Annual Financial Statements of Volkswagen AG

Balance Sheet of Volkswagen AG as of December 31, 2023

€ million	Note	Dec. 31, 2023	Dec. 31, 2022
Assets			
Fixed assets			
Intangible assets	1	1,516	1,167
Tangible assets	1	8,619	8,409
Long-term financial assets	1	145,517	138,940
		155,652	**148,516**
Current assets			
Inventories	2	6,786	7,816
Receivables and other assets	3	28,208	59,700
Cash-in-hand and bank balances	4	6,980	9,122
		41,974	**76,638**
Prepaid expenses		**128**	**73**
Total assets		**197,754**	**225,227**
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	21,363	11,998
Net retained profits		4,526	12,021
		42,193	**40,323**
Special tax-allowable reserves	**8**	**17**	**17**
Provisions	**9**	**44,194**	**46,323**
Liabilities	**10**	**110,039**	**137,276**
Deferred income	**11**	**1,312**	**1,288**
Total equity and liabilities		**197,754**	**225,227**

Income Statement of Volkswagen AG for the Period January 1 to December 31, 2023

€ million	Note	2023	2022
Sales	**12**	**92,413**	**79,491**
Cost of sales		–86,748	–79,499
Gross profit on sales		**5,665**	**–8**
Distribution expenses		–5,620	–5,391
General and administrative expenses		–1,832	–1,901
Other operating income	13	6,327	9,332
Other operating expenses	14	–6,263	–7,334
Financial result	**15**	**9,091**	**16,950**
Write-downs of long-term financial assets		–	–125
Taxes on income		–1,125	955
Earnings after taxes = Net income for the year		**6,243**	**12,477**

Notes to the Annual Financial Statements of Volkswagen AG for the Period ended December 31, 2023

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 and metering point operation 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) and operates the metering points.

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 https://www.volkswagen-group.com/en/investors-15766.

The Board of Management completed preparation of the annual financial statements on February 20, 2024. On February 20, 2024, 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 November 17, 2023.

The declaration of conformity has been made permanently available at https://www.volkswagen-group.com/en/declarations-15792.

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 (NOx) emissions had been discovered in emissions tests on certain vehicles of Volkswagen Group with type 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 NOx 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, 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.

No material special items in connection with the diesel issue were recognized in fiscal year 2023.

The contingent liabilities within the meaning of IAS 37 recognized in connection with the diesel issue totaled €3.9 billion (previous year: €4.1 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

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. There were some signs of normalization in the markets during the course of fiscal year 2023.

Against the backdrop of the Russia-Ukraine conflict and the resulting consequences, Volkswagen had decided to suspend vehicle production in Russia for the time being. Vehicle exports to Russia have also been halted. In addition, the respective sanction requirements must also be complied with in relation to parts supplies and the provision of technical information.

There was again no easing of the Russia-Ukraine in fiscal year 2023. For this reason, the discontinuation of business activities in Russia continued to take concrete shape in the Volkswagen Group. In this context, further sales negotiations with a number of investors continued or were concluded.

On May 18, 2023, the Volkswagen Group completed the sale of its shares in OOO Volkswagen Group Rus (Volkswagen Group Rus), Kaluga/Russia, and that company's local subsidiaries (OOO Volkswagen Components and Services, Kaluga/Russia, OOO Scania Leasing, Moscow/Russia, OOO Scania Finance, Moscow/ Russia, OOO Scania Insurance, Moscow/Russia) to OOO ART-FINANCE, Moscow/Russia, which is supported by the Russian dealer AO Avilon Automotive Group, Moscow/Russia. On registration of the transaction on May 22, 2023, ownership of the shares in Volkswagen Group Rus was transferred from the seller to the buyer. The transaction comprises the production facilities in Kaluga, the importer structure of the Group brands Volkswagen Passenger Cars, Volkswagen Commercial Vehicles, Audi, Škoda, Bentley, Lamborghini and Ducati for potential after-sales business and the warehouse activities, as well as Scania's financial services activities, including all associated employees.

In this context, Volkswagen AG had already made impairments in fiscal year 2022 and recognized appropriate provisions. The selling price amounted to €0.1 billion. The sale of Volkswagen Group Rus resulted in a loss of €0.1 billion which was reported in the financial result.

Please also refer to the comments in the 2023 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 25% of the preferred shares of Porsche AG (including additional allocations) valued at €9.4 billion were successfully placed with investors. The non-voting preferred shares of Porsche AG have been traded on the Regulated Market of the Frankfurt Stock Exchange since September 29, 2022. Since the end of the stabilization period on October 11, 2022, the free float of the preferred shares has been 24.2% of the preferred share capital of Porsche AG.

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) at a purchase price of around €10.1 billion. The purchase of the ordinary is be completed in two tranches.

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 gave rise to the obligation to pay a special dividend and led to a total obligation to the shareholders of Volkswagen AG amounting to €9.6 billion as of December 16, 2022. 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.

Porsche Holding Stuttgart GmbH, Stuttgart, made a gain of €13.2 billion on the sale of the shares, which was included in Volkswagen AG's financial result in the previous year because of the profit transfer.

The employees of Volkswagen AG participated 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.

The total bonus for employees of Volkswagen AG, which was recognized through profit or loss in fiscal year 2022, amounted to €0.3 billion.

For more detailed information, please refer to the disclosures provided in the annual financial statements as of December 31, 2022.

Material capital transactions

To finance the restructuring under company law of the Volkswagen financial services companies, Volkswagen AG made a contribution of €3.8 billion to the capital reserves of Volkswagen Financial Services AG, Braunschweig, in the reporting period.

To finance the capital requirements of CARIAD SE, Wolfsburg, Volkswagen AG made contributions totaling €1.5 billion to the capital reserves of Porsche Siebte Vermögensverwaltung GmbH, Wolfsburg (Porsche Siebte). Moreover, to finance the creation of battery cell production by PowerCo SE, Salzgitter, contributions totaling €0.6 billion were made to the capital reserves of Porsche Siebte.

To finance the acquisition of an equity investment in the electric vehicle company XPeng Inc., Cayman Islands, Volkswagen AG made a contribution of €0.7 billion to the capital reserves of Volkswagen Finance Luxemburg S.A., Strassen (Volkswagen Finance Luxemburg), in the reporting period. Also in the reporting period, Volkswagen AG made further contributions totaling €0.5 billion to the capital reserves of Volkswagen Finance Luxemburg to finance the start-up of business operations of Scout Motors Inc., Arlington, Virginia.

The meeting of shareholders of Volkswagen Vermögensverwaltungs-GmbH, Wolfsburg, resolved on June 7, 2023 to reduce the company's capital reserves by €0.7 billion and paid this amount to Volkswagen AG in the reporting period.

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 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 seven years. Software and grants paid are derecognized once they have been fully amortized.

Tangible assets are carried 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
Leasehold 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, reflecting their use in multishift operations.

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, or derived from observable market prices if not.

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 €77.25 per tonne of CO_2 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 assets in accordance with section 274 of the HGB is not exercised.

In Germany, interest on retrospective tax payments was calculated using an interest rate of 6% up until 2018 and of 1.8% from 2019 onward.

Prior-year differences between the carrying amounts 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, 2023 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 1.82% 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 1.03% 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.

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	2023	2022
Intangible assets	508	363
Tangible assets	2,144	2,188
Long-term financial assets	7,973	12,066
	10,624	**14,617**

The additions of €8.0 billion (previous year: €12.1 billion) are accompanied by disposals of €1.4 billion (previous year: €0.6 billion).

Depreciation, amortization and write-downs were charged on:

€ million	2023	2022
Intangible assets	141	138
Tangible assets	1,924	2,141
Long-term financial assets	–	125
	2,065	**2,404**

Assets recognized before the introduction of the BilMoG continue to be depreciated using the declining balance method. Depreciation of tangible assets includes an amount of €2.5 million (previous year: €3.1 million) depreciated using the declining balance method.

Depreciation of tangible assets includes an impairment loss of €150.8 million on the thermal power plants in Wolfsburg. The impairment loss is attributable to legal developments in energy law, the resulting effects on the energy markets as well as those arising from geopolitical factors, and the planned use of the new combined cycle plants derived on this basis.

Write-downs of long-term financial assets in the previous year primarily relate 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 "Significant events in the fiscal year" section for more information.

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

Securities investment funds (values as of December 31,2023)

€ million	Carrying amount	Fair value	Fair value – carrying amount	Distribution 2023	Daily redemption possible
UI-TV Fund[1]	14,629	14,140	–489	87	yes
UI-ZW Fund[1]	2,497	2,497	–	55	yes
UI-BAV Fund[1]	6,458	6,458	–	134	yes
UI-SA Fund[1]	777	777	–	1	yes

1 Distributions received in 2023 were for 2022.

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 2023 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 applicable interest rate, 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

	GROSS CARRYING AMOUNTS				
€ million	Cost Jan. 1, 2023	Additions	Transfers	Disposals	Cost Dec. 31, 2023
Intangible assets					
Industrial and similar rights and assets, and licenses in such rights and assets	1,079	164	23	23	1,243
Payments on account	486	343	-40	–	789
	1,564	**508**	**-17**	**23**	**2,032**
Tangible assets					
Land, land rights and buildings, including buildings on third-party land	6,707	82	100	29	6,859
Technical equipment and machinery	13,173	227	372	322	13,451
Other equipment, operating and office equipment	26,287	1,094	381	609	27,153
Payments on account and assets under construction	1,472	741	-730	50	1,434
	47,639	**2,144**	**124**	**1,009**	**48,897**
Long-term financial assets					
Shares in affiliated companies	122,298	7,879	–	1,610	128,567
Loans to affiliated companies	3,359	16	–	577	2,797
Other equity investments	1,231	3	–	–	1,234
Long-term investments	14,567	75	–	0	14,643
Other loans	18	–	–	5	13
	141,473	**7,973**	**–**	**2,192**	**147,254**
Total fixed assets	**190,677**	**10,624**	**106**	**3,224**	**198,184**

DEPRECIATION, AMORTIZATION AND WRITE-DOWNS							
Cumulative depreciation, amortization and write-downs Jan. 1, 2023	Depreciation, amortization and write-downs in current year	Disposals	Transfers	Reversals of write-downs	Cumulative depreciation, amortization and write-downs Dec. 31, 2023	Carrying amounts Dec. 31, 2023	Carrying amounts Dec. 31, 2022
397	141	21	–	–	517	726	682
–	–	–	–	–	–	789	486
397	**141**	**21**	**–**	**–**	**517**	**1,516**	**1,167**
					–		
4,882	142	9	0	–	5,015	1,844	1,825
11,690	699	296	0	–	12,093	1,358	1,483
22,659	1,083	590	18	–	23,170	3,983	3,629
–	–	–	–	–	–	1,434	1,472
39,230	**1,924**	**895**	**18**	**–**	**40,278**	**8,619**	**8,409**
2,266	–	796	–	0	1,470	127,097	120,032
–	–	–	–	–	–	2,797	3,359
254	–	–	–	–	254	981	978
14	–	–	–	0	14	14,629	14,553
–	–	–	–	–	–	13	18
2,534	**–**	**796**	**–**	**0**	**1,737**	**145,517**	**138,940**
42,161	**2,065**	**1,712**	**18**	**0**	**42,532**	**155,652**	**148,516**

(2) INVENTORIES

€ million	Dec. 31, 2023	Dec. 31, 2022
Raw materials, consumables and supplies	2,370	3,058
Work in progress	1,441	1,411
Finished goods and merchandise	2,627	3,073
Payments on account	349	274
	6,786	**7,816**

Inventories declined by €1.0 billion compared with the previous year. This is due to the decrease in raw materials, consumables and supplies, which is in turn primarily attributable to lower precious metal inventories. Moreover, finished goods and merchandise were lower than on December 31, 2022, declining to €2.6 billion as transport capacities normalized.

(3) RECEIVABLES AND OTHER ASSETS

€ million	Dec. 31, 2023	Dec. 31, 2022
Trade receivables	1,928	1,501
of which due after more than one year	*24*	*36*
Receivables from affiliated companies	23,435	43,169
of which trade receivables	*7,034*	*6,929*
of which due after more than one year	*3,185*	*3,131*
Receivables from other investees and investors	1,209	1,207
of which trade receivables	*1,205*	*1,178*
of which due after more than one year	–	–
Other assets	1,636	13,823
of which due after more than one year	*126*	*264*
	28,208	**59,700**

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 include tax reimbursements that are not yet due in the amount of €906 million (previous year: €1,459 million), option premiums paid in the amount of €322 million (previous year: €401 million), payments on account of orders in the amount of €414 million (previous year: €365 million) and intragroup and external emission rights in the amount of €77 million (previous year: €239 million). In the previous year, this item had also included time deposits with banks with maturities of three months to one year in the amount of 11.2 billion.

(4) CASH-IN-HAND AND BANK BALANCES

Bank balances (€7.0 billion; previous year: €9.1 billion) include a total of €2.5 billion (previous year: €2.4 billion) held by an affiliated company. Bank balances include restricted current time deposits of €4.3 billion (previous year: €6.6 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 €0.5 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. This means that there is no restriction on distribution in accordance with section 268 (8) sentence 3 of the HGB in this regard in the 2023 annual financial statements.

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, 2023	Dec. 31, 2022
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, 2023	Dec. 31, 2022
Legal reserve	31	31
Other revenue reserves	21,333	11,967
	21,363	**11,998**

An amount of €1,720 million was appropriated from net income for the year to other revenue reserves in accordance with section 58(2) of the AktG and an amount of €7,645 million was appropriated from the previous year’s net retained profits to other revenue reserves.

(8) SPECIAL TAX-ALLOWABLE RESERVES

€ million	Dec. 31, 2023	Dec. 31, 2022
Accelerated tax depreciation	17	17
	17	**17**

(9) PROVISIONS

€ million	Dec. 31, 2023	Dec. 31, 2022
Provisions for pensions and similar obligations	24,563	25,259
Provisions for taxes	2,511	3,411
Other provisions	17,120	17,654
	44,194	**46,323**

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, 2023	Dec. 31, 2022
Discount rate	1.82%	1.78%
Salary trend	3.47%	3.28%
Wage/pension trend	2.20%	2.20%
Fluctuation	1.10%	1.10%
Basis of calculation	2018 G mortality tables	2018 G mortality tables
Age limits	RV-Altersgrenzenanpassungsgesetz (German Act to Adapt the Standard Retirement Age to Reflect Demographic Trends and to Strengthen the Funding Basis for the Statutory Pension Insurance System) 2007	RV-Altersgrenzenanpassungsgesetz (German Act to Adapt the Standard Retirement Age to Reflect Demographic Trends and to Strengthen the Funding Basis for the Statutory Pension Insurance System) 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.

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

€ million	Dec. 31, 2023	Dec. 31, 2022
Externally funded pension obligation		
Cost of the pension fund	6,633	6,122
Fair value of the pension fund	6,458	5,547
Settlement amount of the obligations in the pension fund model (fair value)	11,538	10,860
Offset against the fair value of the pension fund (in accordance with section 246(2) of the HGB)	**5,080**	**5,313**
Provision-funded pension obligation		
Settlement amount of the obligations outside the pension fund model	19,483	19,946
Pension provisions reported in the balance sheet	**24,563**	**25,259**

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	2023	2022
Reinvested distributions from the pension fund	134	126
Measurement of the pension fund	401	–1,003
Change in value	**535**	**–877**
Adjustment of externally funded pension obligations in profit or loss	–535	877
Balance of income and expenses	**–**	**–**

OTHER PROVISIONS

Significant provisions were recognized for selling expenses including warranties (€7.8 billion; previous year: €7.6 billion), legal and litigation risks (€0.9 billion; previous year: €1.2 billion) and personnel expenses (€4.9 billion, mainly for long-service benefits, special benefits, partial retirement and other workforce costs; previous year: €4.7 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, 2023	Dec. 31, 2022
Cost of the Time Asset funds	3,471	3,285
Fair value of the Time Asset funds	3,274	2,884
Settlement amount of the Time Asset obligation	3,282	2,964
Balance of the Time Asset fund and the settlement amount of the Time Asset obligation	**8**	**80**

The following amounts were offset:

€ million	2023	2022
Reinvested distributions from the Time Asset funds, including realization effects	37	32
Measurement of the Time Asset funds	203	–418
Change in value	**240**	**–386**
Settlement amount of the Time Asset obligation	–240	386
Balance of income and expenses	**–**	**–**

(10) LIABILITIES

		TERM TO MATURITY			
€ million	Dec. 31, 2023	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	**3,325**	1,815	1,510	*1,510*	–
Payments received on account of orders	**180**	180	–	–	–
Trade payables	**2,760**	2,760	–	–	–
Liabilities to affiliated companies	**100,899**	57,953	42,946	*31,172*	*11,774*
Liabilities to other investees and investors	**2,029**	2,029	–	–	–
Other liabilities	**847**	740	107	*107*	–
of which taxes	***163***	*163*	*0*	*0*	–
of which social security	***43***	*43*	–	–	–
	110,039	**65,476**	**44,562**	***32,789***	***11,774***

€ 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	***40***	*40*	–	–	–
	137,276	**94,480**	**42,796**	***27,930***	***14,865***

Volkswagen AG's syndicated credit line of €10.0 billion agreed in December 2019 was unused at the end of 2023.

In July 2023, Volkswagen AG called a hybrid note (maturity: 10 years) with a principal amount of €0.75 billion, which had been placed in 2013 via Volkswagen International Finance N.V., Amsterdam/the Netherlands (issuer). The hybrid note was redeemed on September 4, 2023.

From the hybrid capital issued on September 6, 2023, Volkswagen AG recorded a cash inflow of €1,75 billion.

In the US capital market, Volkswagen Group of America Finance, LLC, Herndon / VA, placed bonds with a total volume of USD 5.65 billion in September and November 2023. Notes with a volume of CAD 750 million were issued in the Canadian refinancing market.

The Volkswagen Group was active locally on the Chinese capital market for the first time through Volkswagen International Finance N.V. and issued a term planning Panda bond worth CNY 1.5 billion in September 2023.

€3.6 billion (previous year: €4.2 billion) of the liabilities to affiliated companies relates to trade payables. The decline in liabilities to affiliated companies is mainly the result of lower loan liabilities.

The liabilities to other investees and investors contain trade payables of €174 million (previous year: €207 million).

The liabilities for the special dividends in connection with the IPO of Dr. Ing. h.c. F. Porsche AG, Stuttgart (Porsche AG), which had been reported under other liabilities, are no longer in the balance sheet in the fiscal year under review (previous year: €9.6 billion). Other liabilities also include option premiums in the amount of €254 million (previous year: €304 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 €0.0 million (previous year: €0.1 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, 2023	Dec. 31, 2022
Contingent liabilities from guarantees	156	170
Contingent liabilities from warranties	42,557	38,935
of which relating to pensions	*1,275*	*1,158*
of which relating to affiliated companies	*1,275*	*1,158*
Granting of security for third-party liabilities	1,143	1,302
of which relating to affiliated companies	*1,045*	*1,144*
	43,856	**40,407**

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 €26.9 billion (previous year: €25.0 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, 2023, this was the case for 14,783 vehicles worth €0.3 billion (previous year: 18,300 vehicles worth €0.4 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. Other services provided by the auditors related primarily to advisory services in connection with the implementation of CSRD reporting requirements.

OTHER FINANCIAL OBLIGATIONS

€ million	Dec. 31, 2023	Due 2024	Due 2025 - 2028	Due after 2028
Loan commitments	28,675	28,675	–	–
of which related to affiliated companies	*28,669*	*28,669*	–	–
Rental and leasing agreements	1,223	404	523	296
of which related to affiliated companies	*386*	*212*	*85*	*89*
Other Contracts	2,754	287	1,328	1,139
of which related to affiliated companies	*253*	*34*	*190*	*29*
of which related to associated companies	–	–	–	–
	32,651	**29,366**	**1,851**	**1,435**

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 43 hectares of land (carrying amount €6.1 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.

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	GBP	JPY	SEK	USD
Interest rate for six months	3.6832	4.3613	4.9060	1.5800	2.3769	5.1350	0.0176	4.1596	5.1613
Interest rate for one year	3.2078	4.2061	4.5750	1.3900	2.3105	4.7450	0.0713	3.7939	4.7871
Interest rate for five years	2.1805	3.9280	3.1720	1.0675	2.5700	3.3822	0.4500	2.3870	3.5555
Interest rate for ten years	2.2735	4.1830	3.1250	1.1700	2.7700	3.3000	0.8438	2.3530	3.4831

DERIVATIVES

Currency forwards, currency options and commodity futures 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 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	NOTIONAL AMOUNT		FAIR VALUE	
Type and volume	Dec. 31, 2023	Dec. 31, 2022	Dec. 31, 2023	Dec. 31, 2022
Currency futures contracts	**8,530**	**5,003**		
of which currency purchases	7,067	4,496		
of which positive fair values			*132*	*254*
of which negative fair values			*–127*	*–42*
of which currency sales	1,463	507		
of which positive fair values			*5*	*3*
of which negative fair values			*–2*	*–3*
Currency option contracts	**–**	**–**		
of which positive fair values			*–*	*–*
Commodity futures contracts	**5,831**	**4,538**		
of which positive fair values			*287*	*1,816*
of which negative fair values			*–423*	*–182*

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		CARRYING AMOUNT	
	Balance sheet item	Dec. 31, 2023	Dec. 31, 2022
Expected losses from open currency forwards	Other provisions	133	67
Expected losses from open commodity future contracts	Other provisions	424	183

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	
Hedged risks	Dec. 31, 2023	Dec. 31, 2022	Dec. 31, 2023	Dec. 31, 2022
Currency risk from assets, liabilities (Currency futures contracts)	**1,435**	**1,510**		
negative fair values	–		–	–4
positive fair values	–		8	8
Currency risk from forecast transactions/executory contracts	**166,934**	**196,378**		
negative fair values			–4,140	–3,817
positive fair values			4,738	5,277
Currency option contracts	**34,673**	**53,822**		
negative fair values			–406	–435
positive fair values			376	409
Commodity futures contracts	**8,071**	**6,637**		
negative fair values			–461	–1,443
positive fair values			464	1,457

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 €1.4 billion are hedged in micro hedges; the term of the hedge is based on the term of the underlying transaction. The effectiveness of the hedge is assessed prospectively using the critical terms match method and retrospectively using the dollar offset method.

Micro hedges and macro 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 and executory contracts using currency forwards, risk exposures in the amount of €133.5 billion are hedged by micro hedges and €33.4 billion by macro hedges.

Hedges of forecast transactions and executory contracts using currency options are hedged by micro hedges in the amount of €33.7 billion and by macro hedges in the amount of €0.9 billion.

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.

An insignificant amount of individual planned sales and purchases in connection with the future electric vehicle strategy also relates 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 and price risk, the Group held options and other derivatives in connection with fund investments at the reporting date with a notional amount of €17.1 billion. Credit default swaps, also in connection with fund investments, had a notional amount of €19.6 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	
Hedged risks	Dec. 31, 2023	Dec. 31, 2022	Dec. 31, 2023	Dec. 31, 2022
Currency futures contracts	**375**	**359**		
of which currency purchases	370	353		
of which positive fair values			*3*	*13*
of which negative fair values			*–10*	*–3*
of which currency sales	5	6		
of which positive fair values			*0*	*0*
of which negative fair values			*–*	*–*
Currency option contracts	**–**	**–**		
of which positive fair values			*–*	*–*
Commodity futures contracts	**370**	**353**		
of which positive fair values			*22*	*48*
of which negative fair values			*–5*	*–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		CARRYING AMOUNT	
	Balance sheet item	Dec. 31, 2023	Dec. 31, 2022
Expected losses from open currency forwards	Other provisions	10	3
Expected losses from open commodity future contracts	Other provisions	5	4

HEDGING OF CURRENCY AND COMMODITY PRICE RISK EXPOSURES

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

€ MILLION		DEC. 31, 2023		
Hedged exchange rate risks	Hedging instrument	Amount hedged	Positive fair value	Negative fair value
Forecast transactions	Currency futures contracts	60,212	1,437	–1,775
	Currency option contracts	13,273	121	–207
	Commodity futures contracts	4,036	162	–299
		77,520	**1,720**	**–2,281**
Executory contracts	Currency futures contracts	5,305	56	–181
	Currency option contracts	2,798	1	–43
Assets	Currency futures contracts	–	–	–
		85,624	**1,778**	**–2,505**

Income Statement Disclosures

(12) SALES

€ million	2023	%	2022	%
by region				
Germany	38,830	42.0	33,196	41.8
Europe / excl. Germany	40,796	44.1	33,759	42.5
North America	3,682	4.0	3,873	4.9
South America	889	1.0	693	0.9
Africa	1,692	1.8	1,645	2.1
Asia-Pacific	6,523	7.1	6,324	8.0
	92,413	**100.0**	**79,491**	**100.0**
by segment				
Vehicle sales	58,964	63.8	48,668	61.2
Genuine parts	7,566	8.2	7,128	9.0
Other sales	25,882	28.0	23,695	29.8
	92,413	**100.0**	**79,491**	**100.0**

Other sales comprise deliveries of materials and parts worth €16.7 billion (previous year: €14.1 billion) to subsidiaries.

(13) OTHER OPERATING INCOME

€ million	2023	2022
Other operating income	6,327	9,332
of which income from the reversal of special tax-allowable reserves	*0*	*0*

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 €4.2 billion (previous year: €5.9 billion). Income from the reversal of provisions amounts to €1.2 billion (previous year: €2.1 billion). Other income that is attributable to previous fiscal years amounted to €0.1 billion (previous year: €0.2 billion).

(14) OTHER OPERATING EXPENSES

€ million	2023	2022
Other operating expenses	6,263	7,334

Other operating expenses include legal and litigation risks amounting to €0.3 billion (previous year: €0.6 billion). This item also includes expenses from the measurement and settlement of hedging transactions and foreign currency translation expenses of €4.5 billion (previous year: €5.6 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	2023	2022
Income and expenses from investments	11,266	19,949
Interest income and expense	–2,575	–1,376
Other financial result	399	–1,622
	9,091	**16,950**

Income and expenses from investments

€ million	2023	2022
Income from investments	9,299	2,034
of which from affiliated companies	*7,796*	*331*
Income from profit and loss transfer agreements	7,481	24,321
Other investment income	40	–
Other investment expenses	806	905
Cost of loss absorption	4,749	5,501
	11,266	**19,949**

Income from investments primarily comprises income Volkswagen Group of America Inc., Herndon (Virginia), USA, Volkswagen China Investment Co. Ltd, Beijing, China, FAW-Volkswagen Automotive Company Ltd., Changchun, China und der SAIC-Volkswagen Automotive Company Ltd., Shanghai, China.

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

Other investment expenses comprise the transfer of investment income of €0.7 billion to AUDI AG, Ingolstadt.

Interest income and expense

€ million	2023	2022
Income from other investments and long-term loans	105	111
of which from affiliated companies	*11*	*17*
Other interest and similar income	517	329
of which from affiliated companies	*244*	*223*
Interest and similar expenses	3,197	1,816
of which to affiliated companies	*2,795*	*1,625*
	–2,575	**–1,376**

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	2023	2022
Interest component of pension expenses	217	–1,882
Unwinding of the discount on/discounting provisions	182	259
Unwinding of the discount on/discounting of liabilities	0	0
	399	**–1,622**

OTHER TAXES

The other taxes allocated to the consuming functions amounted to €58 million (previous year: €56 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.

GLOBAL MINIMUM TOP-UP TAX

The model rules on global minimum taxation (Pillar Two) published by the OECD have been enacted or substantively enacted in certain countries in which the Volkswagen Group operates. The legislation in Germany enters into force for the fiscal year of Volkswagen AG beginning on January 1, 2024. Volkswagen AG falls under the scope of the legal provisions enacted or substantively enacted and has made an assessment of the potential risk to which Volkswagen AG is exposed in relation to the global minimum taxation.

The assessment of the potential risk arising from the minimum taxation is based on the latest available country-by-country reporting and financial statements for the business units of the Volkswagen Group. The assessment has shown that the effective Pillar Two tax rates are above 15% in most of the countries in which the Volkswagen Group operates. There is, however, a small number of countries where the transitional safe harbor does not apply and the effective Pillar Two tax rate is below 15%. Volkswagen AG does not expect any material Pillar Two income tax risk in these countries.

The exception introduced in section 274 (3) of the HGB in December 2023 as a result of adopting the German Minimum Tax Act means that deferred taxes in connection with income taxes arising from applicable or communicated tax rules to implement the Pillar Two model rules are neither recognized nor disclosed at Volkswagen AG.

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

Porsche

1) Porsche Automobil Holding SE, Stuttgart, Germany has notified us in accordance with article 21, section 1 of the WpHG that its share of the voting rights in Volkswagen Aktiengesellschaft, Wolfsburg, Germany, exceeded the threshold of 50% on January 5, 2009 and amounted to 50.76% (149,696,680 voting rights) at this date.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

The voting rights attributed to Dr. Wolfgang Porsche Holding GmbH are held via the following enterprises controlled by it, whose share of the voting rights in VOLKSWAGEN AKTIENGESELLSCHAFT amounts to 3% or more in each case: Wolfgang Porsche GmbH, Grünwald; Familie Porsche Beteiligung GmbH, Grünwald; Porsche Automobil Holding SE, Stuttgart.
12) On July 15, 2015, the following persons in each case have notified us in accordance with article 21, section 1 of the WpHG that their share of the voting rights in VOLKSWAGEN AKTIENGESELLSCHAFT, Wolfsburg, Germany, exceeded the thresholds of 3%, 5%, 10%, 15%, 20%, 25%, 30% and 50% of the voting rights on July 14, 2015 and in each case amounted to 50.73% of the voting rights (149,696,681 voting rights) at this date:

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

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

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

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

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

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

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

Familie Porsche Holding GmbH, Salzburg; Ing. Hans-Peter Porsche GmbH, Salzburg; Hans-Peter Porsche GmbH, Grünwald; Ferdinand Porsche Holding GmbH, Salzburg; Prof. Ferdinand Alexander Porsche GmbH, Salzburg;

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

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

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

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

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

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

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

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

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

2. Reason for notification
☐ Acquisition/disposal of shares with voting rights
☒ Acquisition/disposal of instruments
☐ Change of breakdown of voting rights
☐ Other reason:

3. Details of person subject to the notification obligation

Name:	City and country of registered office:
Dr. Dr. Christian Porsche, Dipl.- Design. Stephanie Porsche-Schröder, Ferdinand Rudolf Wolfgang Porsche, Felix Alexander Porsche	

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

5. Date on which treshold was crossed or reached
June 1, 2016

6. Total positions

	% of voting rights attached to shares (total of 7.a.)	% of voting rights through instruments (total of 7.b.1. + 7.b.2.)	total of both in % (7.a. + 7.b.)	total number of voting rights of issuer
Resulting situation	52.22%	52.22%	52.22%	295089818
Previous notification	50.73%	n/a%	0.00%	

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

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

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

8. Information in relation to the person subject to the notification obligation

☐ Person subject to the notification obligation (3.) is not controlled and does itself not control any other undertaking(s) holding directly or indirectly an interest in the (underlying) issuer (1.).

☒ Full chain of controlled undertakings starting with the ultimate controlling natural person or legal entity:

Name	% of voting rights (if at least held 3% or more)	% of voting rights through instruments (if at least held 5% or more)	Total of both (if at least held 5% or more)
Dr. Dr. Christian Porsche, Dipl.-Design. Stephanie Porsche-Schröder, Ferdinand Rudolf Wolfgang Porsche, Felix Alexander Porsche	%	%	%
Familie WP Holding GmbH	%	52.22%	52.22%
Dr. Dr. Christian Porsche, Dipl.-Design. Stephanie Porsche-Schröder, Ferdinand Rudolf Wolfgang Porsche, Felix Alexander Porsche	%	%	%
Dr. Wolfgang Porsche Holding GmbH	%	%	%
Ferdinand Alexander Porsche GmbH	%	%	%
Familie Porsche Beteiligung GmbH	%	%	%
Porsche Automobil Holding SE	52.22%	%	52.22%
Dr. Dr. Christian Porsche, Dipl.-Design. Stephanie Porsche-Schröder, Ferdinand Rudolf Wolfgang Porsche, Felix Alexander Porsche	%	%	%

Ferdinand Porsche Familien-Privatstiftung	%	%	%
Ferdinand Porsche Familien- Holding GmbH	%	%	%
Ferdinand Alexander Porsche GmbH	%	%	%
Familie Porsche Beteiligung GmbH	%	%	%
Porsche Automobil Holding SE	52.22%	%	52.22%

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

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

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

2. Reason for notification
☐ Acquisition/disposal of shares with voting rights
☒ Acquisition/disposal of instruments
☐ Change of breakdown of voting rights
☐ Other reason:

3. Details of person subject to the notification obligation
Name: City and country of registered office:
Mr. Dr. Wolfgang Porsche

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

5. Date on which treshold was crossed or reached
June 1, 2016

6. Total positions				
	% of voting rights attached to shares	% 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
Resulting situation	52.22%	52.22%	52.22%	295089818
Previous notification	50.76%	n/a%	0.00%	

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

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

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

8. Information in relation to the person subject to the notification obligation

☐ Person subject to the notification obligation (3.) is not controlled and does itself not control any other undertaking(s) holding directly or indirectly an interest in the (underlying) issuer (1.).

☒ 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:	City and country of registered office:
Dr. Wolfgang Porsche, Dr. Dr. Christian Porsche, Dipl.-Design. Stephanie Porsche-Schröder, Ferdinand Rudolf Wolfgang Porsche, Felix Alexander Porsche	

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

5. Date on which treshold was crossed or reached
June 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

☐ Person subject to the notification obligation (3.) is not controlled and does itself not control any other undertaking(s) holding directly or indirectly an interest in the (underlying) issuer (1.).

☒ Full chain of controlled undertakings starting with the ultimate controlling natural person or legal entity:

Name	% of voting rights (if at least held 3% or more)	% of voting rights through instruments (if at least held 5% or more)	Total of both (if at least held 5% or more)
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:	City and country of registered office:
Mr Hon.-Prof. Dr. techn. h.c. Dipl.-Ing. ETH Ferdinand Karl Piëch, Date of birth: April 17, 1937	

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

5. Date on which treshold was crossed or reached
November 8, 2017

6. Total positions

	% of voting rights attached to shares (total of 7.a.)	% of voting rights through 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

☒ Person subject to the notification obligation (3.) is not controlled and does itself not control any other undertaking(s) holding directly or indirectly an interest in the (underlying) issuer (1.).

☐ Full chain of controlled undertakings starting with the ultimate controlling natural person or legal entity:

Name	% of voting rights (if at least held 3% or more)	% of voting rights through instruments (if at least held 5% or more)	Total of both (if at least held 5% or more)

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

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

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 8, 2024 that it held a total of 59,022,390 ordinary shares of Volkswagen AG as of December 31, 2023. 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	2023	2022
Net income for the year	6,243	12,477
Retained profits brought forward	2	5,774
Appropriations to revenue reserves	–1,720	–6,230
Net retained profits	**4,526**	**12,021**

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, from net retained profits of €4.5 billion, a dividend of €4.5 billion be distributed.

Total expense for the period

COST OF MATERIALS

€ million	2023	2022
Cost of raw materials, consumables and supplies, and of purchased merchandise	64,220	54,643
Cost of purchased services	5,065	4,402
	69,285	**59,045**

PERSONNEL EXPENSES

€ million	2023	2022
Wages and salaries	9,868	9,439
Social security, post-employment and other employee benefit costs	2,500	5,067
of which in respect of post-employment benefits	*910*	*3,557*
	12,369	**14,506**

AVERAGE NUMBER OF EMPLOYEES OF VOLKSWAGEN AG DURING THE YEAR

	2023	2022
by group		
Direct area	53,289	54,108
Indirect area	63,122	62,673
	116,411	**116,781**
Apprentices	4,020	4,143
	120,431	**120,924**
by plant		
Wolfsburg	66,397	66,340
Hanover	14,501	14,697
Braunschweig	7,306	7,220
Kassel	16,952	16,757
Emden	8,743	9,013
Salzgitter	6,532	6,897
	120,431	**120,924**

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 €51.1 million (previous year: €57.0 million).

Under the performance share plan, active members of the Board of Management were granted a total of 169,465 performance shares for fiscal year 2023 (previous year: 114,484), whose value at the grant date amounted to €18.8 million (previous year: €17.7 million).

No more advances were granted to members of the Board of Management under the performance share plan in fiscal year 2023. Advances granted in prior years were deducted in the meantime from payments under the performance share plan (deduction previous year: €1.4 million).

Total remuneration granted to the members of the Supervisory Board amounted to €5.1 million (previous year: €3.4 million).

The former members of the Board of Management and their surviving dependents were granted €10.4 million (previous year: €55.0 million). Pension provisions for this group of individuals amounted to €347.2 million (previous year: €347.2 million).

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

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 Monday, January 8, 2024, the State of Lower Saxony and Hannoversche Beteiligungsgesellschaft mbH, Hanover, held 20.00 % of the voting rights of Volkswagen AG on Sunday, December 31, 2023. 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 substantively completed external tax audit for the assessment periods 2006 to 2009, a compensation claim from Volkswagen AG of around €0.2 billion arose for Porsche SE. The claim was settled in the fourth quarter of 2023 and was capitalized as subsequent acquisition costs. The claim has been audited on the basis of the corresponding provisions in the tax clause of the contribution agreement and its merits and amount have been confirmed by external auditors.

Under the terms of the Comprehensive Agreement, Porsche SE and Volkswagen AG had granted each other put and call options with regard to the remaining 50.1 % interest in Porsche Holding Stuttgart GmbH held by Porsche SE until the contribution of its holding company operating business to Volkswagen AG. Both Volkswagen AG (if it had exercised its call option) and Porsche SE (if it had exercised its put option) had undertaken to bear the tax burden resulting from the exercise of the options and any subsequent activities in relation to the equity investment in Porsche Holding Stuttgart GmbH (e.g. from recapture taxation on the spin-off in 2007 and/or 2009). If tax benefits had accrued to Volkswagen AG, Porsche Holding Stuttgart GmbH, Porsche AG, or their respective subsidiaries as a result of recapture taxation on the spin-off in 2007 and/or 2009, the purchase price to be paid by Volkswagen AG for the transfer of the outstanding 50.1% equity investment in Porsche Holding

Stuttgart GmbH if the put option had been exercised by Porsche SE would have been increased by the present value of the tax benefit. This arrangement was taken over under the terms of the contribution agreement to the effect that Porsche SE has a claim against Volkswagen AG for payment in the amount of the present value of the realizable tax benefits from any recapture taxation of the spin-off in 2007 as a result of the contribution. It was also agreed under the terms of the contribution that Porsche SE will indemnify Volkswagen AG, Porsche Holding Stuttgart GmbH and their subsidiaries against taxes if measures taken by or not taken by Porsche SE result in recapture taxation for 2012 at these companies in the course of or following implementation of the contribution. In this case, too, Porsche SE is entitled to assert a claim for payment against Volkswagen AG in the amount of the present value of the realizable tax benefits that arise at the level of Volkswagen AG or one of its subsidiaries as a result of such a transaction.

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

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

As part of the IPO of Porsche AG and the sale of ordinary shares to Porsche SE in fiscal year 2022, Porsche SE and Volkswagen AG also entered, among other arrangements, 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. These preferred shares have been traded on the stock exchange since the day after the placement. Since the end of the stabilization period on October 11, 2022, the free float of the preferred shares has been 24.2% of the preferred share capital of Porsche AG. 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 plus one ordinary share of Porsche AG from Volkswagen. The sale of these ordinary shares to Porsche AG by Porsche SE is subject to restrictions until 2027. Under the share purchase agreement, Volkswagen AG as warrantor provided several warranties to Porsche SE, which essentially put Porsche SE in the same position as buyers of the preferred shares sold under the IPO. In addition, Volkswagen AG assumes a small number of other standard market guarantees, most of them limited to positive knowledge of Volkswagen AG.

The resolution of the extraordinary General Meeting of Volkswagen AG on December 16, 2022 gave rise to the obligation to pay a special dividend and led to a total obligation to the shareholders of Volkswagen AG amounting to €9.6 billion as of December 31, 2022. 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 had also assumed obligations for dividend distributions of Porsche AG in 2022. The corresponding dividend of the same amount was resolved at the Annual General Meeting of Porsche AG on June 28, 2023 and paid on July 3, 2023. €114 million of this dividend was 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. For more detailed information, please refer to the disclosures provided in the annual financial statements as of December 31, 2022.

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 or offset dividends to Porsche SE in the amount of €4,445 million (previous year: €1,201 million). Furthermore, dividends of €1,638 million (previous year: €443 million) were paid to the State of Lower Saxony.

RELATED PARTIES

€ million	SUPPLIES AND SERVICES RENDERED 2023	SUPPLIES AND SERVICES RECEIVED 2023
Porsche SE and its majority interests	1	–
Supervisory Board members	–	–
Board of Management members	–	–
Consolidated subsidiaries	4,308	246
Unconsolidated subsidiaries	39	146
Joint ventures and its majority interests	1,645	283
Associates and its majority interests	51	1,468
Pension plans	1	–
State of Lower Saxony, its majority interests and joint ventures	7	4

€ million	SUPPLIES AND SERVICES RENDERED 2022	SUPPLIES AND SERVICES RECEIVED 2022
Porsche SE and its majority interests	1	–
Supervisory Board members	–	–
Board of Management members	–	–
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	INCOME FROM PROFIT AND LOSS TRANSFER AGREEMENTS 2023	COST OF LOSS ABSORPTION 2023	INTEREST INCOME 2023	INTEREST EXPENSE 2023
Porsche SE and its majority interests	–	–	–	–
Consolidated subsidiaries	19	–	38	21
Unconsolidated subsidiaries	5	2	2	5
Joint ventures and its majority interests	1,503	–	–	0
Associates and its majority interests	–	–	–	–
State of Lower Saxony, its majority interests and joint ventures	0	–	–	–

€ million	INCOME FROM PROFIT AND LOSS TRANSFER AGREEMENTS 2022	COST OF LOSS ABSORPTION 2022	INTEREST INCOME 2022	INTEREST EXPENSE 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	COLLATERAL GRANTED 2023	COLLATERAL RECEIVED 2023	CREDIT LINES GRANTED 2023
Consolidated subsidiaries	689	–	3,551
Unconsolidated subsidiaries	–	–	121
Joint ventures and its majority interests	–	714	–
State of Lower Saxony, its majority interests and joint ventures	–	–	–

€ million	COLLATERAL GRANTED 2022	COLLATERAL RECEIVED 2022	CREDIT LINES GRANTED 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	–	–	–

Executive Bodies
MEMBERS OF THE BOARD OF MANAGEMENT

(Appointments: as of December 31, 2023 or the date of departure from the Board of Management of Volkswagen AG)

DR. OLIVER BLUME (*1968)
Chair (since September 1, 2022),
Sport Luxury brand group,
Chair of the Executive Board of
Dr. Ing. h.c. F. Porsche AG,
April 13, 2018[1], appointed until 2028
Nationality: German
Appointments:
○ CARIAD SE, Wolfsburg (Chair)[3]

DR. ARNO ANTLITZ (*1970)
Finance and Operations,
April 1, 2021[1], appointed until 2027
Nationality: German
Appointments:
○ Dr. Ing. h.c. F. Porsche AG, Stuttgart[3, 4]
○ PowerCo SE, Salzgitter[3]
○ Volkswagen Financial Services AG, Braunschweig (Chair)[3]
○ Volkswagen Financial Services Europe AG, Braunschweig (Chair)[3]
⊙ Porsche Austria GmbH, Salzburg (Deputy Chair)[3]
⊙ Porsche Holding Gesellschaft m.b.H., Salzburg (Deputy Chair)[3]
⊙ Porsche Retail GmbH, Salzburg (Deputy Chair)[3]
⊙ Volkswagen (China) Investment Co., Ltd., Beijing[3]
⊙ Volkswagen Group of America, Inc., Herndon, VA (Chair)[3]

RALF BRANDSTÄTTER (*1968)
China,
CEO of Volkswagen (China) Investment Co., Ltd.
January 1, 2022[1], appointed until 2026
Nationality: German
Appointments:
○ CARIAD SE, Wolfsburg[3]
⊙ Audi (China) Enterprise Management Co., Ltd., Beijing[3]
⊙ FAW-Volkswagen Automotive Co., Ltd., Changchun (Deputy Chair)[2]
⊙ Mobility Asia Smart Technology Co., Ltd., Beijing[3]
⊙ SAIC Volkswagen Automotive Co., Ltd., Shanghai (Deputy Chair)[2]
⊙ Volkswagen (Anhui) Automotive Co., Ltd., Hefei (Chair)[3]
⊙ Volkswagen Group (China) Technology Company, Ltd., Hefei (Chair)[3]

DR. GERNOT DÖLLNER (*1969)
Progressive brand group,
Chair of the Board of Management of AUDI AG
since September 1, 2023
September 1, 2023[1], appointed until 2026
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., Crewe[3]
⊙ Ducati Motor Holding S.p.A., Bologna (Chair)[3]
⊙ FAW-Volkswagen Automotive Co., Ltd., Changchun[2]
⊙ SAIC Volkswagen Automotive Co., Ltd., Shanghai[2]
⊙ Volkswagen (China) Investment Co., Ltd., Beijing[3]

DR. JUR. MANFRED DÖSS (*1958)
Integrity and Legal Affairs
February 1, 2022[1], appointed until 2028
Nationality: German
Appointments:
○ AUDI AG, Ingolstadt (Chair)[3]
○ TRATON SE, Munich[3, 4]
⊙ Grizzlys Wolfsburg GmbH, Wolfsburg[2]

○ 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)
Progressive brand group (until August 31, 2023),
Chair of the Board of Management of AUDI AG
April 1, 2020 – August 31, 2023[1]
Nationality: German
Appointments (as of August 31, 2023):
- ○ 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., Crewe[3]
- ⦿ Ducati Motor Holding S.p.A., Bologna (Chair)[3]
- ⦿ FAW-Volkswagen Automotive Co., Ltd., Changchun[2]
- ⦿ SAIC Volkswagen Automotive Co., Ltd., Shanghai[2]
- ⦿ Volkswagen (China) Investment Co., Ltd., Beijing[3]

GUNNAR KILIAN (*1975)
Human Resources and Trucks brand group
April 13, 2018[1], appointed until 2026
Nationality: German
Appointments:
- ○ AUDI AG, Ingolstadt[3]
- ○ MAN Energy Solutions SE, Augsburg (Chair)[3]
- ○ MAN Truck & Bus SE, Munich[3]
- ○ PowerCo SE, Salzgitter[3]
- ○ TRATON SE, Munich[3,4]
- ○ Volkswagen Group Services GmbH, Wolfsburg (Chair)[3]
- ○ Wolfsburg AG, Wolfsburg (Deputy Chair)[2]
- ⦿ Autostadt GmbH, Wolfsburg (Chair)[3]
- ⦿ FAW-Volkswagen Automotive Co., Ltd., Changchun[2]
- ⦿ Scania AB, Södertälje[3]
- ⦿ Scania CV AB, Södertälje[3]
- ⦿ VfL Wolfsburg-Fußball GmbH, Wolfsburg[3]
- ⦿ Volkswagen Immobilien GmbH, Wolfsburg (Chair)[3]

THOMAS SCHÄFER (*1970)
Core brand group,
Chair of the Board of Management of the Volkswagen Passenger Cars brand,
July 1, 2022[1], appointed until 2025
Nationality: German
Appointments:
- ⦿ FAW-Volkswagen Automotive Co., Ltd., Changchun[2]
- ⦿ SAIC Volkswagen Automotive Co., Ltd., Shanghai[2]
- ⦿ SEAT, S.A., Martorell (Chair)[3]
- ⦿ ŠKODA Auto a.s., Mladá Boleslav (Chair)[3]
- ⦿ Volkswagen (China) Investment Co., Ltd., Beijing (Chair)[3]

THOMAS SCHMALL-VON WESTERHOLT (*1964)
Technology,
Chair of the Board of Management of Volkswagen Group Components,
January 1, 2021[1], appointed until 2028
Nationality: German, Brazilian
Appointments:
- ○ PowerCo SE, Salzgitter (Chair)[3]
- ⦿ Brose Sitech Sp. Z o.o., Polkowice[2]
- ⦿ Volkswagen Group (China) Technology Company, Ltd., Hefei[3]

HAUKE STARS (*1967)
IT
February 1, 2022[1], appointed until 2025
Nationality: German
Appointments:
- ○ AUDI AG, Ingolstadt[3]
- ○ CARIAD SE, Wolfsburg[3]
- ○ Dr. Ing. h.c. F. Porsche AG, Stuttgart[3,4]
- ○ PowerCo SE, Salzgitter[3]
- ○ RWE AG, Essen[2,4]
- ⦿ Kühne + Nagel International AG, Schindellegi[2,4]

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

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

MEMBERS OF THE SUPERVISORY BOARD AND COMPOSITION OF THE COMMITTEES

(Appointments: as of December 31, 2023 or the date of departure from the Supervisory Board of Volkswagen AG or the start date after December 31, 2023)

HANS DIETER PÖTSCH (*1951)

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

Appointments:

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

JÖRG HOFMANN (*1955)

Deputy Chair (since November 20, 2015),
IG Metall
November 20, 2015[1], appointed until 2027
Nationality: German

DR. HESSA SULTAN AL JABER (*1959)

Former Minister of Information and
Communications Technology, Qatar
June 22, 2016[1], elected until 2024
Nationality: Qatari

Appointments:

- ⊙ Malomatia Q.S.C, Doha (Chair)[2]
- ⊙ MEEZA QSTP-LLC (Public), Doha[2, 4]
- ⊙ 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, 2022[1], 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)[2,4]
- ⊙ Qatar Stock Exchange, Doha (Deputy Chair)[2]
- ⊙ Qatari Diar Real Estate Investment Company, Doha (Board member)[2]

RITA BECK (*1970)

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

Appointments (as of January 9, 2024):

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

HARALD BUCK (*1962)

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

Appointments:

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

MATÍAS CARNERO SOJO (*1968)

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

MATÍAS CARNERO SOJO (*1968)

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

DANIELA CAVALLO (*1975)

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

Appointments:

- ○ PowerCo SE, Salzgitter (Deputy Chair)[3]
- ○ TRATON SE, Munich[3, 4]
- ○ Volkswagen Financial Services AG, Braunschweig (Deputy Chair)[3]
- ○ Wolfsburg AG, Wolfsburg[2]
- ⊙ Allianz für die Region GmbH, Braunschweig (until May 31, 2023)[2]
- ⊙ Autostadt GmbH, Wolfsburg[3]
- ⊙ Brose Sitech Sp. Z o.o., Polkowice[2]
- ⊙ Porsche Holding Gesellschaft m.b.H., Salzburg[3]
- ⊙ SEAT, S.A., Martorell[3]
- ⊙ ŠKODA Auto a.s., Mladá Boleslav[3]
- ⊙ VfL Wolfsburg-Fußball GmbH, Wolfsburg[3]
- ⊙ Volkswagen Group Services GmbH[3]

○ 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.

JULIA WILLIE HAMBURG (*1986)
Minister of Education and Cultural Affairs for the Federal State of Lower Saxony
November 8, 2022[1], delegated until 2027
Nationality: German

MARIANNE HEIß (*1972)
Chief Executive Officer of BBDO Group Germany GmbH (until April 30, 2023)
Member of the Supervisory Board
February 14, 2018[1], elected until 2028
Nationality: Austrian
Appointments:
○ AUDI AG, Ingolstadt[3]
○ Flix SE, Munich[2]
○ 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, 2022[1], appointed until 2027
Nationality: German
Appointments:
⊙ Volkswagen Pension Trust e.V., Wolfsburg[3]

DR. GÜNTHER HORVATH (*1952)
Managing Director of
and self-employed attorney at Dr. Günther J. Horvath Rechtsanwalt GmbH
February 28, 2023[1], elected until 2028
Nationality: Austrian
Appointments:
○ Porsche Automobil Holding SE, Stuttgart[2,4]

SIMONE MAHLER (*1971)
Chair of the Joint Works Council of Volkswagen Financial Services AG and Volkswagen Bank GmbH
May 12, 2022 – May 31, 2023[1]
Nationality: German
Appointments (as of May 31, 2023):
○ EURO-Leasing GmbH, Sittensen[3]
○ Volkswagen Financial Services AG, Braunschweig[3]
⊙ Volkswagen Pension Trust e.V., Wolfsburg[3]

PETER MOSCH (*1972)
Chair of the General Works Council of AUDI AG (until September 30, 2023)
January 18, 2006 – December 31, 2023[1]
Nationality: German
Appointments (as of December 31, 2023):
○ AUDI AG, Ingolstadt (Deputy Chair)[3]
○ Audi Pensionskasse – Altersversorgung der AUTO UNION GmbH, VVaG, Ingolstadt[3]
○ CARIAD SE, Wolfsburg (Deputy Chair)[3]
⊙ Audi Stiftung für Umwelt GmbH, Ingolstadt[3]

DANIELA NOWAK (*1970)
Chair of the Works Council of Volkswagen AG, Braunschweig plant
May 12, 2022[1], appointed until 2027
Nationality: German
Appointments:
⊙ Volkswagen Pension Trust e.V., Wolfsburg[3]

DR. JUR. HANS MICHEL PIËCH (*1942)
Member of the Supervisory BoardAugust 7, 2009[1], elected until 2024
Nationality: Austrian
Appointments:
○ AUDI AG, Ingolstadt[3]
○ Dr. Ing. h.c. F. Porsche AG, Stuttgart[3,4]
○ Porsche Automobil Holding SE, Stuttgart (Deputy Chair)[2,4]
⊙ Porsche Holding Gesellschaft m.b.H., Salzburg[3]
⊙ Schmittenhöhebahn AG, Zell am See[2]

DR. JUR. FERDINAND OLIVER PORSCHE (*1961)
Member of the Board of Management of Familie Porsche AG Beteiligungsgesellschaft
Managing Director of Real Estate Holding GmbH,
Managing Director of Neckar GmbH
August 7, 2009[1], elected until 2024
Nationality: Austrian
Appointments:
○ AUDI AG, Ingolstadt[3]
○ Dr. Ing. h.c. F. Porsche AG, Stuttgart[3,4]
○ Porsche Automobil Holding SE, Stuttgart[2,4]
⊙ Porsche Holding Gesellschaft m.b.H., Salzburg[3]
⊙ Porsche Lifestyle GmbH & Co. KG, Ludwigsburg[3]

○ 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.

