweiz AG, Zürich	CHF	0.9852		100.00	100.00	341,470	8,054		2021
MAN Energy Solutions Senegal S.A.R.L., Dakar	XOF	655.9570		100.00	100.00	2,650,337	802,615		2021
MAN Energy Solutions Servis ve Ticaret Ltd. Sti., Istanbul	TRY	19.9852		100.00	100.00	93,184	60,943		2021
MAN Energy Solutions Singapore Pte. Ltd., Singapore	SGD	1.4310		100.00	100.00	81,583	13,196		2021
MAN Energy Solutions South Africa (Pty) Ltd., Johannesburg	ZAR	18.0795		100.00	100.00	432,603	18,701		2021
MAN Energy Solutions Sverige AB, Göteborg	SEK	11.0787		100.00	100.00	5,771	-34,526		2021
MAN Energy Solutions Taiwan Ltd., Kaohsiung	TWD	32.7048		100.00	100.00	179,265	61,257		2021
MAN Energy Solutions UK Ltd., Stockport	GBP	0.8868		100.00	100.00	53,548	6,034		2021
MAN Energy Solutions USA Inc., Houston / TX	USD	1.0677		100.00	100.00	64,335	7,083		2021
MAN Engines & Components Inc., Pompano Beach / FL	USD	1.0677		100.00	100.00	103,856	9,473		2021
MAN Finance and Holding S.A., Strassen	EUR			100.00	100.00	2,235,963	-602,794		2021
MAN Financial Services España S.L., Alcobendas (Madrid)	EUR			100.00	100.00	26,715	2,981		2021
MAN Financial Services GesmbH, Eugendorf	EUR			100.00	100.00	32,645	3,372		2021
MAN Financial Services Poland Sp. z o.o., Nadarzyn	PLN	4.6860		100.00	100.00	107,412	24,872	11) 13)	2021
MAN Hellas Truck & Bus A.E., Aspropyrgos	EUR			100.00	100.00	2,629	451		2018
MAN Kamion és Busz Kereskedelmi Kft., Dunaharaszti	HUF	400.3900		100.00	100.00	6,680,813	952,754		2021
MAN Kamyon ve Otobüs Ticaret A.S., Ankara	TRY	19.9852		100.00	100.00	522,790	183,321		2021
MAN Location & Services S.A.S., Evry	EUR			100.00	100.00	5,924	1,683		2021
MAN Nutzfahrzeuge Immobilien GmbH, Vienna	EUR			100.00	100.00	29,647	2,291		2021
MAN Shared Services Center Sp. z o.o., Poznan	PLN	4.6860		100.00	100.00	13,161	2,938		2021
MAN Truck & Bus (Korea) Ltd., Yongin	KRW	1,338.2950		100.00	100.00	12,082,153	-252,223		2021
MAN Truck & Bus (M) Sdn. Bhd., Rawang	MYR	4.7032		100.00	100.00	52,314	-1,640		2021
MAN Truck & Bus Czech Republic s.r.o., Cestlice	CZK	24.1450		100.00	100.00	1,237,607	11,933		2021
MAN Truck & Bus Danmark A/S, Greve	DKK	7.4369		100.00	100.00	140,033	17,722		2021
MAN Truck & Bus France S.A.S., Evry	EUR			100.00	100.00	85,761	11,626		2021
MAN Truck & Bus Iberia S.A., Coslada	EUR			100.00	100.00	118,040	8,980		2021
MAN Truck & Bus Italia S.p.A., Dossobuono di Villafranca	EUR			100.00	100.00	31,914	3,788		2021
MAN Truck & Bus Middle East FZE, Dubai	AED	3.9213		100.00	100.00	53,206	953		2021
MAN Truck & Bus N.V., Kobbegem	EUR			100.00	100.00	28,286	1,268		2021
MAN Truck & Bus Norge A/S, Lorenskog	NOK	10.5047		100.00	100.00	132,552	7,001		2021
MAN Truck & Bus Polska Sp. z o.o., Nadarzyn	PLN	4.6860		100.00	100.00	59,056	16,665		2021
MAN Truck & Bus Portugal S.U. Lda., Lisbon	EUR			100.00	100.00	5,114	833		2021
MAN Truck & Bus Schweiz AG, Otelfingen	CHF	0.9852		100.00	100.00	29,383	1,647		2021
MAN Truck & Bus Slovakia s.r.o., Bratislava	EUR			100.00	100.00	10,838	838		2021
MAN Truck & Bus Slovenija d.o.o., Ljubljana	EUR			100.00	100.00	13,714	1,382		2021
MAN Truck & Bus Trading (China) Co., Ltd., Beijing	CNY	7.3661		100.00	100.00	71,925	-580		2021
MAN Truck & Bus UK Ltd., Swindon	GBP	0.8868		100.00	100.00	102,985	3,508		2020
MAN Truck & Bus Vertrieb Österreich GmbH, Vienna	EUR			100.00	100.00	252,355	4,429		2021
MAN Trucks Sp. z o.o., Niepolomice	PLN	4.6860		100.00	100.00	1,309,332	113,695		2021
MAN Türkiye A.S., Ankara	TRY	19.9852		99.99	99.99	2,550,271	969,272		2021
MECOS AG, Zürich	CHF	0.9852		100.00	100.00	219,196	3,580		2021
Metrobus AB, Gavle	SEK	11.0787		100.00	100.00	-	-	7)	2022
Mobility Asia Smart Technology Co., Ltd., Beijing	CNY	7.3661		100.00	100.00	963,962	196,293		2021
MOIA Luxembourg S.A., Strassen	EUR			100.00	100.00	283	-48		2021
MW-Hallen Restaurang AB, Södertälje	SEK	11.0787		1.00	1.00	1,993	-34		2021
N.W.S. S.r.l., in liquidation, Trento	EUR			52.50	52.50	21	-3	2)	2021
Nanjing Junbaohang Automobile Sales and Service Co., Ltd., Nanjing	CNY	7.3661		100.00	100.00	32,434	-9,541		2021
Nardò Technical Center S.r.l., Santa Chiara di Nardò	EUR			100.00	100.00	12,298	392		2021
Navistar (Shanghai) Trading Co., Ltd., Shanghai	CNY	7.3661		100.00	100.00	24,637	1,128		2021
Navistar Aftermarket Products, Inc., Lisle / IL	USD	1.0677		100.00	100.00	31,185	-5		2021
Navistar Auspac Pty. Ltd., Tullamarine	AUD	1.5706		100.00	100.00	1,732	-33		2021
Navistar Big Bore Diesels, LLC, Huntsville / AL	USD	1.0677		100.00	100.00	-43,853	4,696		2021
Navistar Canada, ULC, Halifax / NS	CAD	1.4440		100.00	100.00	-76,190	42,905		2021
Navistar Comercial S.A. de C.V., Miguel Hidalgo	MXN	20.8879		100.00	100.00	274,270	20,008		2021
Navistar Delaware Holdings, LLC, Lisle / IL	USD	1.0677		100.00	100.00	25,000	-		2021
Navistar Diesel of Alabama, LLC, Lisle / IL	USD	1.0677		100.00	100.00	90,140	-252		2021
Navistar Financial Corporation, Lisle / IL	USD	1.0677		100.00	100.00	360,729	-954		2021

Name and domicile of company	Currency	Exchange rate	VW AG 's interest			Equity in thousands, local currency	Profit/loss in thousands, local currency	Footnote	Year
		(1€ =) Dec. 31, 2022	Direct	Indirect	Total				
Navistar Financial Dealer Note Master Owner Trust II, Wilmington / DE	USD	1.0677	-	-	-	-	-	14)	2021
Navistar Financial Securities Corp., Lisle / IL	USD	1.0677	-	100.00	100.00	59,414	-146		2021
Navistar Financial, S.A. de C.V. SOFOM E.R., Miguel Hidalgo	MXN	20.8879	-	100.00	100.00	5,263,656	540,808		2021
Navistar Global Operations Corp., Lisle / IL	USD	1.0677	-	100.00	100.00	-	-		2020
Navistar Hong Kong Holding Company Ltd., Hong Kong	HKD	8.3210	-	100.00	100.00	4,226	-146		2021
Navistar International B.V., Amsterdam	EUR	-	-	100.00	100.00	364,317	-2,188		2021
Navistar International Corporation, Lisle / IL	USD	1.0677	-	100.00	100.00	3,314,653	-24,883		2021
Navistar International Employee Leasing Company, Lisle / IL	USD	1.0677	-	100.00	100.00	6,497	500		2021
Navistar International Holdings B.V., Amsterdam	EUR	-	-	100.00	100.00	21,943	-51		2021
Navistar International Mexico, S. de R.L. de C.V., Escobedo	MXN	20.8879	-	100.00	100.00	2,321,672	931,921		2021
Navistar International Pvt. Ltd., Pune	INR	88.1640	-	100.00	100.00	143,050	5,560	3)	2021
Navistar International Southern Africa (Pty) Ltd., Johannesburg	ZAR	18.0795	-	100.00	100.00	-46,086	-46,502		2021
Navistar International Truck Mexico, S. de R.L. de C.V., Miguel Hidalgo	MXN	20.8879	-	100.00	100.00	2,320,906	931,713		2021
Navistar Leasing Company, Lisle / IL	USD	1.0677	-	-	-	-	-	14)	2021
Navistar Leasing Services Corp., Lisle / IL	USD	1.0677	-	100.00	100.00	36,159	3,058		2021
Navistar Mexico, S. de R.L. de C.V., Mexico City	MXN	20.8879	-	100.00	100.00	3,623,755	1,123,428		2021
Navistar San Antonio Manufacturing LLC, Lisle / IL	USD	1.0677	-	100.00	100.00	-26,202	-13,505		2021
Navistar, Inc., Lisle / IL	USD	1.0677	-	100.00	100.00	-7,592,402	3,237		2021
NC2 Brasil Industria e Comercio de Caminhos Ltda., Canoas	BRL	5.6444	-	100.00	100.00	-5,707	-14		2021
NC2 Global LLC, Lisle / IL	USD	1.0677	-	100.00	100.00	137,758	3,684		2021
NC2 Luxembourg S.a.r.l., Luxembourg	EUR	-	-	100.00	100.00	-110,630	2,141	3)	2021
Ningbo Jiejun Automobile Sales and Service Co., Ltd., Ningbo	CNY	7.3661	-	100.00	100.00	196,652	100,993		2021
Norsk Scania AS, Oslo	NOK	10.5047	-	100.00	100.00	299,437	479,299		2021
Norsk Scania Eiendom AS, Oslo	NOK	10.5047	-	100.00	100.00	121,441	10,990		2021
Nouvelle Generation S.A.S., Augny	EUR	-	-	100.00	100.00	2,679	-369		2021
OCC Technologies, LLC, Lisle / IL	USD	1.0677	-	100.00	100.00	-53,850	-5,929		2021
Ocean Automobile S.A.S., Orvault	EUR	-	-	100.00	100.00	4,947	554		2021
OOO Porsche Center Moscow, Moscow	RUB	76.2868	-	100.00	100.00	1,683,265	359,861		2021
OOO Porsche Financial Services Russland, Moscow	RUB	76.2868	-	100.00	100.00	531,567	157,645		2021
OOO Porsche Russland, Moscow	RUB	76.2868	-	100.00	100.00	10,740,469	1,735,521		2021
OOO Scania Finance, Moscow	RUB	76.2868	-	100.00	100.00	1,284,897	100,099		2021
OOO Scania Leasing, Moscow	RUB	76.2868	-	100.00	100.00	5,440,818	2,645,481		2021
OOO Scania Peter, St. Petersburg	RUB	76.2868	-	100.00	100.00	266,660	76,268		2021
OOO Scania Strachovanié, Moscow	RUB	76.2868	-	100.00	100.00	134,772	63,567		2021
OOO Volkswagen Bank RUS, Moscow	RUB	76.2868	-	100.00	100.00	18,284,055	999,741	11)	2021
OOO Volkswagen Financial Services RUS, Moscow	RUB	76.2868	-	100.00	100.00	7,880,926	778,305		2021
OOO Volkswagen Group Finanz, Moscow	RUB	76.2868	-	100.00	100.00	4,705,335	613,867		2021
OOO Volkswagen Group Rus, Kaluga	RUB	76.2868	28.06	71.94	100.00	27,509,615	4,793,046		2021
PAIG (China) Automobile Investment Co., Ltd., Hangzhou	CNY	7.3661	-	100.00	100.00	1,719,463	107,339		2021
PAIG Japan Automobile Investment GK, Tokyo	JPY	140.6650	-	100.00	100.00	3,067,565	3,842		2021
Paris Est Evolution S.A.S., Saint-Thibault-des-Vignes	EUR	-	-	100.00	100.00	5,816	485		2021
Parts and Service Ventures, Inc., Lisle / IL	USD	1.0677	-	100.00	100.00	1,724	0		2021
PBS Turbo s.r.o., Velká Bíteš	CZK	24.1450	-	100.00	100.00	985,799	155,989		2021
PCars LLC, Atlanta / GA	USD	1.0677	-	100.00	100.00	14,134	-1,727	14)	2021
PCREST II Holdings Ltd., Vancouver / BC	CAD	1.4440	-	100.00	100.00	990	-	14)	2021
PCREST Ltd., Mississauga / ON	CAD	1.4440	-	100.00	100.00	3	-	5)	2021
PCTX LLC, Atlanta / GA	USD	1.0677	-	100.00	100.00	506	2		2021
PDRIVE LLC, Atlanta / GA	USD	1.0677	-	100.00	100.00	20,228	141	14)	2021
PFORCE LLC, Atlanta / GA	USD	1.0677	-	100.00	100.00	21,090	-343	14)	2021
PGEAR LLC, Atlanta / GA	USD	1.0677	-	100.00	100.00	18,435	-4,158	14)	2021
PILOT 2017-A LLC, Atlanta / GA	USD	1.0677	-	100.00	100.00	71,294	9,044	14)	2021
PILOT 2017-B LLC, Atlanta / GA	USD	1.0677	-	100.00	100.00	10,318	-26	14)	2021
PILOT 2019-A LLC, Atlanta / GA	USD	1.0677	-	100.00	100.00	36,302	14,455	14)	2021
Porsamadrid S.L., Madrid	EUR	-	-	100.00	100.00	4,706	776		2021
Porsche (China) Motors Ltd., Shanghai	CNY	7.3661	-	100.00	100.00	3,138,271	3,040,563		2021
Porsche (Shanghai) Commercial Services Co., Ltd., Shanghai	CNY	7.3661	-	100.00	100.00	471,011	166,642		2021
Porsche Albania Sh.p.k., Tirana	ALL	114.3000	-	100.00	100.00	776,284	68,373		2021
Porsche Asia Pacific Pte. Ltd., Singapore	SGD	1.4310	-	100.00	100.00	64,984	6,489		2021
Porsche Austria GmbH & Co. OG, Salzburg	EUR	-	-	100.00	100.00	116,298	25,522		2021
Porsche Auto Funding LLC, Atlanta / GA	USD	1.0677	-	100.00	100.00	4,000	-	14)	2021
Porsche Automotive Investment GmbH, Salzburg	EUR	-	-	100.00	100.00	470,918	148,187		2021
Porsche Aviation Products, Inc., Atlanta / GA	USD	1.0677	-	100.00	100.00	661	1		2021
Porsche Bank AG, Salzburg	EUR	-	-	100.00	100.00	762,832	33,204		2021
Porsche Bank Romania S.A., Voluntari	RON	4.9483	-	100.00	100.00	190,216	5,281		2021
Porsche BG EOOD, Sofia	BGN	1.9560	-	100.00	100.00	20,491	10,808		2021
Porsche BH d.o.o., Novi Grad	BAM	1.9558	-	100.00	100.00	34,085	7,354		2021
Porsche Biztosítási Követítő Kft., Budapest	HUF	400.3900	-	100.00	100.00	422,201	415,801		2021
Porsche Brasil Importadora de Veículos Ltda., São Paulo	BRL	5.6444	-	100.00	100.00	63,689	53,689		2021
Porsche Broker A.D. Skopje, Skopje	MKD	61.6000	-	100.00	100.00	12,460	6,302		2021
Porsche Broker de Asigurare S.R.L., Voluntari	RON	4.9483	-	100.00	100.00	28,979	28,781		2021
Porsche Business Services, Inc., Atlanta / GA	USD	1.0677	-	100.00	100.00	-3,621	778		2021
Porsche Canadian Funding II L.P., Mississauga / ON	CAD	1.4440	-	100.00	100.00	110,300	8,922	14)	2021
Porsche Canadian Funding L.P., Mississauga / ON	CAD	1.4440	-	100.00	100.00	93,580	8,951		2021
Porsche Canadian Investment ULC, Halifax / NS	CAD	1.4440	-	100.00	100.00	705	6		2021
Porsche Cars Australia Pty. Ltd., Collingwood	AUD	1.5706	-	100.00	100.00	157,519	12,809		2021
Porsche Cars Canada Ltd., Mississauga / ON	CAD	1.4440	-	100.00	100.00	192,652	32,132		2021
Porsche Cars Great Britain Ltd., Reading	GBP	0.8868	-	100.00	100.00	140,646	19,215		2021
Porsche Cars North America, Inc., Atlanta / GA	USD	1.0677	-	100.00	100.00	1,891,816	294,227		2021
Porsche Central and Eastern Europe s.r.o., Prague	CZK	24.1450	-	100.00	100.00	139,283	13,436		2021
Porsche Centre Beijing Central Ltd., Beijing	CNY	7.3661	-	100.00	100.00	53,984	72,461		2021
Porsche Centre Beijing Goldenport Ltd., Beijing	CNY	7.3661	-	100.00	100.00	72,543	71,290		2021
Porsche Centre North Toronto Ltd., Toronto / ON	CAD	1.4440	-	100.00	100.00	14,495	4,666		2021
Porsche Centre Shanghai Pudong Ltd., Shanghai	CNY	7.3661	-	100.00	100.00	127,466	104,087		2021
Porsche Centre Shanghai Waigaoqiao Ltd., Shanghai	CNY	7.3661	-	100.00	100.00	133,151	85,786		2021
Porsche Česká republika s.r.o., Prague	CZK	24.1450	-	100.00	100.00	1,218,126	399,557		2021
Porsche Chile S.p.A., Santiago de Chile	CLP	915.6600	-	100.00	100.00	60,573,249	33,279,815		2021
Porsche Colombia S.A.S., Bogotá	COP	5,179.5000	-	100.00	100.00	134,680,000	42,217,942		2021
Porsche Consulting Ltd., Shanghai	CNY	7.3661	-	100.00	100.00	37,653	16,142		2021
Porsche Consulting S.r.l., Milan	EUR	-	-	100.00	100.00	16,680	2,912		2021
Porsche Consulting, Inc., Atlanta / GA	USD	1.0677	-	100.00	100.00	3,746	1,016		2021
Porsche Corporate Finance GmbH, Salzburg	EUR	-	-	100.00	100.00	1,650,839	1,467		2021
Porsche Croatia d.o.o., Zagreb	HRK	7.5364	-	100.00	100.00	489,365	124,755		2021
Porsche Design GmbH, Zell am See	EUR	-	-	100.00	100.00	7,622	-1,297		2021
Porsche Design of America, Inc., Ontario / CA	USD	1.0677	-	100.00	100.00	2,486	197		2021
Porsche Distribution S.A.S., Vélizy-Villacoublay	EUR	-	-	100.00	100.00	39,270	5,053		2021
Porsche Engineering Services s.r.o., Prague	CZK	24.1450	-	100.00	100.00	297,599	61,845		2021
Porsche Enterprises, Inc., Atlanta / GA	USD	1.0677	-	100.00	100.00	129,586	-6,950		2021
Porsche Finance Zrt., Budapest	HUF	400.3900	-	100.00	100.00	8,687,012	603,520		2021
Porsche Financial Leasing Ltd., Shanghai	CNY	7.3661	-	100.00	100.00	196,383	204		2021
Porsche Financial Services Australia Pty. Ltd., Collingwood	AUD	1.5706	-	100.00	100.00	3,721	595		2021
Porsche Financial Services Canada G.P., Mississauga / ON	CAD	1.4440	-	100.00	100.00	23,875	-5,493	11)	2021
Porsche Financial Services France S.A.S., Asnières-sur-Seine	EUR	-	-	100.00	100.00	18,254	3,811		2021
Porsche Financial Services Great Britain Ltd., Reading	GBP	0.8868	-	100.00	100.00	91,883	18,317		2021
Porsche Financial Services Italia S.p.A., Padua	EUR	-	-	100.00	100.00	75,903	10,177		2021

Name and domicile of company	Currency	Exchange rate (1€ =) Dec. 31, 2022	VW AG 's interest in capital in %			Equity in thousands, local currency	Profit/loss in thousands, local currency	Footnote	Year
			Direct	Indirect	Total				
Porsche Financial Services Japan K.K., Tokyo	JPY	140.6650		100.00	100.00	7,475,767	894,400		2021
Porsche Financial Services Korea Ltd., Seoul	KRW	1,338.2950		100.00	100.00	-	-	7)	2022
Porsche Financial Services Schweiz AG, Rotkreuz	CHF	0.9852		100.00	100.00	12,501	5,315		2021
Porsche Financial Services, Inc., Atlanta / GA	USD	1.0677		100.00	100.00	171,101	29,646	11)	2021
Porsche France S.A.S., Asnières-sur-Seine	EUR			100.00	100.00	129,623	9,470		2021
Porsche Funding L.P., Atlanta / GA	USD	1.0677		100.00	100.00	646,344	18,207		2021
Porsche Haus S.r.l., Milan	EUR			100.00	100.00	7,457	1,858		2021
Porsche Holding Gesellschaft m.b.H., Salzburg	EUR			100.00	100.00	5,110,734	237,173		2022
Porsche Hong Kong Ltd., Hong Kong	HKD	8.3210		100.00	100.00	14,432,808	3,166,076		2021
Porsche Hungaria Kereskedelmi Kft., Budapest	HUF	400.3900		100.00	100.00	14,649,549	4,731,377		2021
Porsche Ibérica S.A., Madrid	EUR			99.99	99.99	104,766	6,569		2021
Porsche Immobilien BG EOOD, Sofia	BGN	1.9560		100.00	100.00	21,745	916		2021
Porsche Immobilien CZ spol. s r.o., Prague	CZK	24.1450		100.00	100.00	919,443	57,405		2021
Porsche Immobilien Gesellschaft m.b.H & Co. KG, Salzburg	EUR			100.00	100.00	23,699	238		2021
Porsche Immobilien Gesellschaft m.b.H., Salzburg	EUR			100.00	100.00	1,833,711	8,378		2021
Porsche Immobilien S.R.L., Cluj-Napoca	RON	4.9483		100.00	100.00	334,129	12,417		2021
Porsche Immobilien Slovakia spol s.r.o., Bratislava	EUR			100.00	100.00	13,319	714		2021
Porsche Immobilien, poslovanje z nepremičninami d.o.o., Ljubljana	EUR			100.00	100.00	10,268	671		2021
Porsche Immobilienverwaltungs Kft., Budapest	HUF	400.3900		100.00	100.00	378,574	1,034,557		2021
Porsche Informatik GmbH, Salzburg	EUR			100.00	100.00	9,745	2,509		2021
Porsche Innovative Lease Owner Trust 2016-A, Atlanta / GA	USD	1.0677		100.00	100.00	60,772	15,322	14)	2021
Porsche Insurance Broker BG EOOD, Sofia	BGN	1.9560		100.00	100.00	3,697	3,229		2021
Porsche Inter Auto BG EOOD, Sofia	BGN	1.9560		100.00	100.00	9,582	5,087		2021
Porsche Inter Auto Chile S.p.A., Santiago de Chile	CLP	915.6600		100.00	100.00	9,267,536	3,545,495		2021
Porsche Inter Auto CZ spol. s r.o., Prague	CZK	24.1450		100.00	100.00	834,006	316,984		2021
Porsche Inter Auto d.o.o., Ljubljana	EUR			100.00	100.00	13,021	7,054		2021
Porsche Inter Auto d.o.o., Zagreb	HRK	7.5364		100.00	100.00	81,556	9,904		2021
Porsche Inter Auto GmbH & Co. KG, Salzburg	EUR			100.00	100.00	74,106	33,715		2021
Porsche Inter Auto Hungaria Kft., Budapest	HUF	400.3900		100.00	100.00	5,518,018	3,771,221		2021
Porsche Inter Auto Polska Sp. z o.o., Warsaw	PLN	4.6860		100.00	100.00	199,879	21,944		2021
Porsche Inter Auto Romania S.R.L., Voluntari	RON	4.9483		100.00	100.00	69,211	39,770		2021
Porsche Inter Auto S d.o.o., Belgrade	RSD	117.3000		100.00	100.00	1,057,097	308,793		2021
Porsche Inter Auto Slovakia, spol. s r.o., Bratislava	EUR			100.00	100.00	8,843	2,378		2021
Porsche International Financing DAC, Dublin	EUR			100.00	100.00	106,493	20,723		2021
Porsche International Reinsurance DAC, Dublin	EUR			100.00	100.00	210,314	24,510		2021
Porsche Italia S.p.A., Padua	EUR			100.00	100.00	134,355	12,189		2021
Porsche Japan K.K., Tokyo	JPY	140.6650		100.00	100.00	4,495,161	1,758,515		2021
Porsche Konstruktionen GmbH & Co. KG, Salzburg	EUR			100.00	100.00	292,139	99,551		2021
Porsche Korea Ltd., Seoul	KRW	1,338.2950		100.00	100.00	42,573,698	38,603,290		2021
Porsche Latin America, Inc., Miami / FL	USD	1.0677		100.00	100.00	4,441	534		2021
Porsche Leasing BG EOOD, Sofia	BGN	1.9560		100.00	100.00	19,805	2,375		2021
Porsche Leasing d.o.o. Podgorica, Podgorica	EUR			100.00	100.00	1,438	377		2021
Porsche Leasing d.o.o., Sarajevo	BAM	1.9558		100.00	100.00	6,808	2,895		2021
Porsche Leasing d.o.o., Zagreb	HRK	7.5364		100.00	100.00	395,769	50,361		2021
Porsche Leasing d.o.o.e.l. Skopje, Skopje	MKD	61.6000		100.00	100.00	420,384	69,815		2021
Porsche Leasing Ltd., Atlanta / GA	USD	1.0677		100.00	100.00	-	-	14)	2021
Porsche Leasing Romania IFN S.A., Voluntari	RON	4.9483		100.00	100.00	255,341	27,252		2021
Porsche Leasing SCG d.o.o., Belgrade	RSD	117.3000		100.00	100.00	389,921	31,457		2021
Porsche Leasing Sh.p.k., Tirana	ALL	114.3000		100.00	100.00	263,865	27,547		2021
Porsche Leasing SLO d.o.o., Ljubljana	EUR			100.00	100.00	108,145	9,976		2021
Porsche Leasing Ukraine TOV, Kiev	UAH	39.2396		100.00	100.00	356,131	64,390		2021
Porsche Lizing és Szolgáltató Kft., Budapest	HUF	400.3900		100.00	100.00	9,173,779	1,758,917		2021
Porsche Logistics Services LLC, Atlanta / GA	USD	1.0677		100.00	100.00	4,860	16		2021
Porsche Macedonia d.o.o.e.l. Skopje, Skopje	MKD	61.6000		100.00	100.00	561,456	100,117		2021
Porsche Media & Creative GmbH, Salzburg	EUR			100.00	100.00	1,433	845		2021
Porsche Middle East and Africa FZE, Dubai	USD	1.0677		100.00	100.00	69,100	8,907		2021
Porsche Mobiliti d.o.o., Zagreb	HRK	7.5364		100.00	100.00	10,435	-5,588		2021
Porsche Mobility BG EOOD, Sofia	BGN	1.9560		100.00	100.00	4,613	1,530		2021
Porsche Mobility d.o.o., Belgrade	RSD	117.3000		100.00	100.00	1,939,086	157,870		2021
Porsche Mobility S.R.L., Voluntari	RON	4.9483		100.00	100.00	106,938	1,742		2021
Porsche Mobility TOV, Kiev	UAH	39.2396		100.00	100.00	248,360	5,056		2021
Porsche Motorsport North America, Inc., Santa Ana / CA	USD	1.0677		100.00	100.00	11,352	1,125		2021
Porsche Movilidad Colombia S.A.S., Bogotá	COP	5,179.5000		100.00	100.00	20,632,185	-554,482		2021
Porsche Partner d.o.o., Belgrade	RSD	117.3000		100.00	100.00	99,001	54,806		2021
Porsche Partner d.o.o., Sarajevo	BAM	1.9558		100.00	100.00	764	360		2021
Porsche Retail Group Australia Pty. Ltd., Collingwood	AUD	1.5706		100.00	100.00	49,707	9,839		2021
Porsche Retail Group Ltd., Reading	GBP	0.8868		100.00	100.00	56,955	12,409		2021
Porsche Romania S.R.L., Voluntari	RON	4.9483		100.00	100.00	251,954	199,416		2021
Porsche Sales & Marketplace Inc., Atlanta / GA	USD	1.0677		100.00	100.00	-3,824	-1,456		2021
Porsche SCG d.o.o. Beograd, Belgrade	RSD	117.3000		100.00	100.00	1,893,077	631,665		2021
Porsche Schweiz AG, Rotkreuz	CHF	0.9852		100.00	100.00	35,780	13,626		2021
Porsche Services Ibérica, S.L., Madrid	EUR			100.00	100.00	1,665	-119		2021
Porsche Slovakia, spol. s r.o., Bratislava	EUR			100.00	100.00	20,797	7,759		2021
Porsche Slovenija d.o.o., Ljubljana	EUR			100.00	100.00	32,838	15,199		2021
Porsche Taiwan Motors Ltd., Taipei	TWD	32.7048		75.00	75.00	992,483	809,810		2021
Porsche Ukraine TOV, Kiev	UAH	39.2396		100.00	100.00	327,438	680,761		2021
Porsche Versicherungs AG, Salzburg	EUR			100.00	100.00	98,312	14,322		2021
Porsche Versicherungsagentur TOV, Kiev	UAH	39.2396		100.00	100.00	198,571	81,497		2021
Porsche Volkswagen Servicios Financieros Chile S.p.A., Santiago de Chile	CLP	915.6600		100.00	100.00	8,518,025	1,457,073		2021
Porsche Zagreb d.o.o., Zagreb	HRK	7.5364		100.00	100.00	266,084	-19,944		2021
Porsche Zastupanje u Osiguranju d.o.o., Zagreb	HRK	7.5364		100.00	100.00	9,027	8,518		2021
Porsche Zavarovalno Zastopništvo d.o.o., Ljubljana	EUR			100.00	100.00	2,798	1,072		2021
Porsche Zentrum Zug, Risch AG, Rotkreuz	CHF	0.9852		100.00	100.00	7,674	3,425		2021
Power Holdco Lux S.A., Strassen	EUR			100.00	100.00	-13	-13	4)	2021
Power Holdco Spain S.A., Madrid	EUR			100.00	100.00	59	-	4)	2021
Power Vehicle Co. Ltd., Bangkok	THB	36.8837		49.00	49.00	1,643	-244		2021
PPF Holding AG, Zug	CHF	0.9852		100.00	100.00	6,699	-39		2021
Premium Automobiles S.A.S., Paris	EUR			100.00	100.00	6,769	784		2021
Premium Douai S.A.S., Dechy	EUR			100.00	100.00	1,711	-63		2021
Premium II S.A.S., Montigny-le-Bretonneux	EUR			100.00	100.00	4,767	427		2021
Premium Metropole S.A.S., Villeneuve d'Ascq	EUR			100.00	100.00	6,246	461		2021
Premium Picardie S.A.S., Rivery	EUR			100.00	100.00	2,548	-2,137		2021
Premium Vélizy S.A.S., Vélizy-Villacoublay	EUR			100.00	100.00	7,111	1,265		2021
PREV LLC, Atlanta / GA	USD	1.0677		100.00	100.00	81,771	30,240	14)	2021
Private Driver España 2020-1, Fondo de Titulización, Madrid	EUR			-	-	-	-	14)	2021
Private Driver Italia 2020-1 S.r.l., Milan	EUR			-	-	10	-	14)	2021
Probil HB, Stockholm	SEK	11.0787		100.00	100.00	-	-	7)	2022
PSHIFT LLC, Atlanta / GA	USD	1.0677		100.00	100.00	82,753	47,903	14)	2021
PT MAN Energy Solutions Indonesia, Jakarta	IDR	16,621.4200		92.62	92.62	142,416,797	23,814,895		2021
PT Scania Parts Indonesia, Balikpapan	IDR	16,621.4200		100.00	100.00	4,110	507		2020
PVOLT LLC, Atlanta / GA	USD	1.0677		100.00	100.00	25,469	-436	14)	2021
Pyrrhula 6, 7 AB, Stockholm	SEK	11.0787		100.00	100.00	12,493	689		2021
Reliable Vehicles Ltd., Milton Keynes	GBP	0.8868		100.00	100.00	2,500	-	5)	2021
Rinaldi S.p.A., Bolzano	EUR			100.00	100.00	13,982	-1,265		2021

Name and domicile of company	Currency	Exchange rate (1€ =) Dec. 31, 2022	VW AG 's interest in capital in %			Equity in thousands, local currency	Profit/loss in thousands, local currency	Footnote	Year
			Direct	Indirect	Total				
Scagverket 6 AB, Södertälje	SEK	11.0787	-	100.00	100.00	365	-299		2021
Saottini Auto S.p.A., Bolzano	EUR		-	100.00	100.00	17,887	2,332		2021
Scan Siam Service Co. Ltd., Bangkok	THB	36.8837	-	49.00	49.00	99,415	23,038		2021
Scanexpo International S.A., Montevideo	USD	1.0677	-	100.00	100.00	8,127	-62		2021
Scania (Hong Kong) Ltd., Hong Kong	HKD	8.3210	-	100.00	100.00	66,079	27,671		2021
Scania (Malaysia) Sdn. Bhd., Shah Alam	MYR	4.7032	-	100.00	100.00	49,681	-14,719		2021
Scania AB, Södertälje	SEK	11.0787	-	100.00	100.00	18,143,909	6,000,003		2021
Scania Administradora de Consórcios Ltda., Cotia	BRL	5.6444	-	99.99	99.99	84,791	34,738		2021
Scania Argentina S.A., Buenos Aires	USD	1.0677	-	100.00	100.00	23,310,289	3,945,092		2021
Scania Australia Pty. Ltd., Melbourne	AUD	1.5706	-	100.00	100.00	79,190	21,249		2021
Scania Banco S.A., São Bernardo do Campo	BRL	5.6444	-	100.00	100.00	721,428	77,541		2021
Scania Belgium N.V., Neder-Over-Heembeek	EUR		-	100.00	100.00	14,747	20,494		2021
Scania BH d.o.o., Sarajevo	BAM	1.9558	-	100.00	100.00	3,784	816		2021
Scania Botswana (Pty) Ltd., Gaborone	BWP	13.6187	-	100.00	100.00	28,156	16,809		2020
Scania Bulgaria EOOD, Sofia	BGN	1.9560	-	100.00	100.00	19,714	9,975		2021
Scania Bus & Coach UK Ltd., Milton Keynes	GBP	0.8868	-	100.00	100.00	1,029	-	5)	2021
Scania Bus Financing AB, Södertälje	SEK	11.0787	-	100.00	100.00	100	-		2021
Scania Central Asia LLP, Almaty	KZT	494.1400	-	100.00	100.00	907,288	-299		2021
Scania Chile S.A., Santiago de Chile	CLP	915.6600	-	100.00	100.00	29,143,549	11,215,704		2021
Scania Colombia S.A.S., Bogotá	COP	5,179.5000	-	100.00	100.00	134,264,102	53,580,597		2021
Scania Comercial, S.A. de C.V., Querétaro	MXN	20.8879	-	100.00	100.00	495,474	-22,288		2021
Scania Commercial Vehicles India Pvt. Ltd., Bangalore	INR	88.1640	-	100.00	100.00	-1,038,358	-247,195		2021
Scania Commercial Vehicles Renting S.A., San Fernando de Henares	EUR		-	100.00	100.00	39,386	2,845		2021
Scania Commerciale S.p.A., Trento	EUR		-	100.00	100.00	10,313	1,229		2021
Scania Corretora de Seguros Ltda., São Bernardo do Campo	BRL	5.6444	-	100.00	100.00	12,849	4,546		2021
Scania Credit (Malaysia) Sdn. Bhd., Shah Alam	MYR	4.7032	-	100.00	100.00	11,157	-4,480		2021
Scania Credit AB, Södertälje	EUR		-	100.00	100.00	1,410	-970		2021
Scania Credit Argentina S.A.U., Buenos Aires	ARS	188.7587	-	100.00	100.00	-	-	4)	2021
Scania Credit Hrvatska d.o.o., Lucko (Zagreb)	HRK	7.5364	-	100.00	100.00	29,180	9,843		2021
Scania Credit Romania IFN S.A., Ciorogârla	RON	4.9483	-	100.00	100.00	66,316	10,766		2021
Scania Credit Singapore Pte. Ltd., Singapore	SGD	1.4310	-	100.00	100.00	172	-125		2021
Scania Credit Solutions (T) Ltd., Daressalam	ZAR	2,492.0150	-	100.00	100.00	-	-		2021
Scania Credit Solutions Pty Ltd., Aeroton	TZS	18.0795	-	100.00	100.00	18,044	4,952		2021
Scania Credit Taiwan Ltd., New Taipei City	TWD	32.7048	-	100.00	100.00	7,638	4,752		2021
Scania Crma Gora d.o.o., Danilovgrad	EUR		-	100.00	100.00	136	-104		2021
Scania CV AB, Södertälje	SEK	11.0787	-	100.00	100.00	45,305,344	697,040		2021
Scania Czech Republic s.r.o., Prague	CZK	24.1450	-	100.00	100.00	697,307	458,325		2021
Scania Danmark A/S, Ishoj	DKK	7.4369	-	100.00	100.00	326,698	130,954		2021
Scania Danmark Ejendom ApS, Ishoj	DKK	7.4369	-	100.00	100.00	117,005	1,969		2021
Scania del Perú S.A., Lima	PEN	4.0439	-	100.00	100.00	66,472	29,937		2021
Scania Delivery Center AB, Södertälje	SEK	11.0787	-	100.00	100.00	149,992	2,078		2021
Scania East Africa Ltd., Nairobi	KES	131.7000	-	100.00	100.00	-339,526	-		2020
Scania Eesti AS, Tallinn	EUR		-	100.00	100.00	9,762	2,868		2021
Scania Finance Australia Pty. Ltd., Melbourne	AUD	1.5706	-	100.00	100.00	25,373	1,821		2021
Scania Finance Belgium N.V., Neder-Over-Heembeek	EUR		-	100.00	100.00	18,439	1,743		2021
Scania Finance Bulgaria EOOD, Sofia	BGN	1.9560	-	100.00	100.00	19,475	4,463		2021
Scania Finance Chile S.A., Santiago de Chile	CLP	915.6600	-	100.00	100.00	10,369,822	8,006,423		2021
Scania Finance Colombia S.A.S., Bogotá	COP	5,179.5000	-	100.00	100.00	5,566,855	-188,093		2021
Scania Finance Czech Republic spol. s r.o., Prague	CZK	24.1450	-	100.00	100.00	873,724	106,109		2021
Scania Finance France S.A.S., Angers	EUR		-	100.00	100.00	61,466	5,606		2022
Scania Finance Great Britain Ltd., London	GBP	0.8868	-	100.00	100.00	115,949	15,762		2021
Scania Finance Hispania EFC S.A., San Fernando de Henares	EUR		-	100.00	100.00	48,784	3,802		2021
Scania Finance Ireland Ltd., Dublin	EUR		-	100.00	100.00	12,520	1,497		2021
Scania Finance Italy S.p.A., Milan	EUR		-	100.00	100.00	60,545	8,404		2021
Scania Finance Korea Ltd., Chung-Ang	KRW	1,338.2950	-	100.00	100.00	52,182,251	6,570,606		2021
Scania Finance Luxembourg S.A., Munsbach	EUR		-	100.00	100.00	118,948	-1,132		2021
Scania Finance Magyarország Zrt., Biatorbágy	HUF	400.3900	-	100.00	100.00	2,995,545	351,040		2021
Scania Finance Mexico, S.A. de C.V. SOFOM, E.N.R., El Marqués	MXN	20.8879	-	100.00	100.00	-	-		2020
Scania Finance Nederland B.V., Breda	EUR		-	100.00	100.00	57,737	5,336	9)	2021
Scania Finance New Zealand Ltd., Auckland	NZD	1.6824	-	100.00	100.00	-	-	4)	2020
Scania Finance Polska Sp. z o.o., Nadarzyn	PLN	4.6860	-	100.00	100.00	235,951	36,170		2021
Scania Finance Schweiz AG, Kloten	CHF	0.9852	-	100.00	100.00	8,762	1,835		2021
Scania Finance Slovak Republic s.r.o., Senec	EUR		-	100.00	100.00	14,096	1,063		2021
Scania Finance Southern Africa (Pty) Ltd., Aeroton	ZAR	18.0795	-	100.00	100.00	742,433	122,996		2021
Scania Financial Leasing (China) Co., Ltd., Shanghai	CNY	7.3661	-	100.00	100.00	156,481	-4,392		2021
Scania Finans AB, Södertälje	SEK	11.0787	-	100.00	100.00	1,592,385	364,199		2021
Scania France S.A.S., Angers	EUR		-	100.00	100.00	85,857	40,837		2021
Scania Great Britain Ltd., Milton Keynes	GBP	0.8868	-	100.00	100.00	124,597	78,345		2021
Scania Griffin Sales & Services AB, Södertälje	SEK	11.0787	-	100.00	100.00	-	-	5)	2021
Scania Group (Thailand) Co., Ltd., Bangkok	THB	36.8837	-	100.00	100.00	-223,364	-227,034		2020
Scania Growth Capital AB, Södertälje	SEK	11.0787	-	90.10	90.10	380,279	-149		2021
Scania Growth Capital II AB, Södertälje	SEK	11.0787	-	90.10	90.10	-	-	4) 6)	2022
Scania Hispania Holding S.L., San Fernando de Henares	EUR		-	100.00	100.00	39,352	14,495		2020
Scania Hispania S.A., San Fernando de Henares	EUR		-	100.00	100.00	26,204	18,226		2021
Scania Holding France S.A.S., Angers	EUR		-	100.00	100.00	82,949	22,386		2021
Scania Holding Inc., Columbus / IN	USD	1.0677	-	100.00	100.00	1,621	-324		2021
Scania Hrvatska d.o.o., Lucko (Zagreb)	HRK	7.5364	-	100.00	100.00	52,136	11,091		2021
Scania Hungaria Kft., Biatorbágy	HUF	400.3900	-	100.00	100.00	3,501,856	-		2021
Scania Industrial Maintenance AB, Södertälje	SEK	11.0787	-	100.00	100.00	23,094	-9,908		2021
Scania Insurance Nederland B.V., Middelharnis	EUR		-	100.00	100.00	-	-	10)	2021
Scania Insurance Polska Sp. z o.o., Nadarzyn	PLN	4.6860	-	100.00	100.00	3,315	3,231		2021
Scania Investimentos Imobiliários S.A., Vialonga	EUR		-	100.00	100.00	487	-3		2020
Scania IT AB, Södertälje	SEK	11.0787	-	100.00	100.00	117,162	-10		2021
Scania IT France S.A.S., Angers	EUR		-	100.00	100.00	207	101		2021
Scania IT Nederland B.V., Zwolle	EUR		-	100.00	100.00	849	179		2020
Scania Japan Ltd., Tokyo	JPY	140.6650	-	100.00	100.00	-508,608	-70,251		2021
Scania Korea Group Ltd., Seoul	KRW	1,338.2950	-	100.00	100.00	73,137,674	44,129,342		2021
Scania Latin America Ltda., São Bernardo do Campo	BRL	5.6444	-	100.00	100.00	3,662,872	1,582,634		2021
Scania Latvia SIA, Riga	EUR		-	100.00	100.00	11,338	4,096		2021
Scania Leasing BH d.o.o., Sarajevo	BAM	1.9558	-	100.00	100.00	-	-	4) 6)	2022
Scania Leasing d.o.o., Ljubljana	EUR		-	100.00	100.00	7,593	714		2021
Scania Leasing Ltd., Dublin	EUR		-	100.00	100.00	0	-	5)	2021
Scania Leasing Österreich GmbH, Brunn am Gebirge	EUR		-	100.00	100.00	13,949	872		2021
Scania Leasing RS d.o.o., Krnješevci	RSD	117.3000	-	100.00	100.00	147,172	45,677		2021
Scania Lizing Kft., Biatorbágy	HUF	400.3900	-	100.00	100.00	411,792	12,131		2021
Scania Locacao Ltda., São Bernardo do Campo	BRL	5.6444	-	100.00	100.00	-	-	4) 6)	2022
Scania Location S.A.S., Angers	EUR		-	100.00	100.00	6,128	462		2021
Scania Logistics Netherlands B.V., Zwolle	EUR		-	100.00	100.00	6,118	1,685		2021
Scania Luxembourg S.A., Munsbach	EUR		-	100.00	100.00	-	841		2019
Scania Makedonija d.o.o.e.l., Ilinden	MKD	61.6000	-	100.00	100.00	11,230	395		2021
Scania Manufacturing (Thailand) Co., Ltd., Bangkok	THB	36.8837	-	100.00	100.00	-439,561	-486,322		2020
Scania Maroc S.A., Casablanca	MAD	11.1574	-	100.00	100.00	187,138	39,917		2021
Scania Middle East FZE, Dubai	AED	3.9213	-	100.00	100.00	20,887	9,308		2021
Scania Milano S.p.A., Lainate	EUR		-	100.00	100.00	7,355	2,214		2021

Name and domicile of company	Currency	Exchange rate (1€ =) Dec. 31, 2022	VW AG 's interest in capital in %			Equity in thousands, local currency	Profit/loss in thousands, local currency	Footnote	Year
			Direct	Indirect	Total				
Scania Moçambique, S.A., Beira	MZN	68.4600	-	100.00	100.00	24,177	8,658		2021
Scania Namibia (Pty) Ltd., Windhoek	NAD	18.0735	-	100.00	100.00	37,779	12,640		2021
Scania Nederland B.V., Breda	EUR	-	-	100.00	100.00	139,249	29,548		2021
Scania New Zealand Ltd., Wellington	NZD	1.6824	-	100.00	100.00	31,130	149		2021
Scania Omni AB, Södertälje	SEK	11.0787	-	100.00	100.00	2,400	-	5)	2021
Scania Österreich Ges.m.b.H., Brunn am Gebirge	EUR	-	-	100.00	100.00	39,218	21,337		2021
Scania Österreich Holding GmbH, Brunn am Gebirge	EUR	-	-	100.00	100.00	18,585	-5		2021
Scania Overseas AB, Södertälje	SEK	11.0787	-	100.00	100.00	71,631	-		2021
Scania Polska S.A., Nadarzyn	PLN	4.6860	-	100.00	100.00	222,507	158,937		2021
Scania Portugal, Unipessoal Lda., Santa Iria de Azóia	EUR	-	-	100.00	100.00	11,378	4,270		2021
Scania Power Polska Sp. z o.o., Warsaw	PLN	4.6860	-	100.00	100.00	-382	-374		2021
Scania Production (China) Co., Ltd., Rugao	CNY	7.3661	-	100.00	100.00	307,057	-72,334		2020
Scania Production Angers S.A.S., Angers	EUR	-	-	100.00	100.00	30,660	3,225		2021
Scania Production Meppel B.V., Meppel	EUR	-	-	100.00	100.00	22,971	2,158		2020
Scania Production Slupsk S.A., Slupsk	PLN	4.6860	-	100.00	100.00	49,325	6,440		2021
Scania Production Zwolle B.V., Zwolle	EUR	-	-	100.00	100.00	57,789	6,186		2020
Scania Properties Ltd., Milton Keynes	GBP	0.8868	-	100.00	100.00	501	-	5)	2021
Scania Real Estate (UK) Ltd., Milton Keynes	GBP	0.8868	-	100.00	100.00	8,056	694		2021
Scania Real Estate Belgium N.V., Neder-Over-Heembeek	EUR	-	-	100.00	100.00	4,035	1,359		2021
Scania Real Estate Bulgaria EOOD, Sofia	BGN	1.9560	-	100.00	100.00	-33	-11		2021
Scania Real Estate Czech Republic s.r.o., Prague	CZK	24.1450	-	100.00	100.00	116,308	17,611		2021
Scania Real Estate Finland Oy, Helsinki	EUR	-	-	100.00	100.00	18,319	826		2021
Scania Real Estate France S.A.S., Angers	EUR	-	-	100.00	100.00	4,531	224		2021
Scania Real Estate Hispania S.L., San Fernando de Henares	EUR	-	-	100.00	100.00	1,373	478		2021
Scania Real Estate Holding Luxembourg S.à.r.l., Munsbach	EUR	-	-	100.00	100.00	-	323		2020
Scania Real Estate Holding Oy, Helsinki	EUR	-	-	100.00	100.00	5,495	-15		2021
Scania Real Estate Hong Kong Ltd., Hong Kong	HKD	8.3210	-	100.00	100.00	46	-	5)	2021
Scania Real Estate Hungaria Kft., Biatorbágy	HUF	400.3900	-	100.00	100.00	1,030,701	132,305		2021
Scania Real Estate Kenya Ltd., Nairobi	KES	131.7000	-	100.00	100.00	183,783	-11,579		2020
Scania Real Estate Lund AB, Södertälje	SEK	11.0787	-	100.00	100.00	102	2		2021
Scania Real Estate Österreich GmbH, Brunn am Gebirge	EUR	-	-	100.00	100.00	13,276	5,339		2021
Scania Real Estate Polska Sp. z o.o., Nadarzyn	PLN	4.6860	-	100.00	100.00	73,186	6,943		2021
Scania Real Estate Romania S.R.L., Ciorogârla	RON	4.9483	-	100.00	100.00	7,519	1,044		2021
Scania Real Estate Schweiz AG, Kloten	CHF	0.9852	-	100.00	100.00	3,861	2,347		2021
Scania Real Estate Services AB, Södertälje	SEK	11.0787	-	100.00	100.00	933,696	59,564	1)	2021
Scania Real Estate Slovakia s.r.o., Senec	EUR	-	-	100.00	100.00	4,367	504		2021
Scania Real Estate The Netherlands B.V., Breda	EUR	-	-	100.00	100.00	15,165	2,464		2021
Scania Rent Romania S.R.L., Ciorogârla	RON	4.9483	-	100.00	100.00	14,328	5,925		2021
Scania Romania S.R.L., Ciorogârla	RON	4.9483	-	100.00	100.00	33,871	20,196		2021
Scania Sales (China) Co., Ltd., Beijing	SEK	11.0787	-	100.00	100.00	117,370	3,560		2021
Scania Sales and Service (Guangzhou) Co., Ltd., Guangzhou	CNY	7.3661	-	100.00	100.00	-26,785	-10,268		2021
Scania Sales and Services AB, Södertälje	SEK	11.0787	-	100.00	100.00	16,682,100	1,797,003		2021
Scania Schweiz AG, Kloten	CHF	0.9852	-	100.00	100.00	29,261	26,106		2021
Scania Senegal S.U.A.R.L., Dakar	XOF	655.9570	-	100.00	100.00	-35,909	-71,427		2021
Scania Services del Perú S.A., Lima	PEN	4.0439	-	100.00	100.00	35,813	15,225		2021
Scania Servicii Asigurari S.R.L., Ciorogârla	RON	4.9483	-	100.00	100.00	2,458	96		2021
Scania Servicios, S.A. de C.V., El Marqués	MXN	20.8879	-	100.00	100.00	137	-16		2021
Scania Siam Co. Ltd., Bangkok	THB	36.8837	-	99.99	99.99	483,163	29,201		2021
Scania Siam Leasing Co. Ltd., Bangkok	THB	36.8837	-	100.00	100.00	347,585	20,032		2021
Scania Singapore Pte. Ltd., Singapore	SGD	1.4310	-	100.00	100.00	7,762	2,150		2021
Scania Slovakia s.r.o., Senec	EUR	-	-	100.00	100.00	12,513	5,489		2021
Scania Slovenija d.o.o., Ljubljana	EUR	-	-	100.00	100.00	15,871	3,352		2021
Scania South Africa (Pty) Ltd., Aeroton	ZAR	18.0795	-	100.00	100.00	860,530	335,301		2021
Scania Srbija d.o.o., Krnješevci	RSD	117.3000	-	100.00	100.00	504,647	195,754		2021
Scania Suomi Oy, Helsinki	EUR	-	-	100.00	100.00	34,910	21,811		2021
Scania Sverige AB, Södertälje	SEK	11.0787	-	100.00	100.00	533,576	27,867		2021
Scania Sverige Bussar AB, Södertälje	SEK	11.0787	-	100.00	100.00	42,966	-	5)	2021
Scania Tanzania Ltd., Dar-es-Salaam	TZS	2,492.0150	-	100.00	100.00	3,158,164	2,974,981		2021
Scania Thailand Co. Ltd., Bangkok	THB	36.8837	-	99.99	99.99	120,080	-2,676		2020
Scania Transportlaboratorium AB, Södertälje	SEK	11.0787	-	100.00	100.00	3,248	-24		2021
Scania Treasury AB, Södertälje	SEK	11.0787	-	100.00	100.00	74,029,041	146,487		2021
Scania Trucks & Buses AB, Södertälje	SEK	11.0787	-	100.00	100.00	79,989	780		2021
Scania USA Inc., San Antonio / TX	USD	1.0677	-	100.00	100.00	13,074	1,850		2021
Scania West Africa Ltd., Accra	GHS	10.8906	-	100.00	100.00	11,362	-9,968		2019
Scania-Kringlan AB, Södertälje	SEK	11.0787	-	100.00	100.00	6,000	-	5)	2021
Scania-Vabis 118 AB, Värnamo	SEK	11.0787	-	100.00	100.00	1,979	-		2021
Scanlink Ltd., Milton Keynes	GBP	0.8868	-	100.00	100.00	1,956	-	5)	2021
Scanrent - Alguer de Viaturas sem Condutor, S.A., Santa Iria de Azóia	EUR	-	-	100.00	100.00	12,599	1,513		2021
Scantruck Ltd., Milton Keynes	GBP	0.8868	-	100.00	100.00	1,671	-	5)	2021
SCI Delcor, Bruay-la-Buissière	EUR	-	-	100.00	100.00	1,874	71		2021
SEAT Motor España S.A., Barcelona	EUR	-	-	100.00	100.00	-1,866	-516		2021
SEAT, S.A., Martorell	EUR	-	-	100.00	100.00	1,207,700	-256,300		2021
Shanghai Ducati Trading Co., Ltd., Shanghai	CNY	7.3661	-	100.00	100.00	90,866	39,494		2021
Shanghai Jie Gang Enterprise Management Co., Ltd., Shanghai	CNY	7.3661	-	100.00	100.00	23,650	-70		2021
SIVA - Sociedade de Importação de Veículos Automóveis, S.A., Vila Nova Da	EUR	-	-	100.00	100.00	6,480	-9,123		2021
ŠKODA AUTO a.s., Mladá Boleslav	CZK	24.1450	-	100.00	100.00	101,528,459	22,410,153	11)	2021
ŠKODA AUTO Slovensko, s.r.o., Bratislava	EUR	-	-	100.00	100.00	15,657	1,707		2021
ŠKODA AUTO Volkswagen India Pvt. Ltd., Pune	INR	88.1640	86.88	13.12	100.00	48,743,770	2,083,400	3)	2022
ŠkoFIN s.r.o., Prague	CZK	24.1450	-	100.00	100.00	5,796,000	925,000		2021
SLA Treasury Spain S.L., Barcelona	EUR	-	-	100.00	100.00	-	-		2021
Soauto VGRP - Comércio de Automóveis, S.A., Loures	EUR	-	-	100.00	100.00	7,124	-1,408		2021
Södertälje Bilkredit AB, Södertälje	SEK	11.0787	-	100.00	100.00	100	-	5)	2021
SOE Busproduction Finland Oy, Lahti	EUR	-	-	100.00	100.00	4,741	1,168		2019
Sonauto Lille S.A.S., Villeneuve d'Ascq	EUR	-	-	100.00	100.00	5,791	916		2021
Sonauto Lyon S.A.S., Champagne-au-Mont-d'Or	EUR	-	-	100.00	100.00	6,928	647		2021
Sonauto Roissy S.A.S., Villeneuve d'Ascq	EUR	-	-	96.81	96.81	6,909	1,196		2021
Southway Scania Ltd., Milton Keynes	GBP	0.8868	-	100.00	100.00	1,170	-	5)	2021
SST Sustainable Transport Solutions India Pvt. Ltd., Nagpur	INR	88.1640	-	99.99	99.99	44,057	2,777		2021
Suzhou Aobaohang Automobile Sales and Service Co., Ltd., Suzhou	CNY	7.3661	-	100.00	100.00	79,128	2,526		2021
Suzhou Binjie Automobile Sales and Service Co., Ltd., Suzhou	CNY	7.3661	-	100.00	100.00	77,741	36,178		2021
Suzhou Jiejun Automobile Sales and Service Co., Ltd., Suzhou	CNY	7.3661	-	100.00	100.00	170,448	85,428		2021
Suzhou Jiejun Automobile Trading Co., Ltd., Suzhou	CNY	7.3661	-	100.00	100.00	7,741	352		2021
Suzhou Junbaohang Automobile Sales and Service Co., Ltd., Suzhou	CNY	7.3661	-	100.00	100.00	170,604	65,802		2021
Suzhou Lanbaohang Automobile Sales and Service Co., Ltd., Suzhou	CNY	7.3661	-	100.00	100.00	14,362	-3,638	4)	2021
Tachy Experts S.A.S., Angers	EUR	-	-	100.00	100.00	152	72		2021
Taizhou Junbaojie Automobile Sales and Service Co., Ltd., Taizhou	CNY	7.3661	-	100.00	100.00	108,207	49,960		2021
TOV Donbas-Scan-Service, Makijivka	EUR	-	-	100.00	100.00	10,994	-6,531		2021
TOV Kyiv-Scan, Kiev	EUR	-	-	100.00	100.00	12,654	-50		2021
TOV MAN Truck & Bus Ukraine, Kiev	UAH	39.2396	-	100.00	100.00	322,678	41,469		2021
TOV Scania Credit Ukraine, Kiev	UAH	39.2396	-	100.00	100.00	236,970	69,041		2021
TOV Scania Ukraine, Kiev	EUR	-	-	100.00	100.00	187,506	82,639		2021
TOV Scania-Lviv, Lwiv	EUR	-	-	100.00	100.00	32,756	257		2021
Transproteccion Agente de Seguros S.A. de C.V., Miguel Hidalgo	MXN	20.8879	-	100.00	100.00	50,522	17,748		2021
TRATON AB, Södertälje	SEK	11.0787	-	100.00	100.00	15,332	3,434		2021

Name and domicile of company	Currency	Exchange rate (1€ =) Dec. 31, 2022	VW AG 's interest in capital in %			Equity in thousands, local currency	Profit/loss in thousands, local currency	Footnote	Year
			Direct	Indirect	Total				
TRATON Finance & Services AS, Tallinn	EUR			100.00	100.00	-	-	4) 6)	2022
TRATON Finance Luxembourg S.A., Strassen	EUR			100.00	100.00	44,724	-5,306		2021
TRATON Financial Services Aktiefbolag, Södertälje	SEK	11.0787		100.00	100.00	360,878	91,608		2021
TRATON International S.A., Strassen	EUR			100.00	100.00	1,882,171	-520		2021
TRATON Sweden AB, Södertälje	EUR			100.00	100.00	25	-		2021
TRATON US, LLC, Pompano Beach / FL	EUR			100.00	100.00	1,474,103	-15,671		2021
Trucknology S.A., Luxembourg	EUR			-	-	31	30	14)	2021
UAB Scania Lietuva, Vilnius	EUR			100.00	100.00	11,123	3,449		2021
Union Trucks Ltd., Milton Keynes	GBP	0.8868		100.00	100.00	573	-	5)	2021
Uppsala Danmark-Säby 8:1 AB, Gavle	SEK	11.0787		100.00	100.00	-	-	7)	2022
UTP Holdings, LLC, Lisle / IL	USD	1.0677		100.00	100.00	118,755	3,417	3)	2021
Vabis Bilverkstad AB, Södertälje	SEK	11.0787		100.00	100.00	101	-	5)	2021
Vabis Försäkringsaktiefbolag, Södertälje	SEK	11.0787		100.00	100.00	198,030	-1,439		2021
VCI Loan Services, LLC, Herndon / VA	USD	1.0677		100.00	100.00	-	-	10)	2019
VCI Ventures, LLC, Herndon / VA	USD	1.0677		100.00	100.00	-	-	10)	2020
VCL Master Residual Value S.A., Luxembourg	EUR			-	-	31	-	14)	2021
VCL Master S.A., Luxembourg	EUR			-	-	31	-	14)	2021
VCL Multi-Compartment S.A., Luxembourg	EUR			-	-	31	-	14)	2021
Vicentini S.p.A., Bolzano	EUR			50.00	50.00	33,366	4,319		2021
Vindbron Arendal AB, Södertälje	SEK	11.0787		100.00	100.00	13,356	-389		2021
Volkswagen (Anhui) Automotive Co., Ltd., Hefei	CNY	7.3661		75.00	75.00	7,005,128	-358,408		2021
Volkswagen (Anhui) Component Co., Ltd., Hefei	CNY	7.3661		100.00	100.00	466,301	-33,699	4)	2021
Volkswagen (China) Investment Co., Ltd., Beijing	CNY	7.3661	100.00	-	100.00	61,592,587	12,764,176		2021
Volkswagen Argentina S.A., Buenos Aires	ARS	188.7587	100.00	-	100.00	82,863,912	-1,273,403		2021
Volkswagen Auto Lease Entity, LLC, Herndon / VA	USD	1.0677		-	-	-	-	5) 10) 14)	2021
Volkswagen Auto Lease Loan Underwritten Funding, LLC, Herndon / VA	USD	1.0677		-	-	-	-	10) 14)	2021
Volkswagen Auto Loan Vehicle, LLC, Herndon / VA	USD	1.0677		-	-	-	-	10) 14)	2021
Volkswagen Auto Securitization Transaction, LLC, Herndon / VA	USD	1.0677		-	-	-	-	10) 14)	2021
Volkswagen Autoeuropa, Lda., Quinta do Anjo	EUR			100.00	100.00	382,671	43,356		2021
Volkswagen Automatic Transmission (Dalian) Co., Ltd., Dalian	CNY	7.3661		100.00	100.00	7,450,472	3,419,497		2021
Volkswagen Automatic Transmission (Tianjin) Co., Ltd., Tianjin	CNY	7.3661		100.00	100.00	14,754,443	4,340,995		2021
Volkswagen Automotive Finance, LLC, Herndon / VA	USD	1.0677		-	-	-	-	10) 14)	2021
Volkswagen Bank S.A., Institución de Banca Múltiple, Puebla	MXN	20.8879		100.00	100.00	2,448,000	219,000		2021
Volkswagen Corretora de Seguros Ltda., São Paulo	BRL	5.6444		100.00	100.00	71,746	35,129		2021
Volkswagen de México, S.A. de C.V., Puebla	MXN	20.8879	100.00	-	100.00	25,475,820	6,338,805	11)	2021
Volkswagen Dealer Finance, LLC, Herndon / VA	USD	1.0677		-	-	-	-	10) 14)	2021
Volkswagen do Brasil Indústria de Veículos Automotores Ltda., São Bernardo do Campo	BRL	5.6444		100.00	100.00	-1,527,768	-466,150		2021
Volkswagen Enhanced Auto Lease, LLC, Herndon / VA	USD	1.0677		-	-	-	-	5) 10) 14)	2021
Volkswagen Finance (China) Co., Ltd., Beijing	CNY	7.3661		100.00	100.00	15,145,594	980,626		2021
Volkswagen Finance Belgium S.A., Brussels	EUR			100.00	100.00	9,666	4,206		2021
Volkswagen Finance Luxembourg S.A., Strassen	EUR		100.00	-	100.00	53,886,787	-3,453,122		2021
Volkswagen Finance Overseas B.V., Amsterdam	EUR			100.00	100.00	3,110,247	1,329,490		2021
Volkswagen Finance Pvt. Ltd., Mumbai	INR	88.1640		100.00	100.00	9,153,646	-4,236,252	3)	2022
Volkswagen Financial Leasing (Tianjin) Co., Ltd., Tianjin	CNY	7.3661		100.00	100.00	964,574	21,035		2021
Volkswagen Financial Services (UK) Ltd., Milton Keynes	GBP	0.8868		100.00	100.00	2,107,835	642,543		2021
Volkswagen Financial Services Australia Pty. Ltd., Chullora	AUD	1.5706		100.00	100.00	367,462	88,530	9)	2021
Volkswagen Financial Services France S.A., Villers-Cotterêts	EUR			100.00	100.00	196,695	73		2021
Volkswagen Financial Services Ireland Ltd., Dublin	EUR			100.00	100.00	-77,872	15,531		2021
Volkswagen Financial Services Japan Ltd., Tokyo	JPY	140.6650		100.00	100.00	21,916,970	2,720,258		2021
Volkswagen Financial Services Korea Co., Ltd., Seoul	KRW	1,338.2950		100.00	100.00	343,092,000	21,977,000		2021
Volkswagen Financial Services N.V., Amsterdam	EUR			100.00	100.00	1,126,134	9,729		2021
Volkswagen Financial Services Polska Sp. z o.o., Warsaw	PLN	4.6860		100.00	100.00	1,909,253	318,363	11)	2021
Volkswagen Financial Services S.p.A., Milan	EUR			100.00	100.00	124,498	25,876		2021
Volkswagen Financial Services Taiwan Ltd., Taipei	TWD	32.7048		100.00	100.00	1,312,282	137,548		2021
Volkswagen Finančné služby Slovensko s.r.o., Bratislava	EUR			100.00	100.00	84,346	11,051	11)	2021
Volkswagen Finans Sverige AB, Södertälje	SEK	11.0787		100.00	100.00	934,260	360,530		2021
Volkswagen Group Australia Pty. Ltd., Chullora	AUD	1.5706		100.00	100.00	133,590	-4,639		2021
Volkswagen Group Automotive Retail France S.A.S., Villers-Cotterêts	EUR		10.02	89.98	100.00	333,673	93,365		2021
Volkswagen Group Canada, Inc., Ajax / ON	CAD	1.4440		100.00	100.00	452,000	31,000	11)	2021
Volkswagen Group España Distribución, S.A., El Prat de Llobregat	EUR			100.00	100.00	164,809	23,593		2021
Volkswagen Group France S.A., Villers-Cotterêts	EUR			100.00	100.00	263,556	55,515		2021
Volkswagen Group Import Co., Ltd., Tianjin	CNY	7.3661		100.00	100.00	2,985,182	329,454		2021
Volkswagen Group Ireland Ltd., Dublin	EUR			100.00	100.00	19,244	8,816		2021
Volkswagen Group Italia S.p.A., Verona	EUR			100.00	100.00	719,954	47,314		2021
Volkswagen Group Japan K.K., Toyohashi	JPY	140.6650		100.00	100.00	15,885,115	2,998,302	13)	2021
Volkswagen Group Korea Ltd., Seoul	KRW	1,338.2950		100.00	100.00	231,370,614	15,469,767		2021
Volkswagen Group Malaysia Sdn. Bhd., Kuala Lumpur	MYR	4.7032		100.00	100.00	-737,482	1,493		2021
Volkswagen Group of America Chattanooga Operations, LLC, Chattanooga / TN	USD	1.0677		100.00	100.00	368,000	50,000	11)	2021
Volkswagen Group of America Finance, LLC, Herndon / VA	USD	1.0677		100.00	100.00	92,000	-11,000	11)	2021
Volkswagen Group of America Investments, LLC, Herndon / VA	USD	1.0677		100.00	100.00	4,152,000	-481,000	11)	2021
Volkswagen Group of America, Inc., Herndon / VA	USD	1.0677	100.00	-	100.00	5,184,000	52,000	11)	2021
Volkswagen Group Polska Sp. z o.o., Poznan	PLN	4.6860		100.00	100.00	442,968	111,959		2021
Volkswagen Group Retail France S.A.S., Roissy-en-France	EUR			100.00	100.00	167,322	6,544	13)	2021
Volkswagen Group Retail Spain, S.L., El Prat de Llobregat	EUR			100.00	100.00	19,590	-3,357		2021
Volkswagen Group Singapore Pte. Ltd., Singapore	SGD	1.4310		100.00	100.00	16,321	-14,168		2021
Volkswagen Group Sverige AB, Södertälje	SEK	11.0787		100.00	100.00	928,374	253,511		2021
Volkswagen Group Taiwan Co., Ltd., Taipei	TWD	32.7048	100.00	-	100.00	3,908,263	417,897		2021
Volkswagen Group Technology Solutions India Pvt. Ltd., Pune	INR	88.1640		100.00	100.00	19	10	3)	2022
Volkswagen Group United Kingdom Ltd., Milton Keynes	GBP	0.8868		100.00	100.00	726,000	79,200		2021
Volkswagen Holding Österreich GmbH, Salzburg	EUR		100.00	-	100.00	3,639,272	129,904		2022
Volkswagen Independent Borrowing Entity, LLC, Herndon / VA	USD	1.0677		-	-	-	-	10) 14)	2021
Volkswagen Insurance Services, Correduría de Seguros, S.L., El Prat de Llobregat	EUR			100.00	100.00	36,564	9,618		2021
Volkswagen International Belgium S.A., Brussels	EUR			100.00	100.00	1,031,269	26,339		2021
Volkswagen International Estonia AS, Tallinn	EUR			100.00	100.00	3,938,129	-2,871		2021
Volkswagen International Finance N.V., Amsterdam	EUR			100.00	100.00	366,039	49,803		2021
Volkswagen International Luxembourg S.A., Strassen	EUR			100.00	100.00	30,005,307	283,080		2021
Volkswagen Japan Sales K.K., Tokyo	JPY	140.6650		100.00	100.00	1,625,259	66,887		2021
Volkswagen Leasing S.A. de C.V., Puebla	MXN	20.8879		100.00	100.00	12,765,736	2,407,450		2021
Volkswagen Mobility Services S.p.A., Bolzano	EUR			100.00	100.00	11,916	-4,502		2021
Volkswagen Motor Polska Sp. z o.o., Polkowice	PLN	4.6860		100.00	100.00	853,856	139,667	11)	2021
Volkswagen Navarra, S.A., Pamplona	EUR			100.00	100.00	767,264	60,313		2021
Volkswagen New Mobility Services Investment Co., Ltd., Beijing	CNY	7.3661		100.00	100.00	1,252,853	-55,030		2021
Volkswagen North American Region Payment Services, LLC, Herndon / VA	USD	1.0677		100.00	100.00	23,000	9,000	11)	2021
Volkswagen of South Africa (Pty) Ltd., Kariega	ZAR	18.0795	100.00	-	100.00	13,194,648	2,182,451	11)	2021
Volkswagen Operating Lease Transaction, LLC, Herndon / VA	USD	1.0677		-	-	-	-	5) 10) 14)	2021
Volkswagen Participações Ltda., São Paulo	BRL	5.6444		100.00	100.00	3,223,997	379,291		2021
Volkswagen Payments Canada Inc., Ajax / ON	CAD	1.4440		100.00	100.00	-	-	5) 10)	2021
Volkswagen Payments, LLC, Herndon / VA	USD	1.0677		100.00	100.00	3,824	-734	5) 10)	2020
Volkswagen Poznan Sp. z o.o., Poznan	PLN	4.6860		100.00	100.00	2,161,264	425,145	11)	2021
Volkswagen Public Auto Loan Securitization, LLC, Herndon / VA	USD	1.0677		-	-	-	-	10) 14)	2021
Volkswagen Renting, S.A., Alcobendas (Madrid)	EUR			100.00	100.00	56,932	41,261		2021
Volkswagen Renting, Unipessoal, Lda., Amadora	EUR			100.00	100.00	624	857		2021
Volkswagen S.A. de Ahorro Para Fines Determinados, Buenos Aires	ARS	188.7587		100.00	100.00	1,871,475	1,222,804		2021

Name and domicile of company	Currency	Exchange rate (1€ =) Dec. 31, 2022	VW AG 's interest in capital in %			Equity in thousands, local currency	Profit/loss in thousands, local currency	Footnote	Year
			Direct	Indirect	Total				
Volkswagen Serviços Ltda., São Paulo	BRL	5.6444		100.00	100.00	45,730	7,805		2021
Volkswagen Slovakia, a.s., Bratislava	EUR			100.00	100.00	1,422,430	191,704	11)	2021
Volkswagen Truck & Bus Indústria e Comércio de Veículos Ltda., São Paulo	BRL	5.6444		100.00	100.00	2,626,625	-328,306		2021
Volkswagen Truck & Bus México S.A. de C.V., El Marqués	MXN	20.8879		100.00	100.00	-1,331,442	-216,768		2021
Volkswagen-Versicherungsdienst GmbH, Vienna	EUR			100.00	100.00	5,137	4,659		2021
VW Credit Canada Funding GP, Inc., Ajax / ON	CAD	1.4440		100.00	100.00	-	-	10) 14)	2021
VW Credit Canada Funding L.P., Ajax / ON	CAD	1.4440		100.00	100.00	-	-	10) 14)	2021
VW Credit Canada Leasing ULC, Calgary / AL	CAD	1.4440		100.00	100.00	-	-	10)	2021
VW Credit Canada, Inc., St. Laurent / QC	CAD	1.4440		100.00	100.00	828,737	90,219	10)	2020
VW Credit Leasing Ltd., Herndon / VA	USD	1.0677		100.00	100.00	-	-	10)	2021
VW Credit, Inc., Herndon / VA	USD	1.0677		100.00	100.00	6,806,040	1,119,894	9) 11)	2021
VWFS Insurance Services, Inc., Phoenix / AR	USD	1.0677		100.00	100.00	58,419	25,604	10)	2021
VWFS Protection Services FL, Inc., Herndon / VA	USD	1.0677		100.00	100.00	-	-	10)	2021
VWFS Protection Services, Inc., Phoenix / AR	USD	1.0677		100.00	100.00	38,430	13,840	10)	2020
Wagen Group Retail España, S.A., Barcelona	EUR			100.00	100.00	3,579	-6,414		2021
Wenling Jiejun Automobile Sales and Service Co., Ltd., Taizhou	CNY	7.3661		100.00	100.00	37,471	-465		2021
Westrucks Ltd., Milton Keynes	GBP	0.8868		100.00	100.00	336	-	5)	2021
Workhorse International Holding Company, Lisle / IL	USD	1.0677		100.00	100.00	-1,045	23		2021
Wuxi Aobaohang Automobile Sales and Service Co., Ltd., Wuxi	CNY	7.3661		100.00	100.00	50,820	-927		2021
Wuxi Junbaohang Automobile Sales and Service Co., Ltd., Wuxi	CNY	7.3661		100.00	100.00	36,051	-12,256		2021
Yancheng Jiejun Automobile Sales and Service Co., Ltd., Yancheng	CNY	7.3661		100.00	100.00	54,052	14,345		2021
Zhejiang Jiejun Automobile Sales and Service Co., Ltd., Hangzhou	CNY	7.3661		100.00	100.00	293,399	91,382		2021
Zhongshan Jiejun Automobile Sales and Service Co., Ltd., Zongshan	CNY	7.3661		100.00	100.00	37,245	-3,982		2021
Zhuhai Jiejun Automobile Sales and Service Co., Ltd., Zhuhai	CNY	7.3661		100.00	100.00	105,813	29,797		2021
B. Unconsolidated companies									
1. Germany									
A4nXT GmbH, Ingolstadt	EUR			100.00	100.00	13,079	-	1)	2022
Audi Business Innovation GmbH, Ingolstadt	EUR			100.00	100.00	11,300	-	1)	2022
Audi Events und Services GmbH, Ingolstadt	EUR			100.00	100.00	3,379	-	1)	2022
Audi Formula Racing GmbH, Neuburg a.d. Donau	EUR			100.00	100.00	-	-	4) 6)	2022
AUDI Immobilien GmbH & Co. KG, Ingolstadt	EUR			100.00	100.00	73,424	-9,046		2020
Audi Interaction GmbH, Potsdam	EUR			100.00	100.00	1,244	-	1)	2022
Audi Neckarsulm Immobilien GmbH, Neckarsulm	EUR			100.00	100.00	-2,774	419		2021
Audi Planung GmbH, Gaimersheim	EUR			100.00	100.00	793	-	1)	2022
Audi Sport Formel E GmbH, in liquidation, Ingolstadt	EUR			100.00	100.00	6,300	1,008	2) 5)	2021
Audi Stiftung für Umwelt GmbH, Ingolstadt	EUR			100.00	100.00	5,015	2		2021
Auto Union GmbH, Ingolstadt	EUR			100.00	100.00	8,181	-	1)	2022
BELIMA Verwaltung GmbH, Pullach i. Isartal	EUR			-	-	18	-	14)	2021
Bentley Motors Germany GmbH, Hallbergmoos	EUR			100.00	100.00	3	-15		2020
car mobility GmbH, Braunschweig	EUR			100.00	100.00	250	-	1)	2022
Cellforce Group GmbH, Tübingen	EUR			72.72	72.72	22,889	-3,681		2021
Cetitec GmbH, Pforzheim	EUR			75.00	75.00	6,752	3,623		2021
Cito Transport Technologies GmbH, Berlin	EUR			100.00	100.00	893	-1,772	4)	2021
Daraja Grundstücksverwaltungsgesellschaft mbH & Co. Vermietungs KG, Mainz	EUR			94.00	94.00	-899	105	14)	2021
Dastera Grundstücksverwaltungsgesellschaft mbH & Co. Vermietungs KG, Mainz	EUR			94.00	94.00	-307	-125	14)	2021
Datura Grundstücksverwaltungsgesellschaft mbH & Co. Vermietungs KG, Mainz	EUR			94.00	94.00	-242	180	14)	2021
diconium auto gmbh, Stuttgart	EUR			100.00	100.00	25	-	4)	2021
diconium data GmbH, Stuttgart	EUR			100.00	100.00	499	626		2021
diconium digital GmbH, Stuttgart	EUR			100.00	100.00	19,490	-84		2021
diconium digital solutions GmbH, Stuttgart	EUR			100.00	100.00	23,270	7,136		2021
diconium GmbH, Stuttgart	EUR			100.00	100.00	682	125		2021
diconium strategy GmbH, Stuttgart	EUR			100.00	100.00	6,281	3,130		2021
Eberhardt Verwaltungsgesellschaft mbH, Ulm	EUR			100.00	100.00	49	2		2020
ELAG Emden Lagerhaus und Automotive GmbH, Emden, Emden	EUR			100.00	100.00	-	-	7)	2022
Embitel GmbH, Stuttgart	EUR			100.00	100.00	588	450		2021
EquipmentCo 1. Projektgesellschaft mbH & Co. KG, Salzgitter	EUR			100.00	100.00	-	-	4) 6)	2022
EquipmentCo 1. Verwaltungsgesellschaft mbH, Salzgitter	EUR			100.00	100.00	-	-	4) 6)	2022
EVAG Emden Verkehrs und Automotive Gesellschaft mbH, Emden	EUR			100.00	100.00	-	-	7)	2022
Groupe Volkswagen France Grundstücksgesellschaft mbH, Wolfsburg	EUR			100.00	100.00	36	-1		2021
GVZ Konsolidierungszentrum Betreibergesellschaft mbH, Ingolstadt	EUR			50.16	50.16	11,173	303		2021
Held & Ströhle GmbH, Neu-Ulm	EUR			70.30	70.30	146	7		2020
IGE Infrastruktur und Gewerbeimmobilien Entwicklungs GmbH, Ingolstadt	EUR			100.00	100.00	16,950	583	13)	2021
Initium GmbH, Berlin	EUR			100.00	100.00	125	-	1)	2021
Intenta Automotive GmbH, Chemnitz	EUR			100.00	100.00	-	-	7)	2022
Italdesign-Giugiaro Deutschland GmbH, Wolfsburg	EUR			100.00	100.00	1,538	239		2021
LGI Logistikzentrum im Güterverkehrszentrum Ingolstadt Betreibergesellschaft mbH, Ingolstadt	EUR			100.00	100.00	116,476	7,976	13)	2021
LoadFox GmbH, Munich	EUR			100.00	100.00	-3,221	151		2021
LoadFox Transport Solutions GmbH, Munich	EUR			100.00	100.00	-	-	4) 6)	2022
LOGPAY Financial Services GmbH, Eschborn	EUR			100.00	100.00	12,674	-	1)	2022
LogPay Mobility Services GmbH, Eschborn	EUR			100.00	100.00	20	-	1)	2021
LOGPAY Transport Services GmbH, Eschborn	EUR			100.00	100.00	3,312	-	1) 13)	2021
MAHAG Verwaltungs GmbH, Munich	EUR			100.00	100.00	27	2		2020
MAN Brand Management GmbH, Grünwald	EUR			100.00	100.00	25	-	1)	2022
MAN Grundstücksgesellschaft mbH & Co. Gamma KG, Munich	EUR			100.00	100.00	1,307	37		2021
MAN HR Services GmbH, Munich	EUR			100.00	100.00	480	-	1)	2022
MAN Personal Services GmbH, Dachau	EUR			100.00	100.00	25	-	1)	2022
MAN Zweite Beteiligungs GmbH, Munich	EUR			100.00	100.00	-	-	7)	2022
MAN-Unterstützungskasse GmbH, Munich	EUR			100.00	100.00	397	50		2021
Manthey Racing GmbH, Meuspath	EUR			51.00	51.00	6,857	1,612		2021
Manthey Servicezentrum GmbH, Meuspath	EUR			100.00	100.00	442	269		2021
MMI Marketing Management Institut GmbH, Braunschweig	EUR			100.00	100.00	512	-	1)	2021
MOLTANDO Vermietungsgesellschaft mbH & Co. Objekt Kassel KG, Dusseldorf	EUR		100.00	-	-	-	-	14)	2021
MOON POWER Deutschland GmbH, Eching	EUR			100.00	100.00	851	-174	4)	2021
NSU GmbH, Neckarsulm	EUR			100.00	100.00	50	-	1)	2022
Ortan Verwaltung GmbH & Co. Objekt Karlsfeld KG, Pullach i. Isartal	EUR			100.00	100.00	1,418	429		2021
P3X GmbH & Co. KG, Munich	EUR			100.00	100.00	-	-	4) 6)	2022
P3X Management GmbH, Munich	EUR			100.00	100.00	-	-	4) 6)	2022
PayByPhone Deutschland GmbH, Erlangen	EUR			100.00	100.00	1,330	-8,016		2021
POFIN Beteiligungs GmbH, Freilassing	EUR			100.00	100.00	19	-2		2021
Porsche eBike Performance GmbH, Ottobrunn	EUR			60.00	60.00	-	-	7)	2022
quattro GmbH, Neckarsulm	EUR			100.00	100.00	25	-	1)	2022
Rent-X GmbH, Braunschweig	EUR			100.00	100.00	57,025	-	1)	2022
serva GmbH, in liquidation, Stuttgart	EUR			100.00	100.00	1,239	-2,451	2)	2021
tcu Turbo Charger GmbH, Augsburg	EUR			100.00	100.00	-	-	1) 5)	2019
TRATON Beteiligungsverwaltungs GmbH, Munich	EUR			100.00	100.00	-	-	4) 7)	2022
TRATON Dritte Beteiligungs GmbH, Munich	EUR			100.00	100.00	-	-	7)	2022
Unterstützungseinrichtung VGW GmbH, Munich	EUR			100.00	100.00	211	-32		2021
VAIVA GmbH, Gaimersheim	EUR			75.50	75.50	5,869	655		2021
VGRDD GmbH, Dresden	EUR			100.00	100.00	-	-	4) 6) 12)	2022
VOLKSWAGEN CARIAD 42. Beteiligungs GmbH, Wolfsburg	EUR			100.00	100.00	1,495	-45		2021
Volkswagen Group Future Center Europe GmbH, Potsdam	EUR			100.00	100.00	2,521	-	1)	2021
Volkswagen Group Info Services AG, Wolfsburg	EUR			100.00	100.00	11,100	-	1)	2021