DR. RER. COMM. WOLFGANG PORSCHE (*1943)
Chair of the Supervisory Board of Porsche Automobil Holding SE;
Chair of the Supervisory Board of Dr. Ing. h.c. F. Porsche AG
April 24, 2008[1], elected until 2028
Nationality: Austrian
Appointments:
- ○ AUDI AG, Ingolstadt[3]
- ○ Dr. Ing. h.c. F. Porsche AG, Stuttgart (Chair)[3, 4]
- ○ Porsche Automobil Holding SE, Stuttgart (Chair)[2, 4]
- ⦿ Familie Porsche AG Beteiligungsgesellschaft, Salzburg (Chair)[2]
- ⦿ Porsche Holding Gesellschaft m.b.H., Salzburg[3]
- ⦿ Schmittenhöhebahn AG, Zell am See[2]

JENS ROTHE (*1970)
Chair of the General Works Council of Volkswagen Sachsen GmbH
October 22, 2021 – March 3, 2023[1]
Nationality: German
Appointments (as of March 3, 2023):
- ○ Volkswagen Sachsen GmbH, Zwickau (Deputy Chair)[3]

GERARDO SCARPINO (*1962)
Executive Director of the Volkswagen Group Works Council
April 21, 2023[1], appointed until 2027
Nationality: Italian
Appointments:
- ○ CARIAD SE, Wolfsburg[3]

KARINA SCHNUR (*1977)
Chair of the General and Group Works Councils of MAN Truck & Bus SE and
Chair of the Group Works Council of TRATON SE
July 11, 2023[1], appointed until 2027
Nationality: German
Appointments:
- ○ MAN Truck & Bus SE, Munich[3]
- ○ TRATON SE, Munich[3, 4]
- ⦿ Rheinmetall MAN Military Vehicles GmbH, Munich[2]

CONNY SCHÖNHARDT (*1978)
Union Secretary and Head of the Mobility and Vehicle Construction Unit attached to the IG Metall Board
June 21, 2019[1], appointed until: 2027
Nationality: German
Appointments:
- ○ CARIAD SE, Wolfsburg[3]
- ○ PowerCo SE, Salzgitter[3]
- ○ Volkswagen Bank GmbH, Braunschweig[3]

STEPHAN WEIL (*1958)
Minister-President of the Federal State of Lower Saxony
February 19, 2013[1], delegated until 2027
Nationality: German

SUPERVISORY BOARD COMMITTEES

Members of the Executive Committee
Hans Dieter Pötsch (Chair)
Jörg Hofmann (Deputy Chair)
Rita Beck (since January 24, 2024)
Daniela Cavallo
Peter Mosch (until December 31, 2023)
Dr. Hans Michel Piëch
Dr. Wolfgang Porsche
Gerardo Scarpino
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
Gerardo Scarpino
Conny Schönhardt

Members of the Nomination Committee
Hans Dieter Pötsch (Chair)
Dr. Hans Michel Piëch
Dr. Wolfgang Porsche
Stephan Weil

Wolfsburg, February 20, 2024

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 in 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 31.12.2023**

		Exchange rate (1€ =)	VW AG 's interest in capital in %			Equity in thousands,	Profit/loss in thousands,		
Name and domicile of company	Currency	Dec. 31, 2023	Direct	Indirect	Total	local currency	local currency	Footnote	Year
I. PARENT COMPANY									
VOLKSWAGEN AG, Wolfsburg									
II. SUBSIDIARIES									
A. Consolidated companies									
1. Germany									
AUDI AG, Ingolstadt	EUR		100.00	-	100.00	13,507,451	-	1)	2023
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, Hanover	EUR		-	100.00	100.00	16,621	-	1)	2021
AUDI Immobilien Verwaltung GmbH, Ingolstadt	EUR		-	100.00	100.00	289,246	670		2022
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	22,060	4,127		2022
Audi Sport GmbH, Neckarsulm	EUR		-	100.00	100.00	211,200	-	1)	2023
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)	2022
Bugatti Engineering GmbH, Wolfsburg	EUR		-	100.00	100.00	25	-	1)	2022
CARIAD SE, Wolfsburg	EUR		-	100.00	100.00	2,979,973	-	1)	2022
Dr. Ing. h.c. F. Porsche AG, Stuttgart	EUR		-	75.42	75.42	11,572,533	6,839,604		2023
Ducati Motor Deutschland GmbH, Neuburg a.d. Donau	EUR		-	100.00	100.00	17,800	2,247		2022
dx.one GmbH, Wolfsburg	EUR		100.00	-	100.00	805	-	1)	2022
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	-73	56		2022
GETAS Verwaltung GmbH & Co. Objekt Heinrich-von-Buz-Straße KG, Pullach i. Isartal	EUR		-	100.00	100.00	-169	88		2022
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	-	1)	2022
KOSIGA GmbH & Co. KG, Pullach i. Isartal	EUR		-	94.00	94.00	38,584	497		2022
LOTS Germany GmbH, Koblenz	EUR		-	100.00	100.00	25	-	4)	2022
M A N Verwaltungs-Gesellschaft mbH, Munich	EUR		-	100.00	100.00	1,039	-	1)	2023
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	25	40,146		2022
MAN Energy Solutions SE, Augsburg	EUR		-	100.00	100.00	699,650	-	1)	2023
MAN GHH Immobilien GmbH, Oberhausen	EUR		-	100.00	100.00	44,668	-	1)	2023
MAN Grundstücksgesellschaft mbH & Co. Epsilon KG, Munich	EUR		-	100.00	100.00	665	50		2022
MAN Marken GmbH, Munich	EUR		-	100.00	100.00	27	-	1)	2022
MAN Service und Support GmbH, Munich	EUR		-	100.00	100.00	25	-	1)	2023
MAN Truck & Bus Deutschland GmbH, Munich	EUR		-	100.00	100.00	130,934	-	1)	2023
MAN Truck & Bus SE, Munich	EUR		-	100.00	100.00	573,491	-	1)	2023
MAN Zweite Beteiligungs GmbH, Munich	EUR		-	100.00	100.00	-	-		2022
Memphis I GmbH, Stuttgart	EUR		-	100.00	100.00	-	-	4)	2022
MHP Management- und IT-Beratung GmbH, Ludwigsburg	EUR		-	86.35	86.35	235,124	69,201		2022
MOIA GmbH, Berlin	EUR		100.00	-	100.00	39	-	1)	2022
MOIA Operations Germany GmbH, Hanover	EUR		-	100.00	100.00	25	-	1)	2022
Navistar Europe GmbH, Nuremberg	EUR		-	100.00	100.00	619	2		2022
POFIN Financial Services GmbH & Co. KG, Freilassing	EUR		-	100.00	100.00	79,232	-		2022
POFIN Financial Services Verwaltungs GmbH, Freilassing	EUR		-	100.00	100.00	467,729	-2,710		2022
Porsche Consulting GmbH, Bietigheim-Bissingen	EUR		-	100.00	100.00	700	-	1)	2022
Porsche Deutschland GmbH, Bietigheim-Bissingen	EUR		-	100.00	100.00	18,120	-	1)	2022
Porsche Dienstleistungs GmbH, Stuttgart	EUR		-	100.00	100.00	43	-	1)	2022
Porsche Digital GmbH, Ludwigsburg	EUR		-	100.00	100.00	20,025	-	1)	2022
Porsche Engineering Group GmbH, Weissach	EUR		-	100.00	100.00	4,000	-	1)	2022
Porsche Engineering Services GmbH, Bietigheim-Bissingen	EUR		-	100.00	100.00	1,601	-	1)	2022
Porsche Erste Beteiligungsgesellschaft mbH, Stuttgart	EUR		-	100.00	100.00	104,425	-	1)	2022
Porsche Financial Services GmbH & Co. KG, Bietigheim-Bissingen	EUR		-	100.00	100.00	169,972	19,955		2022
Porsche Financial Services GmbH, Bietigheim-Bissingen	EUR		-	100.00	100.00	26,608	-	1)	2022
Porsche Financial Services Verwaltungsgesellschaft mbH, Bietigheim-Bissingen	EUR		-	100.00	100.00	112	5		2022
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	4,814		2022
Porsche Leipzig GmbH, Leipzig	EUR		-	100.00	100.00	2,500	-	1)	2022
Porsche Lifestyle GmbH & Co. KG, Ludwigsburg	EUR		-	100.00	100.00	-11,551	8,586		2022
Porsche Logistik GmbH, Stuttgart	EUR		-	100.00	100.00	1,000	-	1)	2022
Porsche Niederlassung Berlin GmbH, Berlin	EUR		-	100.00	100.00	2,500	-	1)	2022
Porsche Niederlassung Berlin-Potsdam GmbH, Kleinmachnow	EUR		-	100.00	100.00	1,700	-	1)	2022
Porsche Niederlassung Hamburg GmbH, Hamburg	EUR		-	100.00	100.00	2,000	-	1)	2022
Porsche Niederlassung Mannheim GmbH, Mannheim	EUR		-	100.00	100.00	1,000	-		2021
Porsche Niederlassung Stuttgart GmbH, Stuttgart	EUR		-	100.00	100.00	2,500	-	1)	2022
Porsche Nordamerika Holding GmbH, Ludwigsburg	EUR		-	100.00	100.00	58,311	-	1)	2022
Porsche Sales & Marketplace GmbH, Stuttgart	EUR		-	100.00	100.00	2,198	-	1)	2022
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	37	-4		2022
Porsche Werkzeugbau GmbH, Schwarzenberg	EUR		-	100.00	100.00	68,193	-279		2022
Porsche Zentrum Hoppegarten GmbH, Stuttgart	EUR		-	100.00	100.00	2,556	-	1)	2022
PowerCo SE, Salzgitter	EUR		-	100.00	100.00	1,699,446	-	1)	2022
PSW automotive engineering GmbH, Gaimersheim	EUR		-	100.00	100.00	37,085	-1,027		2022
PZ Leipzig GmbH, Leipzig	EUR		-	100.00	100.00	500	-	1)	2021
Scania CV Deutschland Holding GmbH, Koblenz	EUR		-	100.00	100.00	66,295	-	1)	2022
SCANIA DEUTSCHLAND GmbH, Koblenz	EUR		-	100.00	100.00	36,625	-	1)	2023
Scania Finance Deutschland GmbH, Koblenz	EUR		-	100.00	100.00	62,913	-	1)	2022
SCANIA Real Estate Deutschland GmbH, Koblenz	EUR		-	100.00	100.00	15,183	-	1)	2023
Scania Versicherungsvermittlung GmbH, Koblenz	EUR		-	100.00	100.00	1,322	189		2022
SCANIA Vertrieb und Service GmbH, Koblenz	EUR		-	100.00	100.00	9,463	-	1)	2023
Schwaba GmbH, Augsburg	EUR		-	100.00	100.00	19,790	-	1)	2021
SEAT Deutschland GmbH, Weiterstadt	EUR		-	100.00	100.00	181,694	22,496		2022
SEAT Deutschland Niederlassung GmbH, Weiterstadt	EUR		-	100.00	100.00	325	-	1)	2022
Škoda Auto Deutschland GmbH, Weiterstadt	EUR		-	100.00	100.00	24,119	-	1)	2022
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	2,248		2022
TB Digital Services GmbH, Munich	EUR		-	100.00	100.00	25	-	1)	2023
TORINU Verwaltung GmbH & Co. Beta KG, Pullach i. Isartal	EUR		-	100.00	100.00	18,100	1,866		2022
TRATON SE, Munich	EUR		-	89.72	89.72	14,775,644	564,563		2023
UI-356-Fonds, Frankfurt am Main	EUR		-	100.00	100.00	1,501,311	-69,850	12)	2022
UI-S5-Fonds, Frankfurt am Main	EUR		-	100.00	100.00	-	-	12)	2023

Name and domicile of company	Currency	Exchange rate (1€ =) Dec. 31, 2023	VW AG 's interest in capital in % Direct	Indirect	Total	Equity in thousands, local currency	Profit/loss in thousands, local currency	Footnote	Year
UI-SP25-Fonds, Frankfurt am Main	EUR		-	100.00	100.00	394,594	-17,906	4) 12)	2022
UI-TV-Fonds, Frankfurt am Main	EUR		100.00	-	100.00	13,510,307	-66,201	12)	2022
Vehicle Trading International (VTI) GmbH, Braunschweig	EUR		-	100.00	100.00	2,763	-	1)	2023
VfL Wolfsburg-Fußball GmbH, Wolfsburg	EUR		-	100.00	100.00	30,973	-	1) 3)	2023
VGRB GmbH, Berlin	EUR		-	100.00	100.00	25	-	1)	2020
VGRD GmbH, Wolfsburg	EUR		100.00	-	100.00	282,939	-	1)	2021
VGRDD GmbH, Dresden	EUR		-	100.00	100.00	-	-	1) 4)	2022
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	57,051	-	1) 11)	2023
Volkswagen ADMT Hannover GmbH, Hanover	EUR		-	100.00	100.00	25	-		2022
Volkswagen AirService GmbH, Braunschweig	EUR		-	100.00	100.00	100	-	1)	2022
Volkswagen Automobile Berlin GmbH, Berlin	EUR		-	100.00	100.00	27,762	-	1)	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, Hanover	EUR		-	100.00	100.00	20,359	-	1) 11)	2021
VOLKSWAGEN Automobile Leipzig GmbH, Leipzig	EUR		-	100.00	100.00	13,805	-	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)	2023
Volkswagen Beteiligungsverwaltung GmbH, Wolfsburg	EUR		100.00	-	100.00	200	-	1)	2022
Volkswagen Deutschland GmbH & Co. KG, Wolfsburg	EUR		100.00	-	100.00	1,000	35,368		2022
Volkswagen Deutschland Verwaltungs GmbH, Wolfsburg	EUR		100.00	-	100.00	74	-	1)	2022
VOLKSWAGEN FINANCIAL SERVICES AG, Braunschweig	EUR		100.00	-	100.00	7,131,794	-	1)	2023
Volkswagen Financial Services Digital Solutions GmbH, Braunschweig	EUR		-	100.00	100.00	121,864	5,621		2022
Volkswagen Gebrauchtfahrzeughandels und Service GmbH, Langenhagen	EUR		-	100.00	100.00	603	-	1)	2022
Volkswagen Group Charging GmbH, Berlin	EUR		-	100.00	100.00	100	-	1)	2022
Volkswagen Group IT Solutions GmbH, Wolfsburg	EUR		-	100.00	100.00	200	-	1)	2022
Volkswagen Group Logistics GmbH, Wolfsburg	EUR		100.00	-	100.00	4,436	506		2022
Volkswagen Group Real Estate GmbH & Co. KG, Wolfsburg	EUR		-	100.00	100.00	307,000	27,922		2022
Volkswagen Group Services GmbH, Wolfsburg	EUR		100.00	-	100.00	26,594	-	1)	2022
Volkswagen Immobilien GmbH, Wolfsburg	EUR		100.00	-	100.00	234,297	-	1)	2022
Volkswagen Insurance Brokers GmbH, Braunschweig	EUR		-	100.00	100.00	54,829	-	1)	2023
Volkswagen Konzernlogistik GmbH & Co. OHG, Wolfsburg	EUR		81.00	19.00	100.00	511	120,975	15)	2022
Volkswagen Leasing GmbH, Braunschweig	EUR		-	100.00	100.00	3,269,912	-	1)	2023
Volkswagen Leasingobjekt GmbH, Braunschweig	EUR		-	100.00	100.00	25	-	1) 11)	2022
Volkswagen Original Teile Logistik Beteiligungs-GmbH, Baunatal	EUR		49.80	3.80	53.60	31	1		2022
Volkswagen Original Teile Logistik GmbH & Co. KG, Baunatal	EUR		50.87	3.88	54.75	47,095	31,447		2022
Volkswagen Osnabrück GmbH, Osnabrück	EUR		100.00	-	100.00	10,511	-	1)	2022
Volkswagen Sachsen GmbH, Zwickau	EUR		100.00	-	100.00	672,503	-	1)	2022
Volkswagen Sechste Leasingobjekt GmbH, Braunschweig	EUR		-	100.00	100.00	25	-	1)	2022
Volkswagen Software Asset Management GmbH, Wolfsburg	EUR		-	100.00	100.00	100	-	1)	2022
Volkswagen Vermögensverwaltungs-GmbH, Wolfsburg	EUR		100.00	-	100.00	2,300,025	-	1)	2022
Volkswagen Versicherung AG, Braunschweig	EUR		-	100.00	100.00	97,055	-	1)	2023
Volkswagen Zubehör GmbH, Dreieich	EUR		100.00	-	100.00	8,911	-	1)	2023
Volkswagen-Versicherungsdienst GmbH, Braunschweig	EUR		-	100.00	100.00	54,369	-	1)	2023
VW Kraftwerk GmbH, Wolfsburg	EUR		100.00	-	100.00	219,914	-	1)	2022
ZellCo 1. Projektgesellschaft mbH, Salzgitter	EUR		51.00	49.00	100.00	287,603	-12,397	4)	2022
2. International									
AB Dure, Södertälje	SEK	11.0874	-	100.00	100.00	1,440	-	5)	2022
AB Folkvagn, Södertälje	SEK	11.0874	-	100.00	100.00	100	-	5)	2022
AB Otrem, Stockholm	SEK	11.0874	-	100.00	100.00	684	564		2022
AB Scania-Vabis, Södertälje	SEK	11.0874	-	100.00	100.00	100	-	5)	2022
Ainax AB, Södertälje	SEK	11.0874	-	100.00	100.00	120	-	5)	2022
Aktiebolaget Tönseth & Co, Stockholm	SEK	11.0874	-	100.00	100.00	14,387	18		2022
ARAC GmbH, Salzburg	EUR		-	100.00	100.00	63,643	-1,792		2022
Audi (China) Enterprise Management Co., Ltd., Beijing	CNY	7.8700	-	100.00	100.00	5,189,225	845,846		2022
Audi Australia Retail Operations Pty. Ltd., Zetland	AUD	1.6292	-	100.00	100.00	17,837	6,091		2022
Audi Brussels S.A./N.V., Brussels	EUR		-	100.00	100.00	623,019	9,560		2022
Audi Canada, Inc., Ajax / ON	CAD	1.4681	-	100.00	100.00	303,726	48,404		2023
Audi do Brasil Indústria e Comércio de Veículos Ltda., São Paulo	BRL	5.3750	-	100.00	100.00	707,909	116,016		2022
Audi Hungaria Zrt., Györ	EUR		-	100.00	100.00	1,482,831	354,300		2023
Audi Japan Sales K.K., Tokyo	JPY	156.7900	-	100.00	100.00	7,095,384	3,138,825		2022
Audi Luxemburg S.A., Strassen	EUR		-	100.00	100.00	364,329	-137,082		2022
Audi México S.A. de C.V., San José Chiapa	USD	1.1077	-	100.00	100.00	1,960,320	251,081	10)	2023
Audi of America, LLC, Reston / VA	USD	1.1077	-	100.00	100.00	1,167,752	222,857	10)	2023
Audi Singapore Pte. Ltd., Singapore	SGD	1.4612	-	100.00	100.00	43,570	1,257		2022
Audi Tooling Barcelona, S.L., Martorell	EUR		-	100.00	100.00	52,334	2,037		2022
Audi Volkswagen Middle East FZE, Dubai	USD	1.1077	-	100.00	100.00	149,432	21,485		2022
Auto Expo Avion Premium S.A.S., Avion	EUR		-	100.00	100.00	2,502	294		2022
Auto Expo Avion S.A.S., Avion	EUR		-	100.00	100.00	5,778	226		2022
Auto Expo Béthune S.A.R.L., Béthune	EUR		-	100.00	100.00	768	19		2022
Auto Expo Bruay Premium S.A.S., Bruay-la-Buissière	EUR		-	100.00	100.00	2,004	197		2022
Auto Expo Bruay S.A.S., Bruay-la-Buissière	EUR		-	100.00	100.00	4,596	102		2022
Auto Expo Dunkerque Premium S.A.R.L., Dunkerque	EUR		-	100.00	100.00	1,697	-48		2022
Auto Expo Dunkerque S.A.S., Dunkerque	EUR		-	100.00	100.00	3,166	80		2022
Auto Expo Hazebrouck Premium S.A.S., Hazebrouck	EUR		-	100.00	100.00	2,272	146		2022
Auto Expo Hazebrouck S.A.S., Hazebrouck	EUR		-	100.00	100.00	7,582	41		2022
Auto Expo Montigny S.A.R.L., Montigny-en-Gohelle	EUR		-	100.00	100.00	281	71		2022
Auto Expo Villeneuve d'Ascq S.A.S., Villeneuve d'Ascq	EUR		-	100.00	100.00	7,120	502		2022
Auto Garage de l' Ouest S.A.S., Orvault	EUR		-	100.00	100.00	5,512	-207		2022
Autocentro Baistrocchi S.p.A., Bolzano	EUR		-	100.00	100.00	6,183	738		2022
Autofinance S.A., Luxembourg	SEK	11.0874	-	-	-	350	-	12)	2022
Autohaus Robert Stipschitz GmbH, Salzburg	EUR		-	100.00	100.00	12,005	356		2022
Automobili Lamborghini America, LLC, Reston / VA	USD	1.1077	-	100.00	100.00	45,948	10,733	10)	2023
Automobili Lamborghini S.p.A., Sant'Agata Bolognese	EUR		-	100.00	100.00	5,782,297	409,930		2022
Automotors Toul S.A.R.L., Dommartin-les-Toul	EUR		-	100.00	100.00	-282	-222		2022
Axone Automobiles S.A.S., Paris	EUR		-	100.00	100.00	-489	-4,859	11)	2022
Banco Volkswagen S.A., São Paulo	BRL	5.3750	-	100.00	100.00	3,222,080	155,697		2022
Beijing Binjie Automobile Sales & Service Co., Ltd., Beijing	CNY	7.8700	-	100.00	100.00	53,926	19,070		2022
Beijing Junbaohang Automobile Sales and Service Co., Ltd., Beijing	CNY	7.8700	-	100.00	100.00	176,450	285		2022
Beijing Junbaojie Automobile Sales & Service Co., Ltd., Beijing	CNY	7.8700	-	100.00	100.00	39,155	10,719		2022
Beijing Junbaojie Automobile Trade Co., Ltd., Beijing	CNY	7.8700	-	100.00	100.00	86,109	12,061		2022
Bentley Motors Canada Ltd./Ltee., Montreal / QC	CAD	1.4681	-	100.00	100.00	15,085	3,457	10)	2023
Bentley Motors Ltd., Crewe	GBP	0.8691	-	100.00	100.00	114,400	697,000		2022
Bentley Motors, Inc., Reston / VA	USD	1.1077	-	100.00	100.00	121,311	14,765	10)	2023
Bil Fastigheter i Sverige AB, Stockholm	SEK	11.0874	-	100.00	100.00	6,951	155		2022
Bilfastighet i Täby AB, Stockholm	SEK	11.0874	-	100.00	100.00	20,756	0		2022
Bilmetro AB, Gavle	SEK	11.0874	-	100.00	100.00	628,874	124,486		2022
Bilmetro i Dalarna AB, Stockholm	SEK	11.0874	-	100.00	100.00	6,136	756		2022

Name and domicile of company	Currency	Exchange rate (1€ =) Dec. 31, 2023	VW AG 's interest in capital in % Direct	Indirect	Total	Equity in thousands, local currency	Profit/loss in thousands, local currency	Footnote	Year
Bilmetro Lastbilar i Hudiksvall AB, Gavle	SEK	11.0874	-	100.00	100.00	29	-110		2022
Bilmetropolen i Gävle-Dala AB, Stockholm	SEK	11.0874	-	100.00	100.00	240	30		2022
Blue Diamond Parts LLC, Lisle / IL	USD	1.1077	-	100.00	100.00	42,403	30,698		2022
Bonaldi Motori S.p.A., Bolzano	EUR		-	100.00	100.00	42,855	6,629		2022
Bonaldi Tech S.p.A., Bolzano	EUR		-	100.00	100.00	13,315	5,717	11)	2022
CARIAD (China) Co., Ltd., Beijing	CNY	7.8700	-	100.00	100.00	1,079,113	115,151		2022
CARIAD Estonia A.S., Tallinn	EUR		-	100.00	100.00	473,189	-12,520		2022
Carrera Finance S.A., Luxembourg	EUR		-	-	-	31	-	12)	2022
Carrera Italia SPV S.r.l., Conegliano	EUR		-	-	-	10	-	12)	2022
Centurion Truck & Bus (Pty) Ltd. t/a, Centurion	ZAR	20.4442	-	70.00	70.00	24,337	3,945		2022
Changshu Jiejun Automobile Sales and Service Co., Ltd., Changshu	CNY	7.8700	-	100.00	100.00	77,508	20,818		2022
Changxing Junbaohang Automobile Sales and Service Co., Ltd., Huzhou	CNY	7.8700	-	100.00	100.00	28,452	-7,045		2022
Changzhou Aobaohang Automobile Sales and Service Co., Ltd., Changzhou	CNY	7.8700	-	100.00	100.00	51,827	-12,185		2022
Chicago International Trucks - Chicago, LLC, Chicago / IL	USD	1.1077	-	100.00	100.00	-5,793	-	5)	2022
Cixi Jiejun Automobile Sales and Service Co., Ltd., Cixi	CNY	7.8700	-	100.00	100.00	117,559	50,108		2022
Codema Comercial e Importadora Ltda., Guarulhos	BRL	5.3750	-	99.98	99.98	321,985	97,408		2022
Consórcio Nacional Volkswagen - Administradora de Consórcio Ltda., Santana de Parnaíba	BRL	5.3750	-	100.00	100.00	443,189	72,057		2022
Din Bil Fastigheter Göteborg AB, Stockholm	SEK	11.0874	-	100.00	100.00	15,926	-415		2022
Din Bil Fastigheter Syd AB, Södertälje	SEK	11.0874	-	100.00	100.00	10,490	-114		2022
Din Bil Helsingborg AB, Stockholm	SEK	11.0874	-	100.00	100.00	15,987	202		2022
Din Bil Sverige AB, Stockholm	SEK	11.0874	-	100.00	100.00	1,609,757	345,095		2022
Dorigoni S.p.A., Bolzano	EUR		-	100.00	100.00	21,881	3,106		2022
Driver Australia eight Trust, Chullora	AUD	1.6292	-	-	-	-	-	6) 12)	2023
Driver Australia Master Trust, Chullora	AUD	1.6292	-	-	-	39,138	13,793	12)	2022
Driver Australia seven Trust, Chullora	AUD	1.6292	-	-	-	14,327	13,200	12)	2022
Driver Brasil five Banco Volkswagen Fundo de Investimento em Direitos Creditórios Financiamento de Veículos, Osasco	BRL	5.3750	-	-	-	467,145	69,116	12)	2022
Driver Brasil Six Banco Volkswagen Fundo de Investimento em Direitos Creditórios Financiamento de Veículos, Osasco	BRL	5.3750	-	-	-	-	-	4) 6) 12)	2023
Driver China Eleven Auto Loan Securitization Trust, in liquidation, Beijing	CNY	7.8700	-	-	-	2,426,380	262,929	2) 12)	2022
Driver China Fourteen Auto Loan Securitization Trust, Beijing	CNY	7.8700	-	-	-	7,171,775	-68,739	4) 12)	2022
Driver China Thirteen Auto Loan Securitization Trust, Beijing	CNY	7.8700	-	-	-	3,918,627	155,492	12)	2022
Driver China Twelve Auto Loan Securitization Trust, in liquidation, Beijing	CNY	7.8700	-	-	-	1,609,832	144,297	2) 12)	2022
Driver Master S.A., Luxembourg	EUR		-	-	-	31	-	12)	2022
Driver Multi-Compartment S.A., Luxembourg	EUR		-	-	-	30	-	12)	2022
Driver UK Master S.A., Luxembourg	GBP	0.8691	-	-	-	29	-	3) 12)	2022
Driver UK Multi-Compartment S.A., Luxembourg	GBP	0.8691	-	-	-	29	-	3) 12)	2022
Ducati (Schweiz) AG, Feusisberg	CHF	0.9264	-	100.00	100.00	5,232	828		2022
Ducati do Brasil Indústria e Comércio de Motocicletas Ltda., São Paulo	BRL	5.3750	-	100.00	100.00	44,345	1,255		2022
Ducati Japan K.K., Yokohama	JPY	156.7900	-	100.00	100.00	384,282	72,661		2022
Ducati Motor (Thailand) Co. Ltd., Amphur Pluakdaeng	THB	37.9886	-	100.00	100.00	2,926,639	806,885		2022
Ducati Motor Holding S.p.A., Bologna	EUR		-	100.00	100.00	880,007	46,502		2022
Ducati Motors de Mexico S. de R.L. de C.V., Mexico City	MXN	18.7689	-	100.00	100.00	6,501	-2,604		2022
Ducati North America, Inc., Sunnyvale / CA	USD	1.1077	-	100.00	100.00	43,031	4,234		2022
Ducati North Europe B.V., Den Haag	EUR		-	100.00	100.00	8,257	968		2022
Ducati Powertrain (Thailand) Co. Ltd., Amphur Pluakdaeng	THB	37.9886	-	100.00	100.00	610,295	359,729		2022
Ducati U.K. Ltd., Towcester	GBP	0.8691	-	100.00	100.00	7,281	759		2022
Ducati West Europe S.A.S., Colombes	EUR		-	100.00	100.00	14,127	2,004		2022
Electrify America, LLC, Reston / VA	USD	1.1077	-	94.90	94.90	854,143	-123,825		2022
Erre Esse S.p.A., Bolzano	EUR		-	100.00	100.00	9,205	2,001		2022
Eurent Autovermietung Kft., Budapest	HUF	382.3900	-	100.00	100.00	137,592	-455,101		2022
Euro-Leasing A/S, Padborg	DKK	7.4530	-	100.00	100.00	29,382	14,058		2022
Eurocar Immobili Italia s.r.l., Bolzano	EUR		-	100.00	100.00	17,909	-326		2022
Eurocar Italia S.r.l., Bolzano	EUR		-	100.00	100.00	113,363	18,512		2022
Europeisk Biluthyrning AB, Stockholm	SEK	11.0874	-	100.00	100.00	74,745	25,052		2022
ExB II LLC, Atlanta / GA	USD	1.1077	-	100.00	100.00	56,017	18,570	12)	2022
ExB LLC, Atlanta / GA	USD	1.1077	-	100.00	100.00	37,644	17,210	12)	2022
Exclusive Cars Japan GK, Tokyo	JPY	156.7900	-	100.00	100.00	798,052	-246,372		2022
Exclusive Cars Vertriebs GmbH, Salzburg	EUR		-	100.00	100.00	9,475	2,157		2022
Exclusive Motors S.A.S., Paris	EUR		-	100.00	100.00	3,683	529		2022
Fastighet Kallebäck 2:4 i Göteborg AB, Stockholm	SEK	11.0874	-	100.00	100.00	4,782	-1,237		2022
Fastighets AB Hammarbyvagnen, Stockholm	SEK	11.0874	-	100.00	100.00	2,857	158		2022
Fastighets AB Kabisten 1, Stockholm	SEK	11.0874	-	100.00	100.00	3,228	327		2022
Fastighets AB Xalam, Stockholm	SEK	11.0874	-	100.00	100.00	12,235	-646		2022
Fastighetsaktiebolaget Flygmotorn, Södertälje	SEK	11.0874	-	100.00	100.00	18,719	65		2022
Fastighetsaktiebolaget Hjulnavet, Södertälje	SEK	11.0874	-	100.00	100.00	55,260	1,396		2022
Fastighetsaktiebolaget Vindbron, Södertälje	SEK	11.0874	-	100.00	100.00	44,146	1,106		2022
Fastighetsbolaget Bärgningsbilen 2 Örebro AB, Stockholm	SEK	11.0874	-	100.00	100.00	45,407	8,861		2022
Fastighetsbolaget Fluoret AB, Stockholm	SEK	11.0874	-	100.00	100.00	9,067	2,332		2022
Fastighetsbolaget Gilltuna Västerås AB, Stockholm	SEK	11.0874	-	100.00	100.00	25,182	2,755		2022
Ferruform AB, Luleå	SEK	11.0874	-	100.00	100.00	80,269	8,701		2022
Garage André Floc S.A.S., Cesson-Sévigné	EUR		-	100.00	100.00	7,868	92		2022
Griffin Automotive Ltd., Road Town	TWD	33.9211	-	100.00	100.00	2,729,741	614,568		2022
Griffin Lux S.à r.l., Luxembourg	EUR		-	-	-	-	-	12)	2022
Gulf Turbo Services LLC, Doha	QAR	4.0378	-	55.00	55.00	19,292	3,988		2022
Hamlin Services, LLC, Herndon / VA	USD	1.1077	-	100.00	100.00	-	-	9)	2021
Hangzhou Aobaohang Automobile Sales & Service Co., Ltd., Hangzhou	CNY	7.8700	-	100.00	100.00	73,120	-1,627		2022
Hangzhou Jieshenghang Automobile Sales and Service Co., Ltd., Hangzhou	CNY	7.8700	-	100.00	100.00	195,709	55,755		2022
Hangzhou Junbaohang Automobile Sales & Service Co., Ltd., Hangzhou	CNY	7.8700	-	100.00	100.00	252,656	70,103		2022
Hangzhou Tongxie Binjie Automobile Sales and Service Co., Ltd., Hangzhou	CNY	7.8700	-	100.00	100.00	33,802	20,312		2022
Hangzhou Xiaoshan Jiejun Automobile Sales and Service Co., Ltd., Hangzhou	CNY	7.8700	-	100.00	100.00	139,175	47,929		2022
Hangzhou Xiaoshan Shidai Junbaohang Automobile Sales & Service Co., Ltd., Hangzhou	CNY	7.8700	-	100.00	100.00	72,756	9,343		2022
Harbour Assurance Company of Bermuda Ltd., Hamilton	USD	1.1077	-	100.00	100.00	8,366	2,487		2022
Hemlingby 20:11 Fastigehts AB, Stockholm	SEK	11.0874	-	100.00	100.00	388	60		2022
Hemlingby 61:2 AB, Stockholm	SEK	11.0874	-	100.00	100.00	1,257	563		2022
HTD I Oskarshamn AB, Oskarshamn	SEK	11.0874	-	100.00	100.00	571	-		2022
Huzhou Jiejun Automobile Sales and Service Co., Ltd., Huzhou	CNY	7.8700	-	100.00	100.00	84,238	29,777		2022
Huzhou Junbaohang Automobile Sales and Service Co., Ltd., Huzhou	CNY	7.8700	-	100.00	100.00	131,145	38,513		2022
IC Bus LLC, Lisle / IL	USD	1.1077	-	100.00	100.00	986,193	66,842		2022
IC Bus of Oklahoma, LLC, Tulsa / OK	USD	1.1077	-	100.00	100.00	-	-	3)	2022
Immobilier France VGRF S.A.S., Roissy-en-France	EUR		-	100.00	100.00	57,745	3,162		2022
International DealCor Operations, Ltd., George Town	USD	1.1077	-	100.00	100.00	56,788	-		2022
International Engine Intellectual Property Company, LLC, Lisle / IL	USD	1.1077	-	100.00	100.00	503,030	1,091		2022
International of Mexico Holding Corporation LLC, Lisle / IL	USD	1.1077	-	100.00	100.00	720,329	-4,746		2022
International Parts Distribution S. de R.L. de C.V., Miguel Hidalgo	MXN	18.7689	-	100.00	100.00	398,411	326,287		2022
International Truck and Engine Corporation Cayman Islands Holding Company, Lisle / IL	USD	1.1077	-	100.00	100.00	-68,006	3,120		2022
International Truck and Engine Corporation U.S. Holding Company, LLC, Lisle / IL	USD	1.1077	-	100.00	100.00	92	-		2022
International Truck and Engine Overseas Corp., Lisle / IL	USD	1.1077	-	100.00	100.00	-10,124	-		2022
International Truck Intellectual Property Company, LLC, Lisle / IL	USD	1.1077	-	100.00	100.00	1,009,222	23,869		2022
International Truck Leasing Corp., Lisle / IL	USD	1.1077	-	100.00	100.00	5,687	937		2022
Italdesign Giugiaro S.p.A., Moncalieri	EUR		-	100.00	100.00	67,711	7,674		2022
Italscania S.p.A., Trento	EUR		-	100.00	100.00	65,845	37,589		2022

Name and domicile of company	Currency	Exchange rate (1€ =) Dec. 31, 2023	VW AG 's interest in capital in % Direct	Indirect	Total	Equity in thousands, local currency	Profit/loss in thousands, local currency	Footnote	Year
Jacob S.A.S., Metz	EUR		-	100.00	100.00	3,873	365	11)	2022
Jacques Carlet S.A.S., Mozac	EUR		-	100.00	100.00	6,948	44	11)	2022
James Young Ltd., Crewe	GBP	0.8691	-	100.00	100.00	12,474	-	5)	2022
Jiangmen Jiejun Automobile Sales and Service Co., Ltd., Jiangmen	CNY	7.8700	-	100.00	100.00	48,302	1,026		2022
Jiaxing Jiejun Automobile Sales and Service Co., Ltd., Jiaxing	CNY	7.8700	-	100.00	100.00	146,487	54,860		2022
Jiaxing Junbaohang Automobile Sales and Service Co., Ltd., Jiaxing	CNY	7.8700	-	100.00	100.00	83,573	36,448		2022
Jiaxing Zhongyue Junbaohang Automobile Sales and Service Co., Ltd., Jiaxing	CNY	7.8700	-	100.00	100.00	25,097	-1,681		2022
Jinhua Jiejun Automobile Sales and Service Co., Ltd., Jinhua	CNY	7.8700	-	100.00	100.00	113,242	61,486		2022
Jinhua Junbaohang Automobile Sales and Service Co., Ltd., Jinhua	CNY	7.8700	-	100.00	100.00	103,145	17,909		2022
Kai Tak Holding AB, Södertälje	SEK	11.0874	-	100.00	100.00	120	-	5)	2022
Kunshan Junbaohang Automobile Sales and Service Co., Ltd., Kunshan	CNY	7.8700	-	100.00	100.00	89,345	27,295		2022
Laxå Specialvehicles AB, Laxå	SEK	11.0874	-	100.00	100.00	121,949	1,333		2022
LM Transportes Interestaduais Serviços e Comércio S.A., Salvador	BRL	5.3750	-	60.00	60.00	2,286,762	140,897	8) 11)	2022
LOTS Chile S.p.A., Santiago de Chile	CLP	977.9400	-	100.00	100.00	3,082,244	-731,211		2022
LOTS Group AB, Södertälje	SEK	11.0874	-	100.00	100.00	447,602	-8,397		2022
LOTS Latin América Logística de Transportes Ltda., São Bernardo do Campo	BRL	5.3750	-	100.00	100.00	155,918	-5,578		2022
Lots Logistics (Guangxi) Co. Ltd., Beihai	CNY	7.8700	-	100.00	100.00	4,780	-	5)	2022
LOTS Peru S.A., Lima	PEN	4.0905	-	100.00	100.00	-	-	4)	2022
LOTS SPV USA LLC, Wilmington / DE	USD	1.1077	-	70.00	70.00	11,548	-534		2022
LOTS Ventures Canada Inc., Vancouver / BC	CAD	1.4681	-	80.00	80.00	6,660	-1,656		2022
LOTS Ventures USA Inc., Wilmington / DE	USD	1.1077	-	100.00	100.00	8,084	-		2022
Mälardalens Tekniska Gymnasium AB, Södertälje	SEK	11.0874	-	80.00	80.00	28,622	1,586		2022
MAN Automotive (South Africa) (Pty) Ltd., Johannesburg	ZAR	20.4442	-	100.00	100.00	1,072,157	80,329		2022
MAN Bus Sp. z o.o., Starachowice	PLN	4.3409	-	100.00	100.00	986,498	97,941		2022
MAN Components s.r.o., Bánovce nad Bebravou	EUR		-	100.00	100.00	11,782	1,954		2022
MAN Energy Solutions Australia Pty. Ltd., Yennora	AUD	1.6292	-	100.00	100.00	22,809	2,499		2022
MAN Energy Solutions Belgium N.V., Antwerp	EUR		-	100.00	100.00	13,536	1,409		2022
MAN Energy Solutions Brasil Equipamentos & Serviços Ltda., Rio de Janeiro	BRL	5.3750	-	100.00	100.00	54,908	5,376		2022
MAN Energy Solutions Canada Ltd., Richmond / BC	CAD	1.4681	-	100.00	100.00	12,467	1,754		2022
MAN Energy Solutions Canarias S.L.U., Las Palmas de Gran Canaria	EUR		-	100.00	100.00	5,699	885		2022
MAN Energy Solutions Chile Ltda., Valparaíso	CLP	977.9400	-	100.00	100.00	8,474,764	2,099,988		2022
MAN Energy Solutions China Co., Ltd., Shanghai	CNY	7.8700	-	100.00	100.00	230,397	61,808		2022
MAN Energy Solutions China Production Co., Ltd., Changzhou	CNY	7.8700	-	100.00	100.00	426,092	68,133		2022
MAN Energy Solutions España S.A., Madrid	EUR		-	100.00	100.00	8,610	1,031		2022
MAN Energy Solutions France S.A.S., Saint-Nazaire	EUR		-	100.00	100.00	160,612	23,225		2022
MAN Energy Solutions Hellas E.P.E., Piraeus	EUR		-	100.00	100.00	18,878	5,110		2022
MAN Energy Solutions Hong Kong Ltd., Hong Kong	HKD	8.6529	-	100.00	100.00	123,696	13,501		2022
MAN Energy Solutions India Pvt. Ltd., Aurangabad	INR	92.1170	-	100.00	100.00	5,258,980	725,860		2022
MAN Energy Solutions Italia S.r.l., Genoa	EUR		-	100.00	100.00	9,533	1,380		2022
MAN Energy Solutions Korea Ltd., Busan	KRW	1,440.7150	-	100.00	100.00	49,113,027	9,595,508		2022
MAN Energy Solutions Malaysia ES Sdn. Bhd., Kuala Lumpur	MYR	5.0899	-	100.00	100.00	71,776	12,626		2022
MAN Energy Solutions Middle East LLC FZE, Fujairah	AED	4.0683	-	100.00	100.00	27,285	6,309		2022
MAN Energy Solutions Middle East LLC, Dubai	AED	4.0683	-	100.00	100.00	25,197	16,853		2022
MAN Energy Solutions Netherlands B.V., Schiedam	EUR		-	100.00	100.00	11,687	1,445		2022
MAN Energy Solutions Pakistan Pvt. Ltd., Lahore	PKR	308.1630	-	100.00	100.00	1,567,692	165,797		2022
MAN Energy Solutions Panama Inc., Panama-City	PAB	1.1077	-	100.00	100.00	19,603	4,176		2022
MAN Energy Solutions Qatar Navigation LLC, Doha	QAR	4.0378	-	49.00	49.00	23,602	-168		2022
MAN Energy Solutions Saudi Arabia LLC, Jeddah	SAR	4.1539	-	100.00	100.00	28,379	5,855		2022
MAN Energy Solutions Schweiz AG, Zürich	CHF	0.9264	-	100.00	100.00	211,838	2,643		2022
MAN Energy Solutions Senegal S.A.R.L., Dakar	XOF	655.9570	-	100.00	100.00	3,635,505	985,168		2022
MAN Energy Solutions Servis ve Ticaret Ltd. Sti., Istanbul	TRY	32.7438	-	100.00	100.00	113,285	74,112		2022
MAN Energy Solutions Singapore Pte. Ltd., Singapore	SGD	1.4612	-	100.00	100.00	93,756	12,173		2022
MAN Energy Solutions South Africa (Pty) Ltd., Johannesburg	ZAR	20.4442	-	100.00	100.00	461,734	29,131		2022
MAN Energy Solutions Sverige AB, Göteborg	SEK	11.0874	-	100.00	100.00	45,972	35,892		2022
MAN Energy Solutions Taiwan Ltd., Kaohsiung	TWD	33.9211	-	100.00	100.00	279,233	99,968		2022
MAN Energy Solutions UK Ltd., Stockport	GBP	0.8691	-	100.00	100.00	46,724	-593		2022
MAN Energy Solutions USA Inc., Houston / TX	USD	1.1077	-	100.00	100.00	71,351	7,015		2022
MAN Engines & Components Inc., Pompano Beach / FL	USD	1.1077	-	100.00	100.00	113,906	10,050		2022
MAN Finance and Holding S.A., Strassen	EUR		-	100.00	100.00	1,689,321	133,325		2022
MAN Financial Services España S.L., Alcobendas (Madrid)	EUR		-	100.00	100.00	29,304	2,589		2022
MAN Financial Services GesmbH, Eugendorf	EUR		-	100.00	100.00	35,641	2,996		2022
MAN Financial Services Poland Sp. z o.o., Nadarzyn	PLN	4.3409	-	100.00	100.00	153,232	35,108	10)	2022
MAN Hellas Truck & Bus A.E., Aspropygros	EUR		-	100.00	100.00	1,874	2		2022
MAN Kamion és Busz Kereskedelmi Kft., Dunaharaszti	HUF	382.3900	-	100.00	100.00	6,919,490	238,677		2022
MAN Kamyon ve Otobüs Ticaret A.S., Ankara	TRY	32.7438	-	100.00	100.00	706,553	118,464		2022
MAN Location & Services S.A.S., Evry	EUR		-	100.00	100.00	4,978	3,099		2022
MAN Nutzfahrzeuge Immobilien GmbH, Vienna	EUR		-	100.00	100.00	32,828	3,181		2022
MAN Shared Services Center Sp. z o.o., Poznan	PLN	4.3409	-	100.00	100.00	15,589	1,759		2022
MAN Truck & Bus (Korea) Ltd., Yongin	KRW	1,440.7150	-	100.00	100.00	17,275,566	5,193,413		2022
MAN Truck & Bus (M) Sdn. Bhd., Rawang	MYR	5.0899	-	100.00	100.00	54,244	-1,930		2022
MAN Truck & Bus Czech Republic s.r.o., Cestlice	CZK	24.7180	-	100.00	100.00	1,428,630	191,024		2022
MAN Truck & Bus Danmark A/S, Greve	DKK	7.4530	-	100.00	100.00	155,666	14,268		2022
MAN Truck & Bus France S.A.S., Evry	EUR		-	100.00	100.00	89,528	3,767		2022
MAN Truck & Bus Iberia S.A., Coslada	EUR		-	100.00	100.00	130,659	12,620		2022
MAN Truck & Bus Italia S.p.A., Dossobuono di Villafranca	EUR		-	100.00	100.00	36,091	4,177		2022
MAN Truck & Bus Middle East FZE, Dubai	AED	4.0683	-	100.00	100.00	52,859	1,298		2022
MAN Truck & Bus N.V., Kobbegem	EUR		-	100.00	100.00	31,449	3,163		2022
MAN Truck & Bus Norge A/S, Lorenskog	NOK	11.2408	-	100.00	100.00	160,183	27,631		2022
MAN Truck & Bus Polska Sp. z o.o., Nadarzyn	PLN	4.3409	-	100.00	100.00	113,444	54,412		2022
MAN Truck & Bus Portugal S.U. Lda., Lisbon	EUR		-	100.00	100.00	9,265	4,150		2022
MAN Truck & Bus Schweiz AG, Otelfingen	CHF	0.9264	-	100.00	100.00	31,761	2,377		2022
MAN Truck & Bus Slovakia s.r.o., Bratislava	EUR		-	100.00	100.00	13,993	3,155		2022
MAN Truck & Bus Slovenija d.o.o., Ljubljana	EUR		-	100.00	100.00	14,565	851		2022
MAN Truck & Bus Trading (China) Co., Ltd., Beijing	CNY	7.8700	-	100.00	100.00	67,330	-4,595		2022
MAN Truck & Bus UK Ltd., Swindon	GBP	0.8691	-	100.00	100.00	121,972	11,100		2022
MAN Truck & Bus Vertrieb Österreich GmbH, Vienna	EUR		-	100.00	100.00	264,985	12,630		2022
MAN Trucks Sp. z o.o., Niepolomice	PLN	4.3409	-	100.00	100.00	1,468,188	158,856		2022
MAN Türkiye A.S., Ankara	TRY	32.7438	-	99.99	99.99	2,256,419	650,349		2022
MECOS AG, Zürich	CHF	0.9264	-	100.00	100.00	3,581	1,224		2022
Metrobus AB, Gavle	SEK	11.0874	-	100.00	100.00	1,089	661		2022
MOIA Luxemburg S.A., Strassen	EUR		-	100.00	100.00	217	-66		2022
MW-Hallen Restaurang AB, Södertälje	SEK	11.0874	-	100.00	100.00	1,987	-6		2022
N.W.S. S.r.l., in liquidation, Trento	EUR		-	52.50	52.50	21	-3	2)	2022
Nanjing Junbaohang Automobile Sales and Service Co., Ltd., Nanjing	CNY	7.8700	-	100.00	100.00	30,359	-2,075		2022
Nardò Technical Center S.r.l., Santa Chiara di Nardò	EUR		-	100.00	100.00	13,635	1,386		2022
Navistar (Shanghai) Trading Co., Ltd., Shanghai	CNY	7.8700	-	100.00	100.00	25,613	976		2022
Navistar Aftermarket Products, Inc., Lisle / IL	USD	1.1077	-	100.00	100.00	38,776	7,591		2022
Navistar Auspac Pty. Ltd., Tullamarine	AUD	1.6292	-	100.00	100.00	1,759	26		2022
Navistar Big Bore Diesels, LLC, Huntsville / AL	USD	1.1077	-	100.00	100.00	-59,016	-15,162		2022
Navistar Canada, ULC, Hannon / ON	CAD	1.4681	-	100.00	100.00	137,736	325,549		2022
Navistar Comercial S.A. de C.V., Miguel Hidalgo	MXN	18.7689	-	100.00	100.00	307,728	33,541		2022
Navistar Diesel of Alabama, LLC, Lisle / IL	USD	1.1077	-	100.00	100.00	90,056	-84		2022

Name and domicile of company	Currency	Exchange rate (1€ =) Dec. 31, 2023	VW AG 's interest in capital in % Direct	Indirect	Total	Equity in thousands, local currency	Profit/loss in thousands, local currency	Footnote	Year
Navistar Financial Corporation, Lisle / IL	USD	1.1077	-	100.00	100.00	191,436	20,505		2022
Navistar Financial Dealer Note Master Owner Trust II, Wilmington / DE	USD	1.1077	-	-	-	-	-	12)	2022
Navistar Financial Securities Corp., Lisle / IL	USD	1.1077	-	100.00	100.00	67,596	8,182		2022
Navistar Financial Services North America Holding LLC, Herndon / VA	USD	1.1077	-	100.00	100.00	1,420	147		2022
Navistar Financial, S.A. de C.V. SOFOM E.R., Miguel Hidalgo	MXN	18.7689	-	100.00	100.00	5,838,094	889,110		2022
Navistar Global Operations Corp., Lisle / IL	USD	1.1077	-	100.00	100.00	-	-		2022
Navistar Hong Kong Holding Company Ltd., Hong Kong	HKD	8.6529	-	100.00	100.00	4,110	-123		2022
Navistar International B.V., Amsterdam	USD	1.1077	-	100.00	100.00	605,428	-3,985		2022
Navistar International Corporation, Lisle / IL	USD	1.1077	-	100.00	100.00	3,310,843	-23,053		2022
Navistar International Employee Leasing Company, Lisle / IL	USD	1.1077	-	100.00	100.00	10,443	3,945		2022
Navistar International Mexico, S. de R.L. de C.V., Escobedo	MXN	18.7689	-	100.00	100.00	5,284,371	1,855,895		2022
Navistar International Pvt. Ltd., Pune	INR	92.1170	-	100.00	100.00	146,323	3,272	3)	2022
Navistar International Southern Africa (Pty) Ltd., Johannesburg	ZAR	20.4442	-	100.00	100.00	-59,385	-13,299		2022
Navistar International Truck Mexico, S. de R.L. de C.V., Miguel Hidalgo	MXN	18.7689	-	100.00	100.00	5,064,500	1,851,502		2022
Navistar Leasing Company, Lisle / IL	USD	1.1077	-	-	-	-	-	12)	2022
Navistar Leasing Services Corp., Lisle / IL	USD	1.1077	-	100.00	100.00	39,971	3,811		2022
Navistar Mexico, S. de R.L. de C.V., Mexico City	MXN	18.7689	-	100.00	100.00	4,666,244	1,518,562		2022
Navistar San Antonio Manufacturing LLC, Lisle / IL	USD	1.1077	-	100.00	100.00	-89,813	-63,611		2022
Navistar, Inc., Lisle / IL	USD	1.1077	-	100.00	100.00	-7,006,733	284,018		2022
NC2 Global LLC, Lisle / IL	USD	1.1077	-	100.00	100.00	140,081	2,323		2022
NC2 Luxembourg S.a.r.l., Luxembourg	USD	1.1077	-	100.00	100.00	-122,364	-5,140	3)	2022
Ningbo Jiejun Automobile Sales and Service Co., Ltd., Ningbo	CNY	7.8700	-	100.00	100.00	176,281	114,629		2022
Norsk Scania AS, Oslo	NOK	11.2408	-	100.00	100.00	305,051	555,614		2022
Norsk Scania Eiendom AS, Oslo	NOK	11.2408	-	100.00	100.00	130,664	9,223		2022
OCC Technologies, LLC, Lisle / IL	USD	1.1077	-	100.00	100.00	15,174	-6,916		2022
Ocean Automobile S.A.S., Orvault	EUR		-	100.00	100.00	4,630	-77		2022
OOO Porsche Center Moscow, Moscow	RUB	99.9661	-	100.00	100.00	1,805,297	122,033		2022
OOO Porsche Financial Services Russland, Moscow	RUB	99.9661	-	100.00	100.00	280,862	50,518		2022
OOO Porsche Russland, Moscow	RUB	99.9661	-	100.00	100.00	7,192,065	-248,404		2022
OOO Scania Peter, St. Petersburg	RUB	99.9661	-	100.00	100.00	311,827	44,918		2022
OOO Volkswagen Bank RUS, Moscow	RUB	99.9661	-	100.00	100.00	20,081,839	1,353,290	10)	2022
OOO Volkswagen Financial Services RUS, Moscow	RUB	99.9661	-	100.00	100.00	8,104,665	194,813		2022
OOO Volkswagen Group Finanz, Moscow	RUB	99.9661	-	100.00	100.00	3,229,001	311,525		2022
PAIG (China) Automobile Investment Co., Ltd., Hangzhou	CNY	7.8700	-	100.00	100.00	1,780,960	216,497		2022
PAIG Japan Automobile Investment GK, Tokyo	JPY	156.7900	-	100.00	100.00	3,082,871	15,306		2022
Paris Est Evolution S.A.S., Saint-Thibault-des-Vignes	EUR		-	100.00	100.00	6,298	689		2022
Parts and Service Ventures, Inc., Lisle / IL	USD	1.1077	-	100.00	100.00	1,720	-4		2022
PBS Turbo s.r.o., Velká Bíteš	CZK	24.7180	-	100.00	100.00	1,153,175	175,223		2022
PCars LLC, Atlanta / GA	USD	1.1077	-	100.00	100.00	51,835	22,746	12)	2022
PCREST II Holdings Ltd., Vancouver / BC	CAD	1.4681	-	100.00	100.00	990	-	12)	2022
PCREST Ltd., Mississauga / ON	CAD	1.4681	-	100.00	100.00	3	-	5)	2022
PCTX LLC, Atlanta / GA	USD	1.1077	-	100.00	100.00	506	-		2022
PDRIVE LLC, Atlanta / GA	USD	1.1077	-	100.00	100.00	32,985	9,596	12)	2022
PFORCE LLC, Atlanta / GA	USD	1.1077	-	100.00	100.00	33,395	7,373	12)	2022
PGEAR LLC, Atlanta / GA	USD	1.1077	-	100.00	100.00	29,479	7,841	12)	2022
PILOT 2017-A LLC, Atlanta / GA	USD	1.1077	-	100.00	100.00	98,593	25,265	12)	2022
PILOT 2017-B LLC, Atlanta / GA	USD	1.1077	-	100.00	100.00	9,994	-324	12)	2022
PILOT 2019-A LLC, Atlanta / GA	USD	1.1077	-	100.00	100.00	61,015	22,036	12)	2022
PJOLT-1 LLC, Atlanta / GA	USD	1.1077	-	100.00	100.00	-	-	4) 6) 12)	2023
Porsamadrid S.L., Madrid	EUR		-	100.00	100.00	7,964	3,258		2022
Porsche (China) Motors Ltd., Shanghai	CNY	7.8700	-	100.00	100.00	3,153,434	3,027,981		2022
Porsche (Shanghai) Commercial Services Co., Ltd., Shanghai	CNY	7.8700	-	100.00	100.00	625,831	154,752		2022
Porsche Albania Sh.p.k., Tirana	ALL	103.6450	-	100.00	100.00	817,278	109,367		2022
Porsche Asia Pacific Pte. Ltd., Singapore	SGD	1.4612	-	100.00	100.00	79,807	14,823		2022
Porsche Austria GmbH & Co. OG, Salzburg	EUR		-	100.00	100.00	170,985	54,688		2022
Porsche Auto Funding LLC, Atlanta / GA	USD	1.1077	-	100.00	100.00	4,000	-	12)	2022
Porsche Automotive Investment GmbH, Salzburg	EUR		-	100.00	100.00	601,631	130,713		2022
Porsche Aviation Products, Inc., Atlanta / GA	USD	1.1077	-	100.00	100.00	671	9		2022
Porsche Bank AG, Salzburg	EUR		-	100.00	100.00	796,845	33,354		2022
Porsche Bank Romania S.A., Voluntari	RON	4.9759	-	100.00	100.00	211,683	21,467		2022
Porsche BG EOOD, Sofia	BGN	1.9559	-	100.00	100.00	29,403	19,669		2022
Porsche BH d.o.o., Novi Grad	BAM	1.9558	-	100.00	100.00	33,724	6,993		2022
Porsche Biztosításközvetítõ Kft., Budapest	HUF	382.3900	-	100.00	100.00	514,221	507,821		2022
Porsche Brasil Importadora de Veículos Ltda., São Paulo	BRL	5.3750	-	100.00	100.00	164,265	154,265		2022
Porsche Broker A.D. Skopje, Skopje	MKD	61.6200	-	100.00	100.00	16,243	8,040		2022
Porsche Broker de Asigurare S.R.L., Voluntari	RON	4.9759	-	100.00	100.00	26,749	26,551		2022
Porsche Business Services, Inc., Atlanta / GA	USD	1.1077	-	100.00	100.00	-14,206	-1,232		2022
Porsche Canadian Funding II L.P., Mississauga / ON	CAD	1.4681	-	100.00	100.00	114,882	8,248	12)	2022
Porsche Canadian Funding L.P., Mississauga / ON	CAD	1.4681	-	100.00	100.00	101,866	16,852		2022
Porsche Canadian Investment ULC, Halifax / NS	CAD	1.4681	-	100.00	100.00	677	-28		2022
Porsche Cars Australia Pty. Ltd., Collingwood	AUD	1.6292	-	100.00	100.00	175,719	18,200		2022
Porsche Cars Canada Ltd., Toronto / ON	CAD	1.4681	-	100.00	100.00	214,677	22,025		2022
Porsche Cars Great Britain Ltd., Reading	GBP	0.8691	-	100.00	100.00	165,210	26,307		2022
Porsche Cars North America, Inc., Atlanta / GA	USD	1.1077	-	100.00	100.00	2,441,457	549,641		2022
Porsche Central and Eastern Europe s.r.o., Prague	CZK	24.7180	-	100.00	100.00	153,473	11,627		2022
Porsche Centre Beijing Central Ltd., Beijing	CNY	7.8700	-	100.00	100.00	65,288	81,607		2022
Porsche Centre Beijing Goldenport Ltd., Beijing	CNY	7.8700	-	100.00	100.00	51,039	49,539		2022
Porsche Centre North Toronto Ltd., Toronto / ON	CAD	1.4681	-	100.00	100.00	19,067	4,571		2022
Porsche Centre Shanghai Pudong Ltd., Shanghai	CNY	7.8700	-	100.00	100.00	129,100	98,374		2022
Porsche Centre Shanghai Waigaoqiao Ltd., Shanghai	CNY	7.8700	-	100.00	100.00	119,268	55,596		2022
Porsche Ceská republika s.r.o., Prague	CZK	24.7180	-	100.00	100.00	1,694,192	875,624		2022
Porsche Chile S.p.A., Santiago de Chile	CLP	977.9400	-	100.00	100.00	94,789,030	34,215,782		2022
Porsche Colombia S.A.S., Bogotá	COP	4,291.2300	-	100.00	100.00	143,559,564	72,551,371		2022
Porsche Consulting Ltd., Shanghai	CNY	7.8700	-	100.00	100.00	53,873	16,220		2022
Porsche Consulting S.r.l., Milan	EUR		-	100.00	100.00	18,750	2,070		2022
Porsche Consulting, Inc., Atlanta / GA	USD	1.1077	-	100.00	100.00	4,716	970		2022
Porsche Corporate Finance GmbH, Salzburg	EUR		-	100.00	100.00	1,675,332	24,493		2022
Porsche Croatia d.o.o., Zagreb	HRK	7.5345	-	100.00	100.00	250,782	172,172		2022
Porsche Design GmbH, Zell am See	EUR		-	100.00	100.00	7,912	290		2022
Porsche Design of America, Inc., Ontario / CA	USD	1.1077	-	100.00	100.00	2,673	187		2022
Porsche Distribution S.A.S., Vélizy-Villacoublay	EUR		-	100.00	100.00	44,641	5,371		2022
Porsche Engineering Services s.r.o., Prague	CZK	24.7180	-	100.00	100.00	380,454	82,855		2022
Porsche Enterprises, Inc., Atlanta / GA	USD	1.1077	-	100.00	100.00	140,691	-11,105		2022
Porsche Finance Zrt., Budapest	HUF	382.3900	-	100.00	100.00	6,729,849	-1,957,163		2022
Porsche Financial Auto Securitization Trust 2023-1, Atlanta / GA	USD	1.1077	-	100.00	100.00	-	-	4) 6) 12)	2023
Porsche Financial Auto Securitization Trust 2023-2, Atlanta / GA	USD	1.1077	-	100.00	100.00	-	-	4) 6) 12)	2023
Porsche Financial Leasing Ltd., Shanghai	CNY	7.8700	-	100.00	100.00	196,499	116		2022
Porsche Financial Services Australia Pty. Ltd., Collingwood	AUD	1.6292	-	100.00	100.00	4,594	873		2022
Porsche Financial Services Canada G.P., Mississauga / ON	CAD	1.4681	-	100.00	100.00	31,924	8,049	10)	2022
Porsche Financial Services France S.A.S., Asnières-sur-Seine	EUR		-	100.00	100.00	21,637	3,383		2022
Porsche Financial Services Great Britain Ltd., Reading	GBP	0.8691	-	100.00	100.00	104,785	12,902		2022
Porsche Financial Services Italia S.p.A., Padua	EUR		-	100.00	100.00	103,091	11,176		2022

Name and domicile of company	Currency	Exchange rate (1€ =) Dec. 31, 2023	VW AG 's interest in capital in % Direct	Indirect	Total	Equity in thousands, local currency	Profit/loss in thousands, local currency	Footnote	Year
Porsche Financial Services Japan K.K., Tokyo	JPY	156.7900	-	100.00	100.00	8,021,442	898,676		2022
Porsche Financial Services Korea Ltd., Seoul	KRW	1,440.7150	-	100.00	100.00	76,506,613	1,417,573		2022
Porsche Financial Services Schweiz AG, Rotkreuz	CHF	0.9264	-	100.00	100.00	18,669	6,168		2022
Porsche Financial Services, Inc., Atlanta / GA	USD	1.1077	-	100.00	100.00	208,347	37,246	10)	2022
Porsche France S.A.S., Asnières-sur-Seine	EUR		-	100.00	100.00	139,364	9,741		2022
Porsche Funding L.P., Atlanta / GA	USD	1.1077	-	100.00	100.00	158,092	-138,252		2022
Porsche Holding Gesellschaft m.b.H., Salzburg	EUR		-	100.00	100.00	5,242,588	369,427		2023
Porsche Hong Kong Ltd., Hong Kong	HKD	8.6529	-	100.00	100.00	13,965,531	3,812,724		2022
Porsche Hungaria Kereskedelmi Kft., Budapest	HUF	382.3900	-	100.00	100.00	12,873,044	2,954,872		2022
Porsche Ibérica S.A., Madrid	EUR		-	99.99	99.99	114,976	10,209		2022
Porsche Immobilien BG EOOD, Sofia	BGN	1.9559	-	100.00	100.00	22,740	995		2022
Porsche Immobilien CZ spol. s r.o., Prague	CZK	24.7180	-	100.00	100.00	979,088	59,645		2022
Porsche Immobilien Gesellschaft m.b.H & Co. KG, Salzburg	EUR		-	100.00	100.00	22,007	837		2022
Porsche Immobilien Gesellschaft m.b.H., Salzburg	EUR		-	100.00	100.00	1,836,567	2,856		2022
Porsche Immobilien S.R.L., Cluj-Napoca	RON	4.9759	-	100.00	100.00	339,871	16,842		2022
Porsche Immobilien Slovakia spol s.r.o., Bratislava	EUR		-	100.00	100.00	12,903	636		2022
Porsche Immobilien, poslovanje z nepremičninami d.o.o., Ljubljana	EUR		-	100.00	100.00	11,061	793		2022
Porsche Immobilienverwaltungs Kft., Budapest	HUF	382.3900	-	100.00	100.00	11,950,473	1,215,591		2022
Porsche Informatik GmbH, Salzburg	EUR		-	100.00	100.00	7,149	-86		2022
Porsche Innovative Lease Owner Trust 2016-A, Atlanta / GA	USD	1.1077	-	100.00	100.00	109,665	37,012	12)	2022
Porsche Insurance Broker BG EOOD, Sofia	BGN	1.9559	-	100.00	100.00	3,851	3,383		2022
Porsche Inter Auto BG EOOD, Sofia	BGN	1.9559	-	100.00	100.00	12,553	8,056		2022
Porsche Inter Auto Chile S.p.A., Santiago de Chile	CLP	977.9400	-	100.00	100.00	12,809,727	3,542,191		2022
Porsche Inter Auto CZ spol. s r.o., Prague	CZK	24.7180	-	100.00	100.00	873,888	355,882		2022
Porsche Inter Auto d.o.o., Ljubljana	EUR		-	100.00	100.00	13,319	7,352		2022
Porsche Inter Auto d.o.o., Zagreb	HRK	7.5345	-	100.00	100.00	106,577	25,021		2022
Porsche Inter Auto GmbH & Co. KG, Salzburg	EUR		-	100.00	100.00	90,136	45,596		2022
Porsche Inter Auto Hungaria Kft., Budapest	HUF	382.3900	-	100.00	100.00	6,917,369	5,170,572		2022
Porsche Inter Auto Polska Sp. z o.o., Warsaw	PLN	4.3409	-	100.00	100.00	250,044	50,165		2022
Porsche Inter Auto Romania S.R.L., Voluntari	RON	4.9759	-	100.00	100.00	81,597	52,156		2022
Porsche Inter Auto S d.o.o., Belgrade	RSD	117.1850	-	100.00	100.00	1,052,092	496,810		2022
Porsche Inter Auto Slovakia, spol. s r.o., Bratislava	EUR		-	100.00	100.00	9,421	2,957		2022
Porsche International Financing DAC, Dublin	EUR		-	100.00	100.00	134,824	28,331		2022
Porsche International Reinsurance DAC, Dublin	EUR		-	100.00	100.00	229,103	18,788		2022
Porsche Investments Management S.A., Luxembourg	EUR		-	100.00	100.00	392,652	-12,060		2022
Porsche Italia S.p.A., Padua	EUR		-	100.00	100.00	150,661	16,305		2022
Porsche Japan K.K., Tokyo	JPY	156.7900	-	100.00	100.00	6,727,246	5,227,246		2022
Porsche Konstruktionen GmbH & Co. KG, Salzburg	EUR		-	100.00	100.00	324,589	90,451		2022
Porsche Korea Ltd., Seoul	KRW	1,440.7150	-	100.00	100.00	29,921,771	25,678,803		2022
Porsche Latin America, Inc., Miami / FL	USD	1.1077	-	100.00	100.00	4,978	537		2022
Porsche Leasing BG EOOD, Sofia	BGN	1.9559	-	100.00	100.00	22,080	2,275		2022
Porsche Leasing d.o.o. Podgorica, Podgorica	EUR		-	100.00	100.00	1,473	353		2022
Porsche Leasing d.o.o., Sarajevo	BAM	1.9558	-	100.00	100.00	11,194	4,385		2022
Porsche Leasing d.o.o., Zagreb	HRK	7.5345	-	100.00	100.00	437,600	41,830		2022
Porsche Leasing d.o.o.e.l. Skopje, Skopje	MKD	61.6200	-	100.00	100.00	435,299	64,271		2022
Porsche Leasing Ltd., Atlanta / GA	USD	1.1077	-	100.00	100.00	-	-	12)	2022
Porsche Leasing Romania IFN S.A., Voluntari	RON	4.9759	-	100.00	100.00	598,635	10,131		2022
Porsche Leasing SCG d.o.o., Belgrade	RSD	117.1850	-	100.00	100.00	1,624,301	108,155		2022
Porsche Leasing Sh.p.k., Tirana	ALL	103.6450	-	100.00	100.00	334,003	70,138		2022
Porsche Leasing SLO d.o.o., Ljubljana	EUR		-	100.00	100.00	117,818	9,672		2022
Porsche Leasing Ukraine TOV, Kiev	UAH	42.1157	-	100.00	100.00	294,632	-79,672		2022
Porsche Lizing és Szolgáltató Kft., Budapest	HUF	382.3900	-	100.00	100.00	12,586,961	3,413,182		2022
Porsche Logistics Services LLC, Atlanta / GA	USD	1.1077	-	100.00	100.00	4,852	-8		2022
Porsche Macedonia d.o.o.e.l. Skopje, Skopje	MKD	61.6200	-	100.00	100.00	592,039	130,701		2022
Porsche Media & Creative GmbH, Salzburg	EUR		-	100.00	100.00	1,331	743		2022
Porsche Middle East and Africa FZE, Dubai	USD	1.1077	-	100.00	100.00	79,560	10,075		2022
Porsche Mobiliti d.o.o., Zagreb	HRK	7.5345	-	100.00	100.00	6,646	-3,789		2022
Porsche Mobility BG EOOD, Sofia	BGN	1.9559	-	100.00	100.00	6,362	1,749		2022
Porsche Mobility d.o.o., Belgrade	RSD	117.1850	-	100.00	100.00	2,124,329	185,243		2022
Porsche Mobility S.R.L., Voluntari	RON	4.9759	-	100.00	100.00	119,300	12,362		2022
Porsche Mobility TOV, Kiev	UAH	42.1157	-	100.00	100.00	191,592	-56,768		2022
Porsche Motorsport North America, Inc., Santa Ana / CA	USD	1.1077	-	100.00	100.00	15,147	3,795		2022
Porsche Movilidad Colombia S.A.S., Bogotá	COP	4,291.2300	-	100.00	100.00	28,475,865	-3,716,119		2022
Porsche Partner d.o.o., Belgrade	RSD	117.1850	-	100.00	100.00	117,198	65,230		2022
Porsche Partner d.o.o., Sarajevo	BAM	1.9558	-	100.00	100.00	962	427		2022
Porsche Retail Group Australia Pty. Ltd., Collingwood	AUD	1.6292	-	100.00	100.00	61,684	11,987		2022
Porsche Retail Group Ltd., Reading	GBP	0.8691	-	100.00	100.00	72,369	18,117		2022
Porsche Retail Italia S.r.l., Milan	EUR		-	100.00	100.00	12,884	3,925	11)	2022
Porsche Romania S.R.L., Voluntari	RON	4.9759	-	100.00	100.00	311,252	245,298		2022
Porsche Sales & Marketplace Inc., Atlanta / GA	USD	1.1077	-	100.00	100.00	-1,660	2,164		2022
Porsche SCG d.o.o. Beograd, Belgrade	RSD	117.1850	-	100.00	100.00	2,019,041	757,627		2022
Porsche Schweiz AG, Rotkreuz	CHF	0.9264	-	100.00	100.00	41,771	5,991		2022
Porsche Services Ibérica, S.L., Madrid	EUR		-	100.00	100.00	1,787	122		2022
Porsche Singapore Pte. Ltd., Singapore	SGD	1.4612	-	75.00	75.00	5,693	-2,307	4)	2022
Porsche Slovakia, spol. s r.o., Bratislava	EUR		-	100.00	100.00	24,371	11,374		2022
Porsche Slovenija d.o.o., Ljubljana	EUR		-	100.00	100.00	41,047	23,308		2022
Porsche Taiwan Motors Ltd., Taipei	TWD	33.9211	-	100.00	100.00	1,025,116	843,451		2022
Porsche Ukraine TOV, Kiev	UAH	42.1157	-	100.00	100.00	373,353	276,241		2022
Porsche Versicherungs AG, Salzburg	EUR		-	100.00	100.00	105,912	13,419		2022
Porsche Versicherungsagentur TOV, Kiev	UAH	42.1157	-	100.00	100.00	219,210	53,119		2022
Porsche Volkswagen Servicios Financieros Chile S.p.A., Santiago de Chile	CLP	977.9400	-	100.00	100.00	9,783,661	1,754,728		2022
Porsche Zagreb d.o.o., Zagreb	HRK	7.5345	-	100.00	100.00	287,544	241,692		2022
Porsche Zastupanje u Osiguranju d.o.o., Zagreb	HRK	7.5345	-	100.00	100.00	5,757	1,716		2022
Porsche Zavarovalno Zastopnistvo d.o.o., Ljubljana	EUR		-	100.00	100.00	3,362	1,064		2022
Porsche Zentrum Zug, Risch AG, Rotkreuz	CHF	0.9264	-	100.00	100.00	12,468	4,729		2022
Power Holdco Lux S.A., Strassen	EUR		-	100.00	100.00	101,017	-60		2022
Power Vehicle Co. Ltd., Bangkok	THB	37.9886	-	49.00	49.00	26,964	25,321		2022
Powerco Battery Spain S.A., Madrid	EUR		-	100.00	100.00	95,889	-4,170		2022
PowerCo Canada Inc., Toronto / ON	CAD	1.4681	-	100.00	100.00	-	-	4) 6)	2023
PPF Holding AG, Zug	CHF	0.9264	-	100.00	100.00	6,663	-36		2022
Premium Automobiles S.A.S., Paris	EUR		-	100.00	100.00	6,691	182	11)	2022
Premium Douai S.A.S., Dechy	EUR		-	100.00	100.00	1,262	-189		2022
Premium Metropole S.A.S., Villeneuve d'Ascq	EUR		-	100.00	100.00	6,508	508		2022
Premium Picardie S.A.S., Rivery	EUR		-	100.00	100.00	1,933	-56		2022
Premium Vélizy S.A.S., Vélizy-Villacoublay	EUR		-	100.00	100.00	7,219	399		2022
PREV LLC, Atlanta / GA	USD	1.1077	-	100.00	100.00	163,674	63,188	12)	2022
Private Driver Australia 2023-1 Trust, Chullora	AUD	1.6292	-	-	-	-	-	4) 6) 12)	2023
Private Driver España 2020-1, Fondo de Titulización, Madrid	EUR		-	-	-	-	-	12)	2022
Private Driver Italia 2020-1 S.r.l., Milan	EUR		-	-	-	10	-	12)	2022
PSHIFT LLC, Atlanta / GA	USD	1.1077	-	100.00	100.00	141,760	68,759	12)	2022
PT MAN Energy Solutions Indonesia, Jakarta	IDR	17,055.2550	-	92.62	92.62	189,724	47,302		2022
PT Scania Parts Indonesia, Balikpapan	IDR	17,055.2550	-	100.00	100.00	1,319	-5,995		2022