Name and domicile of company	Currency	Exchange rate (1€ =) Dec. 31, 2022	VW AG 's interest in capital in %			Equity in thousands, local currency	Profit/loss in thousands, local currency	Footnote	Year
			Direct	Indirect	Total				
Volkswagen Group Partner Services GmbH, Wolfsburg	EUR		100.00	-	100.00	144		1)	2021
Volkswagen Immobilien BLUE GmbH & Co. KG, Wolfsburg	EUR			100.00	100.00	14,418	162		2021
Volkswagen Immobilien Investment GmbH, Wolfsburg	EUR			100.00	100.00	14,830		1)	2021
Volkswagen Immobilien Management GmbH, Wolfsburg	EUR			100.00	100.00	25		1)	2021
Volkswagen Infotainment GmbH, Wolfsburg	EUR			100.00	100.00	25		1)	2021
Volkswagen Retail Dienstleistungsgesellschaft mbH, Berlin	EUR			100.00	100.00	259		1)	2020
Volkswagen-Bildungsinstitut GmbH, Zwickau	EUR			100.00	100.00	256		1)	2021
Voya GmbH, Hamburg	EUR			100.00	100.00	-27	-1,006		2021
Weser-Ems Vertriebsgesellschaft mbH, Bremen	EUR		81.25		81.25	16,806	4,009		2021
ZENDA Dienstleistungen GmbH, Würzburg	EUR			100.00	100.00	3,521	-913		2021
2. International									
A-Vision People, Empresa de trabalho temporário, unipessoal, Lda., Quinta do Anjo	EUR			100.00	100.00	1,399	183		2021
A4EX, LLC, Herndon / VA	USD	1.0677		100.00	100.00	32,950	-9,607		2021
Adaptis Solutions Ltd., Hatfield	GBP	0.8868		100.00	100.00	172	-102		2021
Administración de Prestaciones Colectivas, S.C., Puebla	MXN	20.8879		100.00	100.00	3			2021
AFN Ltd., Reading	GBP	0.8868		100.00	100.00	0		5)	2021
Allmobil GmbH, Salzburg	EUR			100.00	100.00	207	-19		2021
Apolo Administradora de Bens S/S Ltda., São Bernardo do Campo	BRL	5.6444		100.00	100.00				2020
Arver Lastbilar AB, Örebro	SEK	11.0787		100.00	100.00			7)	2022
Audi Regional Office S.A. de C.V., Puebla	MXN	20.8879		100.00	100.00	54,149	3,185		2021
Automobiles Villers Services S.A.S., Villers-Cotterêts	EUR			100.00	100.00	-5,519	-1,716		2021
Automotors Toul S.A.R.L., Dommarin-les-Toul	EUR			100.00	100.00	-33	-20		2021
Beech's Garage (1983) Ltd., Belper	GBP	0.8868		100.00	100.00			5)	2021
Beetle BC Holdings, Inc., Vancouver / BC	CAD	1.4440		100.00	100.00	6,262	1,506		2021
Bellwether Forest Products, LLC, Camden / SC	USD	1.0677		100.00	100.00				2021
Bentley Insurance Services Ltd., Crewe	GBP	0.8868		100.00	100.00	221		5)	2021
Bentley Motor Cars Export Ltd., Crewe	GBP	0.8868		100.00	100.00	11		5)	2021
Bentley Motor Export Services Ltd., Crewe	GBP	0.8868		100.00	100.00	45		5)	2021
Bentley Motors FZE, Dubai	AED	3.9213		100.00	100.00	120		5)	2021
BeRider Services s.r.o., Prague	CZK	24.1450		100.00	100.00			4)	2021
Bikes Vertriebs GmbH, Salzburg	EUR			100.00	100.00	505	7		2021
Bonaldi Motorsport S.r.l., Bolzano	EUR			100.00	100.00	182	80		2021
CARIAD Inc., Wilmington / DE	USD	1.0677		100.00	100.00			4)	2021
Centrales Diesel Export S.A.S., Saint-Nazaire	EUR			100.00	100.00	1,078	-45	5) 15)	2021
Centre Automobile de la Riviera Car S.A.S., Nice	EUR			100.00	100.00	4,716	651		2021
Cetitec d.o.o., Cakovec	HRK	7.5364		100.00	100.00	3,715	3,695		2021
Cetitec USA Inc., Dublin / OH	USD	1.0677		100.00	100.00	244	1		2021
Chongqing Jiejun Automobile Sales and Service Co., Ltd., Chongqing	CNY	7.3661		100.00	100.00	89,192	-808	4)	2021
Connect Cashless Parking Ltd., Hatfield	GBP	0.8868		100.00	100.00	-339	-220	3)	2021
Connected Mobility Ventures, S.A., Martorell	EUR			100.00	100.00	6,203	-3,589		2021
Connectivity Lab s.r.o., Prague	CZK	24.1450		100.00	100.00	40,875	69		2021
Crewe Genuine Ltd., Crewe	GBP	0.8868		100.00	100.00	546		5)	2021
DASOF trgovsko in storitveno podjetje, d.o.o., Ljubljana	EUR			100.00	100.00	4,104	404		2021
Dealerware, LLC, Austin / TX	USD	1.0677		100.00	100.00	19,864	-14,700		2021
Dencop A/S, Copenhagen	DKK	7.4369		100.00	100.00	3,450	145		2021
Destin-Link Supply Chain Management (Beijing) Co., Ltd., Beijing	CNY	7.3661		50.00	50.00			4) 6)	2022
diconium digital solutions, Unipessoal Lda., Lisbon	EUR			100.00	100.00	407	311		2021
diconium Marketing Consulting (Beijing) Co., Ltd., Beijing	CNY	7.3661		100.00	100.00	90	14		2021
Diconium Romania S.R.L., Bucharest	RON	4.9483		100.00	100.00			4) 6)	2022
diconium US, Inc., Los Gatos / CA	USD	1.0677		75.00	75.00	588	-150		2021
DigiLab Porsche Informatik GmbH, Salzburg	EUR			100.00	100.00	329	58		2021
Digiteq Automotive s.r.o., Prague	CZK	24.1450		100.00	100.00	126,424	92,269		2021
Ducati ANZ Pty. Ltd., Alexandria	AUD	1.5706		100.00	100.00	4,015	2,023		2021
Ducati Canada, Inc., Saint John / NB	CAD	1.4440		100.00	100.00	918	368		2021
Ducati India Pvt. Ltd., New Delhi	INR	88.1640		100.00	100.00	598,679	24,602	3)	2022
Ducati Retail S.r.l., Bologna	EUR			100.00	100.00			4)	2021
ELCA Engineering Company (Pty) Ltd., in liquidation, Vanderbijlpark	EUR			100.00	100.00			2) 5)	2018
Electrify Canada Inc., Ajax / ON	CAD	1.4440		100.00	100.00	52,670	-7,012		2021
Embitel Technologies India Pvt. Ltd., Bangalore	INR	88.1640		100.00	100.00	387,179	115,793	3) 9)	2021
Embitel Technologies, Inc., Novi / MI	USD	1.0677		100.00	100.00	163	48	3) 10)	2021
ERF (Holdings) plc, Swindon	GBP	0.8868		100.00	100.00	757		5)	2021
ERF Ltd., Swindon	GBP	0.8868		100.00	100.00			5)	2021
EVDK TOV, Kiev	UAH	39.2396		100.00	100.00	247	183		2021
Exclusive Cars Japan GK, Tokyo	JPY	140.6650		100.00	100.00	1,044,424	-45,576	4)	2021
Fastighetsbolaget Bärningsbilen 2 Örebro AB, Stockholm	SEK	11.0787		100.00	100.00			7)	2022
Fastighetsbolaget Fluoret AB, Stockholm	SEK	11.0787		100.00	100.00			7)	2022
Fastighetsbolaget Gilltuna Västerås AB, Stockholm	SEK	11.0787		100.00	100.00			7)	2022
Fifty Two Ltd., Stockport	EUR			100.00	100.00			5)	2018
Fondazione Ducati, Bologna	EUR			100.00	100.00	-270	19		2021
Green Solar Hill, Inc., Livingston / NJ	USD	1.0677		100.00	100.00	2,381	-33	13)	2021
Green:Code s.r.o., Prague	CZK	24.1450		49.00	49.00			3) 4) 6)	2022
Greyp bikes d.o.o., Sveta Nedelja	HRK	7.5364		68.17	68.17	-28,174	-34,944		2021
Group Info Services Estonia AS, Tallinn	EUR			100.00	100.00			4)	2020
H. J. Mulliner & Co. Ltd., Crewe	GBP	0.8868		100.00	100.00	0		5)	2021
Hangzhou Q-Car Automobile Sales and Service Co., Ltd., Hangzhou	CNY	7.3661		100.00	100.00			4) 6)	2022
HoppyGo Czechia s.r.o., Prague	CZK	24.1450		100.00	100.00	104	0		2021
HoppyGo Poland Sp. z o.o., Warsaw	PLN	4.6860		100.00	100.00	294	71		2021
HoppyGo s.r.o., Prague	CZK	24.1450		100.00	100.00	13,534	260		2021
HoppyGo Slovakia s.r.o., Kosice	EUR			100.00	100.00	8	3		2021
HRVS Group Ltd., Belper	GBP	0.8868		100.00	100.00			5)	2021
HRVS Rentals Ltd., Belper	GBP	0.8868		100.00	100.00			5)	2021
INIS International Insurance Service s.r.o., ve zkratce INIS s.r.o., Mladá Boleslav	CZK	24.1450		100.00	100.00	39,141	33,641		2021
InterRent Biluthyrning AB, Södertälje	SEK	11.0787		100.00	100.00	360		5)	2021
Italdesign Giugiaro (Shanghai) Products Development Co., Ltd., Shanghai	CNY	7.3661		100.00	100.00			4) 6)	2022
Italdesign Giugiaro Barcelona S.L., Sant Just Desvern	EUR			100.00	100.00	6,009	437		2021
Konnect with the Volkswagen Group Ltd., Tel Aviv	ILS	3.7562		100.00	100.00	4,195	626		2021
Kunshan Zhongyue Junbaohang Automobile Sales and Service Co., Ltd., Kunshan	CNY	7.3661		100.00	100.00	54,661	-339	4)	2021
Kuwy Technology Service Pvt. Ltd., Chennai	INR	88.1640		67.73	67.73	-158,600	-293,600	3)	2022
Lauken S.A., Montevideo	UYU	42.6710		100.00	100.00			5)	2021
LM Comércio de Veículos Seminovos Ltda., Salvador	BRL	5.6444		100.00	100.00			6) 10)	2022
LM Transportes Interestaduais Serviços e Comércio S.A., Salvador	BRL	5.6444		60.00	60.00			7) 9) 13)	2022
LM Transportes Serviços e Comércio Ltda, Salvador	BRL	5.6444		100.00	100.00			10)	2022
LOGPAY Charge & Fuel Slovakia s.r.o., Bratislava	EUR			100.00	100.00		-13		2021
LOGPAY Consorzio, Bolzano	EUR			68.70	68.70	7	-17		2021
LogPay Fuel Czechia s.r.o., Prague	CZK	24.1450		100.00	100.00	-802	-718		2021
LOGPAY Fuel Italia S.r.l., Bolzano	EUR			100.00	100.00	158	16		2021
LogPay Fuel Spain S.L., Barcelona	EUR			100.00	100.00	632	13		2021
MAN Bus & Coach (Pty) Ltd., in liquidation, Oifantsfontein	ZAR	18.0795		100.00	100.00		-1,775	2) 5)	2017
MAN Diesel & Turbo Costa Rica Ltda., San José	EUR			100.00	100.00			5)	2018
MAN Diesel & Turbo Jordan LLC, in liquidation, Aqaba	EUR			100.00	100.00			2) 5)	2018
MAN Diesel & Turbo Nigeria FZE, Lagos	EUR			100.00	100.00			5)	2018
MAN Diesel & Turbo Shanghai Co., Ltd., Shanghai	EUR			100.00	100.00			5) 15)	2018
MAN Energy Solutions (Gibraltar) Ltd., Gibraltar	GBP	0.8868		100.00	100.00	476	-16		2021

Name and domicile of company	Currency	Exchange rate (1€ =) Dec. 31, 2022	VW AG's interest in capital in %			Equity in thousands, local currency	Profit/loss in thousands, local currency	Footnote	Year
			Direct	Indirect	Total				
MAN Energy Solutions Argentina S.A., Buenos Aires	ARS	188.7587	-	100.00	100.00	100,411	3,501		2021
MAN Energy Solutions Bangladesh Ltd., Dhaka	BDT	110.1334	-	100.00	100.00	30,151	45,683		2021
MAN Energy Solutions Benin S.A.R.L., Cotonou	XOF	655.9570	-	100.00	100.00	-	-	4)	2021
MAN Energy Solutions Bulgaria EOOD, Varna	BGN	1.9560	-	100.00	100.00	1,401	248		2021
MAN Energy Solutions Egypt LLC, Cairo	EGP	26.4309	-	100.00	100.00	14,370	9,786		2021
MAN Energy Solutions For Repair Services LLC, Suez	EGP	26.4309	-	100.00	100.00	-	-	4) 6)	2022
MAN Energy Solutions Guinea S.A.R.L., Conakry	GNF	9,203.0550	-	100.00	100.00	25,659,802	12,772,320		2021
MAN Energy Solutions Japan Ltd., Tokyo	JPY	140.6650	-	100.00	100.00	497,467	144,925		2021
MAN Energy Solutions Kenya Ltd., Nairobi	KES	131.7000	-	100.00	100.00	443,150	2,580		2021
MAN Energy Solutions Lanka Pvt. Ltd., Colombo	LKR	392.3810	-	100.00	100.00	294,953	109,815		2021
MAN Energy Solutions Malaysia OG Sdn. Bhd., Kuala Lumpur	MYR	4.7032	-	100.00	100.00	2,653	405		2021
MAN Energy Solutions México, S. de R.L. de C.V., Mexico City	MXN	20.8879	-	100.00	100.00	48,190	8,913		2021
MAN Energy Solutions Muscat L.L.C., Muscat	OMR	0.4111	-	70.00	70.00	225	-47		2021
MAN Energy Solutions New Zealand Ltd., Auckland	NZD	1.6824	-	100.00	100.00	3,750	679		2021
MAN Energy Solutions Nigeria Pvt. Ltd., Lagos	NGN	477.8800	-	100.00	100.00	191,386	87,723		2021
MAN Energy Solutions Norge A/S, Oslo	NOK	10.5047	-	100.00	100.00	31,339	1,642		2021
MAN Energy Solutions Perú S.A.C., Lima	PEN	4.0439	-	100.00	100.00	5,874	1,970		2021
MAN Energy Solutions Philippines Inc., Parañaque City	PHP	59.3885	-	100.00	100.00	69,306	16,191		2021
MAN Energy Solutions Poland Sp. z o.o., Gdansk	PLN	4.6860	-	100.00	100.00	7,844	2,482		2021
MAN Energy Solutions Portugal, Unipessoal, Lda., Quinta do Anjo	EUR	-	-	100.00	100.00	1,407	248		2021
MAN Energy Solutions Russia Ltd., Moscow	RUB	76.2868	-	100.00	100.00	412,736	89,190		2021
MAN Financial Services Administrators (S.A.) (Pty) Ltd., in liquidation, Isando	ZAR	18.0795	-	100.00	100.00	0	-	2) 5)	2018
MAN Iran Power SHERKATE SAHAMI KHASS, Teheran	EUR	-	-	100.00	100.00	-	-	5)	2018
MAN Truck & Bus (S.A.) (Pty) Ltd., in liquidation, Isando	ZAR	18.0795	-	100.00	100.00	-	-68,539	2) 5)	2017
MAN Truck & Bus Asia Pacific Co. Ltd., Bangkok	THB	36.8837	-	99.99	99.99	155,319	12,213		2021
MAN Truck & Bus India Pvt. Ltd., Pune	INR	88.1640	-	99.99	99.99	3,330,160	133,140		2021
MAN Truck and Bus Hong Kong Ltd., Hong Kong	HKD	8.3210	-	100.00	100.00	13,587	4,428		2021
MAN Turbo (UK) Ltd., Stockport	EUR	-	-	100.00	100.00	-	-	5)	2018
MDT CH International GmbH, Zürich	CHF	0.9852	-	100.00	100.00	7	0	5)	2018
MHP (Shanghai) Management Consultancy Co., Ltd., Shanghai	CNY	7.3661	-	100.00	100.00	4,698	-6,458		2021
MHP Americas, Inc., Atlanta / GA	USD	1.0677	-	100.00	100.00	77	984		2021
MHP Consulting Romania S.R.L., Cluj-Napoca	RON	4.9483	-	100.00	100.00	22,428	5,390		2021
MHP Consulting UK Ltd., Birmingham	GBP	0.8868	-	100.00	100.00	-2,162	94		2021
Mirrlees Blackstone Ltd., Stockport	EUR	-	-	100.00	100.00	-	-	5)	2018
Mobility Lab s.r.o., Prague	CZK	24.1450	-	100.00	100.00	55,796	12,368		2021
Módulos Automotivos do Brasil Ltda., São Jose dos Pinhais	BRL	5.6444	-	100.00	100.00	5,485	358		2021
MOON POWER GmbH, Salzburg	EUR	-	-	100.00	100.00	1,186	-613	4)	2021
mýa Connection GmbH, in liquidation, Zürich	CHF	0.9852	-	100.00	100.00	-	-	2)	2019
Nanjing Zhongyue Junbaohang Automobile Sales and Service Co., Ltd., Nanjing	CNY	7.3661	-	100.00	100.00	-	-	4) 6)	2022
NIRA Dynamics AB, Linköping	SEK	11.0787	-	94.66	94.66	291,095	-24,580		2021
OOO MAN Truck & Bus Production RUS, St. Petersburg	RUB	76.2868	-	100.00	100.00	891,492	106,364		2021
OOO Truck Production RUS, St. Petersburg	RUB	76.2868	-	100.00	100.00	122,551	687		2021
OOO Volkswagen Komponenten und Services, Kaluga	RUB	76.2868	-	100.00	100.00	1,295,028	159,255		2021
P Rental Services S.r.l., Trento	EUR	-	-	100.00	100.00	-	-	7)	2022
P911 AG, Feusisberg	CHF	0.9852	-	100.00	100.00	-	-	7)	2022
Park Ward & Co. Ltd., Crewe	GBP	0.8868	-	100.00	100.00	0	-	5)	2021
Paxman Diesels Ltd., Stockport	EUR	-	-	100.00	100.00	-	-	5)	2018
PayByPhone Italia S.R.L., Ronco all'Adige	EUR	-	-	100.00	100.00	326	-890		2021
PayByPhone Ltd., Hatfield	GBP	0.8868	-	100.00	100.00	3,605	172		2021
PayByPhone S.A.S., Boulogne-Billancourt	EUR	-	-	100.00	100.00	-2,726	-160		2021
PayByPhone Suisse AG, Duedingen	CHF	0.9852	-	100.00	100.00	-437	-851		2021
PayByPhone Technologies Inc., Vancouver / BC	CAD	1.4440	-	100.00	100.00	66,459	-40,898		2021
PayByPhone US Inc., Wilmington / DE	USD	1.0677	-	100.00	100.00	-	-	8)	2021
PCK TOV, Kiev	UAH	39.2396	-	100.00	100.00	28,743	88		2021
PHS Autohaus Sdn. Bhd, Kuala Lumpur	MYR	4.7032	-	100.00	100.00	1,084	207		2021
PHS Automotive Malaysia Sdn. Bhd., Kuala Lumpur	MYR	4.7032	-	100.00	100.00	-	-	4) 6)	2022
POI France S.A.S., Paris	EUR	-	-	100.00	100.00	300	7		2021
Porsche Air Service GmbH, Salzburg	EUR	-	-	100.00	100.00	1,114	206		2021
Porsche Austria Gesellschaft m.b.H., Salzburg	EUR	-	-	100.00	100.00	57	3	5)	2021
Porsche Consulting Canada Ltd., Toronto / ON	CAD	1.4440	-	100.00	100.00	1,588	1,119		2021
Porsche Consulting Ltda., São Paulo	BRL	5.6444	-	100.00	100.00	11,445	-1,902		2021
Porsche Consulting S.A.S., Paris	EUR	-	-	100.00	100.00	90	109		2021
Porsche Design Asia Hong Kong Ltd., Hong Kong	HKD	8.3210	-	100.00	100.00	3,391	31		2021
Porsche Design Great Britain Ltd., Reading	GBP	0.8868	-	100.00	100.00	-6,074	-422		2021
Porsche Design Italia S.r.l., Padua	EUR	-	-	100.00	100.00	279	2		2021
Porsche Design Netherlands B.V., Roermond	EUR	-	-	100.00	100.00	735	-28		2021
Porsche Design Sales (Shanghai) Co., Ltd., Shanghai	CNY	7.3661	-	100.00	100.00	909	-122	5)	2021
Porsche Design Studio North America, Inc., Beverly Hills / CA	USD	1.0677	-	100.00	100.00	48	-	5)	2021
Porsche Design Timepieces AG, Solothurn	CHF	0.9852	-	100.00	100.00	3,818	553		2021
Porsche Digital China Ltd., Shanghai	CNY	7.3661	-	100.00	100.00	14,020	4,017		2021
Porsche Digital Croatia d.o.o., Zagreb	HRK	7.5364	-	50.00	50.00	5,586	735		2021
Porsche Digital España, S.L., Barcelona	EUR	-	-	100.00	100.00	448	24		2021
Porsche Digital Israel Ltd., Tel Aviv	ILS	3.7562	-	100.00	100.00	-	-	4) 6)	2022
Porsche Digital Mexico, S. de R.L. de C.V., Guadalajara	MXN	20.8879	-	100.00	100.00	-	-	4) 6)	2022
Porsche Digital, Inc., Atlanta / GA	USD	1.0677	-	100.00	100.00	6,165	2,345		2021
Porsche Drive Canada, Ltd., Toronto / ON	CAD	1.4440	-	100.00	100.00	-	-	4)	2021
Porsche Drive LLC, Atlanta / GA	USD	1.0677	-	100.00	100.00	-	-	4)	2021
Porsche Engineering (Shanghai) Co., Ltd., Shanghai	CNY	7.3661	-	100.00	100.00	55,864	24,497		2021
Porsche Engineering Romania S.R.L., Cluj-Napoca	RON	4.9483	-	100.00	100.00	8,872	2,981		2021
Porsche Group S.R.L., Voluntari	RON	4.9483	-	100.00	100.00	1,523	-2,604		2021
Porsche Immobilien BH d.o.o. Sarajevo, Sarajevo	BAM	1.9558	-	100.00	100.00	-41	-42	4)	2021
Porsche Immobilien Portugal S.A., Vila Nova Da Rainha	EUR	-	-	100.00	100.00	4,721	-160		2021
Porsche Immobilien Ukraine TOV, Kiev	UAH	39.2396	-	100.00	100.00	59,922	-3,373		2021
Porsche Inter Auto BH d.o.o. Sarejevo, Novi Grad	BAM	1.9558	-	100.00	100.00	5,903	1,200		2021
Porsche Inter Auto Ukraine TOV, Kiev	UAH	39.2396	-	100.00	100.00	98,661	43,505		2021
Porsche Kosova Sh.p.k., Graçanicë	EUR	-	-	100.00	100.00	1,984	477		2021
Porsche Mobility GmbH, Vienna	EUR	-	-	100.00	100.00	2,672	-363	4)	2021
Porsche Motorsport Asia-Pacific Ltd., Shanghai	CNY	7.3661	-	100.00	100.00	15,055	-945	4)	2021
Porsche Retail GmbH, Salzburg	EUR	-	-	100.00	100.00	42	1	5)	2021
Porsche Sales & Marketplace Canada, Ltd., Toronto / ON	CAD	1.4440	-	100.00	100.00	-55	-87		2021
Porsche Services Korea LLC, Seoul	KRW	1,338.2950	-	100.00	100.00	3,777,266	878,809		2021
Porsche Services Middle East & Africa FZE, Dubai	USD	1.0677	-	100.00	100.00	656	298		2021
Porsche Services Singapore Pte Ltd., Singapore	SGD	1.4310	-	100.00	100.00	-91	-285		2021
Porsche Singapore Pte. Ltd., Singapore	SGD	1.4310	-	75.00	75.00	-	-	4) 6)	2022
Porsche Smart Battery Shop s.r.o., Dubnica nad Váhom	EUR	-	-	100.00	100.00	-	-	4) 6)	2022
Porsche System Engineering Ltd., Zürich	CHF	0.9852	-	100.00	100.00	5,005	99		2021
Porsche Volkswagen Corredores de Seguros Chile S.p.A., Santiago de Chile	CLP	915.6600	-	100.00	100.00	285,109	131,398		2021
Porsche Werkzeugbau s.r.o., Dubnica nad Váhom	EUR	-	-	100.00	100.00	15,915	839		2021
PowerCo Holding US, Inc., Herndon / VA	USD	1.0677	-	100.00	100.00	-	-	4) 6)	2022
Premium Buc S.A.R.L., Buc	EUR	-	-	100.00	100.00	-1,018	-270		2021
Putt Estates (Pty) Ltd., Upington	ZAR	18.0795	-	100.00	100.00	123,973	1,023	3)	2022
Putt Real Estates (Pty) Ltd., Upington	ZAR	18.0795	-	100.00	100.00	35,993	78	3)	2022
Re-MAN Parts Ltd., in liquidation, Belper	GBP	0.8868	-	100.00	100.00	-	-	2) 5)	2021
Rio Soluções Digitais Ltda., São Paulo	BRL	5.6444	-	99.99	99.99	10	-		2021

Name and domicile of company	Currency	Exchange rate (1€ =) Dec. 31, 2022	VW AG 's interest in capital in %			Equity in thousands, local currency	Profit/loss in thousands, local currency	Footnote	Year
			Direct	Indirect	Total				
Riviera Technic S.A.S., Mougins	EUR			100.00	100.00	1,661	348		2021
Ruston & Hornsby Ltd., Stockport	EUR			100.00	100.00	-	-	5)	2018
Ruston Diesels Ltd., Stockport	EUR			100.00	100.00	-	-	5)	2018
S.A. Trucks Ltd., in liquidation, Bristol	GBP	0.8868		100.00	100.00	1	-	2) 5)	2018
Saubermacher Battery Services GmbH, Premstätten	EUR			33.33	33.33	-	-	4) 6)	2022
Scanexpo S.A., Montevideo	UYU	42.6710		100.00	100.00	-	-	5)	2021
Scania de Venezuela S.A., Valencia	VES	18.4254		100.00	100.00	1,350,641	1,065,177		2021
Scania Finance Israel Ltd., Tel Aviv	ILS	3.7562		100.00	100.00	1,000	-		2021
Scania-MAN Administration ApS, Copenhagen	DKK	7.4369		100.00	100.00	290	23		2021
Scout Motors Inc., Arlington / VA	USD	1.0677		100.00	100.00	-	-	4) 6)	2022
SEAT Center Arrábida - Automóveis, Lda., Setúbal	EUR			100.00	100.00	2,786	470		2021
SEAT CUPRA S.A., Martorell	EUR			100.00	100.00	2,428	-175		2021
SEAT Metropolis Lab Barcelona S.A., Martorell	EUR			100.00	100.00	7,006	1,577		2021
Sergo-Arhkon TOV, Kiev	UAH	39.2396		100.00	100.00	2,794	-30		2021
Shanghai Advanced Automobile Technical Centre Co., Ltd., Shanghai	CNY	7.3661		100.00	100.00	11,727	1,777		2021
Shanghai Zhuguang Binjie Automobile Sales and Service Co., Ltd, Shanghai	CNY	7.3661		100.00	100.00	-	-	4) 6)	2022
Silvercar, Inc., Austin / TX	USD	1.0677		100.00	100.00	16,028	7,669		2021
Simple Way Locações e Serviços S.A., Curitiba	BRL	5.6444		100.00	100.00	1,101,110	38,124		2021
SIVA Serviços – Assessoria Financeira e Administrativa, S.A., Amadora	EUR			100.00	100.00	85	-48		2021
ŠKODA AUTO DigiLab Israel Ltd., in liquidation, Bnei Brak	ILS	3.7562		50.00	50.00	180	51	2)	2021
ŠKODA AUTO DigiLab s.r.o., Prague	CZK	24.1450		100.00	100.00	178,187	18,765		2021
Slobodna Zona Vogosca d.o.o., Vogosca	BAM	1.9558		100.00	100.00	111	-215		2021
Société Immobilière Audi S.A.R.L., Paris	EUR			100.00	100.00	31,043	315		2021
Softbridge - Projectos Tecnológicos S.A., Porto Salvo	EUR			70.00	70.00	1,712	476		2021
Sports Cars Sales & Service AG, Feusisberg	CHF	0.9852		100.00	100.00	-	-	4) 6)	2022
Stop 134 AB, Stockholm	SEK	11.0787		100.00	100.00	-	-	7)	2022
Suzhou Zhongyue Junbaohang Automobile Sales and Service Co., Ltd., Suzhou	CNY	7.3661		100.00	100.00	99,162	-838	4)	2021
TRATON Charging Solutions AB, Södertälje	SEK	11.0787		100.00	100.00	12,615	11,672		2021
TRATON Treasury AB, Södertälje	SEK	11.0787		100.00	100.00	-	-	4) 6)	2022
TRATON, LLC, Herndon / VA	USD	1.0677		100.00	100.00	1,277	170		2021
UMI Urban Mobility International Česká republika s.r.o., Mladá Boleslav	CZK	24.1450		100.00	100.00	11,298	4,597		2021
UMI Urban Mobility International France S.A.R.L., Paris	EUR			100.00	100.00	0	-7		2021
UMI Urban Mobility International Italia S.r.l., Milan	EUR			100.00	100.00	2	-5		2021
VAREC Ltd., Tokyo	JPY	140.6650		100.00	100.00	807,208	102,726		2021
VfL Wolfsburg (Beijing) Football Club Co., Ltd., Beijing	CNY	7.3661		100.00	100.00	4,805	2,628	3)	2021
Villers Services Center S.A.S., Paris	EUR			100.00	100.00	2,851	690		2021
Vita Gjuteriats Fastighetsbolag AB, Stockholm	SEK	11.0787		100.00	100.00	-	-	7)	2022
Volkswagen (Anhui) Digital Sales and Services Co., Ltd., Hefei	CNY	7.3661		100.00	100.00	-	-	4) 6)	2022
Volkswagen Administradora de Negócios Ltda., São Paulo	BRL	5.6444		100.00	100.00	42,802	-4,139		2021
Volkswagen Autonomy, Inc., Belmont / CA	USD	1.0677		100.00	100.00	-	-	4)	2020
Volkswagen Battery Technology Development, LLC, Herndon / VA	USD	1.0677		100.00	100.00	-	-	4) 10)	2021
Volkswagen Brokers Argentina S.A., Buenos Aires	ARS	188.7587		96.00	96.00	443,522	19,883		2021
Volkswagen Caminhões e Ônibus Comércio e Serviços Ltda., Limeira	BRL	5.6444		100.00	100.00	10	-		2021
Volkswagen Commercial Vehicles Services Australia Pty. Ltd., Mornington	AUD	1.5706	100.00	-	100.00	892	264	5) 15)	2021
Volkswagen Digital Solutions, Unipessoal Lda., Lisbon	EUR			100.00	100.00	2,513	407		2020
Volkswagen Financial Services Hellas A.E., Athens	EUR			100.00	100.00	2,156	79		2021
Volkswagen Financial Services Holding Argentina S.R.L., Buenos Aires	ARS	188.7587		100.00	100.00	2,483,021	-11,050		2021
Volkswagen Financial Services Schweiz AG, Wallisellen	CHF	0.9852		100.00	100.00	10,557	1,631		2021
Volkswagen Financné služby Maklérska s.r.o., Bratislava	EUR			100.00	100.00	194	132		2021
Volkswagen Ghana Ltd., Accra	GHS	10.8906		100.00	100.00	-4,731	-4,054		2021
Volkswagen Group Academy Mexico, S.C., Puebla	MXN	20.8879		100.00	100.00	54,608	14,973		2021
Volkswagen Group Charging CZ s.r.o., Prague	CZK	24.1450		100.00	100.00	-794	-494		2021
Volkswagen Group Hong Kong Ltd., Hong Kong	HKD	8.3210		100.00	100.00	6,252	5,252	15)	2019
Volkswagen Group Insurance and Risk Management Services Ltd., in liquidation, Milton Keynes	GBP	0.8868		100.00	100.00	43	-	2) 5)	2019
Volkswagen Group Middle East QFZ LLC, Doha	USD	1.0677		100.00	100.00	3,627	1,061		2021
Volkswagen Group Pension Scheme Trustee Ltd., Milton Keynes	GBP	0.8868		100.00	100.00	0	-	5)	2021
Volkswagen Group Real Estate Czech Republic s.r.o., Mladá Boleslav	CZK	24.1450		100.00	100.00	23,659	-7,926		2021
Volkswagen Group Real Estate Polska Sp. z o.o., Poznan	PLN	4.6860		100.00	100.00	57,952	1,923		2021
Volkswagen Group Real Estate Slovakia s.r.o., Bratislava	EUR			100.00	100.00	79,129	3,444		2021
Volkswagen Group Services Kft., Győr	EUR			100.00	100.00	2,065	-746		2021
Volkswagen Group Services Mexico, S.A. de C.V., Puebla	MXN	20.8879		100.00	100.00	175,406	26,857		2021
Volkswagen Group Services sp. z o.o., Poznan	PLN	4.6860		100.00	100.00	15,213	4,555		2020
Volkswagen Group Services, s.r.o., Bratislava	EUR			100.00	100.00	6,780	1,346		2021
Volkswagen Group Services, unipessoal, Lda., Quinta do Anjo	EUR			100.00	100.00	15,291	2,962		2021
Volkswagen Hong Kong Co. Ltd., Hong Kong	HKD	8.3210		100.00	100.00	160,685	112,611	15)	2021
Volkswagen Insurance Brokers, Agente de Seguros y de Fianzas, S.A. de C.V., Puebla	MXN	20.8879		100.00	100.00	-49,181	-5,910		2021
Volkswagen Insurance Company DAC, Dublin	EUR			100.00	100.00	44,701	6,582		2021
Volkswagen Insurance Service (Great Britain) Ltd., Milton Keynes	GBP	0.8868		100.00	100.00	2,228	489		2021
Volkswagen Insurance Services Korea Co., Ltd., Seoul	KRW	1,338.2950		100.00	100.00	3,420,229	1,367,003		2021
Volkswagen International Insurance Agency Co., Ltd., Taipei	TWD	32.7048		100.00	100.00	35,085	28,835		2021
Volkswagen Leasing (Beijing) Co., Ltd., Beijing	CNY	7.3661		100.00	100.00	-15,995	-19,262		2021
Volkswagen Leasing (Guangzhou) Co., Ltd., Guangzhou	CNY	7.3661		100.00	100.00	-3,431	-1,285		2021
Volkswagen Leasing (Shanghai) Co., Ltd., Shanghai	CNY	7.3661		100.00	100.00	-36,990	-27,613		2021
Volkswagen Leasing (Suzhou) Co., Ltd., Suzhou	CNY	7.3661		100.00	100.00	-1,914	-468		2021
Volkswagen Leasing (Wuxi) Co., Ltd., Wuxi	CNY	7.3661		100.00	100.00	-380	-739		2021
Volkswagen Logistics Prestação de Serviços de Logística e Transporte Ltda., São Bernardo do Campo	BRL	5.6444		100.00	100.00	5,355	-113		2021
Volkswagen Mobility Solutions Rwanda Ltd., Kigali	RWF	1,151.5200		100.00	100.00	4,656,428	21,047		2021
Volkswagen New Mobility Services Consulting (Beijing) Co., Ltd., Beijing	CNY	7.3661		100.00	100.00	13,008	5,457		2021
Volkswagen Passenger Cars Malaysia Sdn. Bhd., Kuala Lumpur	MYR	4.7032		100.00	100.00	97,084	1,854		2020
Volkswagen Reinsurance Company DAC, Dublin	EUR			100.00	100.00	7,638	977		2021
Volkswagen Sarajevo d.o.o., Vogosca	BAM	1.9558	58.00	-	58.00	39,675	-107		2020
Volkswagen Service Sverige AB, Södertälje	SEK	11.0787		100.00	100.00	40,970	-		2021
Volkswagen Servicios, S.A. de C.V., Puebla	MXN	20.8879		100.00	100.00	26,040	4,399		2021
Volkswagen Serwis Ubezpieczeniowy Sp. z o.o., Warsaw	PLN	4.6860		100.00	100.00	59,456	20,555		2021
Volkswagen Venture Investment S.A., Strassen	EUR			100.00	100.00	-	-	6)	2022
Volkswagen-Mobvoi (Beijing) Information Technology Co., Ltd., Beijing	CNY	7.3661		100.00	100.00	168,573	-37,088		2021
Voya Travel Technologies S.R.L., Bucharest	RON	4.9483		100.00	100.00	295	67		2021
VTXRM - Software Factory Lda., Porto Salvo	EUR			90.00	90.00	1,859	534		2021
VW Automotive Cloud, LLC, Redmond / WA	USD	1.0677		100.00	100.00	-	-	10)	2021
VWT Participações em Outras Sociedades e Prestação de Serviços em Geral Ltda., São Bernardo do Campo	BRL	5.6444		100.00	100.00	3,213	-68		2021
WE Share Urban Mobility S.L., Madrid	EUR			100.00	100.00	5	-17		2021
WirelessCar (Beijing) Co. Ltd., Beijing	CNY	7.3661		100.00	100.00	11,735	7,531		2021
WirelessCar North America Inc., Greensboro / NC	USD	1.0677		100.00	100.00	136	375		2021
WirelessCar Sweden AB, Göteborg	SEK	11.0787		76.66	76.66	312,495	53,972		2021
III. JOINT VENTURES									
A. Equity-accounted companies									
1. Germany									
Mobility Trader Holding GmbH, Berlin	EUR			73.38	73.38	373,218	-9,025		2021
Volkswagen Autoversicherung Holding GmbH, Braunschweig	EUR			51.00	51.00	172,799	29,450		2021

Name and domicile of company	Currency	Exchange rate (1€ =) Dec. 31, 2022	VW AG 's interest in capital in %			Equity in thousands, local currency	Profit/loss in thousands, local currency	Footnote	Year
			Direct	Indirect	Total				
2. International									
Argo AI, LLC, Pittsburgh / PA	USD	1.0677	42.70	-	42.70	-	-	9)	2020
Commercial Vehicle Charging Europe B.V, Amsterdam	EUR	-	-	33.33	33.33	-	-	4) 6)	2022
Cummins-Scania XPI Manufacturing, LLC, Columbus / IN	USD	1.0677	-	50.00	50.00	145,935	8,882	-	2020
DFM N.V., Amersfoort	EUR	-	-	60.00	60.00	262,613	27,761	11)	2021
Ewiva S.r.l., Milan	EUR	-	-	50.00	50.00	44,062	62	4)	2021
FAW-Volkswagen Automotive Co., Ltd., Changchun	CNY	7.3661	25.00	15.00	40.00	65,028,031	33,925,921	-	2021
Green Mobility Holding S.A., Strassen	EUR	-	-	66.00	66.00	21	-9	4)	2021
MAN Financial Services (SA) (RF) (Pty) Ltd., Johannesburg	ZAR	18.0795	-	50.00	50.00	203,624	43,225	11)	2021
MOS Intelligent Connectivity Technology Co. Ltd., Chengdu	CNY	7.3661	-	16.66	16.66	468,267	-43,096	-	2021
Oppland Tungbilservice A/S, Fagernes	NOK	10.5047	-	50.00	50.00	8,452	2,751	-	2021
SAIC Volkswagen Automotive Co., Ltd., Shanghai	CNY	7.3661	38.00	12.00	50.00	26,181,134	8,833,569	-	2021
SAIC-Volkswagen Sales Co., Ltd., Shanghai	CNY	7.3661	-	30.00	30.00	2,815,921	2,390,916	-	2021
Shanghai Volkswagen Powertrain Co., Ltd., Shanghai	CNY	7.3661	-	60.00	60.00	3,462,653	505,104	-	2021
Tynset Diesel A/S, Tynset	NOK	10.5047	-	50.00	50.00	5,519	679	-	2021
VDF Servis ve Ticaret A.S., Istanbul	TRY	19.9852	-	51.00	51.00	937,880	334,309	9)	2021
Virtual Turntable (Beijing) Internet Information Service Co., Ltd., Beijing	CNY	7.3661	-	34.00	34.00	26,139	-10,802	-	2021
Volkswagen D'Ieteren Finance S.A., Brussels	EUR	-	-	50.00	50.00	139,618	5,398	-	2021
Volkswagen FAW Engine (Dalian) Co., Ltd., Dalian	CNY	7.3661	-	60.00	60.00	6,279,690	3,413,334	-	2021
Volkswagen FAW Platform (Anhui) Co., Ltd., Hefei	CNY	7.3661	-	100.00	100.00	24,972	-28	4)	2021
Volkswagen FAW Platform Co., Ltd., Changchun	CNY	7.3661	-	60.00	60.00	1,289,901	53,236	-	2021
Volkswagen Financial Services South Africa (Pty) Ltd., Sandton	ZAR	18.0795	-	51.00	51.00	-1,367,448	-339,778	-	2021
Volkswagen Møller Bilfinans A/S, Oslo	NOK	10.5047	-	51.00	51.00	3,765,372	229,189	11)	2021
Volkswagen Pon Financial Services B.V., Amersfoort	EUR	-	-	60.00	60.00	211,141	62,483	9) 13)	2021
Volkswagen Transmission (Shanghai) Co., Ltd., Shanghai	CNY	7.3661	-	60.00	60.00	725,556	4,653	-	2021
B. Companies accounted for at cost									
1. Germany									
August Horch Museum Zwickau GmbH, Zwickau	EUR	-	-	50.00	50.00	1,626	51	-	2021
Axel Springer Porsche GmbH & Co. KG, Berlin	EUR	-	-	50.00	50.00	14,196	-4,232	-	2021
Axel Springer Porsche Management GmbH, Berlin	EUR	-	-	50.00	50.00	12	-3	-	2021
Car2Car Communication Consortium GbR, Braunschweig	EUR	-	7.40	7.41	14.81	399	92	-	2021
e:fs TechHub GmbH, Gaimersheim	EUR	-	-	49.00	49.00	22,263	4,452	-	2021
FleetCompany GmbH, Oberhaching	EUR	-	-	73.65	73.65	8,603	-8,560	-	2021
FlexFactory GmbH, Stuttgart	EUR	-	-	50.00	50.00	3,493	-1,497	-	2021
Futurepath GmbH, Berlin	EUR	-	-	49.00	49.00	1,187	1,157	-	2021
GIF Gewerbe- und Industriepark Bad Friedrichshall GmbH, Bad Friedrichshall	EUR	-	-	30.00	30.00	9,362	556	-	2021
HINO & TRATON Global Procurement GmbH, Munich	EUR	-	-	51.00	51.00	494	169	-	2021
IN-Campus GmbH, Ingolstadt	EUR	-	-	95.10	95.10	87,053	-3,489	-	2021
inpro Innovationsgesellschaft für fortgeschrittene Produktionssysteme in der Fahrzeugindustrie mbH, Berlin	EUR	-	33.33	-	33.33	2,311	98	-	2021
Intelligent Energy System Services GmbH, Ludwigsburg	EUR	-	-	50.00	50.00	1,456	568	4)	2021
Objekt Audi Zentrum Berlin-Charlottenburg Verwaltungsgesellschaft mbH, Berlin	EUR	-	-	50.00	50.00	83	2	-	2021
Objektgesellschaft Audi Zentrum Berlin-Charlottenburg mbH & Co. KG, Berlin	EUR	-	-	50.00	50.00	3,446	512	-	2021
PDB-Partnership for Dummy Technology and Biomechanics GbR, Gaimersheim	EUR	-	20.00	40.00	60.00	-	-	16) 17)	2021
Quartett mobile GmbH, Munich	EUR	-	-	49.00	49.00	4,213	1,053	-	2021
Smart Press Shop GmbH & Co. KG, Halle	EUR	-	-	50.00	50.00	22,808	-8,160	-	2021
Smart Press Shop Verwaltungs-GmbH, Stuttgart	EUR	-	-	50.00	50.00	33	4	-	2021
Volkswagen ClimatePartner GmbH, Munich	EUR	-	-	50.10	50.10	-	-	4) 6)	2022
VW-VM Verwaltungsgesellschaft mbH, in liquidation, Ellwangen	EUR	-	-	50.00	50.00	20	-16	2) 5)	2019
Wolfsburg AG, Wolfsburg	EUR	-	50.00	-	50.00	32,329	-3,632	-	2021
2. International									
AMEXCI AB, Karlskoga	SEK	11.0787	-	9.10	9.10	37,455	-22,568	-	2021
Autonomous Mobility Israel Ltd., Bnei Brak	ILS	3.7562	-	33.33	33.33	-	-	5)	2019
Beijing Shouqi Easy Go Technology Co., Ltd., Beijing	CNY	7.3661	-	20.00	20.00	-3,219,739	-320,639	9)	2021
Bugatti International Holding S.à r.l., Luxembourg	EUR	-	-	49.00	49.00	92,999	-13	4)	2021
Central Eléctrica Anhangüera S.A., São Paulo	BRL	5.6444	-	40.00	40.00	56,628	7,661	-	2020
Central Eléctrica Monjolinho Ltda., São Paulo	BRL	5.6444	-	51.00	51.00	65	4	-	2021
Collect Car B.V., Rotterdam	EUR	-	-	60.00	60.00	5,664	-1,801	-	2021
Győr-Pér Repülőter Kft., Pér	HUF	400.3900	-	46.10	46.10	1,735,996	-29,070	-	2021
Innovative Charging Solutions (Suzhou) New Energy Technology Co., Ltd., Suzhou	CNY	7.3661	-	50.00	50.00	240,994	-44,948	-	2021
Lenkrad Invest (Pty) Ltd., Sandton	ZAR	18.0795	-	51.00	51.00	23,782	21,147	-	2021
MAN Diesel & Turbo Ghana Ltd., Accra	EUR	-	-	90.00	90.00	-	-	5) 15)	2018
Material Science Center Qatar QSTP-LLC, in liquidation, Doha	QAR	3.8999	25.00	25.00	50.00	8,247	-5,846	2) 5)	2014
QSV Operations LLC, San Jose / CA	USD	1.0677	-	50.00	50.00	3,385	-22	-	2021
Shuttel B.V., Leusden	EUR	-	-	49.00	49.00	2,517	-545	-	2021
ŠKO-ENERGO s.r.o., Mladá Boleslav	CZK	24.1450	-	67.00	67.00	65,924	2,170	-	2021
Staymo S.A.S., Boulogne-Billancourt	EUR	-	-	51.00	51.00	-	-	4) 6)	2022
Trio Bilservice AB, Stockholm-Arlanda	SEK	11.0787	-	33.33	33.33	1,262	723	-	2021
Ventic LLC, Wilmington / DE	USD	1.0677	-	51.00	51.00	-	-	10)	2021
Volkswagen Financial Services Compañia Financiera S.A., Buenos Aires	ARS	188.7587	-	49.00	49.00	4,108,620	-14,929	-	2021
Volkswagen Losch Financial Services S.A., Howald	EUR	-	-	60.00	60.00	5,318	1,442	-	2021
Volkswagen Semler Finans Danmark A/S, Brøndby	DKK	7.4369	-	51.00	51.00	476,248	-55,455	-	2021
IV. ASSOCIATES									
A. Equity-accounted associates									
1. Germany									
Autoport Emden GmbH, Emden	EUR	-	-	66.67	66.67	42	-73	-	2021
Bertrandt AG, Ehningen	EUR	-	-	29.10	29.10	338,737	10,069	3)	2021
IAV GmbH Ingenieurgesellschaft Auto und Verkehr, Berlin	EUR	-	50.00	-	50.00	192,300	32,600	-	2021
IONITY Holding GmbH & Co. KG, Munich	EUR	-	-	15.12	15.12	167,334	-60,921	-	2021
Rheinmetall MAN Military Vehicles GmbH, Munich	EUR	-	-	49.00	49.00	61,709	6,441	-	2021
sennder Technologies GmbH, Berlin	EUR	-	-	13.69	13.69	78,007	-9,061	-	2019
Telematics Solutions GmbH, Berlin	EUR	-	-	46.73	46.73	2	0	-	2020
2. International									
Anhui Jianghuai Automobile Group Holdings Ltd., Hefei	CNY	7.3661	-	50.00	50.00	16,387,669	55,767	-	2021
Aspin Kemp & Associates Holding Corp., Montague / PE	CAD	1.4440	-	40.00	40.00	24,554	-3,164	-	2021
BITS DATA i Södertälje AB, Södertälje	SEK	11.0787	-	33.00	33.00	15,012	456	-	2021
Brose Sitech Sp. z o.o., Połkowice	PLN	4.6860	-	50.00	50.00	833,247	-28,621	-	2021
Bugatti Rimac d.o.o., Sveta Nedelja	HRK	7.5364	-	45.00	45.00	-	-	4)	2021
Gotion High-Tech Co., Ltd., Hefei	CNY	7.3661	-	26.47	26.47	19,374,401	76,926	-	2021
GT Gettaxi Ltd., Limassol	USD	1.0677	-	20.72	20.72	-316,645	-115,519	9)	2021
NorthVolt AB, Stockholm	SEK	11.0787	-	22.03	22.03	37,575,447	744,995	-	2021
QuantumScape Corporation, San Jose / CA	USD	1.0677	-	19.69	19.69	1,606,895	-45,977	-	2021
Rimac Group d.o.o., Sveta Nedelja	HRK	7.5364	-	20.63	20.63	918,715	1,125	-	2020
ScaValencia, S.A., Ribarroja del Turia	EUR	-	-	26.00	26.00	13,257	1,513	-	2021
Sinotruk (Hong Kong) Ltd., Hong Kong	CNY	7.3661	-	25.00	25.00	42,768,087	4,709,462	9) 11)	2021
There Holding B.V., Rijswijk	EUR	-	-	29.74	29.74	1,089,600	-107,895	11)	2021
UZ Truck and Bus Motors, LLC, Samarkand	UZS	12,008.2250	-	32.89	32.89	303,075,240	23,148,518	-	2020
B. Associates accounted for at cost									

Name and domicile of company	Currency	Exchange rate (1€ =) Dec. 31, 2022	VW AG 's interest in capital in %			Equity in thousands, local currency	Profit/loss in thousands, local currency	Footnote	Year
			Direct	Indirect	Total				
1. Germany									
&Charge GmbH, Frankfurt am Main	EUR			21.65	21.65	-	-		2021
amplimind GmbH, Hallbergmoos	EUR			49.00	49.00	-	-	4) 6)	2022
bex technologies GmbH, Stuttgart	EUR			32.55	32.55	-	-	7)	2022
CyMotive Technologies GmbH, Wolfsburg	EUR			40.00	40.00	762	191		2021
DCSO Deutsche Cyber-Sicherheitsorganisation GmbH, Berlin	EUR		25.00	-	25.00	6,439	556		2021
Digital Mobility Leasing GmbH, Kassel	EUR			26.00	26.00	14,682	1,170		2021
Digitales Gründerzentrum der Region Ingolstadt GmbH, Ingolstadt	EUR			25.00	25.00	5,899	-599		2021
e.solutions GmbH, Ingolstadt	EUR			49.00	49.00	69,153	31,069		2021
Fahr- und Sicherheitstraining FuS GmbH, in liquidation, Ingolstadt	EUR			27.45	27.45	78	679	2) 5)	2020
Fahrzeugteile Service-Zentrum Mellendorf GmbH, in liquidation, Wedemark	EUR		26.00	23.70	49.70	-1,710	-483	2) 5)	2018
Fanzone Media GmbH, Berlin	EUR			4.99	4.99	618	-150	4)	2020
FC Bayern München AG, Munich	EUR			8.33	8.33	481,000	9,300	3)	2022
FC Ingolstadt 04 Fussball GmbH, Ingolstadt	EUR			19.94	19.94	20,241	-1,857	3)	2022
FDTech GmbH, Chemnitz	EUR			49.00	49.00	1,771	1,053		2021
GVZ Entwicklungsgesellschaft Wolfsburg mbH, Wolfsburg	EUR			30.81	30.81	4,657	141		2021
holotide GmbH, Munich	EUR			24.49	24.49	5,403	-2,257		2021
Hubject GmbH, Berlin	EUR			15.61	15.61	13,887	-438		2021
MOBIKO GmbH, Munich	EUR			39.40	39.40	-	-	7)	2022
Neocx GmbH, Dresden	EUR			50.00	50.00	1,175	152	4)	2021
Neocx Verwaltungsgesellschaft mbH, Grünwald	EUR			50.00	50.00	261	38		2021
New Horizon GmbH, Berlin	EUR			16.64	16.64	10,624	-5,482		2021
P2 eBike GmbH, Stuttgart	EUR			40.00	40.00	-	-	4) 7)	2022
PosernConnect GmbH, Sittensen	EUR			49.00	49.00	751	246		2021
Scantinel Photonics GmbH, Ulm	EUR			47.14	47.14	-	-		2021
The Business Romantic Society Verwaltungs GmbH, Berlin	EUR			5.14	5.14	898	-1,160		2021
Theater der Stadt Wolfsburg GmbH, Wolfsburg	EUR		25.40	-	25.40	124	-	3)	2021
Valtech Mobility GmbH, Munich	EUR			49.00	49.00	30,262	11,744		2021
Verimi GmbH, Berlin	EUR			44.96	44.96	9,640	-16,018		2021
XL2 GmbH, Heilbronn	EUR			49.00	49.00	-441	429		2021
2. International									
24M Technologies, Inc., Cambridge / MA	USD	1.0677		28.20	28.20	160,840	-20,685	9)	2021
CAMS New Energy Technology Co. Ltd., Changchun	CNY	7.3661		30.00	30.00	618,494	-136,068		2021
Climatech Nation Ltd., Tel Aviv	ILS	3.7562		20.00	20.00	-	-	4)	2021
Corebon AB, Arlöv	SEK	11.0787		24.20	24.20	56,569	-58,027		2021
Credi2 GmbH, Vienna	EUR			28.34	28.34	102	-4,231		2021
Cubic Telecom Ltd., Dublin	EUR			22.68	22.68	18,808	-5,935	9)	2021
CyMotive Technologies Ltd., Herzliya	USD	1.0677		40.00	40.00	5,055	2,867		2021
Drive.AI, Inc., in liquidation, Mountain View / CA	USD	1.0677		9.02	9.02	20,039	-34,332	2) 5)	2018
Group14 Technologies, Inc., Wilmington / DE	USD	1.0677		3.52	3.52	-	-	7)	2022
HIF Global LLC, Houston / TX	USD	1.0677		11.65	11.65	-	-	7)	2022
Innokraft AB, Sundsvall	SEK	11.0787		46.00	46.00	4,483	-		2020
J.P. Morgan Mobility Payments Solutions S.A., Strassen	EUR			25.10	25.10	11,469	-8,323		2021
Magnum Power Products, LLC, Franklin / IN	USD	1.0677		30.00	30.00	31,185	-5		2021
Maudlin International Parts and Services of Palm Bay, LLC, Lisle / IL	USD	1.0677		49.00	49.00	139	-329		2021
Mobility Trader Spain S.L., Barcelona	EUR			100.00	100.00	-	-	4)	2020
Newstream Enterprises, LLC, Springfield / MO	USD	1.0677		49.00	49.00	6,769	3,208		2021
Parcelly Limited, London	GBP	0.8868		33.40	33.40	-	-	7)	2022
Roboyo Midco Limited, Stockholm	SEK	11.0787		15.83	15.83	26,292	3,981		2020
SeeReal Technologies S.A., Munsbach	EUR			10.76	10.76	5,080	-2,165		2021
Servicios Especiales de Ventas Automotrices, S.A. de C.V., Mexico City	MXN	20.8879		25.00	25.00	94,310	1,647		2021
Shanghai Juzhong Smart Mobility Co., Ltd., Shanghai	CNY	7.3661		40.00	40.00	12,008	-13,442	15)	2020
SIB Solutions AB, Lund	SEK	11.0787		20.70	20.70	-	-	7)	2022
Smart Material Corp., Sarasota / FL	USD	1.0677		24.90	24.90	936	1		2021
Södertälje Science Park AB, Södertälje	SEK	11.0787		25.00	25.00	2,496	273		2021
Stellar Telecommunications S.A.S., Meudon	EUR			20.00	20.00	-37	-62	4)	2021
TAS Tvornica Automobila Sarajevo d.o.o., in liquidation, Vogosca	BAM	1.9558	50.00	-	50.00	-22,441	-43	2) 5)	2015
TTTech Auto AG, Vienna	EUR			27.07	27.07	64,231	-23,515		2021
V. OTHER EQUITY INVESTMENTS									
1. Germany									
1KOMMA5° GmbH, Hamburg	EUR			6.08	6.08	-	-	7)	2022
Allianz für die Region GmbH, Braunschweig	EUR			8.70	8.70	1,026	61		2021
Artificial Intelligence Network Ingolstadt GmbH, Ingolstadt	EUR			8.33	8.33	95	16		2021
Autosar GbR, München	EUR		11.11	-	11.11	753	753		2021
aware THE PLATFORM GmbH, Berlin	EUR			5.00	5.00	-44	-571		2021
Customcells Holding GmbH, Itzehoe	EUR			13.27	13.27	14,931	1,245		2021
Daato Technologies GmbH, Berlin	EUR			5.55	5.55	-	-	7)	2022
Denizen GmbH, Berlin	EUR			5.00	5.00	-	-	7)	2022
Deutsche Management Akademie Niedersachsen gGmbH, Celle	EUR		5.48	-	5.48	252	-200		2021
Deutsches Forschungszentrum für Künstliche Intelligenz GmbH, Kaiserslautern	EUR			2.50	2.50	1,716	4,655		2020
e.ventures europe V GmbH & Co. KG, Hamburg	EUR			7.91	7.91	76,976	-16,952	14)	2021
e.ventures europe VI GmbH & Co. KG, Hamburg	EUR			3.33	3.33	79,494	-2,927	14)	2021
Earlybird DWES Fund VI GmbH & Co. KG, Munich	EUR			4.84	4.84	123,767	7,560		2021
Earlybird DWES Fund VII GmbH & Co. KG, Munich	EUR			2.14	2.14	79,020	-928		2021
etone Motion Analysis GmbH, Berlin	EUR			2.37	2.37	9,421	-19,160		2021
FFK Fahrzeugservice Förtsch GmbH Kronach, Kronach	EUR			30.00	30.00	1,559	176		2021
GKH - Gemeinschaftskraftwerk Hannover GmbH, Hannover	EUR			15.31	15.31	10,226	-	1)	2021
Grundstücksgesellschaft Schlossplatz 1 mbH & Co. KG, Berlin	EUR			8.16	8.16	983	605		2021
Headline Europe VII GmbH & Co. KG, Berlin	EUR			3.33	3.33	-	-	7)	2022
HWW - Höchstleistungsrechner für Wissenschaft und Wirtschaft GmbH, Stuttgart	EUR			10.00	10.00	1,374	99		2021
Impact Labs GmbH, Hamburg	EUR			7.75	7.75	-	-	7)	2022
Internationale Schule Hannover Region GmbH, Hannover	EUR		10.92	-	10.92	4,631	281	3)	2021
MTC Marine Training Center Hamburg GmbH, Hamburg	EUR			24.83	24.83	428	54		2021
My Inner Health Club GmbH, Berlin	EUR			5.00	5.00	-	-	7)	2022
Niedersächsische Gesellschaft zur Endablagerung von Sonderabfall mbH, Hannover	EUR		10.00	-	10.00	11,337	2,623		2021
NitroBox GmbH, Haqmburg	EUR			7.35	7.35	1,364	-325		2020
onGRID Sports Technology GmbH, Berlin	EUR			8.09	8.09	-	-	4) 7)	2022
Pakt Zukunft Heilbronn-Franken gGmbH, Heilbronn	EUR			20.00	20.00	65	-1		2021
PROSTEP AG, Darmstadt	EUR		9.96	-	9.96	12,865	1,247		2021
Roland Holding GmbH, Munich	EUR			22.83	22.83	3,720	-20		2021
RYDES GmbH, Berlin	EUR			14.79	14.79	-370	-386		2021
SGL Carbon SE, Wiesbaden	EUR		7.41	-	7.41	606,687	196,542	13)	2021
Sharpist GmbH, Berlin	EUR			3.70	3.70	-	-	7)	2022
Verwaltungsgesellschaft Wasseraifingen mbH, Aalen	EUR			50.00	50.00	14,436	17		2021
vialytics GmbH, Stuttgart	EUR			15.69	15.69	-	-	7)	2022
WORKERBASE GmbH, Munich	EUR			4.97	4.97	-	-	7)	2022
2. International									
A.P.A.D. S.a.r.l., Aubière	EUR			18.87	18.87	1,446	285		2021
actnano Inc., Dover / DE	USD	1.0677		3.59	3.59	-	-		2021
Anagot Ltd., Tel Aviv	ILS	3.7562		7.23	7.23	18,189	-24,989		2021
Andalusian Energy LLC, Houston / TX	USD	1.0677		15.00	15.00	-	-		2020

Name and domicile of company	Currency	Exchange rate (1€ =) Dec. 31, 2022	VW AG 's interest in capital in %			Equity in thousands, local currency	Profit/loss in thousands, local currency	Footnote	Year
			Direct	Indirect	Total				
Assocaaf S.p.A., Milan	EUR			0.03	0.03	6,578	154		2021
Bcomp AG, Fribourg	CHF	0.9852		3.71	3.71	-	-	7)	2022
Beijing Achievers Management Consulting Co., Ltd., Beijing	CNY	7.3661		8.40	8.40	-	-	7)	2022
Bumper International Ltd., London	GBP	0.8868		4.79	4.79	1,720	175		2021
Car IQ Inc., Oakland / CA	USD	1.0677		0.20	0.20	-	-	4) 7)	2022
CarPutty Inc., Wilmington / DE	USD	1.0677		10.08	10.08	-	-	7)	2022
China Intelligent and Connected Vehicles (Beijing) Research Institute Co., Ltd.,	CNY	7.3661		4.55	4.55	1,057,687	-141,931		2021
Combient AB, Stockholm	SEK	11.0787		4.65	4.65	44,970	12,625		2021
Connect IQ Labs, Inc., Redwood City / CA	USD	1.0677		4.90	4.90	5,882	-5,315		2021
Consorzio Distribuzione Ricambi Toscana S.C.R.L., Calenzano	EUR			3.22	3.22	351	7		2021
Consorzio Nazionale Imballaggi in Breve Conai, Rome	EUR			-	-	25,272	5,551		2021
Cresta Intelligence Inc., Wilmington / DE	USD	1.0677		0.79	0.79	98,230	-21,041		2021
D.O.C. Ricambi Originali Brescia-Bergamo S.c.r.l., Rovato	EUR			2.92	2.92	229	8		2021
DSP Concepts, Inc., Dover / DE	USD	1.0677		4.17	4.17	32,900	-11,800		2021
e.ventures US V, L.P., San Francisco / CA	USD	1.0677		3.99	3.99	593,081	349,713	14)	2021
Enersize OY, Helsinki	EUR			2.75	2.75	2,459	-2,387		2021
Eve One L.P., George Town	USD	1.0677		4.64	4.64	208,051	-4,894	14)	2020
Fontinalis Capital Partners III, L.P., Detroit / MI	USD	1.0677		9.64	9.64	57,235	22,895	14)	2021
Forge Nano, Inc., Thornton / CO	USD	1.0677		11.28	11.28	17,034	-5,566		2021
Griip Automotive Engineering Ltd., Petach Tikva	ILS	3.7562		4.79	4.79	-	-	7)	2022
Grove Ventures II L.P., Grand Cayman	USD	1.0677		2.50	2.50	67,304	-2,497	14)	2021
Grove Ventures III L.P., Grand Cayman	USD	1.0677		1.63	1.63	-	-	7)	2022
Grove Ventures L.P., Grand Cayman	USD	1.0677		9.09	9.09	247,785	-2,379	14)	2021
H2GS AB, Stockholm	SEK	11.0787		2.02	2.02	73,133	-154,988		2021
Hangzhou Wanxiang Culture Technology Co., Ltd., Hangzhou	CNY	7.3661		3.30	3.30	-	-		2021
Intamsys Technology Co., Ltd., Dongguan	CNY	7.3661		2.77	2.77	27,122	-17,332		2021
KIC InnoEnergy S.E., Eindhoven	EUR			3.45	3.45	202,144	104,069	9)	2021
LAKA Ltd., London	GBP	0.8868		1.19	1.19	-	-	7)	2022
Maghreb Truck Industry S.p.A., Sidi M'Hamed	DZD	146.4838		10.00	10.00	131,822	2,337		2021
Magma Growth Equity I L.P., Grand Cayman	USD	1.0677		11.33	11.33	49,683	-627	14)	2021
Motorbranschens Bärningstjänst i Malmö AB, Malmö	SEK	11.0787		14.67	14.67	10,927	1,177		2020
NOVA S.p.A. Consortile, Villafranca di Verona	EUR			5.16	5.16	1,175	50		2021
Nozomi Networks, Inc., San Francisco / CA	USD	1.0677		0.73	0.73	58,430	-29,400		2021
OneH2, Inc., Hickory / NC	USD	1.0677		5.13	5.13	59,194	1,197		2021
Österreichische Shredder - Altautoentsorgungs- und Entwicklungs GmbH, Lambach	EUR			14.29	14.29	81	3		2021
Österreichische Shredder - Altautoentsorgungs- und Entwicklungs-GmbH & Co KG, Lambach	EUR			14.29	14.29	93	0		2021
PLA.NET S.c.r.l., Rimini	EUR			6.34	6.34	90	2		2021
Playbook Technologies Inc., New York / NY	USD	1.0677		6.04	6.04	734	-5,235		2021
RS Holdings, Inc., Wilmington / DE	USD	1.0677		4.42	4.42	7,377	-2,407		2021
RSE Markets, Inc., Dover / DE	USD	1.0677		4.61	4.61	31,865	-12,517		2021
RunBuggy OMI, Inc., Newark / DE	USD	1.0677		3.14	3.14	-	-	7)	2022
Servizi Ricambi Originali S.c.r.l., Trento	EUR			7.99	7.99	169	6		2021
Shenzhen Haylion Technologies Co. Ltd., Shenzhen	CNY	7.3661		2.00	2.00	86,216	525		2021
Society for Worldwide Interbank Financial Telecommunications SCRL, La Hulpe	EUR			0.01	0.01	616,152	52,234	9) 11)	2021
SOVAC Production S.P.A., Algiers	DZD	146.4838	5.00	-	5.00	21,437,316	16,082,310		2018
StretchMe Sp. z o.o., Kraków	GBP	0.8868		9.00	9.00	-	-	7)	2022
Tactile Mobility Ltd., Haifa	USD	1.0677		11.14	11.14	26,702	-6,034		2021
The Embassies of Good Living AG, Zürich	CHF	0.9852		7.15	7.15	445	-970		2021
TriEye Ltd., Tel Aviv	ILS	3.7562		3.45	3.45	-38,973	-60,150		2021
TuSimple Holdings Inc., San Diego / CA	USD	1.0677		7.41	7.41	1,326,978	732,673		2021
Urgent.ly Inc., Vienna / VA	USD	1.0677		5.49	5.49	-41	-56		2021
Valence Security Inc., Wilmington / DE	USD	1.0677		3.66	3.66	-	-	7)	2022
Via Transportation, Inc., New York / NY	USD	1.0677		0.03	0.03	-	-		2020
Wayke Holding AB, Stockholm	SEK	11.0787		0.25	0.25	45,289	-15,637		2020
Wayray AG, Zürich	USD	1.0677		7.90	7.90	46,032	-13,089		2020
Westly Capital Partners Fund III, L.P., Menlo Park / CA	USD	1.0677		8.39	8.39	263,821	155,555		2021
Westly Capital Partners Fund IV, L.P., Menlo Park / CA	USD	1.0677		3.30	3.30	36,929	-4,473	4)	2021
Xuanlin (Shanghai) Information Technology Co., Ltd., Shanghai	CNY	7.3661		6.00	6.00	-	-		2020
Zededa, Inc., San Jose / CA	USD	1.0677		2.34	2.34	-	-	7)	2022
Zync Inc., San Francisco / CA	USD	1.0677		5.00	5.00	-784	-790		2020

- 1) Profit and loss transfer agreement
- 2) In liquidation
- 3) Different fiscal year
- 4) Short fiscal year
- 5) Currently not trading
- 6) Newly established/ split off company
- 7) Newly acquired company
- 8) Commenced operations in 2022
- 9) Consolidated financial statements
- 10) Figures are contained in the consolidated financial statements of the parent company
- 11) Figures in accordance with IFRSs
- 12) Profit and loss transfer agreement as from 2022
- 13) transformation in accordance with §1 Transformation Act
- 14) Structured entity in accordance with IFRS 10 and IFRS 12
- 15) Liquidation resolution adopted
- 16) Joint Operation in accordance with IFRS 11
- 17) The parent company is shareholder with unlimited liability

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Goals and Strategies

With the Group strategy NEW AUTO – Mobility for generations to come, we are preparing ourselves for the global changes in mobility and thus playing a substantial role in driving Volkswagen's transformation into a software-oriented company.

In the context of the fast-changing environment and the challenges resulting from it, the Group Board of Management adopted the Group strategy NEW AUTO – Mobility for generations to come in May 2021 with the approval of the Supervisory Board. The strategy's focus is the world of mobility in 2030.

As technology advances, the automotive industry is rapidly forging ahead with its transformation toward e-mobility and digitalization. We therefore expect the market for electric vehicles to grow strongly 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.

The shift to connected, intelligent and eventually self-driving vehicles will, however, bring more wide-reaching changes for the automotive industry. Autonomous driving will change the customer's mobility experience forever and lay the ground for new business models. Sources of revenue will gradually shift and will expand beyond the core product of the automobile. Increasing software development capabilities in order to excite customers with constantly improving digital functionality is the prerequisite for this.

In equal measure to technological trends, the global economic and geopolitical environment is also posing increased challenges for the automotive industry. These include, for example, the economic influence of the largest mobility markets, China, the USA and Europe, and their diverging development.

Sustainability will continue to be a recurring theme in the business world and will gain further pertinence, driven by the increasingly noticeable consequences of climate change, a greater consciousness of sustainable lifestyles on the part of the customer and, not least, underlying factors such as the Paris Climate Agreement. As we transition from automotive manufacturer to mobility group, we are resetting our priorities with NEW AUTO and positioning ourselves for the future. We are keeping our aim of being a world-leading provider of sustainable mobility firmly in our sights and making the Group more focused, efficient, innovative, customer-oriented and sustainable, as well as systematically gearing it toward profitable growth.

To this end, we have established 12 Group initiatives across the brand groups. We will use these to develop the competences needed to implement the strategy. The focus is on the main multidisciplinary areas addressed by our technology platforms – mechatronics, software, battery & charging, and mobility solutions – on which the five tech initiatives described below are based. A further seven base initiatives form the foundation for the Volkswagen Group's strategic realignment.

THE 12 GROUP INITIATIVES OF THE NEW AUTO STRATEGY



These are ESG, Decarbonization & Integrity, Business Model 2.0, North America (NAR) Region, China Region, Group Steering Model, People & Transformation and Financing the Transformation.

To make the progress in the relevant Group initiatives of our strategy as transparent as possible for management and employees, the Group Board of Management decided to structure and regularly measure the strategic goals and milestones using the OKR (Objectives and Key Results) method. Accordingly, achievable strategic objectives and envisaged key results are defined for each Group initiative. These are to be realized largely through time-limited projects and work packages, each of which is measured by specific key performance indicators. The degree of achievement is discussed three times a year with the Board of Management. As such, the relevance of the initiatives, and their objectives, milestones, projects and work packages, are regularly reviewed at Group level. Their focus is continuously monitored and adjusted as necessary or integrated into standard operations.

The current Group initiatives covered by the strategy are described below. We report on the main strategic objectives and interim results achieved in the reporting period in the chapters “Internal Management System and Key Performance Indicators”, “Structure and Business Activities” and “Sustainable Value Enhancement”.

MECHATRONICS – BACKBONE AND SCALABLE SYSTEMS PLATFORM

A future-oriented mechatronics platform will form the backbone for innovations, technology and lasting competitiveness at Volkswagen. With the Scalable Systems Platform (SSP), we are creating the next generation of an all-electric, fully digital and highly scalable mechatronics platform based on a standardized software architecture. With this standardized platform, which can be scaled from the smallest vehicles all the way up to the premium segment, the Volkswagen Group aims to rapidly and efficiently provide its customers with innovative functions and technologies in their vehicles, across all brands. By reducing complexity and the number of versions, the SSP will offer maximum synergies and make fast, regular technology updates possible, while lowering investment costs and ensuring the necessary differentiation between the products of the individual brands in the Group’s portfolio.

SOFTWARE – CARIAD: ONE E³ PLATFORM AND AUTONOMOUS DRIVING (AD) STACK

The purpose of the Group's own software and technology company CARIAD is to create the technical basis for data-based business models, new mobility services and automated driving (Level 4), and to leverage cross-brand synergies. Our aim is to increase the proportion of software in the vehicle that is developed in house.

CARIAD is already working with the Porsche and Audi brands to introduce the new E³ 1.2 platform, which optimizes the harmonization of the hardware with the vehicle software from CARIAD. This facilitates the deployment of over-the-air updates and is a key lever for introducing new services even after vehicle production has begun.

In the long term, the standardized E³ software architecture that is already being developed, together with the VW.OS software platform and the Volkswagen Automotive Cloud, will form the basis of a complete digital ecosystem, offering customers a wide range of software-based services throughout the product life-cycle. The aim is for every function that is needed or requested and every service to be customized for the users in the various markets and to be available for download at any time. This will also open up new sources of revenue for us.

Applications at various levels of automated driving (up to Level 4) will be gradually introduced to the new vehicle models in the Group brands.

BATTERY & CHARGING – CELL AND BATTERY STRATEGY

The battery is a key component in an electric vehicle, and an important cost factor. The appeal and market success of e-mobility is determined not only by the price, but also by the vehicle's range and the charging speed. We must become a profit-generating expert across the entire battery life cycle to achieve our objective of transforming into a world-leading provider of sustainable mobility. To this end, the Cell and Battery Strategy tech initiative pools expertise across the Group and is driving the transformation process in cooperation with our strategic partners. The aspects covered include battery management, cell production and recycling. Our aim is to develop battery cell technology into a core competence in the Group, and we are also working with partners to achieve this. At the heart of this strategy is the new unified cell, which can contain different chemistries and will be used in up to 80% of Group models by 2030. The excellent economies of scale this generates will reduce costs by up to 50% and put us in a leading cost position. To cover the high demand for battery cells, Volkswagen plans to build six gigafactories in Europe alone, with a production capacity totaling 240 GWh.

BATTERY & CHARGING – CHARGING AND ENERGY SERVICES

Charging, energy and a sustainable energy supply infrastructure for all-electric vehicles are key prerequisites for accelerating the transition to the battery-electric mobility of the future. It is therefore our intention also to become a comprehensive charging and energy services provider in the future and we are investing heavily in building an open fast-charging network worldwide. By 2025, we and our partners plan to create around 45,000 high-power charging points in Europe, China and the USA. The product portfolio also includes the full range of charging solutions for private customers and companies. In addition to our own wallbox and flexible fast-charging station, the focus is particularly on contract-based charging services and smart green electricity tariffs. Charging processes will then systematically use renewable energy and reduce pressure on power grids. In a next step, Volkswagen intends to develop the electric vehicle as a mobile power bank, thus helping electric vehicles to act as storage units and thus become an active part of the energy system in the future. In this way, Volkswagen wishes to enable its customers to participate in one of the leading smart-charging and energy ecosystems for decarbonized mobility.

MOBILITY SOLUTIONS

In keeping with its mission statement, “Mobility for generations to come”, the Volkswagen Group is developing mobility solutions for the future, taking into account global trends and changes in customer needs. The Group plans to bring together all of its brands’ mobility services on one mobility platform over the coming years. Autonomous driving combined with new mobility solutions is expected to mark Volkswagen’s transformation into a leading provider of sustainable mobility. A vehicle fleet covering all of the many services, from vehicle rental to car subscription and ride pooling, will ensure high availability, usage and profitability. With these solutions, we plan to gain market shares and generate long-term competitive and attractive margins.

ESG, DECARBONIZATION AND INTEGRITY

ESG (Environmental, Social, and Governance) refers to the basic principles of doing business sustainably. The Group’s stakeholders (e.g. investors, employees, customers and non-profit organizations) have high expectations of the Company’s ESG performance, including in areas such as decarbonization and integrity, and also of its conduct as an employer and as part of society. The Group’s ESG performance therefore directly affects its market capitalization, cost of capital and investing activities. We aim for a top position relative to our competitors in sustainability ratings. We are committed to the Paris Climate Agreement and align our own activities with the 1.5-degree target. We aim to achieve net carbon neutrality by 2050. By 2030, we have also set ourselves the target of reducing CO₂ emissions from passenger cars and light commercial vehicles over the total life cycle by 30% compared with 2018. As part of this effort, we are looking for ways to increase the proportion of recyclable materials in our vehicles. We also wish to become the benchmark for ethical corporate conduct. Volkswagen sees itself as an equal opportunities employer. The intention is therefore for at least a fifth of Company management positions to be held by women by 2025, and for at least a quarter to be held by international managers.

BUSINESS MODEL 2.0

The Business Model 2.0 base initiative is developing a Group-wide portfolio of services, the purpose of which is to create a seamless and innovative product experience to connect brands, customers, dealerships, our partners and whole markets. The aim is for the key technologies needed for this to be integrated into a majority of the platform-based vehicles by 2030. Using connected vehicles, the Group’s brands are to be able in future to remain in contact with their customers throughout the entire vehicle life cycle and thus to offer them services and functions for their individual needs. This will allow us to build a competitive, data-driven service portfolio that also maintains our leading position in the automotive market in future.

NORTH AMERICA (NAR) REGION

For the Volkswagen Group, North America, and particularly the USA, is the region with the greatest growth potential, especially where e-mobility is concerned. We intend North America to become our third core region alongside Europe and China by 2030. Our aim there is to achieve a very strong increase in total market share for the Volkswagen Group by then.

We aspire to further expand our presence in the region with strong brands and prepare ourselves for the future with market-specific products.

We also wish to participate to a disproportionately high extent in the growth of the increasingly electrified markets in the USA and Canada. We will therefore substantially expand our range of all-electric models across the Group and develop models specifically for these markets. The proportion of battery-electric vehicles in our sales in the USA and Canada is to increase to 55% by 2030.

In addition, we wish to maximize the potential for synergies in the region and build significantly more expertise, industrial capacity and vertical value chains in the North America region.

CHINA REGION

China is of major strategic significance to the Volkswagen Group as its largest single market, and we expect it to continue growing in the future. All key measures are therefore brought together in this strategic base initiative in order to continue Volkswagen's success story in China. The activities include a comprehensive program of measures with a focus on cost, long-term technological competitiveness, localized development activities that are tailored to the market, and the further consolidation of our existing partnerships.

Our aim is to achieve high market shares in the electric vehicle segment and establish ourselves as a leading provider. For vehicles with combustion engines, our aim is to maintain our share of the market, as these will also make a contribution to profit in future with high unit sales. We are therefore continuing to accelerate our Group-wide localization strategy in China so as to offer our Chinese customers tailor-made products, and we are using not only global platform technologies (hardware and software), but are increasingly employing platform technologies that have been developed locally. In this way, we wish to stand our ground against the constantly growing competition in the new intelligent connected vehicle (ICV) segment.

GROUP STEERING MODEL

To achieve the objectives of the Group strategy and thereby safeguard the Volkswagen Group's long-term success, we are extensively optimizing our Group steering model. It is essential that we establish a consistently high level of mechanisms that facilitate swift decision-making, the development and use of platform technologies and the exploitation of synergies, and that we constantly enhance these. The updated Group Steering Model places the brand groups and technology platforms center stage in order to scale up the latter while maximizing synergies across the entire Group product portfolio. A new strategy and product planning process that has been optimized for efficiency is being developed on the basis of this approach. The package of measures for this initiative hones the definition of roles and responsibilities in the Group and improves transparency in this respect both inside and outside the Company. It also promotes the entrepreneurship of the independent units and brands and at the same time strengthens collaboration across the Group.

PEOPLE & TRANSFORMATION

As it becomes a global tech company, the Volkswagen Group will see the biggest transformation of its workforce in its corporate history. To ensure the Group remains competitive in future, we need to attract top talent and support existing employees by providing extensive training where required. Our aim is to retain staff for the long term. It is therefore fundamental that we address the changing needs of our employees and offer them an outstanding employee experience. To achieve our Group's ambitious objectives, we must also create and promote an environment for productive teams, resulting in a strong, sustainable and socially responsible corporate culture that fosters a sense of belonging and loyalty to the Company. A further focus is on aligning the Company with society and the environment.

FINANCING THE TRANSFORMATION

The transformation being driven by digitalization and electrification will require extensive investment. To meet this need for financing, the Financing the Transformation base initiative aims to leverage even more Group-wide synergies across all functional areas along the value chain, focusing on costs and efficiency. The Group has therefore set itself the objective of lasting improvements to its fixed-cost structure, plant productivity, procurement costs, distribution expenses and working capital management.

STRATEGIC FINANCIAL KEY PERFORMANCE INDICATORS¹

	2015	Target 2025
Operating return on sales ²	6.0%	8 to 9%
Research and development ratio (R&D ratio) in the Automotive Division	7.4%	~6%
Ratio of capex to sales revenue in the Automotive Division	6.9%	~5%
Net cash flow in the Automotive Division	€8,887 million	>€10 billion
Distribution ratio	negative	≥30%
Net liquidity in the Automotive Division	€24,522 million, 11.5%	~10% of consolidated sales revenue
Return on investment (ROI) in the Automotive Division	-0.2%	>15%

1 The design of the strategic financial key performance indicators is currently under revision.

2 2015 before special items.

Internal Management System and Key Performance Indicators

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

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

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

INTERNAL MANAGEMENT PROCESS IN THE VOLKSWAGEN GROUP

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

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

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

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

The coordinated results of the upstream planning processes are used as the basis for the medium-term financial planning: the Group's financial planning, including the brands and business fields, comprises the income statement, cash flow and balance sheet planning, profitability and liquidity, as well as the upfront investments needed for alternative products and the implementation of strategic options in the future. The first year of the medium-term planning period is fixed and a budget drawn up for the individual months. This is planned in detail down to the level of the operating cost centers.

The budget is reviewed each month to establish the target achievement level. Key internal management instruments comprise target/actual comparisons, prior-year comparisons, variance analyses and, where necessary, action plans to ensure targets are met. For the current fiscal year, detailed revolving monthly forecasts are prepared for the coming three months and the full year, taking into account the current risks and opportunities. The focus of intrayear internal management is therefore on adapting ongoing activities. The current forecast serves as a corrective to the medium-term and budget planning that follows on from it.

CORE PERFORMANCE INDICATORS IN THE VOLKSWAGEN GROUP

Based on our management process, the Volkswagen Group has defined nine core performance indicators:

- > Deliveries to customers
- > Sales revenue
- > Operating result
- > Operating return on sales
- > Research and development ratio (R&D ratio) in the Automotive Division
- > Ratio of capex to sales revenue in the Automotive Division
- > Net cash flow in the Automotive Division
- > Net liquidity in the Automotive Division
- > Return on investment (ROI) in the Automotive Division

Deliveries to customers are defined as handovers of new vehicles to the end customer. This figure shows the popularity of our products and is the measure we use to determine our competitive position in the various markets. Deliveries are closely related to our goal of transforming the Volkswagen Group into a world-leading, software-oriented mobility provider. One of the most important prerequisites for the Company's long-term success is a strong brand portfolio that – on the basis of outstanding quality – offers tailor-made mobility solutions with safe, connected, resource-efficient and thus largely emission-free vehicles that meet the diverse needs of customers. Demand for our products and mobility services guarantees not only unit sales and production, but also full utilization of our sites and the jobs of our employees. The goals we are striving for cannot be achieved without a skilled, flexible and dedicated workforce and a consensus on shared values.

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

The research and development ratio (R&D ratio) in the Automotive Division shows total research and development costs in relation to sales revenue. Research and development costs comprise a range of expenses, from futurology through to the development of marketable products. Particular emphasis is placed on the environmentally friendly orientation and digitalization of our product portfolio, the expansion of our battery expertise, the development of software and new platforms and the creation of new technologies. The R&D ratio reflects our activities undertaken to safeguard the Company's future viability.

The ratio of capex (investments in property, plant and equipment, investment property and intangible assets, excluding capitalized development costs) to sales revenue in the Automotive Division reflects both our innovative power and our future competitiveness. It shows our capital expenditure – largely for modernizing, expanding, electrifying and digitalizing our product range and for environmentally friendly drivetrains, as well as for adjusting production capacities and improving production processes – in relation to the Automotive Division's sales revenue.

Net cash flow in the Automotive Division represents the excess funds from operating activities available for dividend payments, for example. It is calculated as cash flows from operating activities less cash flows from investing activities attributable to operating activities. Net liquidity in the Automotive Division is the total of cash, cash equivalents, securities, time deposits and loans not financed by third-party borrowings. To safeguard our business activities, we have formulated the strategic target that net liquidity in the Automotive Division should amount to approximately 10% of the consolidated sales revenue.

We use the return on investment (ROI) to calculate the return on invested capital for a particular period in the Automotive Division, including the equity-accounted Chinese joint ventures on a proportionate basis, by calculating the ratio of the operating result after tax to average invested capital. If the return on investment (ROI) exceeds the market cost of capital, the value of the Company has increased. This is how we measure the financial success of our brands, locations and vehicle projects.

To achieve our strategic goals, we are pursuing the Financing the Transformation base initiative. In fiscal year 2022, we further stepped up our activities and concentrated on optimizing working capital management.

Structure and Business Activities

This chapter describes the legal and organizational structure of the Volkswagen Group and explains the material changes in 2022 with respect to equity investments.

OUTLINE OF THE LEGAL STRUCTURE OF THE GROUP

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

Volkswagen AG is a vertically integrated energy supply company as defined by section 3 no. 38 of the *Energiewirtschaftsgesetz* (EnWG – German Energy Industry Act) and is therefore subject to the provisions of the EnWG. In the electricity sector, Volkswagen AG generates, sells and distributes electricity as a group together with its subsidiaries.

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

ORGANIZATIONAL STRUCTURE OF THE GROUP

The Volkswagen Group is one of the leading multibrand groups in the automotive industry. The Company's business activities comprise the Automotive and Financial Services divisions. Our core brands within the Automotive Division – with the exception of the Volkswagen Passenger Cars and Volkswagen Commercial Vehicles brands – are independent legal entities.

The Automotive Division comprises the Passenger Cars, Commercial Vehicles and Power Engineering business areas.

The Passenger Cars Business Area primarily consolidates the Volkswagen Group's passenger car brands and the Volkswagen Commercial Vehicles brand. Activities focus on the development of vehicles, engines and vehicle software, the production and sale of passenger cars and light commercial vehicles, and the genuine parts business. The product portfolio ranges from compact cars to luxury vehicles and also includes motorcycles, and is supplemented by mobility solutions.

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

The Power Engineering Business Area combines the large-bore diesel engines, turbomachinery and propulsion components businesses.

The Financial Services Division's activities comprise dealer and customer financing, vehicle leasing, direct banking and insurance activities, fleet management and mobility services.

With its brands, the Volkswagen Group is present in all relevant markets around the world. The key sales markets currently include Western Europe, China, the USA, Brazil, Poland, Mexico, Türkiye and Czech Republic.

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

Accordingly, responsibilities were divided among eleven board-level management functions starting from January 1, 2022. In addition to the "Chair of the Board of Management", a function which also includes the "Volume" brand group, the other Board functions were "Purchasing", "Technology", "Finance", "Human Resources and Truck & Bus", "Integrity and Legal Affairs", "Premium", "Sport & Luxury", "IT", "China" and "Volkswagen Passenger Cars". A new "Group Sales" function was created with effect from February 1, 2022.

As of September 1, 2022, the Volkswagen Group refined its Group management. The Board of Management was streamlined and the division of responsibilities was reorganized. As a result, the "Purchasing" and "Group Sales" Board functions were dissolved. Furthermore, the "Volkswagen Passenger Cars" function was renamed "Volume". Since then, responsibilities have been divided among ten board-level management functions. In addition to the "Chair of the Board of Management", the other Board functions are "Technology", "Finance", "Human Resources and Truck & Bus", "Integrity and Legal Affairs", "Volume", "Premium", "Sport & Luxury", "IT" and "China". The Chair of the Board of Management is also responsible for "Sport & Luxury".

Directly attached to the Board are a number of Group Management functions that act as an extension to the board-level management functions. These comprise "Group Sales", "Group Production", "Procurement" and "Technical Architecture" functions.

The allocation of responsibilities on the Board of Management is based on the schedule of responsibilities decided by the Supervisory Board, which takes into account the changes in management during the reporting period. The way this is structured helps the Board of Management to focus on key tasks such as strategy, central decisions on the Company's direction, capital allocation and financial requirements. The task of the extended board-level management functions is to leverage synergies in the Group and to connect the brands and divisions.

In addition, at Group level, Board of Management committees address key strategic issues relating to products, technologies, investments, digital transformation, integrity and compliance, risk management, human resources and management issues. We are continually revising and optimizing the committees in order to verify that they still align with our corporate strategy and to further increase the efficiency of their decision making. This reduces complexity and reinforces governance within the Group.

The matrix of brand groups and technology platforms created under the Group Steering Model base initiative from the NEW AUTO Group strategy was enhanced in both dimensions during the reporting period. This involved both strengthening the brand groups and creating new units for key technology areas of the future within our strategic technology platforms. The Group steering model will be further refined in future on this basis.

The Volume brand group comprises the Volkswagen Passenger Cars, ŠKODA, SEAT/CUPRA and Volkswagen Commercial Vehicles brands. The Premium brand group comprises the Audi, Lamborghini, Bentley and Ducati brands. The Sport & Luxury brand group consists of the Porsche brand. The company responsible for this brand, Dr. Ing. h.c. F. Porsche AG, has been listed on the stock market since the end of September 2022. In the Truck & Bus brand group, TRATON SE acts as the umbrella for the Scania, MAN, Volkswagen Truck & Bus and Navistar commercial vehicles brands. TRATON SE is also a listed company.

As well as strengthening the brand groups, the reorganization and creation of new units enabled substantial progress with the Software, Battery & Charging and Mobility Solutions technology platforms in the reporting period. The software subsidiary CARIAD was further expanded, getting a subsidiary of its own in China, among other things.

In addition to this, Volkswagen founded PowerCo SE in the reporting period as part of the Battery & Charging technology platform. This company will be responsible for the Group's global battery business. In addition to producing battery cells, it will also take on other activities along the battery value chain in future.

In the Mobility Solutions technology platform, Volkswagen strengthened the Group's expertise in advanced fleet management through the equity investment in the Europcar Mobility Group in the reporting period. The aim is to be able to achieve even better coverage of all customers' mobility needs based on a new mobility platform.

We are convinced that our corporate structure, which efficiently connects not only the brand groups but also the technology platforms, will enable us to make better use of existing expertise and economies of scale, leverage synergies more systematically and accelerate decision making. Clear responsibilities and a high degree of business responsibility in the brand groups and technology platforms will enable comprehensive implementation of the Group's NEW AUTO strategy.

Each brand within the Volkswagen Group is managed by a brand board of management, which is responsible for the brand's independent and self-contained development and business operations. To the extent permitted by law, the board adheres to the Group targets and requirements laid down by the Board of Management of Volkswagen AG, as well as with the agreements in the brand groups. This allows Group-wide interests to be pursued, while at the same time safeguarding and reinforcing each brand's specific characteristics. Matters that are of importance to the Group as a whole are submitted to the Volkswagen AG Board of Management to be agreed upon, to the extent permitted by law. The rights and obligations of the statutory bodies of the relevant brand company thereby remain unaffected.

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

MATERIAL CHANGES IN EQUITY INVESTMENTS

In 2021, together with investment firm Attestor Limited and Pon Holdings B.V., Volkswagen made a joint public takeover offer for the shares of Europcar Mobility Group S.A., Paris/France through the consortium company Green Mobility Holding S.A. (GMH) based in Strassen/Luxembourg. The European Commission issued final antitrust approval at the end of May 2022. During the extended offer period, the French Financial Markets Authority gave Europcar shareholders the opportunity to tender their shares to the consortium company. In total, 93.6% of Europcar's shareholders accepted the offer. The consortium jointly assumed control of Europcar in mid-June 2022. Because the acceptance rate was over 90%, a squeeze-out was initiated for the remaining Europcar shares in July 2022, and the company was delisted. Since July 13, 2022, the consortium company has held 100% of the shares in Europcar. The purchase price was 51 cents per Europcar share. In addition, Volkswagen is the writer of put options held by the other members of the consortium, and the other members have granted Volkswagen call options on their shares in the consortium company. The options with Attestor were extended on a long-term basis in December 2022.

Since joint control has been contractually agreed, the company, in which Volkswagen holds 66% of the shares, will be accounted for using the equity method in the Volkswagen consolidated financial statements.

Following the fulfillment of all closing conditions, Brose Fahrzeugteile SE & Co. Kommanditgesellschaft (Brose) and Volkswagen Finance Luxemburg S.A., a subsidiary of Volkswagen AG, created a jointly operated company in early 2022 for the development and manufacture of complete seat units, seat structures and components, and solutions for vehicle interiors. As part of this arrangement, Brose acquired half of the shares in the previous Volkswagen Group company SITECH Sp. z o.o., Polkowice/Poland. Brose and Volkswagen each hold 50% of the jointly operated company – Brose Sitech Sp. z o.o. – with Brose taking the industrial lead and controlling the company.

Since late September 2022, non-voting preferred shares of Dr. Ing. h.c. F. Porsche AG (Porsche AG) have been traded in the Regulated Market of the Frankfurt Stock Exchange. The no-par value bearer shares came from the portfolio of Porsche Holding Stuttgart GmbH, Stuttgart – a wholly owned subsidiary of Volkswagen AG. Following the early termination of the stabilization period, the total number of preferred shares issued in the IPO equated to 24.2% and comprised 110,080,801 preferred shares. The control and profit and loss transfer agreement between Volkswagen AG and Porsche AG ended in accordance with section 307 of the *Aktiengesetz* (AktG – German Stock Corporation Act) on December 31, 2022.

In connection with the IPO, Volkswagen additionally sold an interest of 25% of Porsche's ordinary shares plus one ordinary share to Porsche Automobil Holding SE, Stuttgart. As of the reporting date, Volkswagen held 75.4 % of the total capital.

i VOLKSWAGEN AG SHAREHOLDINGS
www.volkswagenag.com/en/InvestorRelations.html

LEGAL FACTORS INFLUENCING BUSINESS

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

GROUP CORPORATE GOVERNANCE DECLARATION

The Group Corporate Governance Declaration can be found in this annual report and is permanently available on our website at www.volkswagenag.com/en/InvestorRelations/corporate-governance/declaration-of-conformity.html.

i GROUP CORPORATE GOVERNANCE DECLARATION
www.volkswagenag.com/en/InvestorRelations/corporate-governance/declaration-of-conformity.html

Disclosures Required under Takeover Law

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

CAPITAL STRUCTURE

Volkswagen AG's share capital amounted to €1,283,315,873.28 (€1,283,315,873.28) on December 31, 2022. It was composed of 295,089,818 ordinary shares and 206,205,445 preferred shares. Each share conveys a notional interest of €2.56 in the share capital.

SHAREHOLDER RIGHTS AND OBLIGATIONS

The shares convey pecuniary and administrative rights. The pecuniary rights include in particular the shareholders' right to participate in profits (section 58(4) of the *Aktiengesetz* (AktG – German Stock Corporation Act)), the right to participate in liquidation proceeds (section 271 of the AktG) and preemptive rights to shares in the event of capital increases (section 186 of the AktG), which can be disapplied by the Annual General Meeting with the approval of the Special Meeting of Preferred Shareholders, where appropriate. Administrative rights include the right to attend the Annual General Meeting, to speak there, to ask questions, to propose motions and to exercise voting rights. When virtual Annual General Meetings were held to avoid risks during the Covid-19 pandemic, these rights were partially restricted. Shareholders can enforce their pecuniary and administrative rights in particular through actions seeking disclosure and actions for avoidance.

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

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

The *Gesetz über die Überführung der Anteilsrechte an der Volkswagenwerk Gesellschaft mit beschränkter Haftung in private Hand* (VW-Gesetz – Act on the Privatization of Shares of Volkswagenwerk Gesellschaft

mit beschränkter Haftung) of July 21, 1960, as amended on July 30, 2009, includes various provisions in derogation of the German Stock Corporation Act, for example on the exercising of voting rights by proxy (section 3 of the VW-Gesetz) and on majority voting requirements at the Annual General Meeting (section 4(3) of the VW-Gesetz).

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

SHAREHOLDINGS EXCEEDING 10% OF VOTING RIGHTS

Shareholdings in Volkswagen AG that exceed 10% of voting rights are shown in the notes to the annual financial statements of Volkswagen AG, which are available online at <https://www.volkswagenag.com/en/InvestorRelations.html>. The current notifications regarding changes in voting rights in accordance with the *Wertpapierhandelsgesetz* (WpHG – German Securities Trading Act) are also published on this website.

COMPOSITION OF THE SUPERVISORY BOARD

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

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

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

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

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

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

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

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

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

At the Annual General Meeting on May 14, 2019, a resolution was passed authorizing the Board of Management, with the consent of the Supervisory Board, to increase the Company's share capital by a total of up to €179.2 million (corresponding to 70 million shares) on one or more occasions up to May 13, 2024 by issuing new nonvoting preferred shares against cash contributions.

Further details of the authorization to issue new shares and their permitted uses may be found in the notes to the consolidated financial statements.

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

At the end of fiscal year 2019, a banking syndicate granted Volkswagen AG a syndicated line of credit amounting to €10.0 billion, which currently runs until December 2026. With the line of credit, the syndicate members were granted the right to call their portion of the syndicated line of credit in the two forms of a Change of Control described below. A call right exists if one individual or several individuals acting jointly who as of the date of this agreement exercise control over the Company have legal or economic ownership of shares that together make up more than 90% of the voting rights of the Company. However, a call right also exists if one individual or several individuals acting jointly who as of the date of this agreement do not exercise control over the Company obtain control over the Company. Such a call right does not exist, however, if one shareholder or several shareholders of Porsche Automobil Holding SE or one or several legal entities from the Porsche or Piëch family directly or indirectly obtain control over the Company.

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

Business Development

The world economy recorded positive growth in fiscal year 2022. Global demand for vehicles was on a level with the previous year. In a market that continued to be challenging, the Volkswagen Group delivered 8.3 million vehicles to customers.

DEVELOPMENTS IN THE GLOBAL ECONOMY

In the reporting period, the Russia-Ukraine conflict led to a humanitarian crisis and global market upheaval. Prices rose substantially, particularly on the energy and commodity markets. Parts supply shortages also intensified in this context. The Russia-Ukraine conflict led to increased uncertainty in respect of developments in the global economy and prompted large sections of the community of Western states to impose sanctions on Russia, ranging from extensive trade embargoes to the partial exclusion of Russia from the global financial system. Russia itself, in its role as an energy exporter, restricted gas deliveries to Europe. The resulting increase in energy prices and intensified supply shortages had a sustained impact on inflation in Europe particularly.

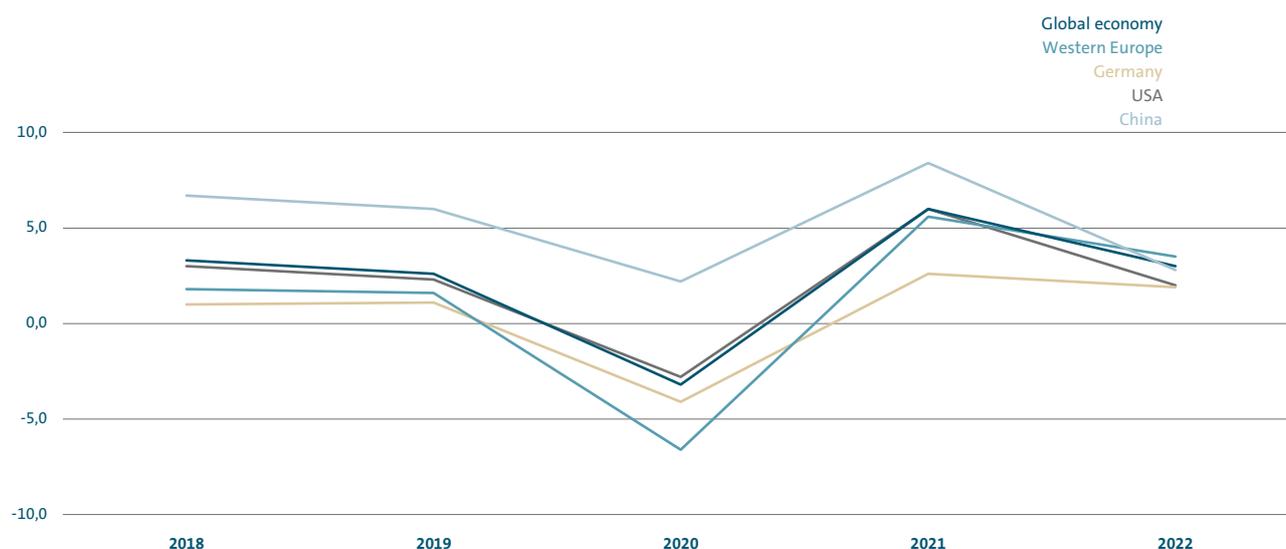
During 2022, the restrictive measures put in place to protect the population from the SARS-CoV-2 virus were lifted to a large extent in many countries. The progress made in administering vaccines to the public had a positive effect, while the emergence of the new Omicron variant and its subvariants led to a renewed sharp rise in infections on a national scale, mostly causing milder symptoms but increased rates of sick leave. In China particularly, local outbreaks of infection in the course of 2022 led to tight restrictions under the zero-Covid strategy being pursued there, resulting in economic constraints and disruption to international supply chains. The departure from this strategy led to a rapid increase in infection rates in China at the end of the year.

Following the slump in global economic output in 2020 and the incipient recovery due to baseline and catch-up effects in 2021, the global economy recorded positive overall growth of +3.0 (+6.0)% in 2022. Both the advanced economies and the emerging markets continued to recover on average, albeit with diminishing momentum and slower growth overall than in the prior year.

At national level, developments depended on the one hand on the scale of the negative impact of the Covid-19 pandemic and the intensity with which measures were taken to contain it, and on the other the extent to which national economies were affected by the consequences of the Russia-Ukraine conflict. In response to the further rise of inflation rates around the world, many countries shifted to a more restrictive monetary policy, which led central banks to increase their key interest rates and reduce bond purchases during the reporting period. The gloomier economic outlook resulted in large losses on major stock markets. On average, prices for energy and other commodities rose significantly in some cases year-on-year and shortages of certain intermediates and commodities remained high. Global trade in goods increased in 2022.

ECONOMIC GROWTH

Percentage change in GDP



Europe/Other Markets

The economy in Western Europe recorded positive overall growth of +3.6 (+5.6)% in 2022. The reasons for this included increased economic resilience in the face of high infection rates in many countries, and the associated easing of the measures taken to contain the pandemic. However, significantly rising inflation rates, among other things, resulted in a slowdown in economic momentum. This trend was seen in almost all countries in Northern and Southern Europe.

At +0.7 (+6.4)%, the economies in Central and Eastern Europe recorded low real growth in absolute gross domestic product (GDP) overall in the reporting period. While economic output in Central Europe saw positive, albeit somewhat less dynamic growth of +4.4 (+7.8)%, GDP in the Eastern Europe region fell significantly compared with the prior year as a consequence of the Russia-Ukraine conflict, with a negative growth rate of -3.8 (+4.7)%. The sanctions imposed against Russia had a substantial impact in this region from March 2022 onwards, causing Russian economic output to contract from the second quarter. Russia saw a negative average growth rate for the year of -2.8 (+4.7)%. Inflation rates rose, in some cases sharply, across the entire Central and Eastern Europe region.

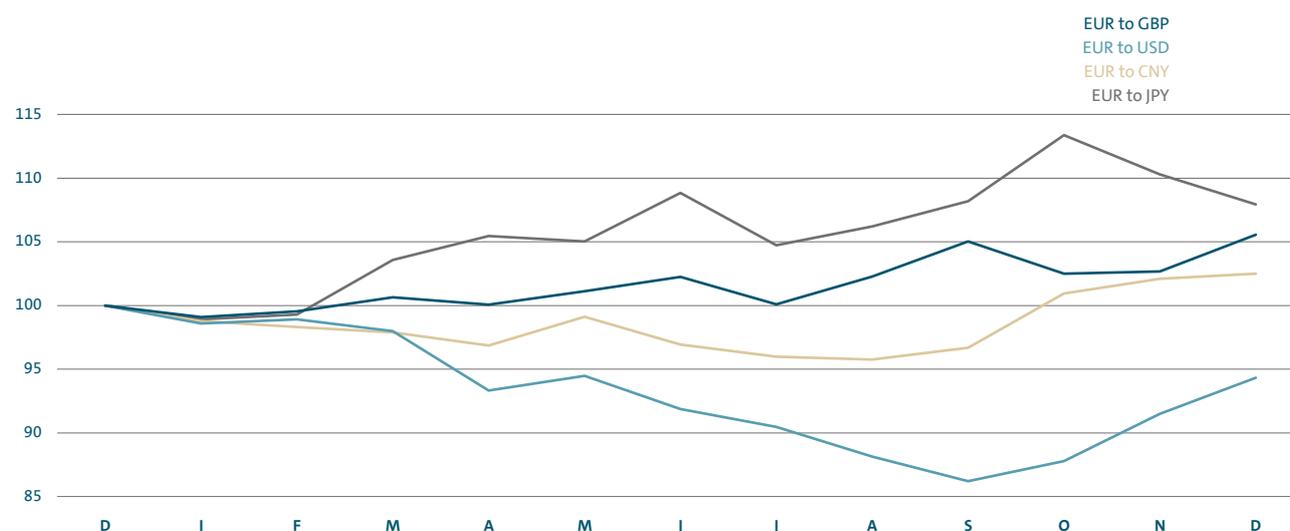
In Türkiye, economic output for the year 2022 as a whole rose by +5.1 (+11.6)% amid very high inflation and a fall in the value of the local currency. South Africa saw slight GDP growth of +2.2 (+4.9)% in the reporting period, amid persistent structural deficits and political challenges.

Germany

Germany's economic output recorded a positive growth rate of +1.9 (+2.6)% in the 2022 reporting year, with declining momentum. The situation on the labor market improved compared with the previous year, with the unemployment rate and notices of *Kurzarbeit* (short-time working) for economic reasons falling on average. At the same time, monthly inflation rates reached the highest level in the history of the Federal Republic of Germany, while at the same time historic lows were registered in consumer confidence.

EXCHANGE RATE MOVEMENTS FROM DECEMBER 2021 TO DECEMBER 2022

Index based on month-end prices: as of December 31, 2021 = 100



North America

US economic output grew by +2.1 (+5.9)% in the reporting period. Given rising inflation and the tight labor market, the US Federal Reserve consistently maintained its restrictive monetary policy and raised its key interest rate seven times over the course of the reporting year. Unemployment declined further in 2022 from the high level seen in the prior year. GDP rose by +3.6 (+5.0)% in neighboring Canada and by +3.1 (+4.9)% in Mexico.

South America

Brazil's economy posted GDP growth of +2.9 (+5.3)% in 2022. Argentina registered a positive economic performance with year-on-year growth of +4.6 (+10.4)% amid very high inflation and continued depreciation of the local currency.

Asia-Pacific

At the beginning of the Covid-19 pandemic, China was exposed to the negative effects at an earlier stage than other economies and, due to the strict zero-Covid strategy pursued there, benefited from a relatively low number of new infections as the pandemic progressed. This strategy resulted in temporary local lockdowns in the reporting period in connection with the spread of the Omicron variant. The departure from this strategy led to a rapid increase in infection rates in China at the end of the year. The Chinese economy grew by only +3.0 (+8.5)% overall. India registered strong growth of +7.0 (+8.7)%. Japan recorded positive growth of +1.0 (+2.2)% year-on-year.

TRENDS IN THE MARKETS FOR PASSENGER CARS AND LIGHT COMMERCIAL VEHICLES

In fiscal year 2022, the volume of the passenger car market worldwide remained on a level with the prior year at 69.6 million vehicles. Gains and losses in individual markets were very uneven, since shortages and disruption in global supply chains, the effects of the Russia-Ukraine conflict and the further consequences of the Covid-19 pandemic varied around the world in terms of the strength of their impact. Shortages of semiconductors and other intermediates, which already occurred in the second half of 2021, and the resulting supply bottlenecks, could also not be fully resolved in 2022.

Slight or noticeable growth was recorded in the overall markets of the Asia-Pacific and Middle East regions respectively, while South America and Africa were on a level with the previous year. Sales fell in the

remaining regions: while market volume was slightly down in Western Europe and noticeably down in North America, Central and Eastern Europe recorded a very strong decline.

In the reporting period, the global volume of new registrations for light commercial vehicles was slightly (-3.0%) lower than in the previous year.

Sector-specific environment

Along with fiscal policy measures, factors substantially affecting the sector-specific environment were shortages and disruption in global supply chains, the Covid-19 pandemic and the impacts of the Russia-Ukraine conflict. This contributed considerably to the mixed trends in unit sales in the markets in 2022. As a result of the Russia-Ukraine conflict, sanctions were imposed that restricted the production and sale of vehicles, particularly in Russia. The fiscal policy measures included tax cuts or increases, incentive programs and sales incentives, as well as import duties. In addition, non-tariff trade barriers to protect the respective domestic automotive industries made the movement of vehicles, parts and components more difficult.

Europe/Other Markets

In Western Europe, the number of new passenger car registrations in the reporting period was slightly down on the previous year's weak level, declining by 4.3% to 10.2 million vehicles. While the first half of the reporting year fell significantly short of the comparison period, the number of new registrations in the subsequent months were up again on the – in some cases substantially weaker – prior-year figures. The performance of the large individual passenger car markets was negative in fiscal year 2022: France (-7.7%), the United Kingdom (-2.0%), Italy (-9.8%) and Spain (-7.1%) did not achieve their respective prior-year levels.

The volume of new registrations for light commercial vehicles in Western Europe was sharply lower than in the previous year, falling by -20.7%.

After the slight recovery in the prior year, the volume of the passenger car market in the Central and Eastern Europe region fell very sharply in the 2022 fiscal year and was down by 37.2% at 1.8 million vehicles. The number of sales was also on an overall downtrend in the individual markets. The Russian passenger car market in particular saw substantial losses and more than halved in the period under review (-60.9%). In Central Europe, the decline in new registrations was smaller at -6.0% in Poland and -7.1% in the Czech Republic.

The market volume of light commercial vehicles in Central and Eastern Europe was sharply below the prior-year level (-28.6%). In Russia, the number of vehicles sold in the reporting period fell by 45.2% compared with the previous year.

The volume of the passenger car market in Türkiye in the reporting period was slightly up on the weak prior-year level. In South Africa, the growth trend in passenger car sales that began in 2021 continued strongly with a rise of 20.4%.

The volume of new registrations of light commercial vehicles in Türkiye in the reporting period was on a level (+0.5%) with 2021, while South Africa recorded slight growth (+3.6%).

Germany

At 2.7 million, the total number of new passenger car registrations in Germany in the 2022 fiscal year was similar to the weak prior-year level (+1.1%). Shortages and disruption in global supply chains continued to restrict vehicle availability. With delays in semiconductor deliveries persisting, and the associated measures such as cutbacks in production and production shutdowns therefore continuing too, domestic production and exports remained at a low level in the reporting period: passenger car production increased by 10.8% to 3.4 million vehicles and passenger car exports grew by 10.1% to 2.6 million units.

The number of sales of light commercial vehicles in Germany in the reporting period was sharply down on the 2021 figure (-21.1%).

North America

At 16.4 million vehicles, sales of passenger cars and light commercial vehicles (up to 6.35 tonnes) in the North America region in fiscal year 2022 were noticeably lower compared with the prior-year (-7.3%). At 13.9 million units, the market volume in the USA declined by more than the average for this region (-8.0%). The Canadian automotive market registered a noticeable fall in sales figures to 1.5 million units (-9.7%) in the reporting period, while new registrations of passenger cars and light commercial vehicles in Mexico saw a noticeable rise of 7.0% compared with the prior year to 1.1 million vehicles.

South America

In the South America region, the volume of new passenger car and light commercial vehicle registrations in the reporting period was on a level with the prior year at 3.6 million units (+1.8%). This continued the positive growth trend that began in the previous year, albeit at a slower pace. In Brazil, the number of new registrations was also on the same level as the previous year at 2.0 million units (-0.8%). Total exports of vehicles manufactured in Brazil increased by 28.9% to 450 thousand passenger cars and light commercial vehicles. In the Argentinian market, demand for passenger cars and light commercial vehicles in the 2022 reporting period rose noticeably by 7.0% to 380 thousand units.

Asia-Pacific

In the Asia-Pacific region, the volume of the passenger car market in fiscal year 2022 was slightly higher than the previous year's figure at 33.8 million units (+3.6%). The absolute rise in demand for passenger cars in the region was again primarily attributable to the positive trend in the Chinese passenger car market. Here, the recovery seen in 2021 continued but was affected by the semiconductor shortage and local lockdowns in connection with the spread of the Omicron variant of the SARS-CoV-2 virus. Overall, the volume of demand in China totaled 21.0 million units (+1.6%), putting it on a level with the previous year. In India, passenger car sales again rose strongly by 23.2% compared with the prior year to 3.6 million units. New registrations in the Japanese passenger car market in the reporting period were noticeably down on the already weak prior-year level at 3.5 million units (-6.9%).

The volume of demand for light commercial vehicles in the Asia-Pacific region in 2022 was slightly above the previous year's level (+2.1%). Registration volumes in China, the region's dominant market and the largest market worldwide, were slightly lower, falling 3.1% short of the prior-year figure. The number of new vehicle registrations in India was strongly up on the prior-year level; in Japan this figure was slightly lower than in the previous year.

TRENDS IN THE MARKETS FOR COMMERCIAL VEHICLES

Since July 1, 2021, Navistar has been a TRATON GROUP brand, making it part of the Volkswagen Group's Commercial Vehicles Business Area. This has expanded the relevant markets in the commercial vehicles business to include North America (consisting of USA, Canada and Mexico).

In the markets that are relevant for the Volkswagen Group, global demand for mid-sized and heavy trucks with a gross weight of more than six tonnes experienced noticeable growth in fiscal year 2022 versus the comparison period (+5.5%). Global truck markets declined sharply. This was due to upheaval on the Chinese market, which slumped dramatically on the back of purchases brought forward to 2021 prior to the introduction of the new emission level and due to the zero-Covid strategy pursued there.

In the 27 EU states excluding Malta, but including the United Kingdom, Norway and Switzerland (EU27+3), the number of new truck registrations was noticeably up on the prior-year level, increasing by 5.1% to a total of 337 thousand vehicles. Growth could be observed in many truck markets in the region, albeit to differing degrees. The substantial market recovery seen in 2021 slowed during the reporting period to a noticeable level of growth. New registrations in Germany, the largest market in this region, were on a level with the previous year (-1.7%). The United Kingdom recorded a noticeable increase of 9.8%, while demand in France was on a level with the previous year (-0.3%). The Russian market declined sharply as a result of the Russia-Ukraine conflict. Türkiye, by contrast, recorded a strong rise in new registrations of

24.7%. In the South African market, demand rose significantly (+12.3%). The truck market in North America is divided into weight classes 1 to 8. In the segments relevant for Volkswagen – Class 6 to 8 (8.85 tonnes or heavier) – new registrations were significantly higher (+13.6%) than the previous year's figure. In Brazil, the largest market in the South America region, demand for trucks in the reporting period was slightly lower year-on-year (-2.5%).

Demand in the bus markets relevant for the Volkswagen Group was on a level with the previous year (+0.3%). Demand for buses in the EU27+3 markets in the reporting period was slightly down overall on the level of the previous year (-3.8%), with the picture varying from country to country. The school bus segment in the USA and Canada recorded a noticeable decline (-6.8%) compared with the prior year. Demand for buses in Mexico also declined noticeably year-on-year (-7.4%). In Brazil, by contrast, demand for buses increased and was strongly up on the previous year's level (+23.4%).

TRENDS IN THE MARKETS FOR POWER ENGINEERING

The markets for power engineering are subject to differing regional and economic factors. Consequently, their business growth trends are mostly independent of each other.

The marine market remained below the prior-year level in 2022. This is especially attributable to the fact that the demand in merchant shipping declined. In this sub-market, there was a decline particularly in the segment for container ships, tankers and bulk cargo carriers compared with the previous year's high level. The segment for gas tankers, in contrast, recorded a stable trend. Slightly positive development was evident in the sub-market for cruise ships and passenger ferries. Here, the easing of Covid-19-related restrictions enabled business activity to grow again. The special market for government vessels, which is supported by state investment, was active due to the current geopolitical situation. In the offshore sector, the existing overcapacity continued to curb investment in offshore oil production despite the sharp rise in oil and gas prices. In contrast, demand for offshore special ships for wind turbines developed positively. The uncertainty regarding future fuel and emissions regulations persisted once again in the overall market in 2022.

The market for power generation improved in 2022 compared with the previous year. Overall, a significant market recovery was evident despite inflation and challenges in supply chains. The trend away from oil-fired power plants towards dual-fuel and gas-fired power plants continued, underpinned by the resolution at the UN Climate Change Conference (COP26) and the resulting difficulties in financing oil-fired power plants. However, the Russia-Ukraine conflict also had a noticeable impact in the form of increasing gas and commodity prices, as well as a delayed availability of core components. There was still strong demand for new energy solutions such as hydrogen and long-term energy storage, with an ongoing clear trend towards greater flexibility and decentralized availability.

The market for turbomachinery improved again year-on-year. Prices for raw materials remained at a very high level, resulting in an increased demand for production facilities with turbo compressors, in both the raw materials and processing industry as well as the oil and gas business. The market of the new business fields for turbomachinery used in the area of decarbonization improved further compared with the prior year and was driven by persistently high but volatile prices for carbon dioxide certificates in European trading and by favorable changes in US tax law. However, demand for steam turbines for power generation improved only marginally, while demand for gas turbines declined slightly over the course of 2022.

The after-sales markets for engines in the marine and power plant business and for turbomachinery experienced significantly stronger growth in the 2022 reporting period than in the prior-year period, in which demand was hit by the Covid-19 pandemic.

TRENDS IN THE MARKETS FOR FINANCIAL SERVICES

Demand for automotive financial services was at a high level in the first quarters of 2022 due, among other things, to persistently low key interest rates in the main currency areas. In combination with the Covid-19 pandemic and continuing limits on vehicle availability, the rise in interest rates that began in the second half of the year put pressure on demand for financial services in almost all regions.

The European passenger car market was still affected by parts supply shortages in the reporting period; vehicle deliveries were down on the prior-year period. By contrast, the share of financial services products in the new vehicle business grew positively and exceeded the 2021 figure. The main drivers of this trend were positive changes in the sales mix that benefited the private customer business, which lends itself particularly to financing, and an increased share of leasing contracts in the fleet business. The positive trend in the financing of used vehicles continued in 2022; in particular, the sale of after-sales products such as servicing, maintenance and spare parts agreements increased. Financial services activities in Russia were negatively affected by the Russia-Ukraine conflict and the impact of the international sanctions.

In Germany, the continuing challenges presented by the faltering parts supply in vehicle production impacted on vehicle sales and the financial services business. The decrease in deliveries of new vehicles led to fewer new leasing and financing contracts being concluded in the reporting period than a year earlier. New vehicle penetration was down slightly on 2021. Overall, the level of new contracts for used vehicles continued to be similar to that of the previous year. The number of new after-sales contracts was up in the second half of the year and ended the reporting period only slightly down on 2021 levels. With few exceptions, the number of new contracts in the insurance business fell short of the figures achieved a year earlier.

In South Africa, demand for financing and insurance products for new and used cars remained subdued in 2022. Coordinated campaigns to promote such products were scaled back due to limited vehicle availability. To counter rising inflation, the South African Reserve Bank has begun to raise interest rates.

In the North America region, supply bottlenecks meant that vehicle deliveries in 2022 were down on the previous year. The US and Canadian markets also saw declining demand for leasing and financing contracts because of interest rate hikes. In the Mexican market, the percentage of new leasing and financing contracts remained on a level with the previous year and new contracts for after-sales products were up year-on-year.

In the South America region, there was excess demand for vehicles in a volatile environment, exacerbated in Argentina by restrictions on imports. The rise in interest rates kept the number of cash purchases at a high level. In Brazil, there was an increase in the number of new financing contracts.

In the Chinese market, passenger car sales were impacted by parts supply shortages and local restrictions due to the pandemic. Both the proportion of credit-financed vehicle purchases and growth in new contracts declined. The comparative prior-year figures were not achieved in the reporting period.

In fiscal year 2022, the financial services business in the market for heavy commercial vehicles was slightly up on the comparative prior-year level, also affecting financing and leasing contracts in Europe and Brazil.

NEW GROUP MODELS IN 2022

The Volkswagen Group offers a broad portfolio of products covering almost all key segments and body types so that its customers can choose the right vehicle for their needs. In fiscal year 2022, we added further attractive vehicles, not only systematically expanding our portfolio of all-electric and hybrid vehicles, but also bringing compelling new products with conventional combustion engines onto the market.

The Volkswagen Passenger Cars brand upgraded its best-selling T-Roc, among others, in 2022. The T-Roc Cabriolet and the sporty R model also benefited from a design and technology update. The brand continued its transformation to e-mobility with the new ID.5, which is also available as a particularly sporty GTX model. In 2022, China saw the launch of the Tavendor, a new SUV in the upper range segment tailored to the Chinese market. Other SUV models such as the Tayron, Tayron X and Teramont X were updated. In the traditional MPV and notchback segments, the Viloran, Bora, Lavida and Sagitar models were updated. The Lamando received a redesigned successor. The transformation also made great strides in the United States: the ID.4 is now manufactured locally and has been customized further for the US market. The high-volume Jetta received an update. In South America, there were product upgrades in the Polo and Jetta series.

The era of state-of-the-art electric mobility based on the MEB dawned at ŠKODA in 2021 with the rollout of the Enyaq iV. An independent coupé version and the particularly sporty RS iV variants were added to the series in 2022. ŠKODA underscored its growth plans in India with the market launch of the independent Slavia on the modern MQB platform.

At Volkswagen Commercial Vehicles, 2022 was devoted to the all-electric ID. Buzz, which proved to be a global sensation. The cooperation with Ford produced the next generation of the Amarok.

Audi updated its best-selling A8 model in 2022, expanding the series to include an especially luxurious version tailored to the Chinese market. In China, the completely new A7L, the first vehicle produced with the new joint venture partner SAIC, further underpins Audi's premium positioning. Two SUVs adapted for the local market were also launched, the all-electric Q5 e-tron and the Q6.

Bentley expanded its important Bentayga range by adding a particularly exclusive model with a long wheelbase. A hybrid version of the Flying Spur came onto the market, while the Flying Spur Speed with its impressive 12-cylinder engine rounds off the series at the upper end of the scale.

In 2022, Lamborghini brought out the Urus Performante, a new top-of-the-range model from its successful SUV range. The new top-of-the-line Tecnica version of the Huracan was also launched.

Porsche extended its Taycan range in 2022, adding the Taycan Sport Turismo and particularly attractive GTS derivatives. The line of classic sports cars was also expanded: the 718 and 911 series received their most sporty variants to date with the GT4 RS and GT3 RS, respectively. The 911 Sport Classic was also added to the portfolio.

Scania was the first brand of the TRATON GROUP to introduce the integrated 13-liter drive in its models in 2022. It offers fuel savings over the predecessor model and will also be introduced gradually in the other brands of the TRATON GROUP.

MAN presented a new electric truck for long-distance transport in 2022.

Navistar rolled out the eMV International mid-sized electric truck and the IC Bus Electric CE Series school bus in 2022.

Since 2022, Volkswagen Truck & Bus has offered customers a product for electric distribution transport with its e-Delivery.

The motorcycles launched by Ducati in 2022 include the new Multistrada V2 and the Multistrada V4 Pikes Peak. The Streetfighter family was enhanced by the new Streetfighter V2 and Streetfighter V4 SP models. In addition, the Scrambler 1100 Tribute PRO and the Scrambler Urban Motard were launched along with the Panigale V4. The brand new Ducati Desert X also came on the market.

VOLKSWAGEN GROUP DELIVERIES

The Volkswagen Group delivered 8,262,776 vehicles to customers worldwide in fiscal year 2022. This was 7.0% or 619,116 units less than in the previous year. While sales figures for the Passenger Cars Business Area fell short of the prior-year figure, commercial vehicle deliveries to customers rose year-on-year, mainly due to the inclusion of Navistar as from July 1, 2021. The chart in this section shows the trend in deliveries worldwide for the individual months compared with the previous year. In the following, we report separately on deliveries in the Passenger Cars Business Area and the Commercial Vehicles Business Area.

VOLKSWAGEN GROUP DELIVERIES¹

	2022	2021	%
Passenger Cars	7,957,288	8,610,702	-7.6
Commercial Vehicles	305,488	271,190	+12.6
Total	8,262,776	8,881,892	-7.0

¹ Prior-year deliveries have been updated to reflect subsequent statistical trends. The figures include the Chinese joint ventures. As of July 1, 2021, the figures include Navistar.

GLOBAL DELIVERIES BY THE PASSENGER CARS BUSINESS AREA

With its passenger car brands, the Volkswagen Group is present in all relevant automotive markets around the world. The key sales markets currently include Western Europe, China, the USA, Brazil, Poland, Mexico, Türkiye and the Czech Republic.

Sales of Volkswagen Group passenger cars and light commercial vehicles worldwide declined by 7.6% in fiscal year 2022 to 7,957,288 units. In the reporting period, limited vehicle availability as a result of the Covid-19 pandemic and bottlenecks in the supply of parts caused by the shortage of semiconductors and the Russia-Ukraine conflict had a negative impact. In addition, disruptions in logistics resulted in delays. While Porsche, Lamborghini and Bentley delivered a higher number of vehicles to customers, none of the other Volkswagen Group brands reached their prior-year figures. We registered a year-on-year decline in sales in all regions.

With additional model launches as part of the Group's e-mobility campaign, sales increased in the reporting period, bringing deliveries of all-electric vehicles to 572,110 units worldwide. This was 119,267 or 26.3% more units than in the previous year. Their share of the Group's total deliveries rose to 6.9 (5.1)%. A total of 245,174 of our plug-in hybrid models were delivered (-21.2%). Total electric vehicle deliveries went up by 7.0% and their share of total Group deliveries rose year-on-year to 9.9 (8.6)%. The Group's most successful all-electric vehicles included the ID.4 and ID.3 from Volkswagen Passenger Cars, the ŠKODA Enyaq iV, the CUPRA Born, the ID. Buzz from Volkswagen Commercial Vehicles, the Audi Q4 e-tron and Audi e-tron, as well as the Porsche Taycan and Taycan Cross Turismo.

In an overall global market that was on a level with the previous year, we achieved a passenger car market share of 11.0 (11.7)%.

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

VOLKSWAGEN GROUP DELIVERIES BY MONTH

Vehicles in thousands



Deliveries in Europe/Other Markets

In Western Europe, the Volkswagen Group delivered 2,615,864 vehicles to customers in 2022 in an overall market experiencing a slight contraction. Deliveries were thus down 5.3% on the already weak previous year. In the reporting period, limited vehicle availability as a result of the Covid-19 pandemic and bottlenecks in the supply of parts caused by the shortage of semiconductors and the Russia-Ukraine conflict had a negative impact. In addition, disruptions in logistics resulted in delays.

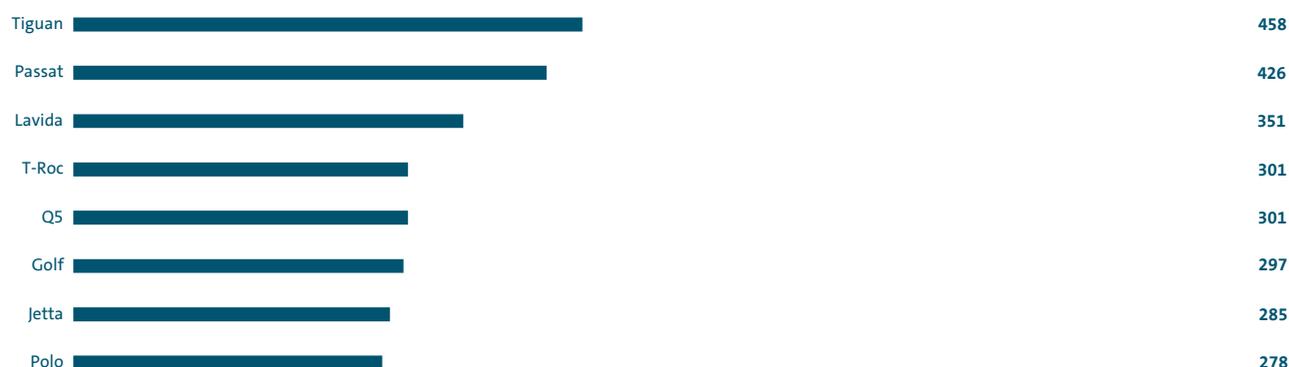
Customer interest in the Volkswagen Group's electrified vehicles was strongest in Western Europe, where we delivered almost three-quarters of our plug-in hybrids and more than half of our all-electric models to customers in fiscal year 2022. In this region, electrified vehicles accounted for 19.1 (18.6)% of the Group's total deliveries; the share of all-electric vehicles stood at 12.6 (10.5)%. The Group models with the highest sales volume were the T-Roc, Golf, Tiguan and Polo from the Volkswagen Passenger Cars brand. The ID.4 and Tiguan Allspace from Volkswagen Passenger Cars, the Audi Q3 and Q3 Sportback, the ŠKODA Kodiaq, the CUPRA Formentor and the Porsche 911 were among the models that saw positive demand. In addition, the following new or successor models introduced to the market during the previous year proved very popular with customers: the Taigo from Volkswagen Passenger Cars, the ŠKODA Fabia and Enyaq iV, the CUPRA Born, the Multivan from Volkswagen Commercial Vehicles, the Audi Q4 e-tron, Q4 Sportback e-tron and Q5 Sportback, as well as the Porsche Macan and Porsche Taycan Cross Turismo. Among others, the T-Roc, T-Roc Cabriolet and ID.5 models from Volkswagen Passenger Cars, the ŠKODA Karoq, the ID. Buzz and Amarok from Volkswagen Commercial Vehicles, the Audi A8 and the Porsche Taycan Sport Turismo were successfully launched on the market during the reporting period as new or successor models. The Volkswagen Group's share of the passenger car market in Western Europe amounted to 23.3 (23.5)%.

In the Central and Eastern Europe region, the number of vehicles handed over to customers in 2022 was down 33.0% year-on-year. This was due in particular to the slump in sales in the Russian market as a consequence of the sanctions imposed in connection with the Russia-Ukraine conflict. The market as a whole also recorded a very sharp decline in volumes at the same time. Demand developed encouragingly for a number of models, including the Taigo and T-Roc from Volkswagen Passenger Cars, as well as for the ŠKODA Superb, the CUPRA Formentor and the Audi Q5 Sportback.

The Volkswagen Group's share of the passenger car market in the Central and Eastern Europe region amounted to 21.7 (20.4)%.

WORLDWIDE DELIVERIES OF THE MOST SUCCESSFUL GROUP MODEL RANGES IN 2022

Vehicles in thousands



In Türkiye, where the overall passenger car market expanded slightly, the Volkswagen Group delivered 15.7% fewer vehicles to customers than in 2021. The T-Roc from Volkswagen Passenger Cars was the most sought-after Group model. In the South African market, the number of Group models sold decreased by 1.9%, while the overall market recorded strong growth. The Polo from the Volkswagen Passenger Cars brand was the most sought-after Group model in this region.

Deliveries in Germany

In Germany, the number of Volkswagen Group vehicles handed over to customers in 2022 was up 4.0% on the weak previous year in an overall market that was at prior-year levels. In the reporting period, limited vehicle availability as a result of the Covid-19 pandemic and bottlenecks in the supply of parts caused by the shortage of semiconductors and the Russia-Ukraine conflict had a negative impact. In addition, disruptions in the logistics chain resulted in delays.

The Group models with the highest sales volume were the Golf and T-Roc from the Volkswagen Passenger Cars brand. Demand also increased for the Tiguan, ID.4 and Arteon Shooting Brake from Volkswagen Passenger Cars, the CUPRA Formentor and the ŠKODA Karoq as well as the Audi A3, Q3, Q3 Sportback, A4 Avant and Q5, among other models. In addition, the following new or successor models introduced to the market during the previous year proved very popular with customers: the Taigo from Volkswagen Passenger Cars, the ŠKODA Fabia, the CUPRA Born, the Multivan from Volkswagen Commercial Vehicles, the Audi Q4 e-tron, Q4 Sportback e-tron and Q5 Sportback, as well as the Porsche Macan and Taycan Cross Turismo. Seven Group models led the *Kraftfahrt-Bundesamt* (KBA – German Federal Motor Transport Authority) registration statistics in their respective segments: the Golf, T-Roc, Tiguan, Passat, Audi A6, Porsche 911 and Multivan/Transporter. The Golf was again the most popular passenger car in Germany in terms of registrations in 2022.

Deliveries in North America

In North America, the number of Volkswagen Group models delivered to customers in the reporting period was down by 13.3% year-on-year in an overall market that saw a noticeable decline. The Group's share of the market in this region amounted to 4.6 (4.9)%. The Tiguan Allspace and Taos from Volkswagen Passenger Cars as well as the Audi Q5 were the most sought-after Group models in North America.

In the US market, which witnessed a noticeable decline, the Volkswagen Group delivered 12.8% fewer vehicles to customers in fiscal year 2022 than in the previous year. The volume of all-electric vehicles delivered in the United States went up by 18.8% year-on-year to 44,173 units. Here, too, parts supply short-

ages acted as a drag on the Group's sales figures. The Group models to record the greatest increases in absolute terms included the Taos and ID.4 from Volkswagen Passenger Cars, the A3 saloon and Q5 Sportback from Audi and the Porsche Cayenne. Sales of the Porsche Taycan Cross Turismo also developed encouragingly. The ID.4 and Jetta from Volkswagen Passenger Cars, the Audi Q4 e-tron, the Audi Q4 e-tron Sportback and the Porsche Macan were successfully launched on the market during the reporting period as new or successor models.

In Canada, the number of vehicles delivered to Volkswagen Group customers was down 13.1% in the reporting period compared with 2021. The overall market experienced a noticeable decline during this period. The Taos and ID.4 from Volkswagen Passenger Cars, the Audi A3 saloon, Audi Q5 Sportback and the Porsche Cayenne were some of the models that saw encouraging growth in demand.

In Mexico, where the market as a whole saw noticeable growth, we sold 16.1% fewer vehicles to customers in the past fiscal year than in the year before. Demand developed encouragingly for a number of models, including the Saveiro, Taigun and Nivus from Volkswagen Passenger Cars.

Deliveries in South America

In the South American market for passenger cars and light commercial vehicles, which was on a level with the previous year, the number of Group models handed over to customers in 2022 was down 9.0% on the prior-year figure. The Gol, T-Cross and Nivus from Volkswagen Passenger Cars were the Group models with the highest sales volumes. The Group's share of the market in South America amounted to 11.1 (12.4)%.

In the Brazilian market, which performed at the prior-year level, the Volkswagen Group delivered 10.8% fewer vehicles to customers in the reporting period than in the previous year. Sales of the Gol, T-Cross and Nivus models from Volkswagen Passenger Cars developed particularly encouragingly.

In Argentina, the number of Volkswagen Group vehicles handed over to customers in 2022 decreased by 14.1% year-on-year in an overall market exhibiting noticeable growth. Group models with the highest sales volume were the Taos from Volkswagen Passenger Cars and the Amarok from Volkswagen Commercial Vehicles.

Deliveries in the Asia-Pacific region

In the past fiscal year, the Volkswagen Group saw deliveries to customers in the Asia-Pacific region drop by 2.7% compared with 2021 in a market that experienced slight growth overall. Parts supply shortages, especially for semiconductors, affected this region as well, and in addition, local lockdowns in China in connection with the spread of the Omicron variant of the SARS-CoV-2 virus resulted in restrictions. The Group's share of the passenger car market in this region amounted to 10.3 (11.0)%.

In China, the recovery of the market as a whole continued at a slower pace in 2022. The Volkswagen Group delivered 3.6% fewer vehicles to customers there than in the preceding year. By contrast, the number of all-electric vehicles delivered to customers in China was up by more than two thirds year-on-year to 155,723 units. The ID.3, ID.4 X, ID.4 CROZZ, ID.6 X, ID.6 CROZZ, Passat and Talagon models from Volkswagen Passenger Cars, the Audi A3 L saloon and the Porsche Panamera, among others, introduced to the market as new or successor models during the previous year, showed a positive trend. Some of the models that saw encouraging demand were the Golf, T-Roc, CC and Magotan from Volkswagen Passenger Cars and the Audi A4 saloon and Audi Q5. The T-Roc, Bora, Lamando, Lavidia, Sagitar, Tayron, Tavendor, Teramont and Viloran from Volkswagen Passenger Cars, the ŠKODA Kodiaq and the Q2L e-tron, Q4 e-tron, Q5 e-tron, Q6, e-tron GT and Audi A7L saloon from Audi were successfully launched on the market during the reporting period as new or successor models.

In the Indian passenger car market, which recorded strong growth, the Volkswagen Group registered a surge in demand of over 80% in fiscal year 2022 compared with the weak previous year. The new Taigun from the Volkswagen Passenger Cars brand as well as the new Kushaq from ŠKODA, which was introduced in the previous year, were the most sought-after Group models there. The Virtus from Volkswagen Passenger Cars, the Kodiaq and the Slavia from ŠKODA and the Porsche Taycan saloon were successfully launched on the market during the reporting period as new or successor models.

In Japan, the number of Group vehicles delivered to customers in 2022 was down 6.8% year-on-year in an overall market experiencing a noticeable decline. Among other models, sales figures for the Golf from Volkswagen Passenger Cars and the Audi Q5 Sportback developed encouragingly.

PASSENGER CAR DELIVERIES TO CUSTOMERS BY MARKET¹

	DELIVERIES (UNITS)		CHANGE
	2022	2021	(%)
Europe/Other Markets	3,297,402	3,698,948	-10.9
Western Europe	2,615,864	2,761,629	-5.3
of which: Germany	998,000	959,748	+4.0
France	211,430	238,365	-11.3
United Kingdom	377,449	422,594	-10.7
Italy	223,864	248,414	-9.9
Spain	192,311	220,151	-12.6
Central and Eastern Europe	418,513	624,801	-33.0
of which: Czech Republic	103,223	114,250	-9.7
Russia	41,864	204,772	-79.6
Poland	112,389	120,831	-7.0
Other Markets	263,025	312,518	-15.8
of which: Türkiye	102,735	121,885	-15.7
South Africa	71,437	72,847	-1.9
North America	759,791	876,558	-13.3
of which: USA	564,705	647,521	-12.8
Canada	85,860	98,829	-13.1
Mexico	109,226	130,208	-16.1
South America	397,539	436,852	-9.0
of which: Brazil	277,806	311,519	-10.8
Argentina	48,263	56,186	-14.1
Asia-Pacific	3,502,556	3,598,344	-2.7
of which: China	3,182,428	3,301,334	-3.6
India	97,610	52,481	+86.0
Japan	61,112	65,549	-6.8
Worldwide	7,957,288	8,610,702	-7.6
Volkswagen Passenger Cars	4,563,340	4,896,874	-6.8
ŠKODA	731,262	878,202	-16.7
SEAT	385,592	470,531	-18.1
Volkswagen Commercial Vehicles	328,572	359,541	-8.6
Audi	1,614,231	1,680,512	-3.9
Lamborghini	9,233	8,405	+9.9
Bentley	15,174	14,659	+3.5
Porsche	309,884	301,915	+2.6
Bugatti ²	-	63	x

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

2 Until October 31, 2021.

COMMERCIAL VEHICLE DELIVERIES

In fiscal year 2022, the Volkswagen Group delivered 12.6% more commercial vehicles to customers worldwide than in the previous year. We delivered a total of 305,488 commercial vehicles to customers. Trucks accounted for 254,313 units (+10.5%) and buses for 29,591 units (+56.8%). A total of 21,584 (–2.8%) vehicles from the MAN TGE van series were delivered. The American commercial vehicle manufacturer Navistar became a TRATON GROUP brand on July 1, 2021. Navistar's sales totaled 81,888 units in the reporting period.

In the 27 EU states excluding Malta, but plus the United Kingdom, Norway and Switzerland (EU27+3), sales in the reporting period were down by 2.9% on the previous year to a total of 115,532 units, of which 89,061 were trucks and 5,041 were buses. Here, the MAN brand delivered 21,430 vehicles from the MAN TGE van series.

As a result of the sanctions imposed in connection with the Russia-Ukraine conflict, sales in Russia fell year-on-year to 1,557 (11,293) units, comprising 1,550 trucks and 7 buses. Since the conflict began, no orders for new vehicles have been accepted in Russia.

In fiscal year 2022, deliveries in Türkiye were on a level with the previous year, at 4,413 (4,398) vehicles. Trucks accounted for 4,122 units and buses for 201 units, while 90 vehicles from the MAN TGE van series were sold. In South Africa, deliveries of Volkswagen Group commercial vehicles decreased by 6.6% year-on-year to a total of 3,681 units; of this figure 3,204 were trucks and 477 were buses.

Sales in North America rose to 82,824 (31,869) vehicles in the reporting year; this included 68,903 trucks and 13,921 buses. From July 1, 2021, the figures also include Navistar's sales (78,988) whose vehicles were above all handed over to customers in the United States.

Deliveries in South America decreased to a total of 76,152 vehicles (–2.1%) in 2022, of which 68,211 were trucks and 7,941 were buses. Sales in Brazil were down by 8.3%. Of the units delivered, 53,704 were trucks and 5,926 were buses.

In the Asia-Pacific region, the Volkswagen Group sold 11,446 vehicles in the reporting year; among these, 10,528 were trucks and 911 were buses. Overall, this was 5.7% less than in the previous year.

COMMERCIAL VEHICLE DELIVERIES TO CUSTOMERS BY MARKET¹

	DELIVERIES (UNITS)		CHANGE
	2022	2021	(%)
Europe/Other Markets	135,066	149,407	–9.6
of which: EU27+3	115,532	119,029	–2.9
of which: Germany	31,623	32,130	–1.6
Russia	1,557	11,293	–86.2
Türkiye	4,413	4,398	+0.3
South Africa	3,681	3,942	–6.6
North America	82,824	31,869	x
of which: USA	66,405	24,234	x
Mexico	11,131	5,375	x
South America	76,152	77,774	–2.1
of which: Brazil	59,630	65,005	–8.3
Asia-Pacific	11,446	12,140	–5.7
Worldwide	305,488	271,190	+12.6
Scania	85,232	90,366	–5.7
MAN ²	84,377	93,578	–9.8
Navistar	81,888	29,876	x
Volkswagen Truck & Bus ²	53,991	57,370	–5.9

1 Prior-year deliveries have been updated to reflect subsequent statistical trends. As of July 1, 2021, the figures include Navistar.

2 Until the first quarter of 2022, deliveries for Volkswagen Truck & Bus were reported within MAN.

DELIVERIES IN THE POWER ENGINEERING SEGMENT

Orders in the Power Engineering segment are usually part of major investment projects. Lead times typically range from just under one year to several years, and partial deliveries as construction progresses are common. Accordingly, there is a time lag between incoming orders and sales revenue from the new construction business.

In 2022, sales revenue in the Power Engineering segment was largely driven by Engines & Marine Systems and Turbomachinery, which together generated more than three quarters of overall sales revenue.

ORDERS RECEIVED IN THE PASSENGER CARS SEGMENT IN WESTERN EUROPE

In the reporting period, orders received in Western Europe decreased by 14.2% compared with the previous year. All key markets fell short of their respective prior-year level. The extent of the declines varied from country to country: while Germany saw a single-digit decline, the figures for the United Kingdom, France, Italy and Spain were down by more than 10%.

ORDERS RECEIVED FOR COMMERCIAL VEHICLES

Orders received for mid-sized and heavy trucks, for buses and for commercial vehicles from the MAN TGE van series declined by 7.1% year-on-year to 334,583 vehicles in 2022. This trend is mainly attributable to continuing restrictive order acceptance. In addition, no further orders for new vehicles were accepted from Russia owing to the Russia-Ukraine conflict. While order intake in the bus markets increased very sharply, truck markets saw a noticeable decline, while the MAN TGE van series segment even recorded a significant downturn. In the prior-year period, the truck and MAN TGE business received a particularly high level of orders due to a Covid-19 catch-up effect. A higher order intake was recorded in the second half of 2022 in particular.

Order intake in the bus business recorded a very sharp increase year-on-year across all commercial vehicle brands. In the EU27+3 region, this was attributable, among other factors, to the slow recovery in the coach market.

ORDERS RECEIVED IN THE POWER ENGINEERING SEGMENT

The long-term performance of the Power Engineering business is determined by the macroeconomic environment. Individual major orders lead to fluctuations in incoming orders during the year that do not correlate with these long-term trends.

Orders received in the Power Engineering segment in 2022 amounted to €4.3 (3.8) billion. Engines & Marine Systems and Turbomachinery generated more than two-thirds of the order volume in a persistently difficult market environment.

In the marine business, for example, deliveries of 20V32/44CR engines were ordered for four ships in 2022 (two engines per ship). In the power plant business, orders were won for 48 engines and component sets for 11 completely knocked down engines of different types with an aggregate output of 865 MW. For turbomachinery, we received several orders for new applications which were driven by the energy transition and decarbonization such as carbon capture and storage in Europe and in the USA, as well as an expansion of an energy storage facility in England. We also received a significant number of orders for gas production in West Africa and the North Sea.

VOLKSWAGEN GROUP FINANCIAL SERVICES

The activities in the Financial Services Division cover the Volkswagen Group's dealer and customer financing, leasing, banking and insurance activities, fleet management and mobility services. The division comprises Volkswagen Financial Services and the financial services activities of Scania and Porsche Holding

Salzburg and also extends to the contracts concluded by our international joint ventures. As of July 1, 2021, it also includes the financial services business of Navistar.

The Financial Services Division's products and services were popular in fiscal year 2022. However, demand was affected to varying degrees by the Covid-19 pandemic. Limited vehicle availability caused by parts supply shortages, and exacerbated by the Russia-Ukraine conflict, also weighed on demand. The number of new financing, leasing, service and insurance contracts signed worldwide fell by 0.7% to 8.5 million. The ratio of leased and financed vehicles to Group deliveries (penetration rate) in the Financial Services Division's markets stood at 32.6 (36.4)% in the reporting period. The total number of contracts on December 31, 2022 was 24.5 (24.5) million.

In fiscal year 2022, the financial services business in the Europe/Other Markets region was impacted by the Covid-19 pandemic and by limited vehicle availability caused by parts supply shortages, as well as by the Russia-Ukraine conflict. At 6.1 million, the number of new contracts signed in the reporting period was down 1.7% on the previous year's figure. The total number of contracts at the end of December 2022 was on a level with December 31, 2021 at 18.1 (18.0) million. The customer financing/leasing area was responsible for 7.2 (7.4) million of these contracts.

The number of new contracts signed in North America in the reporting period decreased year-on-year to 805 (983) thousand owing to the decline in vehicle deliveries. The total number of contracts came to 3.0 million on December 31, 2022, a 7.6% fall on the level reported at the end of 2021. The customer financing/leasing area recorded 1.7 (1.9) million contracts.

In the South America region, 360 (332) thousand new contracts were concluded in the past fiscal year. Compared with December 31, 2021, the total number of contracts at the end of the reporting period rose to 828 (723) thousand. The contracts mainly related to the customer financing/leasing area.

The number of new contracts signed in the Asia-Pacific region in fiscal year 2022 increased to 1.2 (1.0) million, exceeding the comparative prior-year figure. The total number of contracts stood at 2.6 (2.6) million on December 31, 2022. The customer financing/leasing area recorded 1.6 (1.8) million contracts.

SALES TO THE DEALER ORGANIZATION

The Volkswagen Group's unit sales to the dealer organization decreased in the reporting period by 1.1% to 8,481,278 units (including the equity-accounted companies in China). In the reporting period, limited vehicle availability as a result of the Covid-19 pandemic and bottlenecks in the supply of parts caused by the shortage of semiconductors and the Russia-Ukraine conflict had a negative impact. In addition, disruptions in the logistics chain resulted in delays. Unit sales outside Germany fell by 1.7% to 7,476,003 vehicles. The United Kingdom, Brazil and France were particularly affected, as was Russia, since vehicle exports to this region had been halted. Growth was recorded, however, in the USA, China and India. Unit sales in Germany increased by 3.3% year-on-year. The proportion of the Group's total unit sales attributable to Germany increased to 11.9 (11.3)%.

The Tiguan, Passat, Polo, Golf, T-Roc, Jetta and T-Cross from the Volkswagen Passenger Cars brand were our biggest sellers last year. The largest increases in unit sales were recorded for the Taigo, ID.4, Passat and Tharu models from the Volkswagen Passenger Cars brand, the Q4 e-tron, A3 and e-tron from Audi, the CUPRA Formentor and the ŠKODA Fabia. The Porsche Cayenne and Bentley Bentayga also achieved a strong growth rate.

PRODUCTION

The Volkswagen Group produced 8,716,606 vehicles (including the equity-accounted companies in China) from January to December 2022, 5.2% more than in the prior-year period. The shortage of semiconductors and the disruption of supply chains caused by the Russia-Ukraine conflict and the Covid-19 pandemic restricted production in the Volkswagen Group; the supply and production situation eased toward the end of the reporting period. Against the backdrop of the Russia-Ukraine conflict and the resulting consequences, Volkswagen decided to suspend the start of vehicle production in Russia until further notice. Production in Germany increased by 11.1% to 1,647,611 vehicles in fiscal year 2022. The proportion of the Group’s total production accounted for by Germany increased to 18.9 (17.9) %.

INVENTORIES

Global inventories of new vehicles at Group companies and in the dealer organization were higher at the end of the reporting period than at year-end 2021. Disruptions in the logistics chain, among other factors, had a negative impact in the reporting period.

EMPLOYEES

Including the Chinese joint ventures, the Volkswagen Group employed an average of 669,275 people in fiscal year 2022, an increase of 0.2% year-on-year. In Germany, we employed 289,499 people on average; at 43.3 (44.1) %, their share of the total headcount was below the level of the previous year.

The number of active employees in the Volkswagen Group rose by 0.6% to 646,837 as of December 31, 2022. In addition, 12,378 employees were in the passive phase of their partial retirement and 16,590 young people were in vocational traineeships. At the end of the reporting period, the Volkswagen Group had a total of 675,805 employees worldwide. This represented an increase of 0.4% since the end of 2021. A total of 293,862 people were employed in Germany (−0.4%) and 381,943 outside Germany (+1.1%).

EMPLOYEES BY DIVISION/BUSINESS AREA

as of December 31, 2022



Shares and Bonds

During the reporting period, Volkswagen AG's ordinary and preferred shares followed the negative trend on the stock markets, where some automotive stocks dropped at above-average rates.

EQUITY MARKETS AND PERFORMANCE OF THE PRICE OF VOLKSWAGEN'S SHARES

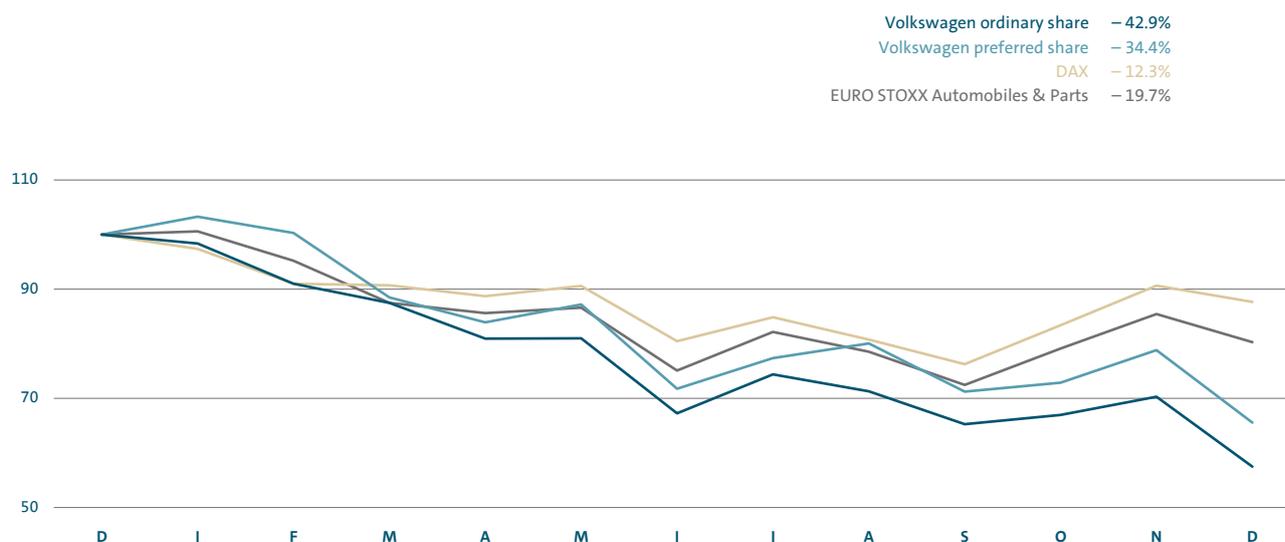
The trend in the international stock markets in fiscal year 2022 was initially overshadowed by investors' concerns about possible interest rate hikes in the face of rising inflation rates and about the spread of the Omicron variant of the SARS-CoV-2 virus. Following the outbreak of the Russia-Ukraine conflict in February 2022, the imposing of sanctions against Russia and the rise in commodity and energy prices that drove up inflation, the international stock markets came under pressure. In addition, the tight restrictions under the zero-Covid strategy being pursued in China placed further strain on international supply chains. The downward trend in stock prices intensified in the further course of the reporting period due to the continuing confrontations in Ukraine, increasing concerns about a sufficient supply of energy, rising material costs, persistently high inflation and the resulting tighter monetary policy of the central banks.

The German stock market index (DAX) began the year marginally up on its previous record achieved in November 2021. After that, apprehension about the tightening of monetary policy in the USA dominated investor sentiment. The Russia-Ukraine conflict and the fears this triggered of an energy crisis and its economic fallout provoked uncertainty among market participants and strained the capital market. In view of high inflation, the European Central Bank initiated an interest rate turnaround that, combined with fears of recession, resulted in a further fall in the DAX. Stock prices rose significantly in the fourth quarter; however, the DAX ended 2022 12% below the previous year's level, primarily under the impact of the high coronavirus infection rates in China.

Volkswagen AG's preferred and ordinary shares followed the trend on the stock markets, where cyclical automotive stocks dropped at above-average rates in some cases. With the announcement of the IPO of Porsche AG, Volkswagen's shares managed to temporarily detach themselves from the general trend. Although the good operating results were received positively by the market, the 2022 year-end closing price – after correcting for the special dividend of €19.06 per share – was down 34% for the preferred share and 43% for the ordinary share compared with the prior year figure.

PRICE DEVELOPMENT FROM DECEMBER 2021 TO DECEMBER 2022

Index based on month-end prices: December 31, 2021 = 100



VOLKSWAGEN SHARE KEY FIGURES AND MARKET INDICES FROM JANUARY 1 TO DECEMBER 31, 2022

		High	Low	Closing
Ordinary share	Price (€)	279.40	145.00	147.65
	Date	Jan. 5	Dec. 28	Dec. 30
Preferred share	Price (€)	193.10	114.88	116.42
	Date	Jan. 14	Dec. 22	Dec. 30
DAX	Price	16,272	11,976	13,924
	Date	Jan. 5	Sep. 29	Dec. 30
ESTX Auto & Parts	Price	684	453	506
	Date	Jan. 5	Jul. 5	Dec. 30

EXTRAORDINARY GENERAL MEETING

On December 16, 2022, an Extraordinary General Meeting of Volkswagen AG took place in the CityCube Berlin. The meeting was held in connection with the IPO of Dr. Ing. h.c. F. Porsche AG, where 25% of Porsche AG's preferred shares were placed on the capital market. At the same time, Porsche SE indirectly acquired 25% of the ordinary shares in Porsche AG plus one ordinary share from Volkswagen AG. To enable its shareholders to participate in the success of the entire transaction, Volkswagen AG proposed to the Extraordinary General Meeting an amendment to the resolution on the appropriation of earnings already adopted by the Annual General Meeting on May 12, 2022. The aim of this was to pay a special dividend to ordinary and preferred shareholders of Volkswagen AG for fiscal year 2021 in addition to the dividends already paid to shareholders in May 2022 of €7.50 per dividend-bearing ordinary share and €7.56 per dividend-bearing preferred share.

94.02% of the ordinary share capital was present at the Extraordinary General Meeting. With a majority of 99.9974% of the votes cast, the shareholders approved the payment of a special dividend of €19.06 per dividend-bearing ordinary share and dividend-bearing preferred share. The special dividend was paid on January 9, 2023.

DIVIDEND POLICY

Our dividend policy matches our financial strategy. In the interests of all stakeholders, we aim for continuous dividend growth that allows our shareholders to participate appropriately in our business success. The proposed dividend therefore reflects our financial management objectives – in particular, ensuring a solid financial foundation as part of the implementation of our strategy.

The current dividend proposal can be found in the chapter entitled “Volkswagen AG (condensed, in accordance with the German Commercial Code)” of this annual report. The Board of Management and Supervisory Board of Volkswagen AG are proposing a dividend of €8.70 per ordinary share and €8.76 per preferred share for fiscal year 2022. On this basis, the total dividend amounts to €4.4 (3.8) billion, excluding the special dividend due to the Porsche IPO. The payout ratio is based on the Group’s earnings after tax attributable to Volkswagen AG shareholders. This amounts to 29.4% for the reporting period and stood at 25.4% in the previous year, excluding the special dividend due to the Porsche IPO. A payout ratio of at least 30% is one of our strategic goals.

DIVIDEND YIELD

Based on the dividend proposal for the reporting period, the dividend yield on Volkswagen ordinary shares is 5.9 (2.9) %, excluding the special dividend due to the Porsche IPO, measured by the closing price on the last trading day in 2022. The dividend yield on preferred shares is 7.5 (4.3) %, excluding the special dividend due to the Porsche IPO.

EARNINGS PER SHARE

Basic earnings per ordinary share were €29.63 (29.59) in fiscal year 2022. Basic earnings per preferred share were €29.69 (29.65). In accordance with IAS 33, the calculation is based on the weighted average number of ordinary and preferred shares outstanding in the reporting period. Since the number of basic and diluted shares is identical, basic earnings per share correspond to diluted earnings per share.

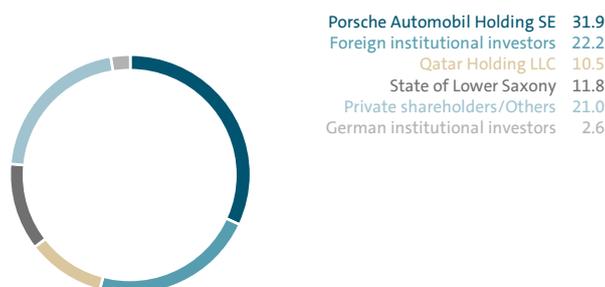
See also “Earnings per share” in the notes to the 2022 consolidated financial statements for the calculation of earnings per share.

SHAREHOLDER STRUCTURE AS OF DECEMBER 31, 2022

At the end of the reporting period, Volkswagen AG's subscribed capital amounted to €1,283,315,873.28. The shareholder structure of Volkswagen AG as of December 31, 2022 is shown in the following chart.

SHAREHOLDER STRUCTURE AS OF DECEMBER 31, 2022

as a percentage of subscribed capital



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

Notifications of changes in voting rights in accordance with the *Wertpapierhandelsgesetz* (WpHG – German Securities Trading Act) are published on our website at [https://www.volkswagenag.com/en/Investor Relations/news-and-publications/Voting_Rights.html](https://www.volkswagenag.com/en/Investor_Relations/news-and-publications/Voting_Rights.html)

VOLKSWAGEN SHARE DATA

	Ordinary shares	Preferred shares
ISIN	DE0007664005	DE0007664039
WKN	766400	766403
Deutsche Börse/Bloomberg	VOW	VOW3
Reuters	VOWG.DE	VOWG_p.DE
Primary market indices	CDAX, Prime All Share, MSCI Euro, S&P Global 100 Index	DAX, CDAX, EURO STOXX, EURO STOXX 50, EURO STOXX Automobiles & Parts, Prime All Share, MSCI Euro
Exchanges	Berlin, Dusseldorf, Frankfurt, Hamburg, Hanover, Munich, Stuttgart, Xetra	

VOLKSWAGEN SHARE KEY FIGURES

Dividend development		2022	2021	2020	2019	2018
Number of no-par value shares at Dec. 31						
Ordinary shares	thousands	295,090	295,090	295,090	295,090	295,090
Preferred shares	thousands	206,205	206,205	206,205	206,205	206,205
Dividend ¹						
per ordinary share	€	8.70	7.50	4.80	4.80	4.80
per preferred share	€	8.76	7.56	4.86	4.86	4.86
Dividend paid ¹		€ million				
on ordinary shares	€ million	4,374	3,772	2,419	2,419	2,419
on preferred shares	€ million	2,567	2,213	1,416	1,416	1,416
	€ million	1,806	1,559	1,002	1,002	1,002
Share price development ²		2022	2021	2020	2019	2018
Ordinary share						
Closing	€	147.65	258.40	170.10	173.25	139.10
Price performance	%	-42.9	+51.9	-1.8	+24.6	-17.5
Annual high	€	279.40	327.20	183.10	182.50	188.00
Annual low	€	145.00	165.70	101.50	135.60	131.10
Preferred share						
Closing	€	116.42	177.48	152.42	176.24	138.92
Price performance	%	-34.4	+16.4	-13.5	+26.9	-16.5
Annual high	€	193.10	246.55	185.52	184.24	188.50
Annual low	€	114.88	144.80	87.20	134.76	133.70
Beta factor ³	factor	1.55	1.16	1.26	1.17	1.17
Market capitalization at Dec. 31	€ billion	67.6	112.8	81.6	87.5	69.7
Equity attributable to Volkswagen AG shareholders and hybrid capital investors at Dec. 31	€ billion	165.4	144.4	127.0	121.8	117.1
Ratio of market capitalization to equity	factor	0.41	0.78	0.64	0.72	0.60
Key figures per share		2022	2021	2020	2019	2018
Earnings per ordinary share ⁴						
basic	€	29.63	29.59	16.60	26.60	23.57
diluted	€	29.63	29.59	16.60	26.60	23.57
Equity attributable to Volkswagen AG shareholders and hybrid capital investors at Dec. 31	€	329.90	288.15	253.44	242.93	233.63
Price/earnings ratio ⁵						
Ordinary share	factor	5.0	8.7	10.2	6.5	5.9
Preferred share	factor	3.9	6.0	9.1	6.6	5.9
Dividend yield ⁶						
Ordinary share	%	5.9	2.9	2.8	2.8	3.5
Preferred share	%	7.5	4.3	3.2	2.8	3.5
Stock exchange turnover ⁷		2022	2021	2020	2019	2018
Turnover of Volkswagen ordinary shares		€ billion				
	million shares	2.7	6.1	3.1	3.3	4.3
Turnover of Volkswagen preferred shares		€ billion				
	million shares	13.5	23.3	21.6	20.9	28.0
Volkswagen share of total DAX turnover		%				
		44.9	58.8	49.8	41.0	54.1
		302.2	300.4	361.2	266.0	346.6
		4.7	6.6	4.7	4.6	5.4

1 Figures for the years 2018 to 2021 relate to dividends paid in the following year. For 2021, the figures exclude the special dividend due to the Porsche IPO. For 2022, the figures relate to the proposed dividend.

2 Xetra prices.

3 For the calculation see chapter "Results of Operations, Financial Position and Net Assets" of this annual report.

4 For the calculation see "Earnings per share" in the notes to the consolidated financial statements.

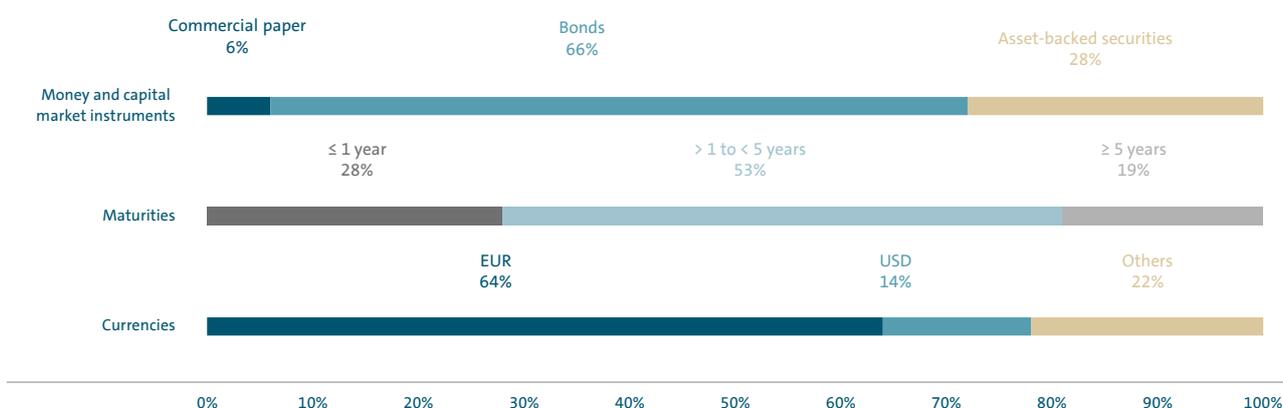
5 Ratio of year-end-closing price to earnings per share.

6 Dividend per share based on the year-end-closing price.

7 Order book turnover on the Xetra electronic trading platform (Deutsche Börse).

REFINANCING STRUCTURE OF THE VOLKSWAGEN GROUP

as of December 31, 2022



REFINANCING

The Volkswagen Group carried out several successful transactions in the international capital markets in 2022 despite volatile and difficult market conditions.

In February 2022, the hybrid note issued in March 2015 with a principal amount of €1.1 billion was canceled with effect from March 20, 2022.

In March 2022, Volkswagen International Finance N.V. placed two hybrid notes with a total volume of €2.25 billion. Some of the proceeds from this transaction were used to refinance the hybrid note issued in 2017, which had been duly canceled in November with effect from December 14, 2022. A second green bond was issued in June 2022 under the Green Finance Framework presented in 2020. At €1.5 billion, this was sufficient to almost completely refinance the expenses arising from the Green Project Portfolio for the years 2017 to 2020. The Volkswagen Group unveiled a new Green Finance Framework in November 2022. This allows the Company to finance capital expenditures that are aligned with the EU Taxonomy, whereby Volkswagen will voluntarily limit itself to all-electric vehicles. On the basis of the new framework, an amount of €2.5 billion was placed in the same month by way of three green bonds.

Volkswagen Group of America Finance, LLC, raised USD3 billion from investors over the US refinancing market in May 2022. Notes with a volume of CAD750 million were issued in Canada in November 2022.

Official euro benchmark bonds with an aggregate volume of €2 billion were issued for the Financial Services Division. In addition to this, securities were issued in various currencies and regions.

Alongside the placement of senior, unsecured bonds, asset-backed securities (ABS) transactions were another element of our refinancing activities. In Europe, public ABS transactions with a total volume of €2.75 billion were placed. Public ABS transactions were also issued in Japan and China.

The Volkswagen Group was also actively involved in the commercial paper market with several issuing companies.

The proportion of fixed-rate instruments in the past year was about three times as high as the proportion of floating-rate instruments.

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

The following table shows which financial instruments were utilized on the money and capital markets as of December 31, 2022 and illustrates the financial flexibility of the Volkswagen Group:

Financial instruments	Authorized volume € billion	Amount utilized on Dec. 31, 2022 € billion
Commercial paper	42.0	8.7
Bonds	194.3	95.7
of which hybrid issues		13.9
Asset-backed securities	104.9	41.3

Volkswagen AG's syndicated credit line of €10.0 billion agreed in December 2019 was unused at the end of 2022.

Of the syndicated credit lines with a total of €12.4 billion at other Group companies, €0.4 billion has been drawn down. The Volkswagen Group continued to have bilateral confirmed credit lines with national and international banks in various countries for a total of €4.9 billion, of which €0.6 billion was drawn down.

RATINGS

	VOLKSWAGEN AG		VOLKSWAGEN FINANCIAL SERVICES AG		VOLKSWAGEN BANK GMBH		TRATON SE	
	2022	2021	2022	2021	2022	2021	2022	2021
Standard & Poor's								
short-term	A-2	A-2	A-2	A-2	A-2	A-2	-	-
long-term	BBB+	BBB+	BBB+	BBB+	BBB+	BBB+	BBB	BBB
outlook	stable	stable	stable	stable	stable	stable	stable	stable
Moody's Investors Service								
short-term	P-2	P-2	P-2	P-2	P-1	P-1	-	-
long-term	A3	A3	A3	A3	A1	A1	Baa2	Baa1
outlook	stable	stable	stable	stable	stable	stable	stable	negative

In October and November of 2022, rating agency Standard & Poor's confirmed its short-term and long-term ratings for Volkswagen AG, Volkswagen Financial Services AG and Volkswagen Bank GmbH at A-2 and BBB+, respectively. In July 2022, the long-term rating of BBB for TRATON SE was also confirmed. The outlook for all companies remains unchanged at "stable".

In June and December 2022, Moody's Investors Service confirmed the short-term and long-term ratings for Volkswagen AG and Volkswagen Financial Services AG at P-2 and A3, respectively, and those for Volkswagen Bank GmbH at P-1 and A1. The outlook was left unchanged at "stable". For TRATON SE, the long-term rating was lowered one notch from Baa1 to Baa2. The reason given was the higher level of debt in connection with the acquisition of Navistar, the squeeze-out at MAN SE and the provisions in the EU anti-trust proceedings. The outlook was raised to "stable".

ESG RATINGS

Analysts and investors are referring increasingly to companies' sustainability profiles when making their recommendations and decisions. They draw on ESG ratings, among other things, to evaluate a company's environmental, social and governance performance. At the same time, these ratings are instrumental in determining whether we are meeting our goal in relation to the Group's NEW AUTO strategy, and they are used to establish internal measures.

After the diesel issue became public knowledge, the Volkswagen Group was downgraded significantly in numerous ESG ratings. With the successful completion of the Monitorship and reinstatement of the Group in the UN Global Compact, an improvement in ESG performance was achieved. Compared with the previous year, our score in the Sustainalytics ESG rating improved from 29.6 to 26.1 in 2022. Our MSCI score remained at B and the ISS score continued to be C. Volkswagen is also listed in the Dow Jones Sustainability Index Europe. In addition, Volkswagen maintained its score of A- in the CDP climate rating in fiscal year 2022 and its rating of A in the Water Disclosure Project (WDP).

Results of Operations, Financial Position and Net Assets

Against the backdrop of the global market slowdown and continued limited vehicle availability due to parts supply shortages, the Volkswagen Group generated significantly higher sales revenue and a higher operating result in the reporting year.

The Volkswagen Group's segment reporting comprises the four reportable segments of Passenger Cars and Light Commercial Vehicles, Commercial Vehicles, Power Engineering and Financial Services, in compliance with IFRS 8 and in line with the Group's internal financial management and reporting structures.

The reconciliation contains activities and other operations that do not, by definition, constitute segments. These include the unallocated Group financing activities. Consolidation adjustments between the segments (including the holding company functions) are also contained in the reconciliation. The purchase price allocations for Porsche Holding Salzburg and Porsche, Scania, MAN and, since July 2021, Navistar are allocated to their corresponding segments.

The Automotive Division comprises the Passenger Cars and Light Commercial Vehicles segment, the Commercial Vehicles segment and the Power Engineering segment, as well as the figures from the reconciliation. The Passenger Cars and Light Commercial Vehicles segment is combined with the reconciliation to form the Passenger Cars Business Area, while the Commercial Vehicles and Power Engineering segments are identical to the business areas of the same name. The Financial Services Division corresponds to the Financial Services segment.

At Volkswagen, segment profit or loss is measured on the basis of the operating result.

KEY FIGURES FOR 2022 BY SEGMENT

€ million	Passenger Cars and Light Commercial Vehicles	Commercial Vehicles	Power Engineering	Financial Services	Total segments	Reconciliation	Volkswagen Group
Sales revenue	210,371	39,516	3,565	46,847	300,299	-21,067	279,232
Segment profit or loss (operating result)	17,153	1,588	281	5,656	24,677	-2,553	22,124
as a percentage of sales revenue	8.2	4.0	7.9	12.1			7.9
Capex, including capitalized development costs	20,125	1,907	84	217	22,334	338	22,672

IPO OF PORSCHE AG

On September 28, 2022, as part of the IPO of Dr. Ing. h.c. F. Porsche AG, Stuttgart (Porsche AG), a total of 113,875,000 preferred shares of Porsche AG were successfully placed with investors at a placement price of €82.50 per preferred share, totaling around €9.4 billion – including 14,853,260 preferred shares to cover potential additional allocations. The non-voting no-par value bearer shares came from the portfolio of Porsche Holding Stuttgart GmbH, Stuttgart – a wholly owned subsidiary of Volkswagen AG. The total number of preferred shares offered in the IPO corresponded to up to 25% of the preference share capital of Porsche AG (including additional allocations). The non-voting preferred shares of Porsche AG have been traded on the Regulated Market of the Frankfurt Stock Exchange since September 29, 2022. Up to the early termination of the stabilization period on October 11, 2022, a total of 3,794,199 preferred shares had been bought back on the market. The free float of the preferred shares after the end of the stabilization period is therefore 24.2% and comprises 110,080,801 preferred shares.

In connection with the IPO, Volkswagen additionally sold an interest of 25% of Porsche AG's ordinary shares plus one ordinary share to Porsche Automobil Holding SE, Stuttgart (Porsche SE). As consideration, Porsche SE has undertaken to pay a purchase price of around €10.1 billion to Volkswagen; this purchase price includes a premium of 7.5% on the placement price of the preferred shares per share. The purchase of the ordinary shares will be completed in two tranches of 79,712,501 and 34,162,500 shares respectively.

As a result of the transactions, the Volkswagen Group's equity increased by €19.1 billion, net of bank commissions and fees in the amount of €0.1 billion taken directly to equity; of this amount, €10.8 billion is reported as noncontrolling interests. The cash inflow for the preferred shares and the first tranche of the ordinary shares occurred at the beginning of the fourth quarter of 2022.

The resolution of the extraordinary General Meeting of Volkswagen AG on December 16, 2022 gave rise to the obligation to pay a dividend, which was increased by €19.06 per ordinary and preferred share ("Special Dividend") and led to a total obligation to the shareholders of Volkswagen AG amounting to €9.6 billion. Taking into account the offsetting transaction described below, a corresponding liability was recognized for this payment as of the balance sheet date. The cash outflow was scheduled for January 9, 2023 and occurred on that day.

Volkswagen AG and Porsche SE agreed to offset the obligation to pay a special dividend to Porsche SE against Volkswagen AG's claim to the payment of the purchase price still outstanding for the second tranche of ordinary shares. In the consolidated financial statements as of December 31, 2022, the purchase price receivable of €3.0 billion for the second tranche and the dividend liability of €3.1 billion were therefore presented on a net basis. Upon payment of the special dividend on January 9, 2023, the netting process was completed.

The employees of Volkswagen AG and Volkswagen Sachsen GmbH are to participate in the economic success of the placement of the preferred shares and the sale of ordinary shares in Porsche AG by way of a one-off payment of up to €2,000 per employee. A liability of €0.3 billion was recognized to this end as of the balance sheet date. On October 17, 2022, the Board of Management and the Works Council of Porsche AG communicated a special payment to employees to mark the successful IPO; the payment was made and recognized in profit or loss in the fourth quarter of 2022. The total bonus for employees in connection with the IPO of Porsche AG amounted to €0.5 billion in the Volkswagen Group as of the balance sheet date.

TAKEOVER OF EUROPCAR

In 2021, together with investment firm Attestor Limited and Pon Holdings B.V., Volkswagen made a joint public takeover offer for the shares of Europcar Mobility Group S.A., Paris/France (Europcar) through the consortium company Green Mobility Holding S.A. (GMH) based in Strassen/Luxembourg. The European Commission issued final antitrust approval at the end of May 2022. During the extended offer period, the French Financial Markets Authority gave Europcar shareholders the opportunity to tender their shares to the consortium company. In total, 93.6% of Europcar's shareholders accepted the offer. The consortium jointly assumed control of Europcar in mid-June 2022. Because the acceptance rate was over 90%, a squeeze-out was initiated for the remaining Europcar shares in July 2022, and the company was delisted. Since July 13, 2022, the consortium company has held 100% of the shares in Europcar. The purchase price was 51 cents per Europcar share.

At the end of June 2022, the entire portion of the purchase price attributable to Volkswagen, amounting to €1.7 billion, was contributed to GMH. Since joint control has been contractually agreed, the company, in which Volkswagen holds 66% of the shares, will be accounted for using the equity method in the Volkswagen consolidated financial statements. In addition, Volkswagen is the writer of put options held by the other members of the consortium, and the other members have granted Volkswagen call options on their shares in the consortium company. The options with Attestor were extended on a long-term basis in December 2022. The measurement of the options led to a total non-cash expense of €0.3 billion in the reporting year, which was recognized in the financial result.

BROSE SITECH SP. Z O.O. TRANSACTION

Following the fulfillment of all closing conditions, Brose Fahrzeugteile SE & Co. Kommanditgesellschaft (Brose) and Volkswagen Finance Luxemburg S.A., a subsidiary of Volkswagen AG, created a jointly operated company in early 2022 for the development and manufacture of complete seat units, seat structures and components, and solutions for vehicle interiors. As part of this arrangement, Brose acquired half of the shares in the previous Volkswagen Group company SITECH Sp. z o.o., Polkowice/Poland. Brose and Volkswagen each hold 50% of the jointly operated company – Brose Sitech Sp. z o.o. – with Brose taking the industrial lead and controlling the company. Given its significant influence, Volkswagen accounts for Brose Sitech as an associate using the equity method. The change in the accounting policy did not have any material effect on the Volkswagen Group's profit or loss.

ACQUISITION OF NAVISTAR

On July 1, 2021, a TRATON GROUP company acquired all of the outstanding shares in Navistar International Corporation (Navistar), a US manufacturer of commercial vehicles based in Lisle, Illinois/USA. Due to the size of the transaction, it was not possible to complete the in-house reviews of the information underlying the purchase price allocation until the current fiscal year. The update to the purchase price allocation did not materially affect the results of operations, financial position and net assets of the Volkswagen Group.

IMPAIRMENT OF ARGO AI

In the third quarter of 2022, Volkswagen took the strategic decision not to make further investments in Argo AI, LLC Pittsburgh/USA (Argo AI) to develop autonomous driving. Since Argo AI had previously been unable to win new investors and no returns were consequently expected, an impairment loss on the entire interest was therefore recognized. This resulted in an expense of €1.9 billion in fiscal year 2022, which is recognized in the other financial result. There are plans to liquidate Argo AI.

RUSSIA-UKRAINE CONFLICT

In the reporting year, the ongoing Russia-Ukraine conflict, Russia's partial mobilization and additional, more stringent sanctions imposed on Russia by the community of Western states led to the risk assessment of the situation in Russia being adjusted.

This cemented the Volkswagen Group's decision to discontinue business activities in Russia. In this context, a number of individual companies have already been sold and further sales negotiations have been initiated. On the basis of this reassessment, comprehensive loss allowances on assets of production facilities and financial services companies were recognized in the reporting period, as were risk provisions, especially for third-party expenses expected from the discontinuation of activities in Russia.