Name and domicile of company	Currency	Exchange rate (1€ =) Dec. 31, 2023	VW AG 's interest in capital in % Direct	Indirect	Total	Equity in thousands, local currency	Profit/loss in thousands, local currency	Footnote	Year
PVOLT LLC, Atlanta / GA	USD	1.1077	-	100.00	100.00	35,167	8,668	12)	2022
Pyrrhula 6, 7 AB, Stockholm	SEK	11.0874	-	100.00	100.00	12,854	361		2022
Reliable Vehicles Ltd., Milton Keynes	GBP	0.8691	-	100.00	100.00	2,500	-	5)	2022
Revra AB, Örebro	SEK	11.0874	-	100.00	100.00	71,958	29,469		2022
Rinaldi S.p.A., Bolzano	EUR		-	100.00	100.00	15,639	1,657		2022
Sågverket 6 AB, Södertälje	SEK	11.0874	-	100.00	100.00	122	-244		2022
Saottini Auto S.p.A., Bolzano	EUR		-	100.00	100.00	17,211	1,656		2022
Scan Siam Service Co. Ltd., Bangkok	THB	37.9886	-	49.00	49.00	89,368	39,953		2022
Scanexpo International S.A., Montevideo	USD	1.1077	-	100.00	100.00	3,072	75		2022
Scania (Hong Kong) Ltd., Hong Kong	HKD	8.6529	-	100.00	100.00	45,709	4,630		2022
Scania (Malaysia) Sdn. Bhd., Shah Alam	MYR	5.0899	-	100.00	100.00	57,628	7,947		2022
Scania AB, Södertälje	SEK	11.0874	-	100.00	100.00	25,070,257	9,500,161		2022
Scania Administradora de Consórcios Ltda., Cotia	BRL	5.3750	-	100.00	100.00	157,650	72,859		2022
Scania Argentina S.A., Buenos Aires	USD	1.1077	-	100.00	100.00	51,300,070	5,893,215		2022
Scania Australia Pty. Ltd., Melbourne	AUD	1.6292	-	100.00	100.00	80,790	22,030		2022
Scania Banco S.A., São Bernardo do Campo	BRL	5.3750	-	100.00	100.00	768,112	89,799	9)	2022
Scania Belgium N.V., Neder-Over-Heembeek	EUR		-	100.00	100.00	3,884	11,882		2022
Scania BH d.o.o., Sarajevo	BAM	1.9558	-	100.00	100.00	3,709	700		2022
Scania Botswana (Pty) Ltd., Gaborone	BWP	14.8486	-	100.00	100.00	16,312	7,204		2022
Scania Bulgaria EOOD, Sofia	BGN	1.9559	-	100.00	100.00	14,673	11,659		2022
Scania Bus & Coach UK Ltd., Milton Keynes	GBP	0.8691	-	100.00	100.00	-	-	5)	2022
Scania Bus Financing AB, Södertälje	SEK	11.0874	-	100.00	100.00	100	-		2022
Scania Central Asia LLP, Almaty	KZT	506.0100	-	100.00	100.00	890,212	-5,886		2022
Scania Chile S.A., Santiago de Chile	CLP	977.9400	-	100.00	100.00	34,618,661	10,475,113		2022
Scania Colombia S.A.S., Bogotá	COP	4,291.2300	-	100.00	100.00	180,346,329	45,777,621		2022
Scania Comercial, S.A. de C.V., Querétaro	MXN	18.7689	-	100.00	100.00	435,745	20,271		2022
Scania Commercial Vehicles India Pvt. Ltd., Bangalore	INR	92.1170	-	100.00	100.00	-2,249,245	-202,456		2022
Scania Commercial Vehicles Renting S.A., San Fernando de Henares	EUR		-	100.00	100.00	42,267	2,881		2022
Scania Commerciale S.p.A., Trento	EUR		-	100.00	100.00	12,517	2,203		2022
Scania Corretora de Seguros Ltda., São Bernardo do Campo	BRL	5.3750	-	100.00	100.00	-	-		2022
Scania Credit (Malaysia) Sdn. Bhd., Shah Alam	MYR	5.0899	-	100.00	100.00	4,995	-6,162		2022
Scania Credit AB, Södertälje	EUR		-	100.00	100.00	1,714	304		2022
Scania Credit Argentina S.A.U., Buenos Aires	ARS	894.9939	-	100.00	100.00	202,182	72,838		2022
Scania Credit Hrvatska d.o.o., Lucko (Zagreb)	EUR		-	100.00	100.00	4,077	205		2022
Scania Credit Romania IFN S.A., Ciorogârla	RON	4.9759	-	100.00	100.00	57,787	6,472		2022
Scania Credit Singapore Pte. Ltd., Singapore	SGD	1.4612	-	100.00	100.00	255	83		2022
Scania Credit Solutions (T) Ltd., Daressalam	TZS	2,788.0800	-	100.00	100.00	4,260,912	-394,098		2022
Scania Credit Solutions Pty Ltd., Aeroton	ZAR	20.4442	-	100.00	100.00	21,825	4,107		2022
Scania Credit Taiwan Ltd., New Taipei City	TWD	33.9211	-	100.00	100.00	12,726	5,089		2022
Scania Crna Gora d.o.o., Danilovgrad	EUR		-	100.00	100.00	37	-99		2022
Scania CV AB, Södertälje	SEK	11.0874	-	100.00	100.00	42,545,102	3,239,074		2022
Scania Czech Republic s.r.o., Prague	CZK	24.7180	-	100.00	100.00	942,953	649,602		2022
Scania Danmark A/S, Ishoj	DKK	7.4530	-	100.00	100.00	396,778	180,080		2022
Scania Danmark Ejendom ApS, Ishoj	DKK	7.4530	-	100.00	100.00	110,473	3,467		2022
Scania del Perú S.A., Lima	PEN	4.0905	-	100.00	100.00	71,333	30,267		2022
Scania Delivery Center AB, Södertälje	SEK	11.0874	-	100.00	100.00	191,685	39,127		2022
Scania East Africa Ltd., Nairobi	KES	173.9050	-	100.00	100.00	-825,094	-415,558		2021
Scania Eesti AS, Tallinn	EUR		-	100.00	100.00	12,370	4,108		2022
Scania Finance Australia Pty. Ltd., Melbourne	AUD	1.6292	-	100.00	100.00	28,067	3,175		2022
Scania Finance Belgium N.V., Neder-Over-Heembeek	EUR		-	100.00	100.00	20,187	1,747		2022
Scania Finance Bulgaria EOOD, Sofia	BGN	1.9559	-	100.00	100.00	22,650	4,154		2022
Scania Finance Chile S.A., Santiago de Chile	CLP	977.9400	-	100.00	100.00	23,157,768	12,787,946	8)	2022
Scania Finance Colombia S.A.S., Bogotá	COP	4,291.2300	-	100.00	100.00	4,111,090	-1,455,765		2022
Scania Finance Czech Republic spol. s r.o., Prague	CZK	24.7180	-	100.00	100.00	894,790	21,068		2022
Scania Finance France S.A.S., Angers	EUR		-	100.00	100.00	63,752	2,474		2022
Scania Finance Great Britain Ltd., London	GBP	0.8691	-	100.00	100.00	138,725	22,776		2022
Scania Finance Hispania EFC S.A., San Fernando de Henares	EUR		-	100.00	100.00	50,293	1,526		2022
Scania Finance Ireland Ltd., Dublin	EUR		-	100.00	100.00	15,595	2,671		2022
Scania Finance Italy S.p.A., Milan	EUR		-	100.00	100.00	68,255	7,461		2022
Scania Finance Korea Ltd., Chung-Ang	KRW	1,440.7150	-	100.00	100.00	63,616,862	5,434,611		2022
Scania Finance Luxembourg S.A., Munsbach	EUR		-	100.00	100.00	5,570	156		2022
Scania Finance Magyarország Zrt., Biatorbágy	HUF	382.3900	-	100.00	100.00	3,176,575	181,030		2022
Scania Finance Maroc S.A., Casablanca	MAD	10.9521	-	100.00	100.00	-	-	4) 6)	2023
Scania Finance Mexico, S.A. de C.V. SOFOM, E.N.R., El Marqués	MXN	18.7689	-	100.00	100.00	36,742	11,751		2022
Scania Finance Nederland B.V., Breda	EUR		-	100.00	100.00	50,018	5,646	8)	2022
Scania Finance New Zealand Ltd., Auckland	NZD	1.7529	-	100.00	100.00	5,967	328		2022
Scania Finance Polska Sp. z o.o., Nadarzyn	PLN	4.3409	-	100.00	100.00	271,149	35,198		2022
Scania Finance Schweiz AG, Kloten	CHF	0.9264	-	100.00	100.00	8,717	-45		2022
Scania Finance Slovak Republic s.r.o., Senec	EUR		-	100.00	100.00	13,781	748		2022
Scania Finance Southern Africa (Pty) Ltd., Aeroton	ZAR	20.4442	-	100.00	100.00	910,451	164,026		2022
Scania Financial Leasing (China) Co., Ltd., Shanghai	CNY	7.8700	-	100.00	100.00	150,379	-6,102		2022
Scania Finans AB, Södertälje	SEK	11.0874	-	100.00	100.00	2,461,402	705,457		2022
Scania France S.A.S., Angers	EUR		-	100.00	100.00	96,343	51,771		2022
Scania Great Britain Ltd., Milton Keynes	GBP	0.8691	-	100.00	100.00	169,627	108,030		2022
Scania Griffin Sales & Services AB, Södertälje	SEK	11.0874	-	100.00	100.00	100	-	5)	2022
Scania Group (Thailand) Co., Ltd., Bangkok	THB	37.9886	-	100.00	100.00	32,394	-		2022
Scania Growth Capital AB, Södertälje	SEK	11.0874	-	90.10	90.10	399,925	15,145		2022
Scania Growth Capital II AB, Södertälje	SEK	11.0874	-	90.10	90.10	280,269	244	4)	2022
Scania Hispania S.A., San Fernando de Henares	EUR		-	100.00	100.00	33,608	25,404	11)	2022
Scania Holding France S.A.S., Angers	EUR		-	100.00	100.00	109,173	50,224		2022
Scania Holding Inc., Columbus / IN	USD	1.1077	-	100.00	100.00	632	-989		2022
Scania Hrvatska d.o.o., Lucko (Zagreb)	EUR		-	100.00	100.00	7,414	1,954		2022
Scania Hungaria Kft., Biatorbágy	HUF	382.3900	-	100.00	100.00	4,826,678	3,524,821		2022
Scania Industrial Maintenance AB, Södertälje	SEK	11.0874	-	100.00	100.00	27,277	4,183		2022
Scania Insurance Nederland B.V., Middelharnis	EUR		-	100.00	100.00	-	-	9)	2022
Scania Insurance Polska Sp. z o.o., Nadarzyn	PLN	4.3409	-	100.00	100.00	3,788	3,704		2022
Scania Investimentos Imobiliários S.A., Vialonga	EUR		-	100.00	100.00	693	-29		2022
Scania IT AB, Södertälje	SEK	11.0874	-	100.00	100.00	117,162	-		2022
Scania IT France S.A.S., Angers	EUR		-	100.00	100.00	298	207		2022
Scania IT Nederland B.V., Zwolle	EUR		-	100.00	100.00	1,022	173		2022
Scania Japan Ltd., Tokyo	JPY	156.7900	-	100.00	100.00	-433,436	75,173		2022
Scania Korea Group Ltd., Seoul	KRW	1,440.7150	-	100.00	100.00	93,037,926	65,390,279		2022
Scania Latin America Ltda., São Bernardo do Campo	BRL	5.3750	-	100.00	100.00	4,748,288	2,183,182		2022
Scania Latvia SIA, Riga	EUR		-	100.00	100.00	13,347	4,416		2022
Scania Leasing BH d.o.o., Sarajevo	BAM	1.9558	-	100.00	100.00	322	-461	4)	2022
Scania Leasing d.o.o., Ljubljana	EUR		-	100.00	100.00	8,211	618		2022
Scania Leasing Ltd., Dublin	EUR		-	100.00	100.00	0	-	5)	2022
Scania Leasing Österreich GmbH, Brunn am Gebirge	EUR		-	100.00	100.00	15,814	1,866		2022
Scania Leasing RS d.o.o., Krnješevci	RSD	117.1850	-	100.00	100.00	177,915	30,745		2022
Scania Lízing Kft., Biatorbágy	HUF	382.3900	-	100.00	100.00	277,492	-134,300		2022
Scania Locacao Ltda., São Bernardo do Campo	BRL	5.3750	-	100.00	100.00	471	-29	4)	2022
Scania Location S.A.S., Angers	EUR		-	100.00	100.00	-	-		2022

Name and domicile of company	Currency	Exchange rate (1€ =) Dec. 31, 2023	VW AG 's interest in capital in % Direct	Indirect	Total	Equity in thousands, local currency	Profit/loss in thousands, local currency	Footnote	Year
Scania Logistics Netherlands B.V., Zwolle	EUR		-	100.00	100.00	6,011	2,093		2022
Scania Luxembourg S.A., Munsbach	EUR		-	100.00	100.00	-	841		2019
Scania Makedonija d.o.o.e.l., Ilinden	MKD	61.6200	-	100.00	100.00	16,088	4,084		2022
Scania Manufacturing (Thailand) Co., Ltd., Bangkok	THB	37.9886	-	100.00	100.00	105,289	-		2022
Scania Maroc S.A., Casablanca	MAD	10.9521	-	100.00	100.00	176,960	49,822		2022
Scania Middle East FZE, Dubai	AED	4.0683	-	100.00	100.00	24,446	13,559		2022
Scania Milano S.p.A., Lainate	EUR		-	100.00	100.00	9,396	2,041		2022
Scania Moçambique, S.A., Beira	MZN	70.7650	-	100.00	100.00	-4,500	-7,109		2022
Scania Namibia (Pty) Ltd., Windhoek	NAD	20.5401	-	100.00	100.00	31,785	10,137		2022
Scania Nederland B.V., Breda	EUR		-	100.00	100.00	74,888	29,871		2022
Scania New Zealand Ltd., Wellington	NZD	1.7529	-	100.00	100.00	34,668	4,738		2022
Scania Omni AB, Södertälje	SEK	11.0874	-	100.00	100.00	2,400	-	5)	2022
Scania Österreich Ges.m.b.H., Brunn am Gebirge	EUR		-	100.00	100.00	42,653	23,435		2022
Scania Österreich Holding GmbH, Brunn am Gebirge	EUR		-	100.00	100.00	18,579	-6		2022
Scania Overseas AB, Södertälje	SEK	11.0874	-	100.00	100.00	71,635	4		2022
Scania Polska S.A., Nadarzyn	PLN	4.3409	-	100.00	100.00	383,594	281,088		2022
Scania Portugal, Unipessoal Lda., Santa Iria de Azóia	EUR		-	100.00	100.00	15,111	7,733		2022
Scania Production (China) Co., Ltd., Rugao	CNY	7.8700	-	100.00	100.00	738,841	-63,454		2022
Scania Production Angers S.A.S., Angers	EUR		-	100.00	100.00	29,656	4,363		2022
Scania Production Meppel B.V., Meppel	EUR		-	100.00	100.00	28,680	3,162		2022
Scania Production Slupsk S.A., Slupsk	PLN	4.3409	-	100.00	100.00	49,563	6,238		2022
Scania Production Zwolle B.V., Zwolle	EUR		-	100.00	100.00	820	245		2022
Scania Properties Ltd., Milton Keynes	GBP	0.8691	-	100.00	100.00	501	-	5)	2022
Scania Real Estate (UK) Ltd., Milton Keynes	GBP	0.8691	-	100.00	100.00	9,067	1,011		2022
Scania Real Estate Belgium N.V., Neder-Over-Heembeek	EUR		-	100.00	100.00	4,496	500		2022
Scania Real Estate Bulgaria EOOD, Sofia	BGN	1.9559	-	100.00	100.00	167	201		2022
Scania Real Estate Czech Republic s.r.o., Prague	CZK	24.7180	-	100.00	100.00	104,497	6,189		2022
Scania Real Estate Finland Oy, Helsinki	EUR		-	100.00	100.00	18,370	51		2022
Scania Real Estate France S.A.S., Angers	EUR		-	100.00	100.00	5,139	319		2022
Scania Real Estate Hispania S.L., San Fernando de Henares	EUR		-	100.00	100.00	1,605	231		2022
Scania Real Estate Holding Luxembourg S.àr.l., Munsbach	EUR		-	100.00	100.00	5,736	826		2022
Scania Real Estate Holding Oy, Helsinki	EUR		-	100.00	100.00	5,574	80		2022
Scania Real Estate Hong Kong Ltd., Hong Kong	HKD	8.6529	-	100.00	100.00	46	-	5)	2022
Scania Real Estate Hungaria Kft., Biatorbágy	HUF	382.3900	-	100.00	100.00	956,591	55,890		2022
Scania Real Estate Kenya Ltd., Nairobi	KES	173.9050	-	100.00	100.00	183,783	-11,579		2020
Scania Real Estate Lund AB, Södertälje	SEK	11.0874	-	100.00	100.00	104	2		2022
Scania Real Estate New Zealand Limited, Auckland	NZD	1.7529	-	100.00	100.00	-	-	4) 6)	2023
Scania Real Estate Österreich GmbH, Brunn am Gebirge	EUR		-	100.00	100.00	8,937	1,160		2022
Scania Real Estate Polska Sp. z o.o., Nadarzyn	PLN	4.3409	-	100.00	100.00	81,126	7,940		2022
Scania Real Estate Romania S.R.L., Ciorogârla	RON	4.9759	-	100.00	100.00	8,625	1,106		2022
Scania Real Estate Schweiz AG, Kloten	CHF	0.9264	-	100.00	100.00	3,463	1,902		2022
Scania Real Estate Services AB, Södertälje	SEK	11.0874	-	100.00	100.00	1,183,432	249,736		2022
Scania Real Estate Slovakia s.r.o., Senec	EUR		-	100.00	100.00	4,220	353		2022
Scania Real Estate The Netherlands B.V., Breda	EUR		-	100.00	100.00	8,370	1,205		2022
Scania Rent Romania S.R.L., Ciorogârla	RON	4.9759	-	100.00	100.00	21,508	7,522		2022
Scania Romania S.R.L., Ciorogârla	RON	4.9759	-	100.00	100.00	62,141	39,270		2022
Scania Sales (China) Co., Ltd., Beijing	CNY	7.8700	-	100.00	100.00	121,434	-80,937		2022
Scania Sales and Service (Guangzhou) Co., Ltd., Guangzhou	CNY	7.8700	-	100.00	100.00	-42,444	-15,660		2022
Scania Sales and Services AB, Södertälje	SEK	11.0874	-	100.00	100.00	18,224,201	3,342,101		2022
Scania Schweiz AG, Kloten	CHF	0.9264	-	100.00	100.00	32,578	29,317		2022
Scania Senegal S.U.A.R.L., Dakar	XOF	655.9570	-	100.00	100.00	-63,214	-27,304		2022
Scania Services del Perú S.A., Lima	PEN	4.0905	-	100.00	100.00	61,512	25,699		2022
Scania Servicii Asigurari S.R.L., Ciorogârla	RON	4.9759	-	100.00	100.00	2,385	-73		2022
Scania Servicios, S.A. de C.V., El Marqués	MXN	18.7689	-	100.00	100.00	110	-9		2022
Scania Siam Co. Ltd., Bangkok	THB	37.9886	-	99.99	99.99	482,352	19,188		2022
Scania Siam Leasing Co. Ltd., Bangkok	THB	37.9886	-	100.00	100.00	412,016	64,431		2022
Scania Singapore Pte. Ltd., Singapore	SGD	1.4612	-	100.00	100.00	5,920	3,158		2022
Scania Slovakia s.r.o., Senec	EUR		-	100.00	100.00	13,382	5,869		2022
Scania Slovenija d.o.o., Ljubljana	EUR		-	100.00	100.00	9,363	4,292		2022
Scania South Africa (Pty) Ltd., Aeroton	ZAR	20.4442	-	100.00	100.00	900,040	364,509		2022
Scania Srbija d.o.o., Krnješevci	RSD	117.1850	-	100.00	100.00	602,266	249,124		2022
Scania Sumistradora de Flota Tres SpA, Santiago de Chile	CLP	977.9400	-	100.00	100.00	-	-	6) 9)	2023
Scania Sumistradora de Flota Uno SpA, Santiago de Chile	CLP	977.9400	-	100.00	100.00	-	-	6) 9)	2023
Scania Suomi Oy, Helsinki	EUR		-	100.00	100.00	37,498	23,588		2022
Scania Sverige AB, Södertälje	SEK	11.0874	-	100.00	100.00	546,330	12,754		2022
Scania Sverige Bussar AB, Södertälje	SEK	11.0874	-	100.00	100.00	42,966	-	5)	2022
Scania Tanzania Ltd., Dar-es-Salaam	TZS	2,788.0800	-	100.00	100.00	14,990,000	809,537		2022
Scania Thailand Co. Ltd., Bangkok	THB	37.9886	-	99.99	99.99	118,948	21,933		2022
Scania Transportlaboratorium AB, Södertälje	SEK	11.0874	-	100.00	100.00	3,224	-31		2022
Scania Treasury AB, Södertälje	SEK	11.0874	-	100.00	100.00	78,082,414	-946,747		2022
Scania Trucks & Buses AB, Södertälje	SEK	11.0874	-	100.00	100.00	80,721	732		2022
Scania USA Inc., San Antonio / TX	USD	1.1077	-	100.00	100.00	15,133	3,963		2022
Scania West Africa Ltd., Accra	GHS	13.2537	-	100.00	100.00	-9,381	-5,925		2022
Scania-Kringlan AB, Södertälje	SEK	11.0874	-	100.00	100.00	6,000	-	5)	2022
Scania-Vabis 118 AB, Värnamo	SEK	11.0874	-	100.00	100.00	5,106	3,127		2022
Scanlink Ltd., Milton Keynes	GBP	0.8691	-	100.00	100.00	1,956	-	5)	2022
Scanrent - Alguer de Viaturas sem Condutor, S.A., Santa Iria de Azóia	EUR		-	100.00	100.00	14,095	1,496		2022
Scantruck Ltd., Milton Keynes	GBP	0.8691	-	100.00	100.00	1,671	-	5)	2022
SCI Delcor, Bruay-la-Buissière	EUR		-	100.00	100.00	1,946	78		2022
Scout Motors Inc., Tysons / VA	USD	1.1077	-	100.00	100.00	-34,514	-54,147	4)	2022
SEAT Motor España S.A., Barcelona	EUR		-	100.00	100.00	-1,866	-516		2021
SEAT, S.A., Martorell	EUR		-	100.00	100.00	1,297,400	67,500		2022
Shanghai Ducati Trading Co., Ltd., Shanghai	CNY	7.8700	-	100.00	100.00	112,532	21,666		2022
Shanghai Jie Gang Enterprise Management Co., Ltd., Shanghai	CNY	7.8700	-	100.00	100.00	23,715	-75		2022
Simple Way Locações e Serviços S.A., São Paulo	BRL	5.3750	-	100.00	100.00	1,102,810	1,700		2022
SIVA – Sociedade de Importação de Veículos Automóveis, S.A., Vila Nova Da Rainha	EUR		-	100.00	100.00	23,434	16,954		2022
Škoda Auto a.s., Mladá Boleslav	EUR		-	100.00	100.00	92,475,506	12,767,881	10)	2022
Škoda Auto Slovensko s.r.o., Bratislava	EUR		-	100.00	100.00	17,213	3,264		2022
Škoda Auto Volkswagen India Pvt. Ltd., Pune	INR	92.1170	86.88	13.12	100.00	48,743,770	2,083,400	3)	2022
ŠkoFIN s.r.o., Prague	CZK	24.7180	-	100.00	100.00	6,684,000	888,000		2022
SLA Treasury Spain S.L., Barcelona	BRL	5.3750	-	100.00	100.00	9,829,025	-144,164		2022
Soauto VGRP - Comércio de Automóveis, S.A., Lisbon	EUR		-	100.00	100.00	9,002	1,878		2022
Södertälje Bilkredit AB, Södertälje	SEK	11.0874	-	100.00	100.00	100	-	5)	2022
SOE Busproduction Finland Oy, Lahti	EUR		-	100.00	100.00	9,490	1,032		2022
Sonauto Lille S.A.S., Villeneuve d'Ascq	EUR		-	100.00	100.00	6,933	1,187		2022
Sonauto Lyon S.A.S., Champagne-au-Mont-d'Or	EUR		-	100.00	100.00	7,123	371		2022
Sonauto Roissy S.A.S., Villeneuve d'Ascq	EUR		-	96.81	96.81	6,254	-607		2022
Southway Scania Ltd., Milton Keynes	GBP	0.8691	-	100.00	100.00	1,170	-	5)	2022
SST Sustainable Transport Solutions India Pvt. Ltd., Nagpur	INR	92.1170	-	99.99	99.99	25,327	-420		2022
Stop 134 AB, Stockholm	SEK	11.0874	-	100.00	100.00	6,915	2,148		2022
Suzhou Aobaohang Automobile Sales and Service Co., Ltd., Suzhou	CNY	7.8700	-	100.00	100.00	71,510	-7,618		2022
Suzhou Binjie Automobile Sales and Service Co., Ltd., Suzhou	CNY	7.8700	-	100.00	100.00	71,295	42,554		2022

Name and domicile of company	Currency	Exchange rate (1€ =) Dec. 31, 2023	VW AG 's interest in capital in % Direct	Indirect	Total	Equity in thousands, local currency	Profit/loss in thousands, local currency	Footnote	Year
Suzhou Jiejun Automobile Sales and Service Co., Ltd., Suzhou	CNY	7.8700	-	100.00	100.00	165,123	79,675		2022
Suzhou Jiejun Automobile Trading Co., Ltd., Suzhou	CNY	7.8700	-	100.00	100.00	8,088	347		2022
Suzhou Junbaohang Automobile Sales and Service Co., Ltd., Suzhou	CNY	7.8700	-	100.00	100.00	126,704	44,099		2022
Suzhou Lanbaohang Automobile Sales and Service Co., Ltd., Suzhou	CNY	7.8700	-	100.00	100.00	3,425	-10,937		2022
Tachy Experts S.A.S., Angers	EUR		-	100.00	100.00	229	77		2022
Taizhou Junbaojie Automobile Sales and Service Co., Ltd., Taizhou	CNY	7.8700	-	100.00	100.00	103,181	44,975		2022
TFS Brasil Holding Ltda., São Paulo	BRL	5.3750	-	100.00	100.00	-	-	6)	2023
TOV Donbas-Scan-Service, Makijivka	UAH	42.1157	-	100.00	100.00	11,673	571		2022
TOV Kyiv-Scan, Kiev	UAH	42.1157	-	100.00	100.00	12,600	54		2022
TOV MAN Truck & Bus Ukraine, Kiev	UAH	42.1157	-	100.00	100.00	414,688	94,802		2022
TOV Scania Credit Ukraine, Kiev	UAH	42.1157	-	100.00	100.00	298,502	61,532		2022
TOV Scania Ukraine, Kiev	UAH	42.1157	-	100.00	100.00	278,884	91,378		2022
TOV Scania-Lviv, Lwiw	UAH	42.1157	-	100.00	100.00	32,769	13		2022
Transproteccion Agente de Seguros S.A. de C.V., Miguel Hidalgo	MXN	18.7689	-	100.00	100.00	77,507	27,068		2022
TRATON AB, Södertälje	SEK	11.0874	-	100.00	100.00	12,693	-2,638		2022
TRATON Finance & Services AS, Tallinn	EUR		-	100.00	100.00	-	-	4)	2022
TRATON Finance Luxembourg S.A., Strassen	EUR		-	100.00	100.00	49,020	4,296		2022
TRATON Financial Services Aktiebolag, Södertälje	SEK	11.0874	-	100.00	100.00	494,485	133,607		2022
TRATON International S.A., Strassen	EUR		-	100.00	100.00	16,433,487	368,913		2022
TRATON Sweden AB, Södertälje	EUR		-	100.00	100.00	11,163,097	292,694		2022
TRATON Treasury AB, Södertälje	SEK	11.0874	-	100.00	100.00	500	-	4)	2022
TRATON US, LLC, Pompano Beach / FL	EUR		-	100.00	100.00	1,404,091	70,012		2022
Trucknology S.A., Luxembourg	EUR		-	-	-	31	-	12)	2022
UAB Scania Lietuva, Vilnius	EUR		-	100.00	100.00	16,036	4,913		2022
Union Trucks Ltd., Milton Keynes	GBP	0.8691	-	100.00	100.00	573	-	5)	2022
Uppsala Danmark-Säby 8:1 AB, Gavle	SEK	11.0874	-	100.00	100.00	1,034	872		2022
UTP Holdings, LLC, Lisle / IL	USD	1.1077	-	100.00	100.00	-	-	3)	2022
Vabis Bilverkstad AB, Södertälje	SEK	11.0874	-	100.00	100.00	101	-	5)	2022
Vabis Försäkringsaktiebolag, Södertälje	SEK	11.0874	-	100.00	100.00	197,049	-981	3) 11)	2022
VCI Loan Services, LLC, Herndon / VA	USD	1.1077	-	100.00	100.00	-	-	9)	2019
VCI Ventures, LLC, Herndon / VA	USD	1.1077	-	100.00	100.00	-	-	9)	2020
VCL Master Poland DAC, Dublin	EUR		-	-	-	-	-	6) 12)	2023
VCL Master Residual Value S.A., Luxembourg	EUR		-	-	-	31	-	12)	2022
VCL Master S.A., Luxembourg	EUR		-	-	-	31	-	12)	2022
VCL Master Sweden S.A., Luxembourg	SEK	11.0874	-	-	-	-	-	6) 12)	2023
VCL Multi-Compartment S.A., Luxembourg	EUR		-	-	-	31	-	12)	2022
Vicentini S.p.A., Bolzano	EUR		-	100.00	100.00	33,335	4,288		2022
Vindbron Arendal AB, Södertälje	SEK	11.0874	-	100.00	100.00	13,463	108		2022
Vita Gjuteriets Fastighetsbolag AB, Stockholm	SEK	11.0874	-	100.00	100.00	164	114		2022
Volkswagen (Anhui) Automotive Co., Ltd., Hefei	CNY	7.8700	-	75.00	75.00	5,982,298	-1,022,830		2022
Volkswagen (Anhui) Component Co., Ltd., Hefei	CNY	7.8700	-	100.00	100.00	905,556	-60,745		2022
Volkswagen (Anhui) Digital Sales and Services Co., Ltd., Hefei	CNY	7.8700	-	100.00	100.00	1,526,486	-173,514	4)	2022
Volkswagen (China) Investment Co., Ltd., Beijing	CNY	7.8700	100.00	-	100.00	75,296,954	13,704,367		2022
Volkswagen Argentina S.A., Buenos Aires	ARS	894.9939	-	100.00	100.00	179,822,892	3,521,608		2022
Volkswagen Auto Lease Entity, LLC, Herndon / VA	USD	1.1077	-	-	-	-	-	5) 9) 12)	2021
Volkswagen Auto Lease Loan Underwritten Funding, LLC, Herndon / VA	USD	1.1077	-	-	-	-	-	9) 12)	2021
Volkswagen Auto Loan Vehicle, LLC, Herndon / VA	USD	1.1077	-	-	-	-	-	9) 12)	2021
Volkswagen Auto Securitization Transaction, LLC, Herndon / VA	USD	1.1077	-	-	-	-	-	9) 12)	2021
Volkswagen Autoeuropa, Lda., Quinta do Anjo	EUR		-	100.00	100.00	385,959	46,638		2022
Volkswagen Automatic Transmission (Dalian) Co., Ltd., Dalian	CNY	7.8700	-	100.00	100.00	6,748,576	2,717,601		2022
Volkswagen Automatic Transmission (Tianjin) Co., Ltd., Tianjin	CNY	7.8700	-	100.00	100.00	12,094,729	3,340,286		2022
Volkswagen Automotive Finance, LLC, Herndon / VA	USD	1.1077	-	-	-	-	-	9) 12)	2021
Volkswagen Bank S.A., Institución de Banca Múltiple, Puebla	MXN	18.7689	-	100.00	100.00	2,737,000	294,000		2022
Volkswagen Corretora de Seguros Ltda., São Paulo	BRL	5.3750	-	100.00	100.00	45,549	33,804		2022
Volkswagen de México, S.A. de C.V., Puebla	MXN	18.7689	100.00	-	100.00	36,113,851	13,219,524	10)	2022
Volkswagen Dealer Finance, LLC, Herndon / VA	USD	1.1077	-	-	-	-	-	9) 12)	2021
Volkswagen do Brasil Indústria de Veículos Automotores Ltda., São Bernardo do Campo	BRL	5.3750	-	100.00	100.00	1,988,914	-1,395,430		2022
Volkswagen Enhanced Auto Lease, LLC, Herndon / VA	USD	1.1077	-	-	-	-	-	5) 9) 12)	2021
Volkswagen Finance (China) Co., Ltd., Beijing	CNY	7.8700	-	100.00	100.00	16,242,834	1,847,240		2022
Volkswagen Finance Belgium S.A., Brussels	EUR		-	100.00	100.00	14,546	4,880		2022
Volkswagen Finance Europe B.V., Amsterdam	EUR		-	100.00	100.00	-	-	4) 6)	2023
Volkswagen Finance Luxemburg S.A., Strassen	EUR		100.00	-	100.00	58,645,312	1,797,265		2022
Volkswagen Finance Overseas B.V., Amsterdam	EUR		-	100.00	100.00	3,122,553	8,247		2022
Volkswagen Finance Overseas HoldCo B.V., Amsterdam	EUR		-	100.00	100.00	-	-	4) 6)	2023
Volkswagen Financial Leasing (Tianjin) Co., Ltd., Tianjin	CNY	7.8700	-	98.85	98.85	1,734,566	35,579		2022
Volkswagen Financial Services (UK) Ltd., Milton Keynes	GBP	0.8691	-	100.00	100.00	2,689,092	580,380		2022
Volkswagen Financial Services Australia Pty. Ltd., Chullora	AUD	1.6292	-	100.00	100.00	437,360	69,898	8)	2022
Volkswagen Financial Services France S.A., Villers-Cotterêts	EUR		-	100.00	100.00	197,964	1,270		2022
Volkswagen Financial Services Ireland Ltd., Dublin	EUR		-	100.00	100.00	-59,862	18,010		2022
Volkswagen Financial Services Japan Ltd., Tokyo	JPY	156.7900	-	100.00	100.00	24,989,606	3,065,505		2022
Volkswagen Financial Services Korea Co., Ltd., Seoul	KRW	1,440.7150	-	100.00	100.00	364,929,000	21,838,000		2022
Volkswagen Financial Services N.V., Amsterdam	EUR		-	100.00	100.00	1,138,129	11,995		2022
Volkswagen Financial Services Polska Sp. z o.o., Warsaw	PLN	4.3409	-	100.00	100.00	2,213,438	304,185	10)	2022
Volkswagen Financial Services S.p.A., Milan	EUR		-	100.00	100.00	122,067	-2,619		2022
Volkswagen Financial Services Taiwan Ltd., Taipei	TWD	33.9211	-	100.00	100.00	1,491,817	143,393		2022
Volkswagen Financné služby Slovensko s.r.o., Bratislava	EUR		-	100.00	100.00	85,096	751	10)	2022
Volkswagen Finans Sverige AB, Södertälje	SEK	11.0874	-	100.00	100.00	2,199,861	1,265,602		2022
Volkswagen Group (China) Technology Company Limited, Hefei	CNY	7.8700	-	100.00	100.00	-	-	4) 6)	2023
Volkswagen Group Australia Pty. Ltd., Chullora	AUD	1.6292	-	100.00	100.00	380,150	55,771		2022
Volkswagen Group Automotive Retail France S.A.S., Villers-Cotterêts	EUR		10.02	89.98	100.00	343,982	10,309		2022
Volkswagen Group Canada, Inc., Ajax / ON	CAD	1.4681	-	100.00	100.00	396,422	24,711	10)	2022
Volkswagen Group España Distribución, S.A., Barcelona	EUR		-	100.00	100.00	174,438	32,429		2022
Volkswagen Group France S.A.S., Villers-Cotterêts	EUR		-	100.00	100.00	273,251	62,864		2022
Volkswagen Group Import Co., Ltd., Tianjin	CNY	7.8700	-	100.00	100.00	3,303,742	318,560		2022
Volkswagen Group Ireland Ltd., Dublin	EUR		-	100.00	100.00	22,103	11,675		2022
Volkswagen Group Italia S.p.A., Verona	EUR		-	100.00	100.00	776,330	55,809		2022
Volkswagen Group Japan K.K., Toyohashi	JPY	156.7900	-	100.00	100.00	49,037,375	7,333,005		2022
Volkswagen Group Korea Ltd., Seoul	KRW	1,440.7150	-	100.00	100.00	190,265,104	-26,561,722		2022
Volkswagen Group Malaysia Sdn. Bhd., Kuala Lumpur	MYR	5.0899	-	100.00	100.00	-729,820	7,662		2022
Volkswagen Group of America Chattanooga Operations, LLC, Chattanooga / TN	USD	1.1077	-	100.00	100.00	477,748	64,228	10)	2022
Volkswagen Group of America Finance, LLC, Reston / VA	USD	1.1077	-	100.00	100.00	30,487	-61,287	10)	2022
Volkswagen Group of America Investments, LLC, Reston / VA	USD	1.1077	-	100.00	100.00	1,539,650	-3,057,513		2022
Volkswagen Group of America, Inc., Reston / VA	USD	1.1077	100.00	-	100.00	6,184,409	72,626	10)	2022
Volkswagen Group Polska Sp. z o.o., Poznan	PLN	4.3409	-	100.00	100.00	458,193	127,184		2022
Volkswagen Group Retail France S.A.S., Roissy-en-France	EUR		-	100.00	100.00	183,415	16,387		2022
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	1.4612	-	100.00	100.00	5,954	-10,368		2022
Volkswagen Group Sverige AB, Södertälje	SEK	11.0874	-	100.00	100.00	1,541,810	866,947		2022
Volkswagen Group Taiwan Co., Ltd., New Taipei City	TWD	33.9211	-	100.00	100.00	4,328,776	420,513		2022
Volkswagen Group Technology Solutions India Pvt. Ltd., Pune	INR	92.1170	-	100.00	100.00	14	-1	3)	2023
Volkswagen Group United Kingdom Ltd., Milton Keynes	GBP	0.8691	-	100.00	100.00	770,200	120,900		2022
Volkswagen Holding Österreich GmbH, Salzburg	EUR		100.00	-	100.00	3,639,272	129,904		2022

Name and domicile of company	Currency	Exchange rate (1€ =) Dec. 31, 2023	VW AG 's interest in capital in % Direct	Indirect	Total	Equity in thousands, local currency	Profit/loss in thousands, local currency	Footnote	Year
Volkswagen Independent Borrowing Entity, LLC, Herndon / VA	USD	1.1077	-	-	-	-	-	9) 12)	2021
Volkswagen Insurance Services, Correduria de Seguros, S.L., El Prat de Llobregat	EUR		-	100.00	100.00	44,566	8,002		2022
Volkswagen International Belgium S.A., Brussels	EUR		-	100.00	100.00	1,031,269	36,730		2022
Volkswagen International Estonia AS, Tallinn	EUR		-	100.00	100.00	5,650,144	12,015		2022
Volkswagen International Finance N.V., Amsterdam	EUR		-	100.00	100.00	477,357	136,799		2022
Volkswagen International Luxemburg S.A., Strassen	EUR		-	100.00	100.00	31,529,322	221,950		2022
Volkswagen Japan Sales K.K., Tokyo	JPY	156.7900	-	100.00	100.00	1,421,543	-203,715		2022
Volkswagen Leasing S.A. de C.V., Puebla	MXN	18.7689	-	100.00	100.00	14,768,234	2,019,895		2022
Volkswagen Mobility Services S.p.A., Bolzano	EUR		-	100.00	100.00	3,009	-8,907		2022
Volkswagen Motor Polska Sp. z o.o., Polkowice	PLN	4.3409	-	100.00	100.00	838,564	123,932	10)	2022
Volkswagen Navarra, S.A., Pamplona	EUR		-	100.00	100.00	794,805	87,400		2022
Volkswagen New Mobility Services Investment Co., Ltd., Beijing	CNY	7.8700	-	100.00	100.00	1,966,590	-36,263		2022
Volkswagen North American Region Payment Services, LLC, Reston / VA	USD	1.1077	-	100.00	100.00	34,946	11,801		2022
Volkswagen of South Africa (Pty) Ltd., Kariega	ZAR	20.4442	100.00	-	100.00	13,304,820	923,228	10)	2022
Volkswagen Operating Lease Transaction, LLC, Herndon / VA	USD	1.1077	-	-	-	-	-	5) 9) 12)	2021
Volkswagen Participações Ltda., São Paulo	BRL	5.3750	-	100.00	100.00	3,462,303	242,045		2022
Volkswagen Payments Canada Inc., Ajax / ON	CAD	1.4681	-	100.00	100.00	-	-	5) 9)	2021
Volkswagen Payments, LLC, Herndon / VA	USD	1.1077	-	100.00	100.00	3,824	-734	5) 9)	2020
Volkswagen Poznan Sp. z o.o., Poznan	PLN	4.3409	-	100.00	100.00	2,551,222	529,403	10)	2022
Volkswagen Public Auto Loan Securitization, LLC, Herndon / VA	USD	1.1077	-	-	-	-	-	9) 12)	2021
Volkswagen Renting S.A., Alcobendas (Madrid)	EUR		-	100.00	100.00	133,715	76,783		2022
Volkswagen Renting, Unipessoal, Lda., Amadora	EUR		-	100.00	100.00	2,699	2,076		2022
Volkswagen S.A. de Ahorro Para Fines Determinados, Buenos Aires	ARS	894.9939	-	100.00	100.00	2,776,558	1,512,990		2022
Volkswagen Serviços Ltda., São Paulo	BRL	5.3750	-	100.00	100.00	33,600	27,870		2022
Volkswagen Slovakia, a.s., Bratislava	EUR		-	100.00	100.00	1,439,438	202,405	10)	2022
Volkswagen Truck & Bus Indústria e Comércio de Veículos Ltda., São Paulo	BRL	5.3750	-	100.00	100.00	2,420,720	1,391,758		2022
Volkswagen Truck & Bus México S.A. de C.V., El Marqués	MXN	18.7689	-	100.00	100.00	381,294	-352,406		2022
Volkswagen-Versicherungsdienst GmbH, Vienna	EUR		-	100.00	100.00	3,669	3,191		2022
VW Credit Canada Funding GP, Inc., Ajax / ON	CAD	1.4681	-	100.00	100.00	-	-	9) 12)	2021
VW Credit Canada Funding L.P., Ajax / ON	CAD	1.4681	-	100.00	100.00	-	-	9) 12)	2021
VW Credit Canada Leasing ULC, Calgary / AL	CAD	1.4681	-	100.00	100.00	-	-	9)	2021
VW Credit Canada, Inc., Pickering / ON	CAD	1.4681	-	100.00	100.00	1,223,643	115,605	9)	2022
VW Credit Leasing Ltd., Herndon / VA	USD	1.1077	-	100.00	100.00	-	-	9)	2021
VW Credit, Inc., Herndon / VA	USD	1.1077	-	100.00	100.00	7,561,695	672,665	8) 10)	2022
VWFS Insurance Services, Inc., Phoenix / AR	USD	1.1077	-	100.00	100.00	58,419	25,604	9)	2021
VWFS Protection Services FL, Inc., Herndon / VA	USD	1.1077	-	100.00	100.00	-	-	9)	2021
VWFS Protection Services, Inc., Phoenix / AR	USD	1.1077	-	100.00	100.00	38,430	13,840	9)	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	7.8700	-	100.00	100.00	54,413	16,942		2022
Westrucks Ltd., Milton Keynes	GBP	0.8691	-	100.00	100.00	336	-	5)	2022
Workhorse International Holding Company, Lisle / IL	USD	1.1077	-	100.00	100.00	-1,132	-86		2022
Wuxi Aobaohang Automobile Sales and Service Co., Ltd., Wuxi	CNY	7.8700	-	100.00	100.00	41,724	-9,096		2022
Wuxi Junbaohang Automobile Sales and Service Co., Ltd., Wuxi	CNY	7.8700	-	100.00	100.00	20,141	-15,910		2022
Yancheng Jiejun Automobile Sales and Service Co., Ltd., Yancheng	CNY	7.8700	-	100.00	100.00	63,888	12,836		2022
Zhejiang Jiejun Automobile Sales and Service Co., Ltd., Hangzhou	CNY	7.8700	-	100.00	100.00	306,533	95,133		2022
Zhongshan Jiejun Automobile Sales and Service Co., Ltd., Zongshan	CNY	7.8700	-	100.00	100.00	54,817	17,572		2022
Zhuhai Jiejun Automobile Sales and Service Co., Ltd., Zhuhai	CNY	7.8700	-	100.00	100.00	90,390	11,577		2022
B. Unconsolidated companies									
1. Germany									
A4nXT GmbH, Ingolstadt	EUR		-	100.00	100.00	39,496	-	1)	2023
Argo AI GmbH, Munich	EUR		-	100.00	100.00	250	-		2018
ARTEMIS GmbH, Ingolstadt	EUR		-	100.00	100.00	4,025	-	1)	2023
Audi Business Innovation GmbH, Ingolstadt	EUR		-	100.00	100.00	11,300	-	1)	2023
Audi Event Solutions GmbH, Ingolstadt	EUR		-	100.00	100.00	-	-	4) 6)	2023
Audi Events und Services GmbH, Ingolstadt	EUR		-	100.00	100.00	3,379	-	1)	2023
Audi Formula Racing GmbH, Neuburg a.d. Donau	EUR		-	100.00	100.00	152,359	-33,741	4)	2022
AUDI Immobilien GmbH & Co. KG, Wolfsburg	EUR		-	100.00	100.00	73,424	-9,046		2020
Audi Interaction GmbH, Potsdam	EUR		-	100.00	100.00	1,244	-	1)	2023
Audi Neckarsulm Immobilien GmbH, Neckarsulm	EUR		-	100.00	100.00	-267	2,507		2022
Audi Planung GmbH, Gaimersheim	EUR		-	100.00	100.00	793	-	1)	2023
Audi Sport Formel E GmbH, in liquidation, Ingolstadt	EUR		-	100.00	100.00	1,357	57	2) 5)	2022
Audi Stiftung für Umwelt GmbH, Ingolstadt	EUR		-	100.00	100.00	5,016	1		2022
Auto Union GmbH, Ingolstadt	EUR		-	100.00	100.00	30,781	-	1)	2023
BELIMA Verwaltung GmbH, Pullach i. Isartal	EUR		-	-	-	18	-	12)	2021
Bentley Motors Germany GmbH, Hallbergmoos	EUR		-	100.00	100.00	14	0		2021
Cellforce Group GmbH, Tübingen	EUR		-	100.00	100.00	15,704	-28,114		2022
Cetitec GmbH, Pforzheim	EUR		-	100.00	100.00	4,137	3,012		2022
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	-833	141	12)	2022
Dastera Grundstücksverwaltungsgesellschaft mbH & Co. Vermietungs KG, Mainz	EUR		-	94.00	94.00	-447	-138	12)	2022
Datura Grundstücksverwaltungsgesellschaft mbH & Co. Vermietungs KG, Mainz	EUR		-	94.00	94.00	-212	153	12)	2022
diconium auto gmbh, Stuttgart	EUR		-	100.00	100.00	25	-	4) 11)	2021
diconium data GmbH, Stuttgart	EUR		-	100.00	100.00	499	-		2022
diconium digital GmbH, Stuttgart	EUR		-	100.00	100.00	20,710	1,220		2022
diconium digital solutions GmbH, Stuttgart	EUR		-	100.00	100.00	23,270	-		2022
diconium GmbH, Stuttgart	EUR		-	100.00	100.00	682	-		2022
diconium strategy GmbH, Stuttgart	EUR		-	100.00	100.00	6,281	-		2022
Eberhardt Verwaltungsgesellschaft mbH, Ulm	EUR		-	100.00	100.00	49	2		2020
ELAG Emder Lagerhaus und Automotive GmbH, Emden	EUR		-	100.00	100.00	-	-		2022
EquipmentCo 1. Projektgesellschaft mbH & Co. KG, Salzgitter	EUR		-	100.00	100.00	8,824	-676	4)	2022
EquipmentCo 1. Verwaltungsgesellschaft mbH, Salzgitter	EUR		-	100.00	100.00	122	-3	4)	2022
Euromobil GmbH, Sittensen	EUR		-	100.00	100.00	-	-	4) 6)	2023
EVAG Emder Verkehrs und Automotive Gesellschaft mbH, Emden	EUR		-	100.00	100.00	6,220	-		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	11,643	470		2022
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	17,756	679		2022
Initium GmbH, Berlin	EUR		-	100.00	100.00	125	-	1)	2022
Intenta Automotive GmbH, Chemnitz	EUR		-	100.00	100.00	6,501	870		2022
Italdesign-Giugiaro Deutschland GmbH, Wolfsburg	EUR		-	100.00	100.00	1,733	195		2022
LGI Logistikzentrum im Güterverkehrszentrum Ingolstadt Betreibergesellschaft mbH, Ingolstadt	EUR		-	100.00	100.00	132,508	8,472		2022
LoadFox GmbH, in liquidation, Munich	EUR		-	100.00	100.00	3,221	151	2)	2022
LoadFox Transport Solutions GmbH, Munich	EUR		-	100.00	100.00	296	-4	4)	2022
LOGPAY Financial Services GmbH, Eschborn	EUR		-	100.00	100.00	12,674	-	1)	2023
LOGPAY Transport Services GmbH, Eschborn	EUR		-	100.00	100.00	3,312	-	1)	2022
MAHAG Verwaltungs GmbH, Munich	EUR		-	100.00	100.00	27	2		2020
MAN Brand Management GmbH, Grünwald	EUR		-	100.00	100.00	25	-	1)	2023
MAN Grundstücksgesellschaft mbH & Co. Gamma KG, Munich	EUR		-	100.00	100.00	1,307	37		2022
MAN HR Services GmbH, Munich	EUR		-	100.00	100.00	766	-	1)	2023
MAN Personal Services GmbH, Dachau	EUR		-	100.00	100.00	25	-	1)	2023
MAN-Unterstützungskasse GmbH, Munich	EUR		-	100.00	100.00	363	34		2022

Name and domicile of company	Currency	Exchange rate (1€ =) Dec. 31, 2023	VW AG 's interest in capital in % Direct	Indirect	Total	Equity in thousands, local currency	Profit/loss in thousands, local currency	Footnote	Year
Manthey Racing GmbH, Meuspath	EUR		-	51.00	51.00	10,074	3,217		2022
Manthey Servicezentrum GmbH, Meuspath	EUR		-	100.00	100.00	868	425		2022
MMI Marketing Management Institut GmbH, Braunschweig	EUR		100.00	-	100.00	512	-	1)	2022
Mobility Trader Holding GmbH, Berlin	EUR		-	84.52	84.52	373,218	-9,025		2021
MOLTANDO Vermietungsgesellschaft mbH & Co. Objekt Kassel KG, Dusseldorf	EUR		-	-	-	-	-	12)	2021
MOON POWER Deutschland GmbH, Eching	EUR		-	100.00	100.00	528	-1,323		2022
NSU GmbH, Neckarsulm	EUR		-	100.00	100.00	50	-	1)	2023
Ortan Verwaltung GmbH & Co. Objekt Karlsfeld KG, Pullach i. Isartal	EUR		-	100.00	100.00	1,470	580		2022
OverTake GmbH, Cologne	EUR		-	100.00	100.00	-	-	7)	2023
P3X GmbH & Co. KG, Gilching	EUR		-	100.00	100.00	17,524	-10,667	4)	2022
P3X Management GmbH, Gilching	EUR		-	100.00	100.00	27	2	4)	2022
POFIN Beteiligungs GmbH, Freilassing	EUR		-	100.00	100.00	18	-1		2022
Porsche eBike Performance GmbH, Ottobrunn	EUR		-	60.00	60.00	69,532	-21,006		2022
quattro GmbH, Neckarsulm	EUR		-	100.00	100.00	25	-	1)	2023
semvox GmbH, Kirkel	EUR		-	100.00	100.00	-	-	7)	2023
serva GmbH, in liquidation, Stuttgart	EUR		-	100.00	100.00	1,187	-52	2)	2022
tcu Turbo Charger GmbH, Augsburg	EUR		-	100.00	100.00	-	-	1) 5)	2019
The Key to Mobility Services GmbH, Eschborn	EUR		-	100.00	100.00	20	-	1)	2022
TRATON Beteiligungsverwaltungs GmbH, Munich	EUR		-	100.00	100.00	25	-	1) 4)	2022
TRATON Dritte Beteiligungs GmbH, Munich	EUR		-	100.00	100.00	23	2		2022
Unterstützungseinrichtung VGW GmbH, Munich	EUR		-	100.00	100.00	183	28		2022
VAIVA GmbH, Gaimersheim	EUR		-	75.50	75.50	7,341	1,472		2022
VOLKSWAGEN CARIAD 42. Beteiligungs GmbH, Wolfsburg	EUR		-	100.00	100.00	1,495	-45		2021
Volkswagen Financial Services Europe AG, Braunschweig	EUR		100.00	-	100.00	250	-		2022
Volkswagen Group Future Center Europe GmbH, Potsdam	EUR		-	100.00	100.00	2,521	-	1)	2022
Volkswagen Group Info Services AG, Wolfsburg	EUR		-	100.00	100.00	11,100	-	1)	2022
Volkswagen Group Partner Services GmbH, Wolfsburg	EUR		100.00	-	100.00	144	-	1)	2022
Volkswagen Immobilien Blue 2 GmbH & Co. KG, Wolfsburg	EUR		-	100.00	100.00	-	-	4) 6)	2023
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 Immobilien Property GmbH & Co. KG, Wolfsburg	EUR		-	100.00	100.00	-	-	4) 6)	2023
Volkswagen Infotainment GmbH, Wolfsburg	EUR		-	100.00	100.00	25	-	1)	2022
Volkswagen Retail Dienstleistungsgesellschaft mbH, Berlin	EUR		-	100.00	100.00	259	-	1)	2020
Volkswagen-Bildungsinstitut GmbH, Zwickau	EUR		-	100.00	100.00	256	-	1)	2022
Voya GmbH, Hamburg	EUR		-	100.00	100.00	1,664	-1,308		2022
Weser-Ems Vertriebsgesellschaft mbH, Bremen	EUR		100.00	-	100.00	17,752	4,955		2022
Wirelesscar GmbH, Munich	EUR		-	100.00	100.00	-	-	4) 6)	2023
ZENDA Dienstleistungen GmbH, Würzburg	EUR		-	100.00	100.00	3,971	450		2022
2. International									
A-Vision People, Empresa de trabalho temporário, unipessoal, Lda., Quinta do Anjo	EUR		-	100.00	100.00	1,572	173		2022
A4EX, LLC, Reston / VA	USD	1.1077	-	100.00	100.00	64,080	31,131		2022
Administración de Prestaciones Colectivas, S.C., Puebla	MXN	18.7689	-	100.00	100.00	3	-		2022
AFN Ltd., Reading	GBP	0.8691	-	100.00	100.00	0	-	5)	2022
Allmobil GmbH, Salzburg	EUR		-	100.00	100.00	1,281	1,073		2022
Aod Operations Canada, ULC, Vancouver / BC	CAD	1.4681	-	100.00	100.00	-	-	4) 6)	2023
Aod Operations, LLC, Austin / TX	USD	1.1077	-	100.00	100.00	-	-	4) 6)	2023
Apolo Administradora de Bens S/S Ltda., São Bernardo do Campo	BRL	5.3750	-	100.00	100.00	-	-		2020
Audi Hungaria AHEAD Kft., Györ	HUF	382.3900	-	100.00	100.00	-	-	4) 6)	2023
Audi Regional Office S.A. de C.V., Puebla	MXN	18.7689	-	100.00	100.00	60,301	3,370		2022
Automobiles Villers Services S.A.S., Villers-Cotterêts	EUR		-	100.00	100.00	2,679	279		2022
Banco Volkswagen Truck & Bus S.A., São Paulo	BRL	5.3750	-	100.00	100.00	-	-	4) 6)	2023
Beetle BC Holdings, Inc., Vancouver / BC	CAD	1.4681	-	100.00	100.00	6,262	1,506		2021
Bellwether Forest Products, LLC, Camden / SC	USD	1.1077	-	100.00	100.00	-	-		2022
Bentley Insurance Services Ltd., Crewe	GBP	0.8691	-	100.00	100.00	221	-	5)	2022
Bentley Motor Cars Export Ltd., Crewe	GBP	0.8691	-	100.00	100.00	11	-	5)	2022
Bentley Motor Export Services Ltd., Crewe	GBP	0.8691	-	100.00	100.00	45	-	5)	2022
Bentley Motors FZE, Dubai	AED	4.0683	-	100.00	100.00	120	-	5)	2022
BeRider Services s.r.o., Prague	CZK	24.7180	-	100.00	100.00	11,641	983		2022
Bikes Vertriebs GmbH, Salzburg	EUR		-	100.00	100.00	505	0		2022
Bonaldi Motorsport S.r.l., Bolzano	EUR		-	100.00	100.00	258	76		2022
CARIAD Inc., Wilmington / DE	USD	1.1077	-	100.00	100.00	47,667	-2,265		2022
Centrales Diesel Export S.A.S., Saint-Nazaire	EUR		-	100.00	100.00	1,034	-42	5) 13)	2022
Centre Automobile de la Riviera Car S.A.S., Nice	EUR		-	100.00	100.00	2,969	-540		2022
Cetitec d.o.o., Cakovec	HRK	7.5345	-	100.00	100.00	3,377	3,357		2022
Cetitec USA Inc., Dublin / OH	USD	1.1077	-	100.00	100.00	200	-49		2022
Chongqing Jiejun Automobile Sales and Service Co., Ltd., Chongqing	CNY	7.8700	-	100.00	100.00	84,961	-4,231		2022
Connected Mobility Ventures, S.A., Martorell	EUR		-	100.00	100.00	3,643	-2,560		2022
Crewe Genuine Ltd., Crewe	GBP	0.8691	-	100.00	100.00	546	-	5)	2022
DASOF trgovsko in storitveno podjetje, d.o.o., Ljubljana	EUR		-	100.00	100.00	4,357	253		2022
Dealerware Services Canada, ULC, Vancouver / BC	CAD	1.4681	-	100.00	100.00	-	-	4) 6)	2023
Dealerware, LLC, Austin / TX	USD	1.1077	-	100.00	100.00	25,745	-9,606		2022
Dencop A/S, Copenhagen	DKK	7.4530	-	100.00	100.00	3,450	145		2021
DENROS A/S, Copenhagen	DKK	7.4530	-	100.00	100.00	-	-	4) 6)	2023
diconium digital solutions, Unipessoal Lda., Lisbon	EUR		-	100.00	100.00	672	264		2022
diconium Marketing Consulting (Beijing) Co., Ltd., Beijing	CNY	7.8700	-	100.00	100.00	47	-44		2022
Diconium Romania S.R.L, Bucharest	RON	4.9759	-	100.00	100.00	-	-	4)	2022
diconium US, Inc., Los Gatos / CA	USD	1.1077	-	90.00	90.00	909	274		2022
DigiLab Italia S.r.l., Bolzano	EUR		-	100.00	100.00	-	-	4) 6)	2023
DigiLab Porsche Informatik GmbH, Salzburg	EUR		-	100.00	100.00	359	31		2022
Digiteq Automotive s.r.o., Prague	CZK	24.7180	-	100.00	100.00	114,477	106,508		2022
Ducati ANZ Pty. Ltd., Alexandria	AUD	1.6292	-	100.00	100.00	6,404	2,389		2022
Ducati Canada, Inc., Saint John / NB	CAD	1.4681	-	100.00	100.00	1,614	696		2022
Ducati India Pvt. Ltd., New Delhi	INR	92.1170	-	100.00	100.00	636,810	38,131	3)	2023
Ducati Retail S.r.l., Bologna	EUR		-	100.00	100.00	512	-132		2022
ELCA Engineering Company (Pty) Ltd., in liquidation, Vanderbijlpark	EUR		-	100.00	100.00	-	-	2) 5)	2018
Electrify Canada Inc., Ajax / ON	CAD	1.4681	-	100.00	100.00	52,670	-7,012		2021
Embitel Technologies India Pvt. Ltd., Bangalore	INR	92.1170	-	100.00	100.00	562,598	184,130	3) 8)	2022
Embitel Technologies, Inc., Novi / MI	USD	1.1077	-	100.00	100.00	183	20	3) 9)	2022
ERF (Holdings) plc, Swindon	GBP	0.8691	-	100.00	100.00	757	-	5)	2022
ERF Ltd., Swindon	GBP	0.8691	-	100.00	100.00	-	-	5)	2022
EVDAK TOV, Kiev	UAH	42.1157	-	100.00	100.00	48	-199		2022
Fifty Two Ltd., Stockport	EUR		-	100.00	100.00	-	-	5)	2018
Fondazione Ducati, Bologna	EUR		-	100.00	100.00	-68	202		2022
Green Solar Hill, Inc., Livingston / NJ	USD	1.1077	-	100.00	100.00	9,799	-858		2022
Group Info Services Estonia AS, Tallinn	EUR		-	100.00	100.00	-	-		2020
H. J. Mulliner & Co. Ltd., Crewe	GBP	0.8691	-	100.00	100.00	0	-	5)	2022
Hangzhou Q-Car Automobile Sales and Service Co., Ltd., Hangzhou	CNY	7.8700	-	100.00	100.00	17,772	-228	4)	2022
Hangzhou Xianlin Jiejun Automobile Sales and Service Co., Ltd., Hangzhou	CNY	7.8700	-	100.00	100.00	-	-	4) 6)	2023
HoppyGo Czechia s.r.o., Prague	CZK	24.7180	-	100.00	100.00	113	19		2022
HoppyGo Poland Sp. z o.o., Warsaw	PLN	4.3409	-	100.00	100.00	325	31		2022