Overall, total expenses of around €2 billion were recognized in the reporting year as a direct result of the Russia-Ukraine conflict, which are reported in cost of sales and in the other operating result. Of this amount, €1.5 billion was charged to the Automotive Division and €0.5 billion to the Financial Services Division.

EQUITY INVESTMENTS HELD FOR SALE

In December, Porsche AG entered into an agreement with an independent, non-Group investor for the sale of two Russian sales companies in the Passenger Cars and Light Commercial Vehicles segment, OOO Porsche Russland, Moscow/Russia, and OOO Porsche Center Moscow, Moscow/Russia, as well as one company assigned to the Financial Services segment, OOO Porsche Financial Services Russland, Moscow/Russia. Moreover, a repurchase option was agreed with this investor, which can be exercised at the earliest five years and at the latest ten years after the sale. As of the reporting date, the legal transfer of ownership of the Russian subsidiaries of Porsche AG was still subject to approval by the Russian authorities. It is currently expected that ownership will be legally transferred and the purchase price finally determined in the course of the first quarter of 2023.

It was resolved in the fourth quarter of 2022 to sell the following fully consolidated subsidiaries allocated to the Financial Services segment: OOO Volkswagen Bank RUS, Moscow/Russia, OOO Volkswagen Group Finanz, Moscow/Russia, and OOO Volkswagen Financial Services RUS, Moscow/Russia. The resolution by the competent governing body was immediately followed by the implementation of a disposal plan, which is expected to be completed in the first half of 2023.

On December 15, 2022, the Supervisory Board of Volkswagen AG resolved to sell the MAN ES gas turbine business of MAN Energy Solutions SE, Augsburg, and MAN Energy Solutions Schweiz AG, Zurich/Switzerland, by way of an asset deal to CSIC Longjiang GH Gas Turbine Co. Ltd., Harbin/China, and its subsidiaries, which are still to be established under German and Swiss law. The transaction is expected to be completed within the next 12 months.

In accordance with IFRS 5, the assets and liabilities held for sale were recognized at the lower of their carrying amount and fair value less expected costs of disposal.

SPECIAL ITEMS

Special items consist of certain items in the financial statements whose separate disclosure the Board of Management believes can enable a better assessment of our economic performance.

In fiscal year 2022, the operating result in the Passenger Cars Business Area was affected by negative special items of €-0.4 (-0.8) billion in connection with the diesel issue. These special items were mainly attributable to additional expenses for legal risks.

INCOME STATEMENT BY DIVISION

€ million	VOLKSWAGEN GROUP		AUTOMOTIVE ¹		FINANCIAL SERVICES	
	2022	2021	2022	2021	2022	2021
Sales revenue	279,232	250,200	232,385	206,237	46,847	43,963
Cost of sales	-227,005	-202,959	-189,567	-167,645	-37,437	-35,314
Gross profit	52,228	47,241	42,818	38,592	9,410	8,649
Distribution expenses	-19,840	-19,228	-18,794	-18,068	-1,046	-1,160
Administrative expenses	-11,689	-10,420	-9,074	-7,964	-2,616	-2,456
Net other operating result	1,426	1,682	1,518	670	-92	1,012
Operating result	22,124	19,275	16,468	13,230	5,656	6,045
Operating return on sales (%)	7.9	7.7	7.1	6.4	12.1	13.8
Share of profits and losses of equity-accounted investments	2,395	2,321	2,287	2,232	109	89
Interest result and Other financial result	-2,476	-1,470	-2,292	-1,316	-184	-154
Financial result	-81	851	-6	915	-75	-64
Earnings before tax	22,044	20,126	16,463	14,146	5,581	5,981
Income tax expense	-6,208	-4,698	-4,247	-3,179	-1,961	-1,519
Earnings after tax	15,836	15,428	12,216	10,967	3,620	4,462
Noncontrolling interests	393	46	268	-42	125	87
Earnings attributable to Volkswagen AG hybrid capital investors	576	539	576	539	0	0
Earnings attributable to Volkswagen AG shareholders	14,867	14,843	11,371	10,469	3,495	4,374

1 Including allocation of consolidation adjustments between the Automotive and Financial Services divisions.

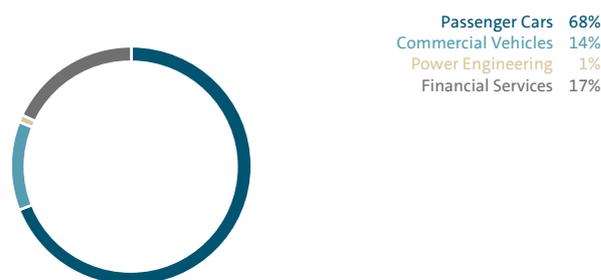
SHARE OF SALES REVENUE BY MARKET 2022

in percent



SHARE OF SALES REVENUE BY DIVISION/BUSINESS AREA 2022

in percent



RESULTS OF OPERATIONS

Results of operations of the Group

In the period from January to December 2022, the Volkswagen Group generated sales revenue of €279.2 billion, up 11.6% on the prior-year figure. Improvements, above all in the price positioning, the product mix and exchange rate trends, as well as healthy business performance in the Financial Services Division had a positive effect, while lower vehicle sales due to parts supply shortages had an adverse impact. Navistar, which has been consolidated since July 1, 2021, is included in the Group's sales revenue in an amount of €10.7 (3.6) billion. In fiscal year 2022, 82.6 (82.3)% of the Volkswagen Group's sales revenue originated abroad. Gross profit improved by €5.0 billion to €52.2 billion. The gross margin was 18.7 (18.9)%.

The Volkswagen Group's operating result before special items increased by €2.5 billion to €22.5 billion in the reporting year. The operating return on sales before special items amounted to 8.1 (8.0)%. The rise in the operating result was mainly attributable to improved price positioning and the product mix. Positive effects amounting to €3.7 (2.7) billion from derivatives to which hedge accounting is not applied (in particular commodity, currency and interest rate hedges) boosted the Group's earnings. These factors were offset by increased product costs, especially for commodities, and expenses of around €2 billion relating to loss allowances and risk provisions as a consequence of the direct impact of the Russia-Ukraine conflict. In the reporting period, the Passenger Cars Business Area reported one-off expenses for restructuring measures at SEAT in an amount of €0.2 billion. In the previous year, one-off expenses had been incurred for restructuring measures in the Commercial Vehicles Business Area (€0.7 billion) as well as expenses in connection with the EU antitrust proceedings against Scania (€0.5 billion). An expense of €0.1 billion was recognized for transaction costs in connection with the IPO of Porsche AG. In addition, employees of Volkswagen AG, Volkswagen Sachsen GmbH and the Porsche AG Group participated in the economic success of the sale of shares in Porsche AG by way of a one-off payment; to this end, an amount of €0.5 billion was recognized in personnel costs.

Special items in connection with the diesel issue reduced the operating result, which amounted to €-0.4 (-0.8) billion. In the period from January to December 2022, the Volkswagen Group's operating result amounted to €22.1 billion, up €2.8 billion on the prior-year figure. The operating return on sales increased to 7.9 (7.7)%.

The financial result amounted to €-0.1 (0.9) billion. The interest expenses included in this item decreased due to measurement-related factors resulting primarily from a change in the discount rates used in the measurement of provisions. The other financial result was negatively impacted by the impairment loss of €1.9 billion recognized on the equity investment in Argo AI, which weighed on net other investment income, and by changes in share prices, mainly as a result of the Russia-Ukraine conflict, which affected net income from securities and funds. Both factors were offset by favorable exchange rate effects. The measurement of forward purchase agreements for new shares in QuantumScape had additionally weighed on the previous year. The share of the result of equity-accounted investments of the Chinese joint ventures was up on the previous year.

The Volkswagen Group's earnings before tax were up €1.9 billion to €22.0 billion in fiscal year 2022. The return on sales before tax amounted to 7.9 (8.0)%. Income taxes resulted in an expense of €6.2 (4.7) billion in the reporting year, which in turn led to a tax rate of 28.2 (23.3)%. Earnings after tax rose by €0.4 billion year-on-year to €15.8 billion.

Results of operations in the Automotive Division

The Automotive Division recorded sales revenue of €232.4 (206.2) billion in fiscal year 2022. Favourable price positioning, product mix and exchange rate trends were set against the fact that vehicle availability continued to be limited due to parts supply shortages. In the period from January to December 2022, sales revenue in the Passenger Cars Business Area went up noticeably, by 9.5%. In the Commercial Vehicles Business Area, sales revenue rose very sharply by 31.3% compared with the previous year; it should, however, be noted that the prior-year figure had included the Navistar business only from July 2021 onward. The Power Engineering Business Area's sales revenue was noticeably higher than in 2021. As our Chinese joint ventures are accounted for using the equity method, the Group's business performance in the Chinese passenger car market is essentially reflected in the Group's sales revenue only through deliveries of vehicles and vehicle parts.

RESULTS OF OPERATIONS IN THE PASSENGER CARS, COMMERCIAL VEHICLES AND POWER ENGINEERING BUSINESS AREAS FROM JANUARY 1 TO DECEMBER 31

€ million	2022	2021
Passenger Cars		
Sales revenue	189,304	172,868
Operating result	14,600	13,051
Operating return on sales (%)	7.7	7.5
Commercial Vehicles¹		
Sales revenue	39,516	30,092
Operating result	1,588	134
Operating return on sales (%)	4.0	0.4
Power Engineering		
Sales revenue	3,565	3,278
Operating result	281	45
Operating return on sales (%)	7.9	1.4

¹ From July 1, 2021, the figures include Navistar.

Cost of sales increased for reasons that included higher product costs (especially for commodities) and higher research and development costs recognized in profit or loss. Its share of sales revenue was on a level with the previous year. Driven by a sharp rise in total research and development costs, the research and development ratio (R&D ratio), defined as total research and development costs as a percentage of the Automotive Division's sales revenue, was higher than in the previous year, at 8.1 (7.6)% for the reporting year. In addition to new models, our activities focused above all on the electrification of our vehicle portfolio, digitalization, new technologies and enhancements of our modular and electric toolkits and platforms.

There was a year-on-year increase in both distribution and administrative expenses in fiscal year 2022. The ratio of distribution expenses to sales revenue went down, while the ratio of administrative expenses remained virtually unchanged. The other operating result stood at €1.5 (0.7) billion. Positive factors included, at €2.9 (2.4) billion, the fair value measurement and realization of derivatives to which hedge accounting is not applied, offset by negative special items in connection with the diesel issue and one-off expenses for restructuring measures in both periods. The prior-year period had, moreover, been influenced by expenses in connection with the EU antitrust proceedings against Scania in the Commercial Vehicles Business Area.

In the period from January to December 2022, the Automotive Division's operating result improved by €3.2 billion to €16.5 billion. The operating return on sales of the Automotive Division climbed to 7.1 (6.4)%. The main contributing factors were improvements in price positioning and in the product mix. Compared with the previous year, the decline in unit sales as a result of parts supply shortages, higher product costs (especially for commodities), charges incurred because of the Russia-Ukraine conflict, and expenses in connection with the IPO of Porsche AG had an adverse effect. The negative special items recognized in fiscal year 2022 were lower than in the year before.

The operating result before special items increased by €2.9 billion to €16.9 billion, while the operating return on sales before special items went up to 7.3 (6.8)%.

Our operating result largely benefits from the business performance of our equity-accounted Chinese joint ventures only through deliveries of vehicles and vehicle parts and through license income, as these joint ventures are included in the financial result.

Results of operations in the Financial Services Division

At €46.8 billion, the sales revenue reported by the Financial Services Division in 2022 was 6.6% higher than in the prior-year period. Cost of sales increased proportionately.

The Financial Services Division's operating result of €5.7 billion was €0.4 billion down on the previous year. The decline was caused mainly by expenses relating to loss allowances and risk provisions due to the direct impact of the Russia-Ukraine conflict; they were recognized in the other operating result. Continued strong demand for used vehicles and positive effects from derivatives to which hedge accounting is not applied (interest rate hedges) had a beneficial effect. The operating return on sales decreased to 12.1 (13.8)%. The return on equity before tax was 14.0 (17.3)%.

Principles and goals of financial management

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

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

FINANCIAL POSITION

Financial position of the Group

In the reporting year, the Volkswagen Group's gross cash flow went up to €49.3 (43.7) billion for earnings-related reasons. The change in working capital amounted to €−20.8 (−5.1) billion. A smaller rise in lease assets and a higher rise in liabilities were unable to offset an increase in inventories and receivables and a reduction in other provisions compared to the prior year. Cash outflows resulting from the diesel issue were higher than in 2021. The payment of the fine arising from the EU antitrust proceedings against Scania led to a cash outflow of €0.9 billion in fiscal year 2022. As a result, cash flows from operating activities went down by €10.1 billion to €28.5 billion.

The Volkswagen Group's investing activities attributable to operating activities grew by €1.3 billion to €25.5 billion in fiscal year 2022. This also includes the full portion of the purchase price payable by Volkswagen for the acquisition of Europcar, amounting to €1.7 billion, which was contributed to Green Mobility Holding.

Financing activities resulted in a cash inflow of €4.2 billion, compared with an outflow of €7.8 billion in the previous year. Financing activities related primarily to the issuance and redemption of bonds and other financial liabilities, the redemption of the hybrid notes called in February and November 2022, the issuance of the hybrid notes successfully placed in March 2022, the payment of the €3.8 billion dividend to the shareholders of Volkswagen AG from the appropriation of net profit for fiscal year 2021, and the cash inflow of €16.1 billion from the IPO of Porsche AG (partial cash inflow from the sale of the ordinary and preferred shares). At the end of the fiscal year, the Volkswagen Group reported cash and cash equivalents of €29.7 (39.1) billion in its cash flow statement.

At the end of December 2022, the Volkswagen Group's net liquidity stood at €−125.8 billion, compared with €−136.6 billion on December 31, 2021.

Financial position of the Automotive Division

In the period from January to December 2022, the Automotive Division's gross cash flow of €33.2 billion exceeded the prior-year figure by €4.1 billion. The increase was mainly attributable to improved earnings. The change in working capital amounted to €−3.3 (3.4) billion, resulting mainly from higher inventories and lower other provisions, offset by a larger increase in liabilities compared to the prior year.

Cash outflows resulting from the diesel issue were higher than in the prior-year period. The payment of the fine arising from the EU antitrust proceedings against Scania led to a cash outflow in fiscal year 2022. Consequently, cash flows from operating activities decreased by €2.5 billion to €29.9 billion.

CASH FLOW STATEMENT BY DIVISION

€ million	VOLKSWAGEN GROUP		AUTOMOTIVE ¹		FINANCIAL SERVICES	
	2022	2021	2022	2021	2022	2021
Cash and cash equivalents at beginning of period	39,123	33,432	24,899	23,758	14,224	9,674
Earnings before tax	22,044	20,126	16,463	14,146	5,581	5,981
Income taxes paid	-4,415	-4,216	-3,561	-3,329	-854	-887
Depreciation and amortization expense ²	30,670	27,473	20,854	18,378	9,816	9,094
Change in pension provisions	898	992	857	947	41	45
Share of the result of equity-accounted investments	575	787	639	839	-64	-52
Other noncash income/expense and reclassifications ³	-511	-1,473	-2,089	-1,938	1,578	465
Gross cash flow	49,261	43,690	33,163	29,044	16,097	14,646
Change in working capital	-20,765	-5,056	-3,299	3,358	-17,466	-8,415
Change in inventories	-8,385	2,110	-8,262	624	-123	1,486
Change in receivables	-3,207	1,888	-529	421	-2,678	1,466
Change in liabilities	8,586	1,856	8,179	2,009	407	-153
Change in other provisions	-2,754	951	-2,934	938	180	14
Change in lease assets (excluding depreciation)	-8,711	-16,205	406	-536	-9,117	-15,669
Change in financial services receivables	-6,294	4,345	-158	-97	-6,136	4,442
Cash flows from operating activities	28,496	38,633	29,865	32,402	-1,369	6,231
Cash flows from investing activities attributable to operating activities	-25,454	-24,181	-25,058	-23,793	-396	-388
of which: investments in property, plant and equipment, investment property and intangible assets, excluding capitalized development costs	-12,948	-10,655	-12,731	-10,496	-217	-159
capitalized development costs	-9,723	-7,843	-9,723	-7,843	0	0
acquisition and disposal of equity investments	-3,219	-6,151	-2,997	-5,882	-222	-268
Net cash flow⁴	3,042	14,453	4,807	8,610	-1,765	5,843
Change in investments in securities and time deposits, as well as in loans	-16,368	-1,948	-15,052	-933	-1,316	-1,015
Cash flows from investing activities	-41,822	-26,128	-40,110	-24,726	-1,712	-1,403
Cash flows from financing activities	4,225	-7,754	8,621	-7,375	-4,396	-380
of which: capital transactions with noncontrolling interests	16,198	-590	16,198	-590	0	0
capital contributions/capital redemptions	-235	-1,071	-235	-1,575	-0	504
Effect of exchange rate changes on cash and cash equivalents	-285	942	-233	839	-52	102
Change of loss allowance within cash and cash equivalents	1	-1	1	-1	-0	-0
Net change in cash and cash equivalents	-9,385	5,691	-1,856	1,141	-7,529	4,550
Cash and cash equivalents at Dec. 31⁵	29,738	39,123	23,042	24,899	6,695	14,224
Securities and time deposits, as well as loans	49,771	34,515	30,891	16,200	18,880	18,314
Gross liquidity	79,509	73,637	53,934	41,099	25,575	32,539
Total third-party borrowings	-205,312	-210,213	-10,919	-14,413	-194,393	-195,800
Net liquidity⁶	-125,803	-136,576	43,015	26,685	-168,818	-163,261

1 Including allocation of consolidation adjustments between the Automotive and Financial Services divisions.

2 Net of impairment reversals.

3 These relate mainly to the fair value measurement of financial instruments and the reclassification of gains/losses on disposal of noncurrent assets and equity investments to investing activities.

4 Net cash flow: cash flows from operating activities, net of cash flows from investing activities attributable to operating activities (investing activities excluding change in investments in securities, time deposits and loans).

5 Cash and cash equivalents comprise cash at banks, checks, cash-in-hand and call deposits.

6 The total of cash, cash equivalents, securities and time deposits, as well as loans to affiliates and joint ventures net of third-party borrowings (noncurrent and current financial liabilities).

FINANCIAL POSITION IN THE PASSENGER CARS, COMMERCIAL VEHICLES AND POWER ENGINEERING BUSINESS AREAS FROM JANUARY 1 TO DECEMBER 31

€ million	2022	2021
Passenger Cars		
Gross cash flow	28,740	26,221
Change in working capital	-444	3,439
Cash flows from operating activities	28,296	29,659
Cash flows from investing activities attributable to operating activities	-23,060	-19,266
Net cash flow	5,236	10,393
Commercial Vehicles¹		
Gross cash flow	4,079	2,491
Change in working capital	-2,877	-109
Cash flows from operating activities	1,201	2,382
Cash flows from investing activities attributable to operating activities	-1,953	-4,453
Net cash flow	-752	-2,071
Power Engineering		
Gross cash flow	345	333
Change in working capital	23	29
Cash flows from operating activities	368	362
Cash flows from investing activities attributable to operating activities	-44	-74
Net cash flow	323	287

¹ From July 1, 2021, the figures include Navistar.

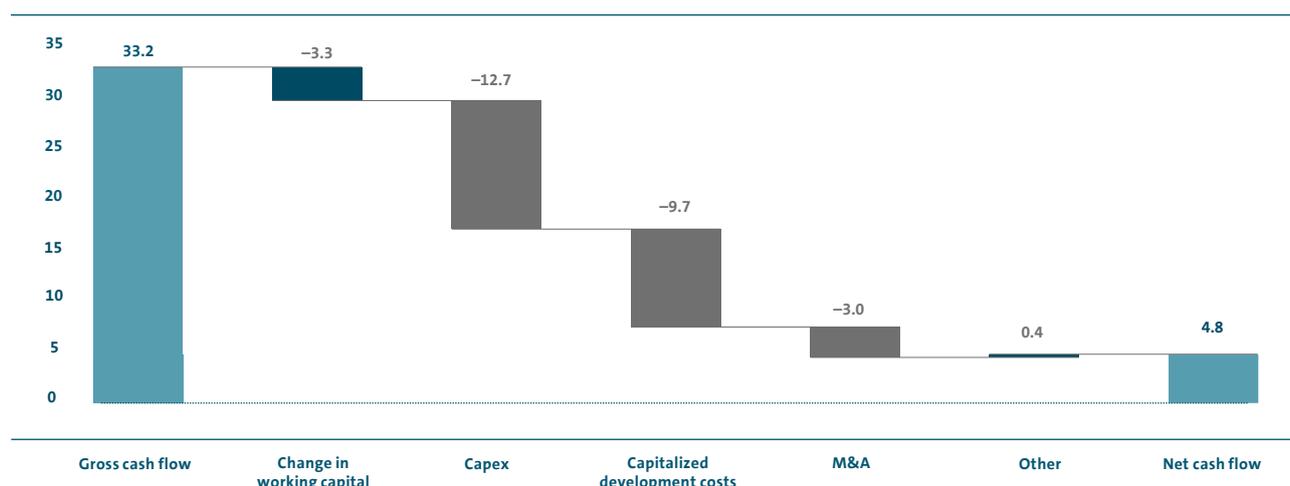
Investing activities attributable to operating activities increased by €1.3 billion to €25.1 billion. Within this figure, investments in property, plant and equipment, investment property and intangible assets, excluding capitalized development costs (capex) increased by €2.2 billion to €12.7 billion. The ratio of capex to sales revenue was 5.5 (5.1)%. A considerable portion of capex was above all allocated to our production facilities and to models that we launched in 2022 or are planning to launch in 2023, or for which production is set to start. This expenditure relates mainly to vehicles in the ID. family (ID. Buzz, ID.3, ID.7) and product upgrades for the T-Roc, Amarok and Tiguan. Other vehicles in the volume segment are the ŠKODA Enyaq Coupé and upgrades to the Scala, Kamiq and Superb Combi models. The Bentley Bentayga, the facelift of the Audi Q8 e-tron and the Q6 e-tron expand the range of models in the Premium segment, among others. In the sports segment, the Cayman, Panamera, Cayenne, 911 and Taycan are among the models being updated, and the Macan is being electrified. Other investment priorities include the electrification and digitalization of our products and enhancements to the modular and all-electric toolkits and platforms. Additions to capitalized development costs rose to €9.7 (7.8) billion in the reporting period. The “Acquisition and disposal of equity investments” (M&A) item amounted to €-3.0 (-5.9) billion. It included strategic investments in a variety of companies, especially Europcar. The sale of Sitech Sp. z o.o. in the fiscal year under review had an offsetting effect. The prior-year period had included, among other items, the acquisition of Navistar and the investment in the associate Gotion High-Tech.

In the period from January to December 2022, the Automotive Division’s net cash flow of €4.8 billion was €3.8 billion down on the prior-year figure.

In fiscal year 2022, the Automotive Division’s financing activities led to a cash inflow of €8.6 billion, compared with a cash outflow of €7.4 billion in the previous year. Hybrid notes with a total nominal

AUTOMOTIVE DIVISION NET CASH FLOW 2022

€ billion



amount of €2.25 billion, which were successfully issued via Volkswagen International Finance N.V. in March 2022, led to a cash inflow. They comprise a €1.0 billion note with a coupon of 3.748%, which is noncallable for five years and nine months, and a €1.25 billion note with a coupon of 4.375%, which is noncallable for nine years. Both notes are perpetual and increase net liquidity and equity by the nominal amount less transaction and other costs. The repayment of the hybrid notes called in February and November 2022 resulted in a cash outflow totaling €2.6 billion in the reporting year. The dividend payment to shareholders of Volkswagen AG was made in May 2022 from the appropriation of net profits for fiscal year 2021. It was set against cash inflows from the dividends paid by the financial services companies. The “capital transactions with noncontrolling interests” item includes the cash inflow from the sale of the shares of Porsche AG related to that company’s IPO. In the prior-year period, this item had included the present value of the cash settlement for MAN noncontrolling interest shareholders in connection with the merger of MAN SE and TRATON SE. In addition, the prior-year figure had included the repayment of a hybrid note. Financing activities also include the issuance and redemption of bonds and changes in other financial liabilities.

At the end of 2022, the Automotive Division’s net liquidity stood at €43.0 billion, compared with €26.7 billion at the end of 2021. The Automotive Division’s net liquidity as a proportion of consolidated sales revenue increased to 15.4 (10.7)% in the reporting year, mainly because of cash inflows from the IPO.

Financial position in the Financial Services Division

In fiscal year 2022, the Financial Services Division generated gross cash flow of €16.1 (14.6) billion. The change in working capital amounted to €-17.5 (-8.4) billion, leading to higher funds tied up in working capital than in the previous year because of an increase in receivables and inventories, which could not be offset by a smaller rise in lease assets. As a result, cash flows from operating activities went down by €7.6 billion to €-1.4 billion.

Investing activities attributable to operating activities were on a level with the previous year, at €0.4 (0.4) billion. The Financial Services Division’s financing activities resulted in a cash outflow of €-4.4 (-0.4) billion in the period from January to December 2022. This figure relates primarily to the issuance and redemption of bonds and to other financial liabilities, as well as dividend payments by the financing companies.

On December 31, 2022, the Financial Services Division’s negative net liquidity, which is common in the industry, was €-168.8 billion as against €-163.3 billion at the end of 2021.

NET ASSETS

Consolidated balance sheet structure

On December 31, 2022, the Volkswagen Group had total assets of €564.8 billion, 6.8% more than at the end of 2021. The increase was mainly attributable to the proceeds of the successful IPO of Porsche AG, higher earnings and changes in exchange rates. A chart showing the structure of the consolidated balance sheet as of the reporting date can be found in this chapter. The Volkswagen Group's equity rose by €32.2 billion to €178.3 billion. The IPO of Porsche AG led to a €19.1 billion rise in equity, of which €10.8 billion is reported as noncontrolling interests. The equity ratio increased to 31.6 (27.6)%.

As of the end of fiscal year 2022, the Group had off-balance-sheet commitments in the form of contingent liabilities in the amount of €10.6 (9.7) billion and in the form of financial guarantees in the amount of €1.2 (1.4) billion. In addition, there were other financial obligations of €35.4 (34.7) billion. The contingent liabilities relate primarily to legal risks in connection with the diesel issue, as well as to potential liabilities from tax risks in the Commercial Vehicles Business Area in Brazil. Other financial obligations primarily result from purchase commitments for property, plant and equipment, irrevocable credit commitments to customers and from development and supply contracts. They also include commitments to invest in the infrastructure for zero-emission vehicles and in initiatives to promote access to and awareness of this technology. These commitments were made as part of the settlement agreements in the USA in connection with the diesel issue. The other financial obligations include an amount of €0.5 (0.7) billion for this purpose. In addition to the other financial obligations, there are purchase commitments for inventories with a short turnover period, which arise primarily from the Master Collaboration Agreement with Ford Motor Company for the joint development of vans and mid-sized pickups for the global market.

Automotive Division balance sheet structure

As of December 31, 2022, intangible assets in the Automotive Division were up on the previous year, driven primarily by a rise in capitalized development costs. Property, plant and equipment was on a level with the previous year. Equity-accounted investments were likewise virtually unchanged compared to the previous year's balance sheet date. The increase attributable to capital increases, in particular at Green Mobility Holding, and the positive results of the Chinese joint venture companies were offset by the dividends of the joint ventures resolved in fiscal year 2022 and the impairment loss recognized on the equity investment in Argo AI. Noncurrent other receivables and financial assets increased, due mainly to positive effects from the measurement of derivatives. In total, noncurrent assets ended the year at €178.7 (170.4) billion and therefore higher than at the end of 2021.

Current assets rose by €21.2 billion compared with the figure at the end of 2021, to €122.8 billion. The inventories included in this figure increased, primarily for production-related reasons, and were attributable, among other factors, to disruptions in the logistics chain. Current other receivables and financial assets stood at €18.8 billion – €0.5 billion more than at the end of 2021. The figure included higher trade receivables and positive effects from the measurement of derivatives.

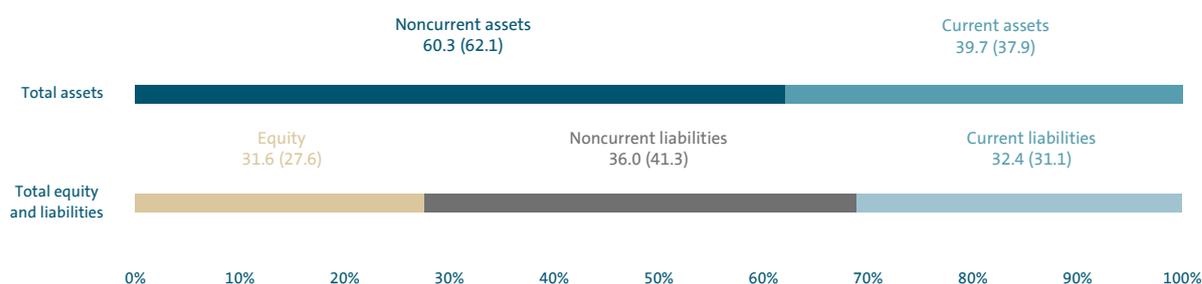
The Automotive Division's cash and cash equivalents contracted by €2.5 billion to €23.0 billion. Total securities amounted to €32.9 billion, thus exceeding the figure as of December 31, 2021 by €15.2 billion.

The "Assets held for sale" item comprises primarily the carrying amounts of the assets intended for derecognition of subsidiaries of Volkswagen Financial Services and Porsche in Russia that are planned to be divested as well as assets of MAN Energy Solutions. The "Liabilities held for sale" item comprises the carrying amount of the corresponding liabilities intended for derecognition.

CONSOLIDATED BALANCE SHEET BY DIVISION AS OF DECEMBER 31

€ million	VOLKSWAGEN GROUP		AUTOMOTIVE ¹		FINANCIAL SERVICES	
	2022	2021	2022	2021	2022	2021
Assets						
Noncurrent assets	340,464	328,261	178,667	170,391	161,797	157,871
Intangible assets	83,241	77,689	82,846	77,290	394	399
Property, plant and equipment	63,890	63,695	62,908	62,684	982	1,011
Lease assets	59,380	59,699	1,279	2,316	58,100	57,383
Financial services receivables	86,944	84,954	-767	-781	87,711	85,735
Investments, equity-accounted investments and other equity investments, other receivables and financial assets	47,009	42,224	32,400	28,882	14,609	13,342
Current assets	224,309	200,347	122,751	101,539	101,557	98,808
Inventories	52,274	43,725	48,768	40,361	3,506	3,363
Financial services receivables	61,549	56,498	-799	-936	62,348	57,434
Other receivables and financial assets	43,375	37,195	18,786	18,275	24,589	18,921
Marketable securities and time deposits	37,206	22,532	32,867	17,674	4,338	4,858
Cash and cash equivalents	29,172	39,723	23,034	25,491	6,137	14,232
Assets held for sale	733	674	95	674	638	0
Total assets	564,772	528,609	301,418	271,930	263,354	256,679
Equity and liabilities						
Equity	178,327	146,154	135,936	109,022	42,392	37,131
Equity attributable to Volkswagen AG shareholders	151,257	130,009	109,549	93,592	41,707	36,417
Equity attributable to Volkswagen AG hybrid capital investors	14,121	14,439	14,121	14,439	0	0
Equity attributable to Volkswagen AG shareholders and hybrid capital investors	165,378	144,449	123,670	108,031	41,707	36,417
Noncontrolling interests	12,950	1,705	12,265	991	684	714
Noncurrent liabilities	203,453	218,062	88,321	98,923	115,132	119,139
Financial liabilities	121,737	131,618	21,871	24,639	99,866	106,978
Provisions for pensions	27,553	41,550	27,104	40,769	449	781
Other liabilities	54,163	44,894	39,346	33,515	14,816	11,379
Current liabilities	182,992	164,393	77,161	63,984	105,831	100,409
Financial liabilities	83,448	78,584	-10,953	-10,237	94,401	88,821
Trade payables	28,748	23,624	26,106	20,977	2,641	2,647
Other liabilities	70,639	61,948	61,995	53,007	8,643	8,940
Liabilities associated with assets held for sale	158	238	12	238	146	0
Total equity and liabilities	564,772	528,609	301,418	271,930	263,354	256,679

1 Including allocation of consolidation adjustments between the Automotive and Financial Services divisions, primarily intragroup loans.

CONSOLIDATED BALANCE SHEET STRUCTURE 2022*in percent*

At the end of December 2022, the Automotive Division's equity of €135.9 billion was 24.7% up on the end of 2021. The proceeds from the successful IPO of Porsche AG, healthy earnings performance, lower actuarial losses from the remeasurement of pension plans and the hybrid notes issued in March 2022 pushed equity higher. The dividend payment in May 2022 and the special dividend to shareholders of Volkswagen AG resolved by the extraordinary General Meeting as well as the redemption of the hybrid notes called in February and November 2022 reduced the Automotive Division's equity. Noncontrolling interests went up as a result of the sale of shares in Porsche AG. They are now primarily held by the noncontrolling interest shareholders of the Porsche AG Group and the TRATON Group. The equity ratio was 45.1 (40.1)%.

Noncurrent liabilities decreased by €10.6 billion to €88.3 billion. The noncurrent financial liabilities included in this item were lower than at the end of 2021, mainly because of reclassifications from noncurrent to current liabilities reflecting shorter remaining maturities. Pension provisions decreased, driven primarily by actuarial remeasurement following a change in the discount rate. Noncurrent other liabilities went up, due among other things to the effects of the measurement of derivatives.

Current liabilities increased by €13.2 billion to €77.2 billion. Current financial liabilities amounted to €-11.0 (-10.2) billion. The figures for the Automotive Division also contain the elimination of intragroup transactions between the Automotive and Financial Services divisions. As the current financial liabilities for the primary Automotive Division were lower than the loans granted to the Financial Services Division, a negative amount was disclosed in both periods. Trade payables were up by 24.5% compared with the end of 2021. Current other liabilities exceeded the figure as of December 31, 2021, driven primarily by the special dividend, which was resolved in December 2022 and paid in January 2023. An offsetting transaction was the netting of the payment claim from the second tranche of the ordinary shares of Porsche AG.

At the end of the reporting year, the Automotive Division reported total assets of €301.4 billion, 10.8% more than at the end of 2021.

BALANCE SHEET STRUCTURE OF THE PASSENGER CARS, COMMERCIAL VEHICLES AND POWER ENGINEERING BUSINESS AREAS

€ million	Dec. 31, 2022	Dec. 31, 2021
Passenger Cars		
Noncurrent assets	142,467	133,857
Current assets	105,077	86,362
Total assets	247,544	220,218
Equity	119,637	93,894
Noncurrent liabilities	71,637	80,621
Current liabilities	56,270	45,704
Commercial Vehicles¹		
Noncurrent assets	34,620	34,730
Current assets	14,184	12,264
Total assets	48,804	46,994
Equity	13,804	12,807
Noncurrent liabilities	16,252	17,778
Current liabilities	18,748	16,409
Power Engineering		
Noncurrent assets	1,579	1,804
Current assets	3,491	2,914
Total assets	5,070	4,718
Equity	2,495	2,322
Noncurrent liabilities	432	524
Current liabilities	2,143	1,872

¹ From July 1, 2021, the figures include Navistar.

Financial Services Division balance sheet structure

At €263.4 billion, the Financial Services Division's total assets on December 31, 2022 were 2.6% higher than a year earlier.

Noncurrent assets rose to €161.8 billion, up 2.5% compared with the end of 2021; the lease assets included in this item expanded mainly due to exchange rate movements. Noncurrent financial services receivables increased, driven by business growth; noncurrent other receivables were also up on the previous year.

Current assets climbed by 2.8% to €101.6 billion. The current financial services receivables included in this item went up, as did current other receivables and financial assets, buoyed among other factors by the rise in trade receivables. The Financial Services Division's cash and cash equivalents stood at €6.1 (14.2) billion on December 31, 2022. Total securities were €0.5 billion lower, at €4.3 billion.

On December 31, 2022, the Financial Services Division accounted for 46.6 (48.6)% of the Volkswagen Group's assets.

The Financial Services Division's equity at the end of 2022 was €42.4 billion, exceeding the figure on the 2021 reporting date by 14.2%. The equity ratio increased to 16.1(14.5)%.

The Financial Services Division's noncurrent liabilities were down 3.4% as of the balance sheet date. The noncurrent financial liabilities included in this item saw a noticeable decline, while noncurrent other liabilities rose sharply, driven by adverse effects from the measurement of derivatives. Current liabilities were higher, driven above all by noticeable growth in current financial liabilities.

Deposits from the direct banking business amounting to €26.7 (26.7) billion were on a level with the previous year.

RETURN ON INVESTMENT (ROI) AND VALUE CONTRIBUTION

The central focus of the Volkswagen Group's financial target system is to continuously and sustainably increase the value of the Company. In order to make efficient use of resources in the Automotive Division and to measure the success of this, we have been using a value-based management system for a number of years, with return on investment (ROI) as a relative indicator and value contribution¹, a key performance indicator linked to the cost of capital, as an absolute performance measure.

The return on investment serves as a constant target in strategic and operational management. If the return on investment exceeds the market cost of capital, there is an increase in the value of the invested capital and a positive value contribution. The concept of value-based management makes it possible to assess the success of the Automotive Division and individual business units. It also enables the earning power of our products, product lines and projects – such as new plants – to be measured.

Components of value contribution

Value contribution is calculated on the basis of the operating result after tax and the opportunity cost of invested capital.

The operating result shows the economic performance of the Automotive Division and is initially a pre-tax figure. Based on our companies' income tax rates, which vary from country to country, we assume an overall average tax rate of 30% when calculating the operating result after tax.

The cost of capital is multiplied by the average invested capital to give the opportunity cost of capital. Invested capital is calculated as total operating assets reported in the balance sheet (property, plant and equipment, intangible assets, lease assets, inventories and receivables) less non-interest-bearing liabilities (trade payables and payments on account received). Average invested capital is derived from the balance at the beginning and the end of the reporting period.

As the concept of value-based management only comprises our operating activities, assets relating to investments in subsidiaries and associates and the investment of cash funds are not included when calculating invested capital. Interest charged on these assets is reported in the financial result.

¹ The value contribution corresponds to the Economic Value Added (EVA®). EVA® is a registered trademark of the consulting firm Stern Value Management.

Determining the current cost of capital

The cost of capital is the weighted average of the required rates of return on equity and debt.

The cost of equity is determined using the Capital Asset Pricing Model (CAPM). This model uses the yield on long-term risk-free Bunds, increased by the risk premium attaching to investments in the equity market. The risk premium comprises a general market risk and a specific business risk. The general risk premium of 7.5% reflects the general risk of a capital investment in the equity market. The specific business risk – price fluctuations in Volkswagen preferred shares – is modeled in comparison to the MSCI World Index when calculating the beta factor. The MSCI World Index is a global capital market benchmark for investors.

The analysis period for the beta factor calculation spans five years with annual beta figures calculated on a weekly basis followed by the subsequent calculation of the average. A beta factor of 1.55 (1.16) was determined for 2022.

The cost of debt is based on the average yield for long-term corporate bonds. As borrowing costs are tax-deductible, the cost of debt is adjusted to account for the tax rate of 30%.

A weighting on the basis of a fixed ratio for the fair values of equity and debt results in an effective cost of capital for the Automotive Division of 8.3 (6.2)% for 2022.

COST OF CAPITAL AFTER TAX IN THE AUTOMOTIVE DIVISION

%	2022	2021
Risk-free rate	2.0	0.1
Market risk premium	7.5	7.5
Volkswagen-specific risk premium	1.1	1.2
(Volkswagen beta factor)	(1.55)	(1.16)
Cost of equity after tax	10.7	8.8
Cost of debt	5.0	1.3
Tax	-1.5	-0.4
Cost of debt after tax	3.5	0.9
Proportion of equity	66.7	66.7
Proportion of debt	33.3	33.3
Cost of capital after tax	8.3	6.2

Return on investment (ROI) and value contribution in the reporting period

The operating result after tax for the Automotive Division, including the proportionate operating result of the equity-accounted Chinese joint ventures, increased to €14,078 (11,740) million in fiscal year 2022. The year-on-year improvement resulted primarily from favorable price positioning and positive changes in the product mix. Negative impacts during the reporting period arose primarily from a decline in unit sales as a result of parts supply shortages, higher product costs (especially for commodities), negative impacts from the Russia-Ukraine conflict, and the recognition of negative special items in the reporting period. The effect of purchase price allocation on earnings and assets is not taken into account as this cannot be influenced by management in the course of business operations.

At €117,412 (113,386) million, invested capital increased slightly in the reporting year compared with the prior year.

The return on investment (ROI) is the return on invested capital for a particular period based on the operating result after tax. Due to the improved operating result, the ROI of 12.0 (10.4)% exceeded both the prior-year figure and our minimum required rate of return on invested capital of 9%.

At €9,702 (6,984) million, the opportunity cost of capital – invested capital multiplied by the cost of capital – was strongly up on the previous year. Improvements in the operating result after tax, net of the opportunity cost of invested capital, led to a positive value contribution of €4,376 (4,756) million, which fell short of the prior-year figure, mainly because of the increased cost of capital.

More information on value-based management is contained in our publication entitled “Financial Control System of the Volkswagen Group”, which can be downloaded from our Investor Relations website: www.volkswagenag.com/en/InvestorRelations/news-and-publications/More_Publications.html.

RETURN ON INVESTMENT (ROI) AND VALUE CONTRIBUTION IN THE AUTOMOTIVE DIVISION¹

€ million	2022	2021
Operating result after tax	14,078	11,740
Invested capital (average)	117,412	113,386
Return on investment (ROI) in %	12.0	10.4
Cost of capital in %	8.3	6.2
Cost of invested capital	9,702	6,984
Value contribution	4,376	4,756

¹ Including proportionate inclusion of the Chinese joint ventures (including the relevant sales and component companies) and allocation of consolidation adjustments between the Automotive and Financial Services Divisions.

SUMMARY OF BUSINESS DEVELOPMENT AND ECONOMIC POSITION

In view of the political and economic developments in 2022 and the transformation of the industry, the Board of Management of Volkswagen AG considers business development and the economic position challenging, but positive overall.

In the reporting period, the Volkswagen Group's business was impacted by the global economic slowdown, the limited availability of parts and disruptions in the logistics chain. As a result, we had to adjust some aspects of our forecast. In this environment, we consequently delivered 8.3 million vehicles in the past fiscal year to customers and thereby fewer than planned.

The Group's sales revenues rose – in line with our expectations – by 11.6%, which was primarily due to prices, product mix and exchange rate effects as well as the good performance in the Financial Services Division.

The operating result before special items increased to €22.5 billion. The operating return on sales before and after special items was 8.1% and 7.9% respectively, and thus within the forecast range.

Research and development costs reflect our activities undertaken to safeguard the Company's future viability. The R&D ratio in the Automotive Division met our adjusted expectations at 8.1%.

The ratio of capex to sales for the Automotive Division was on a level with the forecast at 5.5%.

Net cash flow amounted to €4.8 billion and therefore fell short of the previous year's level; this was mainly attributable to cash tied up in working capital, caused in particular by disruptions in the supply chain.

Net liquidity stood at €43.0 billion at the end of fiscal year 2022, exceeding the originally expected range thanks to the cash inflow from the successful IPO of Porsche AG.

Return on investment (ROI) in the Automotive Division improved to 12.0% and was therefore, as anticipated, above our minimum required rate of return on invested capital.

FORECAST VERSUS ACTUAL FIGURES

	Actual 2021	Original Forecast for 2022	Adjusted Forecast for 2022	Actual 2022
Deliveries to customers (units)	8.9 million	5–10% increase	around the prior-year level	8.3 million
Volkswagen Group				
Sales revenue	€250.2 billion	8–13% increase	8–13% increase	€279.2 billion
Operating return on sales before special items	8.0%	7.0–8.5%	7.0–8.5%	8.1%
Operating return on sales	7.7%	7.0–8.5%	7.0–8.5%	7.9%
Operating result before special items	€20.0 billion	in forecast range	in forecast range	€22.5 billion
Operating result	€19.3 billion	in forecast range	in forecast range	€22.1 billion
Passenger Cars Business Area				
Sales revenue	€172.9 billion	8–13% increase	5 – 10% increase	€189.3 billion
Operating return on sales before special items	8.0%	7.0–8.5%	8.0–9.0%	7.9%
Operating return on sales	7.5%	7.0–8.5%	8.0–9.0%	7.7%
Operating result before special items	€13.8 billion	in forecast range	in forecast range	€15.0 billion
Operating result	€13.1 billion	in forecast range	in forecast range	€14.6 billion
Commercial Vehicles Business Area				
Sales revenue	€30.1 billion	strong increase	strong increase	€39.5 billion
Operating return on sales	0.4%	5.0–7.0%	4.0–5.0%	4.0%
Operating result	€134 million	in forecast range	in forecast range	€1.6 billion
Power Engineering Business Area				
Sales revenue	€3.3 billion	moderate increase	moderate increase	€3.6 billion
Operating result	€45 million	low positive triple-digit million euro range	low positive triple-digit million euro range	€281 million
Financial Services Division				
Sales revenue	€44.0 billion	noticeable increase	noticeable increase	€46.8 billion
Operating result	€6.0 billion	~€4.5 billion	~€5 billion	€5.7 billion
R&D ratio in the Automotive Division	7.6%	~7.0%	~8.0%	8.1%
Capex/sales revenue in the Automotive Division	5.1%	~5.5%	~5.5%	5.5%
Net cash flow in the Automotive Division	€8.6 billion	around the prior-year level	around the prior-year level	€4.8 billion
Net liquidity in the Automotive Division	€26.7 billion	up to 15% increase	up to 15% increase	€43.0 billion
Return on investment (ROI) in the Automotive Division	10.4%	12–15%	12–15%	12.0%

Volkswagen AG

(Condensed, in accordance with the German Commercial Code)

The year 2022 was impacted by the global market slowdown, the limited availability of parts and disruptions in the logistics chain.

ANNUAL RESULT

Special items in connection with the diesel issue were recognized in 2022 and amounted to €0.3 (0.7) billion. These related in particular to further provisions for legal risks. Special items had an impact of €–0.3 (–0.7) billion on net other operating result.

In the fiscal year under review, the Russia-Ukraine conflict negatively affected Volkswagen AG in an amount of approximately €1 billion. This was due to write-downs on the shares in OOO Volkswagen Group Rus, Kaluga, as well as loss allowances and risk provisions following the discontinuation of business activities in Russia.

Sales revenue increased by 12.1% year-on-year to €79.5 billion in the reporting year, driven mainly by higher sales volumes and a more favorable price-product mix. Sales generated abroad accounted for a share of €46.3 billion or 58.2%. Cost of sales increased faster than sales revenue, rising by 17.9% to €79.5 billion, mainly because of higher commodity prices for vehicle production.

Gross profit on sales fell accordingly to €–0.0 (3.5) billion.

INCOME STATEMENT OF VOLKSWAGEN AG

€ million	2022	2021
Sales	79,491	70,917
Cost of Sales	–79,499	–67,424
Gross profit on sales	–8	3,494
Distribution, general and administrative expenses	–7,292	–6,973
Net other operating result	1,997	66
Financial result ¹	16,825	8,545
Taxes on income	955	–1,091
Earnings after tax	12,477	4,041
Net income for the fiscal year	12,477	4,041
Retained profits brought forward	5,774	1,609
Release of/appropriation to revenue reserves	–6,230	13,450
Net retained profits	12,021	19,101

1 Including write-downs of financial assets.

The other operating result amounted to €2.0 billion, up €1.9 billion on the previous year, driven in particular by a decline in expenses for legal and litigation risks, positive effects from the measurement and settlement of hedging transactions and foreign currency translation.

The financial result went up by €8.3 billion to €16.8 billion, mainly because of a rise in income from profit transfers, which resulted primarily from higher profit transferred by Porsche Holding Stuttgart GmbH, Stuttgart, in connection with the IPO of Dr. Ing. h.c. F. Porsche AG, Stuttgart (Porsche AG).

Taxes on income amounted to €1.0 (–1.1) billion, particularly due to higher tax expenses for prior years. Net income for fiscal year 2022 thus amounted to €12.5 (4.0) billion.

NET ASSETS AND FINANCIAL POSITION

Total assets amounted to €225.2 billion on December 31, 2022, up €38.9 billion on the comparative 2021 figure. Intangible assets and property, plant and equipment were up by €0.3 billion, with capital expenditure exceeding depreciation and amortization charges. Financial assets rose to €138.9 (127.6) billion as a result of a number of capital increases, including a capital increase at Porsche Holding Stuttgart GmbH, Stuttgart, in the amount of €2.8 billion in connection with the IPO of Dr. Ing. h.c. F. Porsche AG, Stuttgart. To finance the acquisition of Europcar by Green Mobility Holding S.A., Strassen, Volkswagen AG paid contributions of €1.7 billion to the capital reserves of Volkswagen Finance Luxemburg S.A., Strassen (VFL). In addition, Volkswagen AG paid contributions of €0.9 billion to finance several capital increases by VFL at Volkswagen do Brasil Indústria de Veículos Automotores Ltda., São Bernardo do Campo. In addition, a capital increase of €1.7 billion was implemented at Porsche Siebte Vermögensverwaltung GmbH, Wolfsburg, to finance the creation of battery cell production by PowerCo SE, Salzgitter.

Fixed assets accounted for a share of 65.9 (73.5)% of total assets.

Current assets (including prepaid expenses) amounted to €76.7 (49.4) billion as of December 31, 2022. Inventories went up by €0.9 billion to €7.8 billion. In particular finished goods and merchandise were higher than in the previous year because of a shortage of transport capacity. Receivables and other assets rose to €59.7 (32.3) billion. Their rise is attributable to higher receivables from profit transfers from subsidiaries and an increase in time deposits with maturities of more than three months without call right. Cash instruments were down, driven particularly by the decrease in restricted short-term time deposits.

BALANCE SHEET OF VOLKSWAGEN AG AS OF DECEMBER 31

€ million	2022	2021
Fixed assets	148,516	136,892
Inventories	7,816	6,921
Receivables ¹	59,773	32,355
Cash-in-hand and bank balances	9,122	10,168
Total assets	225,227	186,336
Equity	40,323	41,172
Special tax-allowable reserves	17	17
Long-term debt	33,717	40,748
Medium-term debt	38,647	38,087
Short-term debt	112,523	66,312

1 Including prepaid expenses.

Equity at the end of the reporting year was €40.3 billion; the decrease was primarily due to earnings-related factors. The equity ratio was 17.9 (22.1)%.

Other provisions decreased by €1.6 billion to €17.7 (19.2) billion, due mainly to the reduction in provisions for litigation risks and sales-related provisions. Provisions for pensions rose by €4.0 billion to €25.3 billion, particularly as a result of a change in measurement inputs, while provisions for taxes decreased by €1.4 billion to €3.4 billion.

The €38.8 billion increase in liabilities, including deferred income, to €138.6 billion was mainly the result of higher loan liabilities to affiliated companies and of liabilities for the special dividend in connection with the IPO of Dr. Ing. h.c. F. Porsche AG, Stuttgart.

Volkswagen AG's cash funds, comprising cash instruments with a maturity of less than three months, less bank liabilities repayable on demand and cash pooling liabilities, improved year-on-year from €−2.1 billion to €−1.0 billion. The interest-bearing portion of debt amounted to €107.7 (84.3) billion. In our assessment, given the context created by political and economic developments in 2022, the limited parts availability and disruptions in the logistics chain, the economic position of Volkswagen AG is challenging, but just as positive overall as that of the Volkswagen Group.

DIVIDEND POLICY

Our dividend policy matches our financial strategy. In the interests of all stakeholders, we aim for continuous dividend growth that allows our shareholders to participate appropriately in our business success. The proposed dividend therefore reflects our financial management objectives – in particular, ensuring a solid financial foundation as part of the implementation of our strategy.

In our Group strategy, we have set ourselves the goal of achieving a payout ratio of at least 30%. The payout ratio is based on the Group's earnings after tax attributable to Volkswagen AG shareholders. This amounts to 29.4% for the reporting period and stood at 25.4% in the previous year.

SPECIAL DIVIDEND FOLLOWING PORSCHE AG IPO

The resolution of the extraordinary General Meeting of Volkswagen AG on December 16, 2022 gave rise to the obligation to pay a dividend, which was increased by €19.06 per ordinary and preferred share and led to a total obligation to the shareholders of Volkswagen AG amounting to €9.6 billion. A corresponding liability was recognized for this payment as of the balance sheet date. The cash outflow was scheduled for January 9, 2023 and occurred on that day.

DIVIDEND PROPOSAL

In fiscal year 2022, net retained profits amounted to €12.0 billion. The Board of Management and Supervisory Board are proposing to pay a total dividend of €4.4 billion, i.e. €8.70 per ordinary share and €8.76 per preferred share.

PROPOSAL ON THE APPROPRIATION OF NET PROFIT

€	2022
Dividend payout on subscribed capital (€1,283 million)	4,373,641,114.80
of which: ordinary shares	2,567,281,416.60
preferred shares	1,806,359,698.20
Appropriation to other revenue reserves	7,645,000,000.00
Balance (carried forward to new account)	2,390,656.18
Net retained profits	12,021,031,770.98

EMPLOYEE PAY AND BENEFITS AT VOLKSWAGEN AG

€ million	2022	%	2021	%
Direct pay including cash benefits	8,231	56.7	7,816	67.5
Social security contributions	1,510	10.4	1,340	11.6
Compensated absence	1,208	8.3	1,084	9.4
Retirement benefits	3,557	24.5	1,345	11.6
Total expense	14,506	100.0	11,585	100.0

VEHICLE SALES

Volkswagen AG sold a total of 1,882,535 (1,775,556) vehicles in fiscal year 2022. During the reporting period, demand recovered from the declines in sales in the prior-year period precipitated by the Covid-19 pandemic. However, the limited vehicle availability due to bottlenecks in the supply of parts caused by the shortage of semiconductors and the Russia-Ukraine conflict had a detrimental impact. In addition, disruptions in the supply chain resulted in delays. Vehicles sold abroad accounted for a share of 64.1 (66.3) %.

PRODUCTION

Volkswagen AG manufactured a total of 666,722 vehicles (+5.6%) in the reporting year at its vehicle production plants in Wolfsburg, Hanover and Emden. In fiscal year 2022, supply shortages, especially for semiconductors, continued to limit production.

EMPLOYEES

As of December 31, 2022, a total of 116,677 (117,633) people were employed at the sites of Volkswagen AG, excluding staff employed at subsidiaries; of this figure, 4,452 (4,635) were vocational trainees. 7,528 (7,235) employees were in the passive phase of their partial retirement.

Female employees accounted for 18.3 (17.9)% of the workforce. Volkswagen AG employed 7,908 (7,227) part-time workers. The percentage of foreign employees was 6.5 (6.5)%. In the reporting period, 83.3 (83.3)% of the employees in Volkswagen AG's production area had completed vocational or additional training. The proportion of graduates was 21.9 (21.4)% in the same period. The average age of employees in fiscal year 2022 was 45.1 (44.8) years.

RESEARCH AND DEVELOPMENT

Volkswagen AG's research and development costs as defined in the German Commercial Code amounted to €4.6 (3.5) billion in the reporting period. 15,053 (+11.5%) people were employed in this area at the end of the reporting period. The year-on-year rise is attributable, among other factors, to a change in the data collection method.

BUSINESS DEVELOPMENT OF VOLKSWAGEN AG

As the parent of the Volkswagen Group, Volkswagen AG is fundamentally subject to the same expected developments and risks and opportunities. The forecast is explained in the chapter entitled "Report on Expected Developments" and the risks and opportunities in the chapter entitled "Report on Risks and Opportunities" of this annual report.

RISKS ARISING FROM FINANCIAL INSTRUMENTS

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

DEPENDENT COMPANY REPORT

The Board of Management of Volkswagen AG has submitted to the Supervisory Board the report required by section 312 of the *Aktiengesetz* (AktG – German Stock Corporation Act) and issued the following concluding declaration:

"We declare that, based on the circumstances known to us at the time when the transactions with affiliated companies within the meaning of section 312 of the AktG were entered into, our Company received appropriate consideration for each transaction. No transactions with third parties or measures were either undertaken or omitted on the instructions of or in the interests of Porsche or other affiliated companies in the reporting period."

Sustainable Value Enhancement

Our goal is to run our business responsibly along the entire value chain. Everyone should benefit from this – our customers, our employees, the environment and society. Even in our Group strategy NEW AUTO – Mobility for generations to come, we aim to make mobility sustainable for present and future generations.

The main financial performance indicators for the Volkswagen Group are described in the “Results of Operations, Financial Position and Net Assets” chapter. Nonfinancial key performance indicators also provide information on the efficiency of our Company’s value drivers. These include the processes in the areas of research and development, procurement, technology, production, marketing and sales, information technology and quality assurance. In all of these processes, we are aware of our responsibility towards our customers, our employees, the environment and society. In this chapter we provide examples of how we want to increase the value of our Company in a sustainable way.

SUSTAINABILITY

Sustainability means maintaining intact environmental, social and economic systems with long-term viability at a global, regional and local level. The Volkswagen Group can influence these systems in various ways, and actively takes responsibility to make a contribution to their sustainability. We have thus developed a sustainable style of company management and put in place the necessary management structures.

We have also anchored our goal to sustainably shape mobility for present and future generations in our Group strategy NEW AUTO. Especially the Group’s ESG, Decarbonization and Integrity base initiative will drive this topic further.

The materiality process is used to identify and evaluate the most important sustainability issues for the Group. Based on the business model of Volkswagen AG and its social impacts, the focus is on key ESG requirements, stakeholder expectations and adherence to legal regulations and internationally established reporting standards.

We conducted another materiality analysis in the reporting period. In reviewing potentially material issues, we considered perspectives from within and outside the company and reviewed whether the focus topics of the Group’s NEW AUTO strategy are still in keeping with the times. As a result of this process, the six focus areas already defined – decarbonization, circular economy, supply chain and human rights, people & transformation, diversity, and integrity – were confirmed and classified as material by the Group Sustainability Steering Committee. The six focus areas cover most of the requirements formulated in the ESG ratings for assessment criteria applied. Wherever this is already possible, each focus area is linked to clear goals and milestones, KPIs and appropriate packages of measures. ESG-related KPIs such as the decarbonization index and the diversity index are already today reflected in the remuneration of members of the Board of Management.

Decarbonization

The decarbonization of the Group and in particular its portfolio of products is a major part of the NEW AUTO Group strategy, where it has been defined as one of the focus areas in the base initiative. We have established the decarbonization index (DKI) as a key performance indicator: the decarbonization index measures the emissions of CO₂ and CO₂ equivalents (jointly referred to as CO₂e) by the brands that produce passenger cars and light commercial vehicles in the regions of Europe (EU27, United Kingdom, Norway and Iceland), China and the USA over the entire life cycle. In this index, the use phase is calculated over 200,000 km and with reference to region-specific fleet values without statutory flexibilities. The CO₂e intensity of the charging current of the electric vehicles is also calculated based on region-specific electricity mixes. Our vehicle life cycle assessments, which are used as the data basis for calculating supply chain and recycling emissions, have been verified externally and independently in accordance with ISO 14040. The DKI gives us an informative measuring tool that makes our progress and interim results public and verifiable. The DKI calculation methodology is regularly adapted according to internal and external requirements, such as new test cycles for fleet emissions. Published DKI values can therefore also be adjusted to the new methodology and thus changed to facilitate the presentation of a time series that is methodologically consistent. In 2021, the methodology was adjusted to the WLTP test cycle for fleet emissions. By 2030, the DKI is to be reduced by 30% compared with the base year 2018, and emissions offsetting will not be included in the figure. In the reporting year, the DKI value averaged 48.0 t CO₂e/vehicle. This represents a reduction of 0.4 t CO₂e/vehicle compared with the figure adjusted for 2021 due to a change in the assumption on which the calculation is based, for example the first-time inclusion of region-specific life cycle assessments for Chinese models.

Circular economy

The finite nature of natural resources and the social and environmental consequences of mining raw materials make decoupling economic growth from resource consumption and the development of a circular economy key sustainability topics. Policymakers at both international and national level have addressed these challenges and made it their mission to regulate markets more aggressively in the future in an effort to speed up the transformation towards resource efficiency and a circular economy. Recognizing the importance of the topic, Volkswagen anchored the topic of circular economy in the NEW AUTO Group strategy through its ESG, Decarbonization and Integrity base initiative.

The Volkswagen Group created and implemented concepts for the reconditioning and recycling of vehicle components from an early stage. Going forward, we plan to intensify our efforts for a transition to a loop-oriented and resource-conserving approach to doing business by pooling expertise within the Group and working on projects and measures on a cross-brand basis.

We are stepping up efforts to use recyclable materials in our vehicle projects. These currently include raw materials from production residues as well as renewable raw materials or natural fibers such as flax, cotton, wood and cellulose, provided they comply with all the technical requirements. In the future, the use of raw materials from end-of-life vehicles will be increasingly taken into account and simplified.

To preserve circular materials from electric vehicles, Volkswagen Group Components opened the Group's first pilot facility for recycling high-voltage vehicle batteries at the Salzgitter site in early 2021. The objective is industrialized recovery of valuable raw materials such as lithium, nickel, manganese and cobalt.

More information on the focus areas can be found in the sections on integrity and compliance, procurement and employees, as well as in our Sustainability Report for fiscal year 2022.

Parameters and guiding principles

Our actions are determined by the Volkswagen Group Essentials as the foundation of values and the basis for our shared corporate culture. The Volkswagen Group Essentials support managers and employees in overcoming legal and ethical challenges that arise in their daily work. At the same time, we are guided in our activities by several internal guidelines on sustainability.

On this basis, we seek to align the Volkswagen Group's actions with international agreements and frameworks such as the Sustainable Development Goals (SDGs) of the United Nations (UN), the declarations of the International Labour Organization (ILO), the principles and conventions of the Organisation for Economic Co-operation and Development (OECD) and the UN covenants on basic rights and freedoms.

UN Global Compact

Since 2021, after a five-year hiatus, the Volkswagen Group has officially been reinstated as a participant of the UN Global Compact (UNGC), the world's largest corporate sustainability initiative, and participates in national and international initiatives together with Audi, Porsche, TRATON, MAN Truck & Bus and Scania. Investors and asset managers in the capital markets view membership of the UNGC as an important factor when deciding to invest in shares and bonds of Volkswagen AG. ESG funds have become very popular in recent years and indispensable for stakeholders.

Management and coordination

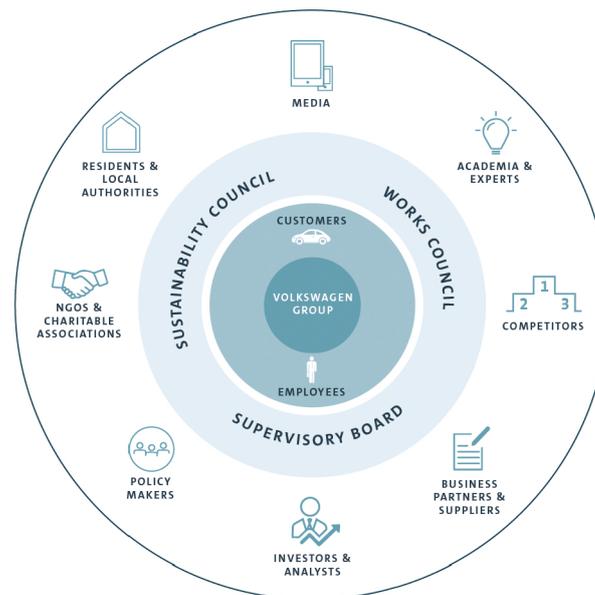
The Volkswagen Group has established a Group-wide sustainability management. The related structures, processes and responsibilities are codified in a specific Group policy. We view sustainability management as a continuous improvement process. The core elements include assumption of cross-functional overall responsibility for sustainability by the Chair of the Board of Management of Volkswagen AG, specification of the competence of the responsible Board members for specific sustainability management concepts and implementation of the Group Sustainability Steering Committee as a top management committee. The members of this steering committee include managers from central Board of Management business areas and Group divisions as well as representatives from the brands and the Group Works Council. The steering committee defines concrete strategic goals and programs, establishes measures for uniform further development of sustainability management across divisions, brands and regions and decides on fundamental sustainability issues. The office of the Group Sustainability Steering Committee is the responsibility of the Group's Sustainability function.

Strategic stakeholder management

Our stakeholders are individuals, groups, or organizations who have an influence on or are influenced by the course or the result of corporate decisions. Our customers and employees are at the center of our stakeholder network. Based on continuous stakeholder analysis, we have also identified eight more stakeholder groups. The Group's supervisory and advisory bodies – i.e. the Supervisory Board, the Works Council and the Sustainability Council – act as interfaces between internal and external stakeholder groups.

We understand stakeholder management as systematic interaction with key interest and stakeholder groups in line with our NEW AUTO Group strategy. Our goal is an open, constructive and also critical exchange with the stakeholder groups shown in the following chart. We aim to actively shape and promote implementation of their requirements and expectations, as well as central strategic issues.

THE VOLKSWAGEN GROUP'S STAKEHOLDERS



To be able to continuously incorporate our stakeholders' suggestions and recommendations, we have given our stakeholder management an organizational structure that also includes external committees. At Group level, this is the Sustainability Council. In addition, we offer our stakeholders a broad range of opportunities for interaction including regular discussion panels and surveys. Following the pandemic-related interruption, we were able to resume the exchange in the reporting period.

Sustainability Council

The Sustainability Council provides assistance to the Volkswagen Group with important, strategic sustainability issues and is made up of internationally renowned experts from the academic world, politics and society. This advisory body establishes its own working methods and areas of focus independently, has far-reaching rights for the purposes of exchanging information, consultation and initiating action, and consults regularly with the Board of Management, top management and the employee representatives.

Dialogue between Volkswagen and the Sustainability Council in 2022 focused specifically on the *Lieferkettensorgfaltspflichtengesetz* (German Supply Chain Due Diligence Act), the use of digital technologies for sustainable development, the Zero Impact Factory concept, promotion of transformation and training, Volkswagen's further decarbonization, and the future alignment of mobility solutions with the NEW AUTO Group strategy. The Sustainability Council also discussed the impact of the Russia-Ukraine conflict on the Group.

Furthermore, the projects launched by the Council to examine the importance of digitalization for sustainability, the transformative potential of employment and training and the inclusivity and effectiveness of climate legislation in the transport sector were completed in the reporting period. Further links to the letters of recommendation to the Group Board of Management and the results of the Council projects are provided on the Sustainability Council internet page.

Corporate citizenship

As a good corporate citizen, we aim to be a source of economic impetus for local structural development and equal opportunities. We have always believed in the importance of recognizing our social responsibilities toward our stakeholders. The main focus of our corporate social engagement activities is on supporting future, environmental, educational and community projects at many of our sites across the world. In 2022, the brands and companies supported around 800 projects and initiatives worldwide.

Environmental Strategy

As one of the largest automobile manufacturers, Volkswagen takes responsibility for the environmental impact of its activities. Based on the NEW AUTO Group strategy, we have put greater focus on our ambitious environmental targets. With our environmental mission statement goTOzero, we aspire to reduce environmental impact along the entire life cycle – from raw material extraction until end-of-life – for all our products and mobility solutions in order to keep ecosystems intact. Compliance with environmental regulations, standards and voluntary commitments is a basic prerequisite of our actions.

Our focus is on four prioritized action areas:

- > Climate action. We are committed to the Paris Climate Agreement and align our activities with the 1.5 degree goal. We consistently 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 intend to be a net-carbon-neutral company by 2050 at the latest.
- > Conservation of 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 loops for materials and water. Together with our business partners we cut down on the amount of natural resources utilized throughout our supply chain.
- > Conservation of ecosystems. We reduce harmful emissions in air, soil and water. We mitigate the impact of our business operations on biodiversity and ecosystems and support projects to conserve these.
- > Environmental compliance. Where integrity and compliance are concerned, we aim to be a role model for a modern, transparent, successful enterprise. With this in mind, we use environmental compliance management systems to identify and manage environmental risks and opportunities throughout the lifetime of our mobility solutions. We conduct open dialog with our stakeholders and incorporate their expectations into our decisions.

Organization of environmental protection

Volkswagen 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. Thus, parameters are set for the conduct and working methods of management and staff in five areas: management behavior, compliance, environmental protection, collaboration with stakeholders and continuous improvement.

The Board of Management of Volkswagen AG is the highest internal decision-making body for environmental issues. Both it and the brands' boards of management take not only business, but also social and environmental criteria into account when making key company decisions. The Group-wide management of environmental protection is the responsibility of the Group Steering Committee for the Environment and Energy. Other bodies take responsibility for steering key individual aspects. They include the Group CO₂ Steering Committee, the Group Steering Committee for Fleet Compliance and Exhaust Gas, and the Group Sustainability Steering Committee.

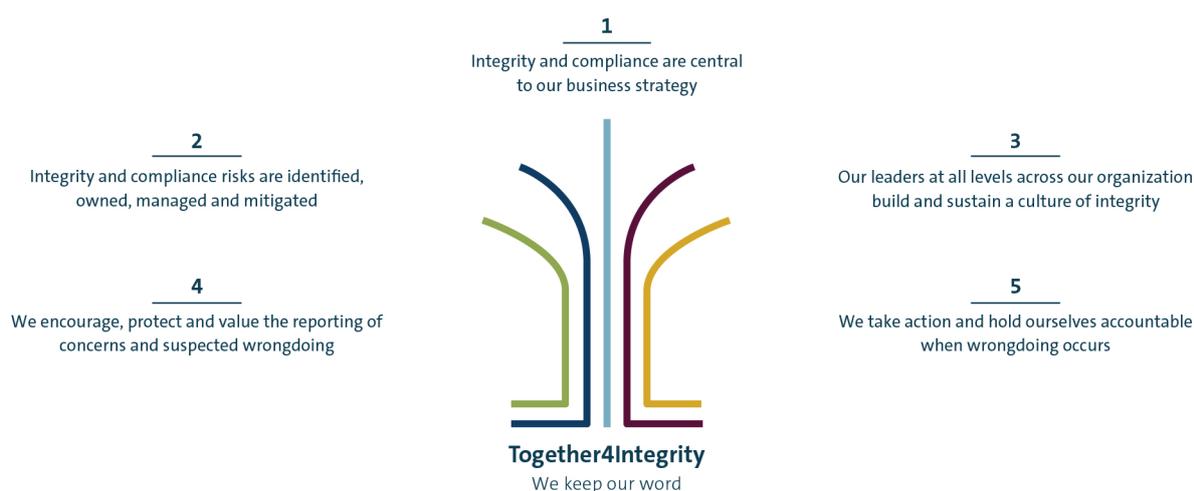
The Volkswagen Group coordinates the activities of the brands, which in turn steer the measures in the regions. The brands and companies are responsible for their own environmental organization. They base their own environmental protection activities on the targets, guidelines and principles that apply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

Our declared aim is to comply with legal and regulatory requirements. Furthermore, we are guided by Company standards and targets. The intention of our environmental compliance management systems is to ensure that environmental aspects and obligations are given appropriate consideration in our business operations. Disregard for the rules is treated as a severe compliance violation, as are fraud and deliberate misconduct. Compliance with our Environmental Policy Statement and with other Group environmental requirements is evaluated annually and reported to the Board of Management of Volkswagen AG, and the respective brand boards of management or the managing directors of the companies.

I CSR-PROJECTS

<https://www.volkswagenag.com/en/sustainability/strategy-policy-engagement/engagement/cc-projects.html>

TOGETHER4INTEGRITY

**HOLISTIC INTEGRITY AND COMPLIANCE MANAGEMENT SYSTEM**

Integrity and compliance are major priorities in the Volkswagen Group. We firmly believe that, for long-term commercial success, it is important that each and every individual complies with laws, regulations and commitments. Compliant behavior must be a matter of course for all Group employees. This is why integrity and compliance remain key elements of our Group's NEW AUTO strategy and a focus topic in matters of sustainability.

Our objective is to be a role model and deepen the trust of our employees, customers, shareholders and partners in our Company. Our regulations, processes and corporate culture are designed in such a way that all employees can act with integrity and comply with the rules at all times.

At the same time, we have embedded integrity in our decision-making processes. For example, every resolution proposal submitted to the Board of Management must demonstrate that the intended decision is in line with integrity and compliance, what risks may be associated with it, and how the risks can be reduced. Similar requirements apply to Group brands and companies and to Group bodies to which the Board of Management has delegated decision-making powers.

As performance indicators, integrity and compliance must have the same strategic and operational priority in our Company as sales revenue, profit, product quality and employer attractiveness. We have been building a holistic integrity and compliance management system (ICMS) since 2018. This system was set up in line with the five internationally recognized ECI (Ethics and Compliance Initiative) principles: strategy, risk management, a culture of integrity, a speak-up environment and resolute accountability.

We employ our Together4Integrity (T4I) program as a means of making integrity and compliance a mainstay throughout the Group. This program brings the vast majority of the Group's integrity and compliance activities together under one roof, applying uniform, robust process and implementation standards.

Thus, we are not only establishing a worldwide ICMS for all Group and brand companies, we are also advancing one of the most extensive change and cultural programs in the history of the Volkswagen Group.

T4I: eleven key initiatives

The rollout of T4I is almost complete, with full implementation scheduled for 2025. The Group is overseeing the program planning and also the rollout of T4I. The managing directors of the individual companies are responsible for implementing the program at a local level. The packages of measures may differ depending on local circumstances. The implementation time will also vary.

The packages of measures are divided into eleven key initiatives:

1. HR (Human Resources) Compliance Policies and Procedures

The aim of this key initiative is the integration of integrity and compliance into the standard HR processes such as recruitment, training, promotion and remuneration (bonus payments). Integrity and compliance are also a compulsory topic in annual employee appraisals and are a component of the training measures for employees across all levels of the Company.

2. Code of Conduct

The Code of Conduct (CoC) is a key instrument for reinforcing employee awareness of responsible action and decision making, creating the basis for compliance within the Company. The CoC serves as an aid, provides support in finding the right contact persons where needed and is binding for all Group employees. We and our employees undergo regular mandatory training in the key contents of the CoC.

3. Integrity Program

The integrity program is designed to reinforce the culture of integrity. Its objective is to communicate to employees the importance of integrity and motivate employees to behave with integrity in their everyday work. We regard integrity as an attitude; it provides an inner compass for correct action and becomes particularly decisive in gray areas, when explicit rules are missing or conflicting goals exist. We place particular emphasis on making decisions with integrity. Appropriate training modules on this topic provide support to all management levels, from foremen up to executives.

4. Risk Management and Internal Controls

Binding structures and processes are designed to help create transparency and manage risk. These include the quarterly risk process, which focuses on acute risks, the standard internal control system (ICS), which is designed to protect key processes, and root cause analysis.

5. Internal Compliance Risk Assessment

The internal compliance risk assessment (ICRA) identifies and addresses compliance risks in the Group, in particular those risks involving corruption, money laundering and embezzlement. In the reporting period, the ICRA process was brought into line with the requirements of the *Lieferkettensorgfaltspflichtengesetz* (LkSG - German Supply Chain Due Diligence Act). Compliance measures are developed and defined for each company on the basis of the risk profiles derived from the ICRA.

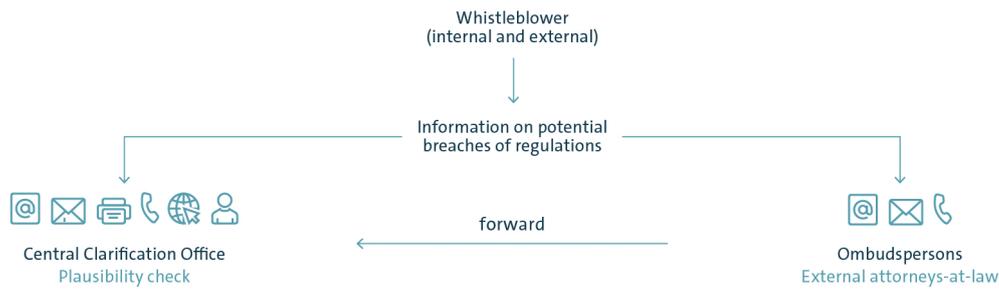
6. Whistleblower System

The whistleblower system is the central point of contact for reporting cases of rule-breaking by Group employees or by direct and indirect suppliers. This includes white collar crimes, acts of corruption, tax offenses, environmental offenses, human rights violations, infringements of antitrust and competition legislation, money laundering and terrorism financing, breaches of product safety and licensing regulations, and serious breaches of privacy. Employees and third parties can report misconduct at any time and in many languages. A wide range of channels is available for this purpose, and the information can be lodged completely anonymously, if preferred. The aim is to use binding principles and a clearly governed process to avert damage to the Company and its employees.

7. M&A and NCS compliance

In the event of planned mergers and acquisitions (M&A transactions), the relevant companies are audited for commercial risks such as corruption, breaches of trust or fraud, and for human rights risks. The analyses provide recommendations for the mitigation of the risks identified. This also applies to joint ventures and to industrialization and cooperation projects with external partners. Furthermore, the Group Compliance organization works to achieve appropriate compliance management at non-controlled shareholdings (NCS), i.e. companies that are not controlled by a Volkswagen Group company as a majority shareholder.

REPORTING CHANNELS OF THE WHISTLEBLOWER SYSTEM



8. Business Partner Due Diligence

In the business partner due diligence process, the integrity of business partners and suppliers is reviewed, especially with regard to corruption risks and compliance with ethical standards. The aim is to identify these risks at an early stage, to avoid such business partners, and to define measures to minimize risk and implement these with the business partner. If this is not possible, options for terminating the business relationship are explored, or the business relationship is not established in the first place.

9. Product Compliance

The product compliance management system (PCMS) is designed to ensure that our products comply with the legal and regulatory requirements of the exporting and importing country, internal and external standards, contractually agreed customer requirements and externally communicated voluntary commitments over their life cycle.

10. Environmental Compliance

Statutory environmental regulations and voluntary commitments are binding at all locations and in all business fields. The Group's environmental policy and the environmental compliance management system stipulate the relevant requirements and responsibilities for all strategy, planning and decision-making processes in the Group brands and companies. This includes a system of key indicators to determine progress in meeting environmental targets in the fields of renewable energy, CO₂ emissions and resource efficiency.

11. Anti-Corruption

The Volkswagen Group has a zero-tolerance policy on active or passive corruption. This is anchored in both our internal Code of Conduct and our Code of Conduct for Business Partners. Our investigation offices look into and process any reported violations of our principles, and sanctions are imposed on the employees concerned. Tackling corruption also includes the development and implementation of mandatory training for employees in divisions or companies with a high risk exposure.

The aim of T4I is thus not only to strengthen uniform corporate governance throughout the Group in relation to integrity and compliance, but also to advance the culture of integrity. This includes steadfastness in adhering to principles of integrity regardless of economic or social pressures. T4I and the ICMS therefore contribute significantly to increasing sustainability in the Volkswagen Group.

Sustainably measuring success

Methods for monitoring effectiveness and measuring progress are an integral part of the compliance management system. The central planning and reporting system of the T4I program provides continuous transparency on the implementation status of the key initiatives. It is used for internal reporting to the Group Board of Management and the Brand Board of Management, makes project advances known and can provide assistance when countermeasures are being introduced in response to project delays.

In addition to this, the annual opinion survey provides information about the extent to which our culture of integrity has developed. This Group-wide employee survey asks a number of questions, including whether each individual is able to act with integrity. Where a fixed threshold value is not achieved, the relevant manager must identify and remove possible obstacles together with the team.

To measure the level of target achievement in relation to integrity and legal matters, we have defined an indicator for the major brands that manufacture passenger cars: compliance, a culture of dealing openly with mistakes and acting with integrity. This is based on an evaluation of the answers to three questions in the opinion survey that address compliance with regulations and processes, dealing with risks and errors, and the possibility of acting with integrity. In the event of negative deviations, the relevant departments develop and implement measures.

Compliance: clear rules in the Group

Compliance with the rules must be a matter of course for all employees of the Volkswagen Group. The Group compliance organization provides support worldwide in the form of programs, guidelines, processes and practical advice. It helps the Group and brand companies to comply with the rules when carrying out their business activities and to comply with the relevant laws and internal regulations. The compliance work focuses on the anti-corruption measures, and preventing fraudulent breaches of trust and money laundering.

The Compliance Infopoint has established itself as the central help center for compliance questions in the Volkswagen Group. The team either directly issues a recommendation on the matter in question or forwards the query to a competent body. Case studies derived from these consultations are regularly incorporated into communications about compliance. Employees can also contact the Compliance Infopoint directly via the Volkswagen 360° app, an option of particular benefit to employees without a computer workstation of their own.

In addition, the Group Compliance organization offers training and communication formats tailored to specific target groups – management discussions and training courses for key personnel being two of these. Moreover, compliance content is part and parcel of all career development paths from the induction program for trainees to programs for leadership and management development to the senior management program. The measures are supplemented by information and communication activities such as awareness campaigns, film and dialogue formats, newsletters and interactive games for learning about laws and rules.

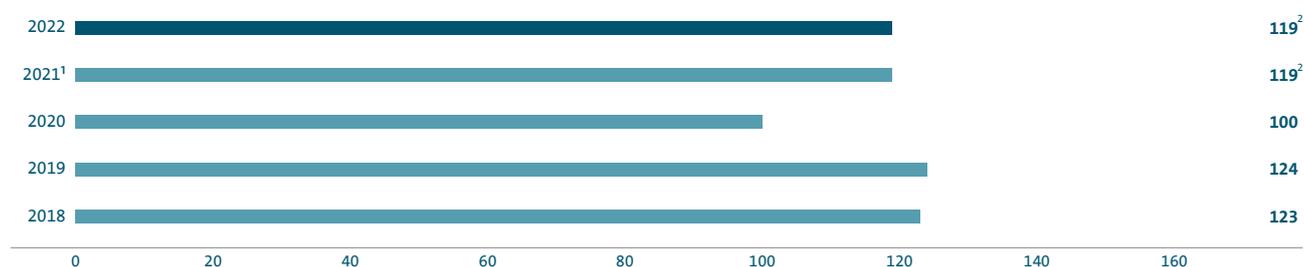
The Group Compliance organization's program of activities addresses areas of importance for the future. The activities include projects for cross-Group collaboration in the markets, further development of IT-based compliance tools and exchange formats with internal and external compliance experts.

For more information on integrity and compliance, as well as the topic of business and human rights, please see our 2022 Group Sustainability Report.

WHISTLEBLOWER SYSTEM
<https://www.volkswagenag.com/en/group/compliance-and-risk-management/whistleblowersystem.html>
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CO₂ EMISSIONS OF THE VOLKSWAGEN GROUP'S EUROPEAN (EU27+2) NEW PASSENGER CAR FLEET

in grams per kilometer (WLTP)



1 The European Commission switched its calculation of CO₂ fleet emissions from NEDC to WLTP in 2021.

2 Subject to confirmation of CO₂ data within the scope of official publication by the European Commission.

RESEARCH AND DEVELOPMENT

Forward-looking mobility solutions with brand-defining products and services would be unthinkable without innovation. This makes our research and development work essential for sustainably increasing the value of the Company.

Together with our Group brands, we have launched measures based on our NEW AUTO strategy to link development activities across the Group. At the heart of this is an efficient, cross-brand development alliance characterized by a close network of our experts, collaboration on an equal footing, an innovative working environment and the pooling of development activities. The aim is to make use of synergies across the Group and act as a role model for the environment, safety and integrity. The development alliance plays a major part in driving the Volkswagen Group's transformation and helping to make it fit for the future.

In view of this strategic focus, we concentrated in the reporting period on continuing to develop forward-looking mobility solutions, establishing technological expertise to strengthen our competitiveness, expanding our range of products and services and improving the functionality, quality, safety and environmental compatibility of our products and services.

CO₂ fleet emissions

We use the strategic indicator of CO₂ fleet emissions in Europe and the United States to evaluate the effectiveness of our measures to reduce CO₂ emissions when driving our vehicles.

The Volkswagen Group's new passenger car fleet in the EU (EU27+2) (from 2022 including Lamborghini and Bentley) emitted an average of 119 g CO₂/km (Worldwide Harmonized Light Vehicles Test Procedure – WLTP)¹ in the reporting period in accordance with the statutory measurement bases. The statutory target is 122 g CO₂/km (WLTP)¹. The Volkswagen Group thus more than met the EU's CO₂ fleet target. All figures are subject to confirmation of CO₂ data within the scope of official publication by the European Commission. The targets are expected to be tightened as from 2025 (subject to publication in the EU Official Journal): the European Commission has thus set a target of a 15% reduction in CO₂ emissions, which corresponds to a CO₂ target of less than 105 g CO₂/km for our new passenger car fleet in the EU. A reduction of 55% has been defined for 2030, equivalent to a CO₂ target of less than 55 g CO₂/km. We assume that our new passenger car fleet in the EU will meet the target for 2025 and more than meet the target for 2030. A CO₂ reduction target of 100% for passenger cars has been set for 2035.

The Volkswagen Group's new light commercial vehicles fleet in the EU emitted an average of 193 g CO₂/km (WLTP)¹ in the reporting period according to the statutory measurement bases. The statutory target is 199 g CO₂/km (WLTP)¹. The Volkswagen Group thus more than met the EU's CO₂ fleet target. All figures are subject to confirmation of CO₂ data within the scope of official publication by the European

CO₂ EMISSIONS IN VOLKSWAGEN GROUP PASSENGER CARS AND LIGHT COMMERCIAL VEHICLES UNDER GHG STANDARDS IN THE USA

in grams per kilometer for the model year



1 Subject to submission of the final MY report MY22 and subsequent confirmation by EPA and CARB (internal data as of September 2022).

2 Subject to confirmation by EPA and CARB (final MY report MY21 submitted but not yet confirmed).

Commission. The targets are expected to be tightened as from 2025 (subject to publication in the EU Official Journal): the European Commission has thus stipulated a 15% reduction of CO₂ emissions, which corresponds to a CO₂ target of less than 184 g CO₂/km for our new light commercial vehicle fleet in the EU. A reduction of 50% has been defined for 2030, equivalent to a CO₂ target of less than 108 g CO₂/km. We assume that our new light commercial vehicles fleet in the EU will meet this target for 2025 and more than meet the target for 2030. A CO₂ reduction target of 100% for light commercial vehicles has been set for 2035. In the United Kingdom and Switzerland/Liechtenstein markets, the Volkswagen Group's light commercial vehicle fleets met the statutory requirements for the reporting period. In Switzerland, the Volkswagen Group's passenger car fleet fell just short of the statutory requirements for the reporting year. The CO₂ pool established together with other manufacturers in the UK achieved its target.

In the United States, the emission pool – comprising the Group brands Volkswagen Passenger Cars, Audi, Lamborghini, Bentley and Porsche – commits to the Greenhouse Gas (GHG) and Corporate Average Fuel Economy (CAFE) regulations. Due to a model year – the accounting period used in the USA – differing in length from the calendar year, internal calculations are used to determine the figures for the current and preceding model year. The average GHG CO₂ value (internal data as of September 2022) for the passenger car and light commercial vehicle fleets in model year 2022 is 141 g CO₂/km (model year 2021: 146 g CO₂/km). The statutory target is 136 g CO₂/km (model year 2021: 142 g CO₂/km). Application of the statutory flexibility offered by GHG and CAFE together with externally acquired credits enabled the Volkswagen Group to comply with the applicable requirements for model year 2021 subject to confirmation by the authorities. The figure given for model year 2022 is also subject to confirmation by the Environmental Protection Agency (EPA). For 2025, we anticipate a CO₂ target in the USA of approximately 110 g CO₂/km and expect to meet this target. For 2030, we aim to increase the share of electric vehicles in our new vehicle fleet to significantly more than 50%, which would put us within the target range of the current administration.

Fuel and drivetrain strategy

With a view to the legal regulations on emissions, we are currently developing a forward-looking vehicle and drivetrain portfolio: we have set ourselves the objective of increasing drive system efficiency with each new model generation – irrespective of whether it is a combustion engine, a hybrid or a purely electric drive system. The Volkswagen Group closely coordinates technology and product planning with its brands so as

to avoid breaches of fleet fuel consumption limits. Around one in five new Volkswagen Group vehicles worldwide is therefore to have a purely electric drive already by the year 2025; depending on market development, this could be over two million electric vehicles a year. As part of our electrification campaign, we aim to offer our customers worldwide around 50 completely battery-electric models by 2030. By 2030, the Volkswagen Group aims to have electrified its entire model portfolio, from high-volume models to premium vehicles. This will mean offering at least one electric version – battery electric or hybrid vehicles – of each of our passenger car models across all Group brands. To this end, in addition to the Modular Electric Drive Toolkit (MEB), we have also developed an all-electric platform for our premium and sports brands – the Premium Platform Electric (PPE). Furthermore, we are currently concentrating our energies on designing the Scalable Systems Platform (SSP), the successor platform for our future all-electric vehicles, in the Mechatronics technology initiative within the Group's NEW AUTO strategy. The strategic goals of this SSP platform are to further reduce variance by consistently enhancing synergies and thus tapping into considerable potential for cost savings. A first deployment of the SSP platform is currently under appraisal.

To offer sustainable, affordable mobility in the future for as many people around the world as possible, we offer a range of drivetrains with a focus on electrification. From today's perspective, conventional combustion engines will continue to make up a large share of the drive portfolio in the coming years. In the interest of using resources responsibly, it is therefore essential to further enhance this engine segment and systematically consolidate it for specific markets. Powertrain measures such as significantly more sophisticated exhaust gas purification or mild hybridization of our vehicles, as well as vehicle measures such as optimized aerodynamics or reduced rolling resistance will be necessary to fulfill future emissions standards. We are preparing intensively for this as we develop our product portfolio.

It is more important to us than ever to rigorously pursue the modular approach. We are reducing the number of individual modules so that we can make a large product portfolio economically viable. For example, we are reducing the number of versions of conventional combustion engines in the Group in the long term as part of our transformation towards e-mobility. This will create capacity for the development and production of new electric drives.

Life cycle engineering and recycling

Technological innovation for reducing fuel consumption is not enough on its own to minimize the effect of vehicles on the environment. We consider the environmental impact caused by our products throughout the entire vehicle life cycle and at all stages of the value chain. This includes the manufacturing process with the associated extraction of raw materials, the production of materials, the processes at our suppliers and our own production operations at our sites, the use phase with the resulting vehicle emissions and the necessary supply of fuel and charging current, and ultimately the recycling of the vehicle at the end of its life cycle. We identify the stages of the life cycle at which improvements will have the greatest effect and develop appropriate solutions. We call this life cycle engineering. Recycling, for example, is an important means of reducing environmental impact and conserving resources. We therefore already take the recyclability of the required materials into consideration when developing new vehicles, use high-quality recycled material and avoid pollutants. One of the recommendations for achieving this goal is avoiding substances on the EU REACH Candidate List of Substances of Very High Concern. Under the European Directive on end-of-life vehicles, passenger cars and light commercial vehicles must be 85% recyclable and 95% recoverable. Our vehicles registered in Europe comply with these standards.

Leveraging synergies increases efficiency

When developing vehicles, we cooperate closely with our brands to leverage synergies. The joint strategy of our development alliance involves, for example, making the Group more competitive and viable in the long term by deploying resources more effectively and efficiently in the research and development of new mobility-related technologies, products and services. In our Group-wide development alliance, the brands therefore not only work with each other, but also for each other on key technologies, forming cross-brand networks of expertise to address topics of importance for the future.

The Volkswagen Group further streamlined its innovation portfolio, gearing it towards multibrand technologies of the future in order to provide effective support for the brands' capacity for innovation. In the reporting period, we invigorated the new leading roles assigned to the brands in Technical Development in 2020 to increase efficiency and leverage synergies in module variance, components, parts and processes.

We coordinate the use of modules centrally to reduce costs, capital expenditure and complexity. We are seeking to reduce expenditure in the modular toolkits, while at the same time facilitating widespread electrification and a focus on autonomous systems. We wish to achieve this through a considerable reduction in complexity using streamlined platforms that synergize but do not overlap. To this end, the individual Group brands draw on the modular toolkits, thus creating synergies between the various models of a product line, as well as across the product lines. By optimizing the toolkits, we are giving ourselves the financial leeway needed for developments in topics of importance for the future.

Sustainable mobility, connectivity and automated driving

The mobility of people and goods is a prerequisite for economic growth and social development. But natural resources are dwindling and climate change is advancing. This calls for comprehensive mobility concepts to minimize the environmental impact. Such solutions need to be efficient, sustainable, crisis-proof, customer-oriented and accessible anytime and anywhere.

We are researching and developing such concepts in our Group-wide alliance: when shaping the future of mobility, we are looking not only at the automobile and related services, but at all modes of transport, transport infrastructures and people's mobility habits. Digital connectivity and automated driving allow for completely new approaches to solving problems. They can help us play our part in a comprehensive mobility system for the future and drive forward our industry's transformation.

New software solutions are the basis for this. This is why the Volkswagen Group has declared software development to be one of its target core competencies in its NEW AUTO strategy. Our software subsidiary CARIAD is responsible for this. It is to develop a sustainable, convenient, connected, safe automotive experience for the customers of our Group brands. CARIAD aims to provide answers to the strategic aspects of digitalization and pool the Group's software expertise.

Developers from CARIAD work at plants in Germany and Europe and collaborate with development teams from the Volkswagen Group in North America. CARIAD established a subsidiary in China in 2022. Its mission of 'In China for China' allows the local development teams to sharpen their focus on the wishes of Chinese customers. CARIAD SE employs around 5,500 specialists who are developing the following solutions in the Group:

- > VW.OS, a uniform software platform for all Group vehicles
- > Uniform end-to-end electronics architectures
- > Connectivity with VW.AC, a uniform Volkswagen Automotive Cloud
- > An infotainment platform with an app store for third-party providers
- > Driver assistance systems, automated parking functions and highly automated driving for private mobility
- > A data marketplace
- > New mobility services and digital business models

In 2022, the teams of developers from CARIAD worked closely together with the Audi and Porsche brands to complete the E³ 1.2 architecture that will optimize the alignment of the hardware with CARIAD's vehicle software. This is designed not only to improve the performance of the vehicle's computers but also to make it easier to install over-the-air updates – a key lever for the introduction of new services – even after vehicle production has begun.

CARIAD is already supplying updatable software for current vehicle generations on its E³ 1.1 architecture to the Group brands with the goal of making the software secure and traceable. It is already being installed in the vehicles as over-the-air updates.

In the long term, CARIAD is to pool all of its solutions on an enhanced, scalable software platform that will be made available to the Group brands, from the volume segment up to the premium platform. This is expected to generate economies of scale and to lower the cost of growing software requirements in the vehicle for all brands.

The new platform is also set to pave the way for the autonomous driving functions of the future. The development of autonomous driving is a core element of the NEW AUTO strategy, with CARIAD responsible for developing partially and highly automated driving functions (up to Level 4) for the Volkswagen Group's brands. These applications will be progressively introduced in their new vehicle models at different performance levels (Levels 2+, 3 or 4). Volkswagen Commercial Vehicles is responsible specifically for the areas of Mobility as a Service and Transportation as a Service (MaaS/TaaS). The strategic Mobility Solutions technology initiative is promoting autonomous driving in conjunction with new service models, i.e. shared mobility in these areas using robotic shuttles and vans.

CARIAD and Volkswagen Commercial Vehicles will continue to drive the future rollout of autonomous drive technologies together with development partners.

Pooling strengths with strategic alliances

The aim of our NEW AUTO strategy is to transform our core business activities and to expand the mobility solutions business area at the same time. It is decisive to the success of this plan that we place our innovative strength on even broader foundations.

Within the Volkswagen Group, we combine our technological innovation activities in the Volkswagen Group Innovation unit. At seven locations worldwide in the USA, Europe and Asia, employees are working on sustainable solutions for urban and interurban mobility systems in line with our motto "Mobility for generations to come". Technologies and activities that are ready for pre-development are regularly transferred from Volkswagen Group Innovation to our Group brands to ensure that the areas of digitalization, sustainability and e-mobility receive continuous support in innovative projects. In this way, we are creating an agile innovation structure that allows us to initiate new milestone projects with innovative international partners, even at short notice.

Growth in the mobility sector is strongly defined through regional innovation activities. Volkswagen therefore concentrates its strategic venture-capital activities and partnerships in the Group's international innovation ecosystem. This helps us to identify the regional needs of customers more precisely, to adjust our product range accordingly and to establish competitive cost structures. In doing so, we rely to a greater extent than in the past on partnerships, acquisitions and venture-capital investments and manage investment selection centrally so as to generate maximum value for the Group and its brands. It is against this backdrop that we formed an alliance with Ford Motor Company. At the beginning of June 2020, Ford Motor Company and Volkswagen AG signed additional contracts within their existing global alliance for light commercial vehicles, electrification and autonomous driving. Among other things, the contracts serve as the foundation for a total of three vehicle projects: a mid-sized pickup, a city van and a one-tonne cargo van. In addition, Ford will use the Modular Electric Drive Toolkit (MEB) developed by Volkswagen for two electric volume models that are expected to be offered in Europe from 2023. The aim of the cooperation is to place both Volkswagen and Ford in a position that enables them to improve their competitiveness, tailor their products to better meet the needs of customers worldwide and at the same time to leverage synergies related to cost and investment.

We are transforming ourselves into a mobility provider with a digital ecosystem and a fully connected vehicle fleet. Together with our strategic partner Microsoft, we intend to press ahead with software development for the automobile of tomorrow. The Automated Driving Platform being built with Microsoft is accelerating the agile development of cloud-based driver assistance systems and automated driving and parking functions by our software teams.

To design the framework conditions for the approval and introduction of our own self-driving system, we are actively involved in public projects. The experience we are gathering here benefits the Group brands and thus our customers.

Software subsidiary CARIAD is responsible for developing automated driving functions for our brands' customers, for which it entered into several major partnerships in 2022. In the Automated Driving Alliance, CARIAD and Bosch are striving to make partially and highly automated driving suitable for mass use, i.e. also in the volume segment. The aim is to provide functions for Group vehicles that allow drivers to take their hands off the steering wheel at times where this is possible in regulatory terms. In the alliance, both companies are jointly developing Level 2 hands-free systems for driving in cities, the countryside and on the highway, and a system in which the vehicle takes over the complete task of driving on the highway.

CARIAD has entered into a local partnership with Horizon Robotics to drive up development expertise in highly automated driving functions in the Chinese market. The companies also plan to develop a high-tech semiconductor, a system on a chip (SoC), as part of a new joint venture to push the integration of numerous functions on a single chip.

Over and above this, CARIAD is committed to open collaboration in the global developer community. CARIAD joined the Eclipse Foundation open source community in 2022, where as a strategic member of the Software Defined Vehicle working group it is involved in developing basic automotive software more efficiently and promoting innovation.

Key R&D figures

In fiscal year 2022, we filed 5,305 (5,638) patent applications worldwide for employee inventions, the majority of them in Germany. The fact that an ever-increasing share of these patents is for important cutting-edge fields underscores our Company's innovative power. These fields include driver assistance systems and automation, digitalization, connectivity, as well as alternative drive systems.

The Automotive Division's total research and development costs in the reporting period amounted to €18.9 (15.6) billion and were 21.3% higher than in the previous year; their percentage of the Automotive Division's sales revenue – the R&D ratio – was 8.1 (7.6)%. In addition to new models, our activities focused above all on the electrification of our vehicle portfolio, digitalization, new technologies and enhancements of our modular and all-electric toolkits and platforms. The capitalization ratio was 51.4(50.3)%. Research and development expenditure recognized in profit or loss in accordance with the IFRSs increased to €14.3 (12.8) billion.

As of December 31, 2022, our Research and Development departments – including the equity-accounted Chinese joint ventures – employed 58,912 people (+11.1%) Group-wide, corresponding to 8.7% of the total workforce. The year-on-year increase is partly due to a change in the data collection methodology.

RESEARCH AND DEVELOPMENT COSTS IN THE AUTOMOTIVE DIVISION

€ million	2022	2021
Total research and development costs	18,908	15,583
of which capitalized development costs	9,723	7,843
Capitalization ratio in %	51.4	50.3
Amortization of capitalized development costs	5,144	5,050
Research and development costs recognized in profit or loss	14,329	12,790
Sales revenue	232,385	206,237
Total research and development costs	18,908	15,583
R&D ratio	8.1	7.6

PROCUREMENT

In fiscal year 2022, the main task for Procurement was to make a decisive contribution to the Group's result in five areas: costs, supplies, sustainability, quality and innovation. The challenges related to supplies and costs were the area of focus. 2022 was mainly devoted to safeguarding the supply of parts. Through pin-pointed task force work, we minimized impending vehicle losses due particularly to the shortage of parts in connection with the Russia-Ukraine conflict. In the second half of 2022, the focus was additionally on rising energy prices, the resulting supplier receivables, and safeguarding the energy supply at the company's own plants and at those of its suppliers.

Procurement strategy

The NEW AUTO Group strategy also stands for more speed, focus and stringency within the Procurement division, accelerating change even more. In 2022, we continued to drive forward and improve our functional area strategy. Alongside short-term cost targets, our strategy seeks to improve our supply situation, increase product quality and boost innovativeness and sustainability. The goals are based on the NEW AUTO Group strategy and are driving Volkswagen's transformation also from within the Procurement division. In addition, we are also creating optimized structures for our procurement staff and establishing further focus areas with the digitalization of our processes and increased employee orientation.

E-mobility

A key task for Procurement is to safeguard supplies for the continually growing requirements of the e-mobility offensive over the next five to ten years in a sustainable way, while optimizing cost structures.

When awarding contracts to our electric mobility partners, we lay down requirements as regards sustainable supplier practices, transparent, traceable supply streams, and energy- and carbon-optimized supply chains. Global demand from the European, American and Asian markets is bundled in the awarding of Group contracts with the aim of achieving cost leadership for electric mobility solutions. To this end, we consider diversification in conjunction with dual-supplier strategies as well as localization of the supplier portfolio for all core components of the electric vehicle fleet in an effort to reduce economic and geopolitical risks.

Digitalization of supply

We are working systematically to implement a completely digitalized supply chain. This is intended to help us to safeguard supply and leverage synergies throughout the Group. We are therefore creating a shared database and using innovative technologies to enable efficient, networked collaboration in real time – both within the Group and with our partners. The Procurement division aims to standardize transactions with our suppliers in the future and automate them where possible. This will not only reduce transaction costs but will also accelerate business processes. The integration of Catena-X, the data network for the automotive industry, is one important part of this. It will allow possible supply risks to be identified at an earlier stage and appropriate measures and alternatives to be jointly developed faster. Procurement's digitalization strategy is being consistently followed with the specific aim of not only eliminating the weaknesses of Procurement's IT system environment but also increasing the organization's effectiveness, efficiency and future viability. The initial systems or modules such as a cloud-based module for automating procurement activities in the vehicle project phase and an acclaimed online negotiation tool have already been implemented and integrated into the existing system environment.

Structure of key purchasing markets

The procurement process is organized at a global level, with a presence in the key markets around the world. This allows us to purchase production materials, investments in property, plant and equipment, and services worldwide at the quality required and on the best possible terms. Networking among the brands' procurement organizations enables us to leverage synergies across the Group in the various purchasing markets.

In addition to the brands' procurement units, the Volkswagen Group operates seven regional offices. In growth markets, we identify and train local suppliers to generate cost advantages for all Group production sites. In this context, we are also focusing on start-ups and software suppliers.

Supply chain management in Procurement

Supply chain management activities at Procurement are focused on safeguarding supplies during start-up phases and for series production. This entails providing support in our suppliers' industrialization processes, monitoring series production and managing supply crises, for example energy and raw material shortages related to the Covid-19 pandemic and the Russia-Ukraine conflict.

Even in the early stages of new projects, we conduct audits to ensure that our suppliers will be able to deliver. Furthermore, we provide support for purchased parts along the individual project milestones up to the start of production. Complex components in particular frequently require onsite support from our supplier management team. Finally, an acceptance test of production capacities is carried out to facilitate the timely start of series production of the vehicles at our plants.

In addition, regular checks are carried out during series production, for example related to the continuous matching of demand and capacity or possible capacity adjustments at suppliers. This also safeguards the capacity at suppliers when using existing components in new projects.

Thanks to our established crisis management structure and global supplier network, we are able to overcome complex challenges along the supply chain and have access to a wide range of locations and technologies. This structure has been instrumental in helping us cope in particular with the impact of the Russia-Ukraine conflict, which has necessitated the construction of backup sites. Cross-divisional work among Procurement, Quality Assurance, Development, Production and Logistics reduced short-term losses and successfully industrialized the backup sites.

The measures pursued as a consequence of the Russia-Ukraine conflict demonstrate that global supplier management is working effectively. However, the precarious supply situation, especially for semiconductors, resulted in limited vehicle availability for customers.

Sustainability in supplier relationships

Successful relationships with our business partners are based on respecting human rights, compliance with occupational health and safety standards, active environmental protection and combating corruption. These sustainability standards are defined in the contractually binding Volkswagen Group Requirements for Sustainability in Relations with Business Partners (Code of Conduct for Business Partners). The Code of Conduct for Business Partners also sets out the expectation that business partners will take steps to ensure compliance in their supply chain. We review compliance with the requirements, which has been an explicit condition for the award of contracts since 2019, using sustainability ratings for relevant suppliers. The relevance of a business partner for this rating depends, among other things, on the size of the company or the risk exposure arising from the type of service provided.

In our sustainability rating, we determine suppliers' sustainability performance by means of self-disclosures and risk-based on-site audits. By the end of the reporting period, we had obtained 12,660

ratings for suppliers, covering 75% of the total order volume. Both the validation of the questionnaire and the on-site audits are carried out by selected service providers. As a rule, contracts are not awarded to suppliers who fail to meet our requirements concerning compliance with sustainability standards. Tying award decisions to sustainability criteria is one of the strongest levers for enforcing these. We address existing sustainability risks and violations of sustainability principles by systematically defining and implementing measures to correct the violations; this also includes the upstream supply chain. In the reporting period we continued to offer advanced and continuing training for suppliers. In fiscal year 2022, more than 2,900 suppliers took advantage of our training programs such as digital supplier training courses and e-learning.

With regard to decarbonization, the Volkswagen Group is striving to continuously reduce greenhouse gas emissions or avoid them altogether over the entire life cycle of a vehicle. The Group's transformation into a provider of sustainable mobility solutions and in particular the trend towards electric mobility are shifting the action required from the service life of the vehicle to supply chains and the manufacture of vehicles and components. We are aware of our social responsibility and are committed to the Paris Climate Agreement. We have therefore incorporated the use of renewable energy, among other things, into the specifications for cell manufacturers.

In our sustainable supply management, we are also involved in protecting groups of people who may be subject to a high risk of potential human rights violations at any point in our supply chain. We implemented a human rights focus system in 2022 to comply with international frameworks and requirements and specifically the *Lieferkettensorgfaltspflichtengesetz* (German Supply Chain Due Diligence Act). The system aims to identify particularly high risks in our supply chain in connection with human rights violations and the environment and to manage these appropriately. We continued to implement our raw material due diligence management system to manage the sometimes extensive risks in the raw material supply chains. This sets out in detail the prioritization and processing of the raw material supply chains that we classify as particularly high risk. Transparency requirements for our battery suppliers constitute an important basis for responsible raw material purchasing. Within the framework of these contractual requirements, we ask, for example, that our battery suppliers disclose their entire upstream supply chain before we award new contracts.

For more information on human rights, please see the section on Supply Chain and Human Rights in our 2022 Sustainability Report.

TECHNOLOGY

The Technology Board position is responsible for the following focus areas: all activities of Volkswagen Group Components, the marketing of the Volkswagen platforms and components to third parties, the development, manufacturing and procurement of battery cells (Cell and Battery technology initiative), and all topics relating to charging and energy for the Group worldwide (Charging and Energy Services technology initiative).

The aim is further improvement of future viability and competitiveness through cross-brand management of technology activities and a value creation strategy coordinated throughout the Group. Synergies are to be leveraged across both traditional technologies and future areas to advance the transition to e-mobility.

The Volkswagen Group formalized its objectives for battery and charging for 2030 in its technology roadmap. With the battery roadmap we aim to significantly reduce the complexity and cost of this key component so as to make electric vehicles attractive and affordable for as many people as possible.

Battery

In 2022, Volkswagen founded the battery company PowerCo SE that will be responsible for the Group's global battery activities. From the new European battery hub in Salzgitter, this company will manage the development of international factory operations, continuous development of cell technology, vertical integration of the value chain and supplies of machinery and equipment to factories. Other products such as large-scale storage systems for the energy grid are planned for further down the line.

At the ceremony for laying the foundation stone for the Group's first battery cell factory in Salzgitter, which is due to start production in 2025, PowerCo presented two key concepts with which it intends to set industry standards in the future. One is the unified battery cell, which allows flexible use of many different chemical elements and is to be fitted in up to 80% of all Group models. The second key concept is the standard factory, which aims to enable the rapid rollout of in-house production with standardized buildings, equipment, IT and infrastructure and will thus be able to be adapted quickly and flexibly to future innovations.

A second cell factory will be built in Valencia, Spain and possible locations for three more cell factories in Europe are currently being explored. PowerCo is already conducting a site search for further gigafactories in North America as well. Each factory is to operate solely on renewable power and be designed for future closed-loop recycling. In addition to the cell manufacturer PowerCo, a center of excellence has also been established, whose responsibilities include Group-wide product management for battery cells and battery systems, the development of battery systems and supplier quality.

Vertical integration

Vertical integration of value creation is one of the main components of the battery strategy. By building up its own cell production, Volkswagen will progressively take charge of further stages of the value chain so that it can exercise greater influence over the availability, cost and sustainability of key raw materials and other items. Examples include a long-term supply agreement with Vulcan Energy Resources for carbon-neutral lithium from the Rhine Rift Valley and a memorandum of understanding with the Canadian government for accelerating the development of sustainable, regional raw material supply chains in North America.

Cathode materials have a key role to play in the transformation to e-mobility as a major cost factor and one of the main components in batteries. PowerCo and the Belgian materials technology group Umicore have formed a joint venture that aims to supply cathode and primary materials to the European cell factories starting in 2025. The partners aim to be producing materials for 160 GWh of cell capacity per year by the end of the decade.

Charging and Energy

Since early 2021, all activities in the Charging and Energy area have been combined and managed by the Technology Board position, which will thus play a key role in the Group's electric mobility strategy in its bid to become the leading provider of a smart charging and energy ecosystem.

As part of the Group's strategic alignment, the Charging and Energy area is focusing on two key areas. Firstly, sales of electric vehicles are being underpinned by the international development of a widespread charging infrastructure. With a joint participation of our Group brands Volkswagen Passenger Cars, Audi and Porsche in the pan-European high power charging (HPC) joint venture IONITY, the Ewiva joint venture in Italy formed by Volkswagen and Enel and other partnerships, an extensive charging infrastructure is being developed to safeguard mobility. The number of public fast charging points in Europe is to be increased to 18,000 by 2025. At the same time, the charging network in North America is to be increased to 10,000 fast charging points in collaboration with Electrify America, while the charging network in China is planned to be expanded to 17,000 fast charging points in conjunction with CAMS. Secondly, sustainable

business models are being developed by expanding value creation, such as smart and energy market-integrated charging. The Group acts as a vehicle charging subscription provider in Europe with its charging and energy brand Elli. This proprietary charging service gives customers with any electric vehicle access to some 450,000 charging points with approximately 20,000 fast chargers operated by around 800 providers across 27 countries. In addition, Elli's product portfolio also includes the full range of charging solutions for private customers and companies, from the Company's own wallboxes to flexible fast-charging stations and smart green electricity tariffs.

Drivetrain and Platform

The independent corporate entity Volkswagen Group Components, under the umbrella of Volkswagen AG, employs around 70,000 people worldwide. The focus of their expertise is the development and manufacture of vehicle components. As part of the restructuring of Group Components, the former business unit structure was transferred to the Drivetrain and Platform area in a modified form as product lines (conventional powertrain, chassis and electric drivetrain) with effect from April 1, 2021. The product lines assume responsibility for product management and product costs across all locations, covering Group Components' conventional portfolio.

Besides the product lines, the development areas of Group Components are combined in the Drivetrain and Platform area. The development portfolio focuses on the following areas: chassis components, steering systems, drive shafts, transmissions, electric drives and thermal management systems in the electric drivetrain. The new Systems and Innovation Development department, which was created when all components were bundled at organizational level, is working on the holistically optimized electric drivetrain across all business areas. Close integration of product management and development in the Drivetrain and Platform area are expected to optimize product costs, further sharpen the portfolio of Group Components and play a key role in shaping the electric drivetrain of the future.

Platform Business

Group-wide responsibility for external sales of platforms and components has been combined in the Technology Board position. The scope of this Platform Business organizational unit extends to successful initiation and acquisition (including contract design) as well as to support of customer projects including the related order processing (logistics, billing). In the cooperation project with Ford, the necessary cross-brand structures and processes have been created within the Volkswagen organization so that other external customers can also be efficiently served in the future. Expansion of the cooperation with Ford was agreed in 2022. The automaker aims to manufacture around 1.2 million vehicles based on the MEB – double the volume of prior arrangements. Volkswagen is also exploring a supply agreement with Indian automaker Mahindra for MEB components such as electric motors and battery systems.

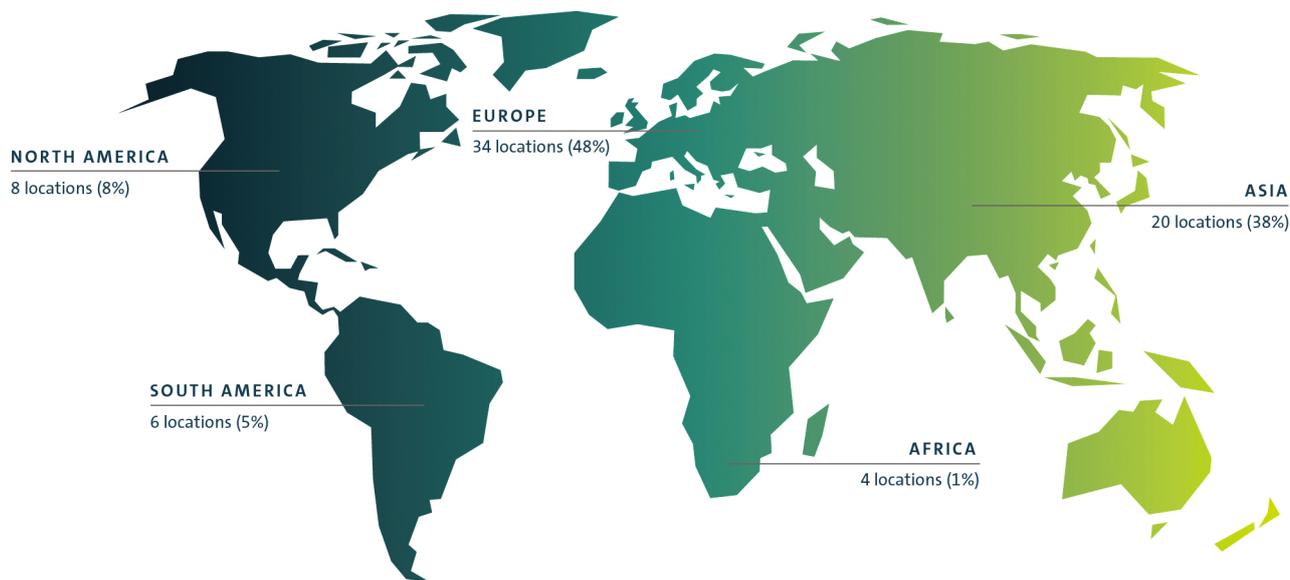
PRODUCTION

The international, cross-brand production network enables the process from the supplier to the factory and assembly line, and from the factory to dealers and customers. Enduring efficiency is a prerequisite for our competitiveness. To be able to meet the challenges of the future, we rely on holistic optimizations, forward-looking innovations, robust supply streams and structures, and a flexible team. At 8.72 million vehicles, global vehicle production in fiscal year 2022 was 5.2% up on the prior-year figure. Productivity increased by 1.2% year-on-year.

The shortage of semiconductors and the disruption of supply chains caused by the Russia-Ukraine conflict and the Covid-19 pandemic restricted production in the Volkswagen Group; the supply and production situation eased toward the end of the reporting period.

VEHICLE PRODUCTION LOCATIONS OF THE VOLKSWAGEN GROUP

Share of total production 2022 in percent



one.PRODUCTION production strategy

Production is supporting the NEW AUTO Group strategy with its one.PRODUCTION functional area strategy. By adopting a common approach for the thematic focus of our activities, we aim to pool the strengths and potential of our global production and logistics across brands and take advantage of the resulting synergy effects.

We have created content clusters around the following topics: production network, efficient processes, environment, digitalization and innovation, and cooperation. Within these five strategic goals, expert teams work on the strategic topics relevant for production in the Group. Examples include the design of our global production network, increasing efficiency in production processes, the reduction and offsetting of environmental impact throughout the production process, and the digital transformation of production and working processes and of collaboration formats.

Our scenario-based strategy process provides the thematic framework for the strategic goals. The overarching aim is to increase productivity and profitability. This will enable us to manufacture high-quality products at our sites that give customers maximum benefit at competitive prices.

Global production network

The Group's production network encompasses 119 production sites, including our Chinese joint ventures. 72 of which are vehicle production plants. Standardizing production with uniform product concepts, plants, operating equipment and production processes within a product family is a key factor in our forward-looking production. We are constantly enhancing our production concepts and aligning them with new technologies to achieve ambitious targets in the individual projects. In a challenging environment, the Volkswagen Group succeeded in starting up 38 vehicle projects in 2022, 12 of which were new products or successor products and 26 were product upgrades and derivatives.

The flexible production capacities provided by our platforms allow us to respond to market challenges, make requirements-based use of the production network and leverage synergies across brands through

multibrand sites. Currently, almost half of the 46 passenger car locations are already multibrand locations. The Bratislava plant continues to serve as a prime example in the Group, producing vehicles for the Volkswagen Passenger Cars, ŠKODA, Audi and Porsche brands.

With its NEW AUTO Group strategy, the Volkswagen Group has set itself the goal of becoming one of the world's leading providers of sustainable mobility. Here, the priority is to make mobility solutions which are innovative, efficient, sustainable and customer-oriented, as well as geared towards profitable growth. The foundation for these efforts was the introduction of the Modular Electric Drive Toolkit (MEB), which we are using to complement our range with additional battery-electric vehicles. We have been manufacturing battery-electric vehicles based on the MEB in Zwickau, the Volkswagen Group's first electric car factory, since 2019. One example is the ID.3 from the Volkswagen Passenger Cars brand. The portfolio of the MEB platform in Zwickau was expanded in 2021 through the addition of the CUPRA Born and the Audi Q4 e-tron, and in 2022 through the addition of the ID.5 from Volkswagen Passenger Cars. Furthermore, we use an all-electric platform for premium and sports brands – the Premium Platform Electric (PPE) – to leverage synergies in production across brands. This meant that electric vehicles were manufactured at 14 sites across the global production network as of year-end 2022.

New technologies and digitalization

Digital and innovative technologies are systematically validated in the Volkswagen Group and their use for production and logistics is piloted and rolled out. This is to enable the Group to exploit potential for cost savings in the value chain and realize more flexible implementation options as well as quality improvements. The goal of the digital transformation in production and logistics is to simplify the entire process chain, make the best possible use of new technologies and establish autonomous processes. Fields of innovation in 2022 included computer vision, augmented reality, process mining and AI robotics.

Based on Volkswagen's proprietary computer vision platform, artificial intelligence, for example, is being used for complex image inspections, among other things, and implemented across brands at other sites. Innovative applications are also being developed locally at the plants and are made available to the Group via the central cloud-based Digital Production Platform (DPP). Despite the Covid-19 pandemic and difficult conditions, the expansion of the DPP was driven forward in collaboration with Amazon Web Services (AWS) and Siemens. Since 2019, 26 production sites have been fully linked up to the DPP and equipped with applications developed in-house for improving production and logistics. 2022 also saw increased exchange of local solutions between the sites via the DPP. Examples of overarching solutions on the DPP include localization services for vehicles and car bodies on the factory premises, intelligent plant monitoring systems, digital shop floor management, and quality processes and end-to-end quality control loops supported by artificial intelligence. This will also allow conventional processes for example test drives conducted at the factories for vehicle acceptance purposes to be replaced by applications developed in-house such as the road test predictor – or reduced to a minimum. Modern, efficient management of the IT environment in the production network will help to drive the success of the digital transformation in production and logistics. Here, an architecture management system has been defined for this and established as an interdisciplinary collaboration model for coordinating and harmonizing requirements from strategy, governance and reference development.

Catena-X will enable Volkswagen to shape the future of the automotive supply chain in conjunction with other manufacturers and suppliers. The aim is to build a global data network with shared values regarding collaboration, data sovereignty, trust and cooperation. Material traceability along with overarching demand and capacity management and comprehensive bottleneck management are some examples of how we intend to increase the efficiency of our plants and meet future supply chain requirements at the same time.

Zero Impact Factory

We are planning the production of tomorrow with our one.PRODUCTION functional area strategy. Emission levels and the use of resources at Volkswagen Group sites require particular attention. The Zero Impact Factory program is developing specific steps for production that no longer has an adverse environmental impact and supports our environmental vision goTOzero. In 2023, as part of an internal survey phase for the Zero Impact Factory, we will start collecting extensive data and information at all sites where we produce passenger cars and light commercial vehicles. To map the environmental impact in absolute terms, we will collect data on 22 quantitative indicators as impact points. With the site checklist, we will review the implementation status of 143 qualitative environmental criteria.

The impact points and the site checklist will be used to gather data on criteria in the fields of climate protection and energy, emissions, water and waste. However, the focus will also be on aspects such as the appearance of the factory, commitment to biodiversity, protection of soil, avoidance of operational disruptions, functioning environmental compliance management, improvement of resource efficiency towards a circular economy, and environmentally neutral mobility management for employee and goods transport. These methods will allow us to implement pinpointed reduction measures where they will have the greatest impact.

From 2025, the Zero Impact Factory method is to replace the existing KPI system which measures the reduction of the environmental impact of production (UEP). This represents a shift away from steering based on purely performance-based indicators to a reduction in the environmental impact of our production processes in absolute terms. Our goal is to achieve Zero Impact Factory status for all of our manufacturing plants for passenger cars and light commercial vehicles by 2050.

To support such and other programs, a management system developed in-house has been introduced at all production sites worldwide since mid-2019, linking the main compliance issues with key environmental management issues. This environmental compliance management system (ECMS) provides the foundation for compliance with all external and internal rules and regulations relating to the environment.

ECMS implementation was initially concentrated on the major production and development locations, but was extended in a second step to include Group companies whose business activities entail a lower environmental risk. We continued to actively support, monitor and track the rollout and advisory process in the reporting period.

We are encouraging networking and communication between the brands worldwide in order to leverage synergies. Our environmental experts meet regularly in working groups. In addition, we provide our managers and employees with specific training on the topic of environmental protection.

We record and catalog measures in an IT system and make these available for a Group-wide exchange of best practices. In the reporting period, around 1,400 implemented measures in the area of environment and energy were tracked and documented via the Maßnahmen@Web system. They serve to improve infrastructure and production processes for passenger cars and light commercial vehicles and are incorporated into the decarbonization index (DKI), for example. These activities have a positive effect on the Group's environmental indicators and are often also beneficial from an economic perspective.

GoTOzero Impact Logistics

In the joint "goTOzero Impact Logistics" initiative, Group and brand logistics departments also work together to help achieve the goals of the goTOzero environmental mission statement. Continuous optimization of the transport network and logistics processes can reduce emissions – this includes the use of digitalization tools. The use of new low-emission technologies for transporting production materials and vehicles will also be continuously analyzed and accelerated.

The measures the Volkswagen Group is taking to achieve carbon-neutral logistics in the future include, for example, moving shipments from road to rail and almost complete avoidance of CO₂ through the use of

green electricity in rail transport in Germany and other countries in collaboration with Deutsche Bahn AG and other rail service providers. Further rail traffic in Poland was switched over to green electricity in the third quarter of 2022, for example.

In addition, Group Logistics is using the two roll-on/roll-off (RoRo) charter ships powered by low-pollution liquefied natural gas (LNG) for transporting vehicles across the North Atlantic. Group Logistics plans to replace conventionally operated ships on the North Atlantic route with four more car freighters with the same propulsion system from the end of 2023. In contrast to other LNG-fueled marine engines, Group Logistics' charter ships are climate-friendly because the high-pressure technology of the two-stroke engines from MAN Energy Solutions allows almost no methane to escape. As a rule, the dual-fuel engines will also enable non-fossil fuels – biogas (bio-LNG), e-gas (synthetic gas) from renewable sources, or biofuel – to be used in the future so that carbon emissions can be reduced even further.

In addition, Group Logistics permanently operates two charter ships on European sea routes using certified renewable fuel. Used cooking oils and fats – waste and residual materials from the catering and food industries, for example, that cannot be used for further processing into food or animal feed – provide the raw material for the biofuel, which produces less CO₂ than conventional fossil fuels.

SALES AND MARKETING

We regard ourselves as an innovative and sustainable mobility provider for all commercial and private customers worldwide – with a unique product portfolio encompassing our successful brands and innovative financial services.

Together with their sales partners and importers, our passenger car brands agreed on a procedure for integrating state-of-the-art products and services into the sales network. The priority thereby is the safe and legally compliant handling of customer data and the way in which this is processed for digital products and services or in connection with the vehicle purchase. The legal requirements for handling customer data have been tightened in many countries. At the same time, the Group is launching a growing number of vehicles that are connected to the internet where available. We are increasingly investing in distribution systems and processes with the goal of further digitalizing and improving the individual customer experience in all distribution channels. The Volkswagen Group's financial strength and profitability is attributable to an extensive portfolio of strong brands. The objective of our Best Brand Equity instrument is to continuously sharpen the brand profiles and to distinguish as clearly as possible between the customer segments served by the brands, supplementing them as required with tailored solutions. Our aim is to achieve high market saturation with great efficiency and a low level of brand cannibalization. Market positioning is an essential element for increasing brand values. To this end we have established automobile-specific customer segmentation to steer the positioning of our brands which we consistently apply throughout the strategy and product process.

As part of our NEW AUTO strategy, we have introduced strategic base initiatives for China as the largest single market and North America as the market with the greatest growth potential due to their considerable strategic importance for the Volkswagen Group. We used the Group strategy as the foundation for our new functional area strategy called NEW SALES 2030, which forms the basis for transforming our sales activities in the direction of a mobility provider. The aim of NEW SALES 2030 is to enable us to provide an even more flexible and targeted response to our customers' wishes and leverage additional revenue potential, for example through digital business models.

With regard to its NEW AUTO strategy, Volkswagen hit another milestone as part of the Mobility Solutions tech initiative in July 2022 with the closing of the transaction with Europcar. This successful joint acquisition with two consortium partners is important in helping to drive the growth of the Volkswagen Group in vehicle-on-demand (VoD) services. Europcar is to become a cornerstone of a product portfolio that will cover customers' mobility needs from vehicle sharing for a few hours to subscription for multiple months. Our expectation is that most people will still prefer individual mobility by 2030 but the focus will be more on using and less on owning vehicles. The Volkswagen Group is aiming to participate in the global market for mobility services, which is expected to grow rapidly.

Also in the area of sales and marketing, we are aware of our responsibility towards the climate and the environment. In addition to the broad range of completely battery-electric vehicles and hybrid models, we kicked off the goTOzero retail project that will help our sales partners to move over to a climate-neutral business model.

Customer satisfaction, customer loyalty and customer conquest

The Volkswagen Group aims its sales activities at exciting its customers. This is our top priority, as satisfied customers remain loyal to our brands and recommend our products and services to others. For this we measure customer satisfaction with our brands at different customer contact points and make it a subject of discussion at Board committee meetings. In addition to satisfaction with our products and services, we value our customers' emotional connection to our brands. It is important for us to retain customers and win new ones. To measure our success in this area, we compile and analyze strategic indicators for the passenger car-producing brands: the loyalty rate represents the proportion of customers of our passenger car brands who have bought another Group model. Thanks to their faithful customers, the Volkswagen Passenger Cars, ŠKODA and Porsche brands have remained in the upper loyalty rankings of the core European markets in comparison with their competitors for a number of years. Audi was able to strengthen its position in 2022 following a recent upward trend. Compared to other manufacturer groups, the Volkswagen Group continues to hold a top spot in the core European markets in terms of loyalty. The conquest rate shows the share of newly acquired passenger car customers as a proportion of a brand-specific selection of competitors. The ŠKODA, Audi and Porsche brands revealed a stable conquest rate, while that for Volkswagen Passenger Cars and SEAT deteriorated. By contrast, CUPRA's conquest rate increased.

In the core European markets, the brand image of the Volkswagen Passenger Cars brand improved in 2022 and is now above the level for the market as a whole. Confidence in the brand also continued to improve. As in previous years, Porsche remains in top position in the image ranking.

E-mobility and digitalization in Group Sales

As part of our electrification campaign, we aim to offer our customers worldwide around 50 completely battery-electric vehicles by 2030. This campaign will be complemented by vehicle-related, customer-focused offerings, such as customized charging infrastructure solutions and mobile online services. The Volkswagen Group is thus transforming from an automotive manufacturer into a mobility service provider. This poses new challenges for Sales.

We are making very specific use of the opportunities offered by digitalization in Sales, which include an improved customer approach. Our actions are guided by a clearly defined strategy that requires extensive cooperation between the brands and markets to achieve the greatest possible synergies. Our aim here is to create a completely new product experience for the customers of our brands – one which impresses with a seamless communication process, from the initial interest in purchasing a vehicle, to servicing and ultimately to the sale of the used car. In doing so, we are opening up new business models relating to the connected vehicle – in particular with regard to mobility and other services. Vehicles are becoming an integral part of the customer's digital world of experience.

We also align our internal processes and structures to the methods and new forms of working created by digital innovation. This results in project teams operating across different business areas, new forms of cooperation, a more intensive relationship with the international start-up scene, a consolidation of venture capital expertise – as a form of supporting innovative ideas and business models – and new lean systems and cloud-based IT solutions.

Fleet customer business

Business relationships with fleet customers are often long-term partnerships. In a volatile environment, this customer group guarantees greater stability for sales of well-equipped, profitable vehicle models than the private customer segment.

The Volkswagen Group has an established base of business fleet customers, especially in Germany and the rest of Europe. Our extensive product range enables us to satisfy their individual mobility needs from a single source.

In an overall passenger car market in Germany that rose by 1.1% in the reporting period, business fleet customers climbed to 18.8 (16.6)% of total registrations. The Volkswagen Group's share of this customer segment improved to 43.5 (42.1)%. Outside Germany, the Group's share of registrations by fleet customers in Europe was 25.7 (26.6)%. This shows that fleet customers' confidence in the Group remains at a high level.

After Sales and Service

In the after-sales business, we regard ourselves as a complete provider of all products and services relevant to customers. Together with our partners, our mission is to ensure lifelong mobility for our customers and vehicles. To this end we are continuously expanding our range of tailored services in order to improve convenience for our customers and increase customer satisfaction. The partner businesses also offer a comprehensive portfolio of services in all vehicle classes.

In After Sales, we are supporting the changing world of mobility and our systematic focus on e-mobility by developing new services and innovative concepts. As the Group transforms from vehicle manufacturer to a leading, global software-oriented mobility provider, our software company CARIAD is working on the development of the future software architecture for our vehicles. With the resulting connectivity services, we will also be able to generate synergies in After Sales across all the Volkswagen Group's brands and take advantage of new opportunities to boost customer loyalty.

In addition to individual service, the timely provision of genuine parts is essential to assure passenger car customer satisfaction in After Sales. The genuine parts supplied by our passenger car brands and the expertise of the service centers stand for the quality, safety and value retention of our customers' vehicles. With our global after sales network including more than 130 of our own warehouses, we are creating the prerequisites to supply almost all our authorized service facilities around the world within 24 hours. Owing to disruption in supply chains, especially for semiconductors, we were unable to fully guarantee in-time delivery of replacement parts in certain cases during the reporting period.

In the Digital After Sales project, we are modernizing processes and IT systems in After Sales. By adopting an approach that focuses product and service development on the individual needs of both dealers and customers, we aim to reduce the time needed for administrative tasks at the dealers through automated, interrelated services and also to stabilize existing IT systems and boost efficiency. In addition, innovative digital after-sales services will improve the customer experience.

Around the world, our commercial vehicles business also prides itself on products of quality and on customer focus. Our range of trucks, buses and engines is complemented by services that aim to guarantee fuel efficiency, reliability and wide vehicle availability. By offering vehicles equipped with an all-electric or hybrid drive system, we take into account both customers' wishes and our responsibility to contribute to emission-free transportation. Workshop service and service contracts are intended to offer customers a high degree of certainty, in addition to a high level of quality. We are reducing servicing times and costs with a view to the vehicles' total operating costs.

In the Power Engineering segment, we help our customers to secure the availability of machinery with MAN PrimeServ. The global network of more than 100 PrimeServ locations stands for excellent customer focus and offers, among other things, replacement parts of genuine-part quality, qualified technical service and long-term maintenance contracts.

QUALITY

The quality of our products and services plays a key role in maintaining customer satisfaction. Customers are satisfied and loyal particularly when their expectations of a product or service are met or even exceeded. Appeal, reliability and service determine quality as it is perceived by the customer throughout the entire product experience. Our objective is to positively surprise our customers and inspire enthusiasm in all areas, and thus to win them over with our quality.

Digitalization was once again the beating heart of our work in the past fiscal year: we are continuously sharpening our focus on software-based system development, which is a critical factor for success in respect of customer satisfaction. Consistent application of the “Automotive SPICE” process assessment model that we use to improve our processes is particularly important in our activities. It is a key building block for meeting the requirements of our customers, as well as those of the regulatory and legislative bodies.

Volkswagen has been implementing cybersecurity measures across the Company for some time now. For example, we have an independent cybersecurity network in place across all regions and Group brands and monitor potential cyber risks. This enables us to act fast when potential threats arise. Since June 2022, the UNECE (United Nations Economic Commission for Europe) has provided for corresponding certification and homologation to ensure that companies can guarantee that these aspects are dealt with properly so as to protect the users of our vehicles from potential attacks. Our Group pursues the goal of implementing standards in the areas of both accident prevention and security. We are refining the established processes within the framework of an Automotive Cyber Security Management System in keeping with the requirements of the UNECE regulation. In this context, Volkswagen is implementing comprehensive measures across departments throughout the Group.

Strategy of Group Quality

We review our functional area strategy New Quality periodically and coordinate it with the brands. We align our activities with our goal expressed in the motto: “We embody outstanding quality and ensure reliable mobility for our customers worldwide.” The NEW AUTO Group strategy sets new parameters for transforming the Group into a software-oriented mobility provider. Based on this, our quality strategy focuses primarily on achieving maximum levels of customer satisfaction throughout the entire customer experience – from ordering through to the digital ecosystem and up to aftersales and customer service. Group Quality and the brands’ quality organizations play an active role at all stages of product emergence and testing, making an important contribution to successful product launches, high customer satisfaction and low warranty and ex gratia repair costs. As part of our functional area strategy, we have defined “warranty and ex gratia repair payments per vehicle after 12 months in service” as a strategic indicator at the top level of consideration for the major passenger car-producing brands. This shows all warranty and ex gratia repair payments for the vehicles produced worldwide in each production year, expressed in euros per vehicle. All vehicles from the Volkswagen Passenger Cars, Volkswagen Commercial Vehicles, ŠKODA, SEAT, Audi and Porsche brands are included in this figure. Extraordinary items resulting from initiatives such as

recalls to assure product safety or comply with laws are not taken into account. While the figures starting from the 2017 production year remained at a constant low level, they have increased since the 2020 production year due to the growing use of new technologies in the vehicle and rising complexity. Actions were taken to reduce these figures and have proven effective.

Legal and regulatory compliance

The legal and regulatory compliance of our products is paramount in our work. In our processes we employ the principle of multiple-party verification, which involves mutual support and control between the business units. Among other things, software development is accompanied by quality milestones at all brands, whereby all systems, components and parts that directly influence a vehicle's safety, type approval and functioning and therefore require particular vigilance are included in the multiple-party verification. At the series production stage, we see to it that the conformity checks on our products are carried out and assessed with the participation of all business units involved. This applies particularly to checks related to emissions and fuel consumption.

We are also dedicating attention to our quality management system, reinforcing the interdisciplinary, process-driven approach throughout the Group. The quality management system in the Volkswagen Group is based on the ISO 9001 standard and the official type approval requirements. These standards and requirements must be complied with for us to obtain type approval for the manufacture and sale of our vehicles. We conducted numerous system audits in the reporting period to verify that our sites and brands continue to comply with these requirements. Particular focus was placed on assessing the risk of non-compliance with defined processes. Our quality management consultants pay attention to ensuring that these and other new requirements, as well as official regulations, are implemented and complied with; they are coordinated and supported in this endeavor by a central office in Group Quality.

Observing regional requirements

We use a variety of feedback instruments, such as specific customer surveys, to collect information on region-specific customer requirements. In addition, we monitor relevant internet forums and social media postings worldwide to obtain direct customer feedback and identify sentiment and trends at an early stage.

In order to be able to make the perceived quality of our vehicles commensurate with that of our competitors, we take the needs of our regional customers into account in our vehicle audits. Every brand works together with the individual regions to decide how its product is to be positioned there. In this way, we strengthen the brands' responsibility. So that the vehicle audit returns comparable results, consistent quality benchmarks apply across all brands and regions. We are continually adapting these to changing requirements. For more than 40 years now, we have been deploying auditors around the world to assess, from the customer's perspective, the vehicles that are ready for delivery and to ensure that these vehicles comply with the benchmarks defined.

EMPLOYEES

The Volkswagen Group is one of the world’s largest private employers. On December 31, 2022, we employed a total of 675,805 people, which includes the Chinese joint ventures. This figure represents a 0.4% increase compared with the end of 2021. The ratio of Group employees in Germany to those abroad remained largely stable over the past year; at the end of 2022, 293,862 (295,065) employees worked in Germany.

EMPLOYEES BY MARKET

in percent, as of December 31, 2022



Human resources strategy and principles of the human resources policy

For the Volkswagen Group the transformation of the workforce is defined as a key focus topic in the Group’s NEW AUTO strategy. We have also embedded the topic in our Group-wide People & Transformation initiative. The Group People Strategy Transform to Tech plays a key role in this context for our three brand groups – Volume, Premium and Sport & Luxury. This strategy also enables the Volkswagen Group to continue with key, successful approaches in human resources policy. These include the pronounced stakeholder focus in corporate governance, comprehensive participation rights for employees, forward-looking training opportunities, the principle of long-term service through systematic employee retention and remuneration that is fair and transparent.

At the same time, the Group People Strategy is setting innovative trends. Employee experience is to be improved systematically, the teams strengthened as the most important units in the company’s organization, and modern forms of working, such as agile methods, are to be developed. Our aim is to become more attractive as an employer and take the performance of our organization to the next level.

In our Group People Strategy we have identified different dimensions with which we aim to address employees’ needs and expectations in a holistic manner. Together, these four dimensions make up the work experience, job satisfaction and, ultimately, the success of the work and the Group’s integration into society.

1) “Me” (Me@Volkswagen): We strive to systematically improve the employee experience and ensure that all employees have the best possible conditions in which to do their job. Starting with availability of contemporary, task-specific work equipment and tools, this also entails avoidance of red tape and overly complex process steps and includes state-of-the-art workspaces, opportunities for 360-degree feedback, individual health coaching, and training opportunities tailored to the individual.

2) “My team” (Teams@Volkswagen): High-performance teams in the Volkswagen Group are groups that trust each other, have a common goal and can rely on each other, yet also discuss matters critically and speak their minds. As our transformation takes shape, the way in which teams in the Volkswagen Group collaborate changes. Hybrid digital forms of collaboration are becoming more important. They require modern office environments that simplify collaborative, flexible work. The same applies to opportunities for digital collaboration – an aspect that has become even more important in the wake of the Covid-19 pandemic.

3) “All of us at Volkswagen” (All of us@Volkswagen): The seven Volkswagen Group Essentials define the shared underlying values across all of the Group’s brands and companies: We take on responsibility for the environment and society, We are honest and speak up when something is wrong, We break new ground, We live diversity, We are proud of the work we do, We not me, We keep our word. Our corporate culture aims to create a sense of belonging for our workforce – an important aspect that is gaining in significance particularly in times of change and in an increasingly diverse environment. We believe in the importance of fair remuneration, which underscores our image of ourselves as an attractive employer. It is designed to motivate and to express our appreciation for the performance of each individual. In addition, we need to empower our leaders to contribute to a successful transformation and act as role models. Group-wide activities such as team dialogue and the role model program are designed to encourage employees to discuss the Group Essentials and incorporate them into all work processes. In the role model program, managers from all brands strive to improve the corporate culture together with their staff.

4) “Volkswagen in society” (We@Volkswagen and the world around us): We are aware that without long-term social legitimacy at our locations and in our markets, we will not be able to carry forward our business model in times of accelerated changes in values – this applies from an economic, environmental and social perspective. We see our employees as representatives of the Volkswagen Group who communicate our values to society. Together with them, we also assume responsibility above and beyond our core business – such as through foundation work and corporate volunteering. The topics of our social commitment range from education to diversity, a culture of remembrance, culture, climate action and environmental protection, and various local commitments.

The transformation has put us on a long-term path of change and renewal. It is important for us to regularly review whether we are maintaining the course we have set and achieving our objectives. The following strategic key performance indicators help us measure our progress and take remedial action if necessary:

- > Internal employer attractiveness: This indicator is determined by asking respondents, as part of the *Stimmungsbarometer* (opinion survey), whether they perceive the respective company as an attractive employer. The opinion survey is conducted for the majority of our Group workforce. The target for 2025 is 89.1 out of a possible total of 100 index points. A score of 86.6 index points was achieved in the reporting period, meaning that the target for 2022 of 88.7 index points was missed. 86.8 points were achieved in the previous year. For Volkswagen AG, the value for 2022 was 87.1 (87.7) index points.
- > Diversity index: As part of our group-wide diversity management system, we report in this strategic indicator on trends in the proportion of women in management and in the internationalization of top management as a percentage of the active workforce (total workforce excluding vocational trainees, employees in the passive phase of their partial retirement and employees in the withdrawal phase of their time asset bonds) worldwide. In particular, this indicator underpins the objective of the Group People Strategy, which is aimed at contributing to an exemplary leadership and corporate culture. The proportion of women in management, comprised of management, senior management and top management (including Group Board of Management members), amounted to 17.2% in 2022 and was 0.9 percentage points up on the prior-year level. We aim to raise this figure to 20.2% by 2025. Our goal is to increase the level of internationalization in top management, the uppermost of our three management tiers, to 25.0% in 2025; in the past fiscal year this was 23.4 (20.3)%. The methodology changed in 2022: in the case of dual nationality, both nationalities are taken into account. The figures for the proportion of women in management and the internationalization of top management are placed equally weighted in the diversity index and the figures for the year 2016 set to an index value of 100. For 2022 we had planned to increase this index to 136. This target was exceeded with a score of 140 (127).

- > Implementation status of strategic HR planning: Strategic HR planning supplements operational HR planning by adding a qualitative, long-term and strategic planning perspective. It allows business units to identify qualitative and quantitative surpluses and shortfalls at an early stage and develop necessary qualification, training and restructuring requirements designed to help support the transformation. To map progress in strategic HR planning, we will measure the percentage of the active workforce considered in the strategic HR planning from 2023.
- > Number of training hours per employee: Due to the transformation in the automotive industry, we are facing the biggest process of expertise and cultural change in the history of the Group. As a result, individual opportunities for change for employees are becoming an increasingly important success factor. By leveraging economies of scale in connection with digitalization and through the Group-wide learning platform Degreed, which is to be gradually rolled out across the Group, Volkswagen is improving the access to training opportunities. The goal is to increase the average number of training hours per employee in the Volkswagen Group – based on the active workforce – by 35% before 2030 to 30 hours per employee per year. The baseline value is 22.3 hours and represents the average for the base years 2015 to 2019. These years were chosen as the baseline due to the outbreak of the Covid-19 pandemic, which temporarily curtailed training activities in 2020 and 2021. The target figure for the reporting period was 22 hours. With an average of 19.9 hours per employee, the target has not been met.

Training and professional development

At Volkswagen, our capacity for innovation and our competitive position largely depend on the commitment and knowledge of our employees, particularly during the transformation.

Volkswagen Group employees have access to a wide range of training measures organized according to vocational groups. These comprise all employees whose tasks are based on similar technical skills and who require related expertise in order to perform their jobs. A skills profile lays down the specialist and interdisciplinary skills for each job and serves as a guide for training measures. Formats range from further training in general Company-related topics to specific training or personal development programs. Thanks to these opportunities, Volkswagen employees are able to further develop and steadily deepen their knowledge throughout their working lives. The range of learning opportunities is being expanded continuously.

Degreed, the innovative learning platform that we have implemented, opens up diverse training opportunities for our employees. The platform creates a simple, customized learning experience and is aimed at supporting the results of strategic HR planning with appropriate training programs. Another focus is developing important and specific skills, for example in areas such as data analytics, software development, leadership, machine learning and artificial intelligence. In addition, Volkswagen's Faculty 73 program is providing in-house training for the software developers who are needed for the digital transformation. The graduates from this program largely work in departments at Group and brand IT, Technical Development and CARIAD. In 2022, 200 students embarked on the training program, which is now in its fourth year. The program is designed for employees and also external applicants with an affinity for IT and an interest in software development.

Volkswagen AG, CARIAD and ŠKODA are also supporting the establishment and operation of innovative programming schools in Wolfsburg, Berlin and Prague in cooperation with the non-profit École 42. The training institutes have so far accepted over 400 students, who learn from and with each other following an innovative training approach.

AGE STRUCTURE IN YEARS OF EMPLOYEES

as of December 31, 2022; in percent



Vocational training and cooperative education

The core components of training at Volkswagen are vocational training and cooperative education (dual study programs combining university studies with on-the-job training). As of the end of 2022, the Volkswagen Group trained 16,590 young people. We have introduced the principle of dual vocational training at many of the Group's international locations over the past few years and are continuously working on improvements. Once a year, Volkswagen honors its highest-achieving vocational trainees in the Group with the Best Apprentice Award. Even after their vocational training has been completed, young people at the start of their careers are encouraged to continue their professional development in our Company.

Development of university graduates

Volkswagen offers two structured entry and development programs for university graduates and young professionals. In the StartUp Direct trainee program, graduate trainees gain an overview of the Company while working in their own department and also take part in supplementary training measures. University graduates interested in working internationally can participate in the StartUp Cross program. The aim here is to get to know the Company in all its diversity and to build up a broad network. During their participation in the program, young professionals become familiarized with several locations in Germany and other countries by working in various departments. Both programs also include several weeks' experience working in production.

Increasing attractiveness as an employer and development programs for specific target groups

A human resources policy that promotes a work-life balance is a major component of Volkswagen's attractiveness as an employer; in particular, it contributes to greater gender equality. We are working continuously to develop family-friendly working time models and to increase the number of women in management positions. For Volkswagen AG, we have also set targets for the proportion of women in management in accordance with German legislation. In line with the *Gesetz zur gleichberechtigten Teilhabe von Frauen und Männern an Führungspositionen* (German Act on the Equal Participation of Women and Men in Leadership Positions) and section 76(4) of the *Aktiengesetz* (AktG – German Stock Corporation Act), Volkswagen AG set targets for the period until the end of 2025 of 16.5% for the proportion of women in the active workforce at the first level of management (senior management, top management and brand Board of Management) and 23.4% for the second level (management). As of December 31, 2022, the proportion of women in the active workforce (excluding employees in the withdrawal phase of their time asset bonds) at the first level of management was 14.2% and at the second level of management it was 19.7%. The Group Board of Management and Supervisory Board are regularly informed of the figures achieved and the current target paths.

In order to encourage women with great potential to advance within the Company, we have set targets relating to the development of the proportion of women in management for every Board of Management

business area at Volkswagen AG. This approach is supported by many different measures ranging from cross-brand mentoring programs to a quota system for the management selection procedure and targets for the share of women among external hires.

The Group also has a large number of collective regulations in place to make it easier for employees to balance the demands and needs of work and home life and allow staff to arrange their own individual working model. In addition to flexible working hours and the use of working time accounts and flextime, these include variable part-time work and shift models, leave of absence enabling employees to care for family members, the possibility to convert salary components into paid leave, childcare services that are associated with the company or are company-owned, and remote working. “*Meine AusZeit*” is a program offered by Volkswagen AG that allows employees to take a self-financed leave of absence with an upfront payment from the Company.

Hybrid working – a combination of remote working and working onsite – gives employees greater flexibility in terms of when and where they work and is increasingly becoming the norm for the Volkswagen Group. In the reporting period, we again refined and expanded virtual and hybrid communication and collaboration, as well as new formats of knowledge transfer and training. Major topics included:

- > Design or expansion of the works agreements for remote working at Audi AG and Volkswagen AG
- > Preservation of mental health
- > Reinforcing the culture of leadership and trust in the context of the changing world of work (Culture and Change Factory)

In addition, we continued developing the Guide for Digital and Hybrid Collaboration, which is intended to provide guidance on successful communication and organization for employees, managers and teams. We also continued working on the Office 2025 initiative, which is designed to drive the modernization of offices and the world of work at Volkswagen AG.

The Volkswagen Group attaches particular importance to its employees being able to act with agility and entrepreneurial drive. Together with 30 publicly traded large companies from Germany, Austria and Switzerland, we developed a skills matrix for training and professional development in the area of agile business processes under the umbrella of the DACH30 initiative. As part of these endeavors, the Volkswagen Group Academy set up an agility training portfolio.

PROPORTION OF WOMEN IN THE VOLKSWAGEN GROUP

as of December 31

%	2022	2021
Employees	18.1	17.9
Vocational trainees ¹	20.3	20.1
Total management	16.8	15.9
Management	18.8	17.9
Senior management	13.5	12.5
Top management	9.8	8.3

¹ Excluding Scania and Navistar

Preventive healthcare and occupational safety

Preventive healthcare and occupational safety are key elements of human resources policy in the Volkswagen Group.

We reformed the Volkswagen Group’s Occupational Health and Safety Policy in fiscal year 2022. In addition to complying with legal requirements, we aim to ensure the protection and promotion of physical and mental health, taking into account psychosocial risks and their effects. We believe in providing employees with health care that is above the standard set by law in the country in question.

Employee participation

Codetermination and employee participation are important pillars of our human resources strategy. Volkswagen aims to promote high levels of expertise and a strong sense of team spirit. This includes employees' opinions, assessments and criticism being heard.

We brief our employees extensively on upcoming changes so as to involve them in strategic decision-making as early as possible. When shaping labor relations to embody cooperation and social peace, we are guided by universal human rights and the standards of the International Labour Organization (ILO). Building on these principles, we have agreed various charters and declarations with the European and Global Group Works Council which set out the principles of labor policy in the Volkswagen Group as well as employee rights.

Employee participation in the Company's success through the issuance of treasury shares in the form of an employee share program is not currently offered.

By means of the opinion survey (*Stimmungsbarometer*), the Company regularly gathers information regarding employee satisfaction and also surveys employees on our corporate culture. Based on the results, follow-up processes are implemented in which measures are developed and executed. The 2022 opinion survey covered 159 companies in 49 countries. Of the 614,142 employees in the companies surveyed, 475,778 participated. This was a participation rate of 77%. The sentiment rating calculated from 22 questions is the main parameter of the opinion survey and is used to help determine Board of Management remuneration, among other things. It is calculated from the total of all the related answers in the survey and, in 2022, stood at 82.4 out of a possible total of 100 index points. The score achieved in 2022 was thus just above the previous year's figure, which amounted to 82.3 points.

In addition, we also encourage employee involvement by means of Idea Management. Employees have the opportunity to put their creativity and knowledge to use by contributing their ideas for making improvements, thus contributing to streamlining workflows, further enhancing ergonomics in the workplace, reducing costs and continuously increasing efficiency. The system also provides monetary incentives by offering set rewards.

INFORMATION TECHNOLOGY (IT)

The NEW AUTO strategy is playing a substantial role in driving the Volkswagen Group's transformation into a software-oriented provider of sustainable mobility. We see technology and data competence, both in the vehicle and within the Group, as the key to this. Digitalized supply chains, automated production processes, data-driven sustainability and a seamless customer experience are examples of how innovative IT is the driving force behind the future of mobility. Against this backdrop, the Volkswagen Group established the IT Board position at the beginning of 2022. Based on an in-depth review of the situation, we defined the vision for the NEW IT functional area strategy, which focuses on the following topics:

- > Delivering highly automated enterprise processes and systems by means of a high-performance IT infrastructure with a cost-effective cloud-first approach that is designed to be resilient to cyber threats and ensure data protection.
- > Through agile development the customer-centric development of IT products and digital services with a short time to market will facilitate continuous improvement and refinement.
- > The systematic use and provision of data across the entire organization to optimize products, processes and corporate governance. Data is set to become a value driver for innovations, new business models, personalized customer contact and better corporate management across all brands and companies.

The new strategy NEW IT is intended to gear the IT and data organization to the requirements of the coming years, thus making a systematic contribution to the strategic direction of the Volkswagen Group. By forging ties between the Group Board of Management IT division and the chief information officers (CIOs)

of the Volume, Sport & Luxury and Premium brand groups plus Volkswagen Financial Services AG, we aim to ensure a uniform, strategic focus and to help promote the leveraging of synergies and economies of scale. Systematic identification and Group-wide sharing of use cases will enable effective knowledge transfer within the Group, conserve resources and result in greater speed and efficiency. Due to the global spread of the Covid-19 pandemic, we had already taken extended measures in previous years to protect the workforce, such as increasing the use of remote working. In this context, the availability of the IT infrastructure for all brands and companies is a high priority. The provision of state-of-the-art IT applications for digital collaboration and the expansion of options for conducting business on mobile devices are designed to improve productivity in the long term. Building on the rollout of Microsoft 365, additional functions for simple, digital collaboration throughout the Group were implemented in 2022.

Software development

Group IT has the expertise to swiftly develop software and IT solutions for the Group based on the Group's needs. Part of this development work takes place in the Software Development Centers (SDCs) around the world. The strategic goal is to safeguard and successively increase the proportion of in-house services relating to software products for the business processes.

The optimization of processes and the definition of standards for software development remain at the forefront of our activities. Among other things, this entails international, data-driven management of activities in the SDCs, strategic alignment of the business-critical enterprise systems in accordance with NEW IT and safeguarding intellectual property in the form of software product source codes.

Use of digitalization and IT solutions

At Volkswagen, the Board of Management continuously monitors and supports the digital transformation. The Group Board of Management Committee for Digital Transformation addresses the digital transformation of business processes across brands and business units in the Volkswagen Group. It manages the Group's IT project portfolio, supports the digital cultural change as well as innovations and fosters synergies from the digital transformation between the Group and the brands.

Volkswagen embraces digitalization in the Company; its in-house Software Innovation Centers (SICs) are just one example of this. They act as centers of innovation and expertise, piloting new technologies with their know-how to fulfill the requirements of the different business areas in the Group, developing applications relevant for the Company and making these available for productive use within the organization. Here, Group IT, research institutes, educational institutions (such as universities), technology partners and policymakers work closely together on future trends in information technology. The SICs also use their network with start-ups to adapt innovative solutions to Volkswagen's needs. This allows the experience and strategic expertise of a large company like Volkswagen to be combined with the pragmatism, the innovative ideas for new areas of business and the speed of young start-ups.

Highly specialized experts at the SICs in Munich and Wolfsburg are working, for example, on exploiting the potential of quantum computing for areas that have a commercial application. The focus here is on the optimization of traffic flows, such as ride pooling (a transport service for several passengers taking a similar route) and optimizing the order of individual steps in a process (for example a painting sequence) to reduce production times and improve the use of resources. Volkswagen is also investigating the optimization of the chemical composition of batteries through the use of quantum computing.

In the field of machine learning, work is being carried out on smart management of energy use to generate sustainable savings, for example in compressed air control systems. Artificial intelligence methods are being used in quality assurance too; for instance, audio analyses to support the quality assurance process in transmission manufacturing.

In addition, the SICs are used to transfer knowledge throughout the entire Company on topics such as advanced data analytics (process for the systematic analysis of data in electronic form) and block chain (distributed ledger technologies) to make these new technologies available to the Group. Advanced data analytics are helping to optimize the storage of replacement parts in the after-sales business, for example. Likewise, numerous bot projects are being implemented to automate business processes (robotic process automation).

Production processes are also safeguarded by artificial intelligence and camera systems (computer vision). The systems and equipment in the factories are linked together in an integrated overall system. In conjunction with the different departments, Group IT is also contributing its expertise to the field of research and development, one example being EU projects. For instance, digitalized work tools such as the “virtual concept vehicle” make the product development process faster and more efficient by replacing physical components with virtual components generated on the computer, among other things.

IT security

Safeguarding data and information throughout the Volkswagen Group worldwide is one of the main tasks of IT and was continued in fiscal year 2022 with the Group Information Security Program. The objective of the program is to create uniform processes and solutions across the Group to further enhance information security. The main focus is on topics that could one day pose information security risks for the Group and that need to be specially safeguarded as part of the Group’s digital transformation strategy, including cloud security and industrial cybersecurity. The program’s content and orientation are reviewed annually and updated if necessary.

We are one of the first vehicle manufacturers to require our suppliers to have passed TISAX (Trusted Information Security Assessment Exchange) certification. This sends out a strong signal regarding the security of cross-company information and data. TISAX certification is an assessment method developed by the German Association of the Automotive Industry and is based on the international industry standard and the requirements of the automotive world. The aim is for sensitive data and information to be dealt with securely by our suppliers. CAR2X technology offers our customers protection by warning them, for example, of traffic hazards. CAR2X technology enables direct communication from vehicle to vehicle and from the vehicle to the transport infrastructure. This TÜV-certified technology, implemented in accordance with European standards, has already been installed in over 700,000 vehicles, which should increase the level of safety for our customers.

The task of automotive cybersecurity is to avert cyber attacks on our vehicles throughout the entire product life cycle, as well as on the digital vehicle ecosystem. The Group policies in the Volkswagen Group based on the legal requirements of the UNECE (United Nations Economic Commission for Europe) regulation have been implemented. Brand-specific organizational guidelines are being specified and implemented on this basis, taking the organizational circumstances into account.

The Protected Customer program addresses the requirements of the UNECE regulation. To protect our customers against cyber attacks, and to implement our solutions in conformity with national and international legislation, we are establishing integrated, cross-brand, cross-regional security management systems for information and cybersecurity. These were validated through UNECE CSMS certification in 2021. Safeguarding of the complete life cycle of our vehicles and digital mobility services was transferred to standard operations after the program ended in 2021, where it continues to be pursued.

Key central information security processes have been audited in line with the international ISO 27001 framework and were recertified in 2022. This is the most important cross-sectoral standard for information security and is our basis for building an appropriate information security management system for handling all sensitive information in the Group.

In recent years, the introduction of the data protection management system and the data protection management organization has thus established the infrastructure for implementing and complying with data protection requirements at Volkswagen AG in the long term. Increasing digitalization and interconnectedness of business processes, new legislation in the planning with data protection relevance and the sharp rise in the extent of international data protection legislation continue to require a high level of attention if ongoing compliance with data protection requirements is to be ensured. Continuously raising awareness among the workforce and further standardizing and automating processes remain the focus of activities. Compliance requirements are already being integrated into the design of IT solutions and infrastructure decisions.

SEPARATE NONFINANCIAL GROUP REPORT

The combined separate nonfinancial report of Volkswagen AG and the Volkswagen Group in accordance with sections 289b and 315b of the *Handelsgesetzbuch* (HGB – German Commercial Code) for fiscal year 2022 will be available on the website https://www.volkswagenag.com/presence/nachhaltigkeit/documents/sustainability-report/2022/Nichtfinanzieller_Bericht_2022_d.pdf in German and at https://www.volkswagenag.com/presence/nachhaltigkeit/documents/sustainability-report/2022/Nonfinancial_Report_2022_e.pdf in English by no later than April 30, 2023.

REPORT ON POST BALANCE SHEET DATE EVENTS

There were no significant events after the end of fiscal year 2022.

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. Aimed at supporting the financing of the transition to a sustainable economy, the published strategy contains proposals relating to transition finance, inclusiveness, resilience and contribution of the financial system, and global ambition. It is based on the EU’s action plan on Financing Sustainable Growth of 2018. In addition to “Disclosures” and “Tools”, another key module is the EU Taxonomy (Regulation (EU) 2020/852 and associated delegated acts).

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 CO₂ 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 Volkswagen Group supports the EU's overarching goal. We are committed to the Paris Climate Agreement and align our own activities with the 1.5 degree goal. We aim to achieve net carbon neutrality by 2050.

REPORTING FOR FISCAL YEAR 2022

Under the EU Taxonomy, the Volkswagen Group is required to report on the climate change mitigation and climate change adaptation environmental objectives for fiscal year 2022; the EU has not yet defined the disclosure requirements for the other four environmental objectives. 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 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 key performance indicators presented as taxonomy-aligned would need to be assessed differently. Our interpretation is set out below.

ECONOMIC ACTIVITIES OF THE VOLKSWAGEN GROUP

With the Group strategy NEW AUTO – Mobility for generations to come, we are preparing ourselves for the global changes in mobility and thus playing a substantial role in driving Volkswagen's transformation into a software-oriented company. In so doing, we pay particular attention to the use of resources and the emissions of our product portfolio, as well as those of our sites.

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 comprise the development, design, production, sale and servicing of machinery and equipment. These activities also fall under the environmental objective of climate change mitigation.

An analysis of our economic activities in the context of the EU Taxonomy has not revealed any activities that contribute specifically to the environmental objective of climate change adaptation.

The table below sets out the allocation of our activities in the vehicle-related business and in Power Engineering 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 dynamically evolve.

Economic activity in accordance with the EU Taxonomy	Description of economic activity	Allocation in the Volkswagen Group
Environmental objective: climate change mitigation		
3. Manufacturing		
3.2 Manufacture of equipment for the production and use of hydrogen	Manufacture of equipment for the production and use of hydrogen.	Power Engineering
3.3 Manufacture of low-carbon technologies for transport	Manufacture, repair, maintenance, retrofitting, repurposing and upgrade of low-carbon vehicles, rolling stock and vessels.	Vehicle-related business
3.6 Manufacture of other low-carbon technologies	Manufacture of technologies aimed at substantial greenhouse gas emission reductions in other sectors of the economy, where those technologies are not covered by other economic activities in the manufacturing sector.	Power Engineering
9. Professional, scientific and technical activities		
9.1 Close to market research, development and innovation	Research, applied research and experimental development of solutions, processes, technologies, business models and other products dedicated to the reduction, avoidance or removal of greenhouse gas emissions for which the ability to reduce, remove or avoid greenhouse gas emissions in the target economic activities has at least been demonstrated in a relevant environment, corresponding to at least Technology Readiness Level 6.	Power Engineering

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 CO₂ 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. Until December 31, 2025, they also include passenger cars and light commercial vehicles with CO₂ emissions of less than 50 g/km in accordance with the WLTP. This encompasses the majority of our plug-in hybrids. Buses meeting the EURO VI standard (Stage E) were also included until December 31, 2022.

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 this economic activity 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 engines and powertrains, as well as 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.

Economic activities in Power Engineering

In the Power Engineering Business Area, we have analyzed our activities with respect to their classification under the EU Taxonomy and, with the exception of the heavy fuel oil engine new building business and individual components for the extraction and processing of fossil fuels, have identified them as taxonomy-eligible.

Economic activity 3.2 Manufacture of equipment for the production and use of hydrogen

Our activities relating to the manufacture of equipment for the production and use of hydrogen that meet the screening criteria and make a substantial contribution to the climate change mitigation objective are taxonomy-eligible. One example is the use of green hydrogen. At Volkswagen, the activities cover the power-to-X technology for the production of low-carbon or carbon-neutral synthetic fuels, as well as components for the storage of hydrogen.

Economic activity 3.6 Manufacture of other low-carbon technologies

The description of this economic activity means that only those technologies manufactured for the purpose of reducing greenhouse gas emissions substantially in other sectors of the economy are taxonomy-eligible. At Volkswagen, this comprises all new-build activities that enable the use of gas and climate-neutral synthetic fuels (e.g. manufacturing of gas and dual-fuel engines), all industrial solutions for energy storage and sector coupling (e.g. heat pumps) and all solutions for carbon capture, storage and usage; it also includes subsea compression (a solution close to the wellhead for the extraction of natural gas). These activities are rounded off by the service and after-sales business, comprising the upgrading and modernization of existing equipment. For example, we retrofit existing maritime fleets with technology that makes it possible to reduce CO₂ emissions.

Economic activity 9.1 Close to market research, development and innovation

The description of this economic activity includes applied research in technologies for the reduction or avoidance of greenhouse gas emissions. We allocate our licensing business to this economic activity. In the course of such business we provide our development services in the form of production documents, based on which our licensees are authorized to manufacture corresponding gas and/or dual-fuel engines.

With regard to economic activity 3.2 Manufacture of equipment for the production and use of hydrogen, we meet the screening criteria that determine whether a substantial contribution has been made to the mitigation of climate change. As the reporting obligations and the complex requirements specified therein, such as for life cycle analyses, were not introduced until very recently, it has not yet been possible to provide corresponding proof of economic activities covered by 3.6 Manufacture of other low-carbon technologies and 9.1 Close to market research, development and innovation.

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 3.2 Manufacture of equipment for the production and use of hydrogen.

In the vehicle-related business, an analysis was performed for each vehicle production site where passenger cars, light commercial vehicles, trucks and buses are or will be produced that meet the screening criteria for the substantial contribution of economic activity 3.3 Manufacture of low-carbon technologies for transport, 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 and China. In addition to these, we also included the sites that manufacture specific components for electric vehicles.

For the Power Engineering Business Area, an analysis was performed for each site that produces relevant components for systems or is responsible for supply chains that meet the screening criteria for the substantial contribution of economic activity 3.2 Manufacture of equipment for the production and use of hydrogen, or that are to meet them in future according to our five-year planning. There are three such sites in Germany and one in Sweden.

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. The wording and terminology used in the EU Taxonomy are subject to some uncertainty in interpretation and supposedly go beyond the regulations to be applied in regular business operations. In addition, the application of the EU Taxonomy to sites outside the EU leads to particular challenges due to the possibility of diverging legislation. We took applicable laws as well as external and internal regulations and guidelines as the basis for our assessments, which confirm that we meet the requirements of the DNSH criteria in the reporting period for the vehicle-related business and the Power Engineering 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 Representative Concentration Pathway (RCP) scenario 8.5 to the year 2050 and thus assumes the highest concentration of CO₂ 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 measures 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 water quality, avoiding water stress, and an environmental compatibility assessment (EIA or comparable process). Risks identified in an EIA are examined during the approval process and, if relevant, result in measures and regulatory requirements. We based the analysis primarily on ISO 14001 certificates, information from site approvals and other external data sources related to sites 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 a major part of Volkswagen's environmental management system. Volkswagen defines clear and unambiguous 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 targets and measures for the use of recycled materials in new vehicles.

For trucks and buses, a review was 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 must not significantly increase air, water or soil pollutant emissions as compared with the situation before the activity started. The DNSH criteria for this environmental objective require that the economic activity in question does not lead to the manufacture, distribution or use of substances listed in a variety of EU chemical regulations and directives or product-specific rules and regulations. In this context, we also consider the use of alternative substances in our analyses and assessments. Overall, the automotive sector is tightly regulated already, 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. This also ensures compliance with the legislation specified in the DNSH criteria. For this purpose, we applied the requirements applicable to regular business operations in the European Union in 2022. Outside of the EU we applied the regulations specific to the country in question.

Protection and restoration of biodiversity and ecosystems

In order to verify adherence to the requirements on biodiversity and ecosystems, the relevant areas were 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 measures had been defined in the environmental approvals and subsequently implemented. We also checked whether changes had occurred in an area's conservation status.

MINIMUM SAFEGUARDS

The minimum safeguards consist of 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.

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.

Below, we describe the main analyses we used to examine whether the minimum safeguards are adhered to.

The Volkswagen Group has conducted and completed human rights risk assessments for 802 controlled Group companies worldwide; this includes all sites that were also examined under the DNSH criteria. This risk analysis takes into account the prior-year results and risk assessments. The companies were given risk-specific measures to counteract the risks identified in the analysis, and were required to implement these. The status of implementation of the respective measures is continuously monitored by the Group.

Relationships with our business partners are based on the Code of Conduct for Business Partners. We review compliance with the binding requirements defined in the Code, using sustainability ratings for relevant suppliers. We address existing sustainability risks and violations of sustainability principles by systematically defining and implementing measures to correct the violations; this also includes the upstream supply chain. We implemented a Human-Rights-Focus-System in 2022 to comply with international frameworks and requirements and specifically the *Lieferkettensorgfaltspflichtengesetz* (LkSG – German Supply Chain Due Diligence Act). The system aims to identify particularly high risks in our supply chain in connection with human rights violations and the environment and to manage these appropriately.

The assessments confirm that we meet the requirements of the minimum safeguards in the reporting year.

KEY PERFORMANCE INDICATORS IN ACCORDANCE WITH THE EU TAXONOMY REGULATION

The EU Taxonomy defines sales revenue, capital expenditure and operating expenditure as the key performance indicators that must be reported on. We explain these below. The tables required by the EU Taxonomy are included at the end of the section.

The financial figures relevant for the Volkswagen Group are taken from the IFRS consolidated financial statements for fiscal year 2022. As we differentiate between economic activities, we have avoided double counting. Where possible, the figures have been directly allocated to an economic activity. In our vehicle-related business, for example, we compiled the financial figures based on the vehicle model and 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 based on the planned vehicle volumes. In the Power Engineering Business Area, we used allocation formulas based on planned sales revenue. This data and planning form part of the medium-term financial planning for the next five years on which the Board of Management and Supervisory Board have passed a resolution.

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 €279.2 billion in fiscal year 2022 (see also note on “Sales revenue” in the notes to the consolidated financial statements).

Of this total, €254.5 billion, or 91.1% 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.

Of the taxonomy-eligible sales revenue, €26.1 billion meet the screening criteria used to measure the substantial contribution to climate change mitigation. This includes all of our all-electric vehicles, the majority of the plug-in hybrids, and the buses meeting the EURO VI standard (Stage E). In 2022, there were 596 thousand such vehicles, 6.5% more than in the previous year. Their share of the relevant sales volume – excluding the vehicles from the Chinese joint ventures – rose to 11.1 (10.1) %. Passenger cars and light commercial vehicles made up the bulk at 594 thousand vehicles; trucks and buses recorded a nine-fold increase year-on-year. Sales of all-electric vehicles were up significantly.

Taking into account the DNSH criteria and minimum safeguards, €26.1 (21.1) billion of the sales revenue generated from our vehicle-related business, equating to 9.4 (8.5) % of consolidated sales revenue, was taxonomy-aligned. Of this amount, €19.6 billion, or 7.0% of consolidated sales revenue, was attributable to our all-electric models (BEVs). In 2022, compliance with the DNSH criteria was also demonstrated for truck and bus sites.

In the Power Engineering Business Area, the majority of our taxonomy-eligible sales revenue was attributable to economic activity 3.6 Manufacture of other low-carbon technologies (€2.5 billion). A further €35 million was contributed by economic activity 9.1 Close to market research, development and innovation. Our activities that fall under economic activity 3.2 Manufacture of equipment for the production and use of hydrogen generated taxonomy-aligned sales revenue of €18 (5) million, taking into account the DNSH criteria and minimum safeguards. The increase in taxonomy-aligned sales revenue is attributable to the expansion of business and above all to the initial consolidation of H-TEC SYSTEMS GmbH.

- Of the Volkswagen Group's total sales revenue in fiscal year 2022,
- > €257.0 (227.8) billion, or 92.1 (91.0) %, was taxonomy-eligible sales revenue and
 - > €26.1 (21.2) billion, or 9.4 (8.5) %, was taxonomy-aligned sales revenue.

SALES REVENUE 2022

Economic activities	SALES REVENUE		SUBSTANTIAL CONTRIBUTION TO CLIMATE CHANGE MITIGATION		COMPLIANCE WITH DNSH CRITERIA	COMPLIANCE WITH MINIMUM SAFEGUARDS	TAXONOMY-ALIGNED SALES REVENUE	
	€ million	% ¹	€ million	% ¹	Y/N	Y/N	€ million	% ¹
A. Taxonomy-eligible activities	257,043	92.1	26,145	9.4	Y	Y	26,145	9.4
Vehicle-related business								
3.3 Manufacture of low-carbon technologies for transport	254,502	91.1	26,128	9.4	Y	Y	26,128	9.4
of which taxonomy-aligned BEVs					Y	Y	19,589	7.0
Power Engineering								
3.2 Manufacture of equipment for the production and use of hydrogen	18	0.0	18	0.0	Y	Y	18	0.0
3.6 Manufacture of other low-carbon technologies	2,488	0.9	-	-	-	-	-	-
9.1 Close to market research, development and innovation	35	0.0	-	-	-	-	-	-
B. Taxonomy-non-eligible activities	22,189	7.9						
Total (A + B)	279,232							

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 2022 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 fiscal year 2022, additions in the Volkswagen Group as defined above amounted to

- > €11.7 billion from intangible assets,
- > €12.9 billion from property, plant and equipment and
- > €24.1 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 €0.4 billion in fiscal year 2022. Total capital expenditure to be included in accordance with the EU Taxonomy therefore came to €49.1 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 €48.8 billion, or 99.4% of the Group’s capital expenditure.

To determine the substantial contribution in the vehicle-related business, we compiled the financial figures based on the vehicle model and powertrain technology in the same way as for sales revenue. Where possible, capital expenditure was directly attributed to 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 based on planned vehicle volumes for the Group companies. In the sales companies, for example, we used allocation formulas related either to individual vehicle brands or to all vehicle 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 only produce vehicles meeting the screening criteria for the substantial contribution in the next five years. In contrast, capital expenditure on sites that only produce vehicles not meeting the screening criteria was not counted under the allocation formula. Calculated in this way, capital expenditure relating to vehicles that meet the screening criteria for the substantial contribution amounted to €16.9 billion.

Taking into account the DNSH criteria and minimum safeguards, capital expenditure of €16.9 (14.2) billion was taxonomy-aligned. This represented 34.5 (26.2) % of the Group’s total capital expenditure. Of this figure, €5.8 billion was attributable to intangible assets, €5.7 billion to property, plant and equipment and €5.4 billion to lease assets and investment property. The figure includes additions to capitalized development costs of €4.4 billion and additions to property, plant and equipment of €5.4 billion for our all-electric vehicles (BEVs). The increase in taxonomy-aligned capital expenditure – both the absolute value and the proportion – is attributable to the growing number of environmentally sustainable vehicle projects under the EU Taxonomy.

In the reporting period, we refinanced taxonomy-aligned capital expenditure from fiscal year 2021 based on the Green Finance Framework updated in October 2022 by issuing green bonds in the amount of €2.5 billion. Only capital expenditure in connection with all-electric vehicles was included here.

Also in 2022, Scania issued a green bond totaling SEK3.0 billion to finance research and development activities relating to battery-electric vehicles. €178 million of this total was used in the year under review already, of which €98 million was attributable to taxonomy-aligned capital expenditure. Adjusted for this figure, taxonomy-aligned capital expenditure attributable to the vehicle-related business accounted for 34.3% of total capital expenditure in accordance with the EU Taxonomy.

€27 million of the taxonomy-eligible capital expenditure in the Power Engineering Business Area is attributable to economic activity 3.2 Manufacture of equipment for the production and use of hydrogen and €60 million is attributable to economic activity 3.6 Manufacture of other low-carbon technologies. For the latter, operating expenditure was broken down based on planned sales revenue.

Taxonomy-aligned capital expenditure for the manufacture of equipment for the production and use of hydrogen was disclosed for the first time in the amount of €27 million, almost two thirds of which was attributable to intangible assets and around one third to property, plant and equipment. The expenditure relates predominantly to the initial consolidation of H-TEC SYSTEMS GmbH.