Name and domicile of company	Currency	Exchange rate (1€ =) Dec. 31, 2023	VW AG 's interest in capital in % Direct	Indirect	Total	Equity in thousands, local currency	Profit/loss in thousands, local currency	Footnote	Year
HoppyGo s.r.o., Prague	CZK	24.7180	-	100.00	100.00	13,690	156		2022
HoppyGo Slovakia s.r.o., Kosice	EUR		-	100.00	100.00	9	1		2022
HRVS Group Ltd., in liquidation, Belper	GBP	0.8691	-	100.00	100.00	-	-	2) 5)	2022
HRVS Rentals Ltd., in liquidation, Belper	GBP	0.8691	-	100.00	100.00	-	-	2) 5)	2022
H-TEC SYSTEMS USA Ltd., Brookshire / TX	USD	1.1077	-	100.00	100.00	-	-	4) 6)	2023
In Car S.r.l., Bolzano	EUR		-	100.00	100.00	-	-	7)	2023
INFINUM JV Holding d.o.o., Karlovac	EUR		-	100.00	100.00	-	-	7)	2023
INIS International Insurance Service s.r.o., Mladá Boleslav	CZK	24.7180	-	100.00	100.00	40,181	34,681		2022
InterRent Biluthyrning AB, Södertälje	SEK	11.0874	-	100.00	100.00	360	-	5)	2022
Italdesign Giugiaro (Shanghai) Products Development Co., Ltd., Shanghai	CNY	7.8700	-	100.00	100.00	3,254	-187	4)	2022
Italdesign Giugiaro Barcelona S.L., Sant Just Desvern	EUR		-	100.00	100.00	6,247	238		2022
Italdesign-Giugiaro USA LLC, Camden / DE	USD	1.1077	-	100.00	100.00	-	-	4) 6)	2023
Konnect with the Volkswagen Group Ltd., Tel Aviv	ILS	3.9951	-	100.00	100.00	4,887	692		2022
Kunshan Zhongyue Junbaohang Automobile Sales and Service Co., Ltd., Kunshan	CNY	7.8700	-	100.00	100.00	52,101	-2,560		2022
Kuwy Technology Service Pvt. Ltd., Chennai	INR	92.1170	-	84.02	84.02	-745,000	-581,400	3)	2023
Lauken S.A., in liquidation, Montevideo	UYU	43.2390	-	100.00	100.00	-	-	2) 5)	2022
Levi Rally Center Oy, Rovaniemi	EUR		-	100.00	100.00	-	-	7)	2023
LM Comércio de Veículos Seminovos Ltda., Salvador	BRL	5.3750	-	100.00	100.00	-	-	9)	2023
LOGPAY Charge & Fuel Slovakia s.r.o., Bratislava	EUR		-	100.00	100.00	-22	-15		2022
LOGPAY Consorzio, Bolzano	EUR		-	68.70	68.70	-9	-16		2022
LogPay Fuel Czechia s.r.o., Prague	CZK	24.7180	-	100.00	100.00	710	-488		2022
LOGPAY Fuel Italia S.r.l., Bolzano	EUR		-	100.00	100.00	-	-		2022
LogPay Fuel Spain S.L., Barcelona	EUR		-	100.00	100.00	621	-12		2022
MAN Bus & Coach (Pty) Ltd., in liquidation, Olifantsfontein	ZAR	20.4442	-	100.00	100.00	-	-	2) 5)	2022
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) 13)	2018
MAN Energy Solutions (Gibraltar) Ltd., Gibraltar	GBP	0.8691	-	100.00	100.00	490	29		2022
MAN Energy Solutions Argentina S.A., Buenos Aires	ARS	894.9939	-	100.00	100.00	93,795	-101,799		2022
MAN Energy Solutions Bangladesh Ltd., Dhaka	BDT	121.5702	-	100.00	100.00	101,129	70,978		2022
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	1.9559	-	100.00	100.00	2,140	739		2022
MAN Energy Solutions Egypt LLC, Cairo	EGP	34.2556	-	100.00	100.00	48,567	34,197		2022
MAN Energy Solutions For Repair Services LLC, Suez	EGP	34.2556	-	100.00	100.00	-	-	4)	2022
MAN Energy Solutions Guinea S.A.R.L., Conakry	GNF	9,524.0200	-	100.00	100.00	33,817,934	8,158,143		2022
MAN Energy Solutions Japan Ltd., Tokyo	JPY	156.7900	-	100.00	100.00	698,863	201,397		2022
MAN Energy Solutions Kenya Ltd., Nairobi	KES	173.9050	-	100.00	100.00	552,294	100,792		2022
MAN Energy Solutions Lanka Pvt. Ltd., Colombo	LKR	358.7845	-	100.00	100.00	577,055	281,757		2022
MAN Energy Solutions Malaysia OG Sdn. Bhd., Kuala Lumpur	MYR	5.0899	-	100.00	100.00	3,276	624		2022
MAN Energy Solutions México, S. de R.L. de C.V., Mexico City	MXN	18.7689	-	100.00	100.00	51,294	3,103		2022
MAN Energy Solutions Muscat L.L.C., Muscat	OMR	0.4265	-	70.00	70.00	671	446		2022
MAN Energy Solutions New Zealand Ltd., Auckland	NZD	1.7529	-	100.00	100.00	4,587	837		2022
MAN Energy Solutions Nigeria Pvt. Ltd., Lagos	NGN	993.1750	-	100.00	100.00	587,757	396,373		2022
MAN Energy Solutions Norge A/S, Oslo	NOK	11.2408	-	100.00	100.00	32,106	778		2022
MAN Energy Solutions Perú S.A.C., Lima	PEN	4.0905	-	100.00	100.00	7,983	2,109		2022
MAN Energy Solutions Philippines Inc., Parañaque City	PHP	61.3345	-	100.00	100.00	68,284	-1,244		2022
MAN Energy Solutions Poland Sp. z o.o., Gdansk	PLN	4.3409	-	100.00	100.00	11,173	3,329		2022
MAN Energy Solutions Portugal, Unipessoal, Lda., Quinta do Anjo	EUR		-	100.00	100.00	2,232	826		2022
MAN Energy Solutions Russia Ltd., Moscow	RUB	99.9661	-	100.00	100.00	311,983	-100,753		2022
MAN Financial Services Administrators (S.A.) (Pty) Ltd., in liquidation, Isando	ZAR	20.4442	-	100.00	100.00	0	-	2) 5)	2022
MAN Financial Services Polska Sp.z o.o, Wolica	PLN	4.3409	-	100.00	100.00	-	-	4) 7)	2023
MAN Financial Services UK Limited, Swindon	GBP	0.8691	-	100.00	100.00	-	-	4)	2023
MAN Iran Power Sherkate Sahami Khass, Teheran	EUR		-	100.00	100.00	-	-	5)	2018
MAN Truck & Bus (S.A.) (Pty) Ltd., in liquidation, Isando	GBP	0.8691	-	100.00	100.00	-	-	2) 5)	2022
MAN Truck & Bus Asia Pacific Co. Ltd., Bangkok	THB	37.9886	-	99.99	99.99	155,319	12,213		2022
MAN Truck & Bus India Pvt. Ltd., Pune	INR	92.1170	-	99.99	99.99	3,462,300	133,050		2022
MAN Truck and Bus Hong Kong Ltd., Hong Kong	HKD	8.6529	-	100.00	100.00	17,143	3,556		2022
MAN Turbo (UK) Ltd., Stockport	EUR		-	100.00	100.00	-	-	5)	2018
MDT CH International GmbH, Zürich	CHF	0.9264	-	100.00	100.00	7	0	5)	2018
MHP (Shanghai) Management Consultancy Co., Ltd., Shanghai	CNY	7.8700	-	100.00	100.00	31,210	3,825		2022
MHP Americas, Inc., Atlanta / GA	USD	1.1077	-	100.00	100.00	1,786	1,709		2022
MHP Consulting Romania S.R.L., Cluj-Napoca	RON	4.9759	-	100.00	100.00	29,649	7,220		2022
MHP Consulting UK Ltd., Birmingham	GBP	0.8691	-	100.00	100.00	-121	730		2022
Mirrlees Blackstone Ltd., Stockport	EUR		-	100.00	100.00	-	-	5)	2018
Mobility Lab s.r.o., Prague	CZK	24.7180	-	100.00	100.00	47,279	-14,165		2022
Módulos Automotivos do Brasil Ltda., São Jose dos Pinhais	BRL	5.3750	-	100.00	100.00	5,485	358		2021
MOON POWER GmbH, Salzburg	EUR		-	100.00	100.00	2,844	658		2022
mýa Connection GmbH, in liquidation, Zürich	CHF	0.9264	-	100.00	100.00	-	-	2)	2019
Nanjing Zhongyue Junbaohang Automobile Sales and Service Co., Ltd., Nanjing	CNY	7.8700	-	100.00	100.00	48,061	-1,939	4)	2022
NIRA Dynamics AB, Linköping	SEK	11.0874	-	100.00	100.00	324,008	32,914		2022
OEM Sub V, LLC, Wilmington / DE	USD	1.1077	-	100.00	100.00	-	-	4)	2022
OOO MAN Truck & Bus Production RUS, St. Petersburg	RUB	99.9661	-	100.00	100.00	609,680	208,902		2022
OOO Truck Production RUS, St. Petersburg	RUB	99.9661	-	100.00	100.00	157,952	-18,681		2022
P911 AG, Feusisberg	CHF	0.9264	-	100.00	100.00	525	2,892		2022
Park Ward & Co. Ltd., Crewe	GBP	0.8691	-	100.00	100.00	0	-	5)	2022
Paxman Diesels Ltd., Stockport	EUR		-	100.00	100.00	-	-	5)	2018
PCK TOV, Kiev	UAH	42.1157	-	100.00	100.00	28,529	-214		2022
PGRE Sport Cars Spain, S.L., El Prat de Llobregat	EUR		-	100.00	100.00	-	-	4) 6)	2023
PHS Autohaus Sdn. Bhd, Kuala Lumpur	MYR	5.0899	-	100.00	100.00	3,239	2,156		2022
PHS Automotive Malaysia Sdn. Bhd., Kuala Lumpur	MYR	5.0899	-	100.00	100.00	8,337	1,137	4)	2022
POI France S.A.S., Paris	EUR		-	100.00	100.00	435	136		2022
Porsche Air Service GmbH, Salzburg	EUR		-	100.00	100.00	1,403	289		2022
Porsche Austria Gesellschaft m.b.H., Salzburg	EUR		-	100.00	100.00	59	3	5)	2022
Porsche Consulting Canada Ltd., Toronto / ON	CAD	1.4681	-	100.00	100.00	2,407	819		2022
Porsche Consulting Ltda., São Paulo	BRL	5.3750	-	100.00	100.00	12,322	3,274		2022
Porsche Consulting S.A.S., Paris	EUR		-	100.00	100.00	387	534		2022
Porsche Design Asia Hong Kong Ltd., Hong Kong	HKD	8.6529	-	100.00	100.00	3,389	2		2022
Porsche Design Great Britain Ltd., Reading	GBP	0.8691	-	100.00	100.00	-6,074	-404		2022
Porsche Design Italia S.r.l., Padua	EUR		-	100.00	100.00	276	-3		2022
Porsche Design Netherlands B.V., Roermond	EUR		-	100.00	100.00	707	231		2022
Porsche Design Sales (Shanghai) Co., Ltd., Shanghai	CNY	7.8700	-	100.00	100.00	803	-106	5)	2022
Porsche Design Studio North America, Inc., Beverly Hills / CA	USD	1.1077	-	100.00	100.00	48	-	5)	2022
Porsche Design Timepieces AG, Solothurn	CHF	0.9264	-	100.00	100.00	4,614	797		2022
Porsche Digital China Ltd., Shanghai	CNY	7.8700	-	100.00	100.00	22,888	8,713		2022
Porsche Digital Croatia d.o.o., Zagreb	HRK	7.5345	-	50.00	50.00	9,404	7,140		2022
Porsche Digital España, S.L., Barcelona	EUR		-	100.00	100.00	618	114		2022
Porsche Digital Israel Ltd., Tel Aviv	ILS	3.9951	-	100.00	100.00	39	39	4)	2022
Porsche Digital Mexico, S. de R.L. de C.V., Guadalajara	MXN	18.7689	-	100.00	100.00	-	-1,447	4)	2022
Porsche Digital, Inc., Atlanta / GA	USD	1.1077	-	100.00	100.00	1,034	-5,131		2022
Porsche Drive Canada, Ltd., Toronto / ON	CAD	1.4681	-	100.00	100.00	-66	-566		2022
Porsche Drive LLC, Atlanta / GA	USD	1.1077	-	100.00	100.00	3,037	-1,963		2022

Name and domicile of company	Currency	Exchange rate (1€ =) Dec. 31, 2023	VW AG 's interest in capital in % Direct	Indirect	Total	Equity in thousands, local currency	Profit/loss in thousands, local currency	Footnote	Year
Porsche Drive S.r.l., Trento	EUR		-	100.00	100.00	213	177		2022
Porsche eBike Performance d.o.o., Sveta Nedelja	HRK	7.5345	-	68.17	68.17	24,301	-38,224		2022
Porsche Engineering (Shanghai) Co., Ltd., Shanghai	CNY	7.8700	-	100.00	100.00	72,068	16,204		2022
Porsche Engineering Romania S.R.L., Cluj-Napoca	RON	4.9759	-	100.00	100.00	13,425	4,553		2022
Porsche Engineering Services North America, Inc., Carson / CA	USD	1.1077	-	100.00	100.00	-	-	4) 6)	2023
Porsche Group S.R.L., Voluntari	RON	4.9759	-	100.00	100.00	1,265	-258		2022
Porsche Immobilien BH d.o.o. Sarajevo, Sarajevo	BAM	1.9558	-	100.00	100.00	3,612	-259		2022
Porsche Immobilien Portugal S.A., Vila Nova Da Rainha	EUR		-	100.00	100.00	4,631	-90		2022
Porsche Immobilien Ukraine TOV, Kiev	UAH	42.1157	-	100.00	100.00	58,916	-1,006		2022
Porsche Inter Auto BH d.o.o. Sarejevo, Novi Grad	BAM	1.9558	-	100.00	100.00	8,230	2,327		2022
Porsche Inter Auto Ukraine TOV, Kiev	UAH	42.1157	-	100.00	100.00	53,197	-7,256		2022
Porsche Investments Management I S.à r.l., Luxembourg	EUR		-	100.00	100.00	-	-	4) 6)	2023
Porsche Kosova Sh.p.k., Graçanicë	EUR		-	100.00	100.00	2,370	386		2022
Porsche Mobility GmbH, Vienna	EUR		-	100.00	100.00	1,954	-3,081		2022
Porsche Motorsport Asia-Pacific Ltd., Shanghai	CNY	7.8700	-	100.00	100.00	10,672	-2,673		2022
Porsche Norge AS, Oslo	NOK	11.2408	-	75.00	75.00	-	-	7)	2023
Porsche Retail GmbH, Salzburg	EUR		-	100.00	100.00	44	2	5)	2022
Porsche Sales & Marketplace Canada, Ltd., Toronto / ON	CAD	1.4681	-	100.00	100.00	1,058	1,114		2022
Porsche Services Korea LLC, Seoul	KRW	1,440.7150	-	100.00	100.00	3,865,219	19,032		2022
Porsche Services Middle East & Africa FZE, Dubai	USD	1.1077	-	100.00	100.00	902	208		2022
Porsche Services Singapore Pte. Ltd., Singapore	SGD	1.4612	-	100.00	100.00	-396	-305		2022
Porsche Smart Battery Shop s.r.o., Dubnica nad Váhom	EUR		-	100.00	100.00	31,074	69	4)	2022
Porsche System Engineering Ltd., Zürich	CHF	0.9264	-	100.00	100.00	4,819	-186		2022
Porsche Volkswagen Corredores de Seguros Chile S.p.A., Santiago de Chile	CLP	977.9400	-	100.00	100.00	285,109	131,398		2021
Porsche Werkzeugbau s.r.o., Dubnica nad Váhom	EUR		-	100.00	100.00	16,724	1,831		2022
PowerCo Holding US, Inc., Reston / VA	USD	1.1077	-	100.00	100.00	-	-	4)	2022
Putt Estates (Pty) Ltd., Upington	ZAR	20.4442	-	100.00	100.00	154,630	-5,343	3)	2023
Putt Real Estates (Pty) Ltd., Upington	ZAR	20.4442	-	100.00	100.00	11,113	-24,880	3)	2023
Re-MAN Parts Ltd., in liquidation, Belper	GBP	0.8691	-	100.00	100.00	-	-	2) 5)	2022
Rio Soluções Digitais Ltda., São Paulo	BRL	5.3750	-	100.00	100.00	10	-		2022
Riviera Technic S.A.S., Mougins	EUR		-	100.00	100.00	-116	-1,081		2022
Ruston & Hornsby Ltd., Stockport	EUR		-	100.00	100.00	-	-	5)	2018
Ruston Diesels Ltd., Stockport	EUR		-	100.00	100.00	-	-	5)	2018
São Bernardo Administradora de Créditos Ltda., São Bernardo do Campo	BRL	5.3750	-	100.00	100.00	4,083	1,208		2022
Saubermacher Battery Services GmbH, Premstätten	EUR		-	33.33	33.33	-107	-206	4)	2022
Scanexpo S.A., in liquidation, Montevideo	UYU	43.2390	-	100.00	100.00	-	-	2) 5)	2022
Scania China Holding AB, Södertälje	SEK	11.0874	-	100.00	100.00	-	-	7)	2023
Scania DCS AB, Södertälje	SEK	11.0874	-	100.00	100.00	-	-	4) 7)	2023
Scania de Venezuela S.A., Valencia	VES	39.7505	-	100.00	100.00	-5,892,535	-7,243,176		2022
Scania Finance Israel Ltd., in liquidation, Tel Aviv	ILS	3.9951	-	100.00	100.00	1,000	-	2)	2021
Scania Invest AB, Södertälje	SEK	11.0874	-	100.00	100.00	-	-	4) 6)	2023
Scania Power Polska Sp. z o.o., in liquidation, Warsaw	PLN	4.3409	-	100.00	100.00	-413	-32	2)	2022
Scania-MAN Administration ApS, Copenhagen	DKK	7.4530	-	100.00	100.00	310	21		2022
Scout Motors Sales LLC, Tysons / VA	USD	1.1077	-	100.00	100.00	-	-	4) 6)	2023
SEAT Center Arrábida - Automóveis, Lda., Setúbal	EUR		-	100.00	100.00	3,023	236		2022
SEAT CUPRA S.A., Martorell	EUR		-	100.00	100.00	1,709	-720		2022
SEAT Metropolis Lab Barcelona S.A., Martorell	EUR		-	100.00	100.00	7,202	257		2022
Sergo-Arhkon TOV, Kiev	UAH	42.1157	-	100.00	100.00	2,396	-397		2022
Shanghai Advanced Automobile Technical Centre Co., Ltd., Shanghai	CNY	7.8700	-	100.00	100.00	13,436	1,709		2022
Shanghai Muchuan Industrial Design Co., Ltd	CNY	7.8700	-	100.00	100.00	-	-	7)	2023
Shanghai Zhuguang Binjie Automobile Sales and Service Co., Ltd, Shanghai	CNY	7.8700	-	100.00	100.00	31,455	-3,545	4)	2022
Silvercar, Inc., Austin / TX	USD	1.1077	-	100.00	100.00	8,386	345		2022
SIVA Servicos – Assessoria Financeira e Administrativa, S.A., Amadora	EUR		-	100.00	100.00	257	172		2022
SKODA AUTO DigiLab Israel Ltd., in liquidation, Bnei Brak	ILS	3.9951	-	50.00	50.00	254	74	2)	2022
Škoda X s.r.o., Prague	CZK	24.7180	-	100.00	100.00	170,201	-7,986	11)	2022
Slobodna Zona Vogosca d.o.o., Vogosca	BAM	1.9558	-	100.00	100.00	-80	-191		2022
Société Immobilière Audi S.A.R.L., Paris	EUR		-	100.00	100.00	20,420	324		2022
Softbridge - Projectos Tecnológicos S.A., Porto Salvo	EUR		-	70.00	70.00	6,816	6,454		2022
Sports Cars Sales & Service AG, Feusisberg	CHF	0.9264	-	100.00	100.00	-	-	4)	2022
Suzhou Zhongyue Junbaohang Automobile Sales and Service Co., Ltd., Suzhou	CNY	7.8700	-	100.00	100.00	95,133	-4,028		2022
TRATON Charging Solutions AB, Södertälje	EUR		-	100.00	100.00	1,212	73		2022
UMI Urban Mobility International Česká republika s.r.o., Mladá Boleslav	CZK	24.7180	-	100.00	100.00	11,810	512		2022
VAREC Ltd., Tokyo	JPY	156.7900	-	100.00	100.00	865,524	58,316		2022
VfL Wolfsburg (Beijing) Football Club Co., Ltd., Beijing	CNY	7.8700	-	100.00	100.00	5,410	606	3)	2022
Villers Services Center S.A.S., Paris	EUR		-	100.00	100.00	2,547	-1,114		2022
Volkswagen Administradora de Negócios Ltda., São Paulo	BRL	5.3750	-	100.00	100.00	45,559	-2,757		2022
Volkswagen ADMT, LLC, Reston / VA	USD	1.1077	-	100.00	100.00	-	-	4) 6)	2023
Volkswagen Autonomy, Inc., Belmont / CA	USD	1.1077	-	100.00	100.00	-	-		2022
Volkswagen Battery Technology Development, LLC, Reston / VA	USD	1.1077	-	100.00	100.00	5,415	-4,485		2022
Volkswagen Brokers Argentina S.A., Buenos Aires	ARS	894.9939	-	96.00	96.00	910,509	46,558		2022
Volkswagen Caminhões e Ônibus Comércio e Serviços Ltda., Limeira	BRL	5.3750	-	100.00	100.00	16,760	-394		2022
Volkswagen Commercial Vehicles Services Australia Pty. Ltd., Mornington	AUD	1.6292	100.00	-	100.00	955	64	5) 13)	2022
VOLKSWAGEN COMPANY DAC, Dublin	EUR		-	100.00	100.00	6,386	-1,251		2022
Volkswagen Digital Solutions, Unipessoal Lda., Lisbon	EUR		-	100.00	100.00	2,513	407		2020
Volkswagen Finance Pvt. Ltd., Mumbai	INR	92.1170	-	100.00	100.00	9,278,126	124,480	3)	2023
Volkswagen Financial Services Hellas A.E., Athens	EUR		-	100.00	100.00	4,178	532		2022
Volkswagen Financial Services Holding Argentina S.R.L., Buenos Aires	ARS	894.9939	-	99.99	99.99	4,211,561	-625,195		2022
Volkswagen Financial Services Schweiz AG, Wallisellen	CHF	0.9264	-	100.00	100.00	12,538	1,981		2022
Volkswagen Financné služby Maklérska s.r.o., Bratislava	EUR		-	100.00	100.00	236	42		2022
Volkswagen Ghana Ltd., Accra	GHS	13.2537	-	100.00	100.00	29,518	-49,751		2022
Volkswagen Group Academy Mexico, S.C., Puebla	MXN	18.7689	-	100.00	100.00	54,608	14,973		2021
Volkswagen Group Charging CZ s.r.o., Prague	CZK	24.7180	-	100.00	100.00	-794	-494		2021
Volkswagen Group Hong Kong Ltd., Hong Kong	HKD	8.6529	-	100.00	100.00	6,252	5,252	13)	2019
Volkswagen Group Insurance and Risk Management Services Ltd., in liquidation, Milton Keynes	GBP	0.8691	-	100.00	100.00	43	-	2) 5)	2022
Volkswagen Group Middle East QFZ LLC, Doha	USD	1.1077	-	100.00	100.00	964	-1,602		2022
Volkswagen Group Pension Scheme Trustee Ltd., Milton Keynes	GBP	0.8691	-	100.00	100.00	0	-	5)	2022
Volkswagen Group Real Estate Czech Republic s.r.o., Mladá Boleslav	CZK	24.7180	-	100.00	100.00	23,659	-7,926		2021
Volkswagen Group Real Estate Polska Sp. z o.o., Poznan	PLN	4.3409	-	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., Györ	EUR		-	100.00	100.00	2,065	-746		2021
Volkswagen Group Services Mexico, S.A. de C.V., Puebla	MXN	18.7689	-	100.00	100.00	175,406	26,857		2021
Volkswagen Group Services South America Ltda., São Paulo	BRL	5.3750	-	100.00	100.00	-	-	4) 6)	2023
Volkswagen Group Services sp. z o.o., Poznan	PLN	4.3409	-	100.00	100.00	15,213	4,555		2020
Volkswagen Group Services, s.r.o., Bratislava	EUR		-	100.00	100.00	7,330	1,950		2022
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	8.6529	-	100.00	100.00	175,387	14,703	13)	2022
Volkswagen Insurance Brokers, Agente de Seguros y de Fianzas, S.A. de C.V., Puebla	MXN	18.7689	-	100.00	100.00	-59,934	-7,753		2022
Volkswagen Insurance Company DAC, Dublin	EUR		-	100.00	100.00	60,290	-33,411		2022
Volkswagen Insurance Service (Great Britain) Ltd., Milton Keynes	GBP	0.8691	-	100.00	100.00	2,719	491		2022
Volkswagen Insurance Services Korea Co., Ltd., Seoul	KRW	1,440.7150	-	100.00	100.00	4,964,745	1,544,515		2022
Volkswagen Insurance Services, LLC, Wilmington / DE	USD	1.1077	-	100.00	100.00	-	-	4) 6)	2023
Volkswagen International Insurance Agency Co., Ltd., Taipei	TWD	33.9211	-	100.00	100.00	161,437	75,926		2022

Name and domicile of company	Currency	Exchange rate (1€ =) Dec. 31, 2023	VW AG 's interest in capital in % Direct	Indirect	Total	Equity in thousands, local currency	Profit/loss in thousands, local currency	Footnote	Year
Volkswagen Leasing (Beijing) Co., Ltd., Beijing	CNY	7.8700	-	100.00	100.00	6,948	7,356		2022
Volkswagen Leasing (Guangzhou) Co., Ltd., Guangzhou	CNY	7.8700	-	100.00	100.00	1,736	1,696		2022
Volkswagen Leasing (Shanghai) Co., Ltd., Shanghai	CNY	7.8700	-	100.00	100.00	-35,054	1,936		2022
Volkswagen Logistics Prestação de Serviços de Logística e Transporte Ltda., São Bernardo do Campo	BRL	5.3750	-	100.00	100.00	5,355	-113		2021
Volkswagen Mobility Solutions Rwanda Ltd., Kigali	RWF	1,394.5400	-	100.00	100.00	4,692,826	36,398		2022
Volkswagen New Mobility Services Consulting (Beijing) Co., Ltd., Beijing	CNY	7.8700	-	100.00	100.00	26,759	710		2022
Volkswagen Passenger Cars Malaysia Sdn. Bhd., Kuala Lumpur	MYR	5.0899	-	100.00	100.00	97,084	1,854		2020
Volkswagen Sarajevo d.o.o., Vogosca	BAM	1.9558	58.00	-	58.00	38,718	972		2022
Volkswagen Service Sverige AB, Södertälje	SEK	11.0874	-	100.00	100.00	35,157	-5,813		2022
Volkswagen Servicios, S.A. de C.V., Puebla	MXN	18.7689	-	100.00	100.00	34,724	1,922		2022
Volkswagen Serwis Ubezpieczeniowy Sp. z o.o., Warsaw	PLN	4.3409	-	100.00	100.00	73,517	14,061		2022
Volkswagen Venture Investment S.A., Strassen	EUR		-	100.00	100.00	-	-		2022
Volkswagen-Mobvoi (Beijing) Information Technology Co., Ltd., Beijing	CNY	7.8700	-	100.00	100.00	100,793	-15,156		2022
Voya Travel Technologies S.R.L., Bucharest	RON	4.9759	-	100.00	100.00	344	49		2022
VTXRM - Software Factory Lda., Porto Salvo	EUR		-	90.00	90.00	7,534	7,175		2022
VTXRM Software Factory US LLC, Wilmington / DE	USD	1.1077	-	100.00	100.00	-	-	4) 6)	2023
VW Automotive Cloud, LLC, Redmond / WA	USD	1.1077	-	100.00	100.00	-	-	9)	2021
VWFS Insurance Services, Inc., Pickering / ON	CAD	1.4681	-	100.00	100.00	-	-	4) 6)	2023
VWT Participações em Outras Sociedades e Prestação de Serviços em Geral Ltda., São Bernardo do Campo	BRL	5.3750	-	100.00	100.00	3,213	-68		2021
WirelessCar (Beijing) Co. Ltd., Beijing	CNY	7.8700	-	100.00	100.00	16,094	4,359		2022
WirelessCar North America Inc., Greensboro / NC	USD	1.1077	-	100.00	100.00	348	212		2022
WirelessCar Sweden AB, Göteborg	SEK	11.0874	-	100.00	100.00	334,694	22,199		2022
III. JOINT VENTURES									
A. Equity-accounted companies									
1. Germany									
Volkswagen Autoversicherung Holding GmbH, Braunschweig	EUR		-	51.00	51.00	186,795	13,996		2022
2. International									
Argo AI, LLC, Pittsburgh / PA	USD	1.1077	-	49.21	49.21	-	-	8)	2020
Audi FAW NEV Co., Ltd., Changchun	CNY	7.8700	-	60.00	60.00	4,375,300	-578,990		2022
CARIZON (Beijing) Technology Company Limited, Beijing	CNY	7.8700	-	60.00	60.00	-	-	4) 6)	2023
Commercial Vehicle Charging Europe B.V, Amsterdam	EUR		-	33.33	33.33	10,521	4,479	4)	2022
Cummins-Scania XPI Manufacturing, LLC, Columbus / IN	USD	1.1077	-	50.00	50.00	157,951	6,916		2022
DFM N.V., Amersfoort	EUR		-	60.00	60.00	291,051	28,445	10)	2022
FAW-Volkswagen Automotive Co., Ltd., Changchun	CNY	7.8700	25.00	15.00	40.00	73,762,509	34,988,088		2022
Green Mobility Holding S.A., Strassen	EUR		-	66.00	66.00	21	-9	4)	2021
MAN Financial Services (SA) (RF) (Pty) Ltd., Johannesburg	ZAR	20.4442	-	50.00	50.00	271,132	67,508	10)	2022
MOS Intelligent Connectivity Technology Co. Ltd., Chengdu	CNY	7.8700	-	16.66	16.66	461,343	-6,924		2022
Oppland Tungbilservice A/S, Fagernes	NOK	11.2408	-	50.00	50.00	5,701	1,449		2022
SAIC Volkswagen Automotive Co., Ltd., Shanghai	CNY	7.8700	38.00	12.00	50.00	23,223,142	7,044,085		2022
SAIC-Volkswagen Sales Co., Ltd., Shanghai	CNY	7.8700	-	30.00	30.00	3,103,805	2,678,793		2022
Shanghai Volkswagen Powertrain Co., Ltd., Shanghai	CNY	7.8700	-	60.00	60.00	2,707,806	438,906		2022
Tynset Diesel A/S, Tynset	NOK	11.2408	-	50.00	50.00	5,519	1,117		2022
VDF Servis ve Ticaret A.S., Istanbul	TRY	32.7438	-	51.00	51.00	1,611,680	673,800	8)	2022
Virtual Turntable (Beijing) Internet Information Service Co., Ltd., Beijing	CNY	7.8700	-	34.00	34.00	15,936	-10,203		2022
Volkswagen D'Ieteren Finance S.A., Brussels	EUR		-	50.00	50.00	134,226	4,508		2022
Volkswagen FAW Engine (Dalian) Co., Ltd., Dalian	CNY	7.8700	-	60.00	60.00	5,894,765	3,028,410		2022
Volkswagen FAW Platform (Anhui) Co., Ltd., Hefei	CNY	7.8700	-	100.00	100.00	168,267	-6,705		2022
Volkswagen FAW Platform Co., Ltd., Changchun	CNY	7.8700	-	60.00	60.00	1,406,650	116,496		2022
Volkswagen Financial Services South Africa (Pty) Ltd., Sandton	ZAR	20.4442	-	51.00	51.00	-1,180,889	186,560		2022
Volkswagen Møller Bilfinans A/S, Oslo	NOK	11.2408	-	51.00	51.00	4,021,517	256,144	10)	2022
Volkswagen Pon Financial Services B.V., Amersfoort	EUR		-	60.00	60.00	238,083	93,942	8) 11)	2022
Volkswagen Transmission (Shanghai) Co., Ltd., Shanghai	CNY	7.8700	-	60.00	60.00	512,948	-212,608		2022
B. Companies accounted for at cost									
1. Germany									
August Horch Museum Zwickau GmbH, Zwickau	EUR		-	50.00	50.00	1,645	20		2022
Axel Springer Porsche GmbH & Co. KG, Berlin	EUR		-	50.00	50.00	24,484	-4,711		2022
Axel Springer Porsche Management GmbH, Berlin	EUR		-	50.00	50.00	31	19		2022
Car2Car Communication Consortium GbR, Braunschweig	EUR		7.40	7.41	14.81	521	122		2022
e:fs TechHub GmbH, Gaimersheim	EUR		-	49.00	49.00	24,661	4,623		2022
FleetCompany GmbH, Oberhaching	EUR		-	73.65	73.65	17,997	-6,600		2022
FlexFactory GmbH, Stuttgart	EUR		-	50.00	50.00	1,495	-1,999		2022
Futurepath GmbH, Berlin	EUR		-	49.00	49.00	1,821	634		2022
GIF Gewerbe- und Industriepark Bad Friedrichshall GmbH, Bad Friedrichshall	EUR		-	30.00	30.00	10,246	884		2022
HINO & TRATON Global Procurement GmbH, in liquidation, Munich	EUR		-	51.00	51.00	486	161	2)	2022
IN-Campus GmbH, Ingolstadt	EUR		-	95.10	95.10	79,547	-8,574		2022
inpro Innovationsgesellschaft für fortgeschrittene Produktionssysteme in der Fahrzeugindustrie mbH, Berlin	EUR		50.00	-	50.00	2,311	98		2021
Intelligent Energy System Services GmbH, Ludwigsburg	EUR		-	50.00	50.00	2,229	761		2022
MyDigitalCar GmbH, Braunschweig	EUR		-	50.00	50.00	-	-	4) 6)	2023
Objekt Audi Zentrum Berlin-Charlottenburg Verwaltungsgesellschaft mbH, Berlin	EUR		-	50.00	50.00	84	2		2022
Objektgesellschaft Audi Zentrum Berlin-Charlottenburg mbH & Co. KG, Berlin	EUR		-	50.00	50.00	3,298	518		2022
PDB-Partnership for Dummy Technology and Biomechanics GbR, Gaimersheim	EUR		20.00	40.00	60.00	-	-	14) 15)	2022
Quartett mobile GmbH, Munich	EUR		-	49.00	49.00	5,338	1,126		2022
Smart Press Shop GmbH & Co. KG, Halle	EUR		-	50.00	50.00	23,195	387		2022
Smart Press Shop Verwaltungs-GmbH, Stuttgart	EUR		-	50.00	50.00	37	4		2022
Volkswagen ClimatePartner GmbH, Munich	EUR		-	50.10	50.10	43,006	-1,994	4)	2022
Wolfsburg AG, Wolfsburg	EUR		50.00	-	50.00	31,344	-986		2022
2. International									
AMEXCI AB, Karlskoga	SEK	11.0874	-	11.86	11.86	161,503	-26,889		2022
Audi RED Inc., Toronto / ON	CAD	1.4681	-	50.00	50.00	-	-	6)	2023
Autonomous Mobility Israel Ltd., Bnei Brak	ILS	3.9951	-	33.33	33.33	-	-	5)	2019
Beijing Shouqi Easy Go Technology Co., Ltd., Beijing	CNY	7.8700	-	20.00	20.00	-3,464,843	-245,105		2022
Bugatti International Holding S.à r.l., Luxembourg	EUR		-	49.00	49.00	92,999	-13		2022
Central Eléctrica Anhangüera S.A., São Paulo	BRL	5.3750	-	40.00	40.00	67,390	21,321		2022
Central Eléctrica Monjolinho Ltda., São Paulo	BRL	5.3750	-	51.00	51.00	65	4		2021
Collect Car B.V., Rotterdam	EUR		-	60.00	60.00	5,772	108		2022
Destin-Link Supply Chain Management (Beijing) Co., Ltd., Beijing	CNY	7.8700	-	50.00	50.00	50,000	-	4)	2022
Ewiva S.r.l., Milan	EUR		-	50.00	50.00	40,024	-4,039		2022
Green:Code s.r.o., Prague	CZK	24.7180	-	49.00	49.00	18,289	10,027	3)	2023
Györ-Pér Repülötér Kft., Pér	HUF	382.3900	-	46.10	46.10	1,979,822	243,826		2022
Innovative Charging Solutions (Suzhou) New Energy Technology Co., Ltd., Suzhou	CNY	7.8700	-	50.00	50.00	214,663	-26,330		2022
IONWAY B.V., Brussels	EUR		-	50.00	50.00	-	-	7)	2023
Lenkrad Invest (Pty) Ltd., Sandton	ZAR	20.4442	-	51.00	51.00	28,415	25,632		2022
MAN Diesel & Turbo Ghana Ltd., Accra	EUR		-	90.00	90.00	-	-	5) 13)	2018
Material Science Center Qatar QSTP-LLC, in liquidation, Doha	QAR	4.0378	25.00	25.00	50.00	8,247	-5,846	2) 5)	2014
movon AG, Cham	CHF	0.9264	-	50.00	50.00	-	-	4) 7)	2023

Name and domicile of company	Currency	Exchange rate (1€ =) Dec. 31, 2023	VW AG 's interest in capital in % Direct	Indirect	Total	Equity in thousands, local currency	Profit/loss in thousands, local currency	Footnote	Year
QSV Operations LLC, San Jose / CA	USD	1.1077	-	50.00	50.00	3,408	23		2022
Shuttel B.V., Leusden	EUR		-	49.00	49.00	2,664	95		2022
ŠKO-ENERGO s.r.o., Mladá Boleslav	CZK	24.7180	-	67.00	67.00	66,641	2,170		2022
Staymo S.A.S., Boulogne-Billancourt	EUR		-	51.00	51.00	5,356	-1,644	4)	2022
Trio Bilservice AB, Stockholm-Arlanda	SEK	11.0874	-	33.33	33.33	733	-529		2022
Ventic LLC, Wilmington / DE	USD	1.1077	-	51.00	51.00	-	-	9)	2021
Volkswagen Financial Services Compañia Financiera S.A., Buenos Aires	ARS	894.9939	-	49.00	49.00	6,764,661	-1,257,405		2022
Volkswagen Losch Financial Services S.A., Howald	EUR		-	60.00	60.00	8,089	2,770		2022
Volkswagen Semler Finans Danmark A/S, Brondby	DKK	7.4530	-	51.00	51.00	775,371	39,122		2022
IV. ASSOCIATES									
A. Equity-accounted associates									
1. Germany									
Autoport Emden GmbH, Emden	EUR		-	66.67	66.67	105	63		2022
Bertrandt AG, Ehningen	EUR		-	28.97	28.97	358,264	22,160	3)	2022
IAV GmbH Ingenieurgesellschaft Auto und Verkehr, Berlin	EUR		50.00	-	50.00	227,158	34,836		2022
IONITY Holding GmbH & Co. KG, Munich	EUR		-	15.12	15.12	382,045	-56,289		2022
Rheinmetall MAN Military Vehicles GmbH, Munich	EUR		-	49.00	49.00	68,934	7,225		2022
Scantinel Photonics GmbH, Ulm	EUR		-	47.14	47.14	2,586	-4,970		2022
sennder Technologies GmbH, Berlin	EUR		-	13.69	13.69	184,088	-77,545		2022
Telematics Solutions GmbH, Berlin	EUR		-	46.73	46.73	2,266	47		2022
2. International									
Anhui Jianghuai Automobile Group Holdings Ltd., Hefei	CNY	7.8700	-	50.00	50.00	14,559,318	-1,725,846		2022
Aspin Kemp & Associates Holding Corp., Montague / PE	CAD	1.4681	-	40.00	40.00	24,554	-3,164		2021
BITS DATA i Södertälje AB, Södertälje	SEK	11.0874	-	33.00	33.00	18,771	3,759		2022
Brose Sitech Sp. z o.o., Polkowice	PLN	4.3409	-	50.00	50.00	1,902,985	75,226		2022
Bugatti Rimac d.o.o., Sveta Nedelja	HRK	7.5345	-	45.00	45.00	3,693,661	101,501		2022
Gotion High-Tech Co., Ltd., Hefei	CNY	7.8700	-	24.68	24.68	24,497,774	365,640		2022
GT Gettaxi Ltd., Limassol	USD	1.1077	-	20.72	20.72	-316,645	-115,519	8)	2021
Northvolt AB, Stockholm	SEK	11.0874	-	22.96	22.96	37,030,987	-928,715		2022
QuantumScape Corporation, San Jose / CA	USD	1.1077	-	17.49	17.49	1,317,840	-411,907		2022
Rimac Group d.o.o., Sveta Nedelja	EUR		-	20.63	20.63	844,247	-62,741		2022
ScaValencia, S.A., Ribarroja del Turia	EUR		-	26.00	26.00	13,787	1,730		2022
Sinotruk (Hong Kong) Ltd., Hong Kong	CNY	7.8700	-	25.00	25.00	42,968,577	2,050,740	8) 10)	2022
There Holding B.V., Rijswijk	EUR		-	30.59	30.59	949,190	-121,606	10)	2022
UZ Truck and Bus Motors, LLC, Samarkand	UZS	13,667.6550	-	32.89	32.89	315,323,032	16,943,998		2021
B. Associates accounted for at cost									
1. Germany									
&Charge GmbH, Frankfurt am Main	EUR		-	21.65	21.65	158	-1,288		2022
Aerofoils GmbH, Garching	EUR		-	20.62	20.62	-	-	7)	2023
amplimind GmbH, Hallbergmoos	EUR		-	49.00	49.00	-410	-435	4)	2022
bex technologies GmbH, Stuttgart	EUR		-	32.55	32.55	-	-		2022
Customcells Holding GmbH, Itzehoe	EUR		-	11.33	11.33	50,165	-4,777		2022
CyMotive Technologies GmbH, Wolfsburg	EUR		-	40.00	40.00	1,037	275		2022
DCSO Deutsche Cyber-Sicherheitsorganisation GmbH, Berlin	EUR		25.00	-	25.00	7,909	1,470		2022
Digital Mobility Leasing GmbH, Kassel	EUR		-	26.00	26.00	495	-14,187		2022
Digitales Gründerzentrum der Region Ingolstadt GmbH, Ingolstadt	EUR		-	25.00	25.00	5,104	-794		2022
e.solutions GmbH, Ingolstadt	EUR		-	49.00	49.00	37,000	31,116		2022
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		2020
FC Bayern München AG, Munich	EUR		-	8.33	8.33	500,700	22,600	3)	2023
FC Ingolstadt 04 Fussball GmbH, Ingolstadt	EUR		-	19.94	19.94	15,055	-5,187	3)	2023
FDTech GmbH, Chemnitz	EUR		-	49.00	49.00	1,930	159		2022
GVZ Entwicklungsgesellschaft Wolfsburg mbH, Wolfsburg	EUR		-	30.81	30.81	4,768	112		2022
holoride GmbH, Munich	EUR		-	24.49	24.49	1,501	-4,975		2022
Hubject GmbH, Berlin	EUR		-	15.61	15.61	13,887	-438		2021
Juna Technologies GmbH, Berlin	EUR		-	49.00	49.00	-	-	4) 7)	2023
MOBIKO GmbH, Munich	EUR		-	29.40	29.40	1,832	-1,167		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	2,974	-8,308		2022
P2 eBike GmbH, Stuttgart	EUR		-	40.00	40.00	693	-92	4)	2022
The Business Romantic Society Verwaltungs GmbH, Berlin	EUR		-	5.14	5.14	-	-863		2022
Theater der Stadt Wolfsburg GmbH, Wolfsburg	EUR		25.40	-	25.40	124	-	3)	2022
Valtech Mobility GmbH, Munich	EUR		-	49.00	49.00	29,411	10,894		2022
Verimi GmbH, Berlin	EUR		-	37.80	37.80	5,940	-109,261		2022
XL2 GmbH, Heilbronn	EUR		-	49.00	49.00	1,984	2,425		2022
2. International									
24M Technologies, Inc., Cambridge / MA	USD	1.1077	-	26.60	26.60	136,382	-22,645		2022
CAMS New Energy Technology Co. Ltd., Changzhou	CNY	7.8700	-	30.00	30.00	465,894	-152,600		2022
Chengdu CARThunder Intelligent Technology Co., Ltd	CNY	7.8700	-	49.00	49.00	-	-	4) 6)	2023
Corebon AB, Arlöv	SEK	11.0874	-	24.20	24.20	66,570	-32,786		2022
Credi2 GmbH, Vienna	EUR		-	32.47	32.47	1,038	-5,571		2022
Cubic Telecom Ltd., Dublin	EUR		-	22.68	22.68	18,532	-6,155	8)	2022
CyMotive Technologies Ltd., Herzliya	USD	1.1077	-	40.00	40.00	651	-5,005		2022
Drive.AI, Inc., in liquidation, Mountain View / CA	USD	1.1077	-	9.02	9.02	20,039	-34,332	2) 5)	2018
Group14 Technologies, Inc., Wilmington / DE	USD	1.1077	-	3.36	3.36	587,807	-19,862		2022
HIF Global LLC, Houston / TX	USD	1.1077	-	11.65	11.65	41,342	-85,481		2022
Innokraft AB, Sundsvall	SEK	11.0874	-	46.00	46.00	4,483	0		2022
J.P. Morgan Mobility Payments Solutions S.A., Strassen	EUR		-	25.10	25.10	29,758	-15,641		2022
Magnum Power Products, LLC, Franklin / IN	USD	1.1077	-	30.00	30.00	38,776	7,591		2022
Maudlin International Parts and Services of Palm Bay, LLC, Lisle / IL	USD	1.1077	-	49.00	49.00	70	-22		2022
Newstream Enterprises, LLC, Springfield / MO	USD	1.1077	-	49.00	49.00	5,751	3,929		2022
Parcelly Limited, London	GBP	0.8691	-	33.40	33.40	4,558	-481		2022
Pull Data Inc., Santa Monica / CA	USD	1.1077	-	33.00	33.00	-	-	7)	2023
Roboyo Group Limited, London	EUR		-	9.94	9.94	-25,934	-18,650		2022
Sauber Holding AG, Hinwil	CHF	0.9264	-	24.90	24.90	-	-	7)	2023
SeeReal Technologies S.A., Munsbach	EUR		-	10.76	10.76	5,080	-2,165		2021
Sensigo, Inc., Wilmington / DE	USD	1.1077	-	33.00	33.00	-	-	4) 6)	2023
Servicios Especiales de Ventas Automotrices, S.A. de C.V., Mexico City	MXN	18.7689	-	25.00	25.00	98,060	2,872		2022
Shanghai Juzhong Smart Mobility Co., Ltd., Shanghai	CNY	7.8700	-	40.00	40.00	-1,050	-141	13)	2022
SIB Solutions AB, Lund	SEK	11.0874	-	20.70	20.70	74,244	-34,682		2022
Smart Material Corp., Sarasota / FL	USD	1.1077	-	24.90	24.90	936	1		2021
Södertälje Science Park AB, Södertälje	SEK	11.0874	-	25.00	25.00	2,628	132		2022
Stellar Telecommunications S.A.S., Meudon	EUR		-	20.00	20.00	-441	-475		2022
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	258,343	-56,053		2022

Name and domicile of company	Currency	Exchange rate (1€ =) Dec. 31, 2023	VW AG 's interest in capital in % Direct	Indirect	Total	Equity in thousands, local currency	Profit/loss in thousands, local currency	Footnote	Year
V. OTHER EQUITY INVESTMENTS									
1. Germany									
1KOMMA5° GmbH, Hamburg	EUR		-	6.08	6.08	80,136	-7,001		2022
Allianz für die Region GmbH, Braunschweig	EUR		-	8.70	8.70	877	-149		2022
Artificial Intelligence Network Ingolstadt GmbH, Ingolstadt	EUR		-	8.33	8.33	109	14		2022
Autosar GbR, München	EUR		11.11	-	11.11	753	753		2021
aware THE PLATFORM GmbH, in liquidation, Berlin	EUR		-	5.00	5.00	41	-873	2)	2022
Cofinity-X GmbH, Cologne	EUR		10.00	-	10.00	-	-	7)	2023
Cycle Mobility Holding GmbH, Berlin	EUR		-	17.65	17.65	-	-	7)	2023
Daato Technologies GmbH, Berlin	EUR		-	5.55	5.55	33	-396		2022
Denizen GmbH, Berlin	EUR		-	5.00	5.00	-2	-1,102		2022
Deutsche Management Akademie Niedersachsen gGmbH, Celle	EUR		5.48	-	5.48	434	182		2022
Deutsches Forschungszentrum für Künstliche Intelligenz GmbH, Kaiserslautern	EUR		-	2.50	2.50	29,410	1,646		2021
e.ventures europe V GmbH & Co. KG, Hamburg	EUR		-	7.91	7.91	73,600	-6,255	12)	2022
e.ventures europe VI GmbH & Co. KG, Hamburg	EUR		-	3.33	3.33	95,817	-4,177	12)	2022
Earlybird DWES Fund VI GmbH & Co. KG, Munich	EUR		-	4.84	4.84	67,158	-54,121		2022
Earlybird DWES Fund VII GmbH & Co. KG, Munich	EUR		-	2.14	2.14	146,810	-13,293		2022
FFK Fahrzeugservice Förtsch GmbH Kronach, Kronach	EUR		-	30.00	30.00	1,597	-139		2022
Gemeinnützige Wohnungsbaugesellschaft Ingolstadt GmbH, Ingolstadt	EUR		-	10.02	10.02	113,061	4,971		2022
GKH - Gemeinschaftskraftwerk Hannover GmbH, Hanover	EUR		-	15.31	15.31	10,226	-	1)	2022
Grundstücksgesellschaft Schlossplatz 1 mbH & Co. KG, Berlin	EUR		-	8.16	8.16	1,052	844		2022
GSB - Sonderabfall-Entsorgung Bayern GmbH, Baar-Ebenhausen	EUR		-	1.75	1.75	96,887	8,618		2022
Headline Europe VII GmbH & Co. KG, Berlin	EUR		-	3.13	3.13	28,110	-8,315		2022
Heartfelt APX GmbH & Co. KG, Berlin	EUR		-	14.41	14.41	-	-	7)	2023
HWW - Höchstleistungsrechner für Wissenschaft und Wirtschaft GmbH, Stuttgart	EUR		-	10.00	10.00	1,400	27		2022
Impact Labs GmbH, Hamburg	EUR		-	7.75	7.75	817	-173		2022
Internationale Schule Hannover Region GmbH, Hanover	EUR		10.92	-	10.92	4,276	-356	3)	2022
MTC Marine Training Center Hamburg GmbH, Hamburg	EUR		-	24.83	24.83	428	54		2021
My Inner Health Club GmbH, in liquidation, Berlin	EUR		-	5.00	5.00	10	-1,325	2)	2022
Niedersächsische Gesellschaft zur Endablagerung von Sonderabfall mbH, Hanover	EUR		10.00	-	10.00	11,352	2,635		2022
NitroBox GmbH, Haqmburg	EUR		-	7.35	7.35	-	-		2022
onGRID Sports Technology GmbH, Berlin	EUR		-	5.44	5.44	315	-567	4)	2022
Pakt Zukunft Heilbronn-Franken gGmbH, Heilbronn	EUR		-	20.00	20.00	65	-		2022
PROSTEP AG, Darmstadt	EUR		9.96	-	9.96	13,794	1,266		2022
Retorio GmbH, Munich	EUR		-	8.35	8.35	-	-	7)	2023
Roland Holding GmbH, Munich	EUR		-	22.83	22.83	3,719	1		2022
RYDES GmbH, Berlin	EUR		-	11.57	11.57	-370	-386		2021
SGL Carbon SE, Wiesbaden	EUR		7.41	-	7.41	606,687	196,542		2021
Sharpist GmbH, Berlin	EUR		-	3.70	3.70	-	-		2022
Triple AI GmbH, Berlin	EUR		-	5.69	5.69	-	-	7)	2023
Verwaltungsgesellschaft Wasseralfingen mbH, Aalen	EUR		-	50.00	50.00	14,147	-290		2022
vialytics GmbH, Stuttgart	EUR		-	15.69	15.69	-3,348	-3,156		2022
WORKERBASE GmbH, Munich	EUR		-	4.97	4.97	10,700	-326		2022
2. International									
A.P.A.D. S.a.r.l., Aubière	EUR		-	18.87	18.87	1,470	342		2022
actnano Inc., Dover / DE	USD	1.1077	-	3.59	3.59	-	-		2022
AM Batteries LLC, Shrewsbury / MA	USD	1.1077	-	1.77	1.77	-	-	7)	2023
Anagog Ltd., Tel Aviv	ILS	3.9951	-	4.74	4.74	-1,727	-19,929		2022
Andalusian Energy LLC, Houston / TX	USD	1.1077	-	15.00	15.00	-	-		2020
Assocaaf S.p.A., Milan	EUR		-	-	-	7,324	359		2022
Atomic Industries Inc., Wilmington / DE	USD	1.1077	-	5.35	5.35	-	-	7)	2023
Bcomp Ltd., Fribourg	CHF	0.9264	-	3.71	3.71	15,779	-6,553		2022
Beijing Achievers Management Consulting Co., Ltd., Beijing	CNY	7.8700	-	14.90	14.90	2,368	-5,193		2022
BQ Holding Ltd., Weymouth	EUR		-	0.94	0.94	-	-		2022
Bumper International Ltd., London	GBP	0.8691	-	4.60	4.60	5,598	-3,025		2022
Car IQ Inc., Oakland / CA	USD	1.1077	-	0.20	0.20	-	-	4)	2022
CarPutty Inc., Wilmington / DE	USD	1.1077	-	10.08	10.08	-	-		2022
China Intelligent and Connected Vehicles (Beijing) Research Institute Co., Ltd., Beijing	CNY	7.8700	-	4.55	4.55	1,052,479	4,794		2022
Combient AB, Stockholm	SEK	11.0874	-	4.65	4.65	42,449	-2,520		2022
Connect IQ Labs, Inc., Redwood City / CA	USD	1.1077	-	4.90	4.90	-	-		2022
Consorzio Distribuzione Ricambi Toscana S.C.R.L., Calenzano	EUR		-	3.40	3.40	343	4		2022
Consorzio Nazionale Imballaggi in Breve Conai, Rome	EUR		-	-	-	26,398	1,078		2022
Cresta Intelligence Inc., Wilmington / DE	USD	1.1077	-	0.79	0.79	-	-		2022
D.O.C Ricambi Originali S.c.r.l., San Giorgio di Mantova	EUR		-	1.92	1.92	252	7		2022
D.O.C. Ricambi Originali Brescia-Bergamo S.c.r.l., Rovato	EUR		-	4.04	4.04	235	4		2022
Dream Machine Innovations Inc., Wilmington / DE	USD	1.1077	-	5.52	5.52	-	-	7)	2023
DSP Concepts, Inc., Dover / DE	USD	1.1077	-	4.17	4.17	-	-		2022
e.ventures US V, L.P., San Francisco / CA	USD	1.1077	-	3.99	3.99	593,081	349,713	12)	2021
Eve One L.P., Grand Cayman	USD	1.1077	-	4.64	4.64	-	-	12)	2022
Fontinalis Capital Partners III, L.P., Detroit / MI	USD	1.1077	-	9.64	9.64	57,235	22,895	12)	2021
Forge Nano, Inc., Thornton / CO	USD	1.1077	-	9.76	9.76	17,034	-5,566		2021
Griiip Automotive Engineering Ltd., Petach Tikva	ILS	3.9951	-	4.89	4.89	-	-		2022
Grove Ventures II L.P., Grand Cayman	USD	1.1077	-	2.50	2.50	67,304	-2,497	12)	2021
Grove Ventures III L.P., Grand Cayman	USD	1.1077	-	1.63	1.63	-	-		2022
Grove Ventures L.P., Grand Cayman	USD	1.1077	-	9.09	9.09	247,785	-2,379	12)	2021
H2GS AB, Stockholm	SEK	11.0874	-	2.02	2.02	3,333,997	-175,627	8)	2022
Hangzhou Wanxiang Culture Technology Co., Ltd., Hangzhou	CNY	7.8700	-	3.31	3.31	102,141	-4,978		2022
Horizon Robotics, Grand Cayman, Caymen Islands, Grand Cayman	USD	1.1077	-	2.30	2.30	-	-	7)	2023
Intamsys Technology Ltd., Dongguan	CNY	7.8700	-	4.78	4.78	24,159	-20,791		2022
KIC InnoEnergy S.E., Eindhoven	EUR		-	3.45	3.45	314,907	113,388		2022
LAKA Ltd., London	GBP	0.8691	-	4.10	4.10	-	-		2022
Leitmotif I, L.P., Portola Valley / CA	USD	1.1077	-	98.00	98.00	-	-	4) 6)	2023
Lindholmen Science Park Aktiebolag, Göteborg	SEK	11.0874	-	8.98	8.98	-	-	7)	2023
Maghreb Truck Industry S.p.A., Sidi M'Hamed	DZD	148.6016	-	10.00	10.00	130,943	879		2022
Magma Growth Equity I L.P., Grand Cayman	USD	1.1077	-	11.33	11.33	49,683	-627	12)	2021
Montepo - Moncalieri Tecnopolo - S.r.l., in liquidation, Turin	EUR		-	10.00	10.00	33	-18	2) 5)	2022
Motorbranschens Bärgningstjänst i Malmö AB, Malmö	SEK	11.0874	-	11.33	11.33	12,024	3		2022
Nozomi Networks, Inc., San Francisco / CA	USD	1.1077	-	0.73	0.73	-	-		2022
OneH2, Inc., Hickory / NC	USD	1.1077	-	5.13	5.13	57,542	809		2022
Österreichische Shredder - Altautoentsorgungs- und Entwicklungs GmbH, Lambach	EUR		-	14.29	14.29	85	3		2022
Österreichische Shredder - Altautoentsorgungs- und Entwicklungs-GmbH & Co KG, Lambach	EUR		-	14.29	14.29	96	-6		2022
PLA.NET S.c.r.l., Rimini	EUR		-	1.08	1.08	95	3		2022
Playbook Technologies Inc., Ridgewood / NJ	USD	1.1077	-	6.04	6.04	-	-		2022
RSE Markets, Inc., Dover / DE	USD	1.1077	-	4.61	4.61	-	-		2022
RunBuggy OMI, Inc., Newark / DE	USD	1.1077	-	4.00	4.00	-	-		2022
Servizi Ricambi Originali S.c.r.l., Trento	EUR		-	7.14	7.14	171	2		2022
Shanghai Powershare Tech Ltd., Shanghai	CNY	7.8700	-	2.84	2.84	-	-	7)	2023
Shenzhen Haylion Technologies Co. Ltd., Shenzhen	CNY	7.8700	-	2.00	2.00	72,456	-13,760		2022
Society for Worldwide Interbank Financial Telecommunications SCRL, La Hulpe	EUR		-	0.01	0.01	664,092	38,075	8) 10)	2022
SOVAC Production S.P.A., Algiers	DZD	148.6016	5.00	-	5.00	21,437,316	16,082,310		2018
StretchMe Sp. z o.o., Kraków	PLN	4.3409	-	9.00	9.00	-	-		2022

Name and domicile of company	Currency	Exchange rate (1€ =) Dec. 31, 2023	VW AG 's interest in capital in % Direct	Indirect	Total	Equity in thousands, local currency	Profit/loss in thousands, local currency	Footnote	Year
Tactile Mobility Ltd., Haifa	USD	1.1077	-	11.14	11.14	-18,917	-8,536		2022
The Embassies of Good Living AG, Zürich	CHF	0.9264	-	7.15	7.15	-977	-1,407		2022
TriEye Ltd., Tel Aviv	USD	1.1077	-	3.41	3.41	-128,694	-89,854		2022
TuSimple Holdings Inc., San Diego / CA	USD	1.1077	-	7.41	7.41	954,481	-1,610		2022
Urgent.ly Inc., Vienna / VA	USD	1.1077	-	2.08	2.08	-	-		2022
Valence Security Inc., Wilmington / DE	USD	1.1077	-	3.67	3.67	24,997	-4,358		2022
Via Transportation, Inc., New York / NY	USD	1.1077	-	0.03	0.03	-	-		2022
Wayke Holding AB, Stockholm	SEK	11.0874	-	0.25	0.25	57,896	3,620		2022
Wayray AG, Zürich	USD	1.1077	-	7.90	7.90	-	-		2022
Westly Capital Partners Fund III, L.P., Menlo Park / CA	USD	1.1077	-	8.39	8.39	160,881	-118,555		2022
Westly Capital Partners Fund IV, L.P., Menlo Park / CA	USD	1.1077	-	3.30	3.30	83,682	-3,554		2022
XPeng Inc., George Town	USD	1.1077	-	5.25	5.25	-	-	7)	2023
Xuanlin (Shanghai) Information Technology Co., Ltd., Shanghai	CNY	7.8700	-	6.00	6.00	-	-		2022
Zededa, Inc., San Jose / CA	USD	1.1077	-	2.34	2.34	-	-		2022
Zync Inc., San Francisco / CA	USD	1.1077	-	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) Consolidated financial statements
9) Figures are contained in the consolidated financial statements of the parent company
10) Figures in accordance with IFRSs
11) transformation in accordance with §1 Transformation Act
12) Structured entity in accordance with IFRS 10 and IFRS 12
13) Liquidation resolution adopted
14) Joint Operation in accordance with IFRS 11
15) The parent company is shareholder with unlimited liability

Published by:

Volkswagen Aktiengesellschaft
Group Financial Publications
Letterbox 1848
38436 Wolfsburg
Germany
Phone +49 5361 9-0
Fax +49 5361 9-28282

ISSN 458.809.624.20

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 provider of sustainable mobility.

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 continue to grow in the next few years, meaning that the cost-efficient and sustainable production of battery systems and the expansion of the charging infrastructure will be crucial to success.

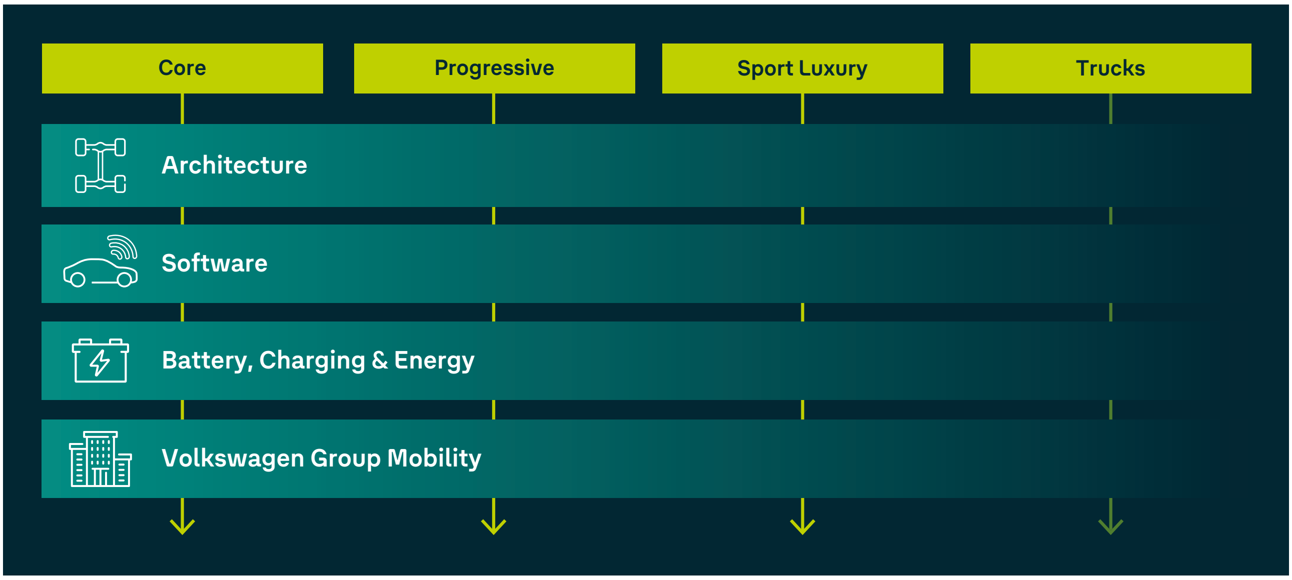
The shift to connected, intelligent and eventually self-driving vehicles will, however, bring more wide-reaching changes for the automotive industry. Autonomous driving will change the customer's mobility experience forever and lay the ground for new business models. Sources of revenue will gradually 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 market, 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 have reset our priorities with NEW AUTO and are 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 clearly defined Group initiatives across the brand groups, with a focus on our central technology platforms: "Architecture", "Software", "Battery, Charging & Energy", and "Volkswagen Group Mobility". Furthermore, base initiatives form the foundation for the Volkswagen Group's strategic realignment. These are "ESG, Decarbonization & Integrity", "Business Model 2.0", "North America (NAR) Region", "China Region", "Group Steering Model", "People & Transformation" and "Financing the Transformation", which are described below.

NEW AUTO FOCUSING ON THE TECHNOLOGY PLATFORMS



The most important targets for each calendar year are defined and a Top 10 program is developed at Group level so that the strategy can be implemented in operations throughout the year. Priorities in the Group's Top 10 program for 2023 were financial robustness and planning, products, the China and North America regions, software, technologies, battery and charging, mobility solutions, sustainability, and capital markets. This Top 10 program methodology has been adopted by many business units in their functional area strategies and is being used to accelerate implementation of the strategy with a high level of focus.

To make the progress in our focus topics – consisting of the initiatives of the NEW AUTO strategy and the objectives of the Group's Top 10 program applicable to the fiscal year – as transparent as possible for management and employees, the Group Board of Management decided to structure and regularly measure the strategic objectives and milestones using the OKR (Objectives and Key Results) method. Accordingly, strategic objectives and envisaged key results are defined for all focus topics. 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 usually presented to the Board of Management three times a year. As such, the relevance of the focus topics, 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.

We report on the main objectives and interim results achieved in the reporting year in the chapters "Internal Management System and Key Performance Indicators", "Structure and Business Activities" and "Sustainable Value Enhancement".

ARCHITECTURE

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

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. Here we are pursuing the following strategy: we intend to develop software for central control points in the vehicle either in-house or together with third parties in strategic partnerships. CARIAD is collaborating with leading technology companies to integrate further innovative solutions.

Together with the Porsche and Audi brands, CARIAD is working to introduce the new E^3 1.2 platform, which optimizes the interaction between the hardware and the vehicle software and is also intended to serve as a key lever for data-driven development and for the introduction of new services even after vehicle production has begun.

In the long term, the standardized E^3 2.0 software architecture is to form the basis of a complete digital ecosystem, offering customers a wide range of software-based services throughout the entire product lifecycle. The software-centric approach of the E^3 2.0 architecture constitutes a paradigm shift in vehicle development. This is to form the basis for the Volkswagen Group's software-defined vehicles. The aim is for every function that is needed or requested, and for every service, to be customized for the customers 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) are to be gradually introduced to the new vehicle models in the Group brands. In this context, CARIAD is responsible for developing software and a technology stack for automated driving.

BATTERY, CHARGING & ENERGY – 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 its charging speed. In order to achieve our objective of transforming into a world-leading provider of sustainable mobility, we intend to become a profit-generating expert across the entire battery life cycle. 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 development, cell production, vertical integration, large-scale storage systems and recycling. Our primary 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 unified cell, which can contain differing chemistries and is to be used in up to 80% of Group models by 2030. The economies of scale this generates are expected to 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 its own gigafactories around the world. The cornerstone for these activities was laid in Salzgitter/Germany. Using the standard factory concept to optimize investment, further factories are to follow swiftly in Valencia/Spain and St. Thomas/Canada. The aim is to meet about half of the rapidly growing need for battery cells ourselves by 2030.

BATTERY, CHARGING & ENERGY – CHARGING AND ENERGY SERVICES

A sustainable, stable charging and energy infrastructure is a key prerequisite for accelerating the transformation to the battery-electric mobility of the future. It is therefore our intention to also become a comprehensive charging and energy service provider in future and we are investing heavily in the worldwide development of an open, fast-charging network. 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 wall box and flexible fast-charging station (Flexpole), the focus is particularly on contract-based charging services and smart green electricity tariffs. The aim is for charging processes to be controlled in such a way that they tap into renewable energy, thus reducing the pressure on the power grids. In a next step, Volkswagen intends to use the electric vehicle as a mobile power bank, and thus help to enable electric vehicles to act as additional storage units and become an active part of the energy system in the future. In this way, Volkswagen wishes to make its customers part of the smart-charging and energy ecosystem for decarbonized mobility. Our goal here is farsighted use of scarce resources in the electric power industry.

VOLKSWAGEN GROUP MOBILITY

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, is to 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-government organizations) have high expectations of the Company's ESG performance, including in areas such as decarbonization, circular economy 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 CO_2 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 renewable energy sources used in the product emergence process and the proportion of recyclable materials in our vehicles. We also wish to be perceived as a benchmark for ethical corporate conduct. Volkswagen sees itself as an equal opportunities employer. The intention is therefore for at least a fifth of Group 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 strong position in the automotive market in future.

NORTH AMERICA (NAR) REGION

For the Volkswagen Group, the North America region, and particularly the USA, has great 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. With our new vehicle brand Scout, we intend to address the core segments of the North American electric vehicle market with tailor-made products. 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 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. All key measures are therefore brought together in this strategic base initiative in order to continue Volkswagen's success story in China. These include localized development activities that are tailored to the market (the in China for China approach), competitive products, the deepening of our existing partnerships and forging of new ones, and a comprehensive program of measures for achieving a permanent reduction of costs to safeguard long-term profitability.

Our aim for 2030 is to take a leading role in China as an international mobility provider and manufacturer of fully connected vehicles. As part of our localization strategy (in China for China), we therefore want to pool and expand our local development capacity to a greater extent in the coming years. In so doing, we want to considerably speed up the development of intelligent connected vehicles (ICVs) and be in a position to offer tailor-made products to our Chinese customers faster. In the market for vehicles with conventional drive systems, we want to further strengthen our share of the market with new vehicles and secure it for the long term, as these vehicles' high unit sales will also make a corresponding contribution to profitability in future.

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 PERFORMANCE INDICATORS

	2022	Target 2030
Operating return on sales	8.1%	9 to 11%
Automotive investment ratio	13.6%	~9%
Cash conversion rate in the Automotive Division[1]	29.2%	>60%
Net liquidity in the Automotive Division	€43.0 billion[2] 15.4%	~10% of consolidated sales revenue
Return on investment (ROI) in the Automotive Division	12.0%	>18%

1 Net cash flow as a percentage of the operating result in the Automotive Division
2 Including cash inflows from the IPO of Dr. Ing. h.c. F. Porsche AG.

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, this planning also serves as a basis 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 sites

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 the starting point for the subsequent medium-term and budget planning.

CORE PERFORMANCE INDICATORS IN THE VOLKSWAGEN GROUP

As part of our new leadership model, we have adjusted the core performance indicators in the Volkswagen Group. These now include:

- Deliveries to customers
- Sales revenue
- Operating result
- Operating return on sales
- Automotive investment ratio
- Net cash flow in the Automotive Division
- Net liquidity in the Automotive Division
- Return on investment (ROI) in the Automotive Division (until 2023)

Deliveries to customers (including the Chinese joint ventures) are defined as handovers of new vehicles to the end customer. This figure reflects the popularity of our products and is the 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 one of the world's leading providers of sustainable mobility. One of the most important prerequisites for the Company's long-term success is a strong brand portfolio that – on the basis of outstanding quality – offers tailor-made mobility solutions in the form of safe, connected, resource-efficient and 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 along with 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 automotive investment ratio indicates the ratio of investment to sales revenue and is calculated by adding the research and development ratio (R&D ratio) and the capex to sales revenue ratio. The research and development 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 to the development of our marketable products. Particular emphasis is placed on the environmentally friendly orientation and digitalization of our product portfolio, the expansion of our battery expertise, the development of software and new platforms and the creation of new technologies. The R&D ratio reflects the activities we have undertaken to safeguard the Company's future viability. The ratio of capex (investments in property, plant and equipment, investment property and intangible assets, excluding capitalized development costs) to sales revenue in the Automotive Division reflects both our innovative power and our future competitiveness. It shows our capital expenditure – largely for modernizing, expanding, electrifying and digitalizing our product range 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.

In our Financing the Transformation base initiative, we stepped up our activities to optimize net cash flow. To achieve the strategic goals, performance programs have also been launched Group-wide in an effort to increase efficiency and boost earnings.

Structure and Business Activities

This chapter describes the legal and organizational structure of the Volkswagen Group and explains the material changes in 2023 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.volkswagen-group.com/investor-relations 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, leasing, direct banking and insurance activities, fleet management and mobility services.

With its brands, the Volkswagen Group is present in all of the markets around the world that are relevant for the Group. The key sales markets currently include Western Europe, China, the USA, Brazil, Türkiye, Mexico, Poland 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 in the Board of Management are currently divided among ten Board functions. In addition to the "Chair of the Board of Management" function the other Board functions are "Technology", "Finance and Operations" (formerly "Finance"), "Human Resources and Trucks brand group" (formerly "Human Resources and Truck & Bus"), "Integrity and Legal Affairs", "Progressive brand group" (formerly "Premium"), "Sport Luxury brand group" (formerly "Sport & Luxury"), "IT", "China", and "Core brand group" (formerly "Volume"). The Chair of the Board of Management is also responsible for the "Sport Luxury brand group" Board function.

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

The allocation of responsibilities on the Board of Management is based on the rules of procedure decided by the Supervisory Board. 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.

Board of Management committees exist at Group level for the following areas: products, technologies, investments, digital transformation, integrity and compliance, risk management, human resources and management issues. In addition to the responsible members of the Board of Management, the relevant central departments and the relevant functions of the divisions are also represented on the committees. We are continually revising and optimizing these and other top management committees in the Group in order to verify that they still align with our corporate strategy and to further increase the efficiency of their decision making. This reduces complexity and reinforces governance within the Group.

As part of the "Group Steering Model" base initiative from the NEW AUTO Group strategy, a new leadership model for the Group was presented at the Capital Markets Day in June 2023 that will sharpen the focus on customer orientation, entrepreneurship and team spirit. It follows the "value over volume" principle, prioritizing sustainable value creation over volume growth. As part of this, the brand groups will receive a new steering model. In addition, the brand positioning and the product range are to be sharpened. The realignment also included a renaming of the brand groups: Volume has become Core, Premium is now called Progressive, Sport & Luxury has been changed to Sport Luxury, and Truck & Bus to Trucks. The Core brand group comprises the Volkswagen Passenger Cars, Škoda, SEAT/CUPRA and Volkswagen Commercial Vehicles brands. The Progressive brand group comprises the Audi, Lamborghini, Bentley and Ducati brands. The Sport Luxury brand group consists of the Porsche brand. The company responsible for this brand, Dr. Ing. h.c. F. Porsche AG (Porsche AG), has been listed on the stock market since the end of September 2022. In the Trucks 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.

In addition to the strengthening of the brand groups, the reorganization and expansion of new units also enabled substantial progress to be made with the "Architecture", "Software", "Battery, Charging & Energy", and "Volkswagen Group Mobility" technology platforms in the reporting year. The structures and product processes at the software subsidiary CARIAD will be optimized further.

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 May 2023, the Volkswagen Group completed the sale of its shares in OOO Volkswagen Group Rus (Volkswagen Group Rus), Kaluga/Russia, and that company's local subsidiaries (OOO Volkswagen Components and Services, Kaluga/Russia, OOO Scania Leasing, Moscow/Russia, OOO Scania Finance, Moscow/Russia, OOO Scania Insurance, Moscow/Russia) to OOO ART-FINANCE, Moscow/Russia, which is supported by the Russian dealer AO Avilon Automotive Group, Moscow/Russia. With the registration of the transaction, also in May 2023, ownership of the shares in Volkswagen Group Rus was transferred from the seller to the buyer. The transaction comprises the production facilities in Kaluga, the importer network of the Group brands Volkswagen Passenger Cars, Volkswagen Commercial Vehicles, Audi, Škoda, Bentley, Lamborghini and Ducati for possible after-sales business and warehouse activities, as well as Scania's financial services activities, including all associated employees.

i VOLKSWAGEN AG SHAREHOLDINGS
www.volkswagen-group.com/investor-relations

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.volkswagen-group.com/en/corporate-governance.

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

Disclosures Required under Takeover Law

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

CAPITAL STRUCTURE

Volkswagen AG's share capital amounted to €1,283,315,873.28 (€1,283,315,873.28) on December 31, 2023. It was composed of 295,089,818 ordinary shares and 206,205,445 preferred shares. Each share conveys a notional interest of €2.56 in the share capital.

SHAREHOLDER RIGHTS AND OBLIGATIONS

The shares convey pecuniary and administrative rights. The pecuniary rights include in particular the shareholders' right to participate in profits (section 58(4) of the *Aktiengesetz* (AktG – German Stock Corporation Act)), the right to participate in liquidation proceeds (section 271 of the AktG) and preemptive rights to shares in the event of capital increases (section 186 of the AktG), which can be disapplied by the General Meeting with the approval of the Special Meeting of Preferred Shareholders, where appropriate. Administrative rights include the right to attend the General Meeting, to speak there, to ask questions, to propose motions and to exercise voting rights. Following a change in the law (section 118a of the AktG), General Meetings can be held without shareholders or their proxies being present at the venue (virtual General Meeting). The holding of virtual General Meetings must be provided for in the Articles of Association. The Annual General Meeting on May 10, 2023 therefore resolved to amend the Articles of Association (Article 19(3)) and to authorize the Board of Management to provide for the option of holding any General Meetings within five years of the entry in the commercial register of this change in the Articles of Association as a virtual General Meeting. 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 General Meeting. The General Meeting elects shareholder representatives to the Supervisory Board and elects the auditors; in particular, it resolves on the appropriation of net profit, formally approves the actions of the Board of Management and the Supervisory Board, and resolves on amendments to the Articles of Association of Volkswagen AG, capital measures and authorizations to purchase treasury shares; if required, it also resolves on the performance of a special audit, the removal before the end of their term of office of Supervisory Board members elected by the General Meeting and the winding-up of the Company.

Preferred shareholders generally have no voting rights. However, in the exceptional case that they are granted voting rights by law (for example, when preferred share dividends were not paid in one year and not compensated for in full in the following year), each preferred share also grants the holder one vote at the General

Meeting. Furthermore, preferred shares entitle the holder to a €0.06 higher dividend than ordinary shares (further details on this right to preferred and additional dividends are specified in Article 27(2) of the Articles of Association of Volkswagen AG).

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

In accordance with the Volkswagen AG Articles of Association (Article 11(1)), the State of Lower Saxony is entitled to appoint two members of the Supervisory Board of Volkswagen AG for as long as it directly or indirectly holds at least 15% of Volkswagen AG's ordinary shares. In addition, resolutions by the General Meeting that are required by law to be adopted by a qualified majority require a majority of more than four-fifths of the share capital of the Company 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 www.volkswagen-group.com/presentations-and-publications. The current notifications regarding changes in voting rights in accordance with the *Wertpapierhandelsgesetz* (WpHG – German Securities Trading Act) are published at www.volkswagen-group.com/distribution-of-voting-rights.

COMPOSITION OF THE SUPERVISORY BOARD

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

The other half of the Supervisory Board consists of employee representatives 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 General Meeting resolves amendments to the Articles of Association (section 119(1) of the AktG). In accordance with section 4(3) of the *VW-Gesetz* as amended on July 30, 2009 and Article 25(2) of the Articles of

Association of Volkswagen AG, General Meeting resolutions to amend the Articles of Association require a majority of more than four-fifths of the share capital represented.

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

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

At the Annual General Meeting on May 10, 2023, a resolution was passed authorizing the Board of Management to increase the Company's share capital, subject to the consent of the Supervisory Board, on one or more occasions by a total of up to €227.5 million (corresponding to around 89 million shares) before May 9, 2028 by issuing new nonvoting preferred shares against cash contributions.

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

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

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. Firstly, a call right exists if one individual or several individuals acting jointly, who as of the date of this agreement exercise control over the Company, have legal or economic ownership of shares that together make up more than 90% of the voting rights of the Company. Secondly, a call right also exists if one individual or several individuals acting jointly, who as of the date of this agreement do not exercise control over the Company, obtain control over the Company. Such a call right does not exist, however, if one shareholder or several shareholders of Porsche Automobil Holding SE or one or several legal entities from the Porsche or Piëch family directly or indirectly obtain control over the Company.

Volkswagen AG and the Ford Motor Company entered into a Master Collaboration Agreement in January 2019. This agreement sets out a framework of obligations, which are to apply to the further cooperation 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 2023. Global demand for vehicles was noticeably higher than in the previous year. Amid a challenging market environment, the Volkswagen Group delivered 9.2 million vehicles to customers.

DEVELOPMENTS IN THE GLOBAL ECONOMY

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 shortage of supply led particularly in 2022 to rising prices on energy and commodity markets. While prices dropped in the reporting year as a result of weakening momentum in the global economy, they remain at a relatively high level in some cases. Furthermore, salary trends in the overheated labor markets, among other factors, pose the threat of continued high inflation.

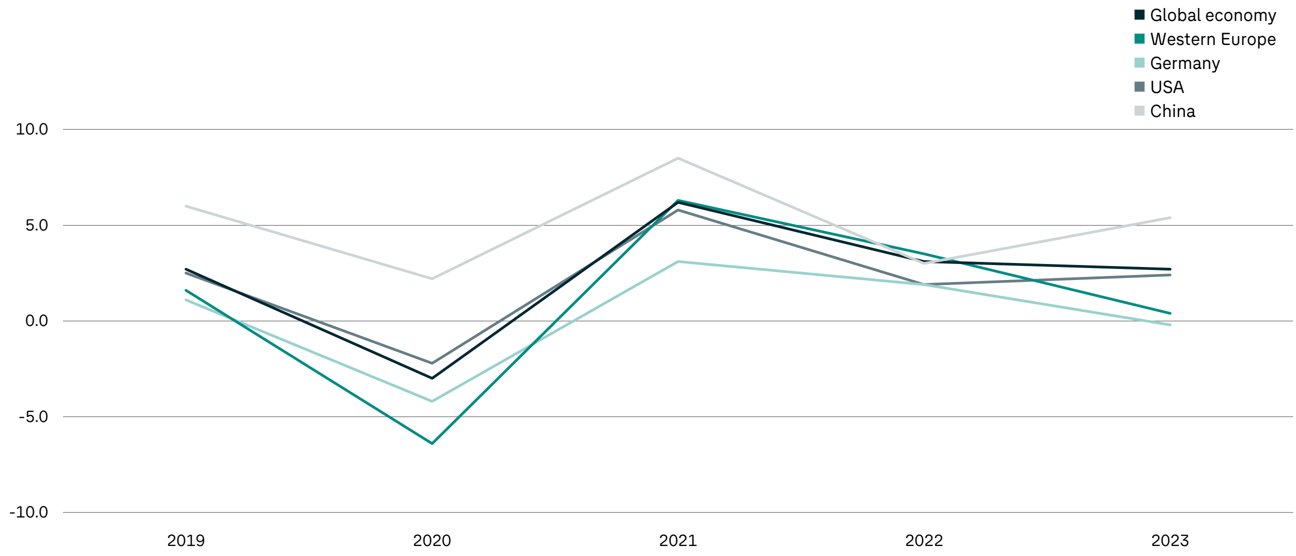
After the slump in global economic output in 2020 and the incipient recovery due to baseline and catch-up effects in 2021, followed by a further normalization of economic activity in 2022 despite the Russia-Ukraine conflict, the global economy recorded positive overall growth of +2.7 (+3.1)% in 2023. The slowdown in economic momentum versus the previous year was mainly due to weaker growth in the advanced economies, whereas the overall rate of change in the emerging markets increased somewhat. At national level, developments depended on the one hand on the intensity with which central banks had to tighten monetary policy to curb the higher inflation – mainly by raising interest rates and reducing bond holdings – which had a negative impact on consumer spending and investment activity. On the other hand, the extent to which national economies were affected by the consequences of the Russia-Ukraine conflict was a decisive factor. Prices for energy and many other raw materials were lower than in the previous year, and shortages of intermediate products and commodities eased somewhat. Global trade in goods expressed in nominal terms decreased in the reporting year.

Europe/Other Markets

The economy in Western Europe recorded positive, yet low overall growth of +0.4 (+3.5)% in 2023. This trend was seen in many countries in Northern and Southern Europe. The main reasons for this were the momentary and in some cases significant increases in energy and commodity prices, which had substantially pushed up inflation rates in the previous year and thus had a negative impact on consumer confidence. Business sentiment also deteriorated on average across all sectors. In addition, the restrictive monetary policy measures taken to rein in inflation impacted both consumer spending and investment.

ECONOMIC GROWTH

Percentage change in GDP



The economies in Central and Eastern Europe recorded real growth in absolute gross domestic product (GDP) of +2.6 (+1.1)% in the reporting year. While economic output in Central Europe saw positive, albeit less dynamic growth of +1.7 (+4.5)%, GDP in the Eastern Europe region rose again in 2023 compared with the prior year for the first time since the outbreak of the Russia-Ukraine conflict, with a growth rate of +3.6 (–2.8)%. Inflation rates across the entire Central and Eastern Europe region declined on average in the reporting year, but remained at a high level.

In Türkiye, economic output for the year 2023 as a whole rose by +3.8 (+5.3)% amid very high inflation and a fall in the value of the local currency. South Africa saw slight GDP growth of +0.6 (+1.9)% in the reporting year, amid persistent structural deficits and political challenges.

Germany

Germany's economic output recorded a negative growth rate of –0.2 (+1.9)% in the reporting year. Compared with the prior year, the seasonally adjusted unemployment figures rose on average. After reaching historically high levels in 2022, monthly inflation rates fell on average over the year, but remained relatively high.

North America

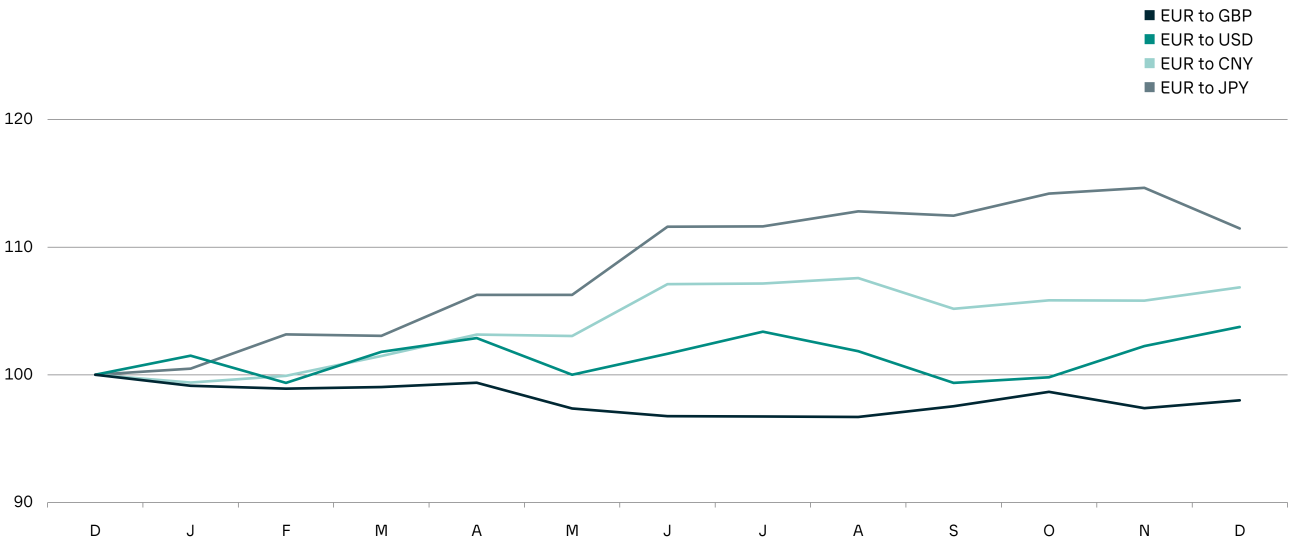
US economic output grew by +2.4 (+1.9)% in the reporting year. In view of high inflation and the tight labor market, the US Federal Reserve maintained its restrictive monetary policy and raised its key interest rate four times over the course of the reporting year. Unemployment remained at a low level in the reporting year. GDP rose by +1.1 (+3.8)% in neighboring Canada and by +3.3 (+3.9)% in Mexico.

South America

Brazil's economy posted GDP growth of +3.0 (+3.1)% in 2023. Argentina registered a negative economic performance with a year-on-year decline in GDP of –1.7 (+5.0)% amid very high inflation and continued depreciation of the local currency.

EXCHANGE RATE MOVEMENTS FROM DECEMBER 2022 TO DECEMBER 2023

Index based on month-end prices: as of December 31, 2022 = 100



Asia-Pacific

China's economic output rose faster in the reporting year at +5.4 (+3.0)% compared with the previous year, positively influenced by the revocation of the zero-Covid strategy by the Chinese government. India registered strong growth of +6.9 (+7.3)%. Japan recorded positive growth of +1.9 (+0.9)% year-on-year.

TRENDS IN THE MARKETS FOR PASSENGER CARS AND LIGHT COMMERCIAL VEHICLES

In fiscal year 2023, the volume of the passenger car market worldwide was noticeably higher than in the prior year at 76.6 million vehicles. Most markets registered growth, which together with weak prior-year figures was attributable to the fact that shortages and disruption in global supply chains eased restricting vehicle availability to a lesser extent. While the supply situation for intermediates improved compared with 2022, the trend in new registrations in individual markets dampened at the end of the previous year, partly as a consequence of the Russia-Ukraine conflict and pull-forward effects generated by state subsidies expiring.

Significant or strong growth was recorded in the overall markets of the Western Europe, Central and Eastern Europe, Middle East and North America regions. The markets of the South America region were slightly higher and the markets of the Asia-Pacific region noticeably higher than the prior-year level. The market in Africa fell slightly short of the prior-year volume.

In the reporting year, the global volume of new registrations for light commercial vehicles was on a level with the previous year (–0.2%).

Sector-specific environment

Along with fiscal policy measures, the sector-specific environment was considerably affected by the economic situation, which contributed to the mixed trends in unit sales in the markets in the fiscal year now ended. While real purchasing power fell in many places and vehicle prices stagnated at a high level, it was possible to reduce the backlog of orders on a large scale due to increased vehicle availability worldwide. The fiscal policy measures included tax cuts or increases, the introduction, expiry and adjustment of 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 year was significantly higher than the previous year's weak level, increasing by 13.8% to 11.6 million vehicles. The performance of the large individual passenger car markets was consistently positive in fiscal year 2023: France (+16.1%), the United Kingdom (+17.9%), Italy (+18.8%) and Spain (+15.8%) significantly exceeded their respective prior-year levels.

The volume of new registrations for light commercial vehicles in Western Europe was significantly higher than in the previous year, increasing by 16.3%.

The passenger car market volume in the Central and Eastern Europe region increased strongly by 23.6% in fiscal year 2023 to 2.3 million vehicles after a very strong dip in the previous year. The number of sales was also predominantly positive in the individual markets of Central Europe. The Czech Republic and Poland recorded significant growth of 15.3% and 13.0%, respectively.

The market volume of light commercial vehicles in Central and Eastern Europe in the reporting year was noticeably higher than the previous year's figure (+7.3%).

The volume of the passenger car market in Türkiye in the reporting year was up more than 50% on the prior-year level. In South Africa, the growth trend that had persisted since 2021 came to an end, with the number of passenger car sales falling slightly by 3.8%.

The volume of new registrations of light commercial vehicles in Türkiye was very strongly (+38.1%) and in South Africa significantly (+16.5%) higher in the reporting year than the 2022 level.

Germany

At 2.8 million units, the total number of new passenger car registrations in Germany in fiscal year 2023 was noticeably higher than the weak prior-year level (+7.3%). Shortages and disruption in global supply chains eased, improving vehicle availability and allowing the backlog of orders from the previous year to be cleared. The number of passenger cars produced rose by 18.3% to 4.1 million vehicles and exports of passenger cars grew by 17.5% to 3.1 million units.

The number of sales of light commercial vehicles in Germany in the reporting year was significantly up on the 2022 figure (+15.7%).

North America

At 18.6 million vehicles, sales of passenger cars and light commercial vehicles (up to 6.35 tonnes) in the North America region in fiscal year 2023 were significantly higher than in the prior year (+13.1%). Market growth in the USA, which increased by 12.3% to 15.6 million units, was slightly below the average for this region. The Canadian automotive market also registered a significant increase in sales figures to 1.7 million units (+12.5%) in the reporting year, while new registrations of passenger cars and light commercial vehicles in Mexico saw a strong rise of 25.1% year-on-year to 1.4 million vehicles.

South America

In the South America region, the volume of new passenger car and light commercial vehicle registrations in the reporting year was slightly higher than the prior-year level at 3.7 million units, continuing the positive growth trend that had begun in 2021. In Brazil, the number of new vehicle registrations was significantly higher than the prior-year figure at 2.2 million units (+11.0%). In the Argentinian market, demand for passenger cars and light commercial vehicles in the reporting year also rose significantly by 11.7% to 425 thousand units.

Asia-Pacific

In the Asia-Pacific region, the volume of the passenger car market in fiscal year 2023 was noticeably higher than the previous year's figure at 36.2 million units (+6.6%). The increased demand for passenger cars in the region was primarily determined by the trend in the Chinese passenger car market. Here, state subsidies and incentive programs expired at the end of 2022, causing pull-forward effects in vehicle purchases and consequently reducing the number of vehicle registrations at the beginning of 2023. Since then, demand has recovered, partly as a result of discounts and continuing regional incentive programs, while competition has intensified. Overall, the volume of demand in China totaled 22.2 million units (+5.5%), noticeably higher than the previous year's level. In India, passenger car sales also rose noticeably by 9.9% year-on-year to 4.0 million units. New registrations in the Japanese passenger car market in the reporting year were significantly up on the prior-year level at 4.0 million units (+15.4%).

The volume of demand for light commercial vehicles in the Asia-Pacific region in 2023 was noticeably lower than the previous year's level (–7.1%). Registration volumes in China, the region's dominant market and the largest market worldwide, experienced a slight rise of 1.4% compared to the prior year. The number of new vehicle registrations in India was slightly below the prior-year level (–3.8%); in Japan this figure was slightly higher than in the previous year (+4.2%).

TRENDS IN THE MARKETS FOR COMMERCIAL VEHICLES

In the markets that are relevant for the Volkswagen Group, demand for mid-sized and heavy trucks with a gross weight of more than six tonnes experienced noticeable growth in fiscal year 2023 versus the comparison period (+8.5%). Global truck markets grew significantly, due in particular to a recovery of the Chinese market following the end of the country's zero-Covid strategy.

In the 27 EU states excluding Malta, but including the United Kingdom, Norway and Switzerland (EU27+3), the number of new truck registrations was significantly up on the prior-year level, increasing by 15.1% to a total of 387 thousand vehicles. Growth could be observed in many truck markets in the region, albeit to differing degrees. The noticeable market recovery seen in 2022 accelerated during the reporting year to a significant level of growth. New registrations in Germany, the largest market in this region, were up strongly on the previous year (+23.6%). The United Kingdom recorded a significant increase of 13.6%, and demand in France was also significantly higher than in the previous year (+10.7%). Türkiye recorded a strong rise in new registrations of 17.8%. In the South African market, demand rose noticeably (+9.3%). 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 noticeably higher (+9.7%) than the previous year's figure. In Brazil, the largest market in the South America region, demand for trucks in the reporting year was significantly down on the previous year (–16.5%) due to the introduction of a new emissions standard at the beginning of 2023.

Demand in the bus markets relevant for the Volkswagen Group was strongly higher than in the previous year (+23.2%). Total demand for buses in the EU27+3 markets in the reporting year was up significantly on the previous year (+18.7%), with the picture varying from country to country. The school bus segment in the USA and Canada recorded a strong increase (+22.6%) compared with the prior year. Demand for buses in Mexico was even much stronger than in the previous year (+70.3%). In Brazil, demand was significantly higher than the prior-year level (+17.7%).

TRENDS IN THE MARKETS FOR POWER ENGINEERING

The markets for power engineering are influenced by varying regional and economic factors. Consequently, the business growth trends of the respective markets develop mostly independently of one another.

In 2023, the marine market remained at a similar level to the previous year. Demand in merchant shipping was mostly stable despite higher ship prices, and long waiting times due to high shipyard utilization rates. In this segment, in particular the market for tankers recorded a positive trend while the markets for container ships, LNG tankers and bulk cargo carriers saw a year-on-year decline. The market for cruise ships remained at a stable level overall due to positive developments in the last quarter of the reporting year. By contrast, the market for passenger ferries contracted. The special market for government vessels, which is funded by state investment, continued to be active due to the current geopolitical situation. The uncertainty regarding future fuel and emissions regulations persisted in the marine market in 2023, but in general a clear trend towards new fuel technologies was confirmed. Owing to the continued uncertainty about future fuels, demand regarding dual-fuel engines and retrofits increased in particular in the market for two-stroke engines.

There was reticence in the market for energy generation in 2023, particularly in Europe. This was due to the gas supply issues and the continued lack of a finalized framework for the future operation of power plants on the part of policymakers. The current focus on the expansion of renewable energy sources was reflected in corresponding potential in the demand for grid balancing facilities. Such facilities are used to meet power requirements if the share of renewables is not sufficient to ensure security of supply. A very positive trend was observed in the demand for power-to-methane plants. In the engines segment, there is a continuously rising demand for flexible dual-fuel engines. There is also a clear demand on the market for engines that can be converted for use with synthetic fuels such as hydrogen and green ammonia. Demand for new energy solutions such as hydrogen and long-term energy storage continued to be strong, with a clear trend towards greater flexibility and decentralized availability. However, the risks of a continued lack of price stability in the markets and the bottlenecks in supply chains were undiminished in the reporting period, as was the strong competitive and price pressure.

There was more movement in the turbomachinery market than in the previous year. Prices for raw materials continued to be high, leading to solid demand in the raw materials and processing industry for production facilities with turbo compressors. Sales of turbo compressors for oil and gas production were up year-on-year, bolstered by the persistently high demand for security of supply, as well as by an investment backlog. Among the new business fields, in the area of decarbonization sales of turbomachinery were up year-on-year. Demand for steam turbines used for power generation and gas turbines used for decentralized, industrial combined-heat-and-power installations was lower than in the previous year.

In 2023, the after-sales market for engines in the marine and power plant business was at the same high level as in the previous year.

In the after-sales market for turbomachinery, demand in the reporting year was up on the prior-year level.

TRENDS IN THE MARKETS FOR FINANCIAL SERVICES

Demand for automotive financial services was at a high level in fiscal year 2023; however, higher interest rates put pressure on demand for financial services in almost all regions.

The European passenger car market was still affected by shortages in the reporting year. Vehicle deliveries nevertheless increased and were up on the prior-year period. Demand for financial services products also grew; however, as a percentage of vehicle deliveries, the figure was down on the equivalent figure for 2022. The positive trend in the financing of used vehicles continued. The sale of after-sales products such as servicing, maintenance and spare parts agreements continued to expand.

In Germany, the persistent challenges presented by parts supply in vehicle production and by logistics chains continued to impact vehicle sales and the financial services business. Nevertheless, the increase in deliveries of new vehicles led to a higher volume of contracts in 2023. New vehicle penetration was down on the comparative figure for 2022, however. New contracts for used vehicles were on a level with the previous year. The number of new after-sales contracts increased and in the reporting year was above the level seen in 2022.

The Turkish market experienced considerable volatility. A combination of sharp interest rate hikes, the weak currency, persistently high inflation and a refinancing environment that continued to be challenging kept lending practices restrictive. Used cars continued to command high prices, despite the first signs of a decline.

In South Africa, financed vehicle purchases remained at a comparatively low level due to the subdued economic conditions, higher vehicle prices and increased energy prices. However, inflation eased, and after increasing interest rates ten times in succession from November 2021 onwards, the South African Reserve Bank did not raise interest rates again.

Compared with the previous year, the markets in the North America region developed positively on the whole in 2023, with demand for vehicles rising. Despite higher interest rates, new vehicle penetration in the USA and Canada was also above the previous year's level, particularly in the leasing business. In Mexico, meanwhile, the penetration of leasing and financing contracts declined. The number of new contracts for after-sales products was up year-on-year throughout the entire region.

In the South America region, the positive growth trend in the volume of new vehicle sales continued. The market for financial services benefited from increased deliveries and growth was registered in the number of financing contracts. In Argentina, the level of financing contracts was stable in spite of challenging macroeconomic conditions. In Brazil, the number of new contracts rose thanks to the range of attractive financial services offered. The number of car subscriptions entered into also rose.

The Chinese automotive market witnessed a rise in demand for electrified and used vehicles. This in turn also affected demand for automotive financial services. At the same time, banks with attractive products are gaining a foothold in the market. In Japan, there was a positive trend in demand for automotive financial services thanks to a rise in vehicle availability. Interest rates that were relatively low by international comparison and attractive financial service offerings in many places were key features of this market.

The financial services business in the market for heavy commercial vehicles was slightly up on the prior-year level in fiscal year 2023. The lengthy delivery times for commercial vehicles are gradually beginning to return to normal. The borrowing habits of commercial vehicle customers changed due to the rise in interest rates: the decision on financing is moving closer to the time of vehicle delivery because customers are counting on falling interest rates.

NEW GROUP MODELS IN 2023

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 2023, we added further attractive vehicles, not only systematically expanding our portfolio of all-electric and hybrid vehicles, but also bringing compelling products with conventional combustion engines onto the market.

The Volkswagen Passenger Cars brand expanded its portfolio of all-electric vehicles in 2023, adding a further product line with the new ID.7 saloon, crowned “German Car of the Year 2024”. The second generation of the ID.3 was given an extensive facelift, whilst the Touareg also benefited from a product upgrade. In China, the upgraded Tharu and T-Roc came onto the market amongst the vehicles with conventional drive systems. The newly developed Lavida XR saloon and the all-electric ID.7 VIZZION rounded off the range of new products. In the United States, the Atlas SUV was upgraded. The Track, a particularly attractive entry-level model from the important Polo product line, was launched in Brazil.

At Volkswagen Commercial Vehicles, the all-electric ID. Buzz product line was expanded in 2023 with the addition of the ID. Buzz Pro and ID. Buzz Cargo derivatives for commercial use.

In the reporting year, Audi launched the Q8 e-tron, the successor to its electric pioneer, the Audi e-tron. Of the vehicles with conventional drive systems, the A6 and A7 model ranges and the Q8 also received an upgrade.

Bentley completed its Mulliner line, rolling out the luxury flagship Bentayga EWB Mulliner. The Continental GT, Flying Spur and Bentayga model lines were all updated. A strictly limited number of the new Grand Tourer Bentley Batur was also available.

Lamborghini unveiled the Revuelto, its first hybrid super sports car. The Huracán Sterrato also came on the market.

Porsche expanded its 911 series in 2023 to include the new Carrera T and Dakar models. The third generation of the Cayenne SUV received an extensive product upgrade, thus increasing the number of hybrid vehicles in the product line to three models.

The TRATON Group moved ahead with the electrification and digitalization of its model range in 2023.

Scania rolled out all-electric solutions for regional distribution transport which use battery cells developed in partnership with Northvolt. Smart Dash, a new digital cockpit from Scania, was also launched.

Navistar electrified American school transportation with the CE school bus from IC Bus.

In 2023, Volkswagen Truck & Bus adapted its models in line with Brazil's new emissions legislation and rolled out its first zero-emission vehicle in South America, the eDelivery.

Ducati presented the new Panigale V4 R, the Monster SP and the Multistrada V4 Rally. The Streetfighter and the Diavel are now also available as V4 models. The second generation of the Scrambler family ushered in three new models: the Icon, Full Throttle and Nightshift.

VOLKSWAGEN GROUP DELIVERIES

The Volkswagen Group delivered 9,239,512 vehicles to customers worldwide in fiscal year 2023. This was 11.8% or 976,751 units more than in the previous year, which had suffered in particular from the limited availability of Group models caused by the continued shortage of semiconductors, and from the Russia-Ukraine conflict. Parts supply shortages continued to have an adverse effect in the reporting year. In addition, disruptions in logistics chains had a negative effect; however, this effect diminished in the course of the year. Sales of both passenger cars and commercial vehicles were up year-on-year. In the following, we report separately on deliveries in the Passenger Cars Business Area and the Commercial Vehicles Business Area.

VOLKSWAGEN GROUP DELIVERIES[1]

	2023	2022	%
Passenger Cars	8,901,338	7,957,274	+11.9
Commercial Vehicles	338,174	305,487	+10.7
Total	**9,239,512**	**8,262,761**	**+11.8**

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

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, Türkiye, Mexico, Poland and Czech Republic.

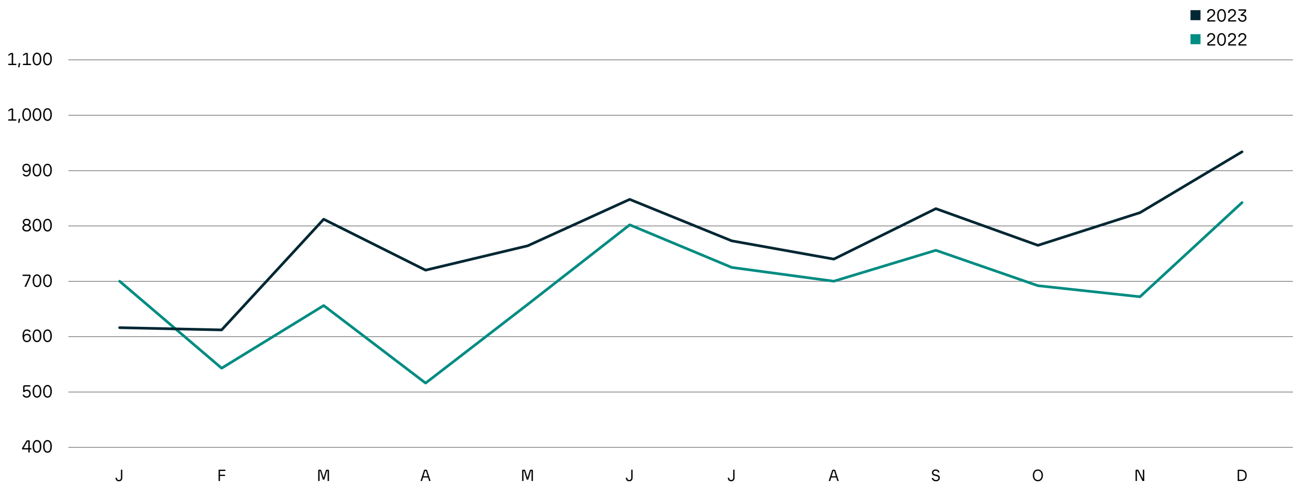
Sales of Volkswagen Group passenger cars and light commercial vehicles worldwide increased to 8,901,338 units in fiscal year 2023. This was 11.9% or 944,064 vehicles more than in the previous year, which had suffered in particular from the limited availability of Group models caused by the continued shortage of semiconductors, and from the Russia-Ukraine conflict. Parts supply shortages continued to have an adverse effect in the reporting year. In addition, disruptions in logistics chains had a negative effect; however, this effect diminished in the course of the year. With the exception of Bentley, all Volkswagen Group brands delivered more vehicles to customers than in the previous year. We recorded an increase in deliveries to customers in all major individual markets as well as in all sales regions around the world.

The Group's e-mobility campaign continued to move ahead successfully; we delivered 771,062 all-electric vehicles to customers worldwide in the reporting year. This was 198,590 or 34.7% more units than in the previous year. Their share of the Group's total deliveries rose to 8.3 (6.9)%. Deliveries to customers of our plug-in hybrid models amounted to 256,449 (+4.4%). Total electric vehicle deliveries went up by 25.6% and their share of total Group deliveries rose year-on-year to 11.1 (9.9)%. 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 Q8 e-tron, as well as the Porsche Taycan and Taycan Cross Turismo.

In an overall global market that saw noticeable growth, we achieved a passenger car market share of 11.1 (11.0)%.

VOLKSWAGEN GROUP DELIVERIES BY MONTH

Vehicles in thousands



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.

Deliveries in Europe/Other Markets

In Western Europe, the Volkswagen Group delivered 3,141,434 vehicles to customers in 2023 in an overall market experiencing significant growth. This was 20.1% more than in the weak prior-year, which had suffered in particular from the limited availability of Group models caused by the continued shortage of semiconductors, and from the Russia-Ukraine conflict. Parts supply shortages continued to have an adverse effect in the reporting year. In addition, disruptions in logistics chains had a negative effect; however, this effect diminished in the course of the year.

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 2023. In this region, electrified vehicles accounted for 19.8 (19.1)% of the Group's total deliveries; the share of all-electric vehicles stood at 14.0 (12.6)%. The Group models with the highest sales volume were the T-Roc, Polo, Tiguan and Golf from the Volkswagen Passenger Cars brand. Other models that witnessed encouraging demand included the ID.4, Taigo, Passat Estate and ID.3 from Volkswagen Passenger Cars, the Octavia Combi, Enyaq iV and Kamiq from Škoda, the Arona and Ibiza from SEAT, the CUPRA Formentor, CUPRA Born and CUPRA Leon, the ID. Buzz from Volkswagen Commercial Vehicles, the A3 Sportback, A1 Sportback, Q2, Q3 Sportback and Q4 e-tron from Audi, as well as the Porsche Macan and the Porsche 911 coupé. In the reporting year, the ID.3, ID.7 and the Touareg from the Volkswagen Passenger Cars brand, the Audi Q8 e-tron and the Porsche Cayenne were among the models that were successfully introduced to the market as new or successor models. The Volkswagen Group's share of the passenger car market in Western Europe increased to 24.5 (23.3)%.

In the Central and Eastern Europe region, the number of vehicles handed over to customers in 2023 was up 13.3% year-on-year. The market as a whole recorded strong volume growth at the same time. Demand developed encouragingly for a number of models, including the Taigo from Volkswagen Passenger Cars, as well as for the Škoda Octavia and Škoda Kamiq. The Volkswagen Group's share of the passenger car market in the Central and Eastern Europe region declined to 19.4 (21.5)%.

WORLDWIDE DELIVERIES OF THE MOST SUCCESSFUL GROUP MODEL RANGES IN 2023

Vehicles in thousands

In Türkiye, where the overall passenger car market expanded very strongly, the Volkswagen Group delivered 61.6% more vehicles to customers in the past fiscal year than in 2022. The Polo from Volkswagen Passenger Cars was the most sought-after Group model. In the South African market, the number of Group models sold decreased by 3.2%, while the overall market likewise narrowed slightly. The Polo from the Volkswagen Passenger Cars brand was also the most sought-after Group model in this region.

Deliveries in Germany

In Germany, the number of vehicles delivered to Volkswagen Group customers in an overall market registering noticeable growth was up 14.4% in 2023 on the weak prior-year period, which had suffered in particular from the limited availability of Group models attributable to the continued shortage of semiconductors, and from the Russia-Ukraine conflict. Parts supply shortages continued to have an adverse effect in the reporting year. In addition, disruptions in logistics chains had a negative effect; however, this effect diminished in the course of the year.

The Group models with the highest sales volume were the T-Roc, Golf, Passat and Tiguan from the Volkswagen Passenger Cars brand. In addition, models such as the ID.4 and ID.5 from Volkswagen Passenger Cars, Škoda's Octavia Combi and Enyaq iV, SEAT's Arona, the CUPRA Born and CUPRA Leon, the ID. Buzz from Volkswagen Commercial Vehicles, and the A4 Avant, Q2, Q4 e-tron and A1 Sportback from the Audi brand all saw encouraging demand. 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, Multivan/Transporter and Porsche 911. The Golf was again the most popular passenger car in Germany in terms of registrations in 2023.

Deliveries in North America

In the reporting year, the number of Volkswagen Group models delivered to customers in North America increased by 18.4% year-on-year in an overall market experiencing significant growth. The share of all-electric vehicles in the Group's total deliveries rose to 8.5 (5.9)% in this region. The Tiguan Allspace and Taos from Volkswagen Passenger Cars were the most sought-after Group models in North America, along with the Audi Q5. The Atlas from Volkswagen Passenger Cars, the Audi Q8 e-tron and the Porsche Cayenne were among the successor models that were successfully launched on the market during the reporting year. The Group's share of the market in this region amounted to 4.8 (4.6)%.

In fiscal year 2023, the Volkswagen Group delivered 13.3% more vehicles to customers in the significantly expanding US market than in the previous year, in which parts supply shortages in particular had likewise had an adverse effect. The Group models to record the greatest increases in absolute terms included the ID.4 from Volkswagen Passenger Cars as well as the Audi Q5 and the Audi Q7. In addition, the Atlas from Volkswagen Passenger Cars, the Audi Q4 e-tron and the Porsche Macan, among others, performed encouragingly. The volume of all-electric vehicles delivered in the United States went up by 60.8% year-on-year to 71,041 units.

In Canada, the number of vehicles delivered to Volkswagen Group customers was up 28.1% in the reporting year compared with 2022. The market as a whole recorded significant growth at the same time. The Group models with the highest volume of demand were the Tiguan Allspace and the Taos from the Volkswagen Passenger Cars brand, along with the Audi Q5.

In Mexico, where the market as a whole saw strong growth, we sold 37.3% more vehicles to customers in the past fiscal year than in 2022. Demand developed encouragingly for, among others, the Taos, Virtus and Jetta from Volkswagen Passenger Cars.

Deliveries in South America

In the South American market for passenger cars and light commercial vehicles, which was slightly higher than in the previous year, the number of Group models handed over to customers in 2023 was up 17.2% on the prior-year figure. The Polo, T-Cross and Nivus from Volkswagen Passenger Cars were the Group models with the highest sales volumes. The new Polo Track was successfully introduced to the market in the reporting year. The Group's share of the market in South America rose to 12.6 (11.1)%.

In the Brazilian market, which performed significantly better than in the previous year, the Volkswagen Group delivered 28.4% more vehicles to customers in the reporting year. The development of the sales of the Polo, Saveiro and Virtus models from Volkswagen Passenger Cars was particularly encouraging.

In Argentina, the number of Volkswagen Group vehicles handed over to customers in 2023 increased by 20.0% year-on-year in an overall market exhibiting significant 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 rise by 2.3% compared with 2022 in a market that experienced noticeable growth overall. The Group's share of the passenger car market in this region amounted to 9.9 (10.3)%.

In China, the overall market volume likewise recorded noticeable growth compared with the previous year, in which parts supply shortages, in particular of semiconductors, and local lockdowns intended to curb the spread of the SARS-CoV-2 virus had an adverse effect. The Volkswagen Group delivered 1.6% more vehicles to customers there than in 2022. In addition to parts supply shortages, the increasing intensity of competition, especially for electrified vehicles, had a negative impact in the reporting year. The number of all-electric vehicles delivered to customers in China was 23.2% higher year-on-year at 191,781 units. Their share of the Group's total deliveries in China rose to 5.9 (4.9)%. The Group models with the highest sales volume were the Lavida, Sagitar, Passat and Magotan from Volkswagen Passenger Cars and the Audi A6. In addition, the Tiguan Allspace, Tyron, ID.3 and Tavendor from Volkswagen Passenger Cars and the Q4 e-tron, A7 saloon, Q7, Q5 e-tron and Q6 from Audi saw an encouraging increase in demand. The Tharu, T-Roc, Lavida XR and ID.7 VIZZION from Volkswagen Passenger Cars, the Audi Q3 and the Porsche Cayenne, among others, were introduced to the market as new or successor models in the reporting year.

In the Indian passenger car market, which registered noticeable growth, the Volkswagen Group recorded a 4.0% year-on-year increase in demand in fiscal year 2023. The Taigun from the Volkswagen Passenger Cars brand as well as the Kushaq from Škoda were the most sought-after Group models there. In addition, the Virtus from Volkswagen Passenger Cars and the Kodiaq from Škoda, which were introduced to the market as new or successor models during the previous year, saw encouraging development in demand.

In Japan, the number of Group vehicles delivered to customers in 2023 was up 7.4% year-on-year in an overall market that performed significantly better than in the previous year. The Group models with the highest sales volume were the T-Roc, the Golf and the T-Cross from the Volkswagen Passenger Cars brand.

PASSENGER CAR DELIVERIES TO CUSTOMERS BY MARKET[1]

	DELIVERIES (UNITS)		CHANGE
	2023	2022	(%)
Europe/Other Markets	**3,953,397**	**3,297,388**	**+19.9**
Western Europe	**3,141,434**	**2,615,863**	**+20.1**
of which: Germany	1,141,418	998,000	+14.4
France	263,643	211,430	+24.7
United Kingdom	489,088	377,449	+29.6
Italy	269,479	223,864	+20.4
Spain	232,483	192,310	+20.9
Central and Eastern Europe	**474,357**	**418,513**	**+13.3**
of which: Czech Republic	123,471	103,223	+19.6
Russia	3,504	41,864	–91.6
Poland	140,518	112,389	+25.0
Other Markets	**337,606**	**263,012**	**+28.4**
of which: Türkiye	166,001	102,735	+61.6
South Africa	69,150	71,437	–3.2
North America	**899,652**	**759,791**	**+18.4**
of which: USA	639,622	564,705	+13.3
Canada	110,019	85,860	+28.1
Mexico	150,011	109,226	+37.3
South America	**465,842**	**397,539**	**+17.2**
of which: Brazil	356,682	277,806	+28.4
Argentina	57,931	48,263	+20.0
Asia-Pacific	**3,582,447**	**3,502,556**	**+2.3**
of which: China	3,233,933	3,182,428	+1.6
India	101,553	97,610	+4.0
Japan	65,635	61,112	+7.4
Worldwide	**8,901,338**	**7,957,274**	**+11.9**
Volkswagen Passenger Cars	4,866,803	4,563,327	+6.7
Škoda	866,820	731,262	+18.5
SEAT	519,176	385,591	+34.6
Volkswagen Commercial Vehicles	409,406	328,572	+24.6
Audi	1,895,240	1,614,231	+17.4
Lamborghini	10,112	9,233	+9.5
Bentley	13,560	15,174	–10.6
Porsche	320,221	309,884	+3.3

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

COMMERCIAL VEHICLE DELIVERIES

In fiscal year 2023, the Volkswagen Group delivered +10.7% more commercial vehicles to customers worldwide than in the previous year. We handed over a total of 338,174 commercial vehicles to customers. Trucks accounted for 281,280 units (+10.6%) and buses for 30,267 (+2.2%). Deliveries of the MAN TGE van series saw a strong increase compared with the prior-year period, rising to 26,627 (+23.4%) vehicles. Due to the very high order backlog, a further stabilization of supply chains and higher production volume, the deliveries increased significantly in the reporting year.

In the 27 EU states excluding Malta, but including the United Kingdom, Norway and Switzerland (EU27+3) sales in the reporting year were up by 34.8% on the same period of the previous year and amounted to a total of 155,726 units, of which 123,525 were trucks and 6,308 were buses. Here, the MAN brand delivered 25,893 vehicles from the MAN TGE van series.

In fiscal year 2023, deliveries in Türkiye were much stronger than in the previous year, at 5,737 (4,413) vehicles. Trucks accounted for 5,126 units and buses for 292 units, while 319 vehicles from the MAN TGE van series were sold. In South Africa, deliveries of Volkswagen Group commercial vehicles increased by 32.9% year-on-year to a total of 4,891 units; of this figure 4,407 were trucks and 484 were buses.

Sales in North America rose to 93,430 (82,828) vehicles in the reporting year; this included 78,277 trucks and 15,153 buses.

Deliveries in South America decreased to a total of 52,330 vehicles (–31.3%) in 2023, of which 46,083 were trucks and 6,247 were buses. Due to the introduction of a new emissions standard at the beginning of 2023, sales in Brazil, the biggest market in this region, were down by 30.3% in the reporting year, falling to 41,578 units. Of the units delivered, 36,671 were trucks and 4,907 were buses.

In the Asia-Pacific region, the Volkswagen Group sold 12,057 vehicles in the reporting year, including 11,077 trucks and 937 buses. Overall, this was 5.4% more than in the previous year.

COMMERCIAL VEHICLE DELIVERIES TO CUSTOMERS BY MARKET[1]

	DELIVERIES (UNITS)		CHANGE
	2023	2022	(%)
Europe/Other Markets	**180,357**	**135,063**	**+33.5**
of which: EU27+3	155,726	115,535	+34.8
of which: Germany	43,711	31,642	+38.1
Türkiye	5,737	4,413	+30.0
South Africa	4,891	3,681	+32.9
North America	**93,430**	**82,828**	**+12.8**
of which: USA	73,473	66,403	+10.6
Mexico	14,478	11,131	+30.1
South America	**52,330**	**76,152**	**–31.3**
of which: Brazil	41,578	59,630	–30.3
Asia-Pacific	**12,057**	**11,444**	**+5.4**
Worldwide	**338,174**	**305,487**	**+10.7**
Scania	96,568	85,232	+13.3
MAN	115,653	84,372	+37.1
Navistar	88,880	81,892	+8.5
Volkswagen Truck & Bus	37,073	53,991	–31.3

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

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 2023, 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

Orders received in Western Europe in the reporting year were down 15.7% on the 2022 level. Demand for models with combustion engine or plug-in hybrid drivetrains performed somewhat better by comparison – in some markets such as the United Kingdom and Spain, orders increased year-on-year. For battery-electric vehicles by contrast, there was a stronger decrease in orders for battery-electric vehicles than in the prior year. The buyer reluctance seen across the industry, partly due to worsening underlying economic conditions and the expiry of state subsidies, contributed to lower demand in key markets.

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 21% year-on-year to 264,798 vehicles in 2023. Prevailing uncertainty about economic development and more difficult financing conditions led to a normalization of demand, particularly in Europe. In North America, incoming orders were down sharply on the previous year, due mainly to continuing restrictive order acceptance caused by the very high order backlog. Incoming orders in South America were strongly below the prior-year figure as a result of pull-forward effects in connection with the introduction of a new emissions standard in Brazil at the beginning of 2023. The MAN TGE van series segment likewise recorded a significant downturn.

Order intake in the bus business recorded a noticeable decrease year-on-year. A noticeably higher order intake was recorded in the EU27+3 region. This is attributable, among other things, to the continued slow recovery in the coach market. In contrast, incoming orders in South America were sharply below the previous year's figures.

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 2023 amounted to €5.0 (4.3) billion. Engines & Marine Systems and Turbomachinery generated more than three quarters of the order volume in a persistently difficult market environment.

In the marine business, for example, twelve 32/44CR engines and twenty-four 175D engines were ordered for six ships in 2023. In the power plant business, orders were secured for 81 engines and component sets for 22 completely knocked down engines of different types with an aggregate output of 1,409 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 the Netherlands and a large-scale heat pump for Denmark. A further order was also placed for compression of hydrogen from electrolysis installations for use in industrial processes. We also recorded successes for remote-controlled machinery trains in the North Sea equipped with digital packages and a major order for eleven compressors on a floating oil and gas production facility.

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, Navistar and Porsche Holding Salzburg and also extends to the contracts concluded by our international joint ventures.