Of the Volkswagen Group's total capital expenditure in fiscal year 2022,
 > €48.9 (53.6) billion, or 99.6 (99.2) %, was taxonomy-eligible capital expenditure and
 > €16.9 (14.2) billion, or 34.5 (26.2) %, was taxonomy-aligned capital expenditure.

CAPITAL EXPENDITURE 2022

Economic activities	CAPITAL EXPENDITURE		SUBSTANTIAL CONTRIBUTION TO CLIMATE CHANGE MITIGATION		COMPLIANCE WITH DNSH CRITERIA	COMPLIANCE WITH MINIMUM SAFEGUARDS	TAXONOMY-ALIGNED CAPITAL EXPENDITURE	
	€ million	% ¹	€ million	% ¹	Y/N	Y/N	€ million	% ¹
A. Taxonomy-eligible activities	48,873	99.6	16,943	34.5	Y	Y	16,943	34.5
Vehicle-related business								
3.3 Manufacture of low-carbon technologies for transport	48,786	99.4	16,917	34.5	Y	Y	16,917	34.5
of which additions to capitalized development costs for BEVs					Y	Y	4,415	9.0
of which additions to property, plant and equipment for BEVs					Y	Y	5,398	11.0
Power Engineering								
3.2 Manufacture of equipment for the production and use of hydrogen	27	0.1	27	0.1	Y	Y	27	0.1
3.6 Manufacture of other low-carbon technologies	60	0.1	-	-	-	-	-	-
9.1 Close to market research, development and innovation	-	-	-	-	-	-	-	-
B. Taxonomy-non-eligible activities	205	0.4						
Total (A + B)	49,078							

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 found in 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 directly attributed to 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. For these and other operating expenses, allocation formulas were used, similarly to capital expenditure. Of the taxonomy-aligned operating expenditure of €4.9 (3.3) billion, 85.8% was attributable to non-capitalized research and development costs. The increase in taxonomy-aligned operating expenditure – both the absolute value and the proportion – is attributable to the growing number of environmentally sustainable vehicle projects under the EU Taxonomy.

Including the share of the bond issued by Scania attributable to taxonomy-aligned operating expenditure, the share of taxonomy-aligned operating expenditure declined from 42.7 (32.7)% to 42.0% of total operating expenditure in accordance with the EU Taxonomy.

€4 million of the taxonomy-eligible operating expenditure in the Power Engineering Business Area is attributable to economic activity 3.2 Manufacture of equipment for the production and use of hydrogen and €199 million is attributable to economic activity 3.6 Manufacture of other low-carbon technologies. For the latter, operating expenditure was broken down based on planned sales revenue.

Taxonomy-aligned operating expenditure for the manufacture of equipment for the production and use of hydrogen was disclosed for the first time in the amount of €4 million, which was attributable to non-capitalized research and development costs and related predominantly to the initial consolidation of H-TEC SYSTEMS GmbH.

OPERATING EXPENDITURE 2022

Economic activities	OPERATING EXPENDITURE		SUBSTANTIAL CONTRIBUTION TO CLIMATE CHANGE MITIGATION		COMPLIANCE WITH DNSH CRITERIA	COMPLIANCE WITH MINIMUM SAFEGUARDS	TAXONOMY-ALIGNED OPERATING EXPENDITURE	
	€ million	% ¹	€ million	% ¹	Y/N	Y/N	€ million	% ¹
A. Taxonomy-eligible activities	11,395	98.9	4,926	42.7	Y	Y	4,926	42.7
Vehicle-related business								
3.3 Manufacture of low-carbon technologies for transport	11,191	97.1	4,922	42.7	Y	Y	4,922	42.7
Power Engineering								
3.2 Manufacture of equipment for the production and use of hydrogen	4	0.0	4	0.0	Y	Y	4	0.0
3.6 Manufacture of other low-carbon technologies	199	1.7	-	-	-	-	-	-
9.1 Close to market research, development and innovation	-	-	-	-	-	-	-	-
B. Taxonomy-non-eligible activities	131	1.1						
Total (A + B)	11,525							

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 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 taxonomy-aligned production volume from the medium-term planning with the taxonomy-aligned vehicles from the reporting period and allocated the taxonomy-aligned capital expenditure according to this ratio whereby we considered the share exceeding the current taxonomy-aligned production volume.

As a result, €9 billion of the taxonomy-aligned capital expenditure and €3 billion of the taxonomy-aligned operating expenditure in the reporting period 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 €100 billion.

In the Power Engineering Business Area, the CapEx plan under the EU Taxonomy relates to economic activity 3.2 Manufacture of equipment for the production and use of hydrogen listed in the climate change mitigation environmental objective. Based on the ratio of sales revenue in the reporting period to the average sales revenue envisaged in the medium-term planning, we allocated €26 million of the taxonomy-aligned capital expenditure and €4 million of the taxonomy-aligned operating expenditure to the CapEx plan. The total capital expense from this CapEx plan under the EU Taxonomy that is expected to be incurred in the reporting period and during the medium-term planning amounts to approximately €300 million.

TABULAR PRESENTATION IN ACCORDANCE WITH THE EU TAXONOMY

SALES REVENUE 2022

	Code(s)	Absolute sales revenue € (m)	Proportion of sales revenue % ¹	CRITERIA FOR A SIGNIFICANT CONTRIBUTION						DNSH CRITERIA (DO NO SIGNIFICANT HARM)						Minimum safeguards	Taxonomy-aligned proportion of sales revenue 2022 % ¹	Taxonomy-aligned proportion of sales revenue 2021 % ¹	Enabling activities category E	Transition activities category T
				Climate change mitigation % ¹	Climate change adaptation % ¹	Water and marine resources ² % ¹	Circular economy ² % ¹	Pollution ² % ¹	Biodiversity and ecosystems ² % ¹	Climate change mitigation Y/N	Climate change adaptation Y/N	Water and marine resources Y/N	Circular economy Y/N	Pollution Y/N	Biodiversity and ecosystems Y/N					
Economic activities																				
A. Taxonomy-eligible activities																				
A.1 Environmentally sustainable activities (taxonomy-aligned)																				
Manufacture of low-carbon technologies for transport	3.3	26,128	9.4	9.4	-	-	-	-	-		Y	Y	Y	Y	Y	Y	9.4	8.5	E	
Manufacture of equipment for the production and use of hydrogen	3.2	18	0.0	0.0	-	-	-	-	-		Y	Y	Y	Y	Y	Y	0.0	0.0	E	
Sales revenue from environmentally sustainable activities (taxonomy-aligned) (A.1)		26,145	9.4	9.4	-	-	-	-	-								9.4	8.5		
A.2 Taxonomy-eligible but not environmentally sustainable activities (not taxonomy-aligned activities)																				
Manufacture of low-carbon technologies for transport	3.3	228,374	81.8																	
Manufacture of other low-carbon technologies	3.6	2,488	0.9																	
Close to market research, development and innovation	9.1	35	0.0																	
Sales revenue from taxonomy-eligible but not environmentally sustainable activities (not taxonomy-aligned activities) (A.2)		230,898	82.7																	
Total (A.1 + A.2)		257,043	92.1																	
B. Taxonomy-non-eligible activities																				
Sales revenue from taxonomy-non-eligible activities (B)		22,189	7.9																	
Total (A + B)		279,232	100.0																	

1 All percentages relate to the Group's total sales revenue.

2 Criteria for a significant contribution to the environmental objective not yet defined.

CAPITAL EXPENDITURE 2022

	Code(s)	Absolute capital expenditure € (m)	Proportion of capital expenditure % ¹	CRITERIA FOR A SIGNIFICANT CONTRIBUTION						DNSH CRITERIA (DO NO SIGNIFICANT HARM)						Minimum safeguards	Taxonomy-aligned proportion of capital expenditure 2022 % ¹	Taxonomy-aligned proportion of capital expenditure 2021 % ¹	Enabling activities category	Transition activities category
				Climate change mitigation % ¹	Climate change adaptation % ¹	Water and marine resources ² % ¹	Circular economy ² % ¹	Pollution ² % ¹	Biodiversity and ecosystems ² % ¹	Climate change mitigation Y/N	Climate change adaptation Y/N	Water and marine resources Y/N	Circular economy Y/N	Pollution Y/N	Biodiversity and ecosystems Y/N					
Economic activities		€ (m)	% ¹	% ¹	% ¹	% ¹	% ¹	% ¹	% ¹	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	% ¹	% ¹	E	T
A. Taxonomy-eligible activities																				
A.1 Environmentally sustainable activities (taxonomy-aligned)																				
Manufacture of low-carbon technologies for transport	3.3	16,917	34.5	34.5	-	-	-	-	-		Y	Y	Y	Y	Y	Y	34.5	26.2	E	
Manufacture of equipment for the production and use of hydrogen	3.2	27	0.1	0.1	-	-	-	-	-		Y	Y	Y	Y	Y	Y	0.1	-	E	
Capital expenditure of environmentally sustainable activities (taxonomy-aligned) (A.1)		16,943	34.5	34.5	-	-	-	-	-								34.5	26.2		
A.2 Taxonomy-eligible but not environmentally sustainable activities (not taxonomy-aligned activities)																				
Manufacture of low-carbon technologies for transport	3.3	31,870	64.9																	
Manufacture of other low-carbon technologies	3.6	60	0.1																	
Close to market research, development and innovation	9.1	-	-																	
Capital expenditure of taxonomy-eligible but not environmentally sustainable activities (not taxonomy-aligned activities) (A.2)		31,930	65.1																	
Total (A.1 + A.2)		48,873	99.6																	
B. Taxonomy-non-eligible activities																				
Capital expenditure for taxonomy-non-eligible activities (B)		205	0.4																	
Total (A + B)		49,078	100.0																	

1 All percentages relate to the Group's total capital expenditure.

2 Criteria for a significant contribution to the environmental objective not yet defined.

OPERATING EXPENDITURE 2022

	Code(s)	Absolute operating expenditure	Proportion of operating expenditure	CRITERIA FOR A SIGNIFICANT CONTRIBUTION						DNSH CRITERIA (DO NO SIGNIFICANT HARM)						Minimum safeguards	Taxonomy-aligned proportion of operating expenditure 2022	Taxonomy-aligned proportion of operating expenditure 2021	Enabling activities category	Transition activities category
				Climate change mitigation	Climate change adaptation	Water and marine resources ²	Circular economy ²	Pollution ²	Biodiversity and ecosystems ²	Climate change mitigation	Climate change adaptation	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems					
Economic activities		€ (m)	% ¹	% ¹	% ¹	% ¹	% ¹	% ¹	% ¹	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	% ¹	% ¹	E	T
A. Taxonomy-eligible activities																				
A.1 Environmentally sustainable activities (taxonomy-aligned)																				
Manufacture of low-carbon technologies for transport	3.3	4,922	42.7	42.7	-	-	-	-	-		Y	Y	Y	Y	Y	Y	42.7	32.7	E	
Manufacture of equipment for the production and use of hydrogen	3.2	4	0.0	0.0	-	-	-	-	-		Y	Y	Y	Y	Y	Y	0.0	-	E	
Operating expenditure for environmentally sustainable activities (taxonomy-aligned) (A.1)		4,926	42.7	42.7	-	-	-	-	-								42.7	32.7		
A.2 Taxonomy-eligible but not environmentally sustainable activities (not taxonomy-aligned activities)																				
Manufacture of low-carbon technologies for transport	3.3	6,269	54.4																	
Manufacture of other low-carbon technologies	3.6	199	1.7																	
Close to market research, development and innovation	9.1	-	-																	
Operating expenditure of taxonomy-eligible but not environmentally sustainable activities (not taxonomy-aligned activities) (A.2)		6,469	56.1																	
Total (A.1 + A.2)		11,395	98.9																	
B. Taxonomy-non-eligible activities																				
Operating expenditure for taxonomy-non-eligible activities (B)		131	1.1																	
Total (A + B)		11,525	100.0																	

1 All percentages relate to the Group's total operating expenditure.

2 Criteria for a significant contribution to the environmental objective not yet defined.

Report on Expected Developments

The global economy is expected to grow in 2023, albeit at a slower pace. Global demand for passenger cars will probably vary from region to region and increase noticeably year-on-year. With our brand diversity, broad product range, technologies and services, we believe we are well prepared for the future challenges in the mobility business.

In the following, we describe the expected development of the Volkswagen Group and the general framework for its business activities. Risks and opportunities that could represent a departure from the forecast trends are presented in the Report on Risks and Opportunities.

Our assumptions are based on current estimates by third-party institutions. These include economic research institutes, banks, multinational organizations and consulting firms.

DEVELOPMENTS IN THE GLOBAL ECONOMY

Our planning is based on the assumption that global economic output will grow overall in 2023 albeit at a slower pace. The persistently high inflation in many regions and the resulting restrictive monetary policy measures taken by central banks are expected to increasingly dampen consumer spending. We continue to believe that risks will arise from protectionist tendencies, turbulence in the financial markets and structural deficits in individual countries. In addition, growth prospects will be negatively impacted by ongoing geopolitical tensions and conflicts, with risks continuing to arise from the Russia-Ukraine conflict. It cannot be ruled out that risks may also arise if new variants of the SARS-CoV-2 virus occur, particularly regional outbreaks and the associated measures. We assume that both the advanced economies and the emerging markets will show positive momentum on average, even with below-average growth in gross domestic product (GDP).

We also expect the global economy to recover in 2024 and continue a path of stable growth until 2027.

Europe/Other Markets

In Western Europe, we expect a comparatively low rate of economic growth in 2023. The relatively high overall level of inflation, which is projected to taper off as the year goes on, poses a major challenge for consumers and companies alike.

Likewise, we anticipate comparatively low growth rates in Central Europe in 2023 with continuous price increases; however, economic output in Eastern Europe is not expected to recover following the slump in the reporting period as a result of the Russia Ukraine conflict.

For Türkiye we expect positive, albeit slower growth than in the reporting period given high inflation and a weak local currency. The South African economy will probably be characterized by political uncertainty and social tensions again in 2023 resulting from high unemployment, among other factors. Here we anticipate only slight growth.

Germany

We expect GDP in Germany to grow only slightly in 2023 and inflation to remain high averaged over the year. The labor market situation is likely to see some deterioration in 2023.

North America

We anticipate only slight economic growth in the USA in 2023, accompanied by a worsening labor market situation. The US Federal Reserve is expected to essentially end the spate of key interest rate hikes that it began in the reporting period. Further inflationary trends will play a decisive role in possible adjustments to the key interest rate, as will developments in the labor market and in the general economic situation. Economic growth in Canada is also likely to be at a relatively low level, while economic output in Mexico is expected to expand at a somewhat faster pace.

South America

In all probability, the Brazilian economy will record a slightly positive rate of growth in 2023. Economic output in Argentina is likewise expected to see no more than a slight improvement amid continued extremely high inflation and depreciation of the local currency.

Asia-Pacific

The Chinese economy is likely to grow at a relatively high level in 2023 after a comparatively moderate expansion rate in the reporting period. We likewise expect a relatively high rate of positive GDP growth for the Indian economy in 2023. A slight rise in economic output is anticipated in Japan.

TRENDS IN THE MARKETS FOR PASSENGER CARS AND LIGHT COMMERCIAL VEHICLES

The trend in the automotive industry closely follows global economic developments. We assume that competition in the international automotive markets will intensify further. Uncertainty may arise from continued shortages of intermediates and commodities. These may be further exacerbated by the consequences of the Russia-Ukraine conflict and, in particular, lead to rising prices and declining availability of energy.

We predict that trends in the markets for passenger cars in the individual regions will be mixed in 2023. Overall, the global volume of new car sales is expected to be noticeably higher than in the previous year. We are forecasting growing demand for passenger cars worldwide in the period from 2024 to 2027.

Trends in the markets for light commercial vehicles in the individual regions will also be mixed; on the whole, we expect a noticeable increase in the sales volume for 2023. For the years 2024 to 2027, we expect demand for light commercial vehicles to increase globally.

Europe/Other Markets

For 2023, we anticipate that the volume of new passenger car registrations in Western Europe will be significantly above that recorded in the reporting period. Limited vehicle availability as a result of the shortages of intermediates and commodities may continue to weigh on the volume of new registrations. We also predict significant growth in 2023 for the major individual markets of France, the United Kingdom, Italy and Spain.

For light commercial vehicles, we expect the volume of new registrations in Western Europe in 2023 to be strongly up on the previous year's level. Limited vehicle availability as a result of the shortages of

intermediates and commodities may continue to weigh on the volume of new registrations. We predict a strong increase in France, the United Kingdom and Spain, and noticeable growth in Italy.

Sales of passenger cars in 2023 are expected to significantly exceed the prior-year figures in markets in Central and Eastern Europe – subject to the further development of the Russia-Ukraine conflict. In the region's principal markets, a significant to sharp rise in the number of new registrations is expected.

Registrations of light commercial vehicles in 2023 are expected to fall noticeably short of the prior-year figures in markets in Central and Eastern Europe – subject to the further development of the Russia-Ukraine conflict.

The volume of new registrations for passenger cars in Türkiye in 2023 is projected to be significantly above the previous year's level. In South Africa, the market volume in 2023 is likely to be up slightly year-on-year.

The volume of new registrations for light commercial vehicles in 2023 is expected to be noticeably higher in Türkiye and significantly higher in South Africa compared with the respective prior-year figure.

Germany

In the German passenger car market, we expect the volume of new registrations in 2023 to noticeably exceed the prior-year figure.

We anticipate that the number of registrations of light commercial vehicles will be very strongly up on the previous year.

North America

The sales volume in the markets for passenger cars and light commercial vehicles (up to 6.35 tonnes) in North America overall and in the USA in 2023 is likely to be noticeably higher than the previous year's level. Demand will probably remain highest for models in the SUV and pickup segments. New registrations of all-electric vehicles are also estimated to increase at a higher-than-average rate. In Canada, too, a noticeable increase is expected in the number of new registrations compared to the previous year. For Mexico, we expect a slight increase in new registrations compared with the reporting period.

South America

Owing to their dependence on demand for raw materials worldwide, the South American markets for passenger cars and light commercial vehicles are heavily influenced by developments in the global economy. We anticipate a significant increase overall in new registrations in the South American markets in 2023 compared with the previous year. Strong growth is expected in the market volume in Brazil compared with 2022. We anticipate that the volume of new registrations in Argentina will be significantly higher year-on-year.

Asia-Pacific

The passenger car markets in the Asia-Pacific region are expected to be noticeably up on the prior-year level in 2023. We estimate that the market volume in China will be slightly higher than the comparative figure for 2022. Attractively priced entry-level models in the SUV segment in particular should still see strong demand. The continuing parts supply shortages, possible measures to halt the spread of the SARS-CoV-2 virus and intensification of geopolitical tensions could act as a drag on demand. As long as there is no resolution in sight, the trade dispute between China and the United States is likely to continue to weigh on business and consumer confidence. We anticipate that the Indian market will perform slightly better than in the previous year. Japan should see noticeable growth in market volume in 2023.

The volume of new registrations for light commercial vehicles in the Asia-Pacific region in 2023 will probably be slightly higher than the previous year's figure. We are likewise expecting demand in the

Chinese market to be slightly higher than the prior-year level. For India, we are forecasting that the volume in 2023 will be on a level with the reporting period. In the Japanese market, we estimate that volumes will be noticeably lower year-on-year.

TRENDS IN THE MARKETS FOR COMMERCIAL VEHICLES

For 2023, we expect a noticeable upwards trend in new registrations for mid-sized and heavy trucks with a gross weight of more than six tonnes compared with the previous year, with variations from region to region, in the markets that are relevant for the Volkswagen Group.

Noticeable market growth is expected for the 27 EU countries excluding Malta, but plus the United Kingdom, Norway and Switzerland (EU27+3) because it has so far not been possible to fully satisfy the high demand for trucks due to continuing supply bottlenecks. We anticipate that Türkiye will see a significant drop in demand. In South Africa, we expect demand to be on a level with the previous year. The truck market in North America is divided into weight classes 1 to 8. We expect a noticeable increase in new registrations in the segments relevant for Volkswagen – Class 6 to 8 (8.85 tonnes or heavier). We estimate that demand in Brazil will be slightly lower than in the previous year.

On average, we anticipate a slight decrease in the relevant truck markets for the years 2024 to 2027.

A significant increase in overall demand, with regional variations, is expected for 2023 in the bus markets relevant for the Volkswagen Group. We anticipate slight year-on-year market growth in the EU27+3 countries. Here, we are assuming that the coach segment will recover and that we will receive orders in the context of government-funded programs. We expect a very sharp increase in the school bus segment in the USA and Canada. For the bus market in Mexico, we anticipate a sharp rise. In Brazil, new registrations are expected to decline significantly after the strong prior-year growth.

Overall, we expect a slight increase in the demand for buses in the relevant markets for the period from 2024 to 2027.

TRENDS IN THE MARKETS FOR POWER ENGINEERING

In the Power Engineering Business Area, we generally expect market conditions to remain difficult – although we believe they will improve slightly – in 2023. The impact of the Russia-Ukraine conflict, the trend in energy and commodity prices as well as the possible repercussions of the Covid-19 pandemic are generating continued uncertainty in nearly all market segments.

Based on estimates of a higher volume of sea trade, combined with calls for high energy efficiency and low pollutant emissions, the 2023 market volume in the merchant shipping segment is expected to reach a slightly higher level than in the reporting year. The market segments excluding merchant shipping are also expected to reach a slightly higher level than in 2022. An improvement is likewise anticipated in the cruise ship segment as travel continues to return to normal levels. The passenger ferry sub-market is also expected to grow slightly. We continue to anticipate a high level of stable demand for government vessels. In the offshore sector, further new order volumes for special applications are expected, such as for special offshore ships for wind turbines. Overall, we predict that the marine market will reach a somewhat higher level than that seen in the reporting year, with sustained competitive pressure.

Exceedingly challenging conditions are projected for the energy generation market in 2023. The Russia-Ukraine conflict and its impact on energy and commodity prices as well as inflation are creating continued uncertainty, which in turn is affecting investment decisions. Dependence on Russian gas and the associated shortages are generating increased readiness to invest in technologies that will enable medium- to long-term autonomy. Solutions such as power-to-X and balancing facilities to support grids for renewable energy will be essential here, leading to rising demand for these technologies going forward. Demand for decentralized, sustainable gas power plants will continue, but with the clear requirement that these can subsequently be retrofitted for renewable fuels. Growth in the power generation market will be driven by renewable energy in particular. The irregularity of power produced in this way will require an increase in

energy storage systems and control reserve facilities, which will result in a corresponding expansion of the market for engines, turbocompressors and turboexpanders.

We are expecting a sustained high level of demand for turbomachinery in 2023 due to an investment backlog and strong demand for raw materials amid rising prices. It is expected that the production plants of market participants will be well utilized. This should result in a continuous relaxation of the competition which had been intensified by the pandemic.

Both in the after-sales market for engines in the marine and power plant business, and in the after-sales market for turbomachinery, we expect healthy demand in 2023 above the level prior to the Covid-19 pandemic, though the energy sector and the geopolitical situation in Eastern Europe will generate uncertainty.

For the period 2024 to 2027, we expect to see growing demand in the power engineering markets. However, the extent and timing of this growth will vary in the individual business fields. It also remains to be seen how long the market will be impacted by the major influential factors: the Russia-Ukraine conflict, trends in the energy sector and the Covid-19 pandemic.

TRENDS IN THE MARKETS FOR FINANCIAL SERVICES

We anticipate that automotive financial services will prove highly important to global vehicle sales in 2023. The continuing shortages of intermediates and commodities may generate uncertainty, exacerbated by the consequences of the Russia-Ukraine conflict. Furthermore, the increased interest rates will put pressure on the demand for financial services. We expect demand to rise in emerging markets where market penetration has so far been low. Regions with already established automotive financial services markets will probably see a continuation of the trend towards enabling mobility at the lowest possible total cost. Integrated end-to-end solutions, which include mobility-related service modules such as insurance and innovative packages of services, are likely to become increasingly important for this. Additionally, we expect that demand will increase for new forms of mobility, such as rental and car subscription (*Auto-Abo*) services, and for integrated mobility services, for example parking, refueling and charging, and that the shift initiated in the European financial services business with individual customers from financing to lease contracts will continue. Especially in the Chinese market, we anticipate an increase in the importance of direct business between manufacturers and customers. The seamless integration of financial services into the online vehicle offering will take on increasing importance in efforts to promote this type of business. We estimate that this trend will also persist in the years 2024 to 2027.

In the mid-sized and heavy commercial vehicles category, we anticipate rising demand for financial services products in emerging markets. In these countries in particular, financing solutions support vehicle sales and are thus an essential component of the sales process. In the developed markets, we expect to see increased demand for telematics services and services aimed at reducing total cost of ownership in 2023. This trend is also expected to persist in the period 2024 to 2027.

EXCHANGE RATE TRENDS

In 2022, the euro weakened against the US dollar on an annual average. The general strength of the US dollar benefited from expansion of the interest rate differential and the considerable uncertainty surrounding developments in the global economy. Specific factors in the eurozone such as safeguarding the energy supply as a consequence of the Russia-Ukraine conflict additionally weighed on the euro. The euro

was almost unchanged against pound sterling on an annual average, partly because fiscal policy decisions in the United Kingdom generated movement in the financial markets and caused the euro to appreciate at the end of the year. Changes in the euro against the currencies of the emerging markets were mixed. In particular, the Turkish lira and the Argentinian peso lost value against the European single currency. By contrast, the Brazilian real and the Mexican peso were on average significantly stronger than the European single currency than in the year 2021. Other currencies that appreciated against the euro year-on-year were the Chinese renminbi along with the currencies of several emerging markets in Asia, in addition to the South African rand. For 2023, our planning anticipates that the euro will stabilize against the US dollar and gain slight ground against pound sterling and the Chinese renminbi. We assume that the Argentinian peso, Brazilian real, Mexican peso, South African rand and Turkish lira will depreciate to varying degrees. For 2024 to 2027, we expect that the euro will be stable against the key currencies, while the comparative weakness of the currencies in the aforementioned emerging markets will probably continue. However, there is still a general event risk, defined as the risk arising from unforeseen market developments.

INTEREST RATE TRENDS

The challenging macroeconomic situation as a consequence of the Russia-Ukraine conflict and the Covid-19 pandemic, but especially the high inflation rates, prompted a turnaround in monetary policy in many countries, with global interest rates reaching a relatively high level in fiscal year 2022. National central banks in nearly all of the major Western industrialized nations made corresponding adjustments to their key interest rates to counteract the comparatively high price increases in some cases. Interest rates were also raised in many emerging markets. The interest rate hikes by the US Federal Reserve and the European Central Bank were more extensive and quicker than anticipated at the beginning of the year. Whether there will be further changes in key interest rates in 2023 in the respective countries will depend firstly on further inflationary trends and secondly on the severity of a possible economic downturn. Overall, we expect interest rates to remain relatively high in 2023. For the years 2024 to 2027, we estimate that interest rates will persist at a relatively high level.

COMMODITY PRICE TRENDS

In the commodity markets, the Russia-Ukraine conflict was one of the contributory factors to in some cases significant price increases particularly during the first four months, while over the rest of the year the dampened global economic outlook put pressure on prices. As a consequence of the resulting imbalance between supply and demand, the increase in the price of many commodities and input materials during 2022 was comparatively high. In particular, energy prices in Europe recorded a sharp rise, due mainly to the high dependence of some European countries on Russian gas but also as a result of regional extreme weather in the summer months. Compared with the previous year as a whole, there was also a rise in the average prices of the commodities lithium, coking coal, crude oil, nickel, cobalt and aluminum. Exchange rate effects played a role in some cases, leading average euro prices for natural rubber, lead and copper to rise, while the price in US dollars fell somewhat. The price of the precious metals rhodium, palladium and platinum decreased on average over the year. Particularly given the continued uncertainty about future trends in the global economy, we expect the prices of many commodities to fall in 2023 with only isolated price rises. For 2024 to 2027, we expect the prices of most commodities to decline compared with 2023.

NEW MODELS IN 2023

The Volkswagen Passenger Cars brand will conduct a product initiative focused on all-electric vehicles in 2023. The ID.3 will be significantly enhanced and the ID.7 saloon will be rolled out simultaneously in Europe and China. The T-Cross and Touareg SUVs, which feature conventional drive systems, will receive technology and design updates. In China, Volkswagen will bring out a new notchback entry-level model powered by a combustion engine. The Track, a particularly attractive entry-level model from the important Polo series, will be launched in Brazil. A GTS model will round off the series at the upper end of the scale.

The Audi brand will update its top-of-the-range Q8 model. The all-electric Q8 e-tron and Q8 Sportback e-tron will be upgraded with cutting-edge technology and will have even more range.

Lamborghini will roll out the newly designed successor to the Aventador in 2023.

Porsche will present a completely new variant from its 911 family in 2023. The Cayenne series will be extensively updated.

The TRATON GROUP will drive e-mobility further, with Scania rolling out all-electric solutions for regional distribution transport in 2023.

MAN will enhance its truck range in 2023 in terms of fuel consumption, driver assistance systems and connectivity. In the bus segment, MAN is preparing for the launch of the Lion's Chassis E on international markets.

Navistar will be the second brand of the TRATON GROUP to introduce the integrated 13-liter powertrain.

Volkswagen Truck & Bus will adjust its Delivery, Constellation and Meteor models to comply with the new emissions legislation in Brazil.

Ducati will redesign the popular Scrambler family from the ground up, launching the new generation of the Icon, Nightshift and Full Throttle models in 2023. The Multistrada V4 Rally will expand the Multistrada family and the Ducati Diavel will be available as a V4. The Monster SP, Panigale V4 R and new versions of the Streetfighter V4 will further supplement Ducati's product range.

INVESTMENT AND FINANCIAL PLANNING

To meet people's needs for individual, sustainable, fully connected mobility and thus increase the Volkswagen Group's future viability, we will continue to mobilize our strengths in innovation and technology and push the Volkswagen Group's transformation into a software-oriented mobility provider while leveraging our economies of scale and maximizing synergies.

In our current planning for 2023, most of the capex (investments in property, plant and equipment, investment property and intangible assets, excluding capitalized development costs) will be spent on new products and the electrification of our model portfolio as well as further development of the modular toolkits, such as the all-electric platform for our volume brands – the Modular Electric Drive Toolkit (MEB) – and those for our premium and sports brands – the Premium Platform Electric (PPE) –, which are currently being rolled out throughout the Group. In addition, the Scalable Systems Platform (SSP) marks the development of a successor platform, which will bundle the requirements of the volume, premium and luxury brands and generate high levels of synergy in the future. We will also focus on the growing digitalization of our vehicles and sites and increase our capital expenditure on these. Moreover, we are investing in the gradual conversion of our locations for the production of electric vehicles and in the creation of battery manufacturing capacity with the aim of establishing a battery supply chain under our own control. The Automotive Division's ratio of capex to sales revenue is expected to fluctuate around a level of around 6.5%.

Besides capex, investing activities will also cover additions to capitalized development costs. Among other things, these reflect upfront expenditures in connection with updating the model range as well as electrification and digitalization. Also included are the services of CARIAD, which is developing a standardized operating system for Group brand vehicles, along with other projects.

With the investments in our facilities and models, as well as in the development of electric drives and modular toolkits and in digitalization, we are laying the foundations for profitable, sustainable growth at Volkswagen. These investments also include commitments arising from decisions taken in previous fiscal years.

We aim to finance the investments in our Automotive Division from our own capital resources and expect cash flows from operating activities to exceed the Automotive Division's investment requirements. We anticipate a very strong year-on-year increase in net cash flow for 2023. This will particularly include increasing investments for the future and cash outflows from mergers and acquisitions for battery factories, which are a cornerstone of the Volkswagen Group's transformation. Net liquidity in the Automotive Division in 2023 is expected to be between €35 billion and €40 billion; this includes cash inflows and outflows in connection with the IPO of Porsche AG.

These plans are based on the Volkswagen Group's current structures.

Our equity-accounted joint ventures in China are not included in the figures above. For 2023, these joint ventures plan to invest in e-mobility, further optimization of the model portfolio, the development of new mobility solutions and digitalization. Their capex will probably exceed the 2022 level and be financed from the companies' own funds.

In the Financial Services Division, we are planning higher investments in 2023 than in the previous year. We expect the development of lease assets and of receivables from leasing, customer and dealer financing to lead to funds tied up in working capital, of which around half will be financed from the gross cash flow. As is common in the sector, the remaining funds needed will be met primarily through unsecured bonds on the money and capital markets, the issuing of asset-backed securities, customer deposits from the direct banking business, and through the use of international credit lines.

TARGETS FOR VALUE-BASED MANAGEMENT

Based on long-term interest rates derived from the capital market and the target capital structure (fair value of equity to debt = 2:1), the minimum required rate of return on invested capital defined for the Automotive Division remains unchanged at 9%.

Despite continuing bottlenecks in the supply of parts, including as a consequence of the Russia-Ukraine conflict and the resulting gloomier economic outlook, the ROI was 12.0 (10.4)% in the reporting period. Due to earnings-related reasons, this exceeded both the prior-year figure and our minimum required rate of return on invested capital of 9% (for more information, please see the headline "Return on investment (ROI) and value contribution in the reporting period" in the "Results of Operations, Financial Position and Net Assets" chapter). Invested capital will rise further in 2023 as a result of investment in new models, in the development of alternative drivetrains and further development of the modular and all-electric toolkits and platforms, and in technologies of the future. We expect the return on investment (ROI) in the Automotive Division for 2023 to be between 12% and 15%.

SUMMARY OF EXPECTED DEVELOPMENTS

Our planning is based on the assumption that global economic output will grow overall in 2023 albeit at a slower pace. The persistently high inflation in many regions and the resulting restrictive monetary policy measures taken by central banks are expected to increasingly dampen consumer spending. We continue to believe that risks will arise from protectionist tendencies, turbulence in the financial markets and structural deficits in individual countries. In addition, continuing geopolitical tensions and conflicts are weighing on growth prospects; risks continue to be associated with the Russia-Ukraine conflict. Furthermore, it cannot be ruled out that risks may also arise if new variants of the SARS-CoV-2 virus occur, particularly with regard to regional outbreaks and the measures associated with these. We assume that both the advanced economies and the emerging markets will show positive momentum on average, but with below-average growth in gross domestic product (GDP).

The trend in the automotive industry closely follows global economic developments. We assume that competition in the international automotive markets will intensify further. Uncertainty may arise from the continued shortage of intermediates and commodities. This may be further exacerbated by the fallout from the Russia-Ukraine conflict and, in particular, lead to rising prices and declining availability of energy.

We predict that trends in the markets for passenger cars in the individual regions will be mixed in 2023. Overall, the global volume of new car sales is expected to be noticeably higher than in the previous year. For 2023, we anticipate that the volume of new passenger car registrations in Western Europe will be significantly above that recorded in the reporting period. In the German passenger car market, we predict a noticeable increase in the volume of new registrations in 2023 compared with the previous year. Sales of passenger cars in 2023 are expected to significantly exceed the prior-year figures in markets in Central and Eastern Europe – subject to the further development of the Russia-Ukraine conflict. The volume of sales in the markets for passenger cars and light commercial vehicles (up to 6.35 tonnes) in North America in 2023 is forecast to be noticeably higher than the level seen the previous year. We anticipate a significant increase overall in new registrations in the South American markets in 2023 compared with the previous year. The passenger car markets in the Asia-Pacific region are expected to be noticeably up on the prior-year level in 2023.

Trends in the markets for light commercial vehicles in the individual regions will also be mixed; on the whole, we expect a noticeable increase in the sales volume for 2023.

For 2023, we expect to see a noticeable upwards trend in new registrations for mid-sized and heavy trucks with a gross weight of more than six tonnes compared with the previous year in the markets that are relevant for the Volkswagen Group, with variations from region to region. A significant increase in overall demand is anticipated for 2023 in the bus markets relevant for the Volkswagen Group, whereby this will vary depending on the region.

We assume that automotive financial services will prove highly important to global vehicle sales in 2023.

We anticipate that, amid challenging market conditions, deliveries to customers of the Volkswagen Group in 2023 will stand at around 9.5 million vehicles. This assumes that the shortages of intermediates and commodities and the bottlenecks in logistics will become less intense.

Challenges will arise in particular from the economic situation, the increasing intensity of competition, volatile commodity, energy and foreign exchange markets, and more stringent emissions-related requirements.

We expect the sales revenue of the Volkswagen Group in 2023 to be 10% to 15% higher than the prior-year figure and the operating return on sales to lie between 7.5% and 8.5%. In the Passenger Cars Business Area, we forecast an increase of 7% to 13% in sales revenue compared with the previous year, with an operating return on sales of between 8% and 9%. For the Commercial Vehicles Business Area, we anticipate an operating return on sales of 6% to 7% amid a 5% to 15% year-on-year increase in sales revenue. In the Power Engineering Business Area, we expect sales revenue to be slightly above the prior-year figure and operating profit to be in the low triple-digit million euro range. For the Financial Services Division, we forecast a strong increase in sales revenue compared with the prior year and an operating result in the range of €3.5 billion.

In the Automotive Division, we expect the R&D ratio to come in at around 8% in 2023 and the ratio of capex to sales revenue to be around 6.5%. We anticipate a very strong year-on-year increase in net cash flow for 2023. This will particularly include increasing investments for the future and cash outflows from mergers and acquisitions for battery factories, which are a cornerstone of the Volkswagen Group's transformation. Net liquidity in the Automotive Division in 2023 is expected to be between €35 billion and €40 billion; this includes cash inflows and outflows in connection with the IPO of Porsche AG. We anticipate a return on investment (ROI) of between 12% and 15%. Our declared goal remains unchanged, namely to continue with our robust financing and liquidity policy.

Report on Risks and Opportunities

(CONTAINS THE REPORT IN ACCORDANCE WITH SECTION 289(4) OF THE HGB)

Promptly identifying the risks and opportunities arising from our business activities and taking a forward-looking approach to managing them is crucial to our Company's long-term success.

A comprehensive risk management system and an internal control system help the Volkswagen Group deal with risks in a responsible manner.

In this section, we first explain the objective and structure of the Volkswagen Group's Risk Management System (RMS) and Internal Control System (ICS) and describe these systems, also with regard to the financial reporting process. We then outline the main risks and opportunities arising in our business activities.

OBJECTIVE OF THE RISK MANAGEMENT SYSTEM AND INTERNAL CONTROL SYSTEM AT VOLKSWAGEN

Only by promptly identifying, accurately assessing and effectively and efficiently managing the risks and opportunities arising from our business activities can we ensure the Volkswagen Group's long-term success. The aim of the RMS and ICS is to identify potential risks at an early stage so that suitable countermeasures can be taken to avert the threat of loss to the Company, and any risks that might jeopardize its continued existence can be ruled out.

Assessing the likelihood of occurrence and extent of future events and developments is, by its nature, subject to uncertainty. We are therefore aware that even the best RMS cannot foresee all potential risks and even the best ICS can never completely prevent irregular acts.

STRUCTURE OF THE RISK MANAGEMENT SYSTEM AND INTERNAL CONTROL SYSTEM AT VOLKSWAGEN

The organizational design of the Volkswagen Group's RMS and ICS is based on the internationally recognized COSO framework for enterprise risk management (COSO: Committee of Sponsoring Organizations of the Treadway Commission). The purpose of structuring the RMS/ICS in accordance with the COSO framework for enterprise risk management is so that potential risk areas are covered in full. Uniform Group principles are used as the basis for managing risks in a standardized manner. Opportunities are not recorded in the RMS processes.

THE VOLKSWAGEN THREE LINES MODEL



Another key element of the RMS and ICS at Volkswagen is the Three Lines Model, which is required by, among other bodies, the European Confederation of Institutes of Internal Auditing (ECIIA). In line with this model, the Volkswagen Group's RMS and ICS has three lines designed to protect the Company from significant risks occurring.

The minimum requirements for the RMS and ICS, including the Three Lines Model, are set out in guidelines for the entire Group and are regularly reviewed and refined. In addition, regular training is offered on the RMS and ICS.

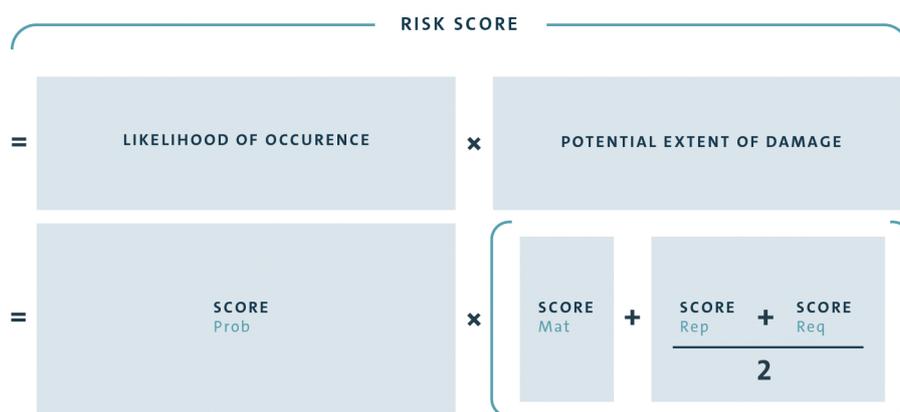
A separate Group Board of Management Committee for Risk Management deals with the key aspects of the RMS and ICS every quarter. Its tasks are as follows:

- > to further increase transparency in relation to significant risks to the Group and their management,
- > to discuss specific issues where these constitute a significant risk to the Group,
- > to make recommendations on the further development of the RMS and ICS,
- > to support the open approach to dealing with risks and promote an open risk culture.

First line: Operational risk management and ICS

The first line comprises the operational risk management and internal control systems at the individual Group companies and business units. The RMS and ICS are integral parts of the Volkswagen Group's structure and workflows. Events that may give rise to risk are identified and assessed locally in the divisions and at the investees. Countermeasures are introduced, the remaining potential impact is assessed, and the information incorporated into the planning in a timely manner. Material risks are reported to the relevant committees on an ad hoc basis. The results of the operational risk management process are incorporated into planning and financial control on an ongoing basis. The targets agreed in the planning rounds are therefore continually reviewed in revolving planning updates. At the same time, the results of risk mitigation measures are promptly incorporated into the monthly forecasts regarding further business development. This means that the Board of Management also has access to an overall picture of the current risk situation via the documented reporting channels during the year.

CALCULATION OF RISK SCORE



Second line: Group Risk Management and ICS

Each quarter, in addition to the ongoing operational risk management, the Group Risk Management department sends standardized surveys regarding the risk situation and the implementation of countermeasures – through the quarterly risk process (QRP) – to all Group brands and significant Group companies. The risks are identified and approved in a multiple-party verification process and then checked for plausibility by Group Risk Management.

A score is calculated for each risk by multiplying the likelihood of occurrence (Prob) by the potential extent of the damage. This enables comparison of the risks. The extent of the damage is calculated from the criteria of financial loss (Mat) and reputational damage (Rep) and the potential threat to adherence to external legal requirements (Req). A score between 0 and 10 is assigned to each of these criteria. The measures taken to manage and control risk are taken into account in the risk assessment (net perspective).

The score for a likelihood of occurrence of more than 50% in the analysis period is classified as high; for a medium classification, the likelihood of occurrence is at least 25%. For the criterion of financial loss, the score rises in line with the loss; the highest score of 10 is reached when the potential loss is upwards of €1 billion. The criterion of reputational damage can have characteristics ranging from local erosion of confidence and loss of trust at local level to loss of reputation at regional or international level. The potential threat to adherence to external legal requirements is classified based on the potential impact on the local company, the brand or the Group.

In addition to strategic, operational and reporting risks, risks arising from potential compliance violations (compliance risks) and from sustainability issues (ESG) are also integrated into this process.

Volkswagen Financial Services AG and Volkswagen Bank GmbH have implemented their own RMS and ICS processes and regularly report to Group Risk Management.

To review the Volkswagen Group's risk-bearing capacity, Group Risk Management uses the risk reports for a regular comparison of the aggregated risk situation and risk-bearing capacity. A simulation is used to check whether individual risks might become a going-concern risk if they are aggregated. There were no indications of insufficient risk-bearing capacity at the Volkswagen Group in the 2022 fiscal year.

Risk reporting to the committees of Volkswagen AG depends on materiality thresholds. Risks with a risk score of 40 or more or potential financial loss of €1 billion or more are presented quarterly to the Board of Management and the Audit Committee of the Supervisory Board of Volkswagen AG. In addition, the reporting includes all risks from the QRP with a risk score of 20.

In addition, significant changes to the risk situation that can arise in the short term, for instance from unexpected external events, are reported to the Board of Management as required. This is necessary if the risk may lead to potential financial loss of €1 billion or more and the likelihood of occurrence is estimated at greater than 50%.

In recent years, a standardized ICS to better protect against process risks has also been developed and put in place in significant companies. It continues to be introduced at further companies each year. The ICS thereby goes significantly beyond the requirements for the accounting-related ICS. In 25 catalogs of controls, the Group companies within its scope are presented with requirements in respect of the process risks and control objectives to be covered in order to protect the value chain in a standardized manner.

In addition to financial reporting issues, for example, they address process risks in development or production, as well as in the areas of compliance and sustainability. The catalogs of controls are checked at regular intervals to verify that they are up to date and are regularly expanded.

Key controls to cover process risks and control objectives are also tested for their effectiveness; any significant weaknesses identified are reported to the responsible bodies at Volkswagen AG and resolved in the departments.

Like the QRP, the standardized ICS is supported by the Risk Radar IT system.

We regularly optimize the RMS and ICS as part of our continuous monitoring and improvement processes. In the process, we give equal consideration to both internal and external requirements. As a component of the RMS, our Compliance Management System (CMS) is also subject to these control and adjustment mechanisms. External experts assist in the continuous enhancement of our RMS, CMS and ICS on a case-by-case basis.

Third line: Review by Group Internal Audit

Group Internal Audit helps the Board of Management to monitor the various divisions and corporate units within the Group. It regularly checks the risk early warning system and the structure and implementation of the RMS, ICS and compliance management system (CMS) as part of its independent audit procedures. The audit plan adopted by the Board of Management includes the first and second lines, i.e. the risk-mitigating functions in addition to the operational units.

RISK EARLY WARNING SYSTEM

The Company's risk situation is ascertained, assessed and documented and therefore also complies with legal requirements. The requirements for a risk early warning system are met by means of the RMS and ICS elements described above (first and second line). Independently of this, the external auditors check both the processes and procedures implemented in this respect and the adequacy of the documentation on an annual basis. The plausibility and adequacy of the risk reports are examined via spot checks in detailed interviews with the divisions and companies concerned. The auditor examines the risk early warning system integrated in the Risk Management System with respect to its fundamental suitability to being able to identify risks that might jeopardize the Company's continued existence at an early stage and assesses the functionality of the risk early warning and monitoring system in accordance with section 317(4) of the HGB.

In addition, scheduled examinations as part of the audit of the annual financial statements are conducted at companies in the Financial Services Division. As a credit institution, Volkswagen Bank GmbH, including its subsidiaries, is subject to supervision by the European Central Bank, while Volkswagen Leasing GmbH as a financial services institution and Volkswagen Versicherung AG as an insurance company are subject to supervision by the relevant division of the *Bundesanstalt für Finanzdienstleistungsaufsicht* (BaFin – the German Federal Financial Supervisory Authority). As part of the scheduled supervisory process and unscheduled audits, the competent supervisory authority assesses whether the requirements, strategies, processes and mechanisms ensure solid risk management and solid risk cover. Furthermore, the *Prüfungsverband deutscher Banken* (Auditing Association of German Banks) audits Volkswagen Bank GmbH from time to time.

Volkswagen Financial Services AG operates a risk early warning and management system. Its aim is to ensure that the locally applicable regulatory requirements are adhered to and at the same time to enable appropriate and effective risk management at Group level. Important components of it are regularly reviewed as part of the audit of the annual financial statements.

Monitoring the effectiveness of the Risk Management System and the Internal Control System

Reporting to the Board of Management and Supervisory Board of Volkswagen AG includes the results of the continuous monitoring and improvement of the RMS and ICS along with the evaluation of the Company-wide risk situation based on the QRP and the presentation of the results of the internal control process based on the standardized ICS and downstream control systems at individual brands.

On this basis, an overall conclusion is reached once a year on the adequacy and effectiveness of our RMS, CMS and ICS at a Volkswagen AG Board of Management meeting. The Board of Management has received no information to indicate that our RMS or ICS as a whole were inadequate or ineffective in fiscal year 2022.

Nevertheless, there are inherent limits to the effectiveness of any risk management, compliance management and control system. Even a system judged to be adequate and effective cannot, for example, ensure that all actually materializing risks will be identified in advance or that any process disruptions will be ruled out under all circumstances.

THE RISK MANAGEMENT AND INTEGRATED INTERNAL CONTROL SYSTEM IN THE CONTEXT OF THE FINANCIAL REPORTING PROCESS

The accounting-related part of the RMS and ICS that is relevant for the financial statements of Volkswagen AG and the Volkswagen Group as well as its subsidiaries comprises measures intended to ensure that the information required for the preparation of the financial statements of Volkswagen AG, the consolidated financial statements and the combined management report of the Volkswagen Group and Volkswagen AG is complete, accurate and transmitted in a timely manner. These measures are designed to minimize the risk of material misstatement in the accounts and in external reporting.

Main features of the Risk Management and integrated Internal Control System in the context of the financial reporting process

The Volkswagen Group's accounting is essentially organized along decentralized lines. For the most part, accounting duties are performed by the consolidated companies themselves or entrusted to the Group's shared service centers. In principle, the financial statements of Volkswagen AG and its subsidiaries prepared in accordance with the IFRSs and the Volkswagen IFRS Accounting Manual are transmitted to the Group in encrypted form. A standard market product is used for encryption.

The Volkswagen IFRS Accounting Manual, which has been prepared in line with external expert opinions in certain cases, is intended to ensure the application and assessment of uniform accounting policies based on the requirements applicable to the parent. In particular, it includes more detailed guidance on the application of legal requirements and industry-specific issues. Components of the reporting packages that are required to be prepared by the Group companies are also set out in detail there, and requirements have been established for the presentation and settlement of intragroup transactions and the balance reconciliation process that is based on these.

Control activities at Group level include analyzing and, if necessary, adjusting the data reported in the financial statements presented by the subsidiaries, taking into account the reports submitted by the auditors and the outcome of the meetings on the financial statements with representatives of the individual companies. These discussions address both the plausibility of the single-entity financial statements and specific significant issues at the subsidiaries. Alongside plausibility checks, other control mechanisms applied during the preparation of the single-entity and consolidated financial statements of Volkswagen AG include the clear delineation of areas of responsibility and the application of the "four eyes" principle.

The effectiveness of the Internal Control System in the context of the accounting process is systematically assessed in significant companies as part of the standardized ICS. This begins with a risk analysis and definition of controls with the aim of identifying significant risks for the financial reporting process. Regular tests based on samples are performed to evaluate the effectiveness of the controls. These form the basis for a self-evaluation of whether the controls are appropriately designed and effective.

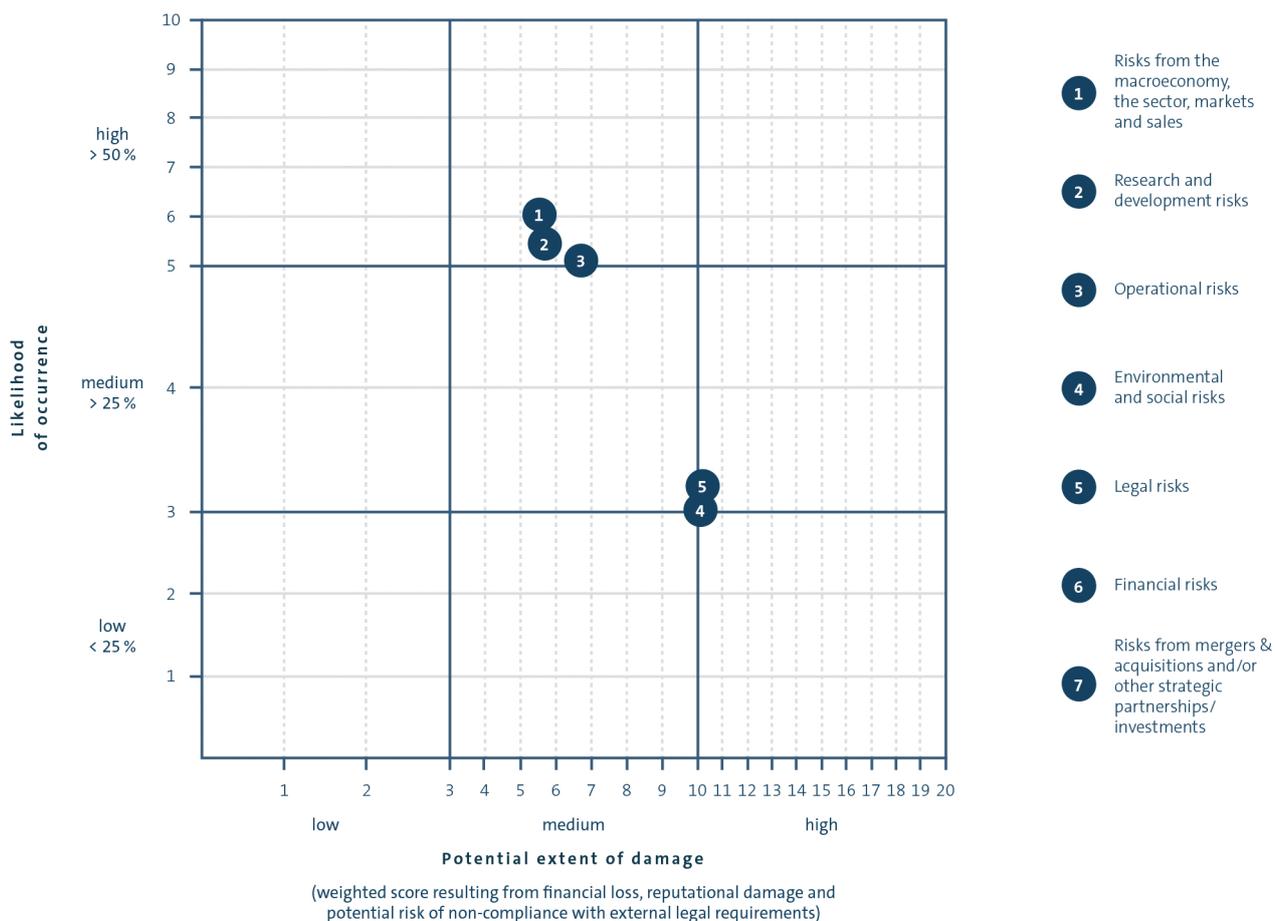
The combined management report of the Volkswagen Group and Volkswagen AG is prepared – in accordance with the applicable requirements and regulations – centrally but with the involvement of and in consultation with the Group units and companies.

In addition, the accounting-related Internal Control System is independently reviewed by Group Internal Audit in Germany and abroad.

Integrated consolidation and planning system

The Volkswagen consolidation and corporate management system (VoKUs) enables the Volkswagen Group to consolidate and analyze both Financial Reporting's backward-looking data and Controlling's forward-looking data. VoKUs offers centralized master data management, uniform reporting, an authorization concept and the required flexibility with regard to changes to the legal environment, providing a technical platform that benefits Group Financial Reporting and Group Controlling in equal measure. To verify data consistency, VoKUs has a multi-level validation system that primarily checks content plausibility between the balance sheet, the income statement and the notes.

AVERAGE SCORES OF THE RISK CATEGORIES



RISKS AND OPPORTUNITIES

In this section, we outline the main risks and opportunities arising in our business activities. In order to provide a better overview, we have grouped the risks and opportunities into categories. At the beginning of each risk category, we state the most significant risks in order of their importance as identified using the risk score from the QRP. We then describe the individual risks in no particular order. Unless explicitly mentioned, there were no material changes to the specific risks and opportunities compared with the previous year even though the weighting of individual risks has changed.

The assessment of the Volkswagen Group’s risk categories and the reports to the Board of Management include amongst other items all risks reported to the Group Risk Management department with a risk score of 20 or more for the units included from the QRP. The risk categories are plotted based on the average scores. In the reporting year, no risks with such scores were reported for the “Financial risks” and “Risks from mergers & acquisitions and/or other strategic partnerships/investments” risk categories.

We use analyses of the competition and the competitive environment in addition to market studies to identify not only risks but also opportunities that have a positive impact on the design of our products, the efficiency with which they are produced, their success in the market and our cost structure. Where they can be assessed, risks and opportunities that we expect to occur are already reflected in our medium-term planning and our forecast. The following therefore reports on internal and external developments as risks and opportunities that, based on existing information, may result in a negative or positive deviation from our forecast or targets.

Risks and opportunities from the macroeconomy, the sector, markets and sales

For this risk category, the likelihood of occurrence is classified as high (previous year: high) and the potential extent of damage is classified as medium (previous year: medium).

The most significant risks from the QRP arise from a negative influence on markets and unit sales driven among other factors by restrictions on trade and increasingly protectionist tendencies.

Macroeconomic risks and opportunities

We believe that risks to positive growth in global economic output arise primarily from a further escalation of the Russia-Ukraine conflict, turbulence in the financial, energy and commodity markets, supply shortages in connection with imbalances between supply and demand, increasingly protectionist tendencies, structural deficits, which pose a threat to the performance of individual advanced economies and emerging markets, and a failure to contain the Covid-19 pandemic in a lasting way. In addition, there are increasing environmental challenges that affect individual countries and regions to varying degrees. The worldwide transition from an expansionary to a more restrictive monetary policy together with persistently high inflation also presents risks for the macroeconomic environment. High private- and public-sector debt in many countries is clouding the outlook for growth and may likewise cause markets to respond negatively. Demographic change may also inhibit growth. A decline in growth in key countries and regions often has an immediate impact on the state of the global economy and therefore poses a central risk.

The economic development of some emerging economies is being hampered primarily by dependence on energy and commodity prices and capital inflows, but also by socio-political tensions. Corruption, inadequate government structures and a lack of legal certainty can also pose risks.

Geopolitical tensions and conflicts, along with signs of fragmentation in the global economy, are a further major risk factor to the performance of individual countries and regions. In light of the existing, strong global interdependence, local developments could also have adverse effects on the world economy. Any escalation of the conflicts in the Middle East or Africa, and particularly of the conflict between Russia and Ukraine since February 2022, for example, could cause upheaval on the global energy and commodity markets and exacerbate migration trends. An aggravation of the situation in East Asia could also put a strain on the global economy. The same applies to violent conflicts, terrorist activities, cyber attacks and the spread of infectious diseases, which may suddenly result in unexpected market reactions.

Overall, we expect the world economy to grow with a weaker momentum in 2023. However, due to the risk factors mentioned, as well as cyclical and structural aspects, another slump in the global economy or a period of below-average growth rates is also possible.

The macroeconomic environment may also give rise to opportunities for the Volkswagen Group if actual developments turn out to be more positive than expected.

Sector-specific risks and market opportunities/potential

Western Europe, especially Germany, and China are our main sales markets. A drop in demand in these regions due to the economic climate would have a particularly strong impact on the Company's earnings including financial services. We counter this risk with a clear, customer-oriented, innovative and synergistic product and pricing policy. To diversify our main sales markets, we are pursuing a long-term growth strategy in the USA.

Outside the current main sales markets, delivery volumes are spread widely across the key regions: Central and Eastern Europe, North America and South America. In addition, we either already have a strong presence in numerous existing and developing markets or are working systematically towards this goal.

Particularly in smaller markets with growth potential, we are increasing our presence with the help of strategic partnerships in order to cater to local requirements.

The growth markets of Central and Eastern Europe, South America and Asia are particularly important to the Volkswagen Group. These markets harbor considerable potential; however, the underlying conditions in some countries in these regions make it difficult to increase unit sales figures there. Examples of these are customs regulations or minimum local content requirements for production. At the same time, wherever the economic and regulatory situation permits, there are opportunities above and beyond current projections. These arise from faster growth in the emerging markets where vehicle densities are currently still low.

Price pressure in established automotive markets for new and used vehicles as a result of high market saturation is a further risk for the Volkswagen Group as a supplier of volume and premium models. Competitive pressures are likely to remain high in the future. Individual manufacturers may respond by offering incentives in order to meet their sales targets, putting the entire sector under additional pressure.

There is a risk that excess capacity in global automotive production may lead to a rise in inventories and therefore an increase in tied-up capital. With a decline in demand for vehicles and genuine parts, automotive manufacturers may adjust their capacities or intensify measures to promote sales. This would lead to additional costs and greater price pressure.

Supply chain disruption may give rise to the risk of underutilization of capacity in global automobile production, meaning that existing demand can in some instances not be met and instead moves on.

The demand that built up in individual established markets in times of crisis could result in a significant recovery if the economic environment eases more quickly than expected.

In Europe, there is a risk that further municipalities and cities will impose a driving ban on vehicles with combustion engines in order to comply with emission limits. China imposed a so-called “new energy vehicle quota” in 2019, which means that battery-electric vehicles, plug-in hybrids and fuel cell vehicles will have to account for a certain proportion of a manufacturer’s new passenger car fleet. In the United States, California has for some years imposed a regulation followed by other US states and which tightens the legal requirements on manufacturers each year for the sale of zero-emission vehicles. To ensure compliance with emissions standards, we continuously tailor our range of vehicle models and engines to the conditions in the relevant markets. These requirements may lead to higher costs and consequently to price increases and declines in volumes.

Economic performance may vary from region to region. The resulting risks for our trading and sales companies, such as in relation to efficient inventory management and a profitable dealer network, are substantial and are being responded to with appropriate measures on their part. However, financing business activities through bank loans remains difficult. Our financial services companies offer dealers financing on attractive terms with the aim of strengthening their business models and reducing operational risk. We have installed a comprehensive liquidity risk management system so that we can promptly counteract any liquidity bottlenecks at the dealership end that could hinder smooth business operations.

We continue to approve loans for vehicle financing on the basis of the same cautious principles applied in the past, for example by taking into account the regulatory requirements of section 25a(1) of the *Kreditwesengesetz* (KWG – German Banking Act); in particular, this counters the risk of loan defaults.

Volkswagen maintains a selective distribution system. Within the European Union, dealers and service partners are selected – where permissible – using qualitative and quantitative-qualitative criteria in accordance with the provisions of EU Regulations 461/2010 and 720/2022. The previously relevant EU Regulation 330/2010 was revised by the European Commission and replaced by the new, successor EU Regu-

lation 720/2022, which entered into force on June 1, 2022. As things stand at present, this revised EU regulation does not require any changes to be made to the current distribution system of Volkswagen AG.

The “Supplementary guidelines on vertical restraints in agreements for the sale and repair of motor vehicles and for the distribution of spare parts for motor vehicles”, which accompany EU Regulation 461/2010, are currently being revised by the European Commission, with the new rules due to enter into force on June 1, 2023. A final evaluation of whether and to what extent the distribution system of Volkswagen AG will be specifically affected by the changes will only be definitively possible once the new guidelines have been adopted.

Competition law requirements, including the Block Exemption Regulation 461/2010 and EU Regulations 2018/858 and 2021/1244, aim to ensure and promote effective competition in the motor vehicle aftermarket. Volkswagen AG, too, is exposed to this competitive pressure and associated risks in respect of its servicing and maintenance offering.

In Germany, legislation entered into force on December 2, 2020 to restrict or abolish design protection for repair parts through the introduction of a repair clause. In addition, the European Commission is evaluating the market with regard to existing design protection and has presented a draft to amend the directive on the legal protection of designs and models. A possible restriction or abolition of design protection for visible replacement parts, including at European level, could adversely affect the Volkswagen Group’s genuine parts business.

The automotive industry is facing a process of transformation with far-reaching changes. Electric drives, connected vehicles and autonomous driving are associated with both opportunities and risks for our vehicle sales, our after-sales business and our dealerships. In particular, more rapidly evolving customer requirements, swift implementation of legislative initiatives, including in connection with the achievement of climate protection targets, and the market entry of new competitors from outside the industry will require changed products at a faster pace of innovation as well as adjustments to business models and cost structures. There is uncertainty regarding the widespread use of electric vehicles and the availability of the necessary charging infrastructure.

There is also a risk of freight deliveries worldwide being shifted from trucks to other means of transport, and of demand for the Group’s commercial vehicles falling as a result.

Below, we outline the regions and markets with the greatest growth potential for the Volkswagen Group.

> China

Demand for vehicles is expected to increase in the coming years due to the need for individual mobility. This also affects e-mobility, a market that is already dominated by high-volume domestic manufacturers, among others. It is also expected that demand will shift from the coastal metropolises to the country’s interior and that competitive pressure from local manufacturers will generally increase. In order to leverage the considerable opportunities offered by this market – especially with regard to e-mobility – and to defend our strong market position in China over the long term, we are continuously expanding our product range to include models that have been specially developed for this market. We are further expanding our production capacity in this growing market, for example with the new plants for electric vehicles in Anhui and Changchun.

> India

The demand for new vehicles is likely to increase over the coming years in this important future market, partly due to demographic change. The Volkswagen Group has consolidated its activities in India and launched a model initiative with new models tailored to customers’ needs: the Taigun from the Volkswagen Passenger Cars brand and the ŠKODA Kushaq and Slavia.

> USA

In the saturated US market, the proportion of light trucks (particularly SUVs and pickups) is likely to further increase slightly in the coming years. In addition, the electrification of mobility is expected to accelerate due to support measures and legally prescribed fleet emission and fuel consumption targets. The latter factors still depend, however, on which administration is in office. In the USA, Volkswagen Group of America is steadfast in its pursuit to become a full-fledged volume supplier and expand its market share. The expansion of local production capacity – including production for electric vehicles since 2022 – will allow the Group to better serve the market in the North America region. We are also working intensively on offering additional products specifically tailored to the US market. As part of our electrification campaign, we founded a company in the United States in the reporting year with which we aim to tap the market for electric vehicles in the SUV segment with the US brand Scout.

> Brazil

Due to the need for individual mobility, demand for vehicles in Brazil is expected to increase in the coming years, particularly in the low-price, small-vehicle segments. Given existing trade barriers, local production is an important factor in ensuring competitiveness. The growing number of automobile manufacturers with local production has resulted in a sharp increase in price pressure and competition. To strengthen our competitive position in Brazil, we offer vehicles tailored specially to this market that are locally produced, such as the Saveiro and the Nivus.

> Middle East

Political and economic uncertainty in the region weigh on the passenger car markets. In spite of this volatility, the Middle East region offers short-term and long-term growth potential. We aim to leverage the potential for growth with a range of vehicles that has been specifically tailored to this market, without having our own production facilities there.

Power Engineering

Global economic trends such as digitalization and the increasing interest in emissions-reducing technologies associated with decarbonization are expected to continue. Growing global energy needs call for innovation in the industry and a growing willingness on the part of governments to invest in line with the global climate policy.

The development of the marine market continues to carry risk given the current uncertainty regarding future fuel and emissions regulations. The continuing uncertain geopolitical and macroeconomic situation holds additional risks, but also offers opportunities, for example in the navy and offshore wind energy business.

In turbomachinery, there is the risk that planned projects and orders will be scaled back or postponed due to negative developments in sales markets or individual applications.

We are countering these risks by constantly monitoring the markets, focusing on less strongly affected market segments, working closely with all business partners such as customers and licensees, and introducing new and improved technologies.

We are working systematically to leverage market opportunities across the world, for example by positioning ourselves as a solution provider for reduced-CO₂ drive and energy generation technologies such as large-scale heat pumps, storage technologies and hydrogen production or carbon dioxide capture. Moreover, significant potential can be leveraged in the medium term by enhancing our after-sales business through the introduction of new digital products and the expansion of our service network. The requirements for occupational safety, which will continue to increase in the future, the availability of the plants that are already in operation, their efficient operation and the increase in environmental compatibility,

together with the large number of engines and plants, will provide the basis for growth. Digital service solutions, for instance for remote plant surveillance, offer further growth potential.

As part of the capital goods industry, the Power Engineering business is affected by fluctuations in the investment climate. Even minor changes in growth rates or growth forecasts, resulting from geopolitical uncertainties or volatile commodities and foreign exchange markets, for example, carry the risk of significant changes in demand or the cancellation of already existing orders.

The measures we use to counter the substantial economic and extraordinary risks include flexible production concepts and cost flexibility by means of temporary external personnel, working time accounts and *Kurzarbeit* (short-time working), and the necessary structural adjustments.

Sales risks

There is a risk that the Volkswagen Group could experience decreases in demand, possibly exacerbated by media reports or insufficient communication. Other potential consequences include lower margins in the new and used car businesses and a temporary increase in funds tied up in working capital.

The Volkswagen Group's multibrand strategy may weaken individual Group brands if there are overlaps in customer segments or the product portfolio. This effect may be reinforced by the Volkswagen Group's common-parts strategy, as this strategy means that, in some cases, the differences in product substance between the brands are small. As a result, there could be a risk of internal cannibalization between the Group brands, higher marketing costs, or repositioning expenses. By sharpening the brand identities as part of our Best Brand Equity instrument, we are working to minimize these risks.

The fleet customer business continues to be characterized by increasing concentration and internationalization, accompanied by the risk that the loss of individual fleet customers may result in relatively high volume losses. Viewed over an extended period, the fleet customer business is more stable than the business with retail customers. The Volkswagen Group is well positioned with its broad portfolio of products and drive systems, as well as its target-group-focused customer care, and counteracts a concentration of default risks at individual fleet customers or markets. The consistently high market share in Europe shows that fleet customers still have confidence in the Group.

Consumer demand is shaped not only by real factors such as disposable income, but also by psychological factors that cannot be planned for. For example, households' worries about the future economic situation may lead to unexpected buyer reluctance, as is currently the case due to high energy costs. This is particularly the case in saturated automotive markets such as Western Europe, where demand could drop as a result of owners holding on to their existing vehicles for longer. We are countering the risk of buyer reluctance with our attractive range of models and our strict policy of customer orientation.

A combination of buyer reluctance in some markets as a result of the crisis, and increases in some vehicle taxes based on CO₂ emissions – which have already been observed in many European countries – may shift demand towards smaller segments and engines, for example. We counter the risk that such a shift will negatively impact the Volkswagen Group's financial situation by constantly developing new, fuel-efficient vehicles and alternative drive technologies, based on our drivetrain, fuel and mobility strategies.

Automotive markets around the world are exposed to risks from government intervention such as tax increases, which curb private consumption, and from restrictions on trade and protectionist tendencies such as tariffs and sanctions. Furthermore, there are future risks from the sale of electrified vehicles if the minimum requirements for local content under free trade agreements cannot be achieved. Sales incentives may lead to shifts in the timing of demand.

Commercial vehicles are capital goods: even minor changes in growth rates or growth forecasts may significantly affect transport requirements and thus demand. The resulting risk of production fluctuations calls for a high degree of flexibility from the manufacturers. Although production volumes are significantly lower, the complexity of the trucks and buses range does in fact significantly exceed the already very high complexity of the passenger cars range. Key factors for commercial vehicle customers are total cost of ownership, vehicle reliability and the service provided. Furthermore, customers are increasingly interested in additional services such as freight optimization and fleet utilization, which we offer in the commercial vehicle segment through the digital brand RIO, for example.

Power Engineering's two-stroke engines are produced exclusively by licensees, particularly in South Korea, China and Japan. The global demand for ships is increasing due to the overall positive development in world trade; however, the volatility in new shipbuilding orders poses the risk of declining license revenues. Due to changes in the competitive environment, especially in China, there is also the risk of losing market share.

Russia-Ukraine conflict

The ongoing Russia-Ukraine conflict continues to hold risks for the performance of the global economy, for growth in the industry and for the business activities of the Volkswagen Group, in particular with regard to rising prices and declining availability of energy.

The Volkswagen Group does not have any material subsidiaries and equity investments in Ukraine.

In relation to the net assets, financial position and results of operations of the Volkswagen Group, the business activities of the Volkswagen Group in these two countries are insignificant.

Other factors

In addition to the risks outlined in the individual risk categories, there are other factors that cannot be predicted and whose repercussions are therefore difficult to control. Should these transpire, they could have an adverse effect on the further development of the Volkswagen Group. In particular, such occurrences include natural disasters, climate-induced extreme weather events, pandemics (such as the spread of the SARS-CoV-2 virus), violent conflicts (such as the current Russia-Ukraine conflict), terrorist attacks and interruptions to the energy supply.

There is a risk that the Covid-19 pandemic could intensify again, due to reasons such as changes in the virus. All areas of the Volkswagen Group are affected by the pandemic. There are risks arising in particular from a fall in demand and an increasing intensity of competition. In production, there are risks especially with regard to stable supply chains and protecting the health of our staff. We have put in place increased hygiene and protective measures that we can fall back on where necessary to ensure that plants can operate.

Research and development risks

For this risk category, the likelihood of occurrence is classified as high (previous year: high) and the potential extent of damage is classified as medium (previous year: medium).

The most significant risks from the QRP result from the inability to develop products in line with demand and requirements, especially with regard to e-mobility and digitalization.

Risks arising from research and development

The automotive industry is undergoing a fundamental transformation process. For multinational corporations like Volkswagen, this means risks in the areas of customer/market, technological advancements and legislation. One risk posed is the implementation of ever more stringent emission and fuel consumption regulations, such as C6 in China or EU7 in Europe from 2025. New test procedures and test cycles (e.g. the Worldwide Harmonized Light Vehicles Test Procedure, WLTP), and their progressive tightening, as well as compliance with approval processes (homologation) are becoming increasingly complex and time-consuming. The test specifications and homologation procedures also vary greatly from country to country.

On a national and international level, there are numerous legal requirements regarding the use, handling and storage of substances and mixtures (including restrictions concerning chemicals, heavy metals, biocides, persistent organic pollutants). There is therefore a risk of non-conformity in the manufacture, procurement and introduction of products such as automobiles or replacement parts.

The economic success and competitiveness of the Volkswagen Group depend on how swiftly we are able to tailor our portfolio of products and services to changing conditions. Given the intensity of competition and speed of technological development, for example in the fields of digitalization and automated driving, there is a risk of failing to identify relevant trends early enough to respond accordingly.

We use the latest findings from the world of physics and other areas of science to plot our course. In addition, we conduct research such as trend analyses and customer surveys and examine the relevance of the results for our customers. We counter the risk that it may not be possible to develop modules, vehicles, or services – especially in relation to e-mobility, digitalization and software – within the specified time frame, to the required quality standards, or in line with cost specifications, by continuously and systematically monitoring the progress of all projects.

To reduce the risk of patent infringements, we conduct thorough analyses of third-party industrial property rights; increasingly also in relation to communication technologies.

We regularly compare the results of all these analyses with the respective project targets; in the event of any discrepancies, we introduce appropriate countermeasures. Our end-to-end project organization fosters cooperation across all of the departments involved in the process, ensuring that specific requirements are incorporated into the development process as early as possible and that their implementation is planned in good time.

Risks and opportunities from the modular toolkit strategy

We are continuously expanding our modular toolkits, focusing on future customer requirements, legal requirements and infrastructural requirements.

However, with higher volumes there is a higher risk that supply chain disruption – for example due to a shortage of semiconductors – or quality problems may affect an increasing number of vehicles.

The Modular Transverse Toolkit (MQB) is an extremely flexible vehicle architecture that was created to allow conceptual dimensions – such as the wheelbase, track width, wheel size and seat position – to be harmonized throughout the Group and utilized flexibly. Other dimensions, for example the distance from the pedals to the middle of the front wheels, are always the same, ensuring a uniform system in the front end of the car. Thanks to the resulting synergies, we are able to reduce both development costs and the necessary one-time expenses, as well as manufacturing times. The toolkits also allow us to produce different models from different brands in varying quantities, using the same equipment in a single plant. This means that our capacities can be used with greater flexibility throughout the entire Group, enabling us to achieve efficiency gains.

We have also transferred this principle of standardization with maximum flexibility to the Modular Electric Drive Toolkit (MEB) and Premium Platform Electric (PPE), concepts developed for all-electric drives. The synergies and efficiency gains offered by the modular toolkit strategy are enabling us to bring e-mobility into mass production worldwide with the MEB- and PPE-based vehicles. In future, we aim to reinforce these synergistic effects by combining the MEB and PPE in the Scalable Systems Platform (SSP).

Operational risks and opportunities

For this risk category, the likelihood of occurrence is classified as high (previous year: high) and the potential extent of damage is classified as medium (previous year: medium).

The most significant risks from the QRP lie particularly in volatile procurement markets, here primarily in relation to the supply of parts, as well as in cyber security and new regulatory requirements regarding IT, and in quality problems.

Risks from extraordinary events in the Volkswagen Group's procurement and production network

Extraordinary events beyond our control including natural disasters, climate-induced extreme weather events, pandemics – such as the spread of the SARS-CoV-2 virus – and other events, for example violent confrontations – such as the current conflict between Russia and Ukraine – fires, explosions, or the leakage of substances hazardous to health or the environment, may result in supply risks in procurement and heavily impair production. As a consequence, bottlenecks or even outages in production may occur, thus preventing the planned production volumes from being achieved.

Early warning systems help to identify supply risks and prevent assembly line stoppages. Furthermore, we counteract other risks with measures such as fire protection and hazardous goods management, and we take out corresponding insurance coverage where this makes economic sense.

Due to the uncertainty arising from the further development of the Covid-19 pandemic, the Russia-Ukraine conflict and associated sanctions, and the further development of the energy market, there is a risk throughout the automotive industry that looming supply breakdowns may not be recognized early enough and that countermeasures may not be initiated in time to maintain production.

Countermeasures to stabilize global production include, for example, monitoring the spread of infection and the measures taken to contain the pandemic, analyzing the impact on suppliers and supply and transport chains, finding alternatives where suppliers are unavailable and organizing special processes. Procurement, working together with all Group departments and the supplier network, was able to put these

measures to the test in 2022, particularly in securing purchased parts from Ukraine. Through our organization, we are also keeping other global and local risks under observation and aim to be able to respond quickly to factors throughout the entire supply chain as a result.

Risks and opportunities from Procurement and Technology

Current trends in the automotive industry such as e-mobility and automated driving are resulting in an increased need for financing among suppliers, presenting them with considerable challenges. These are being exacerbated by the current commodity price situation and the limited availability of semiconductors. The supplier risk management department in Procurement at the Volkswagen Group evaluates suppliers, and particularly their financial situation, before they are entrusted with the implementation of projects. Procurement takes into account the recommendations of the supplier risk management department.

The risk of supply shortages and disruption to supply continues to exist, particularly given the current global geopolitical and macroeconomic situation. Examples include the continuing constraints in the supply of semiconductor components and the direct and indirect effects of the Russia-Ukraine conflict, including potential temporary interruptions to the energy supply.

Supply risks are identified in Procurement by means of early warning systems and task force and mitigation structures have been created to reduce these risks. In addition, strategic measures are to be taken to avoid future impacts in the long term.

A global economic slowdown exacerbated by trade disputes and the consequences of the Covid-19 pandemic, including sharply increased commodity and energy prices, is impacting the financial situation of many suppliers. This, too, is giving rise to the risk of bottlenecks and disruption in supply.

Procurement employees specialized in restructuring and supply reliability constantly monitor the financial situation of our suppliers throughout the world, taking measures designed to counter the risk of possible supply disruptions.

Demand for resources, possible speculations on the market and current trends in the automotive industry, such as the growing share of electrified vehicles, may affect the availability and prices of certain raw materials. Trends in raw materials and demand are continuously analyzed and assessed on an interdisciplinary basis to enable steps to be taken at an early stage in the event of potential bottlenecks.

The risks in battery cell production relate particularly to the rising demand for battery cells and the resulting reliance on suppliers, from technological change and from the service life of battery cells. Additional risks may arise from long-term ties to cell manufacturers and the direct responsibility of Volkswagen in the supply chain. To counter these risks, the Volkswagen Group maintains multiple strategic supplier relationships while extending the scope of its own activities along the value chain (raw material extraction, cell production) at the same time.

Commodity risks can be partially mitigated through backward integration of the value chain. For example, partnerships and long-term supply agreements with commodity suppliers can be used to ensure the supply of the relevant material while also achieving competitive prices.

Quality problems may necessitate technical intervention involving a substantial financial outlay if the cost cannot be passed on to the supplier or can only be passed on to a limited extent. Assuring quality is of fundamental importance, all the more so in the US, Brazilian, Indian and Chinese markets, for which we develop vehicles specific to the country and where local manufacturers and suppliers are established, particularly as it may be difficult to predict the impact of regulations or official measures. We constantly analyze the conditions specific to each market and adapt our quality requirements to their individual needs. We counter the local risks we identify by continuously developing measures and implementing them locally, thereby preventing quality defects in the supply chain from arising.

It is not possible at present to rule out the possibility of a further increase in recalls of various models produced by a variety of manufacturers in which certain airbags manufactured by Takata were installed. This could also affect Volkswagen Group models.

Specialists in Procurement systematically investigate risks resulting from antitrust violations by suppliers and file claims for any losses that may arise.

Risks in the supply chain may also arise from the non-fulfillment of statutory duty of care in respect of human rights and the environment, which might result in supply shortages. The requirements are compared with existing processes with the help of gap analyses, and processes are developed and implemented to fill in any gaps. In order to meet our duty of care in respect of human rights, and to identify, counteract and prevent the associated risks in the value chain, we developed a responsible supply chain system in 2022.

Production risks

Volatile developments in the global automotive markets, accidents at suppliers and disruptions in the supply chain, which could be exacerbated by Covid-19 lockdowns and the Russia-Ukraine conflict, may cause fluctuations in production volumes affecting both vehicle models and plants. In specific markets we are seeing a trend away from orders for conventional vehicles with combustion engines and towards increased orders for electric vehicles. We use established tools, such as flexible working time models, to address possible risks related to fluctuations in the mix of vehicle types. The international production network enables us to respond flexibly at the sites. “Turntable concepts” adjust capacity utilization between production facilities. Volatility and assembly line stoppages, for example due currently to the Russia-Ukraine conflict and possible temporary interruptions in the energy supply, can be balanced across brands at multibrand sites.

Potential disruption to our own operating ability or to the supply of inputs crucial for operation that is caused by extreme weather events in the form of flooding and drought, severe storms or similar may lead to production stoppages with financial ramifications for the Group. The Group counters this risk by systematically analyzing the impacts of climate change on its production sites in order to gauge the potential risks and recommend action in response.

Sudden changes in customer demand for specific equipment features in our products, and the decreasing predictability of demand, may lead to supply bottlenecks. We minimize this risk, for example, by continuously comparing our available resources against future demand scenarios. If bottlenecks in the supply of materials are indicated, we can introduce countermeasures far enough in advance.

Production capacity is planned several years in advance based on long-term sales planning for all vehicle projects. This involves a degree of risk as it is subject to market momentum and changes in demand. If forecasts are too optimistic, there is a risk that capacity will not be fully utilized. However, forecasts that are too pessimistic pose a risk of undercapacity, as a result of which, it may not be possible to meet customer demand. In the event of short-notice fluctuations in demand beyond the technical capacity that has been installed, Volkswagen or its suppliers may be unable to meet demand that goes beyond the available technical flexibility. We counter such risks by matching demand and capacity at frequent intervals and issuing program scheduling guidelines where necessary.

The diversity of our models, the reduced product life cycles and the use of complex processes and technical systems are associated with the risk of a delay to the start of production of a vehicle. We address this risk by drawing on the experience of past production starts and identifying weaknesses at an early stage so as to ensure – to the highest degree possible – that production volumes and quality standards are met during the start of production of our vehicles throughout the Group.

Legal changes, for instance in the context of the changeover to the WLTP test procedure, may impact production. For one thing, a temporary reduction in the range causes demand to focus on the available variants. Moreover, gaps in production can occur if model variants have not been approved. These fluctuations necessitate measures to stabilize production, such as the temporary storage of vehicles until official approval.

Risks arising from long-term production

In the case of large projects within the Power Engineering Business Area, risks may arise that are often only identified over the course of the project. They may result in particular from contract design errors, inaccurate or incomplete information used in costing, post-contract changes in the economic and technical environment, weaknesses in project management, quality defects and unnoticed product malfunctions, product emergence, or poor performance by subcontractors. Most notably, omissions at the start of a project, overshooting of the development budget or timeframe, and legislative changes are usually difficult to correct or compensate for and often entail substantial additional expenses. The current disproportionate increases in commodity prices, energy prices and freight rates, and the limited availability of semiconductor products, may have a detrimental impact on production costs and revenue recognition.

By constantly optimizing the project control process across all project phases and by using a lessons-learned process and regular project reviews, we aim to identify these risks at an early stage, particularly during the bidding and planning phase of large upcoming projects, and take appropriate measures to eliminate or minimize them.

Quality risks

We strive to identify and rectify quality problems at an early stage during the development of our products to avoid, among other things, delays to the start of production. As we are using an increasing number of modular components as part of our platform strategy, it is particularly important when malfunctions do occur to identify the cause quickly and eliminate the faults. Nonconformity of internally or externally sourced parts, components or functions may necessitate time-consuming and cost-intensive measures, leading to recalls and therefore damage to the Volkswagen Group's image. In addition, the resulting financial impact may exceed provisions. To meet our customers' expectations and minimize warranty and ex gratia repair costs, we are continuously optimizing the processes at our brands with which we can prevent these faults.

If quality management is ineffective, there is a risk of losing ISO 9001 and KBA certification. This would lead directly to a loss of type approval from one or more authorities. We counter this risk by continuously training the Group's system auditors, while our quality management system and process quality undergo internal audits.

We also check the conformity of series products (conformity of production – CoP) in vehicle production plants as part of system audits with a CoP component. Further risks are associated with discrepancies identified in conformity of production measurements and in-service-conformity (ISC) measurements. We have established an effective system for monitoring the conformity of CoP and ISC measurements for manufactured vehicles. To ensure that the results of the emissions CoP and ISC measurements are analyzed systematically, we have implemented an IT system throughout the Group. This is used for status reporting and documenting the results of the series of measurements.

Vehicle registration and operation criteria are defined and monitored by national and, in some cases, international authorities. Furthermore, several countries have special – and in some cases new – rules aimed at protecting customers in their dealings with vehicle manufacturers. We have established quality processes so that the Volkswagen Group brands and their products fulfill all respective applicable require-

ments and local authorities receive timely notification of all issues requiring reporting. By doing so, we reduce the risk of customer complaints or other negative consequences.

With the increasing technical complexity of vehicles due to their internal and external connectivity, and the platforms and toolkit systems in use across brands, the quality of the parts and software components supplied must be assured. This is lending ever greater importance to cyber security. To better monitor and manage the risk of cyber attacks on our vehicles in the future, we are establishing an Automotive Cyber Security Management System in all Group brands. Harmonized processes across the Group, such as the car security incident process, enable a fast reaction speed across the brands in the event of an attack so that any weaknesses in our products can be promptly eliminated. The Automotive Cyber Security Management System is an integral part of our quality management system, which helps us leverage synergies with already existing structures. This approach serves to fulfil the legal requirements of the UNECE regulation on cyber security, which have applied since mid-2022.

We have established the *Ausschuss Produktsicherheit* (APS – Product Safety Committee) to comprehensively evaluate and efficiently resolve product safety risks for customers as the product users. In the event of safety defects, doubts about compliance with legal requirements, or issues relating to the brand or corporate image, the APS examines the matter concerned and decides on how to respond. In this context, the APS is also responsible for managing related inquiries from authorities. The cross-divisional Car Security Board (CSB) provides support with regard to cyber security issues. We have also created and established central units within the organization, which are responsible for managing incoming information on APS- and CSB-related topics. In 2021, a universal, transparent management and tracking system was established to follow up on all such information across the Group without employee involvement, right through to the APS decision. In addition, numerous events and training courses are held to improve awareness of safety risks and products' legal conformity among all employees. These activities aim to avoid risks from delayed, erroneous or a lack of reporting and preliminary analyses. The entire APS process is, moreover, subject to regular review in the form of internal and external audits, aimed at minimising risks arising from delayed, erroneous or a lack of decisions and measures on the part of the APS or CSB.

IT risks

At Volkswagen, a global, software-oriented mobility provider, the information technology (IT) used in all business units Group-wide is assuming an ever more important role. IT risks exist in relation to the three protective goals of confidentiality, integrity and availability, and comprise in particular unauthorized access to, modification and extraction of sensitive electronic corporate or customer data as well as limited systems availability as a consequence of downtime, disasters and the volatile geopolitical situation. Proper handling of data is a key factor for data integrity, and for the functionality of error-free systems.

The high standards we set for the quality of our products also apply to the way in which we handle our customers' and employees' data. There is a risk of cyber attacks, particularly on our digital offerings relating to our mobility services. Legal regulations including the UNECE cyber security regulation (R155) define the requirements for our vehicle and software development. These also have a large impact on our IT systems. We therefore work on an interdisciplinary basis to protect our connected vehicles and mobility services. Our guiding principles are data security, transparency, informational self-determination and the safety and security of the customer when using our services.

We counter the risk of unauthorized access to, modification or extraction of corporate and customer data by using IT security technologies such as modern security systems for detecting malware and malicious behavior.

We achieve additional protection by restricting the allocation of access rights to systems and central administration, including periodic identity checks. Based on business impact analyses, we counter data destruction or disruption to operation by designing systems with redundancy and implementing backup strategies.

An overarching committee with members from Information Security, Data Protection, Group Security, Legal Affairs and other parties involved handles interdisciplinary information security and reports directly to the Group Board of Management. This enables a rapid response and the efficient coordination of measures in the event of a possible incident. The technical measures are complemented by a wide range of awareness-raising measures and training courses for employees that create and deepen awareness of information security issues.

We use commercially available technologies to protect our IT landscape, adhering to standards applicable throughout the Company. We future-proof our IT through continual standardization and updates. Continuously increasing automation enhances process reliability and the quality of processing.

The further development and Group-wide use of IT governance processes, particularly the further standardization of the risk management process for IT and information security, also help to identify weaknesses at an early stage and to reduce or avoid risks effectively.

Another focus is the continuous advancement of Group-wide security measures to detect, avert and deal with cyber threats.

Risks from media impact

The image of the Volkswagen Group and its brands is one of the most important assets and forms the basis for long-term business success. Our policy and strategic orientation on issues such as integrity, ethics, sustainability and climate protection are in the public focus. One of the basic principles of running our business is therefore to continuously check and pay particular attention to compliance with legal requirements and ethical principles. However, we are aware that misconduct or criminal acts by individuals and the resulting reputational damage can never be fully prevented. In addition, media reactions can have a negative effect on the image of the Volkswagen Group and its brands. This impact also depends significantly on the effectiveness of our communication during times of crisis.

Environmental and social risks

For this risk category, the likelihood of occurrence is classified as medium (previous year: high) and the potential extent of damage is classified as high (previous year: medium).

The most significant risks from the QRP arise from non-fulfillment of CO₂-related requirements.

Personnel risks

We use a range of instruments to counter economic risks as well as changes in the market and the competitive situation and shortages of supplier components. These help the Volkswagen Group to remain flexible in terms of staff deployment when faced with a fluctuating order situation – whether orders are in decline, or there is an increase in demand for our products. These instruments include time accounts to which hours are added when overtime is necessary and from which hours are deducted in quiet periods, enabling our factories to adjust their capacity to production volume with measures such as extra shifts, closure days, flexible shift models and legally regulated instruments such as *Kurzarbeit* (short-time working). The use of temporary workers also allows us to be more flexible in our planning. All of these measures help the Volkswagen Group to generally maintain a stable permanent workforce, even when orders fluctuate.

The technical expertise and individual commitment of employees are indispensable prerequisites for the success of the Volkswagen Group. We counter the risk of not being able to develop sufficient expertise in the Company's different vocational groups with our strategically oriented and holistic human resource development, which gives all employees attractive training and development opportunities. By boosting our training programs, particularly at our international locations, we are able to adequately address the challenges of technological change and the structural transformation of the automotive industry.

To counter the potential risk of a shortage of skilled specialists – especially in the areas of digitalization and IT – we continuously expand our recruitment tools. Our systematic talent relationship management, for example, enables us to make contact with talented candidates from strategically relevant target groups at an early stage and to build a long-term relationship between them and the Group. In addition to the standard dual vocational training, programs such as our integrated degree *Studium im Praxisverbund* and traineeship scheme, Faculty 73 and the Volkswagen-sponsored non-profit École 42 in Wolfsburg, Berlin and Prague, ensure a pipeline of highly qualified and motivated employees. By systematically increasing our attractiveness as an employer, we are able to gain talented people in areas that are crucial for the future, such as electrical engineering, chemistry or information technology. With tools such as these, we want to ensure that our demand for qualified new staff is covered, even amid a shortage of skilled labor.

We counter the risks associated with employee fluctuation and loss of knowledge as a result of retirement with intensive, department-specific succession planning and training.

The advancing digitalization of our human resources processes entails risks arising from the processing of personal data, but also system-based improvements so that Volkswagen can ensure compliance with data protection laws when processing personal data. Volkswagen is aware of its responsibility in the processing of this data. To make processing compliant with data protection requirements, we address risks as part of our data protection management system by implementing a wide range of measures.

The basis of successful occupational health and safety is complying with legal requirements, identifying and assessing work-related risks, determining appropriate measures and monitoring their effectiveness. This makes a positive contribution to maintaining the health of our employees as part of society. The spread of the SARS-CoV-2 virus underlines the high importance of effective health protection in the workplace. We aim to effectively reduce infection risks for the workforce and thereby minimize the risk of process disruptions and production stoppages.

Environmental protection regulations

The specific emission targets for all new passenger car and light commercial vehicle fleets for brands and groups in the EU for 2020 and subsequent years are set out in Regulation (EU) No 2019/631. This regulation is a material component of the European climate protection policy and therefore forms the key regulatory framework for product design and marketing by all vehicle manufacturers selling in the European market.

Adopted and published by the EU in 2019, the regulation states that, from 2021 onward, the average emissions of European passenger car fleets must be no higher than 95 g CO₂/km. Up to and including 2020, European fleet legislation was complied with on the basis of the New European Driving Cycle (NEDC). From 2021 onward, the NEDC target value was replaced by a WLTP target value through a process defined by lawmakers; this change has not led to additional tightening of the target value. A similar approach applies to light commercial vehicles, where a target of 147 g CO₂/km applied to the entire fleet from 2021 onward.

The targets are expected to be tightened as from 2025 (subject to publication in the EU Official Journal): for new European passenger car fleets, a reduction of 15% in CO₂ emissions will therefore be required from 2025 and a reduction of 55% from 2030. For new light commercial vehicle fleets, the required reductions will be 15% from 2025 and 50% from 2030. For 2035, a CO₂ reduction target of 100% will then apply to new passenger car and light commercial vehicle fleets. In each case, the starting point is the WLTP fleet value in 2021. These targets can only be achieved through a growing proportion of electric vehicles within the fleet.

If the respective fleet-wide target is not fulfilled, the Commission may impose an excess emissions premium, amounting to €95 per excess gram of CO₂ per newly registered vehicle.

At the same time, regulations governing fleet fuel consumption of new vehicles are also being developed or introduced outside the EU27 (plus Norway and Iceland), for example in Brazil, Canada, China, India, Japan, Mexico, Saudi Arabia, South Korea, Switzerland, Taiwan, the United Kingdom and the USA. Fuel consumption regulations in China are being gradually tightened with a fleet average target of 4.6 l/100 km (WLTP) for 2025. More stringent rules are expected for the period after 2025. In addition to this legislation on fleet consumption, a new energy vehicle quota applies in China. This requires every manufacturer to increase the share of electric vehicles in its total production or import volumes. For 2022, this quota was 16% and had to be fulfilled through battery-electric vehicles, plug-in hybrids, or fuel cell vehicles. For 2023, it is increasing by two percentage points to 18%, and a further rise is under discussion for 2024 and 2025. There is no indication as to possible targets after 2025.

In the USA, the annual CO₂ and efficiency targets to be fulfilled by the fleet for new passenger cars and light commercial vehicles are defined by the Greenhouse Gas legislation (GHG) and Corporate Average Fuel Economy legislation (CAFE). In December 2021, the current administration published new CO₂ fleet targets for the period from 2022 to 2026. The industry-wide fleet average for passenger cars and light commercial vehicles is to reduce from 137 g CO₂/km in 2022 to 106 g CO₂/km in 2026, reversing the relaxation of the targets by the previous government. The same applies to the CAFE efficiency targets for 2024 to 2026, which were announced in spring 2022. The fleet targets to be achieved will therefore become more stringent each year in the period up to 2026. The current government has set a goal for 50% of new vehicle sales to be electric by 2030. This is expected to be reflected in ambitious targets in future GHG and CAFE regulations. In addition to this, in California and the user states in the US, the regulations of the Californian zero-emission vehicle mandate must be adhered to, which prescribes annually increasing electrification rates for the new vehicle fleet. The aim is to fully electrify passenger cars and light commercial vehicles by 2035.

The tightening of fleet-based CO₂ emissions and fuel consumption regulations makes it necessary to use the latest mobility technologies in all affected markets. Above all, electrified and also purely electric drivetrains are becoming increasingly common. The Volkswagen Group closely coordinates technology and product planning with its brands so as to avoid breaches of fleet values, for example, which would entail severe payment obligations. Whether the Group meets its fleet targets depends crucially on its technological and financial capabilities, which are reflected in, for example, our drivetrain and fuel strategy.

Alongside technical and portfolio electrification measures, it is also possible to use local statutory mechanisms such as the creation of emission pools in Europe, for example, or the trading of emission credits in the United States and China. Legislation provides further region-specific flexibility to aid target achievement. For example:

- > Additional innovative technologies in the vehicle that apply outside the test cycle to reduce consumption (eco-innovations and off-cycle credits) can be taken into consideration
- > Particularly efficient vehicles qualify for super-credits
- > Special rules are in place for small-series producers and niche manufacturers

In the EU, a new test procedure has applied to all new vehicles since September 2018 with the WLTP. Other challenges arise in connection with stricter processes and requirements regarding WLTP, such as from test criteria and homologation (achievement of vehicle type approvals).

The Real Driving Emissions (RDE) Regulation for passenger cars and light commercial vehicles is another of the main European regulations. New, uniform limits for nitrogen oxide and particulate emissions in real road traffic have applied to new vehicle types across the EU since September 2017. This makes the RDE test procedure fundamentally different from the Euro 6 standard still in force, which stipulates that the limits on the chassis dynamometer are authoritative. The RDE regulation is intended primarily to improve air quality in urban areas and areas close to traffic, leading to stricter requirements for exhaust gas aftertreatment in passenger cars and light commercial vehicles. Stricter RDE processes and requirements have resulted in certain challenges, for example relating to test criteria and homologation. The debate on successor emissions legislation (Euro 7) began at European level in late 2022. A final regulation is not expected before 2023 or early 2024. It is anticipated that this successor regulation will enter into force in the middle of the decade.

The other main EU regulations affecting the automotive industry include:

- > The Car Labeling Directive 1999/94/EC
- > The Fuel Quality Directive (FQD) 2009/30/EC updating the fuel quality specifications and introducing energy efficiency specifications for fuel production
- > The Renewable Energy Directive (RED) (2009/28/EC) introducing sustainability criteria; the follow-up regulation (RED2) contains higher quotas for advanced biofuels
- > The revised Energy Taxation Directive 2003/96/EC updating the minimum tax rates for all energy products and electricity

Commercial vehicles are increasingly subject to ever stricter environmental regulations all around the world, particularly to regulations relating to climate change and vehicle emissions. For example, with Regulation (EU) 2019/1242 of June 20, 2019, which specifies CO₂ emission standards for new heavy commercial vehicles with a permitted gross weight of over 16 tonnes, the EU has set manufacturers very ambitious targets for reducing CO₂ emissions within the next decade. The CO₂ emissions from such vehicles must be reduced by 15% by 2025 and 30% by 2030 compared to a reference value for a monitoring period from July 2019 to June 2020. If emissions exceed these targets, vehicle manufacturers will be liable to substantial premiums, amounting to €4,250 per excess gram of CO₂/tonne-kilometer (tkm) per vehicle for the period from 2025 to 2029 and €6,800 per excess gram of CO₂/tkm per vehicle for the period from 2030 onward. The target of a greenhouse gas emissions reduction of 30% by 2030 set out in the regulation was revised at the beginning of 2023. The European Commission proposes a 45% CO₂ emissions reduction compared to the reference value by 2025, scaling up to 65% by 2035 and 90% by 2040.

In the European Green Deal, the Commission defined the goal of achieving climate neutrality by 2050. Targeting a general reduction in EU CO₂ emissions of at least 55% (previously 40%) compared to 1990 levels by 2030, this represents a big challenge for the entire transport sector. The revision of CO₂ emission requirements for heavy-duty vehicles planned in the EU for spring 2023 and the proposals for a new Euro 7 standard that have already been published could further exacerbate these challenges.

Commercial vehicle manufacturers in Brazil will face newer regulations on reducing pollutant emissions from 2023. In the United States, emission regulations for CO₂ and nitrogen oxide (NO_x) are also likely to be tightened further for heavy-duty vehicles. CO₂ reductions based on 2016 emission levels have already been defined for 2024 and 2027. The United States is finalizing a new NO_x regulation that is due to enter into force in 2027.

Adapting commercial vehicles to new emission standards is technologically complex and expensive, especially given the often technically contradictory regulations applicable to CO₂ and other pollutant emissions from internal combustion engines. To meet the targets for the different markets, it is imperative to reduce CO₂ and exhaust gas emissions through new technologies. This is why we are making substantial investments in climate-friendly alternative drive systems – especially battery-electric commercial vehicles and buses.

The debate around driving bans for diesel vehicles in Germany has lost some of its heat given the strong improvements in air quality measurements. There were only two cities that failed to comply with the air pollutant limits for nitrogen dioxide (NO₂) immissions in 2022. In some cases, these issues have been, and continue to be, the subject of legal proceedings. Individual cities throughout Germany have already imposed zonal traffic bans for older vehicles such as Euro 4/IV diesel. It is argued that only driving bans for diesel vehicles can bring about the necessary short-term reduction in NO₂ immissions. The aforementioned debate could negatively affect sales of diesel vehicles and result in financial liabilities and possible official requirements.

Local bans on the use of diesel vehicles are already also in place in a number of other countries, though these mainly affect older vehicles with lower emissions standards. Regulations in Belgium that successively ban older vehicles from larger cities are one example. In addition to major cities such as Paris and London, countries like the United Kingdom are now discussing future bans on vehicles with internal combustion engines.

A number of special environmental protection requirements apply to the Power Engineering segment. For example, the International Maritime Organization has issued the International Convention for the Prevention of Pollution from Ships (MARine POLLution – MARPOL), which applies to ship engines. The permitted emissions are being lowered in phases under MARPOL ANNEX VI. A reduction of the sulfur content in marine fuel has been implemented globally in recent years. Particularly stringent environmental regulations apply in emission control areas in Europe and the USA/Canada. Expansion to further regions such as the Mediterranean or Japan is being planned; other regions or territories such as the Black Sea, Alaska, Australia or South Korea are also in discussion. Moreover, emission limits are in force under Regulation (EU) 2016/1628 and in accordance with the regulations of the US Environmental Protection Agency (EPA), for example.

We are pushing for a maritime energy transition in specialist bodies and also promote this to the general public. In a first step, we are supporting the switch to liquefied natural gas (LNG) as a fuel for maritime applications, and offer dual fuel and gas-powered engines for new and retrofitted vessels. For long-term, climate-neutral operation of seagoing vessels, we advocate power-to-X technology, in which excess sustainably generated electricity is converted into carbon-neutral gas or liquid fuel, especially hydrogen, methanol or ammonia.

As regards stationary equipment, there are a number of national rules in place worldwide that limit permitted emissions. On December 18, 2008, the World Bank Group set limits for gas and diesel engines in its Environmental, Health, and Safety Guidelines for Thermal Power Plants. These guidelines, which are currently being revised, are required to be applied in countries that have adopted no national requirements of their own or have requirements that are less stringent. In addition, the United Nations adopted the Convention on Long-range Transboundary Air Pollution back in 1979, setting limits on total emissions as well as nitrogen oxide for the signatory states (including all EU states, other countries in Eastern Europe, the USA and Canada). These are also due for revision. Enhancements to the product portfolio in the Power Engineering segment focus on improving the efficiency and emissions reduction of equipment and systems. While adhering to current and future emissions requirements, we are advancing a series of innovative energy solutions to actively shape the climate transition.

Legal risks

For this risk category, the likelihood of occurrence is classified as medium (previous year: medium) and the potential extent of damage is classified as high (previous year: medium).

The most significant risks from the QRP are associated with the diesel issue.

Litigation

Volkswagen AG and the companies in which it is directly or indirectly invested are involved in a substantial number of legal disputes and governmental proceedings in Germany and abroad. Such legal disputes and other proceedings occur, among other things, in connection with products and services or in relation to employees, public authorities, dealers, investors, customers, suppliers, or other contracting parties. For the companies in question, these disputes and proceedings may result in payments such as fines or in other obligations or consequences. In particular, substantial compensatory or punitive damages may have to be paid and cost-intensive measures may have to be implemented. In this context, specific estimation of the objectively likely consequences is often possible only to a very limited extent, if at all.

Various legal proceedings are pending worldwide, particularly in the USA, in which customers are asserting purported product-related claims, either individually or in class actions. These claims are as a rule based on alleged vehicle defects, including defects alleged in vehicle parts supplied to the Volkswagen Group.

Compliance with legal or regulatory requirements is another area in which risks may arise. This is particularly true in gray areas where Volkswagen and the relevant public authorities may interpret the law differently.

In connection with their business activities, Volkswagen Group companies engage in constant dialogue with regulatory agencies, including the *Kraftfahrt-Bundesamt* (KBA – German Federal Motor Transport Authority). It is not possible to predict with assurance how government regulators will assess certain issues of fact and law in a particular situation. For this reason, the possibility that certain vehicle characteristics and/or type approval aspects may in particular ultimately be deemed deficient or impermissible cannot be ruled out. This is fundamentally a question of the regulatory agency's specific evaluation in a concrete situation.

A comparable challenge results from the tension between divergent national and international statutory or regulatory requirements regarding obligations to transfer information or documents, on the one hand, and privacy mandates under national and international data protection law on the other. Volkswagen is advised by outside law firms on these issues so as to preclude compliance violations as far as possible despite the sometimes unclear state of the law.

Litigation may furthermore result from demands for more extensive climate protection measures or from allegedly incomplete disclosures regarding the impact of climate change. The response of the Volkswagen Group to this risk includes, among other things, certification of its self-imposed decarbonization targets through independent and internationally respected organizations and systematic alignment of its non-financial reporting with the requirements of the law and the capital markets.

Risks may also result from actions for infringement of intellectual property, including infringement of patents, brands, or other third-party rights, particularly in Germany and the USA. If Volkswagen is alleged or determined to have violated third-party intellectual property rights, it may for instance have to pay damages, modify manufacturing processes, or redesign products, and may be barred from selling certain products; this may result in delivery and production restrictions or interruptions.

Criminal acts by individuals, which even the best compliance management system can never completely prevent, are another potential source of legal risks.

Appropriate insurance has been taken out to cover these risks where they were sufficiently definite and such coverage was economically sensible. Where necessary based on the information currently available, identified and correspondingly measurable risks have been reflected by recognizing provisions in amounts considered appropriate or disclosing contingent liabilities, as the case may be. As some risks cannot be assessed or can only be assessed to a limited extent, the possibility of material loss or damage not covered by the insured amounts or by provisions cannot be ruled out. This is, for instance, the case with regard to the legal risks assessed in connection with the diesel issue.

Unless otherwise explicitly stated, the amounts disclosed for the litigation being reported on refer only to the respective principal claim. Ancillary claims, such as for interest and litigation expense, are generally not considered.

Diesel issue

On September 18, 2015, the US Environmental Protection Agency (EPA) publicly announced in a “Notice of Violation” that irregularities in relation to nitrogen oxide (NO_x) emissions had been discovered in emissions tests on certain Volkswagen Group vehicles with 2.0 l diesel engines in the USA. In this context, Volkswagen AG announced that noticeable discrepancies between the figures recorded in testing and those measured in actual road use had been identified in type EA 189 diesel engines and that this engine type had been installed in roughly eleven million vehicles worldwide. On November 2, 2015, the EPA issued a “Notice of Violation” alleging that irregularities had also been discovered in the software installed in US vehicles with type V6 3.0 l diesel engines.

The so-called diesel issue is rooted in a modification of parts of the software of the relevant engine control units – which, according to Volkswagen AG’s legal position, is only unlawful under US law – for the type EA 189 diesel engines that Volkswagen AG was developing at that time. This software function was developed and implemented from 2006 on without knowledge at the level of the Board of Management. Members of the Board of Management did not learn of the development and implementation of this software function until the summer of 2015.

There are furthermore no findings that, following the publication in May 2014 of the study by the International Council on Clean Transportation, an unlawful “defeat device” under US law was disclosed to the persons responsible for preparing the 2014 annual and consolidated financial statements as the cause of the high NO_x emissions in certain US vehicles with 2.0 l type EA 189 diesel engines. Rather, at the time the 2014 annual and consolidated financial statements were being prepared, the persons responsible for preparing these financial statements remained under the impression that the issue could be resolved with comparatively little expense. In the course of the summer of 2015, however, it became progressively apparent to individual members of Volkswagen AG’s Board of Management that the cause of the discrepancies in the USA was a modification of parts of the software of the engine control unit that was later identified as an unlawful “defeat device” as defined by US law. This culminated in Volkswagen’s disclosure of a “defeat device” to the EPA and the California Air Resources Board (CARB), a department of the Environmental Protection Agency of the State of California, on September 3, 2015. According to the assessment at the time by the responsible persons dealing with the matter, the magnitude of the costs expected to result for the Volkswagen Group (recall costs, retrofitting costs, and financial penalties) was not fundamentally dissimilar to that in previous cases involving other vehicle manufacturers. It therefore appeared to be manageable overall considering the business activities of the Volkswagen Group. This assessment by Volkswagen AG was based, among other things, on the advice of a law firm engaged in the USA for regulatory approval issues, according to which similar cases had in the past been amicably resolved with the US authorities. The EPA’s publication of the “Notice of Violation” on September 18, 2015, which the Board of Management had not expected, especially at that time, then presented the situation in an entirely different light.

The AUDI AG Board of Management members in office at the time in question have likewise stated that they had no knowledge of the use of “defeat device” software that was prohibited by US law in the type V6 3.0 l TDI engines until the EPA issued its November 2015 “Notice of Violation.”

Within the Volkswagen Group, Volkswagen AG has development responsibility for the four-cylinder diesel engines and AUDI AG has development responsibility for the six- and eight-cylinder diesel engines.

As a consequence of the diesel issue, numerous judicial and regulatory proceedings were initiated in various countries. Volkswagen has in the interim succeeded in making substantial progress and ending many of these proceedings. In the USA, Volkswagen AG and certain affiliates reached settlement agreements with various government authorities and private plaintiffs, the latter represented by a Plaintiffs’ Steering Committee in a multidistrict litigation in the US state of California. The agreements in question include various partial consent decrees as well as a plea agreement that resolved certain civil claims as well as criminal charges under US federal law and the laws of certain US states in connection with the diesel issue. Although Volkswagen is firmly committed to fulfilling the obligations arising from these agreements, a breach of these obligations cannot be completely ruled out. In the event of a violation, significant penalties could be imposed as stipulated in the agreements, in addition to the possibility of further monetary fines, criminal sanctions and injunctive relief.

In agreement with the respective responsible authorities, the Volkswagen Group is making technical measures available worldwide for virtually all diesel vehicles with type EA 189 engines. For all clusters (groups of vehicles) within its jurisdiction, the KBA determined that implementation of the technical measures would not result in any adverse changes in fuel consumption, CO₂ emissions, engine output, maximum torque, and noise emissions.

Following the studies carried out by AUDI AG to check all relevant diesel concepts for possible irregularities and retrofit potential, measures proposed by AUDI AG have been adopted and mandated by the KBA in various recall orders pertaining to vehicle models with V6 and V8 TDI engines. AUDI AG continues to anticipate that the total cost, including recall expenses, of the ongoing largely software-based retrofit program that began in July 2017 will be manageable and has recognized corresponding balance-sheet risk provisions. AUDI AG has in the meantime developed software updates for many of the affected powertrains and, after approval by the KBA, already installed these updates in the vehicles of a large number of affected customers. KBA approval is still expected for the small number of software updates that are still pending.

In connection with the diesel issue, potential consequences for Volkswagen’s results of operations, financial position and net assets could emerge primarily in the following legal areas:

1. Criminal and administrative proceedings worldwide (excluding the USA/Canada)

Criminal investigations, regulatory offense proceedings, and/or administrative proceedings have been commenced in some countries. Criminal investigations into the core factual issues are being conducted by the Offices of the Public Prosecutor in Braunschweig and Munich.

In January 2021, the criminal proceedings regarding alleged market manipulation relating to capital market disclosure obligations in connection with the diesel issue were terminated by the Braunschweig Regional Court provisionally as regards the former Chair of the Board of Management and definitively as regards the corresponding regulatory offense proceeding against Volkswagen AG. The Braunschweig Office of the Public Prosecutor has in the meantime filed a motion with the Braunschweig Regional Court to reopen the proceedings against the former Chair of the Board of Management. A final ruling on this motion is still pending.

In September 2020, the Braunschweig Regional Court allowed the indictment of the same former Chair of the Board of Management of Volkswagen AG to proceed on charges that include fraud in connection with the diesel issue involving type EA 189 engines. The proceedings against this former Chair of the Board of Management of Volkswagen AG have since been severed from the other cases. The trial of the other defendants began in September 2021.

The Braunschweig Office of the Public Prosecutor is continuing its investigations on suspicion of fraud in connection with type EA 288 engines.

In June 2020, the Munich II Regional Court accepted the substantially unchanged indictment of the Munich II Office of the Public Prosecutor, which also names a former Chair of the Board of Management of AUDI AG, and opened the main trial proceedings on charges of, among other things, fraud in connection with the diesel issue involving 3.0 l and 4.2 l TDI engines. Trial proceedings commenced in September 2020.

In August 2020, the Munich II Office of the Public Prosecutor issued a further indictment charging three former members of the Board of Management of AUDI AG and others with, among other things, fraud in connection with the diesel issue involving 3.0 l and 4.2 l TDI engines. The criminal investigation conducted by the Stuttgart Office of the Public Prosecutor against a member of the Board of Management of Dr. Ing. h.c. F. Porsche AG and others on suspicion of fraud and illegal advertising relating to the diesel issue has in the interim been terminated at the end of April 2022, as regards *inter alia* the Board of Management member, against payment of a sum set by the court.

As the type approval authority of proper jurisdiction, the KBA is moreover continuously testing Audi, Volkswagen, and Porsche brand vehicles for problematic functions. If certain functions are deemed impermissible by the KBA, the affected vehicles are recalled pursuant to a recall order or they are brought back into compliance by means of a voluntary service measure.

In judgments rendered in July and November 2022, the European Court of Justice (ECJ) ruled that a so-called thermal window (i.e. a temperature-dependent exhaust gas recirculation) in the range of 15°C and 33°C outside temperature represents a defeat device. In this context, the ECJ has developed a new, unwritten criterion according to which a thermal window, even if it serves to prevent sudden and extraordinary damage, is impermissible if it is active “for most of the year under real driving conditions prevalent in the territory of the European Union.” Volkswagen Group is assessing the effects of this new vehicle engineering criterion. The KBA has commenced formal administrative proceedings relating to certain first generation type EA 896 engines deployed in certain older vehicle models. Volkswagen Group is in discussion with the KBA on this issue.

At the end of February 2023, the Schleswig Administrative Court in a court of first instance judgment upheld a lawsuit brought by *Deutsche Umwelthilfe* (Environmental Action Germany) against the KBA and ordered the KBA to revoke the release notice for the software update for certain older Golf Plus models, insofar as the release notice relates to the thermal window. Volkswagen will review the decision once the written reasoning is available and decide on further measures.

Moreover, additional administrative proceedings relating to the diesel issue are ongoing in other jurisdictions.

The companies of the Volkswagen Group are cooperating with the government authorities.

Risks may furthermore result from possible decisions by the European Court of Justice construing EU type approval provisions.

Whether the criminal and administrative proceedings will ultimately result in fines or other consequences for the Company, and if so what amounts these may entail, is currently subject to estimation risks. According to Volkswagen’s estimates, the likelihood that a sanction will be imposed is 50% or less in the majority of these proceedings. Contingent liabilities have therefore been disclosed where the amount of such liabilities could be measured and the likelihood of a sanction being imposed was assessed at not less than 10%.

2. Product-related lawsuits worldwide (excluding the USA/Canada)

A general possibility exists that customers in the affected markets will file civil lawsuits or that importers and dealers will assert recourse claims against Volkswagen AG and other Volkswagen Group companies. Besides individual lawsuits, various forms of collective actions (i.e. assertion of individual claims by plaintiffs acting jointly or as representatives of a class) are available in various jurisdictions. Furthermore, in a number of markets it is possible for consumer and/or environmental organizations to bring suit to enforce alleged rights to injunctive relief, declaratory judgment, or damages.

Customer class action lawsuits and actions brought by consumer and/or environmental organizations are pending against Volkswagen AG and other Volkswagen Group companies in a number of countries including Belgium, Brazil, England and Wales, France, Germany, Italy, the Netherlands, Portugal, and South Africa. Alleged rights to damages and other relief are asserted in these actions. The pending actions include in particular the following:

In Belgium, the Belgian consumer organization Test Aankoop VZW has filed a class action to which an opt-out mechanism has been held to apply. Given the opt-out rule, the class action potentially covers all vehicles with type EA 189 engines purchased by consumers on the Belgian market after September 1, 2014, unless the right to opt out is actively exercised. The asserted claims are based on purported violations of unfair competition and consumer protection law as well as on alleged breach of contract.

In Brazil, two consumer protection class actions are pending. In the first class action, which pertains to some 17 thousand Amarok vehicles, the Superior Court of Justice in August 2022 rejected in part the appeal filed by Volkswagen do Brasil against the May 2019 judgment at the first appeals level that had initially reduced the damage liability of Volkswagen do Brasil considerably to around BRL172 million. Volkswagen do Brasil has appealed this decision. The judgment therefore remains non-final. The plaintiff in the second class action, which pertains to roughly 67 thousand later generation Amaroks, has appealed the trial court's October 2021 judgment dismissing the complaint.

The financialright GmbH filed consolidated actions before various German courts asserting claims assigned to it by customers in Germany, Slovenia, and Switzerland against Volkswagen Group companies. Following the withdrawal of numerous motions for relief, approximately 33 thousand claims are currently still pending. Some cases have in the meantime moved to the first or second appeals level. In Germany, the *Bundesgerichtshof* (BGH – Federal Court of Justice) rendered a judgment in June 2022 holding, in a case involving the damage claims of Swiss vehicle purchasers, that the assignment of claims to financialright GmbH was valid. The BGH did not address the merits of the claims.

In England and Wales, the roughly 91 thousand claims of the group litigation against the Volkswagen Group were settled out of court in May 2022 for the sum of £193 million as well as a separate amount for the plaintiffs' attorney fees and other costs.

In addition, in late 2021 a new lawsuit was filed in court against Volkswagen AG, Volkswagen Financial Services (UK) Limited, and other Volkswagen Group companies in connection with certain diesel vehicles leased or sold in England, Wales, and Northern Ireland since 2009 and various other diesel engine types.

In France, a class action is pending that was filed by the French consumer organization Confédération de la Consommation, du Logement et du Cadre de Vie (CLCV) against Volkswagen Group Automotive Retail France and Volkswagen AG for up to 1 million French owners and lessees of vehicles with type EA 189 engines. This is an opt-in class action.

In Italy, a trial level judgment in favor of the plaintiffs by the Venice Regional Court in the class action brought by the consumer association Altroconsumo on behalf of Italian customers was announced in July 2021; the judgment requires Volkswagen AG and Volkswagen Group Italia to pay damages to some 63 thousand consumers in an aggregate amount of roughly €185 million. Volkswagen AG and Volkswagen Group Italia have appealed this decision.

In the Netherlands, an opt-out class action is pending that was brought by Stichting Volkswagen Car Claim seeking declaratory rulings for up to 165 thousand customers. A declaratory judgment partially granting the relief sought was issued in July 2021. In the opinion of the court, Volkswagen AG and the other defendant Group companies acted unlawfully with respect to the original engine management software.

The court moreover held that consumers are entitled to a purchase price reduction from the defendant dealerships. No specific payment obligations result from the declaratory judgment. Any individual claims would then have to be established afterwards in separate proceedings. Volkswagen AG and the other defendant Group companies have appealed the decision. Furthermore, an opt-out class action lawsuit brought by the Diesel Emissions Justice Foundation (DEJF) seeking monetary damages on behalf of Dutch consumers is also pending; the action involves vehicles with type EA 189 engines, among others. The court rendered an interlocutory judgment in March 2022 holding the new class action regime – which permits damage awards in addition to declaratory judgment on the existence of claims – to be inapplicable to the instant lawsuit. The interlocutory judgment further finds that the Amsterdam court lacks jurisdiction to hear lawsuits brought by consumers outside the Netherlands. The DEJF appealed this judgment. The court then suspended the trial level proceedings pending a decision by the appellate court.

In Portugal, a Portuguese consumer organization has filed an opt-out class action. The class action potentially affects up to approximately 70 thousand vehicles with type EA 189 engines. The complaint seeks vehicle return and alleges damages as well.

In South Africa, an opt-out class action seeking damages is pending; the action pertains to some 80 thousand vehicles, including vehicles with type EA 189 engines.

Furthermore, individual lawsuits and similar proceedings are pending against Volkswagen AG and other Volkswagen Group companies in various countries; most of these lawsuits are seeking damages or rescission of the purchase contract.

In Germany, roughly 40 thousand individual lawsuits relating to various diesel engine types are currently pending against Volkswagen AG or other Group companies, with the plaintiffs suing for damages or rescission of the contract in most cases.

In 2020, the BGH issued a series of fundamental judgments deciding legal issues of major importance for the litigation still pending with regard to vehicles with type EA 189 engines. The BGH held that buyers who had purchased vehicles prior to public disclosure of the diesel issue could return their vehicles to Volkswagen AG and receive a refund of the purchase price paid, less a deduction for the benefit derived from using the vehicle. However, buyers have no tort-based claim for damages if they purchased their vehicles after the ad hoc announcement of September 22, 2015 or if they raise claims based solely on a temperature-dependent exhaust gas recirculation (so-called thermal window) in the engine. In February 2022, the BGH issued further fundamental judgments concerning vehicles with EA 189 motors affirming that buyers of new vehicles of the Volkswagen brand were entitled to residual damage claims against Volkswagen AG after the knowledge-based limitation period has expired; the BGH had previously held that purchasers of used cars lacked such claims. The BGH held that buyers must return their vehicles in order to claim payment and that such payment was reduced by the benefit derived from using the vehicle and by the dealer profit margin. In an additional fundamental judgment rendered in July 2022 concerning vehicles with EA 189 engines, the BGH held that buyers of new vehicles of other Group brands have no claim for residual damages against Volkswagen AG.

Volkswagen estimates the likelihood that the plaintiffs will prevail to be 50% or less in the great majority of cases: customer class actions, complaints filed by consumer and/or environmental organizations, and individual lawsuits. Contingent liabilities are disclosed for these proceedings where the amount of such liabilities can be measured and the chance that the plaintiff will prevail was assessed as not remote. Given the early stage of the proceedings, it is in some cases not yet possible to quantify the realistic risk exposure. Furthermore, provisions were recognized to the extent necessary based on the current assessment.

At this time, it cannot be estimated how many customers will choose to file lawsuits in the future in addition to those already pending and what prospect of success such lawsuits might have.

3. Lawsuits filed by investors worldwide (excluding the USA/Canada)

Investors from Germany and abroad have filed claims for damages against Volkswagen AG – in some cases along with Porsche Automobil Holding SE (Porsche SE) as joint and several debtors – based on purported losses due to alleged misconduct in capital market communications in connection with the diesel issue.

The vast majority of these investor lawsuits are currently pending before the Braunschweig Regional Court. In August 2016, the Braunschweig Regional Court issued an order referring common questions of law and fact relevant to the investor lawsuits pending before it to the Higher Regional Court in Braunschweig for binding declaratory rulings pursuant to the *Kapitalanleger-Musterverfahrensgesetz* (KapMuG – German Capital Investor Model Declaratory Judgment Act). In this proceeding, common questions of law and fact relevant to these actions are to be adjudicated by the Braunschweig Higher Regional Court in a single consolidated proceeding (model case proceedings). The investor lawsuits pending against Volkswagen AG in Germany are stayed pending resolution of the common issues, unless the cases can be dismissed for reasons independent of the common issues that are to be adjudicated in the model case proceedings. The resolution in the model case proceedings of the common questions of law and fact will be binding for the pending cases that have been stayed as described. The model case plaintiff is Deko Investment GmbH. Oral argument in the model case proceedings before the Braunschweig Higher Regional Court began in September 2018 and is continuing at subsequent hearings. The latest indication from the court was that it may hear witness testimony on certain points.

Further investor lawsuits have been filed with the Stuttgart Regional Court against Volkswagen AG, in some cases along with Porsche SE as joint and several debtor. A further investor action for model declaratory judgment is pending before the Stuttgart Higher Regional Court against Porsche SE; Volkswagen AG is involved in this action as a third party intervening in support of a party to the dispute. The Wolverhampton City Council, Administrating Authority for the West Midlands Metropolitan Authorities Pension Fund, has been appointed model case plaintiff. Oral argument in this case began in July 2021 and continued in subsequent hearings. The court has scheduled a hearing in the spring of 2023 at which it will deliver its decision.

Excluding the United States and Canada and following the withdrawal of various actions, claims in connection with the diesel issue totaling roughly €9.5 billion are currently pending worldwide against Volkswagen AG in the form of investor lawsuits, judicial applications for dunning and conciliation procedures, and claims under the KapMuG. Volkswagen AG remains of the opinion that it duly complied with its capital market obligations. Therefore, no provisions have been recognized for these investor lawsuits. Contingent liabilities have been disclosed where the chance of success was estimated to be not less than 10%.

4. Proceedings in the USA/Canada

In the USA and Canada, the matters described in the EPA's "Notices of Violation" are the subject of various types of lawsuits and requests for information that have been filed against Volkswagen AG and other Volkswagen Group companies, in particular by customers, investors, and various government agencies in Canada and the United States.

In January 2017, Volkswagen entered into a Third Partial Consent Decree with the DOJ and the EPA, which the federal court in the multidistrict litigation approved in April 2017. The Third Partial Consent Decree resolved claims for civil penalties and injunctive relief under the Clean Air Act related to the 2.0l and 3.0l TDI vehicles, and imposed a civil penalty as well as monitoring, auditing, and compliance obligations. In July 2017, the court furthermore approved the Third California Partial Consent Decree, in which Volkswagen agreed with the California Attorney General and CARB to pay civil penalties and cost reimbursements. Subsequently, Volkswagen sought to terminate both consent decrees on the basis that all requirements had been met, and the US and California authorities agreed to the termination, which the court granted in September 2022.

The Texas attorney general and some municipalities continue to pursue actions in state and federal courts against Volkswagen AG, Volkswagen Group of America, Inc., and certain affiliates, alleging violations of environmental laws. In January 2022, the Texas Supreme Court granted the February 2021 petition of the State of Texas for review of the Texas appellate court decision that had dismissed the environmental claims of Texas against Volkswagen AG and AUDI AG for lack of personal jurisdiction.

In November 2021, the US Supreme Court denied petitions by Volkswagen requesting that it review both a decision by the US Court of Appeals for the Ninth Circuit declining to dismiss certain claims brought by Hillsborough County, Florida, and Salt Lake County, Utah, and a decision by the Ohio Supreme Court declining to dismiss certain claims brought by the State of Ohio.

In January 2022, Volkswagen settled environmental claims brought by Ohio.

In March 2019, the US Securities and Exchange Commission (SEC) filed a lawsuit against, among others, Volkswagen AG, Volkswagen Group of America Finance, LLC, and VW Credit, Inc., asserting claims under US federal securities law based, among other things, on alleged misstatements and omissions in connection with the offer and sale of certain bonds and asset-backed securities. In August 2020, the US District Court for the Northern District of California dismissed, among other things, all claims against VW Credit, Inc. relating to asset-backed securities. In September 2020, the SEC filed an amended complaint that, among other things, removed the dismissed claims. The pre-trial discovery phase is still ongoing.

As to private civil law matters, the Superior Court of Quebec approved the settlement of an environmental class action lawsuit seeking punitive damages on behalf of the residents of the Province of Quebec in June 2022; an appeal of that approval on the limited subject of counsel fees has been dismissed in the meantime so that the settlement may now proceed.

In line with IAS 37.92, no statements have been made concerning estimates of financial impact or regarding uncertainty as to the amount or maturity of provisions and contingent liabilities in relation to proceedings in the USA/Canada. This is so as to not compromise the results of the proceedings or the interests of the Company.

5. Special audit

In a November 2017 ruling, the Higher Regional Court of Celle ordered, upon the request of three US funds, the appointment of a special auditor for Volkswagen AG. The special auditor was supposed to examine whether the members of the Board of Management and Supervisory Board of Volkswagen AG breached their duties in connection with the diesel issue from June 22, 2006 onwards and, if so, whether this resulted in damages for Volkswagen AG. Volkswagen AG had filed a constitutional complaint with the German Federal Constitutional Court against this decision, which was originally unappealable as a formal matter. Volkswagen AG also filed a constitutional complaint against the subsequent (and likewise formally unappealable) decision by the Higher Regional Court of Celle to appoint a special auditor other than the one initially appointed. In rulings announced in November 2022, the Federal Constitutional Court found both constitutional complaints to be meritorious and held that the decisions of the Higher Regional Court of Celle violated the constitutional rights of Volkswagen AG in multiple respects. The decisions of the Higher Regional Court were vacated and the case was remanded to this court. Volkswagen AG had in addition previously filed an action before the Braunschweig Regional Court seeking to enjoin the special auditor from performing the audit as long as he had not furnished sufficient proof of his independence.

The Braunschweig Regional Court dismissed the action for injunctive relief in the summer of 2022; Volkswagen AG then appealed this decision to the Braunschweig Higher Regional Court.

A second motion seeking appointment of a special auditor for Volkswagen AG to examine matters relating to the diesel issue was filed with the Regional Court of Hanover. This proceeding was stayed pending the decision by the Federal Constitutional Court in the initial special auditor litigation. No decision whether to resume the proceeding has as yet been issued.

6. Risk assessment regarding the diesel issue

An amount of around €1.4 (2.1) billion has been included in the provisions for litigation and legal risks as of December 31, 2022 to account for the currently known legal risks related to the diesel issue based on the presently available information and the current assessments. Where adequately measurable at this stage, contingent liabilities relating to the diesel issue have been disclosed in the notes in an aggregate amount of €4.2 (4.3) billion, whereby roughly €3.6 (3.6) billion of this amount results from lawsuits filed by investors in Germany. The provisions recognized, the contingent liabilities disclosed, and the other latent legal risks in the context of the diesel issue are in part subject to substantial estimation risks given the complexity of the individual relevant factors, the ongoing coordination with the authorities, and the fact that the fact-finding efforts have not yet been concluded. Should these legal or estimation risks materialize, this could result in further substantial financial charges. In particular, adjustment of the provisions recognized in light of knowledge acquired or events occurring in the future cannot be ruled out.

In line with IAS 37.92, no further statements have been made concerning estimates of financial impact or regarding uncertainty as to the amount or maturity of provisions and contingent liabilities in relation to the diesel issue. This is so as to not compromise the results of the proceedings or the interests of the Company.

Additional important legal cases

In 2011, ARFB Anlegerschutz UG (haftungsbeschränkt) filed a claim for damages against Volkswagen AG and Porsche SE for allegedly violating disclosure requirements under capital market law in connection with the acquisition of ordinary shares in Volkswagen AG by Porsche SE in 2008. The damages being sought based on allegedly assigned rights currently amount to approximately €2.26 billion plus interest. In late September 2022 the 1st Antitrust Chamber of the Higher Regional Court of Celle issued a model case ruling by which all of the plaintiffs' objects of declaratory judgment were either dismissed or declared to be irrelevant. The legal positions of the model case defendants were thus upheld in their entirety. Under the court's decision, Volkswagen AG is not liable because, among other things, the plaintiffs failed to make a sufficient showing that the Board of Management of Volkswagen AG had knowledge of the capital market information that was allegedly incorrect or subject to disclosure. The court further held that, even assuming members of the Supervisory Board to have had knowledge as alleged, such knowledge could not be imputed to the Board of Management. Two appeals alleging error of law in the model case ruling have been received, one of which is also directed against Volkswagen AG.

In Brazil, the Brazilian tax authorities commenced tax proceedings against Volkswagen Truck & Bus (formerly: MAN Latin America); at issue in these proceedings are the tax consequences of the acquisition structure chosen for Volkswagen Truck & Bus in 2009. In December 2017, an adverse administrative appeal ruling was rendered against Volkswagen Truck & Bus. Volkswagen Truck & Bus challenged this ruling before the regular court in 2018. Estimation of the risk in the event the tax authorities prevail on all points is subject to uncertainty because of differences in the amount of penalties and interest that might then apply under Brazilian law. However, a positive outcome for Volkswagen Truck & Bus remains the expectation. Should this not occur, a risk of about BRL3.5 billion could result for the contested period from 2009 onwards; this amount has been included in contingent liabilities in the notes.

In 2011, the European Commission conducted searches at European truck manufacturers for suspected unlawful exchange of information during the period from 1997 to 2011; in November 2014, the Commission issued a statement of objections to MAN, Scania, and the other truck manufacturers concerned. In its settlement decision of July 2016, the European Commission assessed fines against five European truck manufacturers. MAN's fine was waived in full as the company had informed the European Commission about the irregularities as a key witness. In September 2017, the European Commission fined Scania €0.88 billion. In a judgment rendered in February 2022, the European General Court (Court of First Instance) rejected in its entirety the appeal filed by Scania in this connection. Scania appealed this judgment to the European Court of Justice in April 2022. Furthermore, antitrust lawsuits seeking damages have been received from customers. As is the case in any antitrust proceedings, this may result in further lawsuits for damages. No provisions have been recognized or contingent liabilities disclosed for these cases as most of them are still in an early stage and currently cannot be assessed for this reason. In other cases, the chance of a decision by a court of last resort awarding antitrust damages against MAN or Scania currently appears remote.

In July 2021, the European Commission assessed a fine totaling roughly €502 million against Volkswagen AG, AUDI AG, and Dr. Ing. h.c. F. Porsche AG pursuant to a settlement decision. Volkswagen declined to file an appeal, hence the decision became final in 2021. The subject matter scope of the decision is limited to the cooperation of German automobile manufacturers on individual technical questions in connection with the development and introduction of SCR (selective catalytic reduction) systems for passenger cars that were sold in the European Economic Area. The manufacturers are not charged with any other misconduct such as price fixing or allocating markets and customers.

The Korean competition authority KFTC is analyzing potential violations based on the facts of the EU case. The final report of the appointed KFTC case handler was issued in November 2021. Volkswagen, Audi, and Porsche have replied to this report. In February 2023, the KFTC published a press release stating that an administrative fine decision would be issued against four automobile manufacturers in the SCR context. According to the press release, no fine is to be imposed on Volkswagen AG and the decision would not affect Porsche AG. However, an administrative fine decision would be issued against AUDI AG in the SCR matter. The competition authority's final decision and the grounds thereof have not yet been served; service is currently expected in the first half of 2023. The Turkish competition authorities, who investigated similar matters, issued a final decision in January 2022 in which they determined anticompetitive behavior to allegedly exist, but found that it had no effect on Türkiye, for which reason they refrained from imposing fines on the German automakers. Volkswagen, Audi, and Porsche are currently considering whether to file an appeal. Based on comparable matters, the Chinese competition authority has instituted proceedings against Volkswagen, Audi, and Porsche, among others, and issued requests for information.

In connection with the amended antitrust class action, which was initially dismissed with prejudice by the Northern District of California and which alleged that several automobile manufacturers, including Volkswagen AG and other Group companies, had conspired to unlawfully increase vehicle prices in violation of US antitrust and consumer protection law, the Ninth Circuit Court of Appeals in January 2022 denied plaintiffs' motion (filed at the end of 2021) for rehearing on the decision in which the court had

affirmed the judgment of the US District Court. In February 2022, the District Court also denied plaintiffs' motion to set aside its judgment and to be allowed to file a new complaint. In June 2022, the US Supreme Court denied the petition filed by the plaintiffs seeking review of this decision.

Plaintiffs in Canada filed claims with similar allegations on behalf of putative classes of purchasers against several automobile manufacturers, including Volkswagen Group Canada Inc., Audi Canada Inc., and other Volkswagen Group companies. Neither provisions nor contingent liabilities are stated because the early stage of the proceedings makes an assessment of the realistic risk exposure currently impossible.

In March 2022, the European Commission and the Competition and Markets Authority (CMA), the English antitrust authorities, searched the premises of various automotive manufacturers and automotive industry organizations and/or served them with formal requests for information. In the Volkswagen Group, the investigation affects Volkswagen Group UK, which was searched by the CMA, and Volkswagen AG, which has received a Group-wide information request from the European Commission. The investigation relates to European, Japanese, and Korean manufacturers as well as national organizations operating in such countries and the European organization European Automobile Manufacturers' Association (ACEA), which are suspected of having agreed from 2001/2002 to the initiation of the proceedings to avoid paying for the services of recycling companies that dispose of end-of-life vehicles (ELV) (specifically passenger cars and vans up to 3.75 tons). Also alleged is an agreement to refrain from competitive use of ELV issues, that is, not to publicize relevant recycling data (recyclates, recyclability, recovery) for competitive purposes. The violation under investigation is alleged to have taken place in particular in the "ACEA" Working Group Recycling and related sub-groups thereof. Volkswagen AG is responding to the European Commission's information requests. Volkswagen Group UK is cooperating with the CMA. In this matter, CMA has furthermore issued requests for information to Volkswagen AG. In July 2022, Volkswagen AG filed an action for judicial review challenging the CMA's requests for information in particular because Volkswagen AG believes that they exceed the CMA's jurisdiction. In February 2023, the court granted the claim. The court's decision may still be appealed by the CMA. Concurrent therewith, Volkswagen AG continues to examine the possibilities for reasonable cooperation.

In addition, a few national and international authorities have initiated antitrust investigations. Volkswagen is cooperating closely with the responsible authorities in these investigations. An assessment of the underlying situation is not possible at this early stage.

Porsche AG has discovered potential regulatory issues relating to vehicles for various markets worldwide. There are questions as to the permissibility of specific hardware and software components used in type approval measurements. Differences compared with production versions may also have occurred in certain cases. Based on the information presently available, current production is not affected, however. The issues are unrelated to the defeat devices that were at the root of the diesel issue. Porsche AG is cooperating with the relevant authorities including the Stuttgart Office of the Public Prosecutor, which is investigating the matter in Germany. Based on the available information, no formal criminal investigation has been opened against the company, however. Porsche's own internal investigations are still in progress.

In November 2022, the US District Court for the Northern District of California granted final approval of a USD80 million class action settlement resolving claims brought against Volkswagen AG, Dr. Ing. h.c. F. Porsche AG, and Porsche Cars North America, Inc. that certain Porsche gasoline vehicles allegedly used software and/or hardware that resulted in increased emissions and/or overstated fuel economy estimates as compared to the results of certification testing.

The final Profit Sharing Settlement Agreement entered into by Navistar in December 2021 to resolve disputes concerning the calculation of profit sharing amounts for purposes of Navistar's corporate retiree healthcare commitments received final approval from the relevant court in June 2022. In the reporting period, Navistar paid the entire amount of all remaining sums required to fulfill the agreement of about €0.4 billion.

In November 2021, three claimants accompanied by Greenpeace filed a lawsuit against Volkswagen AG before the Braunschweig Regional Court. The action seeks to compel Volkswagen to initially reduce in stages and by 2029 completely cease its production and placement into the stream of commerce of vehicles with internal combustion engines as well as to reduce greenhouse gas emissions from development, production, and marketing (including third party vehicle use). The lawsuit further seeks to compel Volkswagen to exercise influence over Group companies, subsidiaries, and joint ventures so as to cause them to fulfill these demands as well. In February 2023, the Braunschweig Regional Court dismissed the action as unfounded. In addition, another action with similar requests for relief and by and large the same rationale has been filed against Volkswagen AG by an organic farmer with the support of Greenpeace before the Detmold Regional Court. This action was dismissed by the Detmold Regional Court also as unfounded in February 2023.

Provisions were recognized by Volkswagen Bank GmbH and Volkswagen Leasing GmbH for possible claims in connection with financial services provided to consumers. These relate to actions involving certain features of customer loan and leasing agreements that may toll the running of the statutory cancellation time periods.

In September 2022, GTGettaxi Ltd. discontinued the lawsuit it had filed against Volkswagen AG and another defendant, alleging in particular large damage claims. In August 2021, the lawsuit had been dismissed at the trial level on the grounds that the Cypriot courts lacked jurisdiction, but GTGettaxi Ltd. appealed this decision to the Supreme Court, the court of final appeal in Cyprus.

In line with IAS 37.92, no further statements have been made concerning estimates of financial impact or regarding uncertainty as to the amount or maturity of provisions and contingent liabilities in relation to additional important legal cases. This is so as to not compromise the results of the proceedings or the interests of the Company.

Tax risks

Volkswagen AG and its subsidiaries have operations worldwide and are audited by local tax authorities on an ongoing basis. Amendments to tax laws and changes in legal precedent and their interpretation by the tax authorities in the respective countries may lead to tax payments that differ from the estimates made in the financial statements.

Risks arise particularly from tax assessment of the cross-border supply of intragroup goods and services. Through organizational measures, such as the implementation of an advance pricing agreement, as well as the monitoring of transfer prices, Volkswagen constantly monitors the development of tax risks, as well as the impact thereof on the consolidated financial statements.

Tax provisions were recognized for potential future payments of taxes for former years, while other provisions were recognized for ancillary tax payments arising in this connection.

Financial risks

No risks with a score of 20 or more were reported for this risk category in the reporting year.

Strategies for hedging financial risks

In the course of our business activities, financial risks may arise from changes in interest rates, exchange rates, raw material prices, or share and fund prices – but also from unforeseeable events such as the Russia-Ukraine conflict and the Covid-19 pandemic. Management of these financial risks and of liquidity risks is the central responsibility of the Group Treasury department, which reduces these risks using nonderivative and derivative financial instruments. The Board of Management is informed of the current risk situation at regular intervals.

Interest rate risk refers to potential losses that could arise as a result of changes in market interest rates. It occurs because of interest rate mismatches between asset and liability items in a portfolio or on the balance sheet. We hedge interest rate risk – where appropriate in combination with currency risk – and risks arising from fluctuations in the value of financial instruments by means of interest rate swaps, cross-currency interest rate swaps and other interest rate contracts with generally matching amounts and maturities. The principle of matching amounts and maturities applies to financing arrangements within the Volkswagen Group in the Automotive Division. In the Financial Services Division, the risk of changes in the interest rate is managed on the basis of limits using interest rate derivatives as part of the defined risk strategy.

Foreign currency risk is reduced in particular through natural hedging, i.e. by adapting our production capacity at our locations around the world, establishing new production facilities in the most important currency regions and also procuring a large percentage of components locally. We hedge the residual exchange rate risk using hedging instruments. These mainly comprise currency forwards and currency options. We use these transactions to limit the exchange rate risk associated with forecasted cash flows from operating activities, intragroup financing and liquidity positions in currencies other than the respective functional currency, for example as a result of restrictions on capital movements. The currency forwards and currency options can have a term of up to ten years. We use these to hedge our principal foreign currency risks, mostly against the euro and primarily in Australian dollars, Brazilian real, Canadian dollars, Chinese renminbi, Czech koruna, Hong Kong dollars, Hungarian forints, Indian rupees, Japanese yen, Mexican pesos, Norwegian kroner, Polish zloty, pounds sterling, Singapore dollars, South African rand, South Korean won, Swedish kronor, Swiss francs, Taiwan dollars and US dollars.

Recently, existing hedges for the Russian ruble that are in some cases expiring have no longer been replaced by new hedges and have for the most part been closed out through offsetting transactions.

The hedging of commodity prices entails risks relating to the availability of raw materials and price trends. Particularly against the backdrop of the Russia-Ukraine conflict, we continuously analyze potential risks arising from changes in commodity and energy prices in the market so that immediate action can be taken whenever these arise. We limit these risks particularly by entering into forward transactions and swaps. We have used appropriate contracts to hedge some of our requirements for commodities such as aluminum, coal, copper and lead over a period of up to six years. We have also entered into price hedges for cobalt and coal with maximum terms of less than three years. In the case of nickel, the strategic hedging horizon is up to ten years, although existing hedges focus particularly on the next six years. Appropriate contracts have also been put in place to hedge electricity and gas prices and ensure availability.

The precious metals platinum, palladium and rhodium have shorter hedging periods, generally amounting to a maximum of up to three years. For selected commodities, this may also involve increases in physical inventories. We have also entered into transactions in order to supplement and improve allocations of CO₂ emission certificates as part of the European Union Emissions Trading System (EU ETS).

Special funds, in which we invest surplus liquidity, entail equity price risks and fund price risks in particular. We reduce these risks through the diversified investment of funds and through minimum values set out in the respective investment guidelines. In addition, exchange rates are hedged when market conditions are appropriate.

In the notes to the consolidated financial statements we explain our hedging policy, the hedging rules and the default and liquidity risks, and quantify the hedging transactions mentioned. We also disclose information on market risk within the meaning of IFRS 7 in the same section.

Risks arising from financial instruments

Channeling excess liquidity into investments and entering into derivatives contracts gives rise to counterparty risk. Partial or complete failure by a counterparty to perform its obligation to pay interest and repay principal, for example, would have a negative impact on the Volkswagen Group's earnings and liquidity. We counter this risk through our counterparty risk management, which we describe in more detail in the section entitled "Principles and Goals of Financial Management" in the "Results of Operations, Financial Position and Net Assets" chapter. The financial instruments held for hedging purposes give rise to both counterparty risks and balance sheet risks, which we limit using hedge accounting.

By diversifying when selecting business partners, we work to limit the impact of a default and keep the Volkswagen Group solvent at all times, even in the event of a default by individual counterparties.

The use of financial instruments may result in losses if the hedging exchange rates are less favorable than the rates achievable on the market at the maturity of the financial instrument.

Risks arising from trade receivables and from financial services are explained in more detail in the notes to the consolidated financial statements.

Liquidity risk

Volkswagen is reliant on its ability to adequately cover its financing needs. There is a potential liquidity risk that we will be unable to cover existing capital requirements by raising funds or unable to finance the Group on reasonable terms, which in turn can have a substantially negative impact on Volkswagen's business position, assets, financial position and earnings.

In principle, the Automotive Division and Financial Services Division refinance themselves independently of one another. However, they are subject to very similar refinancing risks. In the Automotive Division, the Company's solvency is primarily safeguarded through retained, non-distributed earnings, by drawing down on credit lines and by issuing financial instruments on the money and capital markets. The capital requirements of the financial services business are covered mainly by raising funds in the national and international financial markets, as well as through customer deposits from the direct banking business.

One of the ways in which Volkswagen finances its projects is with loans provided by national development banks such as *Kreditanstalt für Wiederaufbau* (KfW) or Banco Nacional de Desenvolvimento Econômico e Social (BNDES), or by supranational development banks.

In addition to confirmed credit lines, unconfirmed lines of credit from commercial banks supplement our broadly diversified refinancing structure.

Financing opportunities can be hindered by worsening financial and general market conditions – also as a consequence of the Russia-Ukraine conflict and the Covid-19 pandemic –, a worsening credit profile and outlook or a downgrade or withdrawal of the credit rating. The increasing relevance of ESG ratings to investors is also of growing significance in this context. In such cases, there is a risk of a fall in demand from market participants for securities issued by Volkswagen, which may additionally have a detrimental effect on the interest rates payable and restrict access to the capital market.

Risks and opportunities in the financial services business

While carrying out our financial services activities, we are primarily exposed to residual value risks and credit risks.

A residual value risk arises when the expected fair value for the disposal of the lease or finance asset may be lower than the residual value set at contract conclusion. However, there is also a possibility that disposal of the asset will generate more income than calculated for the residual value.

Referring to the bearer of residual value risk, a distinction is made between direct and indirect residual value risks. A direct residual value risk means that our financial services companies directly bear this risk (as outlined in the contract). An indirect residual value risk occurs when, based on a residual value guarantee, the residual value risk has passed to a third party, such as a dealer. In such cases, there is an initial counterparty default risk associated with this third party (the residual value guarantor). If the guarantor defaults, the residual value risk passes to our financial services companies.

Management of the residual value risk is based on a defined control cycle, which ensures that risks are fully assessed, monitored, responded to and communicated. This process structure enables us to manage residual risks professionally and also to systematically improve and enhance the way we handle residual value risks.

As part of our risk management efforts, the appropriateness of the risk provision is assessed regularly, as is the residual value risk potential. In the process, we compare the contractually agreed residual values with the obtainable fair values. These are determined utilizing data from external service providers and our own marketing data. We do not take possible gains on residual market values into account when recognizing risk provisions. Based on the resulting potential residual value risk, a variety of measures are initiated in order to limit this risk. With regard to new business, the residual value recommendation must take into account current market circumstances and factors that might have an influence in future.

Credit risk describes the risk of losses due to defaults in customer transactions, specifically by the borrower or lessee. Default occurs when the borrower or lessee is unable or unwilling to make the payments due. This includes late or partial payment of interest and principal on the part of the contracting party.

Credit checks on borrowers are the primary basis for lending decisions. Rating and scoring systems are used to provide an objective decision-making basis for granting loans and leases and for recognizing risk provisions.

An opportunity may arise if the losses from the lending and leasing business are lower than the previously calculated expected losses and the risk provision recognized on this basis. Particularly in those countries in which we take a conservative approach to risk due to the uncertain economic situation, the realized losses may be lower than the expected losses if the economy stabilizes and borrowers' credit ratings improve as a result.

Risks are managed and monitored within the framework of corresponding processes relating to economic circumstances and collateral, adherence to limits, contractual obligations, and conditions stipulated both by outside parties and the company itself. As such, commitments are managed according to the degree of risk involved (standard, intensified and problem loan management).

More information on risks in the financial services business can be found in the 2022 annual reports of Volkswagen Financial Services AG and Volkswagen Bank GmbH.

Opportunities and risks from mergers & acquisitions and/or other strategic partnerships/investments

No risks with a score of 20 or more were reported for this risk category in the reporting year.

Opportunities and risks from partnerships

As part of our NEW AUTO strategy, we are stepping up our efforts to forge partnerships, both for the transformation of our core business and for the establishment of the new mobility solutions business.

In the field of battery cells, risks could arise from potential disagreement with our partners, possible delays in battery cell development or delayed battery cell production.

Close interaction with partners in the field of e-mobility in the form of partnerships and joint ventures supports technological change. Examples include the development of a comprehensive charging infrastructure. This cooperation involves risks such as an increased coordination workload, more complex decision-making processes and the loss of expertise. At the same time, opportunities are presented by the pooling of specialist knowledge, by horizontal and vertical integration and by better use of resources. Volkswagen has therefore created various teams in Group Components to closely support all such partnerships.

The marketing of the Modular Electric Drive Toolkit to third parties, for example as part of the strategic alliance with Ford, could result in damage claims in the event of problems with procurement, production and quality.

We are concentrating to a greater extent on partnerships, acquisitions and venture capital investments. In doing so, we are generating maximum value for the Group and its brands and are able to expand our expertise, particularly in new areas of business. Our innovative presence in the markets supports this process. By entering into partnerships at a local level, we aim to identify regional customer needs more precisely, establish competitive cost structures and thus develop and offer market-driven products. At the same time, partnerships bear the risk that the interests of business partners differ from our own or that common goals cannot be reached.

Volkswagen owns a large number of patents and other industrial property rights and copyrights. Patent and licensing infringements may also arise in partnerships and thus result in the unauthorized disclosure of company-specific expertise. Volkswagen monitors the sales markets and also protects its expertise with legal action.

Risks arising from the recoverability of goodwill or brand names and from equity investments

For the goodwill recognized in the financial statements and for brand names, as well as for equity investments, there is a risk that the carrying amount of goodwill may be higher than the recoverable amount and that an extraordinary impairment loss must therefore be recognized. Volkswagen tests at least once a year on the basis of underlying cash-generating units, whether the value of the goodwill or the brand names could have been impaired. We also regularly test the equity investments for impairment. The possible consequences of climate change and future regulatory requirements, especially where associated with the transformation of our business towards e-mobility, and the potential effects of these, are taken into account in our medium-term planning and thus in the calculation of future cash flows, including in impairment tests. If there are objective indications that the recoverable amount of the asset concerned is lower than the carrying amount, Volkswagen recognizes this as a non-cash impairment. An impairment can be caused, for example, by an increase in interest rates or deteriorating business prospects.

Risks from the disposal of equity investments

An unexpected need for funding may lead to a situation in which assets have to be sold for a lower amount not equivalent to their value.

OVERALL ASSESSMENT OF THE RISK AND OPPORTUNITY POSITION

The Volkswagen Group's overall risk and opportunity position results from the specific risks and opportunities shown above. We have established a comprehensive risk management system to ensure that these risks are controlled. The most significant risks to the Volkswagen Group across all risk categories arise from a negative trend in markets and unit sales, with regard to quality and cyber security, and from an inability to develop products in line with demand and requirements, especially in view of e-mobility and digitalization. The Volkswagen Group continues to be exposed to risks from the diesel issue. In 2023, an adverse effect may result from the continued limited availability of parts, energy and other raw materials, as well as from geopolitical tensions and conflicts, including from the Russia-Ukraine conflict. Taking into account all the information known to us at present, no risks exist which could pose a threat to the continued existence of significant Group companies or the Volkswagen Group.

This annual report contains forward-looking statements on the business development of the Volkswagen Group. These statements are based on assumptions relating to the development of the economic, political and legal environment in individual countries, economic regions and markets, and in particular for the automotive industry, which we have made on the basis of the information available to us and which we consider to be realistic at the time of going to press. The estimates given entail a degree of risk, and actual developments may differ from those forecast. Any changes in significant parameters relating to our key sales markets, or any significant shifts in exchange rates, energy and other commodities or the supply of parts relevant to the Volkswagen Group, or deviations in the actual effects of the Covid-19 pandemic from the scenario presented in this report will have a corresponding effect on the development of our business. In addition, there may be departures from our expected business development if the assessments of the factors influencing sustainable value enhancement and of risks and opportunities presented in this annual report develop in a way other than we are currently expecting, or if additional risks and opportunities or other factors emerge that affect the development of our business.

Prospects for 2023

Our planning is based on the assumption that global economic output will grow overall in 2023 albeit at a slower pace. The persistently high inflation in many regions and the resulting restrictive monetary policy measures taken by central banks are expected to increasingly dampen consumer spending. We continue to believe that risks will arise from protectionist tendencies, turbulence in the financial markets and structural deficits in individual countries. In addition, continuing geopolitical tensions and conflicts are weighing on growth prospects; risks continue to be associated with the Russia-Ukraine conflict. Furthermore, it cannot be ruled out that risks may also arise if new variants of the SARS-CoV-2 virus occur, particularly with regard to regional outbreaks and the measures associated with these. We assume that both the advanced economies and the emerging markets will show positive momentum on average, but with below-average growth in gross domestic product (GDP).

The trend in the automotive industry closely follows global economic developments. We assume that competition in the international automotive markets will intensify further. Uncertainty may arise from the continued shortage of intermediates and commodities. This may be further exacerbated by the fallout from the Russia-Ukraine conflict and, in particular, lead to rising prices and a declining availability of energy.

We predict that trends in the markets for passenger cars in the individual regions will be mixed in 2023. Overall, the global volume of new car sales is expected to be noticeably higher than in the previous year. For 2023, we anticipate that the volume of new passenger car registrations in Western Europe will be significantly above that recorded in the reporting period. In the German passenger car market, we predict a noticeable increase in the volume of new registrations in 2023 compared with the previous year. Sales of passenger cars in 2023 are expected to significantly exceed the prior-year figures in markets in Central and Eastern Europe – subject to the further development of the Russia-Ukraine conflict. The volume of sales in the markets for passenger cars and light commercial vehicles (up to 6.35 tonnes) in North America in 2023 is forecast to be noticeably higher than the level seen the previous year. We anticipate a significant increase overall in new registrations in the South American markets in 2023 compared with the previous year. The passenger car markets in the Asia-Pacific region are expected to be noticeably up on the prior-year level in 2023.

Trends in the markets for light commercial vehicles in the individual regions will also be mixed; on the whole, we expect a noticeable increase in the sales volume for 2023.

For 2023, we expect to see a noticeable upwards trend in new registrations for mid-sized and heavy trucks with a gross weight of more than six tonnes compared with the previous year in the markets that are relevant for the Volkswagen Group, with variations from region to region. A significant increase in overall demand is anticipated for 2023 in the bus markets relevant for the Volkswagen Group, whereby this will vary depending on the region.

We assume that automotive financial services will prove highly important to global vehicle sales in 2023.

We anticipate that, amid challenging market conditions, deliveries to customers of the Volkswagen Group in 2023 will stand at around 9.5 million vehicles. This assumes that the shortages of intermediates and commodities and the bottlenecks in logistics will become less intense.

Challenges will arise in particular from the economic situation, the increasing intensity of competition, volatile commodity, energy and foreign exchange markets, and more stringent emissions-related requirements.

We expect the sales revenue of the Volkswagen Group in 2023 to be 10% to 15% higher than the prior-year figure and the operating return on sales to lie between 7.5% and 8.5%. In the Passenger Cars Business Area, we forecast an increase of around 7% to 13% in sales revenue compared with the previous year, with an operating return on sales of between 8% and 9%. For the Commercial Vehicles Business Area, we anticipate an operating return on sales of 6% to 7% amid a 5% to 15% year-on-year increase in sales revenue. In the Power Engineering Business Area, we expect sales revenue to be slightly above the prior-year figure and operating profit to be in the low triple-digit million euro range. For the Financial Services Division, we forecast a strong increase in sales revenue compared with the prior year and an operating result in the range of €3.5 billion.

In the Automotive Division, we expect the R&D ratio to come in at around 8% in 2023 and the ratio of capex to sales revenue to be around 6.5%. We anticipate a very strong year-on-year increase in net cash flow for 2023. This will particularly include increasing investments for the future and cash outflows from mergers and acquisitions for battery factories, which are a cornerstone of the Volkswagen Group's transformation. Net liquidity in the Automotive Division in 2023 is expected to be between €35 billion and €40 billion; this includes cash inflows and outflows in connection with the IPO of Porsche AG. We anticipate a return on investment (ROI) of between 12% and 15%. Our declared goal remains unchanged, namely to continue with our robust financing and liquidity policy.

Wolfsburg, February 21, 2023
The Board of Management

Responsibility Statement

To the best of our knowledge, and in accordance with the applicable reporting principles, the annual financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of Volkswagen AG, and the management report includes a fair review of the development and performance of the business and the position of the Company, together with a description of the material opportunities and risks associated with the expected development of the Company.

Wolfsburg, 21 February, 2023

Volkswagen Aktiengesellschaft
The Board of Management



Oliver Blume



Arno Antlitz



Ralf Brandstätter



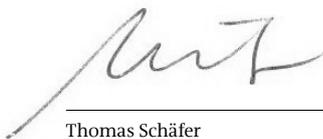
Manfred Döss



Markus Duesmann



Gunnar Kilian



Thomas Schäfer



Thomas Schmall-von Westerholt



Hauke Stars

Report of the Supervisory Board

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

Ladies and gentlemen,

In fiscal year 2022, the work of the Supervisory Board of Volkswagen AG and its committees focused on the Volkswagen Group's strategic direction. This included the IPO of Dr. Ing. h.c. F. Porsche AG and the sale of 25% plus one ordinary share of Dr. Ing. h.c. F. Porsche AG to Porsche Automobil Holding SE. The Supervisory Board regularly deliberated on the Company's position and development in the reporting period. We supervised and supported the Board of Management in its running of the business and advised it on issues relating to the management of the Company, and particularly on sustainability issues, in accordance with our duties under the law, the Articles of Association and the rules of procedure. The Supervisory Board was directly involved in all decisions of fundamental importance to the Group. Additionally, we discussed strategic considerations with the Board of Management at regular intervals.

The Board of Management complied with its disclosure obligations, which are set out in the information policy adopted by the Supervisory Board in 2018. The Board of Management provided us with information regularly, promptly and comprehensively both in writing and orally, particularly on all matters of relevance to the Company relating to its strategy, business development and the Company's planning and position. This also included the risk situation and risk management. In this respect, the Board of Management also informed the Supervisory Board of further improvements to the internal control system and the risk and compliance management systems. In addition, the Supervisory Board received information about compliance and other topical issues from the Board of Management on an ongoing basis. We received the documents relevant to our decisions in good time for our meetings. At regular intervals, we also received a detailed report from the Board of Management on the current business position and the forecast for the current year. Any deviations in performance from the plans and targets previously drawn up were explained in detail by the Board of Management, either in person or in writing. Together with the Board of Management we analyzed the reasons for the deviations and determined corresponding countermeasures. In particular, the Board of Management reported in detail and in a timely manner on the impacts related to the Russia-Ukraine conflict and explained the measures that had been taken.

In addition, the Chair of the Supervisory Board consulted with the Chair of the Board of Management at regular intervals between meetings to discuss important current issues. These included the Group's strategy and planning, its business development, and the risk situation and risk management, including integrity and compliance issues in the Volkswagen Group. Within reason, the Chair of the Supervisory Board discusses Supervisory Board-specific topics with investors and, in consultation with the Board of Management, may also discuss non-Supervisory Board-specific topics. Governance issues were one focus of the discussions. The Chair of the Supervisory Board informed the Supervisory Board of such discussions after they had taken place.

The Supervisory Board held a total of 16 meetings in fiscal year 2022. Eight of the meetings were held face to face and eight as video or conference calls. In four meetings, the Supervisory Board solely discussed the IPO of Dr. Ing. h.c. F. Porsche AG and the sale of 25% plus one ordinary share of Dr. Ing. h.c. F. Porsche AG to Porsche Automobil Holding SE. The Supervisory Board members who had indicated that they had a possible conflict of interest in this regard did not participate in these meetings. On this basis, the attendance rate (calculated for all meetings held during the fiscal year under review and for all Supervisory Board members in office) was 85.0%. Supervisory Board members who did not attend a meeting for reasons other than a possible conflict of interests were able to engage with the meeting topics using the preparatory documents and could participate in the resolutions by means of a written vote. Particularly urgent matters were decided in writing or using electronic means of communication.

COMMITTEE ACTIVITIES

In order to discharge the duties entrusted to it, the Supervisory Board has established four committees: the Executive Committee, the Nomination Committee, the Mediation Committee established in accordance with section 27(3) of the *Mitbestimmungsgesetz* (MitbestG – German Codetermination Act) and the Audit Committee. The Executive Committee is comprised of four shareholder representatives and four employee representatives. The shareholder representatives on the Executive Committee make up the Nomination Committee. The Mediation Committee is comprised of two shareholder representatives and two employee representatives, as was the Audit Committee until July 31, 2022. Since then, the Audit Committee has been comprised of three shareholder representatives and three employee representatives. The members of these committees as of December 31, 2022 are stated in the Group Corporate Governance Declaration.

The Executive Committee met 38 times in the reporting period. Sixteen of the meetings were held face to face and 22 as video or conference calls. In 22 meetings, the Executive Committee solely discussed the IPO of Dr. Ing. h.c. F. Porsche AG and the sale of 25% plus one ordinary share of Dr. Ing. h.c. F. Porsche AG to Porsche Automobil Holding SE. At its other meetings, the Executive Committee meticulously prepared the resolutions of the Supervisory Board, discussed the allocation of responsibilities, size and composition of the Board of Management and took decisions on matters such as contractual issues concerning the Board of Management other than remuneration, and consent to ancillary activities by members of the Board of Management.

The Nomination Committee is responsible for proposing suitable candidates for the Supervisory Board to recommend for election to the Annual General Meeting. In doing so, it takes into account the targets set by the Supervisory Board for its composition, and the diversity concept for the composition of the Supervisory Board, and strives to fill the profile of skills and expertise prepared for the full Board. The Nomination Committee also particularly makes sure that there are no gaps in the skills and expertise of the full Board (Skill Gaps Assessment). No meetings of this committee took place in 2022.

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

The Audit Committee held four meetings in 2022. All four of the meetings were held face to face; none were held as video or conference calls. It focused on the annual and consolidated financial statements, the Risk Management System including the effectiveness of the Internal Control System and the Internal Audit System, and the work performed by the Company's Compliance organization. In addition, the Audit Committee concerned itself with the Volkswagen Group's quarterly reports and the half-yearly financial report, as well as with current issues, the supervision of financial reporting and the financial reporting process, and the examination thereof by the auditors. The Audit Committee regularly evaluates the quality of the audit. In consultation with the auditors, it discusses the assessment of audit risk, the audit strategy and audit planning and the results of the audit.



Hans Dieter Pötsch

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

In connection with their seat on the Supervisory Board, members of the Supervisory Board receive support from the Company upon induction as well as with respect to education and training; the Company particularly supports the organization of seminars and bears the costs thereof. In the reporting year, for example, the Supervisory Board members received training on compliance and integrity, on new environmental, social and governance (ESG) developments and requirements, and on the EU Taxonomy. Supervisory Board members appointed for the first time are also provided with a detailed introduction to topics that apply specifically to the Supervisory Board of Volkswagen AG.

TOPICS DISCUSSED BY THE SUPERVISORY BOARD

The first Supervisory Board meeting in the reporting year took place on February 24, 2022 and discussed plans for the IPO of Dr. Ing. h.c. F. Porsche AG and the sale of 25% plus one ordinary share of Dr. Ing. h.c. F. Porsche AG to Porsche Automobil Holding SE.

The next meeting of the Supervisory Board took place on March 4, 2022. Alongside the development and manufacture of a forward-looking electric vehicle from the Volkswagen Passenger Cars brand, the meeting's agenda primarily comprised formal topics.

The Supervisory Board convened for another meeting on March 11, 2022. Following a detailed examination, we approved the consolidated financial statements and the annual financial statements of Volkswagen AG for 2021 prepared by the Board of Management. We examined the combined management report, the combined separate nonfinancial report for 2021 and the precautionary Report by the Board of Management on Relationships of Volkswagen AG with Affiliated Companies in accordance with section

312 of the AktG (dependent company report). Upon completion of our examination of the dependent company report, we came to the conclusion that there were no objections to be raised to the concluding declaration by the Board of Management in the dependent company report. The other items on the agenda included the issue of the audit engagement for the 2022 annual and consolidated financial statements as well as the engagement for the review of the condensed consolidated interim financial statements and interim management reports for 2022, the engagement for the external audit of the content of the combined separate nonfinancial report for 2022 and of the remuneration report for 2022, and the agenda for and convening of the 62nd Annual General Meeting of Volkswagen AG.

At the next Supervisory Board meeting on April 7, 2022, the focus was on the composition of the Board of Management of Volkswagen AG and Audi's possible entry into the Formula 1 race series.

On May 11, 2022, the Supervisory Board held a meeting that, alongside the plans for the manufacture of all-electric models for the US market under the Scout brand, particularly discussed the IPO of Dr. Ing. h.c. F. Porsche AG and the sale of 25% plus one ordinary share of Dr. Ing. h.c. F. Porsche AG to Porsche Automobil Holding SE, the composition of the Board of Management and Supervisory Board of Volkswagen AG, and preparations for the 62nd Annual General Meeting of Volkswagen AG.

The next meeting of the Supervisory Board took place following the Annual General Meeting of Volkswagen AG on May 12, 2022; we discussed the composition of the Supervisory Board of Volkswagen AG and analyzed the Annual General Meeting.

At the Supervisory Board meeting on July 8, 2022, we discussed, among other things, the composition of the Board of Management of Volkswagen AG and the plans relating to the IPO of Dr. Ing. h.c. F. Porsche AG and the sale of 25% plus one ordinary share of Dr. Ing. h.c. F. Porsche AG to Porsche Automobil Holding SE. We also discussed the raw materials strategy.

The Supervisory Board meeting on July 22, 2022, focused on the composition of the Board of Management of Volkswagen AG. We resolved at this meeting to appoint Dr. Oliver Blume as the Chair of the Board of Management of Volkswagen AG effective September 1, 2022, and agreed with Dr. Herbert Diess that he would step down from this position at the same time.

The Supervisory Board held its next meeting on August 30, 2022, also to discuss the composition of the Board of Management of Volkswagen AG. We discussed changes to Group management and a new allocation of responsibilities on the Board of Management. In this context, the Board of Management was also slimmed down to nine members, and a number of Group Management functions were created as an extension to the board-level management functions.

At the Supervisory Board meetings on September 5, September 18 and September 28, 2022, we discussed the IPO of Dr. Ing. h.c. F. Porsche AG and the sale of 25% plus one ordinary share of Dr. Ing. h.c. F. Porsche AG to Porsche Automobil Holding SE. Among other things, we decided, based on the rules on related-party transactions, to approve the conclusion of the share purchase agreement between Volkswagen AG and Porsche Automobil Holding SE regarding the sale of 25% plus one ordinary share of Dr. Ing. h.c. F. Porsche AG to Porsche Automobil Holding SE.

The meeting of the Supervisory Board on September 30, 2022 focused particularly on strategic issues. Among other things, we discussed the plans of the Board of Management regarding a partnership in China in the field of artificial intelligence and the way forward with regard to the business activities of Scania and MAN in Russia.

On October 13, 2022, the Supervisory Board held a meeting in which we again looked at strategic issues.

At the Supervisory Board meeting on November 11, 2022, we discussed the composition of the Board of Management of Volkswagen AG. We also discussed with the Board of Management the status of the development and production of a forward-looking electric vehicle from the Volkswagen Passenger Cars brand as well as plans for the manufacture of all-electric models for the US market. In addition, we looked at the current status of the Volkswagen Group's investment and financial planning for the period from 2023 to 2027. Together with the Board of Management, we issued the annual declaration of conformity with the German Corporate Governance Code and resolved in this context to update the profile of skills and expertise for the Supervisory Board.

The final Supervisory Board meeting of the reporting year took place on December 15, 2022. At this meeting, we discussed preparations for the Extraordinary General Meeting on December 16, 2022 and redrafted the rules of procedure for the Board of Management.

In the reporting period, we voted in writing on, among other things, supporting the proposal by the shareholder Qatar Holding to elect Mr. Al-Mahmoud to the Supervisory Board, the election of Mr. Al-Mahmoud as Chair of the Audit Committee, HR-related matters, and consent to ancillary activities by members of the Board of Management.

The following table shows the number of meetings of the full Board and the committees as well as the individual participation of the members of the Supervisory Board in 2022:

	Meetings of the full Supervisory Board	Meetings of the Committees
Hans Dieter Pötsch	12 out of 16	16 out of 38
Jörg Hofmann	15 out of 16	38 out of 38
Dr. Hussain Ali Al Abdulla (until May 12, 2022)	5 out of 5	–
Dr. Hessa Sultan Al Jaber	11 out of 16	–
Mansoor Ebrahim Al-Mahmoud (since May 12, 2022)	7 out of 11	1 out of 1
Dr. Bernd Althusmann (until November 8, 2022)	11 out of 14	–
Harald Buck (since October 4, 2022)	3 out of 3	–
Matías Carnero Sojo	13 out of 16	–
Daniela Cavallo	16 out of 16	40 out of 40
Dr. Hans-Peter Fischer (until May 12, 2022)	5 out of 5	–
Julia Willie Hamburg (since November 8, 2022)	2 out of 2	–
Marianne Heiß	16 out of 16	4 out of 4
Dr. Arno Homburg (since May 12, 2022)	11 out of 11	–
Ulrike Jakob (until May 12, 2022)	5 out of 5	–
Dr. Louise Kiesling (until December 9, 2022)	8 out of 15	–
Simone Mahler (since May 12, 2022)	11 out of 11	–
Peter Mosch	16 out of 16	38 out of 40
Bertina Murkovic (until May 12, 2022)	5 out of 5	15 out of 15
Daniela Nowak (since May 12, 2022)	11 out of 11	–
Dr. Hans Michel Piëch	12 out of 16	16 out of 38
Dr. Ferdinand Oliver Porsche	11 out of 16	4 out of 4
Dr. Wolfgang Porsche	12 out of 16	16 out of 38
Jens Rothe	14 out of 16	23 out of 24
Conny Schönhardt	16 out of 16	4 out of 4
Stephan Weil	14 out of 16	35 out of 38
Werner Weresch (until September 30, 2022)	9 out of 13	–

CONFLICTS OF INTEREST

The Supervisory Board members who are also members of the Piëch or Porsche families or were involved in the transaction in a governing body of Porsche Automobil Holding SE or Dr. Ing. h.c. F. Porsche AG did not participate in the discussions and resolutions of the Supervisory Board regarding the IPO of Dr. Ing. h.c. F. Porsche AG and the sale of 25% plus one ordinary share of Dr. Ing. h.c. F. Porsche AG to Porsche Automobil Holding SE. These Supervisory Board members had already indicated a possible conflict of interest before the Supervisory Board first discussed the plans for and implementation of the IPO and sale of ordinary shares. This was because the financial interests of Porsche Automobil Holding SE and Dr. Ing. h.c. F. Porsche AG, and indirectly those of the Piëch and Porsche families, may potentially have been affected by the matter concerned. This affected Dr. Kiesling, Dr. Piëch, Mr. Pötsch, Dr. Ferdinand Oliver Porsche, Dr. Wolfgang Porsche and Mr. Weresch. Ms. Heiß instead indicated that she would not participate in discussions or resolutions of the Supervisory Board of Porsche Automobil Holding SE, of which she is also a member, where these related to the plans for and implementation of the IPO and sale of ordinary shares. In early September 2022, when Qatar Holding was considering entering into an agreement with Volkswagen AG, Dr. Ing. h.c. F. Porsche AG and Porsche Holding Stuttgart GmbH as a cornerstone investor in relation to the preferred shares in Dr. Ing. h.c. F. Porsche AG, Dr. Al Jaber and Mr. Al-Mahmoud also indicated that they had a possible conflict of interest in connection with the plans for and implementation of the IPO and sale of ordinary shares and did not participate in the further discussions and resolutions of the Supervisory Board regarding the IPO and sale of ordinary shares. This particularly also involved the discussions and resolutions of the Supervisory Board regarding the conclusion of the cornerstone investor agreement with Qatar Holding.

As a precaution, Mr. Pötsch and Ms. Cavallo abstained from the resolutions of the Supervisory Board on September 30, 2022 concerning the way forward with regard to the business activities of Scania and MAN in Russia, which also involved the sale of equity investments by TRATON SE to Volkswagen AG. Mr. Pötsch and Ms. Cavallo are also members of the Supervisory Board of TRATON SE and had already discussed the relevant measures in the TRATON SE Supervisory Board.

No other conflicts of interest were reported or were discernible in the reporting period.

CORPORATE GOVERNANCE AND DECLARATION OF CONFORMITY

The Supervisory Board meeting on November 11, 2022 focused on the implementation of the recommendations and suggestions of the Code in the Volkswagen Group. We discussed the Code's requirements in detail and issued the annual declaration of conformity with the recommendations of the Code in accordance with section 161 of the AktG together with the Board of Management.