The Financial Services Division's products and services were popular in fiscal year 2023. However, limited vehicle availability caused by parts supply shortages and disruptions in logistics chains weighed on demand. The number of new financing, leasing, service and insurance contracts signed worldwide increased by 11.3% to 9.5 million. The ratio of leased and financed vehicles to Group deliveries (penetration rate) in the Financial Services Division's markets stood at 32.8% in the reporting year, on a level with the previous year. The total number of contracts stood at 24.6 (24.5) million on December 31, 2023.

At 6.9 million, the number of new contracts signed was up 12.0% on the previous year's figure in the Europe/ Other Markets region even though the financial services business was impacted by limited vehicle availability in 2023. The total number of contracts at the end of the reporting year was 18.4 (18.1) million, putting it on a level with the figure for December 31, 2022. The customer financing/leasing area was responsible for 7.1 (7.2) million of these contracts.

The number of new contracts signed in North America in 2023 increased to 1.0 (0.8) million. At 2.9 (3.0) million, the number of contracts as of December 31, 2023 was on a level with the end of the previous year. The customer financing/leasing area recorded 1.6 (1.7) million contracts.

In the South America region, 543 (360) thousand new contracts were concluded in the reporting year. Compared with December 31, 2022, the total number of contracts at the end of the reporting year rose to 933 (828) thousand. Existing contracts mainly related to the customer financing/leasing area.

The number of new contracts signed in the Asia-Pacific region in 2023 declined to 1.0 (1.2) million, falling short of the comparative prior-year figure. At the end of December 2023, the total number of contracts stood at 2.4 (2.6) million. The customer financing/leasing area was responsible for 1.5 (1.6) million of these contracts.

SALES TO THE DEALER ORGANIZATION

The Volkswagen Group's unit sales to the dealer organization increased in the reporting year by 10.4% to 9,362,441 units (including the equity-accounted companies in China). The prior-year figure had been impacted in particular by the limited vehicle availability due to bottlenecks in the supply of parts caused by the shortage of semiconductors and the Russia-Ukraine conflict. Persistent parts supply shortages had a negative effect in the reporting year and disruption in the global logistics chains also led to delays, though these eased as the year progressed. Unit sales outside Germany rose by 9.5% to 8,184,399 vehicles. Growth was seen above all in the United States, the United Kingdom and Türkiye, while fewer vehicles were sold in China. Unit sales in Germany increased by 17.2% year-on-year. The proportion of the Group's total unit sales attributable to Germany increased to 12.6 (11.9)%.

The Tiguan, Polo, Passat, Jetta, T-Roc, Golf 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 Polo, ID.3, Jetta and Passat models from the Volkswagen Passenger Cars brand, the Q4 e-tron, A6 and Q5 from Audi, the SEAT Leon and the Škoda Octavia. The Porsche 911 and the ID. Buzz also achieved a strong growth rate.

PRODUCTION

The Volkswagen Group produced 9,309,273 vehicles (including the equity-accounted companies in China) in the period from January to December 2023, 6.8% more than in the comparative prior-year period, which had seen production being halted due to the disruption of supply chains caused by the Russia-Ukraine conflict and the Covid-19 pandemic. Parts supply shortages impacted production in fiscal year 2023. Production in Germany increased by 16.2% to 1,914,368 vehicles. The proportion of the Group's total production accounted for by Germany increased to 20.6 (18.9)%.

INVENTORIES

Global inventories of new vehicles at Group companies and in the dealer organization were higher at the end of the reporting year than at year-end 2022. The effect of disruption in the logistics chains continued to have a negative impact in the reporting year which eased as the year progressed.

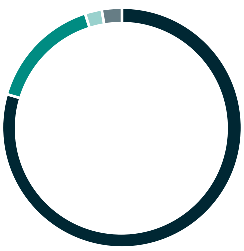
EMPLOYEES

Including the Chinese joint ventures, the Volkswagen Group employed an average of 678,825 people in fiscal year 2023, an increase of 1.4% year-on-year. In Germany, we employed 296,134 people on average; at 43.6 (43.3)%, their share of the total headcount was on a level with the previous year.

The number of active employees in the Volkswagen Group rose by 1.2% to 654,359 as of December 31, 2023. In addition, 12,585 employees were in the passive phase of their partial retirement and 17,081 young people were in vocational traineeships. At the end of the reporting year, the Volkswagen Group had a total of 684,025 employees worldwide. This represented an increase of 1.2% since the end of 2022. The workforce in Germany rose to 298,687 people (+1.6%) and the workforce outside Germany – including the sale of OOO Volkswagen Group Rus, Kaluga/Russia – increased to 385,338 (+0.9%).

EMPLOYEES BY DIVISION/BUSINESS AREA

as of December 31, 2023



Passenger Cars	543,745
Commercial Vehicles	106,250
Power Engineering	15,478
Financial Services	18,552

Shares and Bonds

The intensifying competition in the automotive sector with increasingly aggressive pricing, particularly in China, put pressure on the price of Volkswagen AG's ordinary and preferred shares in the reporting year.

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

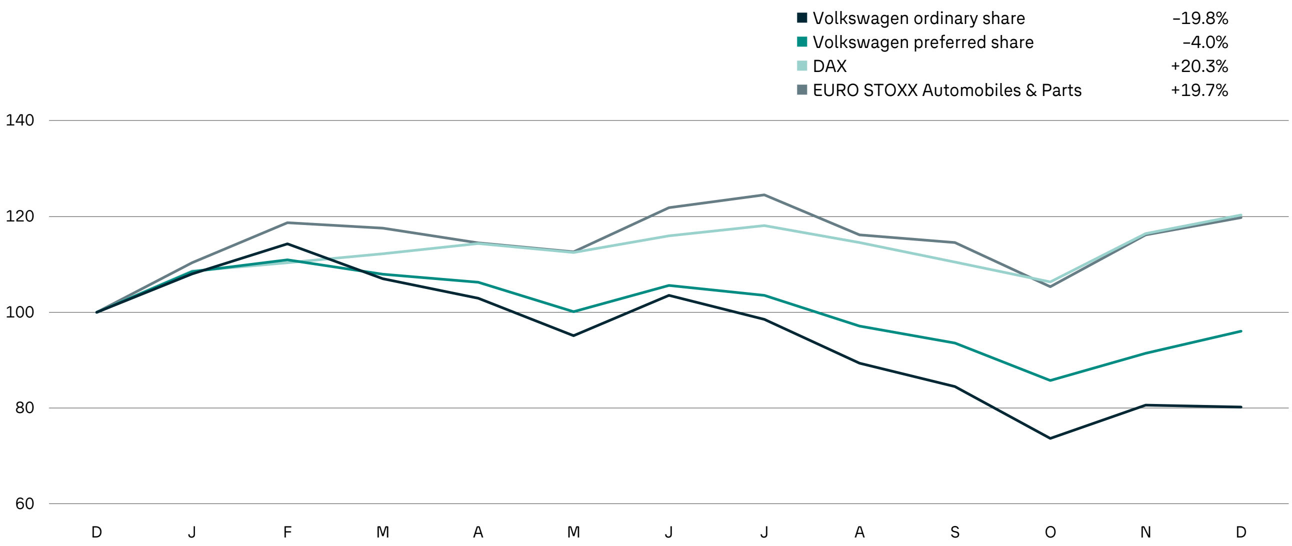
In fiscal year 2023, thanks to positive economic data, the international stock markets initially continued the upward trend that they had begun in October 2022 and recorded significant gains. Over time, however, hopes that national central banks would ease back on the pace of interest rate increases changed to growing concerns about further hikes to rein in persistently high inflation. What is more, the crisis in the international banking sector triggered by the higher interest rates deeply unsettled the financial markets, a situation that was exacerbated among other things by the debt ceiling debates in the United States. Encouraging economic and corporate data initially bolstered the stock markets as the year progressed, before prices came under pressure again. By the end of the reporting year, prices had recovered once more in anticipation of interest rate cuts in the year 2024.

The German stock market index (DAX) got off to a tremendous start in 2023, initially recording significant gains over the 2022 year-end closing price. Sentiment brightened on the back of falling energy prices, expectations of declining inflation rates and improved leading economic indicators. However, in the months that followed, stock prices were hit by continued interest rate hikes on the part of the European Central Bank in light of continued high inflationary pressure. The DAX transitioned into sideways movement. As the year went on, the turbulence at several international banks triggered by rising interest rates and the US debt ceiling dispute had an adverse effect on share prices. This was compounded by economic woes caused among other things by the muted economic data coming from China. Supported by receding inflation and speculation about interest rate cuts, market sentiment improved in the last trading weeks of the reporting year, with the DAX rising to a new record high in mid-December and ending 2023 up 20.3% on the previous year's level.

The prices of Volkswagen AG's preferred and ordinary shares initially developed very positively at the beginning of the reporting year. The sound results for the 2022 fiscal year published at the beginning of March 2023, the dividend proposed for 2022 and a favorable outlook for 2023 caused a temporary rally. The investment plans announced when the annual report was presented were received critically by the capital markets due to the high level of capital required for the transformation of the company. The intensifying competition in the automotive sector likewise acted as a damper on the share price. Price cuts by competitors, especially for electric vehicles, and concerns about increasingly aggressive pricing generated further uncertainty among investors. Declining market shares in China combined with the assessment by market participants regarding the Group's high dependence on developments in this country also weighed on the share price. Expectations of falling margins in the automotive industry and lower demand for electric vehicles, which led to stiffer competition,

PRICE DEVELOPMENT FROM DECEMBER 2022 TO DECEMBER 2023

Index based on month-end prices: December 31, 2022 = 100



initially pushed down prices further. Buoyed by a positive overall market environment, the shares then regained some ground before stabilizing at a low level in the last trading weeks of the year. The 2023 year-end closing price was down 4.0% for the preferred share and 19.8% for the ordinary share compared with the prior-year figure. Assuming that the regular dividend (before deduction of taxes) was reinvested in Volkswagen shares at the time of distribution, the total return on the preferred shares was +3.1% and the total return on the ordinary shares was –15.1%. The return on the preferred shares was therefore lower than that of the benchmark indices, DAX and EURO STOXX Automobiles & Parts.

VOLKSWAGEN SHARE KEY FIGURES AND MARKET INDICES FROM JANUARY 1 TO DECEMBER 31, 2023

		High	Low	Closing
Ordinary share	Price (€)	181.65	106.40	118.45
	Date	Mar. 3	Oct. 27	Dec. 29
Preferred share	Price (€)	142.20	99.14	111.80
	Date	Mar. 3	Oct. 30	Dec. 29
DAX	Price	16,794	14,069	16,752
	Date	Dec. 11	Jan. 2	Dec. 29
EURO STOXX Automobiles & Parts	Price	634	522	606
	Date	Jul. 28	Jan. 2	Dec. 29

CAPITAL MARKETS DAY

At the Capital Markets Day held in June 2023, the Volkswagen Group presented the Group's newly focused strategic alignment to the over 200 international financial analysts, institutional investors and representatives of rating agencies and banks in attendance. Its core element is a new leadership model based on customer orientation, entrepreneurship and team spirit. The "value over volume" principle thereby prioritizes sustainable value creation over volume growth. The shift in focus will give the brand groups a new steering model and sharpen brand positioning and the product range. Responsibility for return targets has been transferred to the brands, which will each implement an earnings improvement program to shore up profitability and cash flows and reduce capital intensity. The Group will reposition the "Architecture", "Software", "Battery, Charging & Energy" and "Volkswagen Group Mobility" technology platforms so that their economies of scale can be leveraged for the strengthened brands. Regionally, the Group is focusing its investments on the world's most attractive profit pools. In this context, the refined strategies for the important growth markets of China and North America were also presented. In addition, Volkswagen has updated its medium-term and strategic financial targets. Along with the presentations and discussions with the members of the Group Board of Management, visitors to the Capital Markets Day had the chance to experience the Group's vehicles and technologies for themselves. The Volkswagen Group also gave the general public the opportunity to follow the event online via a live webcast, with some 16,000 internal and external viewers watching the presentations live.

Capital Markets Day was the start of deeper dialogue with the capital markets. Further events are planned for the coming years at which investors and analysts will be briefed in detail on the strategies for the brand groups, technology areas and regional strategies.

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 €9.00 per ordinary share and €9.06 per preferred share for fiscal year 2023. On this basis, the total dividend amounts to €4.5 (4.4) billion. The payout ratio is based on the Group's earnings after tax attributable to Volkswagen AG shareholders. This amounts to 28.3% for the reporting year and stood at 29.4% for the previous year; the special dividend due to the IPO of Porsche AG is not included in either of these figures. We strive to achieve a payout ratio of at least 30%.

DIVIDEND YIELD

Based on the dividend proposal for the reporting year, the dividend yield on Volkswagen ordinary shares is 7.6 (5.9)%, measured by the closing price on the last trading day in 2023. The dividend yield on preferred shares is 8.1 (7.5)%.

EARNINGS PER SHARE

Basic earnings per ordinary share were €31.92 (29.66) in fiscal year 2023. Basic earnings per preferred share were €31.98 (29.72). In accordance with IAS 33, the calculation is based on the weighted average number of ordinary and preferred shares outstanding in the reporting year. Since the number of basic and diluted shares is identical, basic earnings per share correspond to diluted earnings per share.

See also "Earnings per share" in the notes to the 2023 consolidated financial statements for the calculation of earnings per share.

SHAREHOLDER STRUCTURE AS OF DECEMBER 31, 2023

At the end of the reporting year, Volkswagen AG's subscribed capital amounted to €1,283,315,873.28. The chart below shows the shareholder structure of Volkswagen AG as of December 31, 2023.

SHAREHOLDER STRUCTURE AS OF DECEMBER 31, 2023

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 www.volkswagen-group.com/distribution-of-voting-rights.

VOLKSWAGEN SHARE DATA

	Ordinary share	Preferred share
ISIN	DE0007664005	DE0007664039
WKN	766400	766403
Deutsche Börse/Bloomberg	VOW	VOW3
Reuters	VOWG.DE	VOWG_p.DE
Primary market indices	CDAX, Prime All Share, 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		2023	2022	2021	2020	2019
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	€	9.00	8.70	7.50	4.80	4.80
per preferred share	€	9.06	8.76	7.56	4.86	4.86
Dividend paid[1]	€ million	4,524	4,374	3,772	2,419	2,419
on ordinary shares	€ million	2,656	2,567	2,213	1,416	1,416
on preferred shares	€ million	1,868	1,806	1,559	1,002	1,002

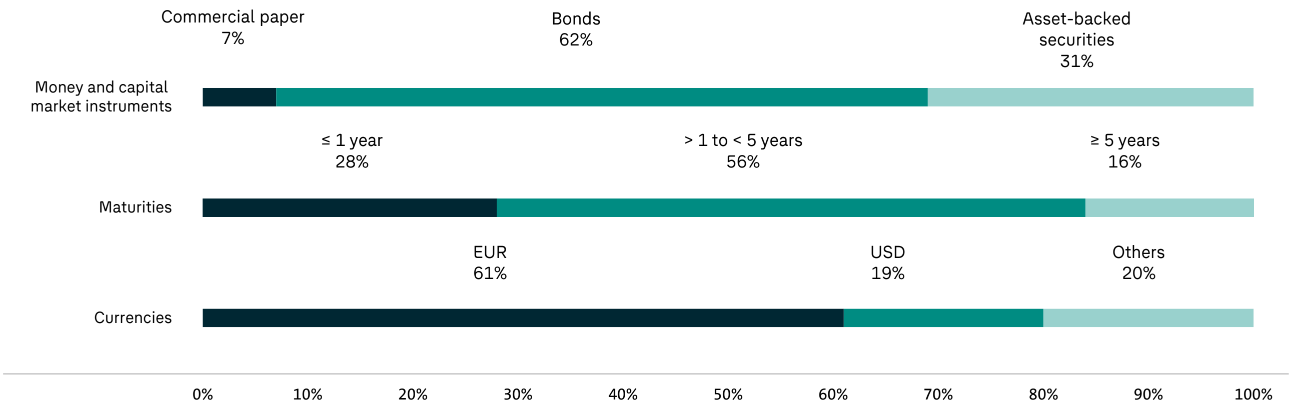
Share price development[2]		2023	2022[3]	2021	2020	2019
Ordinary share						
Closing	€	118.45	147.65	258.40	170.10	173.25
Price performance	%	–19.8	–42.9	+51.9	–1.8	+24.6
Annual high	€	181.65	279.40	327.20	183.10	182.50
Annual low	€	106.40	145.00	165.70	101.50	135.60
Preferred share						
Closing	€	111.80	116.42	177.48	152.42	176.24
Price performance	%	–4.0	–34.4	+16.4	–13.5	+26.9
Annual high	€	142.20	193.10	246.55	185.52	184.24
Annual low	€	99.14	114.88	144.80	87.20	134.76
Beta factor[4]	factor	1.13	1.15	1.16	1.26	1.17
Market capitalization at Dec. 31	€ billion	58.0	67.6	112.8	81.6	87.5
Equity attributable to Volkswagen AG shareholders and hybrid capital investors at Dec. 31	€ billion	175.7	165.4	144.4	127.0	121.8
Ratio of market capitalization to equity	factor	0.33	0.41	0.78	0.64	0.72

Key figures per share		2023	2022[3]	2021	2020	2019
Earnings per ordinary share[5]						
basic	€	31.92	29.66	29.59	16.60	26.60
diluted	€	31.92	29.66	29.59	16.60	26.60
Equity attributable to Volkswagen AG shareholders and hybrid capital investors at Dec. 31	€	350.48	329.90	288.15	253.44	242.93
Price/earnings ratio[6]						
Ordinary share	factor	3.7	5.0	8.7	10.2	6.5
Preferred share	factor	3.5	3.9	6.0	9.1	6.6
Dividend yield[7]						
Ordinary share	%	7.6	5.9	2.9	2.8	2.8
Preferred share	%	8.1	7.5	4.3	3.2	2.8

Stock exchange turnover[8]		2023	2022	2021	2020	2019
Turnover of Volkswagen ordinary shares	€ billion	1.4	2.7	6.1	3.1	3.3
	million shares	10.2	13.5	23.3	21.6	20.9
Turnover of Volkswagen preferred shares	€ billion	31.4	44.9	58.8	49.8	41.0
	million shares	263.2	302.2	300.4	361.2	266.0
Volkswagen share of total DAX turnover	%	4.1	4.7	6.6	4.7	4.6

1 Figures for the years 2019 to 2022 relate to dividends paid in the following year. For 2021, the figures exclude the special dividend due to the IPO of Porsche AG. For 2023, the figures relate to the proposed dividend.
2 Xetra prices.
3 Prior-year figures adjusted (see disclosures on IFRS 17).
4 For the calculation see chapter "Results of Operations, Financial Position and Net Assets" of this annual report, prior-year figures adjusted.
5 For the calculation see "Earnings per share" in the notes to the consolidated financial statements.
6 Ratio of year-end-closing price to earnings per share.
7 Dividend per share based on the year-end-closing price.
8 Order book turnover on the Xetra electronic trading platform (*Deutsche Börse*).

REFINANCING STRUCTURE OF THE VOLKSWAGEN GROUP
as of December 31, 2023



REFINANCING

The Volkswagen Group further diversified its refinancing activities in 2023 and carried out several successful transactions in the international capital markets amid a challenging market environment.

With the growing electrification of the vehicle portfolio, sustainable financial instruments are an increasing focus of the refinancing strategy. In March 2023, Volkswagen International Finance N.V. placed two green bonds with a total volume of €1.75 billion. In August 2023, the company successfully issued its first green hybrid notes with a total principal amount of €1.75 billion after duly calling a hybrid note with a principal amount of €750 million to be redeemed as of September 4, 2023. These green bonds are based on the Volkswagen Group's Green Finance Framework presented in November 2022. This allows the Company to refinance capital expenditures that are aligned with the EU Taxonomy, whereby Volkswagen will limit itself to all-electric vehicles. Volkswagen Financial Services AG also published its first Green Finance Framework in August 2023, which is to be used exclusively for refinancing financial products for all-electric vehicles. In September 2023, Volkswagen Leasing GmbH placed its first green bonds on the capital market with a total volume of €2.0 billion.

In the US capital market, Volkswagen Group of America Finance, LLC placed bonds with a total volume of USD 5.65 billion in September and November 2023. Notes with a volume of CAD 750 million were issued in the Canadian refinancing market.

The Volkswagen Group was active locally on the Chinese capital market for the first time through Volkswagen International Finance N.V. and issued what is known as a Panda bond worth CNY 1.5 billion in September 2023.

In May and November 2023, TRATON Finance Luxembourg S.A., an indirect subsidiary of TRATON SE, issued bonds in three tranches with a total volume of €1.75 billion.

In addition to this, the Volkswagen Group issued private placements in various currencies.

As well as the green bonds, official euro benchmark bonds were issued for a further €2.0 billion for the Financial Services Division. Securities were also 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 the United Kingdom, Australia, Japan and Brazil.

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 2.5 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, 2023 and illustrates the financial flexibility of the Volkswagen Group:

Financial instruments	Authorized volume € billion	Amount utilized on Dec. 31, 2023 € billion
Commercial paper	40.3	10.4
Bonds	192.4	98.6
of which hybrid issues		14.9
Asset-backed securities	104.3	48.2

Volkswagen AG's syndicated credit line of €10.0 billion agreed in December 2019 was unused at the end of 2023.

Of the syndicated credit lines with a total of €15.1 billion at other Group companies, €0.1 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 €6.2 billion, of which €0.3 billion was drawn down.

RATINGS

In November 2023, 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. The outlook for all companies remains unchanged at "stable". In September 2023, Standard & Poor's also issued a short-term rating of A–2 for TRATON SE. In November 2023, the short- and long-term ratings for TRATON SE were confirmed at A–2 and BBB respectively with a "stable" outlook.

In July and October 2023, 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 of Baa2 with an outlook of "stable" was confirmed in September 2023. TRATON SE was also given a short-term rating of P–2.

	VOLKSWAGEN AG		VOLKSWAGEN FINANCIAL SERVICES AG		VOLKSWAGEN BANK GMBH		TRATON SE	
	2023	2022	2023	2022	2023	2022	2023	2022
Standard & Poor's								
short-term	A–2	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	P–2	–
long-term	A3	A3	A3	A3	A1	A1	Baa2	Baa2
outlook	stable	stable	stable	stable	stable	stable	stable	stable

ESG RATINGS

Analysts and investors are referring increasingly to companies' sustainability profiles as well 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.

In fiscal year 2023, our ESG rating from ISS ESG improved from C to C+ compared with the previous year. In the Sustainalytics rating, the Volkswagen Group remained stable with a "medium risk" score. Volkswagen also retained its B rating from MSCI and kept its score of A– in the CDP Climate Rating in 2023. Volkswagen reported key information as part of the Water Disclosure Project (WDP) but did not undergo rating in 2023.

Results of Operations, Financial Position and Net Assets

Against the backdrop of a challenging market environment and intensifying competition in the automotive sector, the Volkswagen Group generated significantly higher sales revenue in the reporting year while maintaining its operating result at the same level as in the previous 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 covers 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 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 2023 BY SEGMENT

€ million	Passenger Cars and Light Commercial Vehicles	Commercial Vehicles	Power Engineering	Financial Services	Total segments	Reconciliation	Volkswagen Group
Sales revenue	245,680	45,731	4,044	54,128	349,584	–27,300	322,284
Segment profit or loss (operating result)	19,474	3,714	366	3,792	27,345	–4,769	22,576
as a percentage of sales revenue	7.9	8.1	9.0	7.0			7.0
Capex, including capitalized development costs	22,636	2,205	134	282	25,257	538	25,795

IFRS 17 – INSURANCE CONTRACTS

IFRS 17 specifies new accounting rules for insurance contracts. First-time application resulted in an insignificant change in equity as of January 1, 2023 and January 1, 2022, respectively. This is due primarily to the changed system for calculating provisions related to the insurance business. In addition, netting cash flows when measuring the provisions also led to a reduction of €0.7 billion each in assets and provisions related to the insurance business as of January 1, 2023. The change in the system for recognizing income and expenses has no material effect on the income statement. Prior-year figures have been adjusted accordingly.

SCOUT MOTORS INC.

Under the Volkswagen Group's North America strategy, Scout Motors Inc., Arlington, Virginia/USA, a wholly owned subsidiary of Volkswagen Finance Luxemburg, Strassen/Luxembourg, was established in fiscal year 2022. A new vehicle brand is to be created under the name of Scout to distribute electrified all-terrain vehicles and pickups in the USA from 2026. In order to finance the creation of the Scout brand, as well as vehicle development and production planning, an amount of around USD 493 million was contributed to the company in fiscal year 2023. The company has been included in the Volkswagen consolidated financial statements since January 1, 2023.

ACQUISITION OF SHARES IN XPENG INC.

On December 6, 2023, Volkswagen acquired 4.99% of the ordinary shares of the electric vehicle company XPeng Inc., Cayman Islands, (XPeng) at a purchase price totaling USD 706 million. The realization of a forward purchase transaction dating from July 26, 2023 resulted in a non-cash gain of €74.2 million in fiscal year 2023, which is recognized in the other financial result. Along with the agreement to acquire the shares, a technological framework agreement was signed with Guangdong Xiaopeng Motors Technology Co. Ltd., Guangzhou/China, a subsidiary of XPeng, for the joint development of electric vehicles in China, among other things. The equity investment in XPeng is measured at fair value through other comprehensive income.

HORIZON ROBOTICS INC.

On December 7, 2023, Volkswagen acquired preferred shares of Horizon Robotics Inc., Cayman Islands (Horizon Robotics), a leading provider of energy-efficient computing platforms for autonomous driving in China, from Horizon Robotics at a purchase price of USD 200 million and issued a convertible loan to Horizon Robotics in an amount of USD 800 million. Both investments are classified as debt instruments in the financial statements and measured at fair value through profit or loss. The measurement resulted in non-cash gains of €0.7 million in fiscal year 2023, which are recognized in the other financial result.

To promote the development of highly automated and autonomous driving in China, Volkswagen has also agreed the establishment of a joint venture with Horizon Robotics. On December 14, 2023, Volkswagen invested an amount of CNY 2 billion to this end in exchange for an interest of 60% in the new company, CARIZON (Beijing) Technology Company Limited, Beijing/China (CARIZON). In addition, Volkswagen has undertaken to make future capital contributions of up to CNY 8.4 billion to the joint venture.

SALE OF OOO VOLKSWAGEN GROUP RUS

On May 18, 2023, the Volkswagen Group completed the sale of its shares in OOO Volkswagen Group Rus (Volkswagen Group Rus), Kaluga/Russia, and that company's local subsidiaries (OOO Volkswagen Components and Services, Kaluga/Russia, OOO Scania Leasing, Moscow/Russia, OOO Scania Finance, Moscow/Russia, OOO Scania Insurance, Moscow/Russia) to OOO ART-FINANCE, Moscow/Russia, which is supported by the Russian dealer

AO Avilon Automotive Group, Moscow/Russia. On registration of the transaction on May 22, 2023, ownership of the shares in Volkswagen Group Rus was transferred from the seller to the buyer. The transaction comprises the production facilities in Kaluga, the importer structure of the Group brands Volkswagen Passenger Cars, Volkswagen Commercial Vehicles, Audi, Škoda, Bentley, Lamborghini and Ducati for potential after-sales business and the warehouse activities, as well as Scania's financial services activities, including all associated employees.

In this context, the Volkswagen Group had already made significant impairments in fiscal year 2022 and recognized appropriate provisions. The selling price amounted to €0.1 billion. The deconsolidation of the affected companies resulted in a loss of €0.4 billion in fiscal year 2023, which is reported in the other operating result. This result is split between the Automotive Division (€–0.4 billion) and the Financial Services Division (€0.1 billion). The loss is mainly attributable to the realization of currency translation effects of €–0.3 billion, which have been reclassified from the currency translation reserve to other operating expenses.

EQUITY INVESTMENTS HELD FOR SALE

The assets and liabilities held for sale of the Russian subsidiaries of Volkswagen Financial Services and Porsche, as well as those of MAN Energy Solutions in connection with the gas turbine business were recognized in accordance with IFRS 5 at the lower of their carrying amount and fair value less expected disposal costs.

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.

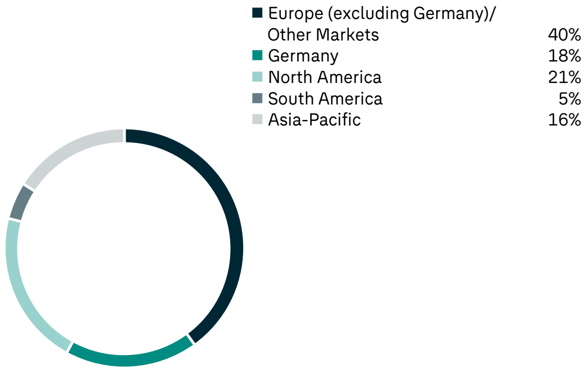
No material special items in connection with the diesel issue were recognized in fiscal year 2023.

INCOME STATEMENT BY DIVISION

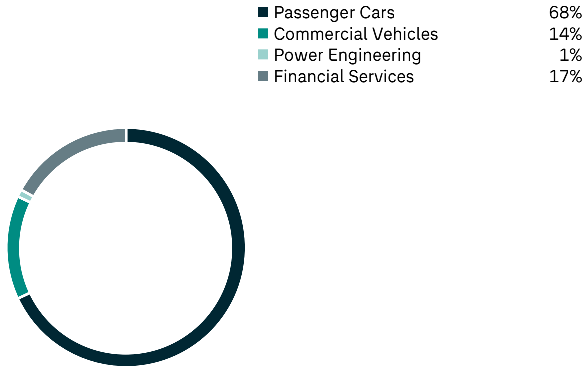
	VOLKSWAGEN GROUP		AUTOMOTIVE[1]		FINANCIAL SERVICES	
€ million	2023	2022[2]	2023	2022[2]	2023	2022[2]
Sales revenue	**322,284**	**279,050**	**268,156**	**232,392**	**54,128**	**46,657**
Cost of sales	-261,262	-226,866	-214,996	-189,572	-46,266	-37,294
Gross profit	**61,022**	**52,184**	**53,160**	**42,820**	**7,862**	**9,363**
Distribution expenses	-21,340	-19,840	-20,308	-18,794	-1,032	-1,046
Administrative expenses	-12,724	-11,655	-10,007	-9,074	-2,717	-2,582
Net other operating result	-4,382	1,421	-4,061	1,518	-321	-97
Operating result	**22,576**	**22,109**	**18,784**	**16,471**	**3,792**	**5,638**
Operating return on sales (%)	**7.0**	**7.9**	**7.0**	**7.1**	**7.0**	**12.1**
Share of profits and losses of equity-accounted investments	2,291	2,403	2,236	2,287	55	116
Interest result and Other financial result	-1,673	-2,442	-1,602	-2,283	-71	-159
Financial result	**618**	**-40**	**635**	**3**	**-17**	**-43**
Earnings before tax	**23,194**	**22,070**	**19,419**	**16,474**	**3,775**	**5,595**
Income tax expense	-5,266	-6,217	-4,182	-4,249	-1,084	-1,969
Earnings after tax	**17,928**	**15,852**	**15,236**	**12,226**	**2,692**	**3,627**
Noncontrolling interests	1,329	395	1,209	270	120	125
Earnings attributable to Volkswagen AG hybrid capital investors	586	576	586	576	0	0
Earnings attributable to Volkswagen AG shareholders	**16,013**	**14,881**	**13,442**	**11,380**	**2,572**	**3,502**

1 Including allocation of consolidation adjustments between the Automotive and Financial Services divisions.
2 Prior-year figures adjusted (see disclosures on IFRS 17).

SHARE OF SALES REVENUE BY MARKET 2023
in percent



SHARE OF SALES REVENUE BY DIVISION/ BUSINESS AREA 2023
in percent



RESULTS OF OPERATIONS

Results of operations of the Group

In the period from January to December 2023, the Volkswagen Group's sales revenue amounted to €322.3 billion, up 15.5% on the prior-year figure. This was mainly attributable to a rise in volume and beneficial changes in the price positioning and in the mix. These factors were offset by exchange rate effects. The prior-year period had been impacted to an even greater extent by limited vehicle availability due to parts supply shortages. The Volkswagen Group generated 81.5 (82.6)% of its sales revenue abroad. Gross profit increased by €8.8 billion to €61.0 billion. The gross margin was 18.9 (18.7)%.

In fiscal year 2023, the Volkswagen Group's operating result of €22.6 (22.1) billion was on a level with the previous year. The operating return on sales was 7.0 (7.9)%. In particular, higher vehicle sales and improved price positioning were set against a rise in product costs (in particular for commodities). The fair value measurement of derivatives to which hedge accounting is not applied (especially commodity hedges) had a negative effect of €–3.2 billion on the operating result in the period from January to December 2023; it had boosted the Group's earnings by €1.8 billion in the prior-year period, as had beneficial effects of €0.8 billion from derivatives in the Financial Services Division. The deconsolidation of Volkswagen Group Rus and its subsidiaries led to a loss of €0.4 billion in 2023. In the previous year, the result had been impacted mainly by expenses relating to loss allowances and risk provisions due to the direct impact of the Russia-Ukraine conflict and special items in connection with the diesel issue. The financial result increased by €0.7 billion to €0.6 billion. The share of the result of equity-accounted investments was slightly below that of the prior year. In the interest result, higher interest income was not sufficient to offset the rise in interest expenses resulting primarily from changes in the interest rates used to measure provisions. The other financial result was affected in the reporting year among other things by adverse exchange rate effects, especially as a result of the sharp depreciation of the Argentinian peso. This was set against lower non-cash expenses from adjustments to the carrying amounts of investees because of changes in share prices and impairment tests, and against positive net income from securities and funds. In the prior-year period, the impairment loss recognized on the equity investment in Argo AI and changes in share prices affecting net income from securities and funds, particularly as a result of the Russia-Ukraine conflict, had both had a negative impact.

The Volkswagen Group's earnings before tax were up €1.1 billion to €23.2 billion in fiscal year 2023. The return on sales before tax declined to 7.2 (7.9)%. Income taxes resulted in an expense of €5.3 (6.2) billion, which in turn led to a tax rate of 22.7 (28.2)%. Earnings after tax were noticeably up on the previous year, at €17.9 (15.9) billion.

Results of operations in the Automotive Division

The Automotive Division generated sales revenue of €268.2 (232.4) billion in the reporting year. Higher vehicle sales together with improvements in the price positioning and in the mix offset adverse exchange rate effects. In the prior-year period, the adverse impact had by parts supply shortages had been even stronger. Sales revenue in the Passenger Cars, Commercial Vehicles and Power Engineering Business Areas was significantly up on the respective prior-year values. As our Chinese joint ventures are accounted for using the equity method, the Group's business performance in the Chinese passenger car market is essentially reflected in the Group's sales revenue only through deliveries of vehicles and vehicle parts.

Cost of sales was up, primarily because of higher volumes, a rise in product costs (in particular for commodities), and an increase in research and development costs recognized in profit or loss; these changes were set against lower depreciation charges of around €1.4 billion following the reassessment and extension of the useful lives of certain items of property, plant and equipment. The ratio of cost of sales to sales revenue declined in the reporting year. Since research and development costs and sales revenue increased by similar percentages in the Automotive Division in the reporting year, their ratio to each other – the research and development ratio (R&D ratio) – was on a level with 2022 at 8.1 (8.1)%. The automotive investment ratio, which combines the R&D and capex ratios, amounted to 13.5 (13.6)% in fiscal year 2023.

In the period from January to December 2023, there was a year-on-year increase in distribution expenses due to factors such as higher logistics costs, as well as in administrative expenses; their respective share of sales revenue went down. The other operating result stood at €–4.1 (1.5) billion. Fiscal year 2023 was weighed down by adverse effects from the fair value measurement of derivatives to which hedge accounting is not applied, especially for commodities. These factors had had a positive impact in the prior-year period.

In the period from January to December 2023, the Automotive Division's operating result amounted to €18.8 billion, up €2.3 billion on the previous year. The rise is primarily attributable to a rise in vehicle sales and improvements in the price positioning. Effects from the measurement of derivatives to which hedge accounting is not applied, higher product costs, in particular for commodities, and negative exchange rate trends weighed on the operating result. The prior-year period had been marked by positive effects from the fair value measurement of derivatives to which hedge accounting is not applied and by expenses in connection with the Russia-Ukraine conflict. The operating return on sales stood at 7.0 (7.1)%. Our operating result largely benefits

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

€ million	2023	2022[1]
Passenger Cars		
Sales revenue	218,380	189,312
Operating result	14,704	14,603
Operating return on sales (%)	6.7	7.7
Commercial Vehicles		
Sales revenue	45,731	39,516
Operating result	3,714	1,588
Operating return on sales (%)	8.1	4.0
Power Engineering		
Sales revenue	4,044	3,565
Operating result	366	281
Operating return on sales (%)	9.0	7.9

1 Prior-year figures adjusted (see disclosures on IFRS 17).

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

In the period from January to December 2023, the Financial Services Division's sales revenue amounted to €54.1 billion, an increase of 16.0% over the prior-year figure. Compared with the previous year, cost of sales increased faster than sales revenue, driven in particular by a very strong rise in interest expenses and higher depreciation of the residual values of leased vehicles. As a result, gross profit went down by €1.5 billion to €7.9 billion.

The Financial Services Division's operating result of €3.8 (5.6) billion was down on the previous year. The decline was mainly the result of higher interest expenses. In addition, derivatives, which had had a beneficial effect in the previous year, had a negative impact in the reporting year. The prior year had been weighed down especially by expenses relating to loss allowances as a direct impact of the Russia-Ukraine conflict. The operating return on sales decreased to 7.0 (12.1)%. The return on equity before tax was 8.8 (14.1)%.

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 period from January to December 2023, the Volkswagen Group recorded gross cash flow of €48.5 (49.3) billion. The non-cash measurement effects in connection with hedging transactions, which are included in earnings, must be eliminated from the cash flow statement. Cash outflows of around €1.5 billion for tax payments relating to prior assessment periods had an adverse impact. The change in working capital amounted to €–29.1 (–20.8) billion, driven primarily by a higher increase in receivables and lease assets and a smaller rise in liabilities compared to the prior year. A smaller increase in inventories and higher other provisions had an offsetting effect. Cash outflows resulting from the diesel issue were lower than in 2022. Cash flows from operating activities went down by €9.1 billion to €19.4 billion in fiscal year 2023.

The Volkswagen Group's investing activities attributable to operating activities grew by €2.6 billion to €28.0 billion in the reporting year, mainly as a result of higher investments in capex and additions to capitalized development costs. In the previous year, this item had included the full portion of the purchase price payable by Volkswagen for the acquisition of Europcar, which was contributed to Green Mobility Holding and amounted to €1.7 billion.

The Volkswagen Group's financing activities produced a cash inflow of €16.0 (4.2) billion. Financing activities primarily include the issuance and redemption of bonds as well as changes in other financial liabilities. This also included the issuance of green hybrid notes with a total nominal value of €1.75 billion, which were successfully placed in August 2023. The redemption of the hybrid note of €0.75 billion called as of September 2023 reduced cash flows from financing activities accordingly. Financing activities also included cash inflows and outflows in connection with the IPO of Porsche AG completed in 2022 (primarily the payment of a special dividend to the shareholders of Volkswagen AG) and the dividend to the shareholders of Volkswagen AG; together, these amounted to around €11 billion. At the end of December 2023, the Volkswagen Group reported cash and cash equivalents of €43.5 (29.7) billion in its cash flow statement.

At the end of fiscal year 2023, the Volkswagen Group's net liquidity stood at €–147.4 billion, compared with €–125.8 billion on December 31, 2022.

Financial position of the Automotive Division

In the reporting year, the Automotive Division's gross cash flow was €35.8 billion, an earnings-related rise of €2.6 billion compared with the previous year. The non-cash measurement effects in connection with hedging transactions, which are included in earnings, must be eliminated from the cash flow statement. Cash outflows of around €1.5 billion for tax payments relating to prior assessment periods had an adverse impact. The change in working capital amounted to €2.1 (–3.3) billion. The year-on-year change was primarily attributable to a smaller rise in inventories and higher other provisions. These effects were set against a smaller increase in liabilities than in the previous year. As a consequence, cash flows from operating activities in an amount of €37.9 billion were 26.7% higher than in the previous year.

In the period from January to December 2023, investing activities attributable to operating activities amounting to €27.2 (25.1) billion were up on the prior-year figure. Within this figure, investments in property, plant and equipment, investment property and intangible assets, excluding capitalized development costs (capex) increased by €1.6 billion to €14.4 billion. The ratio of capex to sales revenue was 5.4 (5.5)%.

CASH FLOW STATEMENT BY DIVISION

	VOLKSWAGEN GROUP		AUTOMOTIVE[1]		FINANCIAL SERVICES	
€ million	2023	2022[2]	2023	2022[2]	2023	2022[2]
Cash and cash equivalents at beginning of period	**29,738**	**39,123**	**23,042**	**24,899**	**6,695**	**14,224**
Earnings before tax	23,194	22,070	19,419	16,474	3,775	5,595
Income taxes paid	-7,716	-4,416	-6,328	-3,562	-1,389	-854
Depreciation and amortization expense[3]	28,282	30,670	17,729	20,854	10,552	9,816
Change in pension provisions	262	898	251	857	11	41
Share of the result of equity-accounted investments	271	568	244	639	27	-71
Other non-cash income/expense and reclassifications[4]	4,161	-509	4,474	-2,086	-313	1,577
Gross cash flow	**48,453**	**49,280**	**35,789**	**33,177**	**12,665**	**16,104**
Change in working capital	**-29,097**	**-20,784**	**2,062**	**-3,312**	**-31,160**	**-17,472**
Change in inventories	-2,071	-8,385	-651	-8,262	-1,419	-123
Change in receivables	-4,361	-3,065	-1,250	-526	-3,111	-2,539
Change in liabilities	5,272	8,713	3,179	8,179	2,094	535
Change in other provisions	358	-3,042	236	-2,950	123	-92
Change in lease assets (excluding depreciation)	-14,964	-8,711	558	406	-15,522	-9,117
Change in financial services receivables	-13,332	-6,294	-8	-158	-13,324	-6,136
Cash flows from operating activities	**19,356**	**28,496**	**37,851**	**29,865**	**-18,495**	**-1,369**
Cash flows from investing activities attributable to operating activities	**-28,031**	**-25,454**	**-27,153**	**-25,058**	**-878**	**-396**
of which: investments in property, plant and equipment, investment property and intangible assets, excluding capitalized development costs (capex)	-14,653	-12,948	-14,371	-12,731	-282	-217
capitalized development costs	-11,142	-9,723	-11,142	-9,723	–	–
acquisition and disposal of equity investments	-2,738	-3,219	-2,115	-2,997	-622	-222
Net cash flow[5]	***-8,675***	***3,042***	***10,698***	***4,807***	***-19,373***	***-1,765***
Change in investments in securities and time deposits, as well as in loans	8,219	-16,368	9,512	-15,052	-1,293	-1,316
Cash flows from investing activities	**-19,812**	**-41,822**	**-17,641**	**-40,110**	**-2,171**	**-1,712**
Cash flows from financing activities	**16,008**	**4,225**	**-12,927**	**8,621**	**28,934**	**-4,396**
of which: capital transactions with noncontrolling interests	-8	16,198	-8	16,198	–	–
capital contributions/capital redemptions	1,003	-235	-2,919	-235	3,922	-0
Effect of exchange rate changes on cash and cash equivalents	-1,765	-285	-1,620	-233	-145	-52
Change of loss allowance within cash and cash equivalents	-2	1	-2	1	0	-0
Net change in cash and cash equivalents	**13,785**	**-9,385**	**5,661**	**-1,856**	**8,124**	**-7,529**
Cash and cash equivalents at Dec. 31[6]	**43,522**	**29,738**	**28,704**	**23,042**	**14,819**	**6,695**
Securities and time deposits, as well as loans	41,858	49,771	20,994	30,891	20,864	18,880
Gross liquidity	**85,380**	**79,509**	**49,698**	**53,934**	**35,683**	**25,575**
Total third-party borrowings	-232,813	-205,312	-9,409	-10,919	-223,404	-194,393
Net liquidity at Dec. 31[7]	**-147,433**	**-125,803**	**40,289**	**43,015**	**-187,722**	**-168,818**

1 Including allocation of consolidation adjustments between the Automotive and Financial Services divisions.
2 Prior-year figures adjusted (see disclosures on IFRS 17).
3 Net of impairment reversals.
4 These relate mainly to the fair value measurement of financial instruments and the reclassification of gains/losses on disposal of noncurrent assets and equity investments to investing activities.
5 Net cash flow: cash flows from operating activities, net of cash flows from investing activities attributable to operating activities (investing activities excluding change in investments in securities, time deposits and loans).
6 Cash and cash equivalents comprise cash at banks, checks, cash-in-hand and call deposits.
7 The total of cash, cash equivalents, securities and time deposits, as well as loans to affiliates and joint ventures net of third-party borrowings (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	2023	2022[1]
Passenger Cars		
Gross cash flow	30,102	28,753
Change in working capital	2,833	–457
Cash flows from operating activities	32,935	28,296
Cash flows from investing activities attributable to operating activities	–25,223	–23,060
Net cash flow	7,712	5,236
Commercial Vehicles		
Gross cash flow	5,214	4,079
Change in working capital	–682	–2,877
Cash flows from operating activities	4,532	1,201
Cash flows from investing activities attributable to operating activities	–1,800	–1,953
Net cash flow	2,732	–752
Power Engineering		
Gross cash flow	472	345
Change in working capital	–88	23
Cash flows from operating activities	384	368
Cash flows from investing activities attributable to operating activities	–130	–44
Net cash flow	254	323

1 Prior-year figures adjusted (see disclosures on IFRS 17).

A considerable portion of capex was above all allocated to our production facilities and to models that we launched in 2023 or are planning to launch in 2024. They relate to both new vehicles to expand our model range and product upgrades for established models. Other investment priorities include the electrification and digitalization of our products, technologies of the future and enhancements to the modular and all-electric toolkits and platforms. Additions to capitalized development costs rose by €1.4 billion to €11.1 billion in the reporting year. The "Acquisition and disposal of equity investments" item amounted to €–2.1 (–3.0) billion; it included primarily strategic investments in a variety of companies, in particular XPeng. In the previous year, this had included the full portion of the purchase price payable by Volkswagen for the acquisition of Europcar, which was contributed to Green Mobility Holding and amounted to €1.7 billion.

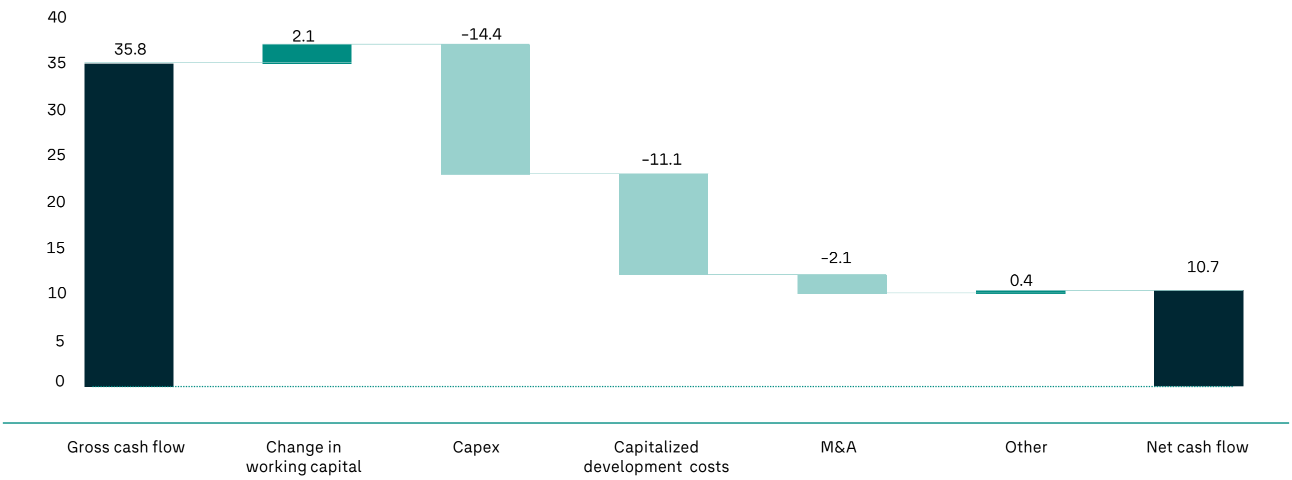
The Automotive Division's investing activities also include the convertible loan granted to Horizon Robotics.

In the period from January to December 2023, the Automotive Division's net cash flow of €10.7 billion was €5.9 billion up on the prior-year figure. The cash conversion rate, which is the ratio of the Automotive Division's net cash flow to operating result, stood at 57.0 (29.2)% at the end of 2023.

In fiscal year 2023, the Automotive Division's financing activities led to a cash outflow of €12.9 billion, compared with a cash inflow of €8.6 billion in the previous year. These mainly reflect the cash inflows and outflows in connection with the IPO of Porsche AG completed in the previous year (primarily the payment of a special dividend to the shareholders of Volkswagen AG) as well as the dividend distributed to the shareholders of Volkswagen AG from the appropriation of net profit for fiscal year 2022 and the redemption of the hybrid note called as of September 2023. A cash inflow was generated in fiscal year 2023 by the green hybrid notes with a total nominal value of €1.75 billion that were successfully placed via Volkswagen International Finance N.V. in August 2023. These notes comprise a €1.0 billion note with a coupon of 7.5%, which is noncallable for five years,

AUTOMOTIVE DIVISION NET CASH FLOW 2023

€ billion



and a €0.75 billion note with a coupon of 7.875%, 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. Financing activities also include the issuance and redemption of bonds and changes in other financial liabilities.

Despite the cash outflows due to the special dividend in connection with Porsche AG's IPO, the Automotive Division's net liquidity was robust, at €40.3 billion, on December 31, 2023, compared with €43.0 billion at the end of 2022. The Automotive Division's net liquidity as a proportion of consolidated sales revenue decreased to 12.5 (15.4)% in the reporting year, mainly because sales revenue rose faster than net liquidity.

Financial position in the Financial Services Division

In fiscal year 2023, the Financial Services Division recorded a gross cash flow of €12.7 billion, down €3.4 billion on the prior-year figure for reasons such as lower earnings. The change in working capital amounted to €–31.2 (–17.5) billion. Higher growth in lease assets and receivables and a rise in inventories led to a higher level of funds tied up in working capital than in the previous year. This was offset by a larger increase in liabilities. Consequently, cash flows from operating activities decreased by €17.1 billion to €–18.5 billion.

Investing activities attributable to operating activities amounted to €0.9 (0.4) billion.

The Financial Services Division's financing activities generated a cash inflow of €28.9 billion in the reporting year. This figure relates primarily to the issuance and redemption of bonds and to other financial liabilities. In the prior-year period, there had been a cash outflow of €4.4 billion.

On December 31, 2023, the Financial Services Division's negative net liquidity, which is common in the industry, was €–187.7 billion as against €–168.8 billion at the end of 2022.

NET ASSETS

Consolidated balance sheet structure

At the end of the reporting year, the Volkswagen Group had total assets of €600.3 billion, 6.4% more than at the end of 2022. Total assets as of the reporting date reflected the implementation of the new guidance on accounting for insurance contracts (IFRS 17), which led to a decrease in total assets and liabilities. A corresponding retrospective adjustment was made to the 2022 year-end figure. Equity was up by €11.6 billion to €189.9 billion, mainly because of the encouraging earnings. The equity ratio of 31.6 (31.6)% was on a level with the figure recorded at the end of the previous year.

On December 31, 2023, the Group had off-balance-sheet commitments in the form of contingent liabilities in the amount of €10.4 (10.6) billion and in the form of financial guarantees in the amount of €0.9 (1.2) billion. In addition, there were other financial obligations of €38.2 (35.4) 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 and services, irrevocable credit commitments to customers and from development and supply contracts. 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. Moreover, there are long-term purchase obligations under battery purchase agreements with Northvolt Group companies.

Automotive Division balance sheet structure

The noticeable increase in the Automotive Division's intangible assets at the end of 2023 as against December 31, 2022 was driven in particular by a rise in capitalized development costs. Property, plant and equipment was up slightly, with investments in property, plant and equipment set against lower depreciation. Equity-accounted investments declined for reasons that included dividend resolutions as well as impairment losses as a result of changes in share prices and in response to impairment tests. The intragroup reclassification of the equity investment in Europcar, which is held via Green Mobility Holding, to the Financial Services Division also contributed to this downturn. Noncurrent other receivables and financial assets decreased, due mainly to a decline in positive effects from the measurement of derivatives compared to year-end 2022. Total noncurrent assets amounted to €186.0 (178.7) billion, driven by higher volumes.

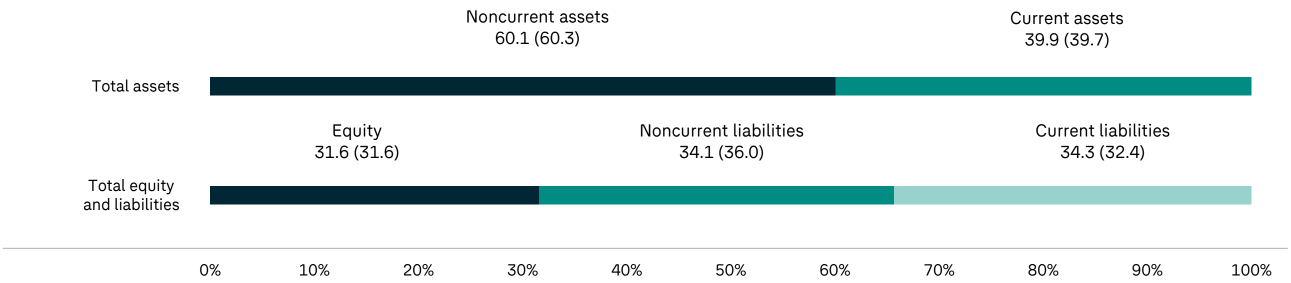
Current assets stood at €120.2 (122.7) billion on December 31, 2023, down from the prior-year figure. Current other receivables and financial assets went up, buoyed primarily by the volume-related rise in trade receivables. Total securities were down €10.7 billion to €22.2 billion, while cash and cash equivalents in the Automotive Division increased by €5.7 billion to €28.7 billion at the end of December 2023. The "Assets held for sale" item comprises the carrying amounts of the assets of subsidiaries of Porsche earmarked for divestment, as well as assets of MAN Energy Solutions. The "Liabilities held for sale" item comprises the carrying amounts of the corresponding liabilities.

CONSOLIDATED BALANCE SHEET BY DIVISION AS OF DECEMBER 31

	VOLKSWAGEN GROUP		AUTOMOTIVE[1]		FINANCIAL SERVICES	
€ million	2023	2022[2]	2023	2022[2]	2023	2022[2]
Assets						
Noncurrent assets	**360,694**	**339,853**	**186,042**	**178,667**	**174,653**	**161,187**
Intangible assets	89,109	83,241	88,504	82,846	605	394
Property, plant and equipment	66,880	63,890	65,918	62,908	962	982
Lease assets	64,094	59,380	377	1,279	63,717	58,100
Financial services receivables	94,474	86,944	–726	–767	95,200	87,711
Investments, equity-accounted investments and other equity investments, other receivables and financial assets	46,137	46,399	31,969	32,400	14,168	13,999
Current assets	**239,644**	**224,159**	**120,204**	**122,730**	**119,439**	**101,430**
Inventories	53,601	52,274	48,692	48,768	4,909	3,506
Financial services receivables	66,381	61,549	–832	–799	67,213	62,348
Other receivables and financial assets	49,250	43,226	21,348	18,764	27,902	24,462
Marketable securities and time deposits	26,772	37,206	22,211	32,867	4,561	4,338
Cash and cash equivalents	43,449	29,172	28,698	23,034	14,751	6,137
Assets held for sale	190	733	88	95	103	638
Total assets	**600,338**	**564,013**	**306,246**	**301,396**	**294,092**	**262,616**
Equity and liabilities						
Equity	**189,912**	**178,328**	**146,305**	**135,954**	**43,607**	**42,375**
Equity attributable to Volkswagen AG shareholders	160,539	151,255	117,489	109,565	43,050	41,690
Equity attributable to Volkswagen AG hybrid capital investors	15,155	14,121	15,155	14,121	0	0
Equity attributable to Volkswagen AG shareholders and hybrid capital investors	175,694	165,376	132,644	123,686	43,050	41,690
Noncontrolling interests	14,218	12,952	13,661	12,267	557	684
Noncurrent liabilities	**204,552**	**202,961**	**86,868**	**88,316**	**117,684**	**114,646**
Financial liabilities	122,323	121,737	18,046	21,871	104,277	99,866
Provisions for pensions	29,672	27,553	29,174	27,104	498	449
Other liabilities	52,557	53,671	39,648	39,341	12,908	14,330
Current liabilities	**205,874**	**182,723**	**73,073**	**77,127**	**132,801**	**105,596**
Financial liabilities	110,476	83,448	–8,637	–10,953	119,113	94,401
Trade payables	30,901	28,738	26,836	26,106	4,064	2,631
Other liabilities	64,467	70,380	54,869	61,961	9,597	8,418
Liabilities associated with assets held for sale	31	158	5	12	26	146
Total equity and liabilities	**600,338**	**564,013**	**306,246**	**301,396**	**294,092**	**262,616**

1 Including allocation of consolidation adjustments between the Automotive and Financial Services divisions, primarily intragroup loans.
2 Prior-year figures adjusted (see disclosures on IFRS 17).

CONSOLIDATED BALANCE SHEET STRUCTURE 2023
in percent



At €146.3 billion, the Automotive Division's equity on December 31, 2023 was 7.6% higher than at the end of 2022. The main contributing factors were encouraging earnings in the reporting year and the green hybrid notes issued in August 2023. The dividend distributed to the shareholders of Volkswagen AG, adverse currency translation effects, higher actuarial losses from the remeasurement of pension plans because of the change in the discount rate, and the redemption of the hybrid note called as of September 2023 resulted in a reduction in equity. Noncontrolling interests, which increased noticeably, were mostly attributable to the noncontrolling interest shareholders of the Porsche AG Group and of the TRATON Group. The equity ratio climbed to 47.8 (45.1)%.

Noncurrent liabilities were on a level with the previous year, amounting to €86.9 (88.3) billion at the end of the reporting year. The noncurrent financial liabilities included in this item decreased, mainly because of reclassifications from noncurrent to current liabilities reflecting shorter remaining maturities. Pension provisions increased, driven primarily by actuarial remeasurement following a change in the discount rate.

At €73.1 (77.1) billion, current liabilities on December 31, 2023 were also down on the previous year. Current financial liabilities amounted to €–8.6 (–11.0) 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. Current other liabilities were down, primarily because of the special dividend, which was resolved in connection with the IPO of Porsche AG in December 2022 and distributed in January 2023. This was offset by the netting of the right to payment from Porsche SE arising from the second tranche of the ordinary shares of Porsche AG.

At the end of fiscal year 2023, the Automotive Division had total assets of €306.2 billion, 1.6% more than at the end of 2022.

Financial Services Division balance sheet structure

On December 31, 2023, the Financial Services Division's total assets were €294.1 billion, 12.0% more than at the end of 2022. The figure as of the reporting date reflects the implementation of the new guidance on accounting for insurance contracts (IFRS 17), which led to a decrease in total assets and liabilities. A corresponding retrospective adjustment was made to the previous year-end figure.

BALANCE SHEET STRUCTURE OF THE PASSENGER CARS, COMMERCIAL VEHICLES AND POWER ENGINEERING BUSINESS AREAS

€ million	Dec. 31, 2023	Dec. 31, 2022[1]
Passenger Cars		
Noncurrent assets	149,881	142,467
Current assets	100,013	105,055
Total assets	**249,894**	**247,522**
Equity	127,684	119,654
Noncurrent liabilities	69,259	71,632
Current liabilities	52,952	56,236
Commercial Vehicles		
Noncurrent assets	34,530	34,620
Current assets	16,237	14,184
Total assets	**50,767**	**48,804**
Equity	15,918	13,804
Noncurrent liabilities	17,077	16,252
Current liabilities	17,772	18,748
Power Engineering		
Noncurrent assets	1,631	1,579
Current assets	3,955	3,491
Total assets	**5,585**	**5,070**
Equity	2,703	2,495
Noncurrent liabilities	532	432
Current liabilities	2,350	2,143

1 Prior-year figures adjusted (see disclosures on IFRS 17).

Noncurrent assets grew to €174.7 (161.2) billion. The equity-accounted investments included in this item were up for reasons that included the intragroup transfer of the equity investment in Europcar, which is held via Green Mobility Holding to the Financial Services Division. Noncurrent financial services receivables were higher than in the prior-year period.

Current assets climbed by 17.8% to €119.4 billion. The current other receivables and financial assets included in this item were higher than at the end of 2022, due among other factors to the rise in trade receivables. At the end of fiscal year 2023, the Financial Services Division held cash and cash equivalents of €14.8 (6.1) billion. The "Assets held for sale" item comprises the carrying amounts of the assets of subsidiaries of Volkswagen Financial Services and Porsche earmarked for divestment. The "Liabilities held for sale" item comprises the carrying amounts of the corresponding liabilities.

On December 31, 2023, the Financial Services Division accounted for 49.0 (46.6)% of the Volkswagen Group's assets.

Equity in the Financial Services Division stood at €43.6 billion at the end of 2023, 2.9% more than at the end of the previous year's reporting date. The equity ratio dropped to 14.8 (16.1)%.

Noncurrent liabilities in the Financial Services Division increased to €117.7 (114.6) billion compared with December 31, 2022. The noncurrent financial liabilities included in this item increased. Current liabilities rose, driven above all by higher current financial liabilities. Other current liabilities and trade payables were likewise up on the previous year.

Deposits from the direct banking business amounted to €38.8 billion on December 31, 2023, compared with €26.7 billion at the end of 2022.

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 contribution[1], 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 year.

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 1.13 (1.15) was determined for 2023.

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 8.5 (8.3) % for 2023.

COST OF CAPITAL AFTER TAX IN THE AUTOMOTIVE DIVISION

%	2023	2022
Risk-free rate	2.7	2.0
Market risk premium	7.5	7.5
Volkswagen-specific risk premium	1.0	1.1
(Volkswagen beta factor)[1]	(1.13)	(1.15)
Cost of equity after tax	**11.2**	**10.7**
Cost of debt	4.3	5.0
Tax	–1.3	–1.5
Cost of debt after tax	**3.0**	**3.5**
Proportion of equity	66.7	66.7
Proportion of debt	33.3	33.3
Cost of capital after tax	**8.5**	**8.3**

1 Prior-year figure adjusted.

Return on investment (ROI) and value contribution in the reporting year

At €15,218 (14,080) million for fiscal year 2023, the operating result after tax for the Automotive Division, including the proportionate operating result of the equity-accounted Chinese joint ventures, was up on the prior-year figure. Higher vehicle sales and improved price positioning were set against a rise in product costs (in particular for commodities). In addition, the fair value measurement of derivatives to which hedge accounting is not applied (especially commodity hedges) had a negative effect on the operating result in the reporting year (€–3.2 billion), in contrast to the prior-year period, when it had boosted earnings by €1.8 billion. 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 €123,887 (117,402) million, invested capital increased noticeably 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 12.3 (12.0)% exceeded both the prior-year figure and our minimum required rate of return on invested capital of 9%.