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

In 2020, the Audit Committee agreed on a suitable procedure with the Board of Management for ongoing monitoring of the Volkswagen Group's related-party transactions. As part of this process, the Board of Management ensures that related-party transactions are generally at arm's length using the "best price"

principle. In addition, all transactions with the individual related parties are analyzed to determine whether transactions with the same related party cumulatively exceed the relevant threshold of 1.5% of the Volkswagen Group's total fixed and current assets, above which obligations under the rules on related-party transactions apply. In addition, the Procurement organization reports all transactions in which the volume of the contract exceeds the amount of €1 billion; in such cases, it is then checked separately whether the contractual partner is a related party within the meaning of the rules on related-party transactions. The Audit Committee continuously monitors the actions of the Board of Management. To this end, the Audit Committee commissioned Ernst & Young GmbH Wirtschaftsprüfungsgesellschaft (EY), most recently in November 2022, to conduct spot checks of the related parties with whom Volkswagen AG or other Volkswagen Group companies were conducting transactions, the total financial value of which in fiscal year 2022 exceeded the relevant threshold of 1.5% of the Volkswagen Group's total fixed and current assets, above which obligations under the rules on related-party transactions apply. If and to the extent that the economic value of the related-party transactions exceeded the relevant threshold, these transactions were also checked to establish whether they were conducted at arm's length in accordance with proper business practice. On September 5, 2022, based on the rules on related-party transactions, the Supervisory Board approved the conclusion of the share purchase agreement between Volkswagen AG and Porsche Automobil Holding SE for the sale of 25% plus one ordinary share of Dr. Ing. h.c. F. Porsche AG to Porsche Automobil Holding SE. The share purchase agreement was concluded on September 18, 2022 and published in accordance with the rules on related-party transactions. No other disclosures or approval decisions on the part of the Supervisory Board regarding related-party transactions were required in the reporting period.

COMPOSITION OF THE SUPERVISORY BOARD AND BOARD OF MANAGEMENT

In the election of the employee representatives to the Supervisory Board of Volkswagen AG on April 29, 2022 in Wolfsburg, Ms. Simone Mahler, Chair of the Works Council of Volkswagen Financial Services AG in Braunschweig, Ms. Daniela Nowak, Chair of the Works Council of Volkswagen AG in Braunschweig, and Dr. Arno Homburg, Chair of the Board of Management of Volkswagen Management Association were elected as members of the Volkswagen AG Supervisory Board for the first time. They succeed Ms. Ulrike Jakob, Ms. Bertina Murkovic and Dr. Hans-Peter Fischer. The other employee representatives on the Supervisory Board were re-elected. Their term of office began at the close of the Annual General Meeting on May 12, 2022. Following the Annual General Meeting on May 12, 2022, the Supervisory Board of Volkswagen AG re-elected Mr. Hans Dieter Pötsch as the Chair and Mr. Jörg Hofmann as the Deputy Chair of the Supervisory Board.

With effect from the close of the Annual General Meeting on May 12, 2022, the Supervisory Board member Dr. Hussain Ali Al Abdulla stepped down from his post before the end of his term of office. As proposed by the shareholder Qatar Holding, the Annual General Meeting elected Mr. Mansoor Ebrahim Al-Mahmoud as his successor for the remainder of Dr. Al Abdulla's term of office, beginning from the close of the 2022 Annual General Meeting on May 12, 2022.

Mr. Harald Buck, member of the General and Group Works Council of Dr. Ing. h.c. F. Porsche AG, was court-appointed as a member of the Supervisory Board of Volkswagen AG effective from October 4, 2022. He succeeded Mr. Werner Weresch, who had stepped down from his post with effect from the close of September 30, 2022.

Effective from November 8, 2022, the State of Lower Saxony appointed the new Vice Minister President and Minister of Education and Cultural Affairs of Lower Saxony, Ms. Julia Willie Hamburg, to the Volkswagen AG Supervisory Board as Dr. Bernd Althusmann's successor.

Dr. Günther Horvath, Managing Director of Dr. Günther J. Horvath Rechtsanwalt GmbH and self-employed attorney at Dr. Günther J. Horvath Rechtsanwalt GmbH, was court-appointed as a member of the Supervisory Board of Volkswagen AG effective February 28, 2023. He succeeded Dr. Louise Kiesling, who passed away on December 9, 2022.

A new board-level management function – Volkswagen Passenger Cars – was established as of January 1, 2022, and was the responsibility of Mr. Ralf Brandstätter from that same date until June 30, 2022. Moreover, with effect from February 1, 2022, Ms. Hildegard Wortmann took over responsibility for the new Group Sales board-level management function, Dr. Manfred Döss the Integrity and Legal Affairs board-level management function (previously managed by Ms. Hiltrud Dorothea Werner), and Ms. Hauke Stars the IT board-level management function (previously managed on an interim basis by Dr. Arno Antlitz). Effective from July 1, 2022, Mr. Thomas Schäfer took over responsibility for the Volkswagen Passenger Cars function. Mr. Brandstätter, who was previously in this role, became the Board member responsible for China effective from August 1, 2022.

On July 22, 2022, the Supervisory Board of Volkswagen AG appointed Dr. Oliver Blume as the new Chair of the Board of Management of Volkswagen AG effective from September 1, 2022. Dr. Blume combines this role with his position as Chair of the Executive Board of Dr. Ing. h.c. F. Porsche AG. The previous Chair of the Board of Management of Volkswagen AG, Dr. Herbert Diess, left his position as member and Chair of the Board of Management of Volkswagen AG by mutual agreement with effect from the close of August 31, 2022.

As part of changes to Group management, the Board of Management was reduced from twelve to nine members with effect from the close of August 31, 2022. In the course of this change, Ms. Hildegard Wortmann and Mr. Murat Aksel moved from the Board of Management of Volkswagen AG to the Group Management functions newly created as an extension to the board-level management functions.

Our sincere thanks go out to all of the departing members of the Supervisory Board and the Board of Management for their work.

Dr. Louise Kiesling, member of the Supervisory Board of Volkswagen AG, passed away on December 9, 2022 at the age of 65. Dr. Kiesling had been a member of the Supervisory Board since 2015 and showed great personal commitment to the development of our Company during her term of office. We will always honor her memory.

Prof. Dr. Carl H. Hahn, former Chair of the Board of Management and member of the Supervisory Board of Volkswagen AG, passed away on January 14, 2023 at the age of 96. Prof. Dr. Hahn was at the Volkswagen Group from 1954 to 1972 and from 1982 to 1997 and decisively shaped the Company's development during this time. With his always tireless commitment, he played a major part in setting the course for the Volkswagen Group's success. The Company and its staff applaud his achievements with gratitude and respect. We will remember his life and work fondly.

AUDIT OF THE ANNUAL AND CONSOLIDATED FINANCIAL STATEMENTS

In line with our proposal, the Annual General Meeting of Volkswagen AG on May 12, 2022 elected EY as auditors and Group auditors for fiscal year 2022. The auditors confirmed the annual financial statements of Volkswagen AG, the consolidated financial statements of the Volkswagen Group and the combined management report by issuing unqualified audit reports in each case. The Audit Committee had also agreed with the auditor that the auditor would inform the Audit Committee if, while conducting the audit, matters were identified that constituted an inaccuracy in the Declaration on the Code submitted by the Board of Management and Supervisory Board. The auditor did not inform the Audit Committee of any such matters.

The Supervisory Board also commissioned EY to conduct an external limited assurance review of the content of the combined separate nonfinancial report for 2022.

In addition, the auditors analyzed the risk early warning and monitoring system that is integrated into the Risk Management System, concluding that the Board of Management had taken the measures required by section 91(2) of the AktG to ensure early detection of any risks endangering the continued existence of the Company. The Report on Relationships of Volkswagen AG with Affiliated Companies as per section 312 of the AktG (dependent company report) submitted by the Board of Management for the period from January 1 to December 31, 2022 was also audited by the auditors, who issued the following opinion: "In our opinion and in accordance with our statutory audit, we certify that the factual disclosures provided in the report are correct and that the Company's consideration concerning legal transactions referred to in the report was not unduly high."

The members of the Audit Committee and the members of the Supervisory Board were provided with the documentation relating to the annual and consolidated financial statements, including the dependent company report, the documentation relating to the combined management report, and also the audit reports prepared by the auditors and the report from EY on the external audit of the content of the combined separate nonfinancial report for 2022 in good time for their meetings both on March 2, 2023. The auditors reported extensively at both meetings on the material findings of their audit and were available to provide additional information. The Chair of the Audit Committee was also in close contact with the auditors, including between the meetings and during preparation for the Audit Committee meetings, about the progress of the audit and reported to the Audit Committee on this. The Audit Committee consulted regularly with the auditor, including without the Board of Management.

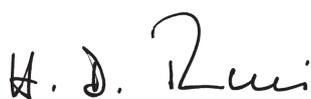
Taking into consideration the audit reports and the discussion with the auditors, and based on its own conclusions, the Audit Committee prepared the documents for the Supervisory Board's examination of the consolidated financial statements, the annual financial statements of Volkswagen AG, the combined

management report, the dependent company report and the combined separate nonfinancial report for 2022, and reported on these at the Supervisory Board meeting on March 3, 2023. Following this, the Audit Committee recommended that the Supervisory Board approve the annual and consolidated financial statements. We examined the documents in depth in the knowledge and on the basis of the report by the Audit Committee and the audit report, as well as in talks and discussions with the auditors. We came to the conclusion that the documents were drawn up in accordance with generally accepted accounting principles and that the assessment of the position of the Company and the Group presented by the Board of Management in the combined management report corresponds to the assessment by the Supervisory Board.

We therefore concurred with the auditors' findings and approved the annual financial statements and the consolidated financial statements prepared by the Board of Management at our meeting on March 3, 2023, which the auditors also attended for the agenda items relating to the annual and consolidated financial statements, the dependent company report and the combined management report. The annual financial statements are thus adopted. Upon completion of our examination of the dependent company report, there are no objections to be raised to the concluding declaration by the Board of Management in the dependent company report. We reviewed the proposal on the appropriation of net profit submitted by the Board of Management, taking into account in particular the interests of the Company and its shareholders, and endorsed the proposal. EY conducted an external audit of the content in the combined separate nonfinancial report for 2022 to attain limited assurance and issued an unqualified report. At our meeting on March 3, 2023, EY also took part in the discussions on the agenda items relating to the combined separate nonfinancial report for 2022. Upon completion of its own independent examination of the combined separate nonfinancial report for 2022, the Supervisory Board did not have any objections. We also resolved that, together with the Board of Management, we would prepare the remuneration report for fiscal year 2022. The Executive Committee prepared the resolution of the Supervisory Board concerning the preparation of the remuneration report. As well as reviewing whether the remuneration report contained all the disclosures required by law, EY went beyond statutory requirements to audit its content and issued an unqualified report.

We would like to offer our thanks and particular appreciation to the Board of Management, the Works Council, the management teams and all the employees of Volkswagen AG and its affiliated companies for their work in 2022. The year 2022 again brought many, in some cases major challenges to overcome – particularly the dramatic and far-reaching implications of the Russia-Ukraine conflict. With hard work and a high level of personal commitment, they all made a decisive contribution to what was a successful 2022 fiscal year for the Volkswagen Group.

Wolfsburg, March 3, 2023



Hans Dieter Pötsch
Chair of the Supervisory Board

Group Corporate Governance Declaration

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

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

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

DECLARATION OF CONFORMITY

(valid as of the date of the declaration)

The Board of Management and the Supervisory Board of Volkswagen AG issued the annual declaration of conformity with the Code as required by section 161 of the *Aktiengesetz* (AktG – German Stock Corporation Act) on November 11, 2022 with the following wording:

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

The recommendations of the Government Commission of the German Corporate Governance Code in the version dated 16 December 2019 (the 2020 Code) that was published by the German Ministry of Justice in the official section of the Federal Gazette (*Bundesanzeiger*) on 20 March 2020 was complied with in the period from the last Declaration of Conformity dated 9 December 2021 until the entry into force of the revised Code in the version dated 28 April 2022 on 27 June 2022, with the exception of the sections and the stated reasons listed below.

- > a) Recommendation B.3 (Duration of first-time appointments to the Management Board)
As it has done in the past, the Supervisory Board will determine the duration of first-time appointments to the Board of Management as it deems fit for each individual case and for the good of the company.
- > b) Recommendation C.5 (Mandate ceiling regarding Board of Management mandate)
The Chair of the Supervisory Board is also Chair of the Supervisory Boards of two listed companies of the VOLKSWAGEN Group, namely VOLKSWAGEN AG and TRATON SE, as well as being on the Supervisory Board of Bertelsmann SE & Co. KGaA. He is also Chair of the Board of Management of Porsche Automobil Holding SE. Porsche Automobil Holding SE is not part of the same group as VOLKSWAGEN AG and TRATON SE within the meaning of German stock corporation law. We are, however, confident that the Chair of the Supervisory Board of VOLKSWAGEN AG has sufficient time at his disposal to fulfil the duties related to his mandates.
- > c) Recommendation C.10 sentence 2 (Independence of the Chair of the Audit Committee)
It is unclear from the wording of this recommendation whether the former Chair of the Audit Committee is independent from the controlling shareholder within the meaning of this recommendation. Such independence could be considered lacking in view of the fact that the former Chair of the Audit Committee, in addition to other members of the Porsche and Piëch families, who are also related to each other, have an indirect interest in Porsche Automobil Holding SE. However, it is our opinion that these relationships did not constitute a conflict of interest nor did they interfere with his duties as the Chair of the Audit Committee. This deviation was therefore declared purely as a precautionary measure.
- > d) Recommendation C.13 (Disclosure regarding election proposals)
The guidelines in the Code are vague and the definitions unclear with regard to this recommendation, according to which certain circumstances shall be disclosed when the Supervisory Board makes election proposals to the General Meeting. Purely as a precautionary measure, we therefore declare a deviation from the Code in this respect. Notwithstanding this, the Supervisory Board will make every effort to satisfy the requirements of the recommendation.
- > e) Recommendation D.4 (Independence of the Chair of the Audit Committee)
We refer to the statements made above pertaining to Recommendation C.10 sentence 2 as rationale. If the former Chair of the Audit Committee was not independent from the controlling shareholder, according to the definition of Recommendation C.6, sentence 2, he was also not independent within the meaning of Recommendation D.4 of the 2020 Code.

The recommendations of the Government Commission of the German Corporate Governance Code in the version dated 28 April 2022 (the 2022 Code), which was published by the German Ministry of Justice in the official section of the Federal Gazette (Bundesanzeiger) on 27 June 2022, had been complied with in the period since the entry into force of this version of the Code and will continue to be complied with, with the exception of the recommendations listed below along with their stated reasons and periods of validity.

- > a) Recommendation B.3 (Duration of first-time appointments to the Management Board)
The reasons for this deviation are listed above in the details under point 1 a).
- > b) Recommendation C.1 sentence 3 (Sustainability in the profile of skills and expertise)
This recommendation is a new addition to the 2022 Code. In accordance with that day's resolution, the Supervisory Board supplemented the profile of skills and expertise in line with Recommendation C.1 of the 2022 Code to include expertise relating to sustainability issues relevant to the company, which meant that this recommendation was now being fulfilled.
- > c) Recommendation C.5 (Mandate ceiling regarding Board of Management mandate)
The reasons for this deviation are listed above in the details under point 1 b). Furthermore, the Chair of the Supervisory Board is also a member of the Supervisory Board of Dr. Ing. h.c. F. Porsche AG, which has also been a listed company since 29 September 2022. Porsche Automobil Holding SE together with Dr. Ing. h.c. F. Porsche AG does not constitute a Group within the meaning of German stock corporation law.
- > d) Recommendation C.10 sentence 2 (Independence of the Chair of the Audit Committee)
The former Chair of the Audit Committee, Dr Ferdinand Oliver Porsche, resigned from his post with effect from the close of 30 July 2022. The Supervisory Board elected Mr. Mansoor Bin Ebrahim Al-Mahmoud to

succeed Dr. Ferdinand Oliver Porsche as Chair of the Audit Committee. The shareholder representatives deem Mr. Al-Mahmoud to be independent within the meaning of the Code both from the company and the Board of Management, as well as from the controlling shareholder. As such, the deviation from this recommendation that had been disclosed as a precautionary measure ceased to apply as of the close of 30 July 2022.

> e) Recommendation C.13 (Disclosure regarding election proposals)

The reasons for this deviation are listed above in the details under point 1 d).

> f) Recommendation G.6 (Predominance of long-term variable remuneration)

On 20 July 2022, Dr. Ing. h.c. F. Porsche AG (Porsche AG) agreed upon a so-called IPO bonus with Dr Oliver Blume in the event of the successful IPO of Porsche AG. Since an IPO of this nature is also in the interest of VOLKSWAGEN AG, we are, as a precaution, treating the IPO bonus agreed upon with Porsche AG as part of Mr. Blume's remuneration at VOLKSWAGEN AG (third-party remuneration arrangement). The Supervisory Board of VOLKSWAGEN AG approved the third-party remuneration arrangement for Dr Blume. The IPO bonus was awarded in the form of virtual shares. These virtual shares are converted into monetary sums in three tranches over periods of one, two, and three years depending on the development of the share price of Porsche AG shares during the relevant time period, and these monetary sums are then paid out to Dr Blume. As a precaution, the Supervisory Board assumes that the first one and two-year tranches of the IPO bonus will be allocated to the short-term variable remuneration of Dr Blume, whilst the last tranche of the IPO bonus will be allocated to the long-term variable remuneration. This means that the total target value of the short-term variable remuneration approved for Dr Blume for the 2022 fiscal year exceeds the target value of the long-term variable remuneration. As a precautionary measure, we therefore declare a deviation from Recommendation G.6 in this respect. Nevertheless, the Board of Management remuneration for Dr Blume on the whole continues to be oriented towards the company's sustainable and long-term development. The Supervisory Board deems the payment of the IPO bonus in three tranches over one, two, and three years to be a purposeful and appropriate incentive for Dr Blume, which is not limited solely to work carried out in preparation for the IPO but which also takes into account how sustained the success of the IPO is.

> g) Recommendation G.7 sentence 1 (Specification of performance criteria)

The performance criteria for the IPO bonus previously described under f) were specified before the point in time at which Dr Blume was assigned particular tasks both in preparation for and following the IPO in connection with the IPO bonus. Nevertheless, as a precautionary measure, we declare a deviation from Recommendation G.7 sentence 1, as it was not possible to specify the performance criteria before the start of the current fiscal year. This deviation is limited to the remuneration for the 2022 fiscal year. This recommendation will therefore be fulfilled once again in the following years.

> h) G.10 sentence 2 (Four-year commitment period)

Dr Blume can have access to the third tranche of the IPO bonus previously described under f) as part of the long-term variable remuneration after three years, and not only after four years. The Supervisory Board deems the payment of the IPO bonus in three tranches over one, two, and three years as described above under f) to be a purposeful and appropriate incentive for Dr Blume.

> i) Recommendation G.13 sentence 1 (Severance cap)

At the end of July 2022, the Supervisory Board of VOLKSWAGEN AG resolved by mutual agreement with Dr Diess to terminate his employment as member and as Chair of the Board of Management with effect from the close of 31 August 2022. According to the agreement reached with Dr Diess, his contract shall continue to run until the end of its regular term, i.e. until the close of 24 October 2025, even following the premature termination of his appointment, provided that Dr Diess does not resign at an earlier date. Dr Diess shall accordingly not receive a severance payment but shall potentially receive his contractual remuneration for a period of more than two years following his departure from the Board of Management. It is not clear to us whether this recommendation refers only to severance payments or also to payments to a retired member of the Board of Management due to a continuing contract of service. As a

precautionary measure, we therefore declare a deviation from Recommendation G.13 sentence 1 in this respect.”

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

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

The suggestions of the Code are complied with.

1 DECLARATION OF CONFORMITY OF VOLKSWAGEN AG
<https://www.volkswagenag.com/en/InvestorRelations/corporate-governance/declaration-of-conformity.html>

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

1 DECLARATION OF CONFORMITY OF TRATON SE
<https://ir.traton.com/websites/traton/English/5000/corporate-governance.html>

BOARD OF MANAGEMENT

The Volkswagen AG Board of Management has sole responsibility for managing the Company in the Company’s best interests, in accordance with the Articles of Association and the rules of procedure for the Board of Management issued by the Supervisory Board.

Accordingly, responsibilities were divided among eleven board-level management functions starting from January 1, 2022. In addition to the Chair of the Board of Management, a function which also included the Volume brand group, the other Board functions were Purchasing, Technology, Finance, Human Resources and Truck & Bus, Integrity and Legal Affairs, Premium, Sport & Luxury, IT, China and Volkswagen Passenger Cars. A new Group Sales function was created with effect from February 1, 2022.

As of September 1, 2022, the Volkswagen Group refined its Group management. The Board of Management was streamlined and the division of responsibilities was reorganized. As a result, the Purchasing and Group Sales Board functions were dissolved. Furthermore, the Volkswagen Passenger Cars function was renamed Volume. Since then, responsibilities have been divided among ten board-level management functions. In addition to the Chair of the Board of Management, the other Board functions are Technology, Finance, Human Resources and Truck & Bus, Integrity and Legal Affairs, Volume, Premium, Sport & Luxury, IT and China. The Chair of the Board of Management is also responsible for Sport & Luxury.

Directly attached to the Board are a number of Group Management functions that act as an extension to the board-level management functions. These comprise Group Sales, Group Production, Procurement and Technical Architecture functions.

Further information on the composition of the Board of Management can be found in the “Members of the Board of Management” section.

Working procedures of the Board of Management

In accordance with Article 6 of the Articles of Association, Volkswagen AG’s Board of Management consists of at least three people, with the precise number determined by the Supervisory Board. As of December 31, 2022, there were nine members of the Board of Management.

The Board of Management generally meets weekly. Its rules of procedure require it to meet at least twice a month. Meetings of the Board of Management are convened by the Chair of the Board of Management. The Chair is required to convene a meeting if requested by any member of the Board of Management. The Chair of the Board of Management chairs the Board of Management meetings. The full Board of Management decides on all matters unless they have been assigned to a single member of the Board of Management by the rules of procedure for the Board of Management or by a resolution of the Board of Management, on matters assigned to the full Board of Management by law or by the Articles of Association,

and on matters of general or fundamental importance. The Board of Management takes decisions after prior debate or – if no other Board of Management member objects – using the written circulation procedure. Resolutions of the Board of Management are adopted by a majority vote. In the event of a tie, the Chair of the Board of Management casts the deciding vote. The Board of Management is quorate if at least half of the members of the Board of Management participate in passing the resolution. Absent members of the Board of Management may participate in passing the resolution orally, in writing or via customary communications media (e.g. by e-mail). Details of the responsibilities of the full Board of Management and of meetings and resolutions of the Board of Management are governed by the rules of procedure for the Board of Management issued by the Supervisory Board and published on Volkswagen AG's website at <https://www.volkswagenag.com/en/InvestorRelations/corporate-governance.html>.

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

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

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

Board of Management committees

Board of Management committees exist at Group level on the following areas: products, technologies, investments, digital transformation, integrity and compliance, risk management, human resources and management issues. Alongside the responsible members of the Board of Management, the relevant central departments and the relevant functions of the divisions are represented on the committees.

Cooperation with the Supervisory Board

The Supervisory Board advises and monitors the Board of Management with regard to the management of the Company. Through the requirement for the Supervisory Board to provide consent, it is directly involved, especially in decisions of fundamental importance to the Company. In addition, the Supervisory Board of Volkswagen AG and the Board of Management regularly discuss factors affecting the strategic orientation of the Volkswagen Group, including the sustainability strategy. The two bodies jointly assess, at regular intervals, the progress made in implementing the corporate strategy. The Board of Management reports to the Supervisory Board regularly, promptly and comprehensively in both written and oral form on all issues of relevance for the Company particularly with regard to strategy, planning, the development of the business, the risk situation, risk management and compliance.

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

The Supervisory Board has set out the Board of Management's obligations to provide detailed information and reports in a comprehensive information policy; the information policy has been published as Annex II to the rules of procedure for the Board of Management on Volkswagen AG's website at <https://www.volkswagenag.com/en/InvestorRelations/corporate-governance.html>. The Board of Management must report conscientiously and faithfully to the Supervisory Board or its committees. With the exception of the immediate reports from the Chair of the Board of Management to the Chair of the Supervisory Board on matters of particular importance, the Board of Management is required to report to the Supervisory Board in writing as a rule. Further information about the information provided to the Supervisory Board by the Board of Management can be found in the Report of the Supervisory Board.

For certain measures, especially transactions of fundamental importance, the Supervisory Board must provide its consent. The documents required for decision-making purposes must be provided to the Supervisory Board members in good time in advance of the meeting.

Diversity concept and succession planning for the Board of Management

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

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

- > Members of the Board of Management should have many years of management experience.
- > Members of the Board of Management should, if possible, have experience based on 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 and engines of any kind as well as other technical products, and experience in the international domain.
- > The Board of Management as a whole should have many years of experience in research and development, production, sales, finance and human resources management, as well as law and compliance.
- > Efforts are made to achieve a higher proportion of women than the statutory minimum.
- > The Board of Management should also have a sufficient mix of ages.

The aim of the diversity concept is for the Board of Management members to embody a range of expertise and perspectives. This diversity promotes a good understanding of Volkswagen AG's organizational and business affairs. Particularly, it enables the members of the Board of Management to be open to new ideas by avoiding groupthink. In this way, it contributes to the successful management of the Company. With regard to the participation of women and men on the Board of Management, a mandatory participation requirement now applies to Volkswagen AG.

In deciding who should be appointed to a specific Board of Management position, the Supervisory Board takes into account the interests of the Company and all the circumstances of the specific case. In taking this decision and in long-term succession planning, the Supervisory Board orients itself on the diversity concept. The Supervisory Board is of the view that the diversity concept is essentially reflected by the current composition of the Board of Management. The members of the Board of Management have many years of professional experience, particularly in an international context, and cover a broad spectrum of educational and professional backgrounds. The Board of Management collectively has excellent technical expertise and many years of collective experience in research and development, production, sales, finance and human resources management, as well as law and compliance. In addition, the Board of Management has a sufficient mix of ages that corresponds to the requirements set by the Supervisory Board. The gender balance meets the legal requirements (see "Disclosures required by the *Führungspositionen-Gesetz*" (Act on Equal Participation of Women and Men in Leadership positions)).

Long-term succession planning within the meaning of Recommendation B.2 of the Code is achieved through regular discussions between the Chair of the Board of Management and the Chair of the Supervisory Board as well as regular discussions in the Executive Committee. The contract terms for existing Board of Management members are discussed, along with potential extensions and potential successors. In particular, the discussions look at what knowledge, experience and professional and personal competencies should be represented on the Board of Management with regard to the corporate strategy and current challenges, and to what extent the current composition of the Board of Management already reflects this. Long-term succession planning is based on the corporate strategy and corporate culture and takes into account the diversity concept determined by the Supervisory Board. In 2022, the Supervisory

Board and Board of Management also worked intensively on long-term succession planning in connection with the restructuring of Group management.

As a rule, members of the Board of Management should be appointed for a term of office ending no later than their 65th birthday. Board of Management members may be appointed to serve beyond their 65th birthday until no later than their 68th birthday, provided this is agreed by a two-thirds majority of the Supervisory Board.

SUPERVISORY BOARD

The Volkswagen AG Supervisory Board performs its role through its members working together. It advises and monitors the Board of Management with regard to the management of the Company and, through the requirement for the Supervisory Board to provide consent, is directly involved in decisions of fundamental importance to the Company.

Information on the composition of the Supervisory Board and the Supervisory Board committees and their chairs as well as on the terms of office of the individual Supervisory Board members can be found in the “Members of the Supervisory Board and Composition of the Committees” section. Further information on the work of the Supervisory Board and the Chair of the Supervisory Board’s discussions with investors can be found in the “Report of the Supervisory Board”.

Overview

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

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

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

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

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

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

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

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

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

Working procedures of the Supervisory Board

As a rule, the Supervisory Board adopts its resolutions in meetings of all its members. It must hold at least two meetings in both the first and second halves of the calendar year. The precise number of meetings and the main topics discussed are outlined in the “Report of the Supervisory Board”. Due to the pandemic, meetings were also held virtually.

The Chair of the Supervisory Board coordinates the work within the Supervisory Board. He represents the interests of the Supervisory Board externally and represents the Company to the Board of Management on behalf of the whole Supervisory Board. Within reason, the Chair of the Supervisory Board discusses Supervisory Board-specific topics with investors and, in consultation with the Board of Management, may also discuss non-Supervisory Board-specific topics. More details can be found in the “Report of the Supervisory Board”.

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

The Supervisory Board meets regularly also without the Board of Management. Each Supervisory Board meeting generally ends in a debate. Board of Management members are not present during this part of the meeting. The Chair of the Supervisory Board convenes and chairs the Supervisory Board meetings. If the Chair is unable to do so, the Deputy Chair performs these tasks. If the auditor is called to a meeting of the Supervisory Board or one of its committees as an expert, members of the Board of Management do not attend such a meeting if the Supervisory Board or the committee does not deem their attendance necessary.

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

In individual cases, the Supervisory Board and its committees may decide to call upon experts and other appropriate individuals to advise on individual matters.

Further details on tasks, meetings, resolutions and working procedures of the Supervisory Board are governed by the rules of procedure for the Supervisory Board issued by the Supervisory Board and published on Volkswagen AG’s website at <https://www.volkswagenag.com/en/InvestorRelations/corporate-governance.html>.

Supervisory Board committees

In order to discharge the duties entrusted to it, the Supervisory Board has established four committees: the Executive Committee, the Nomination Committee, the Mediation Committee established in accordance with section 27(3) of the MitbestG and the Audit Committee. The Executive Committee is currently comprised of four shareholder representatives and four employee representatives. The shareholder repre-

representatives on the Executive Committee make up the Nomination Committee. The Mediation Committee is comprised of two shareholder representatives and two employee representatives, as was the Audit Committee until July 31, 2022. Since then, the Audit Committee has been comprised of three shareholder representatives and three employee representatives.

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

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

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

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

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

Further details on tasks, meetings, resolutions and working procedures of the Supervisory Board committees are governed by the rules of procedure issued by the Supervisory Board for the respective Supervisory Board committees and published on Volkswagen AG's website at <https://www.volkswagenag.com/en/InvestorRelations/corporate-governance.html>.

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

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

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

The Supervisory Board is of the view that the above criteria have been met. Numerous members of the Supervisory Board embody the criterion of internationality to a particularly high degree; various nationalities are represented on the Supervisory Board and numerous members have international professional experience. Several members of the Supervisory Board contribute to the Board's diversity to a particularly high degree, especially Ms. Hessa Sultan Al Jaber, Ms. Daniela Cavallo, Ms. Julia Willie Hamburg, Ms. Marianne Heiß, Mr. Mansoor Ebrahim Al-Mahmoud and Mr. Matías Carnero Sojo. The Supervisory Board comprises members of various generations. Independent Supervisory Board members within the meaning of Recommendation C.6 of the Code currently comprise at least the following: Ms. Hessa Sultan Al Jaber, Ms. Julia Willie Hamburg, Mr. Mansoor Ebrahim Al-Mahmoud and Mr. Stephan Weil.

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

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

- > Mr. Hans Michel Piëch, Mr. Ferdinand Oliver Porsche and Mr. Wolfgang Porsche, together with other family shareholders, are indirectly controlling shareholders of Porsche Automobil Holding SE, which is the largest single shareholder of Volkswagen AG. The management by the Board of Management of Volkswagen AG therefore economically affects the personal assets of Mr. Hans Michel Piëch, Mr. Ferdinand Oliver Porsche and Mr. Wolfgang Porsche.
- > The composition of the Board of Management has changed fundamentally several times during the tenure of Mr. Hans Michel Piëch, Mr. Ferdinand Oliver Porsche and Mr. Wolfgang Porsche. The incumbent Board of Management members have been in office for a maximum of just under five years. There are therefore no indications that Mr. Hans Michel Piëch, Mr. Ferdinand Oliver Porsche and Mr. Wolfgang Porsche would stop behaving in an impartial manner towards incumbent members of the Board of Management as a result of a long period of collaboration. There is also no other evidence of "tunnel vision" on the part of Mr. Hans Michel Piëch, Mr. Ferdinand Oliver Porsche and Mr. Wolfgang Porsche.
- > Mr. Hans Michel Piëch, Mr. Ferdinand Oliver Porsche and Mr. Wolfgang Porsche are not financially dependent on their remuneration as members of the Supervisory Board.

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

The Supervisory Board member Mr. Hans Dieter Pötsch moved directly from the Board of Management to the Supervisory Board upon his appointment by the court in autumn 2015. This move was less than two

years prior to his election as a Supervisory Board member by the subsequent Annual General Meeting in 2016, meaning that one of the indicators of a lack of independence from the Company and Board of Management, set out in C.7 of the Code, applies to Mr. Pötsch. However, considering all the circumstances of the case in hand, the shareholder representatives are of the opinion that Mr. Pötsch is nevertheless independent from the Company and its Board of Management: it is now more than seven years since Mr. Pötsch's move from the Board of Management to the Supervisory Board. Mr. Pötsch has already been elected as a member of the Supervisory Board for a second time by the Annual General Meeting in July 2021. Since his transfer from the Board of Management to the Supervisory Board in October 2015, the composition of the Board of Management has also fundamentally changed.

In addition, the Supervisory Board adopted the following revised profile of skills and expertise for the full Board on November 11, 2022 – the profile of skills previously in force can be found in the Corporate Governance Declaration for fiscal year 2021: to properly perform its supervisory and advisory duties, the Supervisory Board as a whole must collectively have the required expertise, i.e. knowledge, skills and professional experience. For this, the members of the Supervisory Board must collectively be familiar with the sector in which the Company operates – i.e. the automotive industry – and be able to assess the business conducted by the Company. In addition, the Supervisory Board members as a whole must collectively have expertise relating to sustainability issues relevant to the Company.

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

- > in the manufacture and sale of all types of vehicles and engines or other technical products (vehicles – manufacture/sale)
- > in the automotive industry and its transformation, particularly with regard to the topics of e-mobility and mobility services, the business model and the markets, customer needs and product expertise (automotive industry)
- > in the field of research and development, particularly of technologies with relevance for the Company (research/development)
- > in the fields of digitalization and digital transformation, software, artificial intelligence, automation, information technology and security (digitalization/IT)
- > in management positions and supervisory bodies of companies, including holding companies and start-ups, or large organizations (management/supervision)
- > in the fields of law and compliance (law/compliance)
- > in the field of sustainability, particularly with regard to environmental, social and governance aspects (ESG), e.g. in resources, supply chains, energy supply, corporate social responsibility, sustainable technologies and corresponding business models (sustainability/ESG)
- > in finance, accounting and auditing, above all special knowledge and experience of the application of accounting principles and internal control and risk management systems, sustainability reporting, the audit of financial statements and the audit and assurance of sustainability reporting (financial experts) (finance/accounting/auditing)
- > in human resources (particularly the search for and selection of members of the Board of Management and the succession process) and knowledge of incentive and remuneration systems for the Board of Management (human resources)
- > in codetermination, employee matters and the working environment in the Company (employee matters).

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

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

The current composition of the Supervisory Board implements both the diversity concept and the profile of skills and expertise. The qualification matrix below shows the extent to which the profile of skills and expertise has been implemented, and indicates which Supervisory Board member has which skills and expertise.

QUALIFICATION MATRIX¹

	Vehicles – manufacture/ sale	Automotive industry	Research/ development	Digitalization/ IT	Management/ supervision	Law/ compliance	Sustainability/ ESG	Finance/ accounting/ auditing	Human resources	Employee matters
Hessa Sultan Al Jaber	x	x	x	x	x	x		x		
Mansoor Ebrahim Al-Mahmoud		x			x		x	x	x	
Harald Buck	x	x							x	x
Daniela Cavallo		x			x				x	x
Matías Carnero Sojo	x	x			x	x			x	x
Julia Willie Hamburg					x		x			
Marianne Heiß	x	x		x	x	x	x	x	x	
Jörg Hofmann		x			x		x		x	x
Arno Homburg	x	x	x		x	x	x		x	x
Günther Horvath		x			x	x			x	
Simone Mahler		x		x					x	x
Peter Mosch	x				x				x	x
Daniela Nowak	x	x								x
Hans Michel Piëch	x	x			x	x			x	
Ferdinand Oliver Porsche	x	x			x	x		x	x	
Wolfgang Porsche	x	x			x				x	
Hans Dieter Pötsch	x	x			x	x	x	x	x	
Jens Rothe	x	x			x				x	x
Conny Schönhardt	x	x			x	x		x		x
Stephan Weil		x			x	x	x		x	

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

In addition, several Supervisory Board members, including Mr. Mansoor Al-Mahmoud, Ms. Marianne Heiß, Mr. Ferdinand Oliver Porsche and Mr. Hans Dieter Pötsch, have expertise in both financial reporting, including sustainability reporting, and auditing, including the audit and assurance of sustainability reporting.

As the long-standing CEO of the Qatar Investment Authority and its former Head of Risk Management, and from his management roles at a bank and stock exchange, Mr. Al-Mahmoud has gained particular knowledge and experience in the application of accounting principles and internal control and risk management systems as well as in the field of auditing. This knowledge and experience also relate to sustainability reporting and the auditing and assurance thereof: at the Qatar Investment Authority, Mr. Al-Mahmoud has reoriented the investment strategy toward investments with ESG goals and implemented a sustainability agenda, which was also included in the Qatar Investment Authority's sustainability reporting. Mr. Al-Mahmoud therefore also studies companies' sustainability reports in detail with a view to whether they fit the Qatar Investment Authority's sustainability strategy.

Ms. Heiß worked as a CFO for a long time and, prior to that, worked for audit and tax consulting firms for several years; Mr. Ferdinand Oliver Porsche is a long-standing member of audit committees and worked for an audit firm for several years; Mr. Pötsch is a long-standing member and chair of audit committees and worked for many years as CFO of Volkswagen AG and previously as Head of Controlling at BMW AG. As part of their long-standing work in audit committees, Ms. Heiß, Mr. Ferdinand Oliver Porsche and Mr. Pötsch have also been involved in the auditing and assurance of nonfinancial statements, which relate to sustainability in the form of important environmental and social issues. Ms. Heiß and Mr. Pötsch are also involved in sustainability reporting and the auditing and assurance thereof as part of their activities at BBDO Group Germany GmbH and Porsche Automobil Holding SE, respectively. Ms. Heiß is also a member of the ESG-Board of Omnicom Group Inc. and an ESG expert in the Supervisory Board of Porsche Automobil Holding SE. Ms. Heiß, Mr. Al-Mahmoud, Mr. Pötsch and Dr. Ferdinand Oliver Porsche track and monitor the latest developments in the area of sustainability reporting and the auditing thereof and contribute their expertise to Volkswagen AG's Audit Committee.

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

The Nomination Committee and Supervisory Board took into account the diversity concept, specific composition targets and profile of skills and expertise (in their latest valid versions) when supporting the proposal by Qatar Holding Germany GmbH to the Annual General Meeting in fiscal year 2022 for the election of a Supervisory Board member. The composition targets, diversity concept and profile of skills and expertise were also taken into account in the elections for the employee representatives by the employees and in the court appointment of another new Supervisory Board member as an employee representative in fiscal year 2022.

Self-evaluation of the Supervisory Board

On a regular basis every two years, the Supervisory Board internally evaluates how effectively the Board and its committees are performing their tasks. This initially involves distributing a questionnaire to all Supervisory Board members, in which they are able to give their view of the effectiveness of the work of the Supervisory Board and its committees and suggest possible improvements. Following analysis of the questionnaires, the findings and potential improvements are usually discussed at the next regular meeting of the full Board. The most recent internal self-evaluation took place from late 2021 to early 2022.

DISCLOSURES REQUIRED BY THE FÜHRUNGSPPOSITIONEN-GESETZ

The statutory quota of at least 30% women and at least 30% men has applied to new appointments to the Supervisory Board of Volkswagen AG since January 1, 2016 as required by the *Gesetz für die gleichberechtigte Teilhabe von Frauen und Männern an Führungspositionen in der Privatwirtschaft und im öffentlichen Dienst (Führungspositionen-Gesetz, FÜPoG – German Act on the Equal Participation of Women and Men in Leadership Positions in the Private and Public Sectors)*. Shareholder and employee representatives have resolved that each side will meet this quota separately. The shareholder representatives have met the quota of at least 30% women and at least 30% men since the 56th Annual General Meeting on June 22, 2016. The employee representatives have met the quota since the end of the 57th Annual General Meeting on May 10, 2017. Both the shareholder and the employee representatives fulfilled the quota on December 31, 2022.

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 Sector)*, Volkswagen AG is subject to a mandatory participation requirement under which the Board of Management must have at least one woman and at least one man. The participation requirement has applied to the appointment of one or more members of the Board of Management since August 1, 2022. Volkswagen AG complies with this participation requirement.

For the proportion of women in management in accordance with the *Führungspositionen-Gesetz*, Volkswagen AG has set itself the target of 16.5% women in the first level of management and 23.4% women in the second level of management, each as a proportion of the active workforce, to be achieved by the end of 2025. As of December 31, 2022, the proportion of women in the active workforce at the first level of management was 14.2 (13.5)% and at the second level of management it was 19.7 (18.3)%.

REMUNERATION REPORT

The remuneration systems for the members of the Board of Management and Supervisory Board and the Remuneration Report for fiscal year 2022 are available on the website www.volkswagenag.com/en/InvestorRelations/corporate-governance/Remuneration.html. Previous years' remuneration reports can also be found at this address. The remuneration reports contain both extensive explanations and descriptions of the remuneration systems for the members of the Board of Management and Supervisory Board as well as information on and explanations of the individual remuneration of members of the Board of Management and Supervisory Board.

CORPORATE PRACTICES APPLIED IN ADDITION TO STATUTORY REQUIREMENTS

Code of Conduct and Volkswagen Group Essentials

The Volkswagen Group's Code of Conduct is the key instrument for reinforcing employees' awareness of responsible action and decision making. The Group's underlying values and the foundation for its shared corporate culture are defined by the seven Volkswagen Group Essentials: responsibility, honesty, bravery, diversity, pride, solidarity and reliability.

Compliance and risk management

For the Volkswagen Group's lasting success, we use forward-looking risk management and a uniform Group-wide framework based on the compliance management system. This includes:

- > Compliance. Adherence to statutory provisions, internal company policies, ethical principles and our own values in order to protect the Company and its brands.
- > Whistleblower system. The Volkswagen whistleblower system is the central point of contact for reporting potential cases of serious rule-breaking in the Volkswagen Group. It focuses on investigating serious infringements that could cause major damage to the Company's reputation or financial interests or that involve major breaches of the Volkswagen Group's ethical principles.

- > Business and human rights. Volkswagen fully recognizes its corporate responsibility for human rights. We essentially orient ourselves on the UN (United Nations) Guiding Principles on Business and Human Rights that are available on the website of the UN (United Nations Global Compact), the content of which particularly relates to the Universal Declaration of Human Rights and the core conventions of the ILO (International Labor Organization) that can be accessed on the website of the ILO.
- > Anti-Corruption. The Volkswagen Group has a zero-tolerance policy on active or passive corruption. This is anchored in both the Group's internal Code of Conduct and its Code of Conduct for Business Partners.
- > Risk management and internal control system. A comprehensive risk management and internal control system (RMS/ICS) helps the Volkswagen Group deal with risks in a responsible manner. The organizational design of the Volkswagen Group's RMS/ICS is based on the internationally recognized COSO framework for enterprise risk management (COSO: Committee of Sponsoring Organizations of the Treadway Commission) and can be accessed on the COSO website. Uniform Group principles are used as the basis for managing risks in a transparent and appropriate manner.

Voluntary commitments and principles

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

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

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

Code of Collaboration and Together4Integrity

The Code of Collaboration, along with our integrity and compliance program Together4Integrity (T4I), is a central pillar of the NEW AUTO Group strategy. This Code describes how collaboration is to take place within the Group and between individuals in their day-to-day work. Its core values are encapsulated in the terms "genuine", "straightforward", "open-minded", "as equals" and "united". T4I brings together all activities relating to integrity, culture, compliance, risk management and human resources, creating a common path toward a new corporate culture.

MEMBERS OF THE BOARD OF MANAGEMENT

(Appointments: as of December 31, 2022 or the leaving date from the Board of Management of Volkswagen AG)

DR. OLIVER BLUME (*1968)

Chair (since September 1, 2022),
Sport & Luxury brand group,
Chair of the Executive Board of
Dr. Ing. h.c. F. Porsche AG,
April 13, 2018¹, appointed until 2028
Nationality: German

Appointments:

- CARIAD SE, Wolfsburg (Chair)³

MURAT AKSEL (*1972)

Purchasing (until August 31, 2022),
January 1, 2021 to August 31, 2022¹
Nationality: German

Appointments (as of August 31, 2022):

- ⊙ ŠKODA Auto a.s., Mladá Boleslav³
- ⊙ VfL Wolfsburg-Fußball GmbH, Wolfsburg³

DR. ARNO ANTLITZ (*1970)

Finance,
IT (until January 31, 2022),
April 1, 2021¹, appointed until 2027
Nationality: German

Appointments:

- Dr. Ing. h.c. F. Porsche AG, Stuttgart^{3,4}
- PowerCo SE, Salzgitter³
- Volkswagen Financial Services AG, Braunschweig (Chair)³
- ⊙ Porsche Austria GmbH, Salzburg (Deputy Chair)³
- ⊙ Porsche Holding Gesellschaft m.b.H., Salzburg (Deputy Chair)³
- ⊙ Porsche Retail GmbH, Salzburg³
- ⊙ Volkswagen (China) Investment Co., Ltd., Beijing³
- ⊙ Volkswagen Group of America, Inc., Herndon, VA (Chair)³

RALF BRANDSTÄTTER (*1968)

Volkswagen Passenger Cars (until June 30, 2022),
Chair of the Board of Management of the
Volkswagen Passenger Cars brand
(until June 30, 2022),
China (since August 1, 2022),
Chair of the Board of Management of Volkswagen
(China) Investment Co. Ltd. (since August 1, 2022)
January 1, 2022¹, appointed until 2026
Nationality: German

Appointments:

- CARIAD SE, Wolfsburg³
- ⊙ Audi (China) Enterprise Management Co., Ltd., Beijing³
- ⊙ FAW-Volkswagen Automotive Co., Ltd., Changchun (Deputy Chair)²
- ⊙ Mobility Asia Smart Technology Co. Ltd., Beijing³
- ⊙ SAIC Volkswagen Automotive Co., Ltd., Shanghai (Deputy Chair)²
- ⊙ Volkswagen (Anhui) Automotive Co., Ltd., Hefei (Chair)³
- ⊙ Volkswagen (China) Investment Co., Ltd., Beijing (Chair)³

DR.-ING. HERBERT DIESS (*1958)

Chair (until August 31, 2022),
Volume brand group (until August 31, 2022),
China (until July 31, 2022)
July 1, 2015 to August 31, 2022¹
Nationality: Austrian

Appointments (as of August 31, 2022):

- AUDI AG, Ingolstadt (Chair)³
- CARIAD SE, Wolfsburg (Chair)³
- ⊙ FAW-Volkswagen Automotive Co., Ltd., Changchun²
- ⊙ Porsche Austria GmbH, Salzburg (Deputy Chair)³
- ⊙ Porsche Holding Gesellschaft m.b.H., Salzburg (Deputy Chair)³
- ⊙ Porsche Retail GmbH, Salzburg³
- ⊙ SAIC Volkswagen Automotive Co., Ltd., Shanghai (Deputy Chair)²
- ⊙ Volkswagen (China) Investment Co., Ltd., Beijing (Chair)³

DR. JUR. MANFRED DÖSS (*1958)

Integrity and Legal Affairs (since February 1, 2022)
February 1, 2022¹, appointed until 2025
Nationality: German

Appointments:

- AUDI AG, Ingolstadt (Chair)³
- TRATON SE, Munich^{3,4}
- ⊙ Grizzlys Wolfsburg GmbH, Wolfsburg²

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

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

MARKUS DUESMANN (*1969)

Premium brand group,
Chair of the Board of Management of AUDI AG
April 1, 2020¹, appointed until 2025

Nationality: German

Appointments:

- FC Bayern München AG, Munich (Deputy Chair)²
- ⊙ Audi (China) Enterprise Management Co., Ltd., Beijing (Chair)³
- ⊙ Automobili Lamborghini S.p.A., Sant'Agata Bolognese (Chair)³
- Bentley Motors Ltd., Crewe³
- Ducati Motor Holding S.p.A., Bologna³
- ⊙ FAW-Volkswagen Automotive Co., Ltd., Changchun³
- ⊙ SAIC Volkswagen Automotive Co., Ltd., Shanghai³
- ⊙ Volkswagen (China) Investment Co., Ltd., Beijing³

GUNNAR KILIAN (*1975)

Human Resources and Truck & Bus
April 13, 2018¹, appointed until 2026

Nationality: German

Appointments:

- AUDI AG, Ingolstadt³
- MAN Energy Solutions SE, Augsburg (Chair)³
- MAN Truck & Bus SE, Munich³
- PowerCo SE, Salzgitter³
- TRATON SE, Munich^{3,4}
- Volkswagen Group Services GmbH, Wolfsburg (Chair)³
- Wolfsburg AG, Wolfsburg (Chair)²
- ⊙ Allianz für die Region GmbH, Braunschweig²
- ⊙ Autostadt GmbH, Wolfsburg (Chair)³
- ⊙ FAW-Volkswagen Automotive Co., Ltd., Changchun³
- ⊙ Scania AB, Södertälje³
- ⊙ Scania CV AB, Södertälje³
- ⊙ Volkswagen Immobilien GmbH, Wolfsburg (Chair)³

THOMAS SCHÄFER (*1970)

Volume brand group (since September 1, 2022),
Chair of the Board of Management of the
Volkswagen Passenger Cars brand (since July 1, 2022)
July 1, 2022², appointed until 2025

Nationality: German

Appointments:

- ⊙ FAW-Volkswagen Automotive Co., Ltd., Changchun²
- ⊙ SAIC Volkswagen Automotive Co., Ltd., Shanghai²
- ⊙ SEAT, S.A., Martorell (Chair)³
- ⊙ ŠKODA Auto a.s., Mladá Boleslav (Chair)³

THOMAS SCHMALL-VON WESTERHOLT (*1964)

Technology,
Chair of the Board of Management of
Volkswagen Group Components,
January 1, 2021¹, appointed until 2023

Nationality: German, Brazilian

Appointments:

- PowerCo SE, Salzgitter (Chair)³
- Volkswagen Group Services GmbH, Wolfsburg³
- Wolfsburg AG, Wolfsburg²
- ⊙ Brose Sitech Sp. Z o.o., Polkowice²

HAUKE STARS (*1967)

IT (since February 1, 2022)
February 1, 2022¹, appointed until 2025

Nationality: German

Appointments:

- AUDI AG, Ingolstadt³
- CARIAD SE, Wolfsburg³
- Dr. Ing. h.c. F. Porsche AG, Stuttgart^{3,4}
- PowerCo SE, Salzgitter³
- RWE AG, Essen^{2,4}
- ⊙ Kühne + Nagel International AG, Schindellegi^{2,4}

HILTRUD DOROTHEA WERNER (*1966)

Integrity and Legal Affairs (until January 31, 2022)
February 1, 2017 to January 31, 2022¹

Nationality: German

Appointments (as of January 31, 2022):

- AUDI AG, Ingolstadt³
- CARIAD SE, Wolfsburg³
- Dr. Ing. h.c. F. Porsche AG, Stuttgart³
- MAN Energy Solutions SE, Augsburg³
- Mitteldeutsche Flughafen AG, Leipzig (Chair)²

HILDEGARD WORTMANN (*1966)

Sales (until August 31, 2022)
February 1, 2022 to August 31, 2022¹

Nationality: German

Appointments (as of August 31, 2022):

- CARIAD SE, Wolfsburg³
- Volkswagen Financial Services AG, Braunschweig³
- ⊙ Audi (China) Enterprise Management Co., Ltd., Beijing³
- ⊙ Audi of America, LLC, Herndon, VA (Chair)³
- ⊙ FAW-Audi Sales Co., Ltd., Hangzhou³
- ⊙ Ferrovial S.A., Madrid^{2,4}
- ⊙ Porsche Austria Gesellschaft m.b.H., Salzburg³
- ⊙ Porsche Holding Gesellschaft m.b.H., Salzburg³
- ⊙ Porsche Retail GmbH, Salzburg³

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

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

MEMBERS OF THE SUPERVISORY BOARD AND COMPOSITION OF THE COMMITTEES

(Appointments: as of December 31, 2022 or the leaving date from the Supervisory Board of Volkswagen AG or the start date after December 31, 2022)

HANS DIETER PÖTSCH (*1951)

Chair (since October 7, 2015),
Chair of the Board of Management of
Porsche Automobil Holding SE
October 7, 2015¹, elected until 2026
Nationality: Austrian

Appointments:

- AUDI AG, Ingolstadt³
- Bertelsmann Management SE, Gütersloh²
- Bertelsmann SE & Co. KGaA, Gütersloh²
- Dr. Ing. h.c. F. Porsche AG, Stuttgart^{3,4}
- TRATON SE, Munich (Chair)^{3,4}
- Wolfsburg AG, Wolfsburg²
- Autostadt GmbH, Wolfsburg³
- Porsche Austria Gesellschaft m.b.H., Salzburg (Chair)³
- Porsche Holding Gesellschaft m.b.H., Salzburg (Chair)³
- Porsche Retail GmbH, Salzburg (Chair)³
- VfL Wolfsburg-Fußball GmbH, Wolfsburg (Deputy Chair)³

JÖRG HOFMANN (*1955)

Deputy Chair (since November 20, 2015),
First Chair of IG Metall
November 20, 2015¹, appointed until 2027
Nationality: German

Appointments:

- Robert Bosch GmbH, Stuttgart²

DR. HUSSAIN ALI AL ABDULLA (*1957)

Minister of State
April 22, 2010 to May 12, 2022¹
Nationality: Qatari

Appointments (as of May 12, 2022):

- Gulf Investment Corporation, Safat/Kuwait (Board member)²
- Qatar Supreme Council for Economic Affairs and Investment, Doha (Board member)²

DR. HESSA SULTAN AL JABER (*1959)

Former Minister of Information and Communications
Technology, Qatar
June 22, 2016¹, elected until 2024
Nationality: Qatari

Appointments:

- Malomatia, Doha (Chair)²
- MEEZA, Doha²
- Qatar Satellite Company (Es'hailSat), Doha (Chair)²
- Trio Investment, Doha (Chair)²

MANSOOR EBRAHIM AL-MAHMOUD (*1974)

Chief Executive Officer of
Qatar Investment Authority
May 12, 2022¹, elected until 2025
Nationality: Qatari

Appointments:

- Harrods Ltd., London (Board member)²
- Harrods Group (Holding) Ltd., London (Chair)²
- Qatar Airways, Doha (Deputy Chair)²
- Qatar National Bank, Doha (Board member)²
- Qatar Stock Exchange, Doha (Deputy Chair)²
- Qatari Diar Real Estate Investment Company, Doha (Board member)²

DR. BERND ALTHUSMANN (*1966)

Minister of Economic Affairs, Labor, Transport and
Digitalization for the Federal State of Lower Saxony
December 14, 2017 to November 8, 2022¹
Nationality: German

Appointments (as of November 8, 2022):

- Deutsche Messe AG, Hanover (Deputy Chair)²
- Container Terminal Wilhelmshaven JadeWeserPort-Marketing GmbH & Co. KG, Wilhelmshaven (Chair)²
- JadeWeserPort Realisierungs GmbH & Co. KG, Wilhelmshaven (Chair)²
- JadeWeserPort Realisierungs-Beteiligungs-GmbH, Wilhelmshaven (Chair)²
- Niedersachsen Ports GmbH & Co. KG, Oldenburg (Chair)²
- Transformationsagentur Niedersachsen GmbH, Hanover²

HARALD BUCK (*1962)

Chair of the General and Group Works Councils of
Dr. Ing. h.c. F. Porsche AG
October 4, 2022¹, appointed until 2027
Nationality: German

Appointments:

- Dr. Ing. h.c. F. Porsche AG, Stuttgart^{3,4}

MATÍAS CARNERO SOJO (*1968)

Chair of the General Works Council of SEAT
April 1, 2021¹, appointed until 2027
Nationality: Spanish

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

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

DANIELA CAVALLO (*1975)

Chair of the General and Group Works Councils of Volkswagen AG

May 11, 2021¹, appointed until 2027

Nationality: Italian, German

Appointments:

- PowerCo SE, Salzgitter³
- TRATON SE, Munich^{3,4}
- Volkswagen Financial Services AG, Braunschweig (Deputy Chair)³
- Wolfsburg AG, Wolfsburg²
- Allianz für die Region GmbH, Braunschweig²
- Brose Sitech Sp. Z o.o., Polkowice²
- Porsche Holding Gesellschaft m.b.H., Salzburg³
- SEAT, S.A., Martorell³
- ŠKODA Auto a.s., Mladá Boleslav³
- VfL Wolfsburg-Fußball GmbH, Wolfsburg³
- Volkswagen Group Services GmbH³

DR. JUR. HANS-PETER FISCHER (*1959)

Chair of the Board of Management of Volkswagen Management Association e.V.

January 1, 2013 to May 12, 2022¹

Nationality: German

Appointments (as of May 12, 2022):

- Volkswagen Pension Trust e.V., Wolfsburg³

JULIA WILLIE HAMBURG (*1986)

Minister of Education and Cultural Affairs for the Federal State of Lower Saxony

November 8, 2022¹, delegated until 2023

Nationality: German

MARIANNE HEIß (*1972)

Chief Executive Officer of BBDO Group Germany GmbH, Düsseldorf

February 14, 2018¹, elected until 2023

Nationality: Austrian

Appointments:

- AUDI AG, Ingolstadt³
- Porsche Automobil Holding SE, Stuttgart^{2,4}

DR.-ING. ARNO HOMBURG (*1968)

Chair of the Board of Management of Volkswagen Management Association e.V.

May 12, 2022², appointed until 2027

Nationality: German

Appointments:

- Volkswagen Pension Trust e.V., Wolfsburg³

DR. GÜNTHER HORVATH (*1952)

Managing Director of

Dr. Günther J. Horvath Rechtsanwalt GmbH

and self-employed attorney at Dr. Günther J. Horvath Rechtsanwalt GmbH

February 28, 2023¹

Nationality: Austrian

Appointments (as of February 28, 2023):

- Porsche Automobil Holding SE, Stuttgart^{2,4}

ULRIKE JAKOB (*1960)

Deputy Chair of the Works Council of Volkswagen AG

Kassel plant (until May 4, 2022)

May 10, 2017 to May 12, 2022¹

Nationality: German

DR. LOUISE KIESLING (*1957)

Entrepreneur

April 30, 2015 to December 9, 2022¹

Nationality: Austrian

SIMONE MAHLER (*1971)

Chair of the Joint Works Council of

VW Financial Services AG and

Volkswagen Bank GmbH

May 12, 2022², appointed until 2027

Nationality: German

Appointments:

- EURO-Leasing GmbH, Sittensen³
- Volkswagen Financial Services AG, Braunschweig³
- Volkswagen Pension Trust e.V., Wolfsburg³

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

PETER MOSCH (*1972)

Chairman of the General Works Council of AUDI AG

January 18, 2006¹, appointed until 2027

Nationality: German

Appointments:

- AUDI AG, Ingolstadt (Deputy Chair)³
- Audi Pensionskasse – Altersversorgung der AUTO UNION GmbH, VVaG, Ingolstadt³
- CARIAD SE, Wolfsburg (Deputy Chair)³
- Audi Stiftung für Umwelt GmbH, Ingolstadt³

BERTINA MURKOVIC (*1957)

Chair of the Works Council of Volkswagen Commercial Vehicles

May 10, 2017 to May 12, 2022¹

Nationality: German

Appointments (as of May 12, 2022):

- MOIA GmbH, Berlin³

DANIELA NOWAK (*1970)

Chair of the Works Council of Volkswagen AG, Braunschweig plant

May 12, 2022¹, appointed until 2027

Nationality: German

Appointments:

- Volkswagen Pension Trust e.V., Wolfsburg³

DR. JUR. HANS MICHEL PIËCH (*1942)

Lawyer

August 7, 2009¹, elected until 2024

Nationality: Austrian

Appointments:

- AUDI AG, Ingolstadt³
- Dr. Ing. h.c. F. Porsche AG, Stuttgart^{3,4}
- Porsche Automobil Holding SE, Stuttgart (Deputy Chair)^{2,4}
- Porsche Holding Gesellschaft m.b.H., Salzburg³
- Schmittenhöhebahn AG, Zell am See²

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

DR. JUR. FERDINAND OLIVER PORSCHE (*1961)

Member of the Board of Management of Familie Porsche AG Beteiligungsgesellschaft
August 7, 2009¹, elected until 2024

Nationality: Austrian

Appointments:

- AUDI AG, Ingolstadt²
- Dr. Ing. h.c. F. Porsche AG, Stuttgart^{3,4}
- Porsche Automobil Holding SE, Stuttgart^{2,4}
- Porsche Holding Gesellschaft m.b.H., Salzburg³
- Porsche Lifestyle GmbH & Co. KG, Ludwigsburg³

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

Chair of the Supervisory Board of Porsche Automobil Holding SE;
Chair of the Supervisory Board of

Dr. Ing. h.c. F. Porsche AG

April 24, 2008¹, elected until 2023

Nationality: Austrian

Appointments:

- AUDI AG, Ingolstadt³
- Dr. Ing. h.c. F. Porsche AG, Stuttgart (Chair)^{3,4}
- Porsche Automobil Holding SE, Stuttgart (Chair)^{2,4}
- Familie Porsche AG Beteiligungsgesellschaft, Salzburg (Chair)²
- Porsche Holding Gesellschaft m.b.H., Salzburg³
- Schmittenhöhebahn AG, Zell am See²

JENS ROTHE (*1970)

Chair of the General Works Council of Volkswagen Sachsen GmbH

October 22, 2021¹, appointed until 2027

Nationality: German

Appointments:

- Volkswagen Sachsen GmbH, Zwickau (Deputy Chair)³

CONNY SCHÖNHARDT (*1978)

Union Secretary and Head of the Mobility and Vehicle Construction Unit attached to the IG Metall Board

June 21, 2019¹, appointed until: 2027

Nationality: German

Appointments:

- CARIAD SE, Wolfsburg³
- PowerCo SE, Salzgitter³
- Volkswagen Bank GmbH, Braunschweig³

STEPHAN WEIL (*1958)

Minister-President of the Federal State of Lower Saxony

February 19, 2013¹, delegated until 2023

Nationality: German

WERNER WERESCH (*1961)

Member of the Executive Committee of the Works Council of Porsche Automobil Holding SE and Chairman of the General and Group Works Councils of Dr. Ing. h.c. F. Porsche AG

February 21, 2019 to September 30, 2022¹

Nationality: German

COMMITTEES OF THE SUPERVISORY BOARD

AS OF DECEMBER 31, 2022

Members of the Executive Committee

Hans Dieter Pötsch (Chair)
Jörg Hofmann (Deputy Chair)
Daniela Cavallo
Peter Mosch
Dr. Hans Michel Piëch
Dr. Wolfgang Porsche
Jens Rothe
Stephan Weil

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

Hans Dieter Pötsch (Chair)
Jörg Hofmann (Deputy Chair)
Daniela Cavallo
Stephan Weil

Members of the Audit Committee

Mansoor Ebrahim Al-Mahmoud (Chair)
Daniela Cavallo (Deputy Chair)
Marianne Heiß
Dr. Ferdinand Oliver Porsche
Jens Rothe
Conny Schönhardt

Members of the Nomination Committee

Hans Dieter Pötsch (Chair)
Dr. Hans Michel Piëch
Dr. Wolfgang Porsche
Stephan Weil

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

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

Independent Auditor's Report

To VOLKSWAGEN AKTIENGESELLSCHAFT

Report on the audit of the annual financial statements and of the management report

Opinions

We have audited the annual financial statements of VOLKSWAGEN AKTIENGESELLSCHAFT, Wolfsburg, which comprise the balance sheet as at 31 December 2022, and the income statement for the fiscal year from 1 January to 31 December 2022, and notes to the financial statements, including the recognition and measurement policies presented therein. In addition, we have audited the management report of VOLKSWAGEN AKTIENGESELLSCHAFT, which is combined with the group management report, for the fiscal year from 1 January to 31 December 2022. In accordance with the German legal requirements, we have not audited the content of the parts of the management report specified in the appendix and the company information stated therein that is provided outside of the annual report and is referenced in the management report.

In our opinion, on the basis of the knowledge obtained in the audit,

- the accompanying annual financial statements comply, in all material respects, with the requirements of German commercial law applicable to business corporations and give a true and fair view of the assets, liabilities and financial position of the Company as at 31 December 2022 and of its financial performance for the fiscal year from 1 January to 31 December 2022 in compliance with German legally required accounting principles, and
- the accompanying management report as a whole provides an appropriate view of the Company's position. In all material respects, this management report is consistent with the annual financial statements, complies with German legal requirements and appropriately presents the opportunities and risks of future development. We do not express an opinion on the parts of the management report listed in the appendix.

Pursuant to Sec. 322 (3) Sentence 1 HGB, we declare that our audit has not led to any reservations relating to the legal compliance of the annual financial statements and of the management report.

Basis for the opinions

We conducted our audit of the annual financial statements and of the management report in accordance with Sec. 317 HGB and the EU Audit Regulation (No 537/2014, referred to subsequently as "EU Audit Regulation") and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer [Institute of Public Auditors in Germany] (IDW). Our responsibilities under those requirements and principles are further described in the "Auditor's responsibilities for the audit of the annual financial statements and of the management report" section of our auditor's report. We are independent of the Company in accordance with the requirements of European law and German commercial and professional law, and we have fulfilled our other German professional responsibilities in accordance with these requirements. In addition, in accordance with Art. 10 (2) f) of the EU Audit Regulation, we declare that we have not provided non-audit services prohibited under Art. 5 (1) of the EU Audit Regulation. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions on the annual financial statements and on the management report.

Key audit matters in the audit of the annual financial statements

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the annual financial statements for the fiscal year from 1 January to 31 December 2022. These matters were addressed in the context of our audit of the annual financial statements as a whole, and in forming our opinion thereon; we do not provide a separate opinion on these matters.

Below, we describe what we consider to be the key audit matters:

1. ACCOUNTING TREATMENT OF THE RISK PROVISIONS FOR THE DIESEL ISSUE

Reasons why the matter was determined to be a key audit matter

Due to indications of irregularities in connection with exhaust gas emissions from diesel engines in certain vehicles of the Volkswagen Group, regulatory authorities in numerous countries (particularly in Europe, the USA and Canada) commenced investigations in the past few years, some of which are still ongoing.

On the basis of its own findings and those of the authorities, the Volkswagen Group implemented various measures, which differed according to the country in some cases and included hardware and software measures, vehicle buybacks and early termination of leases as well as compensation payments to vehicle owners in some instances. The hardware and software measures had largely been completed as of the reporting date. The risk provisions for the diesel issue mainly include provisions for criminal, administrative and civil proceedings. Furthermore, there are legal risks from other criminal and administrative proceedings as well as civil actions, particularly by customers and holders of securities.

The provisions recognized as of 31 December 2022 are subject to a significant estimation risk in view of the extensive ongoing criminal and administrative investigations and proceedings, the complexity of the different issues, developments in court rulings and market conditions for used diesel vehicles. Whether provisions need to be recognized for the legal risks from the diesel issue, and in what amount, depends to a large extent on the assessments and assumptions made by the executive directors. As described in the notes to the financial statements, the executive directors considered in their assessments in particular the fact that, based on the various measures taken and meanwhile largely concluded to resolve the diesel issue, there is still no confirmation that members of the Board of Management were aware of any deliberate manipulation of the engine control unit software prior to the summer of 2015.

In light of the significance of the risk provisions and the extent of the assumptions and scope for judgment by the executive directors, this matter was a key audit matter.

Auditor's response

To assess the recognition and measurement of the provisions for legal risks arising from the diesel issue, we considered, in particular, work and opinions by experts engaged by the executive directors of the Volkswagen Group in addition to available official notices and court judgments as part of a risk-based selection of significant transactions. Moreover, with the involvement of our own legal and forensic specialists, we held regular meetings with the Legal department and the external lawyers engaged by the executive directors of the Volkswagen Group to obtain oral explanations about the current developments and reasons leading to the assessments of the ongoing proceedings. We compared confirmations received from external lawyers with the risk assessment by the executive directors. We also regularly reviewed publicly available information, such as media reports, to assess the completeness of the provisions.

In addition, we reviewed on a sample basis the input factors (quantity and value) of the provisions for individual matters using statements of claims received, settlement agreements and court judgments. With regard to the valuation, we also compared the current assessments by the executive directors with past experience, where observable. For significant additions to provisions, we examined whether they were due to new matters or to changes in the estimation inputs and obtained corresponding evidence. To analyze significant utilizations of the provisions, we obtained an understanding of the procedural controls implemented and examined a sample to determine whether they were based on settlement agreements or court judgments and whether corresponding payments were made.

Our audit procedures did not lead to any reservations relating to the accounting treatment of the risk provisions for the diesel issue.

Reference to related disclosures

The information presented and the statements made in connection with the diesel issue, including the comments on the underlying causes, on when the members of the Board of Management became aware of the issue and on the effects on the accompanying financial statements are contained in the "Significant events in the fiscal year" section, subsection "Diesel issue" and in the "Accounting policies" section and note 14, "Other operating expenses" in the "Balance Sheet Disclosures" section of the notes to the financial statements and in the "Report on Risks and Opportunities" chapter of the management report, "Legal risks" section, subsection "Diesel issue."

2. COMPLETENESS AND MEASUREMENT OF PROVISIONS FOR WARRANTY OBLIGATIONS

Reasons why the matter was determined to be a key audit matter

Obligations for warranty claims are calculated on the basis of estimated warranty costs and ex gratia arrangements. Where unusual individual technical risks are anticipated, an individual assessment is made whether and, if so, to what extent measures are required to remediate them and provisions need to be recognized.

The amount of provisions for warranty claims is significant overall. Besides the general use of judgment in selecting the valuation methods and assessing the obligations, increasing estimation uncertainty stems from the growing proportion of hybrid and battery electric vehicles entering the market and a lack of experience of their susceptibility to faults. In light of the amount of the provisions and the judgment exercised during valuation, the completeness and measurement of provisions for warranty obligations was a key audit matter.

Auditor's response

With regard to the accounting for the provisions for warranty obligations, we examined the underlying processes for recording previous claims, calculating and valuing the estimated future warranty costs and recognizing the provisions, and tested controls.

In light of the uncertainty in relation to the estimated future warranty costs, we assessed the underlying valuation assumptions, especially the expected claim rate per vehicle and the cost thereof, using analyses of historical data. Where there was a lack of past experience, we obtained an understanding of the assumptions made by the executive directors and tested their plausibility using historical data for comparable items. Using the calculation bases derived from these historical data, we checked the estimated costs for expected claims per vehicle. To assess the completeness of the provisions, we also reconciled the number of sold vehicles used to recognize the provision with the sales volumes. We obtained an understanding of the method used for calculating the provisions, including the discounting, and reperformed the calculations.

For significant individual technical risks, we assessed the expected incidence of technical faults and the calculation of expected costs per claim/vehicle using documentation on previous claims, inspecting resolutions passed by technical committees and holding discussions with the departments responsible.

Our audit procedures did not lead to any reservations relating to the completeness and valuation of provisions for warranty obligations.

Reference to related disclosures

With regard to the recognition and measurement policies applied in accounting for provisions for warranty obligations, refer to the disclosures in the "Accounting policies" section and note 9, "Provisions" in the "Balance Sheet Disclosures" section of the notes to the financial statements.

3. RECOVERABILITY OF SHARES IN AFFILIATED COMPANIES

Reasons why the matter was determined to be a key audit matter

To assess the recoverability of shares in affiliated companies, each year the Company tests on the basis of the affiliated companies' budgets and forecasts whether there are any indications that a recognized share in an affiliated company could be permanently impaired. The result of the impairment testing of the shares in affiliated companies is highly dependent on the executive directors' estimate of future cash flows and which discount rates they use. The fair value of the shares in affiliated companies is calculated using discounted cash flow models.

In addition to the continued effects of the Covid-19 pandemic that are subject to regional variation, in particular production stops due to semiconductor supply shortages and the direct and indirect impact of the Russia-Ukraine conflict affected the cash inflows of VOLKSWAGEN AKTIENGESELLSCHAFT and its affiliated companies in fiscal year 2022 and may also affect the further development of cash inflows. Moreover, there was an increase in the capital market interest rates relevant for determining the discount rates.

The ongoing transformation of the core business toward electromobility and digitalization, the transition to autonomous vehicles and growing environmental regulation lead to uncertainties in the estimation of market shares and margins for electric vehicles and the long-term growth rates. Growth expectations of the executive directors are subject to risk and may be revised in response to changes in environmental regulation and market conditions.

In addition, the executive directors have scope for judgment in determining the discount rates used and the long-term growth rates assumed.

In view of the foregoing, the materiality of the shares in affiliated companies in relation to total assets, the complexity of their valuation and the judgment exercised during valuation, the impairment test of the shares in affiliated companies was a key audit matter.

Auditor's response

During our audit, we involved valuation specialists to test among other things the methods used to test impairment. In particular, we assessed the procedures for identifying indications of impairment likely to be permanent affecting recognized shares in affiliated companies. In this context, we assessed whether the procedures are suitable for providing objective evidence of a lower net realizable value following prolonged impairment and whether these procedures were consistent with those used in the prior year. We also checked the arithmetical accuracy of the valuation models used.

We analyzed the planning process established in the Volkswagen Group, which includes the affiliated companies, as well as the impairment testing process and tested the operating effectiveness of the controls implemented in each process. In this context, we obtained an understanding of the controls implemented by the Company to reconcile the planning by its affiliated companies to the group planning. As a starting point, we compared the Volkswagen Group's five-year operational plan prepared by the executive directors and acknowledged by the Supervisory Board with the forecast figures in the underlying impairment tests.

We discussed the key planning assumptions for affiliated companies selected on the basis of risk and materiality aspects with the executive directors and compared them with past earnings and cash inflows to assess the planning accuracy.

We based plausibility testing of the inputs for the impairment tests among other things on a comparison with general and industry-specific market expectations underlying the expected cash inflows.

We discussed with the executive directors the impact of the Russia-Ukraine conflict, the regional variation in the effects of the Covid-19 pandemic on important sales regions and the semiconductor supply shortages on the development of the cash inflows of the individual relevant affiliated companies and compared them with current market expectations. We also investigated the expectations regarding the development of market shares for, and the cost of, battery electric vehicles, the effects on the planned investments and their indirect effects on the long-term cash inflows expected by the executive directors.

With respect to the rollforward from the medium-term plan to the long-term forecast, we assessed the plausibility of the assumed growth rates by comparing them with observable data. To assess the discount rates and growth rates applied, we analyzed the inputs used to determine them on the basis of publicly available information and obtained an understanding of the methods used.

We also assessed the sensitivity analyses performed by the executive directors in order to estimate any potential impairment risk associated with a reasonably possible change in one of the significant assumptions used in the valuation.

Our procedures did not lead to any reservations relating to the recoverability of shares in affiliated companies.

Reference to related disclosures

With regard to the recognition and measurement policies applied for shares in affiliated companies, refer to the disclosures in the "Accounting policies" section and with regard to long-term financial assets to note 1, "Fixed assets" in the "Balance Sheet Disclosures" section of the notes to the financial statements and note 15, "Financial result" in the "Income Statement Disclosures" section. Further disclosures are provided in the management report in the "Report on Risks and Opportunities" chapter in the "Risks and opportunities" section, subsection "Risks arising from the recoverability of goodwill or brand names and from equity investments."

Emphasis of matter paragraph –

Imminent risk due to uncertainties regarding the legal conformity of the interpretation of the EU Taxonomy Regulation

We draw attention to the executive directors' comments on the EU Taxonomy disclosures in the "EU Taxonomy" section of the management report, where it is stated that the EU Taxonomy Regulation and the Delegated Acts adopted thereunder contain wording and terms that are still subject to interpretation uncertainties and for which clarifications have not yet been published in every case. The executive directors describe how they interpreted the EU Taxonomy Regulation and the Delegated Acts adopted thereunder. Due to the imminent risk that undefined legal terms may be interpreted differently, the legal conformity of the interpretation is subject to uncertainties. Our opinion on the management report is not modified in this respect.

Other information

The Supervisory Board is responsible for the Report of the Supervisory Board. The executive directors and the Supervisory Board are responsible for the declaration pursuant to Sec. 161 AktG ["Aktengesetz": German Stock Corporation Act] on the German Corporate Governance Code, which is part of the corporate governance declaration, and for the remuneration report pursuant to Sec. 162 AktG. In all other respects, the executive directors are responsible for the other information. The other information comprises the parts of the annual report listed in the appendix.

Our opinions on the annual financial statements and on the management report do not cover the other information, and consequently we do not express an opinion or any other form of assurance conclusion thereon.

In connection with our audit, our responsibility is to read the other information and, in so doing, to consider whether the other information

- is materially inconsistent with the annual financial statements, with the management report or our knowledge obtained in the audit, or
- otherwise appears to be materially misstated.

Responsibilities of the executive directors and the Supervisory Board for the annual financial statements and the management report

The executive directors are responsible for the preparation of the annual financial statements that comply, in all material respects, with the requirements of German commercial law applicable to business corporations, and that the annual financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Company in compliance with German legally required accounting principles. In addition, the executive directors are responsible for such internal control as they, in accordance with German legally required accounting principles, have determined necessary to enable the preparation of annual financial statements that are free from material misstatement, whether due to fraud (i.e., fraudulent financial reporting and misappropriation of assets) or error.

In preparing the annual financial statements, the executive directors are responsible for assessing the Company's ability to continue as a going concern. They also have the responsibility for disclosing, as applicable, matters related to going concern. In addition, they are responsible for financial reporting based on the going concern basis of accounting, provided no actual or legal circumstances conflict therewith.

Furthermore, the executive directors are responsible for the preparation of the management report that, as a whole, provides an appropriate view of the Company's position and is, in all material respects, consistent with the annual financial statements, complies with German legal requirements and appropriately presents the opportunities and risks of future development. In addition, the executive directors are responsible for such arrangements and measures (systems) as they have considered necessary to enable the preparation of a management report that is in accordance with the applicable German legal requirements, and to be able to provide sufficient appropriate evidence for the assertions in the management report.

The Supervisory Board is responsible for overseeing the Company's financial reporting process for the preparation of the annual financial statements and of the management report.

Auditor's responsibilities for the audit of the annual financial statements and of the management report

Our objectives are to obtain reasonable assurance about whether the annual financial statements as a whole are free from material misstatement, whether due to fraud or error, and whether the management report as a whole provides an appropriate view of the Company's position and, in all material respects, is consistent with the annual financial statements and the knowledge obtained in the audit, complies with the German legal requirements and appropriately presents the opportunities and risks of future development, as well as to issue an auditor's report that includes our opinions on the annual financial statements and on the management report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Sec. 317 HGB and the EU Audit Regulation and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer (IDW) will always detect a material misstatement. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual financial statements and this management report.

We exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the annual financial statements and of the management report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinions. The risk of not detecting a material misstatement resulting from fraud is higher than the risk of not detecting a material misstatement resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit of the annual financial statements and of arrangements and measures (systems) relevant to the audit of the management report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of these systems of the Company.
- Evaluate the appropriateness of accounting policies used by the executive directors and the reasonableness of estimates made by the executive directors and related disclosures.
- Conclude on the appropriateness of the executive directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the annual financial statements and in the management report or, if such disclosures are inadequate, to modify our respective opinions. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to be able to continue as a going concern.
- Evaluate the overall presentation, structure and content of the annual financial statements, including the disclosures, and whether the annual financial statements present the underlying transactions and events in a manner that the annual financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Company in compliance with German legally required accounting principles.

- Evaluate the consistency of the management report with the annual financial statements, its conformity with [German] law, and the view of the Company's position it provides.
- Perform audit procedures on the prospective information presented by the executive directors in the management report. On the basis of sufficient appropriate audit evidence we evaluate, in particular, the significant assumptions used by the executive directors as a basis for the prospective information, and evaluate the proper derivation of the prospective information from these assumptions. We do not express a separate opinion on the prospective information and on the assumptions used as a basis. There is a substantial unavoidable risk that future events will differ materially from the prospective information.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with the relevant independence requirements, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence and where applicable, the related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the annual financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter.

Other legal and regulatory requirements

REPORT ON THE AUDIT OF COMPLIANCE WITH THE ACCOUNTING DUTIES PURSUANT TO SEC. 6B (3) ENWG

Opinion

We audited whether the Company complied with its duties pursuant to Sec. 6b (3) Sentences 1 to 5 EnWG to keep separate accounts for the fiscal year from 1 January to 31 December 2022. In our opinion, the duties pursuant to Sec. 6b (3) Sentences 1 to 5 EnWG to keep separate accounts were met in all material respects.

Basis for the opinion

We conducted our audit of compliance with the duties to keep separate accounts pursuant to Sec. 6b (5) EnWG in accordance with IDW Auditing Standard "Audits Pursuant to Sec. 6b (5) of the German Energy Industry Act" (IDW AuS 610 (Revised) (07.2021)). Our responsibilities under those requirements and principles are further described in the "Auditor's responsibilities for the audit of compliance with the accounting duties pursuant to Sec. 6b (3) EnWG" section of our auditor's report. We are independent of the Company in accordance with the requirements of German commercial and professional law, and we have fulfilled our other German professional responsibilities in accordance with these requirements. As an audit firm, we apply the standards set forth in IDW Standard on Quality Control: "Requirements for Quality Control in Audit Firms" (IDW QS 1). We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the Company's compliance with the accounting duties pursuant to Sec. 6b (3) EnWG.

RESPONSIBILITIES OF THE EXECUTIVE DIRECTORS FOR COMPLIANCE WITH THE ACCOUNTING DUTIES PURSUANT TO SEC. 6B (3) ENWG

The executive directors are responsible for compliance with the duties pursuant to Sec. 6b (3) Sentences 1 to 5 EnWG to keep separate accounts.

In addition, the executive directors are responsible for such internal control as they have determined necessary to comply with the duties to keep separate accounts.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF COMPLIANCE WITH THE ACCOUNTING DUTIES PURSUANT TO SEC. 6B (3) ENWG

Our objectives are to obtain reasonable assurance about whether the executive directors have met their duties pursuant to Sec. 6b (3) Sentences 1 to 5 EnWG to keep separate accounts in all material respects.

In addition, our objectives are to include a section in the auditor's report containing our opinion on compliance with the accounting duties pursuant to Sec. 6b (3) EnWG.

The audit of compliance with the duties pursuant to Sec. 6b (3) Sentences 1 to 5 EnWG to keep separate accounts includes assessing whether the accounts were allocated to the activities correctly and transparently in accordance with Sec. 6b (3) Sentences 1 to 4 EnWG and whether the consistency principle was observed.

Report on the assurance on the electronic rendering of the annual financial statements and the management report prepared for publication purposes in accordance with Sec. 317 (3a) HGB

Opinion

We have performed assurance work in accordance with Sec. 317 (3a) HGB to obtain reasonable assurance about whether the rendering of the annual financial statements and the management report (hereinafter the "ESEF documents") contained in the attached file VWAG_JA_HGB_2022_12_31_DE.zip and prepared for publication purposes complies in all material respects with the requirements of Sec. 328 (1) HGB for the electronic reporting format ("ESEF format"). In accordance with German legal requirements, this assurance work extends only to the conversion of the information contained in the annual financial statements and the management report into the ESEF format and therefore relates neither to the information contained within these renderings nor to any other information contained in the file identified above.

In our opinion, the rendering of the annual financial statements and the management report contained in the file identified above and prepared for publication purposes complies in all material respects with the requirements of Sec. 328 (1) HGB for the electronic reporting format. Beyond this assurance opinion and our audit opinions on the accompanying annual financial statements and the accompanying management report for the fiscal year from 1 January to 31 December 2022 contained in the "Report on the audit of the annual financial statements and of the management report" above, we do not express any assurance opinion on the information contained within these renderings or on the other information contained in the file identified above.

Basis for the opinion

We conducted our assurance work on the rendering of the annual financial statements and the management report contained in the attached file identified above in accordance with Sec. 317 (3a) HGB and the IDW Assurance Standard: Assurance on the Electronic Rendering of Financial Statements and Management Reports Prepared for Publication Purposes in Accordance with Sec. 317 (3a) HGB (IDW AsS 410 (06.2022)). Our responsibility in accordance therewith is further described in the "Auditor's responsibilities for the assurance work on the ESEF documents" section. Our audit firm applies the IDW Standard on Quality Management 1: Requirements for Quality Management in the Audit Firm (IDW QS 1).

RESPONSIBILITIES OF THE EXECUTIVE DIRECTORS AND THE SUPERVISORY BOARD FOR THE ESEF DOCUMENTS

The executive directors of the Company are responsible for the preparation of the ESEF documents including the electronic rendering of the annual financial statements and the management report in accordance with Sec. 328 (1) Sentence 4 No. 1 HGB.

In addition, the executive directors of the Company are responsible for such internal control as they have determined necessary to enable the preparation of ESEF documents that are free from material intentional or unintentional non-compliance with the requirements of Sec. 328 (1) HGB for the electronic reporting format.

The Supervisory Board is responsible for overseeing the preparation of the ESEF documents as part of the financial reporting process.

AUDITOR'S RESPONSIBILITIES FOR THE ASSURANCE WORK ON THE ESEF DOCUMENTS

Our objective is to obtain reasonable assurance about whether the ESEF documents are free from material intentional or unintentional non-compliance with the requirements of Sec. 328 (1) HGB. We exercise professional judgment and maintain professional skepticism throughout the assurance work. We also:

- Identify and assess the risks of material intentional or unintentional non-compliance with the requirements of Sec. 328 (1) HGB, design and perform assurance procedures responsive to those risks, and obtain assurance evidence that is sufficient and appropriate to provide a basis for our assurance opinion.
- Obtain an understanding of internal control relevant to the assurance on the ESEF documents in order to design assurance procedures that are appropriate in the circumstances, but not for the purpose of expressing an assurance opinion on the effectiveness of these controls.
- Evaluate the technical validity of the ESEF documents, i.e., whether the file containing the ESEF documents meets the requirements of Commission Delegated Regulation (EU) 2019/815, in the version in force at the date of the financial statements, on the technical specification for this file.
- Evaluate whether the ESEF documents enable an XHTML rendering with content equivalent to the audited annual financial statements and to the audited management report.

Further information pursuant to Art. 10 of the EU Audit Regulation

We were elected as auditor by the Annual General Meeting on 12 May 2022. We were engaged by the Supervisory Board on 13 December 2022. We have been the auditor of VOLKSWAGEN AKTIENGESELLSCHAFT since fiscal year 2020.

We declare that the opinions expressed in this auditor's report are consistent with the additional report to the Audit Committee pursuant to Art. 11 of the EU Audit Regulation (long-form audit report).

Other matter – Use of the auditor's report

Our auditor's report must always be read together with the audited annual financial statements and the audited management report as well as the assured ESEF documents. The annual financial statements and the management report converted to the ESEF format – including the versions to be published in the Unternehmensregister [German Company Register] – are merely electronic renderings of the audited annual financial statements and the audited management report and do not take their place. In particular, the ESEF report and our assurance opinion contained therein are to be used solely together with the assured ESEF documents made available in electronic form.

German Public Auditor responsible for the engagement

The German Public Auditor responsible for the engagement is Christian Hantke.

Appendix to the auditor's report:

1. PARTS OF THE MANAGEMENT REPORT WHOSE CONTENT IS UNAUDITED

We have not audited the content of the following parts of the management report:

- The corporate governance declaration which is published on the website stated in the management report and is part of the management report.
- The disclosures extraneous to management reports contained in the "Report on Risks and Opportunities" chapter in the section entitled "Monitoring the effectiveness of the risk management system and the internal control system."

Disclosures extraneous to management reports are such disclosures that are not required pursuant to Secs. 289, 289a HGB or Secs. 289b to 289f HGB.

2. FURTHER OTHER INFORMATION

The other information comprises the following parts of the annual report, of which we obtained a copy prior to issuing this auditor's report:

- The Nonfinancial Report

The other information also comprises other parts to be included in the annual report, of which we obtained a copy prior to issuing this auditor's report, in particular the sections:

- Responsibility Statement
- Remuneration Report

3. COMPANY INFORMATION OUTSIDE OF THE ANNUAL REPORT REFERENCED IN THE MANAGEMENT REPORT

The management report contains other cross-references to webpages of the Company. We have not audited the content of the information to which these cross-references refer.

Hanover, 3 March 2023

Ernst & Young GmbH
Wirtschaftsprüfungsgesellschaft

Matischiok
Wirtschaftsprüfer
[German Public Auditor]

Hantke
Wirtschaftsprüfer
[German Public Auditor]