At €10,491 (9,701) million, the opportunity cost of capital – invested capital multiplied by the cost of capital – was noticeably 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 €4,727 (4,379) million.

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.volkswagen-group.com/more-publications.

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

€ million	2023	2022[2]
Operating result after tax	**15,218**	**14,080**
Invested capital (average)	123,887	117,402
Return on investment (ROI) in %	**12.3**	**12.0**
Cost of capital in %	8.5	8.3
Cost of invested capital	**10,491**	**9,701**
Value contribution	**4,727**	**4,379**

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.
2 Prior-year figures adjusted (see disclosures on IFRS 17).

SUMMARY OF BUSINESS DEVELOPMENT AND ECONOMIC POSITION

In view of the political and economic developments in 2023 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 year, the Volkswagen Group's business was impacted by the challenging global market environment, parts supply shortages and disruptions in the logistics chain. In this environment, we delivered 9.2 million vehicles to customers in the past fiscal year, which was within the corridor we last forecast.

Group sales revenue increased by 15.5% and was thus at the upper end of the expected corridor.

At €22.6 billion, the operating result was in the range of our adjusted forecast and thus level with the prior-year figure before special items.

Research and development costs reflect our activities undertaken to safeguard the Company's future viability. The R&D ratio in the Automotive Division was in the range of our adjusted expectations at 8.1%.

The ratio of capex to sales revenue for the Automotive Division was below the forecast corridor at 5.4%.

Net cash flow of €10.7 billion was more than double the prior-year level and thus higher than our adjusted forecast. Above all, a stronger-than-expected reduction in inventories also had a positive effect at the end of the reporting year.

On December 31, 2023, net liquidity had reached a solid level of €40.3 billion, which was at the upper end of our expected range.

The return on investment (ROI) in the Automotive Division was 12.3%, which was within the forecast corridor and, as expected, thus exceeded our minimum required rate of return on invested capital.

FORECAST VERSUS ACTUAL FIGURES

	Actual 2022[1]	Original Forecast for 2023	Adjusted Forecast for 2023	Actual 2023
Deliveries to customers (units)	8.3 million	~9.5 million	9.0–9.5 million	9.2 million
Volkswagen Group				
Sales revenue	€279.0 billion	10–15% increase	10–15% increase	€322.3 billion
Operating return on sales before special items	8.1%	7.5–8.5%	in forecast range	7.0%
Operating return on sales	7.9%	7.5–8.5%	in forecast range	7.0%
Operating result before special items	€22.5 billion	in forecast range	~€22.5 billion	€22.6 billion
Operating result	22.1 billion	in forecast range	~€22.5 billion	€22.6 billion
Passenger Cars Business Area				
Sales revenue	€189.3 billion	7–13% increase	7–13% increase	€218.4 billion
Operating return on sales before special items	7.9%	8.0–9.0%	6.5–7.5%	6.7%
Operating return on sales	7.7%	8.0–9.0%	6.5–7.5%	6.7%
Operating result before special items	€15.0 billion	in forecast range	in forecast range	€14.7 billion
Operating result	€14.6 billion	in forecast range	in forecast range	€14.7 billion
Commercial Vehicles Business Area				
Sales revenue	€39.5 billion	5–15% increase	5–15% increase	€45.7 billion
Operating return on sales	4.0%	6.0–7.0%	7.0–8.0%	8.1%
Operating result	€1.6 billion	in forecast range	in forecast range	€3.7 billion
Power Engineering Business Area				
Sales revenue	€3.6 billion	slight increase	noticeable increase	€4.0 billion
Operating result	€281 million	positive low three-digit-million euro range	positive mid three-digit-million euro range	€366 million
Financial Services Division				
Sales revenue	€46.7 billion	strong increase	significant increase	€54.1 billion
Operating result	€5.6 billion	~€3.5 billion	~€4 billion	€3.8 billion
R&D ratio in the Automotive Division	8.1%	~8.0%	8.0–8.5%	8.1%
Ratio of capex to sales revenue in the Automotive Division	5.5%	~6.5%	6.0–6.5%	5.4%
Net cash flow in the Automotive Division	€4.8 billion	very strong increase	significant to strong increase	€10.7 billion
Net liquidity in the Automotive Division	€43.0 billion	€35–40 billion	€35–40 billion	€40.3 billion
Return on investment (ROI) in the Automotive Division	12.0%	12–15%	12–15%	12.3%

1 Prior-year figures adjusted (see disclosures on IFRS 17).

Volkswagen AG

(CONDENSED, IN ACCORDANCE WITH THE GERMAN COMMERCIAL CODE)

Fiscal year 2023 was impacted by the challenging global market environment and the transformation of the industry.

ANNUAL RESULT

No material special items in connection with the diesel issue were recognized in fiscal year 2023.

In the fiscal year under review, the Russia-Ukraine conflict negatively affected Volkswagen AG in an amount of €0.1 billion (previous year: approximately €1 billion). This arose from the loss on the disposal of the shares in OOO Volkswagen Group Rus, Kaluga, which was reported in the financial result.

Sales increased by 16.3% year-on-year to €92.4 billion in 2023, driven particularly by higher sales volumes and a more favorable price-product mix. Sales generated abroad accounted for a share of €53.6 billion or 58.0%. Cost of sales increased by 9.1% to €86.7 billion due to higher vehicle sales in the reporting year, among other reasons.

Gross profit on sales rose accordingly to €5.7 (–0.0) billion.

INCOME STATEMENT OF VOLKSWAGEN AG

€ million	2023	2022
Sales	92,413	79,491
Cost of sales	–86,748	–79,499
Gross profit on sales	**5,665**	**–8**
Distribution, general and administrative expenses	–7,452	–7,292
Net other operating result	64	1,997
Financial result[1]	9,091	16,825
Taxes on income	–1,125	955
Earnings after tax	**6,243**	**12,477**
Net income for the fiscal year	**6,243**	**12,477**
Retained profits brought forward	2	5,774
Release of/appropriation to revenue reserves	–1,720	–6,230
Net retained profits	**4,526**	**12,021**

1 Including write-downs of financial assets.

The net other operating result amounted to €0.1 billion in the reporting year, down €1.9 billion on the previous year. This decline was driven in particular by negative measurement effects and the profit or loss from the settlement of hedging transactions that was less positive than in the prior year.

A reassessment and extension of the useful lives of certain items of property, plant and equipment gave rise to a positive effect on profit or loss of around €0.4 billion in the 2023 reporting year.

The financial result fell by €7.7 billion to €9.1 billion, mainly because of lower income from profit transfers. In the previous year, this item had included income of €13.2 billion from profit transferred by Porsche Holding Stuttgart GmbH, Stuttgart, in connection with the IPO of Porsche AG.

Taxes on income amounted to €-1.1 (1.0) billion. The higher tax expenses in the reporting year were due mainly to foreign withholding tax and to tax expenses for prior years.

Net income for fiscal year 2023 amounted to €6.2 (12.5) billion.

NET ASSETS AND FINANCIAL POSITION

Total assets amounted to €197.8 billion on December 31, 2023, down €27.5 billion on the comparative 2022 figure. Intangible assets and property, plant and equipment were up by €0.6 billion because investments exceeded depreciation and amortization charges. Financial assets rose to €145.5 (138.9) billion as a result of a number of capital increases.

To finance the restructuring of companies of Volkswagen Financial Services under company law, Volkswagen AG paid contributions of €3.8 billion to the capital reserves of Volkswagen Financial Services AG, Braunschweig, in the reporting year. To finance the capital requirements of CARIAD SE, Wolfsburg, Volkswagen AG paid contributions of €1.5 billion to the capital reserves of Porsche Siebte Vermögensverwaltung GmbH, Wolfsburg (Porsche Siebte). In addition, PowerCo SE, Salzgitter, made contributions of €0.6 billion to the capital reserves of Porsche Siebte to finance the set-up of battery cell production. To finance the acquisition of an investment in the electric vehicle company XPeng Inc., Cayman Islands, Volkswagen AG paid contributions of €0.7 billion to the capital reserves of Volkswagen Finance Luxemburg S.A., Strassen (Volkswagen Finance Luxembourg) in the reporting year. Also in the reporting year, Volkswagen AG paid further contributions totaling €0.5 billion to the capital reserves of Volkswagen Finance Luxembourg to finance the establishment of business operations at Scout Motors Inc., Arlington, Virginia. On June 7, 2023, the shareholders' meeting of Volkswagen Vermögensverwaltungs-GmbH, Wolfsburg, resolved to reduce the company's capital reserves by €0.7 billion, which was paid out to Volkswagen AG in the reporting year.

Fixed assets accounted for a share of 78.7 (65.9)% of total assets.

BALANCE SHEET OF VOLKSWAGEN AG AS OF DECEMBER 31

€ million	2023	2022
Fixed assets	155,652	148,516
Inventories	6,786	7,816
Receivables[1]	28,336	59,773
Cash-in-hand and bank balances	6,980	9,122
Total assets	**197,754**	**225,227**
Equity	42,193	40,323
Special tax-allowable reserves	17	17
Long-term debt	29,101	33,717
Medium-term debt	44,101	38,647
Short-term debt	82,342	112,523

1 Including prepaid expenses.

Current assets (including prepaid expenses) amounted to €42.1 (76.7) billion as of December 31, 2023. Inventories were down by €1.0 billion to €6.8 billion. In addition to the decrease in raw materials, consumables and supplies, which is largely attributable to a reduction in precious metals due to volume and price effects, finished goods and purchased merchandise in particular fell as transport capacity returned to normal levels. Receivables and other assets declined to €28.3 (59.8) billion. Their decrease is attributable to lower receivables from loans and receivables from profit transfers from subsidiaries and a decline 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 at the reporting date.

Equity at the end of the reporting year was €42.2 (40.3) billion. The equity ratio was 21.3 (17.9)%.

Other provisions decreased by €0.5 billion to €17.1 (17.7) billion, due mainly to the reduction in provisions for litigation risks and other provisions. Provisions for pensions fell by €0.7 billion to €24.6 billion, particularly as a result of a change in measurement inputs, and provisions for taxes decreased by €0.9 billion to €2.5 billion.

The €27.2 billion decrease in liabilities, including deferred income, to €111.4 billion was mainly the result of lower loan liabilities to affiliated companies and the liabilities for the special dividend in connection with the IPO of Porsche AG, Stuttgart, included in the prior-year figure.

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, deteriorated year-on-year from €–1.2 billion to €–4.4 billion. The interest-bearing portion of debt amounted to €92.3 (107.7) billion. In our assessment, given the context created by political and economic developments in 2023 and the transformation of the industry, 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 28.3% for the reporting year and stood at 29.4% 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 special dividend and led to a total obligation to the shareholders of Volkswagen AG amounting to €9.6 billion. The cash outflow was slated for January 9, 2023 and occurred on that day.

DIVIDEND PROPOSAL

In fiscal year 2023, net retained profits amounted to €4.5 billion. The Board of Management and Supervisory Board are proposing to pay a total dividend of €4.5 billion, i.e. €9.00 per ordinary share and €9.06 per preferred share.

PROPOSAL ON THE APPROPRIATION OF NET PROFIT

€	2023
Dividend payout on subscribed capital (€1,283 million)	4,524,029,693.70
of which: ordinary shares	2,655,808,362.00
preferred shares	1,868,221,331.70
Balance (carried forward to new account)	1,492,829.91
Net retained profits	**4,525,522,523.61**

EMPLOYEE PAY AND BENEFITS AT VOLKSWAGEN AG

€ million	2023	%	2022	%
Direct pay including cash benefits	8,595	69.5	8,231	56.7
Social security contributions	1,591	12.9	1,510	10.4
Compensated absence	1,273	10.3	1,208	8.3
Retirement benefits	910	7.4	3,557	24.5
Total expense	**12,369**	**100.0**	**14,506**	**100.0**

VEHICLE SALES

Volkswagen AG sold a total of 2,162,652 (1,882,535) vehicles in fiscal year 2023. The prior year had been impacted in particular by the limited vehicle availability due to parts supply shortages caused by the shortage of semiconductors and the Russia-Ukraine conflict. Persistent parts supply shortages had a negative effect in the reporting year and disruption in the logistics chains also led to delays, though these eased as the year progressed. Vehicles sold abroad accounted for a share of 64.1 (64.1)%.

PRODUCTION

Volkswagen AG manufactured a total of 816,016 vehicles (+22%) in the reporting year at its vehicle production plants in Wolfsburg, Hanover and Emden. Parts supply shortages restricted production in fiscal year 2023.

EMPLOYEES

As of December 31, 2023, a total of 116,063 (116,677) people were employed at the sites of Volkswagen AG, excluding staff employed at subsidiaries; of this figure, 4,374 (4,452) were vocational trainees. 7,724 (7,528) employees were in the passive phase of their partial retirement.

Female employees accounted for 18.6 (18.3)% of the workforce. Volkswagen AG employed 8,110 (7,908) part-time workers. The percentage of foreign employees was 6.4 (6.5)%. In the reporting year, 83.2 (83.3)% of the employees in Volkswagen AG's production area had completed vocational or additional training. The proportion of graduates was 22.8 (21.9)% in the same year. The average age of employees in fiscal year 2023 was 45.1 (45.1) years.

RESEARCH AND DEVELOPMENT

Volkswagen AG's research and development costs as defined in the German Commercial Code amounted to €4.7 (4.6) billion in the reporting year. 15,422 (+2.5%) people were employed in this area at the end of the reporting year.

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 AktG and issued the following concluding declaration:

"We declare that Volkswagen AG received appropriate consideration in the period from January 1 to December 31, 2023 for all transactions entered into with affiliated companies within the meaning of section 312 of the AktG. This assessment is based on the circumstances known to us at the date of the reportable transactions."

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

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, human resources, 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.

The Company conducted a materiality analysis in 2022. In reviewing potentially material issues, we considered both external and internal company perspectives. As a result of this process, the focus areas of decarbonization, circular economy, supply chain and human rights, people & transformation, diversity, and integrity were classified as material by the Group Sustainability Steering Committee. The focus topics identified were reviewed in 2023, taking into account the requirements of the *Lieferkettensorgfaltspflichtengesetz* (LkSG – German Supply Chain Due Diligence Act) and changes in the material ESG ratings. As a result of this, the six focus areas were reconfirmed. They 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 CO_2 and CO_2 equivalents (jointly referred to as CO_2e) by the brands that produce passenger cars and light commercial vehicles in the regions of Europe (EU27, United Kingdom, Norway and Iceland), China (including the Chinese joint ventures) and the USA over the entire life cycle. In this index, the use phase is calculated over 200,000 km and with reference to region-specific fleet values without statutory flexibilities. The CO_2e 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 and ISO 14044. 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. The Greenhouse Gas Protocol requires the recalculation of corporate emissions in the event of material new information or if changes occur. There may be various reasons to remeasure previous years' emissions to enable a fair comparison with current emissions. These may include structural changes in the Company, for example. At the Volkswagen Group, changes to the calculation are decided on annually in a set process. Based on these decisions, we are currently working on recalculating historical emissions for the base years used in the current climate protection targets and on having these audited.

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 47.3 t CO_2e/vehicle. This represents a reduction of 0.5 t CO_2e/vehicle compared with the figure adjusted for 2022 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. Another important driver of the circular economy is the progress in decarbonization at the Volkswagen Group. The growing use of secondary materials and establishment of closed material cycles can help to further reduce our CO_2 emissions. 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. These concepts are being constantly refined and are also adapted to the requirements of e-mobility. To intensify our efforts for a transition to a loop-oriented and resource-conserving approach to doing business, we have pooled expertise within the Group and are 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.

To preserve recyclable materials from electric vehicles, Volkswagen 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, production and employees, as well as in our Group Sustainability Report for fiscal year 2023.

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 as well as specification of the competence of the responsible Board members for specific sustainability management concepts and the newly appointed Chief Sustainability Officer at Group level. Sustainability is part of the Top 10 program at Group level and is managed through the strategic management structure of the NEW AUTO strategy. The content is regularly evaluated and reported to the Board of Management.

UN Global Compact

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

Strategic stakeholder 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. Some of the Group's bodies – currently including the Supervisory Board and Works Council – perform an oversight and advisory role and also act as interfaces between internal and external stakeholder groups.

We understand stakeholder management as systematic interaction with key interest and stakeholder groups within society on the key topics and objectives of 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 promote implementation of their requirements and expectations and to actively shape central strategic issues.

After restarting our interaction activities in 2022, we began to restructure our stakeholder management in the reporting year with the aim of listening to and integrating the suggestions and recommendations of our stakeholders even more effectively in future. Alongside the traditional forms of interaction, which include surveys and regular dialog with our stakeholders, new formats are to be added to create opportunities for interactive and transparent discussion of important, strategic and socially relevant sustainability topics.

VOLKSWAGEN GROUP STAKEHOLDERS

Sustainability Council

At Group level, the Sustainability Council has a prominent position. This advisory body 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. It 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. The term of office of the existing members expired at the end of 2022. In the reporting year, we began to reorganize the strategy and composition of the Sustainability Council. Further information is available on the Sustainability Council's website at www.volkswagen-group.com/sustainability-council.

Corporate citizenship

As a globally operating company and 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.

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 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

We are committed to the Paris Climate Agreement and are aiming for the 1.5-degree target. 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.

> 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.

> 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. We use effective environmental compliance management systems to identify and manage environmental risks and opportunities throughout the lifetime of our mobility solutions. We conduct open 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 CO_2 Steering Committee and the Group Steering Committee for Fleet Compliance.

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.

Achieving compliance with environmental laws and regulations at all of our sites is a top priority for Volkswagen. Furthermore, we are guided by Company standards and targets. We regularly train our employees on environmental protection and environmental compliance. 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 environmental obligations, fraud and misconduct are treated as a severe compliance violation and penalized accordingly. 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.

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 are able to act with integrity and comply with the rules at all times. As performance indicators, integrity and compliance must have the same strategic and operational priority in our Company as sales revenue, profit, product quality and employer attractiveness.

With the Together4Integrity (T4I) program, we have built a holistic integrity and compliance management system (ICMS) for all Group and brand companies, which brings together virtually all the Company's integrity and compliance activities under one roof. 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. The aim of T4I is 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. Implementation by 2025 was originally planned. However, given that the roll-out had already made more progress than expected at the beginning of the reporting year and that the consistently high approval scores for the question on integrity in the annual *Stimmungsbarometer* employee survey pointed to the program's success, we decided in the reporting year to bring the centralized management and control of the program to an early end during 2023. Responsibility for continuing to implement the measures and embedding them now lies with the Group brands and companies and with the responsible Group departments.

Focus areas

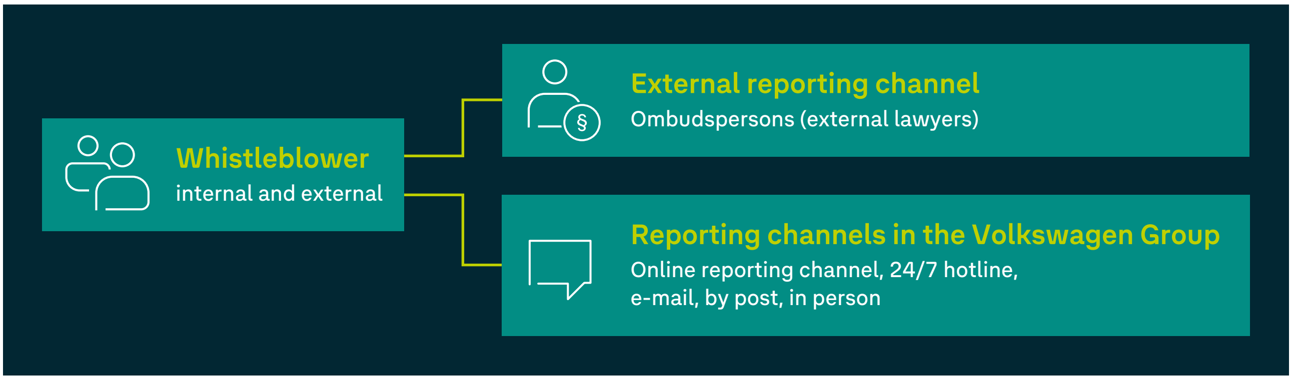
Compliance with the rules must be a matter of course for all employees of the Volkswagen Group. The Group Integrity & Compliance organization provides support with this worldwide in the form of programs, guidelines, processes and practical advice. It helps the Group and brand companies to comply with the rules when carrying out their business activities and to comply with the relevant laws and internal regulations. Among other things, its work concentrates on anti-corruption and preventing embezzlement, fraud and money laundering.

The starting point for this is the Internal Compliance Risk Assessment (ICRA), which identifies compliance risks in the Group. Compliance measures are developed and defined for each controlled company on the basis of the risk profiles derived from the ICRA, which the companies have to implement depending on their risk classification. The ICRA also sets standards relating to the Code of Conduct (CoC), the whistleblower system, compliance training and communication.

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.

REPORTING CHANNELS IN THE WHISTLEBLOWER SYSTEM



Awareness-raising and Communication

The Code of Conduct (CoC) forms the basis for integrity and compliance in the Volkswagen Group. It serves as the main tool for reinforcing awareness of responsible conduct and decision-making and can be used as an aid and as a way of finding the right contact persons. The CoC is binding for all employees and has been part of every employment contract since 2019. We and our employees undergo regular mandatory training on its key contents.

Events in the departments round off the offerings of the Group Integrity & Compliance organization. The communication team regularly examines practical compliance tasks and case studies. Awareness-raising on compliance topics is supported by information and communication activities such as awareness campaigns, film and dialogue formats, newsletters and interactive games.

The Compliance Infopoint has established itself as the central help center. The team there answers compliance-related questions, establishes internal guidelines and directives and gives advice on process standards.

Training Courses and Standards

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

Protection and Prevention: the 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 data 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.

M&A and NCS Compliance

In the event of planned mergers and acquisitions (M&A transactions), we audit the relevant companies for commercial risks such as corruption, breaches of trust or fraud, and for human rights risks. This also applies to joint ventures and to industrialization and cooperation projects with external partners. The analyses provide recommendations for the mitigation of the risks identified. The Group Integrity & Compliance organization also supports compliance management in non-controlled shareholdings (NCS), i.e. companies that are not controlled by a Volkswagen Group company as the majority shareholder. This includes the Chinese joint ventures.

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, we refrain from entering the business relationship or terminate it as the law allows.

Product Compliance

The product compliance management system (PCMS) helps our products comply with the legal and regulatory requirements of the exporting and importing country, internal and external standards, contractually agreed customer requirements and externally communicated voluntary commitments over their life cycle.

Environmental Compliance

Statutory environmental regulations and voluntary commitments are binding at all locations and in all business fields. The Group's environmental policy and the environmental compliance management system stipulate the relevant requirements and responsibilities. They apply to all strategy, planning and decision-making processes in the Group brands and companies. This includes a system of key indicators to determine progress in meeting environmental targets in the fields of renewable energy, CO_2 emissions and resource efficiency.

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 developing and implementing mandatory training for employees in divisions or companies with a high risk exposure.

For more information on integrity and compliance, as well as the topic of business and human rights, please see our 2023 Group Sustainability Report.

WHISTLEBLOWER SYSTEM
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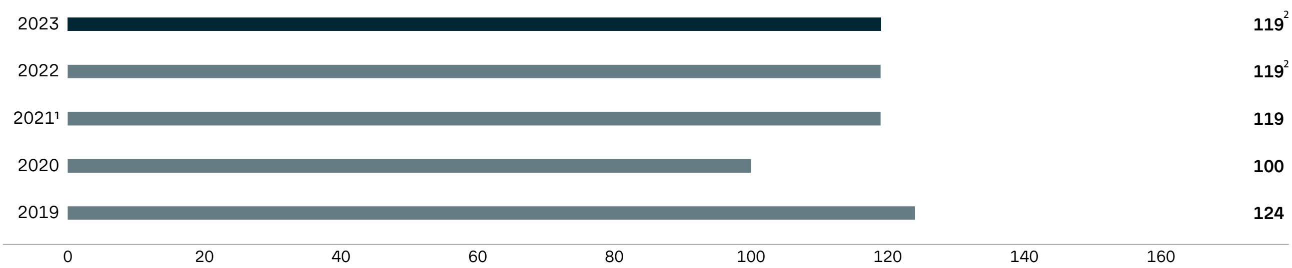
CO_2 EMISSIONS OF THE VOLKSWAGEN GROUP'S EUROPEAN (EU27+2) NEW PASSENGER CAR FLEET
in grams per kilometer (WLTP)



1 The European Commission switched its calculation of CO_2 fleet emissions from NEDC to WLTP in 2021.
2 Subject to confirmation of CO_2 data within the scope of official publication by the European Commission.

RESEARCH AND DEVELOPMENT

Forward-looking mobility solutions with brand-defining products and services would be unthinkable without innovation. This makes our research and development work essential for sustainably increasing the value of the Company.

Together with our Group brands, we have launched measures based on our 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 year on continuing to develop forward-looking mobility solutions, establishing technological expertise to strengthen our competitiveness, expanding our range of products and services and improving the functionality, quality, safety and environmental compatibility of our products and services.

CO_2 fleet emissions

We use the strategic indicator of CO_2 fleet emissions in Europe and the United States to evaluate the effectiveness of our measures to reduce CO_2 emissions emitted by our vehicles.

The Volkswagen Group's new passenger car fleet in the 27 EU member states excluding Malta but including Norway and Iceland (EU27+2) emitted an average of 119 g CO_2/km (WLTP – Worldwide Harmonized Light Vehicles Test Procedure)[1] in the reporting year in accordance with the statutory measurement bases. The statutory target is 122 g CO_2/km (WLTP)[1]. The Volkswagen Group thus more than met the EU's CO_2 fleet target. All figures are subject to confirmation of CO_2 data within the scope of official publication by the European Commission. The targets will be tightened as from 2025: the European Commission has thus set a target of a 15% reduction in CO_2 emissions compared with 2021, which corresponds to a CO_2 target of less than 100 g CO_2/km for our new passenger car fleet in the EU. A reduction of 55% has been defined for 2030, equivalent to a CO_2 target of less than 50 g CO_2/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 CO_2 reduction target of 100% for passenger cars has been set for 2035.

CO_2 EMISSIONS OF VOLKSWAGEN GROUP PASSENGER CARS AND LIGHT COMMERCIAL VEHICLES UNDER GHG STANDARDS IN THE USA

in grams per kilometer for the model year

1 Subject to submission of the final MY report MY23 and subsequent recognition by EPA and CARB (internal data as of September 2023).
2 Subject to recognition by EPA and CARB (final MY report MY22 submitted but not yet confirmed).

The Volkswagen Group's new light commercial vehicles fleet in the EU emitted an average of 187 g CO_2/km (WLTP)[1] in the reporting year according to the statutory measurement bases. The statutory target is 204 g CO_2/km (WLTP)[1]. The Volkswagen Group thus more than met the EU's CO_2 fleet target. All figures are subject to confirmation of CO_2 data within the scope of official publication by the European Commission. The targets will be tightened as from 2025: the European Commission has thus stipulated a 15% reduction of CO_2 emissions compared with 2021, which corresponds to a CO_2 target of less than 180 g CO_2/km for our new light commercial vehicle fleet in the EU. A reduction of 50% has been defined for 2030, equivalent to a CO_2 target of less than 105 g CO_2/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 CO_2 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 new passenger car fleet met the statutory requirements for the reporting year. The Volkswagen Group's new light commercial vehicle fleet met the statutory requirements for the reporting year in the United Kingdom but fell just short of those for Switzerland.

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 CO_2 value (internal data as of September 2023) for the passenger car and light commercial vehicle fleets in model year 2023 is 133 g CO_2/km (model year 2022: 142 g CO_2/km). The statutory target is 122 g CO_2/km (model year 2022: 136 g CO_2/km). Compliance with the statutory requirements of the GHG and CAFE regulations together with externally acquired credits enabled the Volkswagen Group to comply with the applicable requirements – subject to recognition by the authorities. The figure given for model year 2023 is also subject to recognition by the Environmental Protection Agency (EPA). For 2025, we anticipate a CO_2 target in the USA of approximately 110 g CO_2/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. As part of our electrification campaign, we aim to offer our customers worldwide around 50 completely battery-electric models by 2030. By then, more than half of our new vehicles worldwide are to be fully electric. By 2030, the Volkswagen Group aims to have electrified its entire model portfolio, from high-volume models to premium vehicles. To this end, in addition to the Modular Electric Drive Toolkit (MEB), we have also developed an all-electric platform for our premium and sports brands – the Premium Platform Electric (PPE). Furthermore, we are currently concentrating our energies on designing the Scalable Systems Platform (SSP), the successor platform for our future all-electric vehicles, in the Architecture 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 savings potential.

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 still continue to make up a large share of the drive portfolio in the coming years. In the interest of using resources responsibly, it is therefore essential to further enhance this engine segment and systematically consolidate it for specific markets. 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. Using life cycle engineering, we identify the stages of the life cycle at which improvements will have the greatest effect and develop appropriate solutions. Recycling, for example, is an important means of reducing environmental impact and conserving resources. When developing new vehicles, we therefore pay attention to the recyclability of the required materials and give recommendations that enable good separability of materials. We require the use of secondary materials, if these meet the same quality standards as primary materials. 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. We use the life cycle approach to monitor our climate protection targets as well. For this purpose, we have developed the decarbonization index (DKI) as a parameter, which also recognizes the emissions of an average Group passenger car throughout its life cycle.

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 year, 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 were applied to advance development to ensure the consistency of the innovation process.

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.

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. Customers call 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.

CARIAD's developers work in innovation centers at sites in Germany, Europe, China and the USA. The German parent company CARIAD SE employs around 6,000 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
> Connection to a uniform cloud platform
> An infotainment platform with an application 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 2023, the focus for CARIAD's developer teams, together with the Audi and Porsche brands, was on delivering the software for the new E^3 1.2 architecture, which optimizes the harmonization of hardware with the vehicle software from CARIAD. This is designed not only to improve the performance of vehicle computers but also to act as a key lever for the introduction of new services – even after vehicle production has begun.

CARIAD already supplies updatable software and updates for current vehicle generations, brands and markets, for example as part of its E^3 1.1 architecture, with the goal of making the software secure and traceable.

In the long term, CARIAD is to pool all of its solutions in 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. In 2023, CARIAD started to realign itself with an extensive transformation program. A new Board of Management team began by implementing a five-point plan. The aim is to accelerate the development and delivery of software for the platforms. The reorganization will also lead to even closer collaboration between CARIAD and the Group brands. In 2023, for example, CARIAD, together with the Volkswagen Group, presented a new approach to the development of its E^3 2.0 architecture. This is to form the basis for software-defined vehicles (SDV). In addition, the development of architecture for two Audi and Volkswagen vehicle projects will be bundled in future in a specially created SDV Hub. Further changes as part of the transformation program are set to materialize in 2024.

E^3 2.0 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 the new vehicle models at different performance levels. Volkswagen Commercial Vehicles is responsible specifically for the areas of Mobility as a Service and Transportation as a Service (MaaS/TaaS). The strategic technology initiative Volkswagen Group Mobility 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 automated and 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 and electrification. Among other things, these contracts define the basis for a total of three vehicle projects: a city van (Ford Tourneo Connect based on the Volkswagen Caddy), a mid-size pickup (Volkswagen Amarok based on the Ford Ranger) and a one-tonne cargo van. The Ford Tourneo Connect and the Amarok have been on the market since 2022. The New Transporter will celebrate its world premiere in 2024. In addition, Ford will use the Modular Electric Drive Toolkit (MEB) developed by Volkswagen for two electric volume models. 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.

To design the framework conditions for the approval and introduction of our own self-driving system, we are actively involved in public projects. The experience we are gathering here benefits the Group brands and thus our customers.

The software subsidiary CARIAD is responsible throughout the Group for developing automated driving functions for our brands' customers. In the Automated Driving Alliance, CARIAD and Bosch are striving to make partially and highly automated driving suitable for 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 if regulations allow this. 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 Level 3 system which will enable drivers to look away from the task of driving on the highway at times and perform certain other tasks.

CARIAD is using a local partnership with Horizon Robotics to further consolidate development expertise in highly automated driving functions in the Chinese market. The companies also plan to develop specially modified high-tech semiconductor chips, so-called systems on a chip (SoCs), as part of a joint venture to implement key functions and features for highly automated driving on a single chip and to integrate these chips into the Group's hardware and software architecture.

CARIAD entered into a new partnership in China with the software provider ThunderSoft in 2023. The focus of the joint venture is a new customer experience when it comes to infotainment and connectivity.

Over and above this, CARIAD is committed to open collaboration in the global developer community. For example, as a strategic member of the Software Defined Vehicle working group run by the Eclipse Foundation open-source community, CARIAD is involved in developing automotive software more efficiently and promoting innovation.

Key R&D figures

In fiscal year 2023, we filed 5,792 (5,305) 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 and alternative drive systems.

The Automotive Division's total research and development costs in the reporting year amounted to €21.8 (18.9) billion and were 15.2% higher than in the previous year; their share of the Automotive Division's sales revenue – the R&D ratio – was unchanged at 8.1 (8.1)%. 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 51.2 (51.4)%. Research and development expenditure recognized in profit or loss in accordance with the IFRSs increased to €15.8 (14.3) billion.

As of December 31, 2023, our Research and Development departments – including the equity-accounted Chinese joint ventures – employed 59,626 people (+1.2%) Group-wide, corresponding to 8.7% of the total workforce.

RESEARCH AND DEVELOPMENT COSTS IN THE AUTOMOTIVE DIVISION

€ million	2023	2022
Total research and development costs	21,779	18,908
of which capitalized development costs	11,142	9,723
Capitalization ratio in %	51.2	51.4
Amortization of capitalized development costs	5,187	5,144
Research and development costs recognized in profit or loss	15,824	14,329
Sales revenue[1]	268,156	232,392
Total research and development costs	21,779	18,908
R&D ratio	**8.1**	**8.1**

1 Prior-year figure adjusted (see disclosures on IFRS 17).

PROCUREMENT

The main task for Procurement is to help steer the Company's success in the areas of efficiency, sustainability and resilience. 2023 was mainly devoted to safeguarding the supply of vehicle parts and optimizing costs in order to make a contribution to the Group's result. The previous year's rising energy prices again resulted in catch-up effects at our suppliers in the reporting year. Dealing with supplier requirements so as to safeguard the supply of our components was therefore a key task for Group Procurement.

Procurement strategy

The procurement organizations at the Volkswagen Group are an integral part of the NEW AUTO Group strategy. A key task is to strengthen the procurement network and intensify cooperation across brands and regions. Making use of global synergies also creates potential for a long-term reduction in costs for raw materials, components and services.

The frequency, duration and intensity of crises and the supply chain disruption they entail have risen significantly since the beginning of the 2020s. As a consequence, the procurement organizations intend to work together with internal interface partners and suppliers to strengthen supply resilience. By establishing strategies and tools and providing additional capacity for strategic and risk analyses, the aim is to enable forward-looking and comprehensive monitoring of supply chains in line with defined criteria, such as political influencing factors, economic developments, or environmental risks.

The transformation of the automotive industry toward e-mobility means that the procurement organizations must adapt their supplier network. The way in which the Volkswagen Group works with these suppliers will be shaped on an individual basis through strategic partnerships, treating the transformation as a joint undertaking. Expansion of partnerships is generally another area of focus in Procurement, both internally in the form of collaboration across brands and departments and externally with the Volkswagen Group's suppliers. Digitalization and efficient processes are the foundation for all such strategic measures. The roll-out of a new digital supplier platform for interaction and the successful connection of the cross-sectoral data network Catena-X in 2022 were particularly noteworthy in this regard.

E-mobility

As technology advances, the automotive industry is rapidly forging ahead with its transformation toward e-mobility. A key task for Procurement is to safeguard supplies in order to meet the constantly growing requirements brought about by this change in a way that is sustainable and cost-efficient. Sustainable actions, transparent supply streams, and energy- and carbon-optimized supply chains are important elements of our contract awards. We support our partners with active management of the supplier transformation, as the industry moves from combustion-engine to all-electric vehicles, and with a lasting reduction in CO_2 emissions along the entire supply chain. To put our Company in a leading cost position, we award Group contracts that pool global demand from the markets of Europe, North and South America, and Asia-Pacific. To reduce economic and geopolitical risks, we use diversified supply chains in conjunction with a dual-supplier strategy as well as localization of the supplier portfolio for all core components of our all-electric vehicle fleet.

Digitalization of supply

We are working 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. We are following the implementation of Procurement's digitalization strategy 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

Procurement at the Volkswagen Group is responsible for ensuring cost-efficient, resilient and sustainable supply chains. Procurement is organized at a global level, with a presence in the most important purchasing markets around the world. Alongside local bodies and decision-making structures, Group Procurement manages the brands and regions. This helps us to jointly implement potential cost savings and to control risks. Organized networking of the procurement organization in the brands will enable us to leverage Group-wide synergies and purchase production materials, investments in property, plant and equipment, and services worldwide at the quality required and on the best possible terms. In addition to the brands' procurement units, Procurement operates regional offices in strategic purchasing markets. Working together in the procurement organization, these constantly identify and qualify new local 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, which may arise, for example, as a result of geopolitical crises such as the Russia-Ukraine conflict or natural disasters such as the flooding in Slovenia. By introducing strategic semiconductor purchasing, the Volkswagen Group is realigning the procurement of these electronic components for the future. The procurement organization therefore intends to assume direct negotiating responsibility for strategically important semiconductor volumes so as to safeguard long-term supply and ensure competitiveness.

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. Cross-divisional work among Procurement, Quality Assurance, Development, Production and Logistics largely prevented looming losses due to supply risks and, in cases where a reaction was required, maintained production capability. Nevertheless, the precarious situation in global supply chains resulted in limited vehicle availability for customers, albeit to a lesser degree than in the prior year.

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), updated in 2023. The

Code of Conduct for Business Partners also sets out the expectation that business partners will pass on the requirements formulated therein along the supply chain. We review compliance with the requirements, which has been an explicit condition for the award of contracts since 2019, using sustainability ratings (S-rating) for relevant companies and 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 the sustainability performance of our suppliers by means of self-disclosures and in a risk-based evaluation process involving audits. In the reporting year, we received 10,912 S-ratings for suppliers. The proportion of revenue contributed by suppliers with a positive S-rating amounts to 79% of the total procurement volume. Both the validation of the questionnaire and the performance of the 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 these; this also includes the upstream supply chain. To enable continuous supplier development, we invite our suppliers to attend sustainability training courses and workshops on specific topics at selected sites or online and also offer web-based training. In the reporting year, over 7,700 suppliers received such training.

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 e-mobility are shifting the action required from the service life of the vehicle to supply chains and the manufacture of vehicles and components as well as the disposal thereof following the vehicle's use phase. We are aware of our social responsibility and are committed to the Paris Climate Agreement. In the Modular Electric Drive Toolkit (MEB), we have incorporated the use of renewable energy, among other things, into the contracts with cell manufacturers. For new vehicle projects, CO_2 emissions will be a technical feature for relevant components for the Volkswagen Group in the future. This means our suppliers will be given binding CO_2 targets, with which they must be able to demonstrate compliance at any time. One example is the Scalable Systems Platform (SSP), the new mechatronics platform on which the batteries have a CO_2 limit. To be able to achieve these limits, suppliers need to implement measures in their own production processes and upstream chains – for example, the use of renewable electricity. Measures like these are designed to reduce the carbon footprint of many electric vehicle models. For the ID. models, the Volkswagen Passenger Cars brand uses additional sustainable components, including battery cases and wheel rims made of CO_2-reduced aluminum. In this way, the ID. family's carbon footprint is to be improved by around two tonnes per vehicle by 2025.

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 achieve greater impact in this context. Our aim here is to identify and work on issues that can be associated with human rights and environmental risks and that require more in-depth analysis. The aim is to implement suitable prevention and remedial measures that take into account the diverse and often structural causes of human rights violations. We continued to implement our activities as part of the raw materials due diligence management system in 2023 to manage the sometimes extensive risks in the upstream raw material supply chains. The management system currently comprises 18 high-risk raw materials, for which we use risk-based specific measures to identify, measure and, in particular, reduce sustainability risks. For our battery suppliers, transparency requirements 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 2023 Group Sustainability Report.

TECHNOLOGY

The “Technology” Board function is divided into four pillars, the so-called tech stacks. These encompass all activities related to the development, manufacture and procurement of battery cells and systems as part of the “Cell and Battery Strategy” tech initiative, all Group-wide topics in the “Charging and Energy Services” tech initiative, the activities of Volkswagen Group Components and the marketing of Volkswagen platforms and components to third parties (Platform Business).

Cross-brand management of technology activities and a value creation strategy coordinated throughout the Group are designed to improve the Group’s future viability and competitiveness. Synergies are to be leveraged across both traditional technologies and future areas to advance the transition to e-mobility.

The Volkswagen Group formalized its objectives for “Battery, Charging & Energy” by 2030 in its technology roadmap. With the battery roadmap, we aim to substantially reduce the complexity and cost of this key technology so as to make electric vehicles attractive and affordable for as many people as possible.

Battery

Our battery activities pillar is divided into two areas: the Center of Excellence and PowerCo. The responsibilities of the Center of Excellence include Group-wide product management, procurement and quality assurance for the battery cell and battery system, and closed-loop recycling. PowerCo will be an important cell supplier for the Group in the future.

In 2022, Volkswagen founded PowerCo SE, its own battery company, which will bundle the Group’s global cell production 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. PowerCo’s approach is based on two key concepts with which it aims to set future industry standards: a unified cell enables flexible use of different battery chemicals and is intended to be used in up to 80% of all Group models in future. The second key concept is the standard factory, which aims to enable the rapid rollout of in-house production with standardized buildings, equipment, IT and infrastructure and will thus be quickly and flexibly adaptable to future innovations.

The Group’s first own cell factory based on this model is being built in Salzgitter and is due to open in 2025. The first machinery for cell production was delivered and installed in 2023. Alongside Salzgitter, a second cell factory is being built in Valencia, Spain. In 2023, PowerCo also took the decision to build another cell factory in St. Thomas, Canada. Each factory is to operate on renewable power and be designed for future closed-loop recycling.

Vertical integration of value creation is a major component 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. The supply of raw materials is being safeguarded using a three-part strategy: long-term supply contracts, investment with partners, and procurement on the commodity spot market, backed up by financial hedging.

Cathode materials have a key role to play in the transformation to e-mobility as a driving cost factor and main component in batteries. PowerCo and the Belgian materials technology group Umicore have formed the joint venture IONWAY, which 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. The planned cathode factory will be built in Nysa/Poland.

Charging and Energy

Since 2021, the Charging and Energy area has played a key role in the Volkswagen Group's e-mobility strategy with the aim of becoming a leading provider of a smart charging and energy ecosystem.

As part of the strategic alignment, the Group is focusing on two key areas. Firstly, sales of electric vehicles are being underpinned by the development of a global fast-charging infrastructure. In Europe, the Group and its brands are involved in the pan-European joint venture IONITY, the Ewiva joint venture in Italy and other partnerships. By 2025, the number of public fast-charging points in Europe is to increase to 18,000. At the same time, both the North American charging network Electrify America – already one of the largest public charging networks in the USA – is to be expanded to 8,000 fast-charging points and CAMS in China is to be enlarged to 17,000 fast-charging points. Secondly, the Group is opening up new business models involving smart charging and energy solutions. The Group operates as one of the largest vehicle-charging subscription providers in Europe with its charging and energy brand Elli. Its charging network offers access to over 600,000 charging points Europe-wide with approximately 35,000 fast-charging points in 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 wall box to the flexible fast-charging station Flexpole and smart charging solutions. As part of a pilot project involving the smart control of stationary batteries, Elli also began trading electricity in 2023. This makes Volkswagen the first automotive group to trade on the EPEX Spot power exchange.

Volkswagen Group Components

The independent corporate entity Volkswagen Group Components, under the umbrella of Volkswagen AG, forms the third pillar of the "Technology" Board function. Some 70,000 staff with expertise in developing and manufacturing vehicle components work worldwide in more than 60 plants at 45 sites.

The product portfolio is focused on technical components such as chassis, axle systems, steering, transmission, electric drives, thermal management systems in the electric drivetrain and battery systems.

With its entry into e-mobility, Volkswagen Group Components were able to work systematically on optimizing the electric drivetrain thanks to close cooperation between product management and development. In 2023, it debuted the new, highly efficient APP550 electric drive, which features both higher performance and improved efficiency. The new powertrain was developed by Volkswagen Group Components together with Technical Development at Volkswagen Passenger Cars and is being used for the first time in the Volkswagen ID.7. It is produced at Volkswagen's site in Kassel.

Platform Business

The fourth pillar of the "Technology" Board function is Platform Business (third-party business), which pools Group-wide responsibility for the sale of platforms and components to external companies. This organizational unit is responsible for the successful initiation, acquisition (including contract design) and 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. Ford plans to produce approximately 1.2 million MEB-based vehicles for the European market by the end of the decade. In 2023, the automaker presented the Ford Explorer, the first model based on the MEB. Volkswagen is also continuing to explore a supply agreement with Indian automaker Mahindra for MEB components such as electric motors and battery cells.

PRODUCTION

Our international cross-brand production network covers all stages in the process from the supplier to the factory and assembly line, and from the factory to dealers and customers. Its 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 flexibility in the production network. At 9.31 million vehicles, the Volkswagen Group's global vehicle production in fiscal year 2023, including the Chinese joint ventures, was 6.8% up on the prior-year figure. Productivity, including the Chinese joint ventures, increased by 2.5% compared with the previous year.

Both the parts shortages and the disruption of supply chains, most recently caused by the flooding in Slovenia, restricted production in the Volkswagen Group in 2023. The supply and production situation eased toward the end of the reporting year.

one.PRODUCTION production strategy

Production is supporting the NEW AUTO Group strategy with its one.PRODUCTION functional area strategy. We are sharpening our focus in the transformation of our production and logistics, whereby our aim is to minimize expenditure, streamline processes and strengthen the team.

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. We are adopting a cross-brand approach for the thematic focus of our activities in order to pool the strengths and potential of our global production and logistics across brands and take advantage of the resulting synergies.

Our strategy process is based on a scenario methodology. As part of this, the strategic orientation of production is checked at regular intervals to verify that it is up to date. This provides the thematic framework for the topics being focused on in the year in question. These range from people-related subjects such as skills forecasts, to efficient and resilient processes, safeguarding the achievement of cost targets, digitalization and the environment, and the production and logistics network.

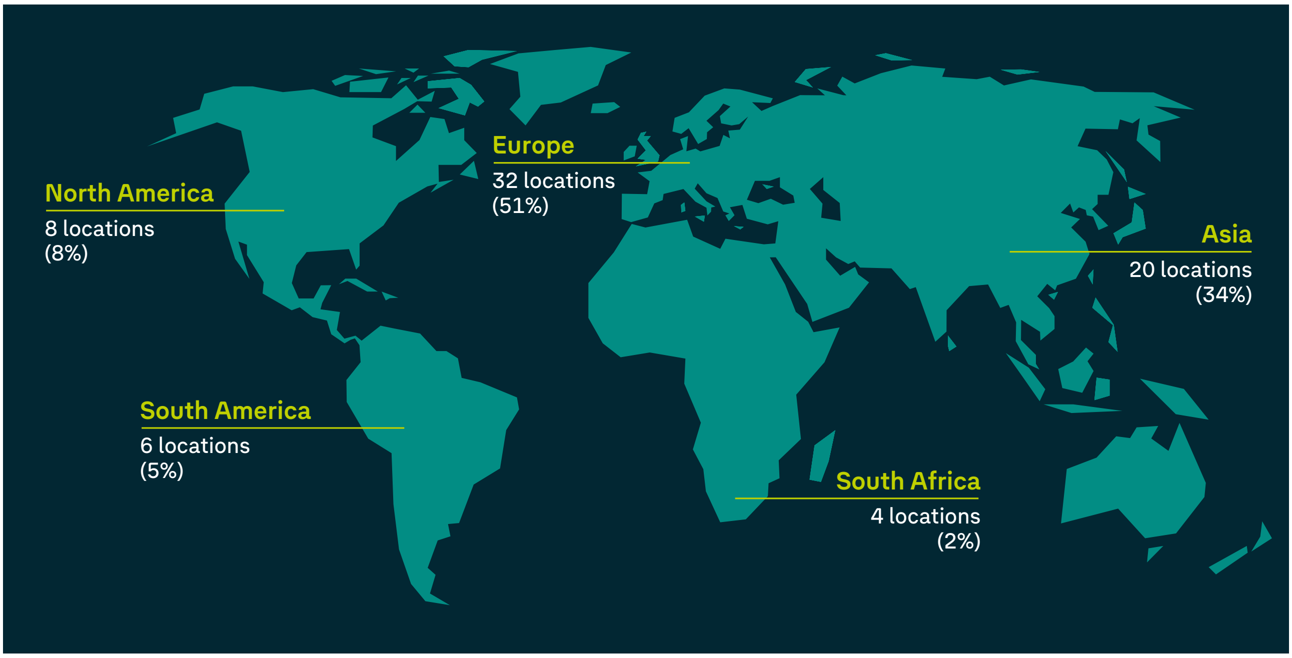
Global production network

The Group's production network encompasses 115 production sites, including our Chinese joint ventures. 70 of these sites 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 44 vehicle projects in 2023, 16 of which were new products or successor products and 28 were product upgrades and derivatives.

The flexible production capacities provided by our platforms allow us to respond to changing market requirements, make needs-based use of the production network, and leverage synergies across brands through multi-brand sites. Of the 45 vehicle production plants for passenger cars and light commercial vehicles, almost half are already multibrand sites. Models for this approach within the Group are the Bratislava and Zwickau sites. In Bratislava, vehicles of the Volkswagen Passenger Cars, Škoda, Audi and Porsche brands are produced on the joint Modular Longitudinal Toolkit (MLB) and Modular Transversal Toolkit (MQB) platforms. At present, we are manufacturing vehicles of the Volkswagen Passenger Cars, Audi and CUPRA brands on the joint Modular Electric Drive Toolkit (MEB) platforms in Zwickau.

VEHICLE PRODUCTION SITES OF THE VOLKSWAGEN GROUP

Share of total production 2023 in percent



With its NEW AUTO Group strategy, the Volkswagen Group is pursuing the goal of becoming one of the world's leading providers of sustainable mobility. The focus here is on mobility solutions that are innovative, efficient, sustainable and customer-oriented, as well as geared towards profitable growth. The introduction of the MEB served as a basis for this, and complements our portfolio with additional battery-electric vehicles. We have been manufacturing battery-electric vehicles based on the MEB in Zwickau, the Volkswagen Group's first fully electrified car factory, since 2019. One example is the ID.3 from the Volkswagen Passenger Cars brand. From 2021, the portfolio of the MEB platform in Zwickau was expanded through the addition of the CUPRA Born, the Audi Q4 e-tron and the ID.5 from Volkswagen Passenger Cars. Since 2023, Volkswagen has also been manufacturing the ID.7 on the MEB platform in Emden. Furthermore, we use the all-electric platform for premium and sports brands – the Premium Platform Electric (PPE) – to leverage synergies in production across the brands. This meant that electric vehicles were manufactured at 18 sites across the global production network as of year-end 2023.

New technologies and digitalization

As part of the one.PRODUCTION strategy, the Group has developed the "Operating System 2030+" approach – a cross-brand vision for the factory of the future. An important dimension of this, and a prerequisite for achieving it, is digitalization towards autonomous factories. The digital transformation is thus shaping the future development of our process landscape and data ecosystem. The corresponding switch to value stream- and product-oriented software development within the Group is bringing greater focus and speed to the implementation of solutions. Overall, more than 69 new applications are already available for use in the production and logistics processes. Examples range from virtual training courses for new vehicle start-ups to the identification and implementation of potential energy savings and the use of artificial intelligence for parts supply by the Scheduling departments. The applications are now being rolled out to over 40 plants via the Digital Production Platform (DPP) jointly developed with our strategic partner Amazon Web Services (AWS).

In 2023, Volkswagen continued its commitment to Catena-X, the first open and collaborative data space for the automotive industry. With Catena-X, Volkswagen is shaping the future of the automotive supply chain in conjunction with other manufacturers and suppliers worldwide. The aim is to build a global data ecosystem for the automotive industry 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. We began using the first applications for partner data management in the supply chain in 2023. Further solutions, for instance for quality cycles and managing shortages of materials, are to follow in 2024.

In the Volkswagen Group, digital and innovative technologies are systematically validated 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 2023 included computer vision, augmented reality, process mining, AI robotics and what is known as generative artificial intelligence (GenAI). For example, artificial intelligence is being used on Volkswagen's proprietary computer vision platform to perform tasks such as complex image evaluations within the operational production process, and is continuously transferred to other sites across the brands. Opportunities to use GenAI are also being evaluated and tested across departments and brands.

Zero Impact Factory

We are planning the production of tomorrow with our one.PRODUCTION functional area strategy. The use of resources and emission levels at Volkswagen Group sites require particular attention. In the Zero Impact Factory program, we are developing specific steps towards more sustainable production, guided by the vision of a factory that has no adverse environmental impact. The brands have been using the measurement methods and management tools developed for this since 2022. These enable us to record and reduce the quantitative environmental impact of our production sites, particularly in the areas requiring action of climate protection and energy, emissions, water and waste. We are also focusing on qualitative aspects such as the appearance of our factories, our commitment to biodiversity, protection of the soil, a functioning environmental compliance management system, improvement of our resource efficiency, and environmentally friendly mobility management for employee and goods transport. A further important milestone was reached in 2023. As part of an internal test phase, we are now measuring 22 quantitative environmental indicators – including CO_2 emissions, solvent emissions, freshwater requirements, wastewater loads and different types of waste – at all sites where we produce passenger cars and light commercial vehicles and are converting these into impact points on the basis of their environmental relevance. This makes it possible to compare the environmental impacts with one another and means we can implement reduction measures targeted at precisely those areas in which the greatest positive impact for the environment can be achieved. We use a site checklist to continuously review the status of implementation of a further 143 environmental criteria. Examples of these include projects and measures geared towards maintaining biodiversity, establishing environmentally friendly employee mobility, and promoting the circular economy.

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 indicators that are purely performance-based and vehicle-specific to a reduction in the environmental impact of our production in absolute terms. Our goal is to achieve Zero Impact status for all of our manufacturing plants for passenger cars and light commercial vehicles by 2050.

To support programs such as these, a management system developed in-house started being introduced at all production sites worldwide in 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, and 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 year.

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 year, approximately 1,540 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 may have a positive effect on the Group's environmental indicators and are often beneficial from an economic perspective.

Zero Impact Logistics

In the joint Zero Impact Logistics initiative, the Group and brand logistics departments work together to achieve the goals of the goTOzero environmental mission statement. By continuously optimizing the transport network and logistics processes – for example by means of digitalization – we can avoid unnecessary shipments and reduce emissions. In addition, the use of new low-emission technologies for transporting production materials and vehicles is examined, piloted and accelerated.

The measures the Volkswagen Group is taking to achieve carbon-neutral logistics in the future also include, for example, moving shipments from road to rail and almost complete avoidance of CO_2 through the use of green electricity in rail transport in Germany and other countries in collaboration with railway companies. Volkswagen also transports high-voltage batteries for electric vehicles in an environmentally conscious and efficient manner, for example at the Volkswagen component site in Braunschweig. Here, the batteries are loaded fully automatically onto trains that run on renewable power, which then take them to the Volkswagen plant in Zwickau.

Group Logistics uses two roll-on/roll-off charter ships powered by low-pollution liquefied natural gas (LNG) to transport vehicles across the North Atlantic. At the end of 2023, it started the gradual introduction of four more LNG-powered car freighters, and is thus progressively replacing conventionally operated ships. Compared to other LNG-fueled marine engines, Group Logistics' charter ships are more climate-friendly because the high-pressure technology of the two-stroke engines from MAN Energy Solutions allows almost no methane to escape. In principle, the dual-fuel engines will also enable non-fossil fuels – such as biogas (bio-LNG), e-gas (synthetic gas) from renewables and biofuel – to be used in future. This will allow carbon emissions to be reduced even further. In the long term, Group Logistics also sees further potential to reduce the level of CO_2 with other alternative fuels.

Group Logistics permanently operates two charter ships powered by biofuel on European sea routes. This fuel produces less CO_2 than conventional fossil fuels, it is made from used cooking oils and fats. These waste and residual materials that stem, for example, from the catering and food industries, cannot be used for further processing into food or animal feed.

SALES AND MARKETING

We regard ourselves as an innovative and sustainable mobility provider for all commercial and private customers worldwide – with a 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 and depending on a vehicle's features. We are increasingly investing in distribution systems and processes with the goal of further digitalizing and improving the individual customer experience in all distribution channels. The Volkswagen Group's financial strength and profitability is attributable to an extensive portfolio of strong brands. We want to continuously sharpen the brand profiles and to distinguish as clearly as possible between the customer segments served by the brands, supplementing them as required with tailored solutions. Our aim is to achieve high market saturation with great efficiency and a low level of brand cannibalization. To this end, we have established automobile-specific customer segmentation to steer and improve 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 have 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 "Volkswagen Group Mobility" 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 all-electric vehicles and hybrid models, we kicked off the goTOzero retail project that is focused on decarbonizing our entire sales network and increasing its ESG performance, helping our sales partners to move over to a climate-neutral business model. As a result, the carbon footprint of our sales network is to be reduced by at least 30% by 2030 compared with 2020. In order to identify and successfully implement the right measures, we have produced manuals, training courses and marketing materials for our partners. In addition, a certification model has been established for the entire sales network in response to both regulatory requirements and customer expectations.

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 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 and Škoda also have above-average customer loyalty ratings. 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 Volkswagen Passenger Cars and Audi brands improved their conquest rates in 2023, while the figures for Škoda and Porsche were on a level with the previous year.

In the core European markets, brand image and confidence in the Volkswagen Passenger Cars brand stabilized above the level for the market as a whole in 2023. Audi and Porsche continue to occupy top places 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.

Digitalization provides many opportunities for Sales, including improved customer contact. 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.

Car subscription

Volkswagen Financial Services AG expanded the portfolio of mobility services offered by the Volkswagen Group and its brands in 2023. Progress has been made particularly in the collaboration with the Europcar Mobility Group (EMG). Numerous joint projects worldwide are currently being worked on, from mobility services for fleet customers to cooperation on the marketing of used vehicles.

The Volkswagen Financial Services AG mobility platform is continuously enlarging its portfolio of mobility services for the Group brands. Its solutions offer the use of vehicles for anything from minutes to years. Particularly noteworthy is the expansion of flexible subscription products, which progressed as planned in 2023. In Germany, the portfolio was expanded to include the Škoda brand. September 2023 saw the launch of the Volkswagen Abonnement, a subscription service also offered through EMG for the Volkswagen Passenger Cars brand in France.

Fleet customer business

Business relationships with fleet customers are often long-term partnerships. In a volatile environment, this customer group provides greater stability for sales of well-equipped, profitable vehicle models than the private customer segment.

The Volkswagen Group has an established base of business fleet customers, especially in Germany and the rest of Europe. Our extensive product range enables us to satisfy their individual mobility needs from a single source.

In an overall passenger car market in Germany that grew by 7.3% in the reporting year, business fleet customers accounted for 21.4 (18.8)% of total registrations. The Volkswagen Group's share of this customer segment increased to 47.0 (43.5)%. Outside Germany, the Group's share of registrations by fleet customers in Europe was 27.6 (25.7)%. This shows that fleet customers' confidence in the Group remains at a high level. We were able to consolidate our strong market position in the fleet customer business in Europe.

After Sales and Service

In the after-sales business, we regard ourselves as a complete provider of all products and services relevant to customers. Together with our partners, our mission is to ensure lifelong mobility for our customers and vehicles. We are therefore continuously expanding our portfolio of tailor-made offers and services with the aim of improving customer experience and the satisfaction of our customers. The partner businesses also offer a comprehensive portfolio of services in all vehicle classes.

In After Sales, we are supporting the changing world of mobility and our systematic focus on e-mobility by developing new services and innovative concepts. As the Group transforms from vehicle manufacturer to a leading, global provider of sustainable mobility, 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 disruptions in supply chains we were unable to fully guarantee in-time delivery of replacement parts in certain cases during the reporting year.

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 transport-tation. 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 continuously 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 new motto: "We strive for outstanding products, services and customer satisfaction." 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 the product as well as 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. 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/CUPRA, 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. This principle applies to all systems, components and parts that directly influence a vehicle's safety, type approval and functioning and therefore require particular vigilance. At the series production stage, we see to it that the conformity checks on our products are carried out and assessed 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 year to verify that our sites and brands continue to comply with these requirements. Particular focus was placed on assessing the risk of non-compliance with defined processes. Our quality management consultants pay attention to 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. Consistent quality benchmarks apply across all brands and regions to ensure that we obtain comparable results from the vehicle audit. We are continually adapting these in line with changing requirements. For more than 40 years now, we have been deploying auditors around the world to assess, from the customer's perspective, the vehicles that are ready for delivery and to ensure that these vehicles comply with the benchmarks defined.

EMPLOYEES

The Volkswagen Group is one of the world's largest private employers. On December 31, 2023, we employed a total of 684,025 people, which includes the Chinese joint ventures. This figure represents a 1.2% increase compared with the end of 2022. The ratio of Group employees in Germany to those abroad remained largely stable over the past year; at the end of 2023, 298,687 (293,862) employees worked in Germany.

EMPLOYEES BY MARKET

in percent, as of December 31, 2023

Human resources strategy and principles of the human resources policy

For the Volkswagen Group the transformation of the workforce is defined as a 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 will play a key role in this context for our three brand groups – Core, Progressive 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): As our transformation takes shape, the way in which teams in the Volkswagen Group collaborate changes fundamentally. Hybrid, digital and agile forms of collaboration become more important. They require office environments and working methods to adapt and facilitate collaborative, flexible work. The same applies to opportunities for digital collaboration.

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 support the transformation in a goal-oriented way 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 (employee engagement). The topics of our social commitment range from education to culture, diversity, a culture of remembrance, 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 86.0 index points was achieved in the reporting year, meaning that the target for 2023 of 88.8 index points was missed. 86.6 points were achieved in the previous year. For Volkswagen AG, the score for 2023 was 84.7 (87.1) 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 the internationalization of top management as a percentage of the global active workforce (total workforce excluding vocational trainees and employees in the passive phase of their partial retirement), excluding employees in the withdrawal phase of their time asset bonds. 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 19.2% in 2023 and was 1.9 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% by 2025; in the past fiscal year this was 25.6 (23.4)%. 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 2023 we had planned to increase this index to 142. This target was exceeded with a score of 154 (140).

> 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 measure the percentage of the active workforce considered in the strategic HR planning from 2023. The data collected showed a coverage of 34.3%, which was just under the target of 35%.
> 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. Through economies of scale in connection with digitalization and through use of the 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 (excluding employees in the withdrawal phase of their time asset bonds) – by 35% by 2030 to 30 hours 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 year was 24.0 hours. With an average of 22.1 hours per employee, the target has not been met.

Training and professional development

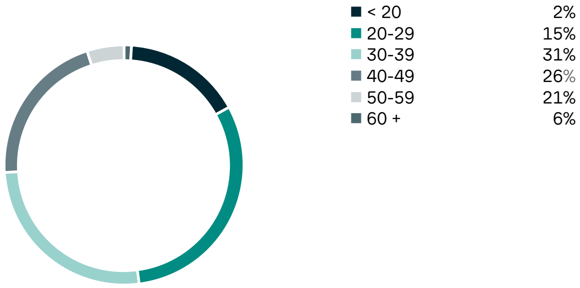
At Volkswagen, our capacity for innovation and our competitive position largely depend on the commitment and knowledge of our employees, particularly during the transformation.

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 IT, brand IT, Technical Development and CARIAD. The fifth year of this innovative transformation program started in November 2023. 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 innovative programming schools in Wolfsburg, Berlin and Prague in cooperation with the non-profit École 42. In 2023, an average of 882 students in Berlin, Wolfsburg and Prague were learning from and with each other in this innovative training approach.

AGE STRUCTURE IN YEARS OF EMPLOYEES
as of December 31, 2023; 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 2023, the Volkswagen Group trained 17,081 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 professsionals. 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 attracttiveness 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, 2023, 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 15.3% and at the second level of management it was 21.5%. The Group Board of Management and Supervisory Board are regularly informed of the figures achieved and the current target paths.

PROPORTION OF WOMEN IN THE VOLKSWAGEN GROUP
as of December 31

%	2023	2022
Employees	18.7	18.1
Vocational trainees[1]	20.6	20.3
Total management	18.7	16.8
Management	21.0	18.8
Senior management	14.5	13.5
Top management	11.1	9.8

[1] Excluding Scania and Navistar

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 agreement on target quotas 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. To strengthen collaboration between teams in this changed environment, we offer accompanying knowledge transfer and training formats on the topic of virtual and hybrid collaboration.

The use of hybrid collaboration also poses new requirements for the design of office spaces. Against this backdrop, we are currently testing desk-sharing models in various office environments (for example at Volkswagen AG, Audi and Porsche) with the aim of designing more modern workplaces at Volkswagen. At production sites, too, we are investing in contemporary working environments. At our Wolfsburg site, for example, we are gradually modernizing several hundred social spaces, including with financial support from the modernization fund. Plants and departments can apply to the modernization fund, which distributes an average of €25 million each year. The fund has a total volume of €125 million, spread over five years.

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.

Preventive healthcare and occupational safety

In addition to complying with legal requirements, we aim to protect and promote 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 2023 opinion survey covered 129 companies in 48 countries. Of the 588,072 employees in the companies surveyed, 464,749 participated. This was a participation rate of 79%. 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 2023, stood at 82.5 out of a possible total of 100 index points. The score achieved in 2023 was thus just above the previous year's figure, which amounted to 82.4 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 Volkswagen Group is continuing to drive its transformation into a provider of sustainable mobility. IT is playing an ever more important role in this – used in our vehicles, across the Company and in opening up new business models.

Digitalized supply chains, automated and AI-optimized production processes, data-driven management of the sustainability targets and a seamless integration of analogue and digital customer experience are elements of this transformation.

Based on an in-depth review of the situation, the "IT" Board function has developed the NEW IT functional area strategy – a vision focused on the following topics:

> Updating, delivering and constantly improving highly automated enterprise processes and systems by means of a high-performance IT infrastructure with a cost-effective cloud-first approach that is resilient to cyber threats and designed to ensure data protection.

> Through agile development, the customer-centric development of IT products and digital services will facilitate continuous improvement and refinement and lead more swiftly to measurable business benefit.

> 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, whilst adhering to the relevant and applicable data protection requirements.

With the NEW IT strategy, the IT and data organization have been geared to the requirements of the coming years. Sprints focused on business impact and speed will drive the IT strategy in a consistent direction. The introduction of a new agile product organization will significantly accelerate the development and provision of digital products. IT and the Board functions will work together on new digital products in cross-functional teams, taking an agile and customer-centric approach with short development cycles. Systematically modularizing large IT programs using such sprints will significantly reduce the complexity of these projects. This will not only make the projects more efficient and faster to implement but deliver results and business benefits sooner.

By forging ties between the "IT" Board function and the chief information officers (CIOs) of the Core, Progressive and Sport Luxury brand groups and of Volkswagen Financial Services AG, we aim to ensure a uniform, strategic focus and to help promote the leveraging of synergies and the use of economies of scale. The systematic identification and Group-wide sharing of best practices – projects that have already been successfully implemented at individual brands or companies – provides for effective knowledge transfer within the Company, conserves resources and generates greater speed and efficiency. Creating transparency around IT costs across the brands and therefore throughout the Group is an essential factor in making strategic decisions for the future. A 50% reduction in the IT committee landscape also serves to accelerate this decision-making.

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, even more functions for simple, digital collaboration throughout the Group were implemented in the reporting year. Furthermore, the implementation of a comprehensive Group-wide data strategy enables the generation of overarching benefits through data-based solutions and artificial intelligence. The expansion of strategic IT partnerships and cross-brand partner and resource management also secures external capacity.

Software development

The "IT" Board function is responsible for swiftly developing 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 critical 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 the NEW IT strategy and safeguarding intellectual property in the form of software product source codes.

Use of digitalization and IT solutions

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. It manages the IT project portfolio and fosters the digital cultural change as well as innovations and synergies 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 Data:Lab in Munich and Wolfsburg are involved in machine learning and AI solutions that have great potential, for example in production, logistics and quality assurance. The objective is improved human-machine collaboration to optimize processes, minimize errors and automate possible repetitive tasks, freeing up capacity for more valuable work. In the medium and long term, the aim is to enable cost savings, increased product quality and improved competitiveness.

The focus is on innovation projects such as Smart Quality Analytics (SQA) – an IT system used among other things to digitalize the analysis of field data. For quality assurance purposes, SQA records and analyzes the data from connected customer vehicles. This includes data from control units as well as error messages from workshops. Other projects are working on optimizing the order of individual working steps in vehicle manufacture (for example a painting sequence) to reduce production times and improve the use of resources.

In the field of machine learning, work is being carried out on smart management of energy use to generate sustainable energy savings and CO_2 reductions, for example in compressed air control systems. In addition, the SDCs 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. Digitalized work tools such as the "virtual concept vehicle" make the product development process faster, more efficient and more cost-effective, for example by replacing physical components with virtual components generated on the computer.

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 2023 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 findings and solutions are being implemented within the Group successively. The main focus is on topics that could one day pose information security risks for the Group and that need to be specially safeguarded as part of the Group's digital transformation strategy. The 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 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.

The task of automotive cybersecurity is to avert cyberattacks 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.

To protect our customers against cyberattacks, and to implement our solutions in conformity with national and international legislation, we have established integrated, cross-brand, cross-regional security management systems for information and cybersecurity. The cybersecurity management system required by UNECE Regulation 155 received UNECE CSMS certification in 2021 and undergoes annual monitoring audits (most recently in mid-2023). Safeguarding the complete life cycle of our vehicles and digital mobility services has been part of standard operations since 2022.

Key central information security processes have been audited and certified in line with the international ISO 27001 framework. This is the most important cross-sectoral standard for information security and is our basis for building an appropriate information security management system for handling all sensitive information in the Group. This information security management system is being gradually expanded. It is audited annually and recertified at required intervals.

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 legislative initiatives with data protection relevance, and the sharp rise in the extent of international data protection legislation continue to require a high level of attention to ensure ongoing compliance with data protection requirements. 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 2023 will be available on the website www.volkswagen-group.com/nichtfinanzieller-bericht-2023 in German and at www.volkswagen-group.com/nonfinancial-report-2023 in English by no later than April 30, 2024.

REPORT ON POST BALANCE SHEET DATE EVENTS

There were no significant events after the end of fiscal year 2023.

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 CO_2 emissions for the climate change mitigation environmental objective.
> The activity meets the Do-No-Significant-Harm (DNSH) criteria defined for this economic activity. These are designed to prevent significant harm to one or more of the other environmental objectives, e.g. from the production process or by the product.
> The activity is carried out in compliance with the minimum safeguards, which apply to all economic activities and relate primarily to human rights and social and labor standards.

The 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 2023

The Volkswagen Group is required by the EU Taxonomy to report on all of the environmental objectives for the first time in fiscal year 2023. Following climate change mitigation and climate change adaptation, definitions have now been assigned to the four remaining environmental objectives, these being sustainable use and protection of water and marine resources, transition to a circular economy, pollution prevention and control, and protection and restoration of biodiversity and ecosystems. 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 provider of sustainable mobility. In this context, we pay particular attention to the use of resources and the emissions of our product portfolio, as well as those of our sites.

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 one of the other five environmental objectives.

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 do not fall under other economic activities in the manufacturing sector.	Power Engineering
3.18 Manufacture of automotive and mobility components	Manufacture, repair, maintenance, retrofitting, repurposing and upgrade of automotive and mobility systems and components that are essential for delivering and improving the environmental performance of the vehicle.	Vehicle-related business
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 CO_2 emissions associated with them in accordance with the current regulations. In this way, we have identified those vehicles among all of our taxonomy-eligible vehicles that meet the screening criteria and with which the substantial contribution to climate change mitigation is measured. These include all of the Volkswagen Group's all-electric vehicles (BEVs). Until December 31, 2025, they also include passenger cars and light commercial vehicles with CO_2 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 6 standard (Stage E) were also included until December 31, 2022.

Economic activity 3.18 Manufacture of automotive and mobility components

This economic activity was added to the EU Taxonomy in the reporting period to enable those components that play a key role in reducing greenhouse gas emissions also to be taken into account. To this activity, we allocate the sale to third parties of motors and powertrains produced by us for all-electric vehicles; this primarily comprises the sale of these components to our Chinese joint ventures.

At this stage, other activities that are directly associated with the primary vehicle-related business and that in our view should also be allocated to these economic activities have not yet been included or have been interpreted as not yet being taxonomy-eligible. This is because, as the rules of the EU Taxonomy currently stand, it is still unclear where to record them in accordance with the EU Taxonomy. These activities particularly include the sale of additional engines and powertrains, 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 business of building new heavy fuel oil engines and individual components for the extraction and processing of fossil fuels, have identified them as taxonomy-eligible. To enable us to also demonstrate the substantial contribution made by individual activities to climate change mitigation, we have developed a systematic method of calculating life-cycle greenhouse gas (GHG) emissions that is based on parameters and is suitable for the building of both individual machines and systems. This approach has been verified for some first projects by an independent third party and will be extended to other applications in future.

Economic activity 3.2 Manufacture of equipment for the production and use of hydrogen

Our activities in relation to the manufacture of equipment for the production of hydrogen are taxonomy-eligible: they include the electrolyzers we manufacture and the complete hydrogen systems we build. To meet the substantial contribution criteria, evidence of the life-cycle GHG emissions of the hydrogen later produced by the equipment’s user must also be provided. This depends on the source of the energy used for electrolysis.

The manufacture of equipment for the use of hydrogen, which is required for a hydrogen-based supply of energy and raw materials, makes a substantial contribution to climate change mitigation. This equipment includes the compressors we manufacture for the transport, compression, or liquefaction of hydrogen, tanks and equipment for the storage of hydrogen, and reactors and equipment for processing hydrogen into hydrogen-based synthetic fuels.

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 carbon capture, utilization and storage (CCUS) technology. 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 CO_2 emissions.

To count as a substantial contribution to economic activity 3.6, we must demonstrate that the use of the product reported here enables substantial life-cycle GHG emission savings compared to the best-performing alternative available on the market. Examining the life-cycle GHG emissions of the product itself does not suffice; the difference from the emissions of the alternative technology must also be calculated and evaluated. For this purpose, we apply the systematic method based on parameters that is used to calculate life-cycle GHG emissions to the CCUS industrial solutions, large-scale heat pumps, energy storage systems and paper industry applications manufactured by us.

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.

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, 3.18 Manufacture of automotive and mobility components, 3.2 Manufacture of equipment for the production and use of hydrogen and 3.6 Manufacture of other low-carbon technologies.

In the vehicle-related business, an analysis was performed largely at the level of the production sites where passenger cars, light commercial vehicles, trucks, buses and components are or will be produced that meet the screening criteria for the substantial contribution of economic activities 3.3 Manufacture of low-carbon technologies for transport and 3.18 Manufacture of automotive and mobility components, or that are to meet them in future according to our five-year planning, and based on current regulations. Of the approximately 40 sites included, the majority are located in the EU, with some in the United Kingdom, Türkiye, South Africa, the USA, Mexico, Brazil, Argentina, China and India. We also included the sites that manufacture specific components for electric vehicles.

For the Power Engineering Business Area, an analysis was performed largely at the level of the production sites that produce relevant components for systems or are responsible for supply chains that meet the screening criteria for the substantial contribution of economic activities 3.2 Manufacture of equipment for the production and use of hydrogen and 3.6 Manufacture of other low-carbon technologies, or that are to meet them in future according to our five-year planning. These comprise five sites in Germany, one in Switzerland and one in Sweden.

The wording and terminology used in the EU Taxonomy are subject to some uncertainty in interpretation. To some extent, the Taxonomy goes beyond the regulations to be applied in regular business operations. In addition, the application of the EU Taxonomy to sites outside the EU leads to particular challenges due to the possibility of diverging legislation. Below, we set out our interpretation and describe the main analyses we used to examine whether there was any significant harm to the other environmental objectives. Our assessments confirmed that we met the requirements of the DNSH criteria in the reporting year in the vehicle-related business at the sites producing passenger cars, light commercial vehicles and components, at the sites of the European truck and bus brands, and in the Power Engineering Business Area.

Climate change adaptation

We performed a climate risk and vulnerability assessment to identify which production sites may be affected by physical climate risks. The physical climate risks we identified were assessed on the basis of the lifetime of the relevant fixed asset.

Volkswagen's climate-based DNSH assessment is based on the Representative Concentration Pathway (RCP8.5) and on the Shared Socioeconomic Pathway (SSP5-8.5) scenario to the year 2050 and thus assumes the highest concentration of CO_2 according to the Intergovernmental Panel on Climate Change (IPCC). The relevance of the identified threats was assessed for the local environment and, if appropriate, the 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 major aspects of Volkswagen's environmental management system. Volkswagen defines guidelines on the circular economy in its environmental principles, in its overall factory white paper and in its goTOzero strategy.

The product-related requirements for passenger cars and light commercial vehicles are taken into account through implementation of the statutory end-of-life vehicle requirements in conjunction with the type approval of the vehicle models. In addition to this, each brand has 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.

In the Power Engineering Business Area, a major lever for the circular economy can be found particularly in a long product lifespan, supported among other things by our retrofitting business.

Pollution prevention and control

To be considered environmentally sustainable, an economic activity may not significantly increase air, water or soil pollutant emissions as compared with the situation before the activity started.

Overall, the automotive sector is already tightly regulated, as demonstrated for example by the publicly accessible Global Automotive Declarable Substance List (GADSL). Approval and monitoring processes have been implemented with the aim of ensuring compliance with the legal requirements and internal rules and regulations applicable to regular business operations. In this context, we also already consider the use of alternative substances in our analyses and assessments.

In July 2023, the European Commission revised the DNSH criterion of the EU Taxonomy. There is room for interpretation as to the effect that the changed requirements will have on internal processes related to the assessment of substitution options for substances of very high concern (SVHC) in the 2023 reporting year.

In the vehicle-related business, standards and processes stipulating in principle that SVHCs should be avoided and substituted are already in place. On this basis, our analyses look at the substances contained in the process materials used in production and in the vehicle-related components of our all-electric vehicles, and at the suppliers of these materials and components, in order to assess whether the SVHCs can be substituted, taking into account factors such as technical and economic criteria. We use pilot projects to test the processes and documentation for assessing substitution options in accordance with the amended EU Taxonomy requirements. It has not yet been possible to verify whether the sites of the truck and bus brands that operate only outside the European Economic Area comply with the new regulations due to factors such as the inadequate lead time for implementation.

In the Power Engineering Business Area, the corresponding processes include surveys relating to the substitution assessments and guidelines for performing these assessments.

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 assessments confirm that we meet the requirements of the minimum safeguards in the reporting year.

As a business with a global presence, the Volkswagen Group accepts its corporate responsibility for human rights, fully recognizes these conventions and declarations and reaffirms its agreement with the contents and principles stated therein. In 2022, the Volkswagen Group appointed a Human Rights Officer, whose duties relate primarily to monitoring, checking and advising within the meaning of the *Lieferkettensorgfaltspflichtengesetz* (LkSG – German Supply Chain Due Diligence Act).

The LkSG imposes certain due diligence obligations designed to avoid risks associated with human rights and the environment. These obligations include the performance of risk analyses, the integration of preventive measures, remedial measures and the provision of a complaints mechanism. The due diligence obligations apply both to the Volkswagen Group's own business area and to the Group's supply chain. In the reporting year, the departments responsible performed a risk analysis using questionnaire-based surveys of the Group companies of the Volkswagen Group's own business area; this included all sites that were also examined under the DNSH criteria. The companies were given risk-specific measures to counteract the risks identified in the analysis, and were required to implement these. For risks that are already known, we have begun to revise and initiate preventive measures and to supplement these with other measures where appropriate. The status of implementation of the respective measures is continuously monitored by the Group. If infringements of the frameworks are identified, remedial measures must be initiated and checked for their effectiveness.

Relationships with our business partners are based on agreements such as the Code of Conduct for Business Partners. We review compliance by the relevant suppliers with the binding requirements defined in the Code using sustainability ratings. We address existing sustainability risks and violations of sustainability principles by systematically defining and allocating packages of measures to correct the violations; we also apply this approach to the upstream supply chain. In addition, we also conducted training for suppliers and on-site audits at suppliers with a high risk exposure in the reporting period. We implemented a Human-Rights-Focus-System in 2022 to comply with international frameworks and requirements and specifically the LkSG. 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.

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 2023. As we differentiate between economic activities, we have avoided double counting. Where possible, the figures within an economic activity have been allocated directly. In our vehicle-related business, for example, we 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 the sales revenue reported in the IFRS consolidated financial statements. This amounted to €322.3 billion in fiscal year 2023 (see also note on "Sales revenue" in the notes to the consolidated financial statements; the prior-year figures were adjusted – see disclosures on IFRS 17).

Of this total, €294.0 billion, or 91.2% of Group sales, was attributable to economic activity 3.3 Manufacture of low-carbon technologies for transport, and was classified as taxonomy-eligible. This includes sales revenue after sales allowances from the sale of new and used vehicles including motorcycles, from genuine parts, from the rental and lease business, and from interest and similar income, as well as sales revenue directly related to the vehicles, such as workshop and other services.

Economic activity 3.18 Manufacture of automotive and mobility components accounted for taxonomy-eligible sales revenue of €165 million or 0.1% of Group sales. This includes the sale of all-electric vehicle motors and powertrains to third parties.

Of the taxonomy-eligible sales revenue from economic activity 3.3 Manufacture of low-carbon technologies for transport, €36.6 billion met the screening criteria used to measure the substantial contribution to climate change mitigation. This includes all of our all-electric vehicles and a large proportion of our plug-in hybrids. In 2023, there were 799 thousand such vehicles, around one third more than in the previous year. Their share of the relevant sales volume – excluding the vehicles from the Chinese joint ventures – rose to 12.7 (11.1)%. Passenger cars and light commercial vehicles made up the bulk at 797 thousand vehicles; trucks and buses were down compared with the previous year, when buses that met the requirements of the Euro-6 E standard were still counted. Sales of all-electric vehicles (BEV) increased very sharply compared with the prior year. In addition, the taxonomy-eligible sales revenue from economic activity 3.18 Manufacture of automotive and mobility components met the screening criteria used to measure the substantial contribution to climate change mitigation.

Taking into account the DNSH criteria and minimum safeguards, €36.5 (26.1) billion of the sales revenue generated from our vehicle-related business, equating to 11.3 (9.4)% of consolidated sales revenue, was taxonomy-aligned. Of this figure, €165 million related to economic activity 3.18 Manufacture of automotive and mobility components, which is being reported for the first time, while €27.8 billion or 8.6% of consolidated sales revenue was attributable to our BEV models.

In the Power Engineering Business Area, our activities that fall under economic activity 3.2 Manufacture of equipment for the production and use of hydrogen generated completely taxonomy-aligned sales revenue of €28 million (previous year: €18 million). The increase in taxonomy-aligned sales revenue is attributable to the expansion of the business. Most of our taxonomy-eligible sales revenue in the Power Engineering Business Area was attributable to economic activity 3.6 Manufacture of other low-carbon technologies (€3.1 billion), €68 million of which is taxonomy-aligned. In the reporting year, the complex evidential requirements were fulfilled for a portion of the activities for the first time. A further €58 million was contributed to taxonomy-eligible sales revenue by economic activity 9.1 Close to market research, development and innovation.

Of the Volkswagen Group's total sales revenue in fiscal year 2023,

- €297.4 (256.9) billion, or 92.3 (92.0)%, was taxonomy-eligible sales revenue and
- €36.6 (26.1) billion, or 11.4 (9.4)%, was taxonomy-aligned sales revenue.

SALES REVENUE 2023

Economic activities	SALES REVENUE € million	SALES REVENUE %[1]	SUBSTANTIAL CONTRIBUTION TO CLIMATE CHANGE MITIGATION € million	SUBSTANTIAL CONTRIBUTION TO CLIMATE CHANGE MITIGATION %[1]	COMPLIANCE WITH DNSH CRITERIA Y/N	COMPLIANCE WITH MINIMUM SAFEGUARDS Y/N	TAXONOMY-ALIGNED SALES REVENUE € million	TAXONOMY-ALIGNED SALES REVENUE %[1]
A. Taxonomy-eligible activities	**297,359**	**92.3**	**36,847**	**11.4**	**Y/N**	**Y**	**36,644**	**11.4**
Vehicle-related business								
3.3 Manufacture of low-carbon technologies for transport	294,049	91.2	36,586	11.4	Y/N	Y	36,383	11.3
of which taxonomy-aligned BEVs							27,759	8.6
3.18 Manufacture of automotive and mobility components	165	0.1	165	0.1	Y	Y	165	0.1
Power Engineering								
3.2 Manufacture of equipment for the production and use of hydrogen	28	0.0	28	0.0	Y	Y	28	0.0
3.6 Manufacture of other low-carbon technologies	3,059	0.9	68	0.0	Y	Y	68	0.0
9.1 Close to market research, development and innovation	58	0.0	-	-	-	-	-	-
B. Taxonomy-non-eligible activities	**24,925**	**7.7**						
Total (A + B)	**322,284**							

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 2023 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 2023, additions in the Volkswagen Group as defined above amounted to

> €12.3 billion from intangible assets,
> €14.8 billion from property, plant and equipment and
> €33.0 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 €1.4 billion in fiscal year 2023. Total capital expenditure to be included in accordance with the EU Taxonomy therefore came to €61.5 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 €61.1 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 brands or to all brands, depending on the primary business activity, while site-based allocation formulas were used for production companies. This means that capital expenditure was counted in full via the allocation formulas for sites that according to our medium-term planning will produce only 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 €20.1 billion.

Taking into account the DNSH criteria and minimum safeguards, capital expenditure of €20.0 (16.9) billion was taxonomy-aligned. This represented 32.6 (34.5) % of the Group's total capital expenditure. Of this figure, €5.9 billion was attributable to intangible assets, €6.3 billion to property, plant and equipment and €7.9 billion to lease assets and investment property. The figure includes additions to capitalized development costs of €4.9 billion and additions to property, plant and equipment of €6.1 billion for our all-electric vehicles (BEV). The increase in taxonomy-aligned capital expenditure of €3.1 billion 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 years 2021 and 2022 based on the Green Finance Framework updated in October 2022 by issuing green bonds in the amount of €3.5 billion. Only capital expenditure in connection with all-electric vehicles was included here.

In 2022, Scania issued a green bond totaling SEK 3.0 billion to finance research and development activities relating to all-electric vehicles. The remaining €91 million was used in the reporting period; of this amount, €46 million was attributable to taxonomy-aligned capital expenditure. Adjusted for this figure, taxonomy-aligned capital expenditure attributable to the vehicle-related business accounted for 32.5 (34.3)% of total capital expenditure in accordance with the EU Taxonomy.

€37 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 €85 million is attributable to economic activity 3.6 Manufacture of other low-carbon technologies. For the latter, capital 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 in the amount of €37 million, half of which was attributable to intangible assets and half to property, plant and equipment. Capital expenditure amounting to €24 million for the manufacture of other low-carbon technologies was disclosed as taxonomy-aligned, more than 90% of this was attributable to property, plant and equipment.

Of the Volkswagen Group's total capital expenditure in fiscal year 2023,
> €61.3 (48.9) billion, or 99.6 (99.6)%, was taxonomy-eligible capital expenditure and
> €20.1 (16.9) billion, or 32.7 (34.5)%, was taxonomy-aligned capital expenditure.

CAPITAL EXPENDITURE 2023

	CAPITAL EXPENDITURE		SUBSTANTIAL CONTRIBUTION TO CLIMATE CHANGE MITIGATION		COMPLIANCE WITH DNSH CRITERIA	COMPLIANCE WITH MINIMUM SAFEGUARDS	TAXONOMY-ALIGNED CAPITAL EXPENDITURE	
Economic activities	€ million	%[1]	€ million	%[1]	Y/N	Y/N	€ million	%[1]
A. Taxonomy-eligible activities	**61,250**	**99.6**	**20,188**	**32.8**	**Y/N**	**Y**	**20,091**	**32.7**
Vehicle-related business								
3.3 Manufacture of low-carbon technologies for transport	61,129	99.4	20,126	32.7	Y/N	Y	20,029	32.6
of which additions to capitalized development costs for BEVs							4,920	8.0
of which additions to property, plant and equipment for BEVs							6,107	9.9
3.18 Manufacture of automotive and mobility components	-	-	-	-	-	-	-	-
Power Engineering								
3.2 Manufacture of equipment for the production and use of hydrogen	37	0.1	37	0.1	Y	Y	37	0.1
3.6 Manufacture of other low-carbon technologies	85	0.1	24	0.0	Y	Y	24	0.0
9.1 Close to market research, development and innovation	-	-	-	-	-	-	-	-
B. Taxonomy-non-eligible activities	**221**	**0.4**						
Total (A + B)	**61,472**							

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 both non-capitalized research and development costs, which can be taken from the note on "Intangible assets", and the expenditure for short-term leases recognized in our consolidated financial statements, which can be found in the note on "IFRS 16 (Leases)", as well as 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 €5.7 (4.9) billion, around 85% was attributable to non-capitalized research and development costs. The absolute value of the increase in taxonomy-aligned operating expenditure 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 43.2 (42.7)% to 42.9 (42.0)% of total operating expenditure in accordance with the EU Taxonomy.

€9 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 €219 million is attributable to economic activity 3.6 Manufacture of other low-carbon technologies. For the latter, operating expenditure that could not be directly allocated 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 in the amount of €9 (4) million and was attributable to non-capitalized research and development costs. €61 million of the operating expenditure was disclosed for the manufacture of other low-carbon technologies, nearly two-thirds of which was attributable to non-capitalized research and development costs. Operating expenditure that could not be directly allocated was broken down on the basis of the planned taxonomy-aligned sales revenue.

OPERATING EXPENDITURE 2023

Economic activities	OPERATING EXPENDITURE € million	%[1]	SUBSTANTIAL CONTRIBUTION TO CLIMATE CHANGE MITIGATION € million	%[1]	COMPLIANCE WITH DNSH CRITERIA Y/N	COMPLIANCE WITH MINIMUM SAFEGUARDS Y/N	TAXONOMY-ALIGNED OPERATING EXPENDITURE € million	%[1]
A. Taxonomy-eligible activities	**13,120**	**98.9**	**5,834**	**44.0**	**Y/N**	**Y**	**5,807**	**43.8**
Vehicle-related business								
3.3 Manufacture of low-carbon technologies for transport	12,893	97.2	5,764	43.5	Y/N	Y	5,737	43.2
3.18 Manufacture of automotive and mobility components	-	-	-	-	-	-	-	-
Power Engineering								
3.2 Manufacture of equipment for the production and use of hydrogen	9	0.1	9	0.1	Y	Y	9	0.1
3.6 Manufacture of other low-carbon technologies	219	1.6	61	0.5	Y	Y	61	0.5
9.1 Close to market research, development and innovation	-	-	-	-	-	-	-	-
B. Taxonomy-non-eligible activities	**145**	**1.1**						
Total (A + B)	**13,265**							

1 All percentages relate to the Group's total operating expenditure.

CAPEX PLAN UNDER THE EU TAXONOMY

The EU Taxonomy requires the reporting to state the extent to which taxonomy-aligned capital and operating expenditures a) relate to assets or processes associated with environmentally sustainable economic activities or b) are part of a plan to expand taxonomy-aligned economic activities or to allow taxonomy-eligible economic activities to become taxonomy-aligned (CapEx plan). A CapEx plan under the EU Taxonomy shows the total capital expense, i.e. the sum of capital and operating expenditures expected to be incurred in the reporting period and during the five-year medium-term planning in order to expand taxonomy-aligned economic activities or allow taxonomy-eligible economic activities to become taxonomy-aligned.

For the vehicle-related business, the CapEx plan drawn up under the EU Taxonomy relates to economic activity 3.3 Manufacture of low-carbon technologies for transport within the climate change mitigation environmental objective.

Additions from lease assets (mainly vehicle leasing business) are based on existing environmentally sustainable activities and have therefore not been included in the CapEx plan. We allocated additions from intangible assets and property, plant and equipment, as well as non-capitalized research and development costs to the CapEx plan if they allow taxonomy-eligible economic activities to become taxonomy-aligned or lead to the expansion of taxonomy-aligned economic activities. For this, we compared the average 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 also took into account the share exceeding the current taxonomy-aligned production volume.

As a result, €8 (9) billion of the taxonomy-aligned capital expenditure and €3 (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 €90 (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, and economic activity 3.6 Manufacture of other low-carbon technologies, both of which are listed in the climate change mitigation environmental objecttive.

In respect of the manufacture of equipment for the production and use of hydrogen, we allocated €36 (26) million of the taxonomy-aligned capital expenditure and €8 (4) million of the taxonomy-aligned operating expenditure to the CapEx plan based on the ratio of sales revenue in the reporting period to the average sales revenue envisaged in the medium-term planning. 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 €455 (300) million.

In respect of the manufacture of other low-carbon technologies, we allocated €23 million of the taxonomy-aligned capital expenditure and €37 million of the taxonomy-aligned operating expenditure to the CapEx plan based on the ratio of sales revenue in the reporting period to the average sales revenue envisaged in the medium-term planning. 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 €380 million.

TABULAR PRESENTATION IN ACCORDANCE WITH THE EU TAXONOMY

SALES REVENUE 2023

				CRITERIA FOR A SIGNIFICANT CONTRIBUTION						DNSH CRITERIA (DO NO SIGNIFICANT HARM)									
	Code	Sales revenue	Proportion of sales revenue 2023	Climate change mitigation	Climate change adaptation	Water	Pollution	Circular economy	Biodiversity	Climate change mitigation	Climate change adaptation	Water	Pollution	Circular economy	Biodiversity	Minimum safeguards	Taxonomy-aligned (A.1) or taxonomy-eligible (A.2) proportion of sales revenue 2022	Enabling activities category	Transition activities category
Economic activities		€ million	%[1]	Y; N; N/EL[2]	Y; N; N/EL[2]	Y; N; N/EL[2]	Y; N; N/EL[2]	Y; N; N/EL[2]	Y; N; N/EL[2]	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%[1]	E	T
A. Taxonomy-eligible activities																			
A.1 Environmentally sustainable activities (taxonomy-aligned)																			
Manufacture of low-carbon technologies for transport	CCM 3.3	36,383	11.3	Y	N/EL	N/EL	N/EL	N/EL	N/EL		Y	Y	Y	Y	Y	Y	9.4	E	
Manufacture of automotive and mobility components	CCM 3.18	165	0.1	Y	N/EL	N/EL	N/EL	N/EL	N/EL		Y	Y	Y	Y	Y	Y	-	E	
Manufacture of equipment for the production and use of hydrogen	CCM 3.2	28	0.0	Y	N/EL	N/EL	N/EL	N/EL	N/EL		Y	Y	Y	Y	Y	Y	0.0	E	
Manufacture of other low-carbon technologies	CCM 3.6	68	0.0	Y	N/EL	N/EL	N/EL	N/EL	N/EL		Y	Y	Y	Y	Y	Y	-	E	
Sales revenue from environmentally sustainable activities (taxonomy-aligned) (A.1)		**36,644**	**11.4**	**11.4**	**-**	**-**	**-**	**-**	**-**		**Y**	**Y**	**Y**	**Y**	**Y**	**Y**	**9.4**		
Of which enabling activities		36,644	11.4	11.4	-	-	-	-	-		Y	Y	Y	Y	Y	Y	9.4	E	
Of which transition activities		-	-	-							-	-	-	-	-	-	-		
A.2 Taxonomy-eligible but not environmentally sustainable activities (activities that are not taxonomy-aligned)				**EL; N/EL[3]**	**EL; N/EL[3]**	**EL; N/EL[3]**	**EL; N/EL[3]**	**EL; N/EL[3]**	**EL; N/EL[3]**										
Manufacture of low-carbon technologies for transport	CCM 3.3	257,666	80.0	EL	N/EL	N/EL	N/EL	N/EL	N/EL								81.8		
Manufacture of other low-carbon technologies	CCM 3.6	2,991	0.9	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.9		
Close to market research, development and innovation	CCM 9.1	58	0.0	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.0		
Sales revenue from taxonomy-eligible but not environmentally sustainable activities (activities that are not taxonomy-aligned) (A.2)		**260,715**	**80.9**	**80.9**	**-**	**-**	**-**	**-**	**-**								**82.7**		
Sales revenue from taxonomy-eligible activities (A.1 + A.2)		**297,359**	**92.3**	**92.3**	**-**	**-**	**-**	**-**	**-**								**92.0**		
B. Taxonomy-non-eligible activities																			
Sales revenue from activities that are not taxonomy-eligible (B)		24,925	7.7																
Total (A + B)		**322,284**	**100.0**																

1 All percentages relate to the Group's total sales revenue.
2 Y: Yes, taxonomy-eligible activity and taxonomy-aligned with the relevant environmental objective; N: No, taxonomy-eligible activity but not taxonomy-aligned with the relevant environmental objective; N/EL: 'Not eligible', activity not taxonomy-eligible for the relevant environmental objective.
3 EL: Taxonomy-eligible activity for the relevant objective; N/EL: Activity that is not taxonomy-eligible for the relevant objective.

CAPITAL EXPENDITURE 2023

				CRITERIA FOR A SIGNIFICANT CONTRIBUTION						DNSH CRITERIA (DO NO SIGNIFICANT HARM)									
	Code	CapEx	Proportion of CapEx 2023	Climate change mitigation	Climate change adaptation	Water	Pollution	Circular economy	Biodiversity	Climate change mitigation	Climate change adaptation	Water	Pollution	Circular economy	Biodiversity	Minimum safeguards	Taxonomy-aligned (A.1) or taxonomy-eligible (A.2) proportion of CapEx 2022	Enabling activities category	Transition activities category
Economic activities		€ million	%[1]	Y; N; N/EL[2]	Y; N; N/EL[2]	Y; N; N/EL[2]	Y; N; N/EL[2]	Y; N; N/EL[2]	Y; N; N/EL[2]	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%[1]	E	T
A. Taxonomy-eligible activities																			
A.1 Environmentally sustainable activities (taxonomy-aligned)																			
Manufacture of low-carbon technologies for transport	CCM 3.3	20,029	32.6	Y	N/EL	N/EL	N/EL	N/EL	N/EL		Y	Y	Y	Y	Y	Y	34.5	E	
Manufacture of equipment for the production and use of hydrogen	CCM 3.2	37	0.1	Y	N/EL	N/EL	N/EL	N/EL	N/EL		Y	Y	Y	Y	Y	Y	0.1	E	
Manufacture of other low-carbon technologies	CCM 3.6	24	0.0	Y	N/EL	N/EL	N/EL	N/EL	N/EL		Y	Y	Y	Y	Y	Y	-	E	
CapEx from environmentally sustainable activities (taxonomy-aligned) (A.1)		**20,091**	**32.7**	**32.7**	**–**	**–**	**–**	**–**	**–**		**Y**	**Y**	**Y**	**Y**	**Y**	**Y**	**34.5**		
Of which enabling activities		20,091	32.7	32.7	–	–	–	–	–		Y	Y	Y	Y	Y	Y	34.5	E	
Of which transition activities		-	-	-							-	-	-	-	-	-	-		
A.2 Taxonomy-eligible but not environmentally sustainable activities (activities that are not taxonomy-aligned)				**EL; N/EL[3]**	**EL; N/EL[3]**	**EL; N/EL[3]**	**EL; N/EL[3]**	**EL; N/EL[3]**	**EL; N/EL[3]**										
Manufacture of low-carbon technologies for transport	CCM 3.3	41,099	66.9	EL	N/EL	N/EL	N/EL	N/EL	N/EL								64.9		
Manufacture of other low-carbon technologies	CCM 3.6	60	0.1	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.1		
CapEx from taxonomy-eligible but not environmentally sustainable activities (activities that are not taxonomy-aligned) (A.2)		**41,160**	**67.0**	**67.0**	**–**	**–**	**–**	**–**	**–**								**65.1**		
CapEx from taxonomy-eligible activities (A.1 + A.2)		**61,250**	**99.6**	**99.6**	**–**	**–**	**–**	**–**	**–**								**99.6**		
B. Taxonomy-non-eligible activities																			
CapEx from activities that are not taxonomy-eligible (B)		221	0.4																
Total (A + B)		**61,472**	**100.0**																

1 All percentages relate to the Group's total capital expenditure.
2 Y: Yes, taxonomy-eligible activity and taxonomy-aligned with the relevant environmental objective; N: No, taxonomy-eligible activity but not taxonomy-aligned with the relevant environmental objective; N/EL: 'Not eligible', activity not taxonomy-eligible for the relevant environmental objective.
3 EL: Taxonomy-eligible activity for the relevant objective; N/EL: Activity that is not taxonomy-eligible for the relevant objective.

OPERATING EXPENDITURE 2023

				CRITERIA FOR A SIGNIFICANT CONTRIBUTION						DNSH CRITERIA (DO NO SIGNIFICANT HARM)									
	Code	OpEx	Proportion of OpEx 2023	Climate change mitigation	Climate change adaptation	Water	Pollution	Circular economy	Biodiversity	Climate change mitigation	Climate change adaptation	Water	Pollution	Circular economy	Biodiversity	Minimum safeguards	Taxonomy-aligned (A.1) or taxonomy-eligible (A.2) proportion of OpEx 2022	Enabling activities category	Transition activities category
Economic activities		€ million	%[1]	Y; N; N/EL[2]	Y; N; N/EL[2]	Y; N; N/EL[2]	Y; N; N/EL[2]	Y; N; N/EL[2]	Y; N; N/EL[2]	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%[1]	E	T
A. Taxonomy-eligible activities																			
A.1 Environmentally sustainable activities (taxonomy-aligned)																			
Manufacture of low-carbon technologies for transport	CCM 3.3	5,737	43.2	Y	N/EL	N/EL	N/EL	N/EL	N/EL		Y	Y	Y	Y	Y	Y	42.7	E	
Manufacture of equipment for the production and use of hydrogen	CCM 3.2	9	0.1	Y	N/EL	N/EL	N/EL	N/EL	N/EL		Y	Y	Y	Y	Y	Y	0.0	E	
Manufacture of other low-carbon technologies	CCM 3.6	61	0.5	Y	N/EL	N/EL	N/EL	N/EL	N/EL		Y	Y	Y	Y	Y	Y	-	E	
OpEx from environmentally sustainable activities (taxonomy-aligned) (A.1)		**5,807**	**43.8**	**43.8**	**-**	**-**	**-**	**-**	**-**		**Y**	**Y**	**Y**	**Y**	**Y**	**Y**	**42.7**		
Of which enabling activities		5,807	43.8	43.8	-	-	-	-	-		Y	Y	Y	Y	Y	Y	42.7	E	
Of which transition activities		-	-	-							-	-	-	-	-	-	-		
A.2 Taxonomy-eligible but not environmentally sustainable activities (activities that are not taxonomy-aligned)				EL; N/EL[3]	EL; N/EL[3]	EL; N/EL[3]	EL; N/EL[3]	EL; N/EL[3]	EL; N/EL[3]										
Manufacture of low-carbon technologies for transport	CCM 3.3	7,156	53.9	EL	N/EL	N/EL	N/EL	N/EL	N/EL								54.4		
Manufacture of other low-carbon technologies	CCM 3.6	158	1.2	EL	N/EL	N/EL	N/EL	N/EL	N/EL								1.7		
OpEx from taxonomy-eligible but not environmentally sustainable activities (activities that are not taxonomy-aligned) (A.2)		**7,314**	**55.1**	**55.1**	**-**	**-**	**-**	**-**	**-**								**56.1**		
OpEx from taxonomy-eligible activities (A.1 + A.2)		**13,120**	**98.9**	**98.9**	**-**	**-**	**-**	**-**	**-**								**98.9**		
B. Taxonomy-non-eligible activities																			
OpEx from activities that are not taxonomy-eligible (B)		145	1.1																
Total (A + B)		**13,265**	**100.0**																

1 All percentages relate to the Group's total operating expenditure.
2 Y: Yes, taxonomy-eligible activity and taxonomy-aligned with the relevant environmental objective; N: No, taxonomy-eligible activity but not taxonomy-aligned with the relevant environmental objective; N/EL: 'Not eligible', activity not taxonomy-eligible for the relevant environmental objective.
3 EL: Taxonomy-eligible activity for the relevant objective; N/EL: Activity that is not taxonomy-eligible for the relevant objective.

Report on Expected Developments

The global economy is expected to grow in 2024, albeit at a slower pace. Global demand for passenger cars will probably vary from region to region and increase slightly year-on-year.

In the following, we describe the expected development of the Volkswagen Group and the general framework for its business activities. Risks and opportunities that could represent a departure from the forecast trends are presented in the Report on Risks and Opportunities.

Our assumptions 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 2024 compared with 2023, albeit at a slower pace. The persistently high inflation in major economic regions and the resulting restrictive monetary policy measures taken by central banks are expected to continue to dampen consumer demand. 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 are associated in particular with the Russia-Ukraine conflict and the confrontations in the Middle East. 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).

We also expect the global economy to recover in 2025 and continue a path of stable growth until 2028.

Europe/Other Markets

In Western Europe, we expect a comparatively low rate of economic growth in 2024. The relatively high overall level of inflation, albeit projected to taper off further as the year goes on, poses a major challenge for consumers and companies alike, as do the relatively high interest rates. It is therefore possible that the European Central Bank (ECB) might make the first cuts in key rates of interest as early as 2024 to support the eurozone economy.

We likewise anticipate a higher growth rate compared with the prior year in Central Europe in 2024 with continuing but less dynamic price increases. Meanwhile, economic output in Eastern Europe should recover further following the heavy slump in 2022 as a result of the Russia Ukraine conflict and the relatively strong increase in 2023.

For Türkiye we expect positive, albeit slower GDP growth than in the reporting year given high inflation and a weak local currency. The South African economy will probably be characterized by political uncertainty and social tensions again in 2024 resulting from high unemployment, among other factors. Growth is expected to be higher than in the previous year but remain at a low level.

Germany

We expect only low growth in GDP in Germany in 2024. Meanwhile, averaged over the year, we anticipate that inflation will fall further but remain relatively high. The labor market situation is likely to deteriorate.

North America

We anticipate subdued economic growth in the USA in 2024, accompanied by a worsening labor market situation. Similarly to the ECB, it is possible that the US Federal Reserve might start cutting its key interest rate as early as 2024. Further inflationary trends will play a decisive role in possible adjustments to the key rate, as will developments in the labor market and in the general economic situation. Economic growth in Canada is likely to be at a relatively low level, while economic output in Mexico is expected to expand at a somewhat faster pace by comparison.

South America

In all probability, the Brazilian economy will record a slightly positive rate of growth in 2024. In Argentina, economic output is likely to deteriorate further with very high and rising inflation levels and depreciation of the local currency.

Asia-Pacific

The Chinese economy is expected to grow at a relatively high level in 2024, albeit at a somewhat lower rate than in the reporting year. We likewise expect a relatively high rate of positive GDP growth for the Indian economy in 2024. Japan is expected to post only low growth in economic output.

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. Crisis-related disruption to the global supply chain and the resulting impact on vehicle availability may weigh on the volume of new registrations. Uncertainty may also arise from shortages of intermediates and commodities. These may be further exacerbated by the consequences of the Russia-Ukraine conflict and the confrontations in the Middle East and may, in particular, lead to rising prices for materials and a declining availability of energy.

We predict that trends in the markets for passenger cars in the individual regions will be mixed but predominantly positive in 2024. Overall, the global volume of new car sales is expected to be slightly higher than in the previous year. We are forecasting growing demand for passenger cars worldwide in the period from 2025 to 2028.

Trends in the markets for light commercial vehicles in the individual regions will be mixed; on the whole, we expect the sales volume for 2024 to be slightly above the previous year's figure. For the years 2025 to 2028, we expect demand for light commercial vehicles to increase globally.

Europe/Other Markets

For 2024, we anticipate that the volume of new passenger car registrations in Western Europe will be slightly higher than that recorded in the reporting year. Limited vehicle availability as a result of the shortages of intermediates and commodities may continue to weigh on the volume of new registrations. For the major individual markets of France, the United Kingdom, Italy and Spain, we expect growth in 2024 to varying degrees between slight and noticeable.

For light commercial vehicles, we expect the volume of new registrations in Western Europe in 2024 to be noticeably 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 expect a noticeable to significant increase in France and the United Kingdom. In Italy, we anticipate that registrations will fall slightly, whereas we expect slight growth in Spain.

Sales of passenger cars in 2024 are expected to significantly exceed the prior-year figures overall in markets in Central and Eastern Europe – subject to the further development of the Russia-Ukraine conflict. We expect a mixed development in the major markets of this region.

Subject to the further development of the Russia-Ukraine conflict, registrations of light commercial vehicles in the markets of Central and Eastern Europe are expected to fall slightly short of the prior-year figures in 2024.

The volume of new registrations for passenger cars in Türkiye in 2024 is projected to fall considerably short of the previous year's high level. In South Africa, the market volume is likely to be up noticeably year-on-year.

The volume of new registrations for light commercial vehicles in 2024 is expected to fall very sharply in Türkiye but to be noticeably above the prior-year figure in South Africa.

Germany

In the German passenger car market, we expect the volume of new registrations in 2024 to be slightly up on the prior-year level.

We anticipate that the number of registrations of light commercial vehicles in 2024 will also be slightly up on the previous year's figure.

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 2024 is forecast to be slightly higher than the level seen in the previous year. Demand will probably remain highest for models in the SUV and pickup segments. New registrations of all-electric vehicles are also expected to increase strongly. In Canada, too, a slight increase is expected in the number of new registrations compared to the previous year. For Mexico, we also expect a slight increase in new registrations compared with the reporting year.

South America

Owing to their dependence on demand for raw materials worldwide, the South American markets for passenger cars and light commercial vehicles are heavily influenced by developments in the global economy. We anticipate a slight increase overall in new registrations in the South American markets in 2024 compared with the previous year. The market volume in Brazil is expected to increase noticeably compared with 2023. We anticipate that the volume of new registrations in Argentina will be slightly lower year-on-year.

Asia-Pacific

The passenger car markets in the Asia-Pacific region are expected to be slightly up on the prior-year level in 2024. We estimate that the market volume in China will also be slightly higher than the comparative figure for 2023. Plug-in hybrid models with long ranges are likely to be increasingly in demand. A weaker than expected economic recovery or worsening geopolitical tensions may have adverse effects. In particular, the trade dispute between China and the United States is likely to continue to weigh on business and consumer confidence, as long as there is no resolution in sight. We project that the Indian and Japanese markets will remain at the prior-year level.

The volume of new registrations for light commercial vehicles in the Asia-Pacific region in 2024 will probably be slightly higher than the previous year's figure. We are expecting demand in the Chinese market to be slightly lower than the prior-year level. For India, we are forecasting that the volume in 2024 will be on a level with the reporting year. In the Japanese market, we estimate that volumes will be slightly lower year-on-year.

TRENDS IN THE MARKETS FOR COMMERCIAL VEHICLES

For 2024, we expect to see a noticeable downward 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 noticeable decline in the market is expected in the 27 EU countries excluding Malta, but plus the United Kingdom, Norway and Switzerland (EU27+3). A large part of the pent-up demand for trucks from recent years was already met in the reporting year, meaning that demand will return to normal in 2024. 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 decrease in new registrations in the segments relevant for Volkswagen – Class 6 to 8 (8.85 tonnes or heavier). After a weak 2023 impacted by new emissions legislation, we estimate that demand in Brazil will pick up again and be noticeably higher than in the previous year.

On average, we anticipate that the relevant truck markets will remain at a steady level for the years 2025 to 2028.

A noticeable year-on-year increase in demand is anticipated for 2024 in the bus markets relevant for the Volkswagen Group, whereby this will vary depending on the region. In the EU27+3 region, we expect demand on a level with the previous year. We forecast a significant increase in demand for school buses in the USA and Canada. For the bus market in Mexico, we anticipate a significant decline in volumes on account of the very strong trend in the reporting year. New registrations in Brazil will probably be on a level with the prior-year figure.

Overall, we expect demand for buses to be steady on average across the relevant markets for the period from 2025 to 2028.

TRENDS IN THE MARKETS FOR POWER ENGINEERING

For 2024, we generally expect the market environment in the Power Engineering Business Area to remain challenging. The current geopolitical situation and the development of energy and commodity prices will continue to generate uncertainty in virtually all markets.

The market volume in merchant shipping in 2024 is expected to remain at a stable level compared with the reporting year. Rising demand for new bulk carriers and tankers is anticipated, while demand for container ships and LNG tankers is expected to be at a lower level. The areas outside merchant shipping are likely to reach a higher level than in 2023. We expect to see an improvement in the cruise ship business due to the renewed rise in demand for travel activities. The passenger ferry market is also expected to grow. We continue to anticipate a stable high level of 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 similar level to that seen in the 2023 reporting year, with sustained competitive and price pressure. The general focus will continue to be on building new highly efficient ships that meet future emissions targets.

The market for power generation will remain in upheaval in 2024. Uncertainty in relation to sustainable and future-proof power generation will be prevalent, particularly in countries that have established clear climate-neutrality targets. In these countries, the framework conditions required to expand the infrastructure for carbon-neutral fuels are often not yet fully developed. This remains a reason for cautious investment behavior. In the core business, we see a need for decentralized, hydrogen-ready power plants, primarily in Europe. Outside Europe, demand for ammonia-capable engines will increase. With an increasing proportion of renewable energy in the distribution networks, a further rise in demand for balancing facilities is expected around the world. These are used to meet power requirements if darkness and lack of wind mean that the share of renewables is not sufficient to ensure security of supply. A positive trend in demand for large electrolyzers as well as for power-to-methane and power-to-methanol plants continues to be expected. We see a very dynamic global competitive environment in these areas with new providers and international partnerships. Alongside the risks posed by a continued lack of price stability in the markets and by bottlenecks in supply chains, we expect strong competition and price pressure – both in the core business and for power-to-X solutions.

In turbomachinery, we expect sustained demand in 2024 for new applications relating to the energy transition and climate protection. Our traditional business will decline somewhat from a high level, primarily in oil and gas production. We nevertheless expect that the production plants will continue to be well utilized, assuming the level of competition seen to date is sustained.

Both in the after-sales market for engines in the marine and power plant business and in the after-sales market for turbomachinery, we anticipate continued robust demand in 2024 albeit below the level of the reporting year, with the fraught geopolitical situation generating uncertainty.

For the period 2025 to 2028, 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 markets will be adversely affected by the major influential factors of global conflicts and energy sector trends.

TRENDS IN THE MARKETS FOR FINANCIAL SERVICES

We assume that automotive financial services will prove highly important to global vehicle sales in 2024. The continuing shortages of intermediates and commodities may generate uncertainty, exacerbated by the consequences of the Russia-Ukraine conflict and the confrontations in the Middle East. Furthermore, the increased interest rates could 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 established automotive financial services markets will probably see a continuation of the trend towards achieving mobility at the lowest possible total cost. The shift from financing to lease contracts that has begun in the European financial services business with individual customers will continue. Integrated end-to-end solutions, which include mobility-related service modules such as insurance and innovative packages of services, are likely to become increasingly important. Additionally, we expect that demand will increase for new forms of mobility, such as rental and car subscription services, and for integrated mobility services, for example parking, refueling and charging. 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 become increasingly important in the promotion of this type of business. We estimate that this trend will also persist in the years 2025 to 2028.

In the mid-sized and heavy commercial vehicles category, we are seeing rising demand for financial services products in the emerging markets. In these countries in particular, financing solutions support vehicle sales and are thus an essential component of the sales process. In the developed markets, we expect to see increased demand for telematics services and services aimed at reducing total cost of ownership in 2024. This trend is also expected to persist in the period 2025 to 2028.

EXCHANGE RATE TRENDS

In 2023, the euro appreciated slightly against the US dollar on an annual average. This followed a prior year in which the euro had been relatively weak due to the high uncertainty surrounding developments in the global economy. The euro also appreciated slightly against sterling on an annual average basis. Changes in the euro against the currencies of the emerging markets were mixed. In particular, the Argentinian peso and Turkish lira lost value against the European single currency due to the persistent, extremely high rates of inflation. Against the Brazilian real, the euro's value was virtually unchanged on an annual average. By contrast, the Mexican peso was on average significantly stronger against the European single currency than in the year 2022. The Chinese renminbi, the currencies of several emerging markets in Asia, and the South African rand depreciated against the euro year-on-year. For 2024, we expect the euro to appreciate slightly against the US dollar and to remain at a similar level against sterling as in the reporting year. We assume that the Chinese renminbi, Brazilian real, Mexican peso, South African rand and Turkish lira will depreciate to varying degrees. Due to the difficult economic situation in Argentina and the uncertainty following the presidential election, the Argentinian peso is expected to depreciate sharply. For 2025 to 2028, 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 unforeseeable market developments.

INTEREST RATE TRENDS

The turnaround in monetary policy, which began in many countries in 2022 due to the persistently high inflation rates – partly as a result of the Russia-Ukraine conflict – continued in the reporting year. Global interest rates rose further in fiscal year 2023. National central banks in nearly all of the major Western industrialized nations made corresponding adjustments to their key interest rates to further moderate the in some cases persistent and comparatively high rates of inflation. Interest rates were also raised in many emerging markets. Whether there will be further changes in key interest rates in 2024 in the respective countries will depend firstly on the development of inflation and secondly on the scale of a possible economic downturn. Overall, we expect a relatively slight increase in interest rates on average in 2024 compared to 2023. For the years 2025 to 2028, we estimate that interest rates will persist at a relatively high level.

COMMODITY PRICE TRENDS

Following a year of relatively high volatility and price increases for many raw and input materials in 2022 due to the Russia-Ukraine conflict, the commodity markets largely eased in fiscal year 2023. Overall, commodity prices were at a lower level compared with 2022. Compared with the previous year as a whole, the average prices for the commodities coking coal, cobalt, lithium, crude oil, nickel, aluminum and natural rubber fell significantly. The average decline in prices for the commodities copper and lead were less pronounced by comparison. Averaged over the year, the prices of the precious metals rhodium and palladium also recorded a significant decline, while the price of platinum remained stable compared with the prior year. For 2024, we expect prices for some commodities to continue to fall due to the technological transformation and as a result of surplus supplies. For the majority of commodities, however, we expect prices to rise given the anticipated recovery in the global economy. We anticipate continued volatility in the commodity markets for the period from 2025 to 2028.

MODEL INNOVATIONS IN 2024

The Volkswagen Passenger Cars brand will bring the all-electric ID.7 Tourer to the market in 2024. The T-Cross and Tiguan models will receive a product upgrade. The ninth generation of the Passat, which is based on the enhanced Modular Transverse Toolkit (MQB Evo), will also launch. An update to the latest generation of the iconic Golf will mark the 50th anniversary of the bestseller.

Škoda will introduce the new Kodiaq and the fourth generation of the Superb in 2024. The Octavia will receive a product upgrade. The brand will also present the all-electric Elroq in the second half of the year.

The CUPRA brand will introduce the sporty Tavascan SUV, its second all-electric model after the Born. CUPRA will also present the electrified Terramar SUV. The Formentor will be available with a new generation of plug-in hybrid drives, offering ranges up to approximately 100 km in electric mode. The Born will receive a product upgrade.

SEAT will upgrade the Leon in both the 5-door and Estate versions. A new generation of plug-in hybrid drives enables longer ranges in electric mode. The Arona product line will gain a limited FR edition.

Audi is presenting a wide range of new models in 2024 – most notably the all-electric Q6 e-tron and A6 e-tron, which are launching on the electric PPE platform. Among combustion-engine vehicles, the updated A5 family and the Q5 will follow in the second half of the year. The A3 model range already received an extensive update at the beginning of the year.

Porsche is planning updated versions of several model lines in 2024 including the Macan and the Panamera, as well as the introduction of other product highlights.

Bentley will expand its portfolio of hybrid vehicles in 2024.

With the California CONCEPT, Volkswagen Commercial Vehicles was already looking ahead to the New California in 2023, which is set to arrive on the market in 2024.

The TRATON GROUP will continue to advance e-mobility and autonomous driving.

MAN will bring its first all-electric long-haul trucks to the market in 2024 – the MAN eTGX for long-distance transport and the MAN eTGS for delivery traffic.

Volkswagen Truck & Bus will introduce its eDelivery model to further markets.

Navistar is implementing the integrated 13-liter powertrain across a broad product portfolio – the second brand in the TRATON GROUP to do so.

Alongside the DesertX Rally, Ducati is introducing the Hypermotard 698 Mono with a powerful new single-cylinder engine in 2024. The Multistrada V4 S Grand Tour and the sporty Multistrada V4 RS will join the popular Multistrada family.

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 Volkswagen's transformation into becoming a provider of sustainable mobility. We aim to use our economies of scale and maximize synergies.

In our current planning for 2024, 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, the ongoing electrification of our sites and model portfolio, and the further development of our platforms. Examples include the all-electric platform for our volume brands – the Modular Electric Drive Toolkit (MEB) – and the Premium Platform Electric (PPE) for our vehicles in the premium and sports segment. With the Scalable Systems Platform (SSP), we are also developing a successor platform that is meant to combine the requirements of the volume, premium and luxury brands and generate high levels of synergy in the future. We are also placing emphasis on the growing digitalization of our vehicles and sites and increasing our capital expenditure on these. There will also be a strong focus on creating battery manufacturing capacity with the aim of establishing a battery supply chain under our own control. This particularly applies to the North American market, where we have significantly expanded our activities by launching the new Scout brand. Attention will also be directed towards a growing presence in the Chinese market, where we will also increase our local activities.

Besides capex, investing activities will also cover additions to capitalized development costs. Like capex, they reflect, among other things, upfront expenditures in connection with updating and electrifying the model range as well as for digitalization and technologies of the future. Also included are the services of CARIAD, which is the company synergistically developing the software architecture of the future for Group brand vehicles.

With the investments in our facilities and models, as well as in the development of electrified drives, platforms and in digitalization, we are laying the foundation for profitable, sustainable growth at Volkswagen. These investments also include commitments arising from decisions taken in previous fiscal years. The Automotive investment ratio is expected to be between 13.5% and 14.5% in 2024.

We aim to finance the investments in our Automotive Division from our own capital resources and expect cash flows from operating activities to exceed the Automotive Division's investment requirements. We expect net cash flow for 2024 to be between €4.5 and €6.5 billion. This will include in particular investments for the future and cash outflows from mergers and acquisitions for the battery business field, which represent a vital pillar of the Volkswagen Group's transformation. Net liquidity in the Automotive Division in 2024 is expected to be between €39 billion and €41 billion.

These plans are based on the Volkswagen Group's current structures.

Our equity-accounted joint ventures in China are not included in the figures above. For 2024, 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 2023 level and be financed from the companies' own funds.

In the Financial Services Division, we are planning lower investment in 2024 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 almost half will be financed from the gross cash flow. As is common in the sector, the remaining funding requirements will be met primarily through unsecured bonds on the money and capital markets, the issuing of asset-backed securities, customer deposits from the direct banking business, and through the use of international credit lines.

SUMMARY OF EXPECTED DEVELOPMENTS

Our planning is based on the assumption that global economic output will grow overall in 2024 compared with 2023, albeit at a slower pace. The persistently high inflation in major economic regions and the resulting restrictive monetary policy measures taken by central banks are expected to dampen consumer demand. 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 are associated in particular with the Russia-Ukraine conflict and the confrontations in the Middle East. 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. Crisis-related disruption to the global supply chain and the resulting impact on vehicle availability may weigh on the volume of new registrations. Uncertainty may also arise from shortages of intermediates and commodities. These may be further exacerbated by the consequences of the Russia-Ukraine conflict and the confrontations in the Middle East and may, in particular, lead to rising prices for materials and a declining availability of energy.

We predict that trends in the markets for passenger cars in the individual regions will be mixed but predominantly positive in 2024. Overall, the global volume of new car sales is expected to be slightly higher than in the previous year. For 2024, we anticipate that the volume of new passenger car registrations in Western Europe will be slightly higher than that recorded in the reporting year. In the German passenger car market, we expect the volume of new registrations in 2024 to also be slightly up on the prior-year level. Sales of passenger cars in 2024 are expected to significantly exceed the prior-year figures overall 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 2024 is forecast to be slightly higher than the level seen the previous year. We also anticipate a slight increase in new registrations in the South American markets in 2024 compared with the previous year. Likewise, the passenger car markets in the Asia-Pacific region are expected to be slightly up on the prior-year level in 2024.

Trends in the markets for light commercial vehicles in the individual regions will be mixed; on the whole, we expect the sales volume for 2024 to be slightly above the previous year's figure.

For 2024, we expect to see a noticeable downward 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 noticeable year-on-year increase in demand is anticipated for 2024 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 2024.

In a challenging market environment, we anticipate that deliveries to customers by the Volkswagen Group in 2024 will increase by up to 3% compared to the previous year.

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 and the Passenger Cars Business Area to exceed the previous year's figure by up to 5% in 2024. The operating return on sales for the Volkswagen Group and the Passenger Cars Business Area is likely to be between 7.0% and 7.5%. For the Commercial Vehicles Business Area, we anticipate an operating return on sales of 8.5% to 9.5%, also amid a year-on-year increase of up to 5% in sales revenue. In the Power Engineering Business Area, we expect sales revenue to be up to 2% above the prior-year figure and operating profit to be in the low three-digit-million euro range. For the Financial Services Division, we forecast an increase of 3–7% in sales revenue compared with the prior year and an operating result in the range of €4.0 billion.

In the Automotive Division, we are assuming an investment ratio of between 13.5% and 14.5% in 2024. We expect net cash flow in 2024 to be between €4.5 billion and €6.5 billion. This will include in particular investments for the future and cash outflows from mergers and acquisitions for the battery business field, which are a vital pillar of the Volkswagen Group's transformation. Net liquidity in the Automotive Division in 2024 is expected to be between €39 billion and €41 billion. Our 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

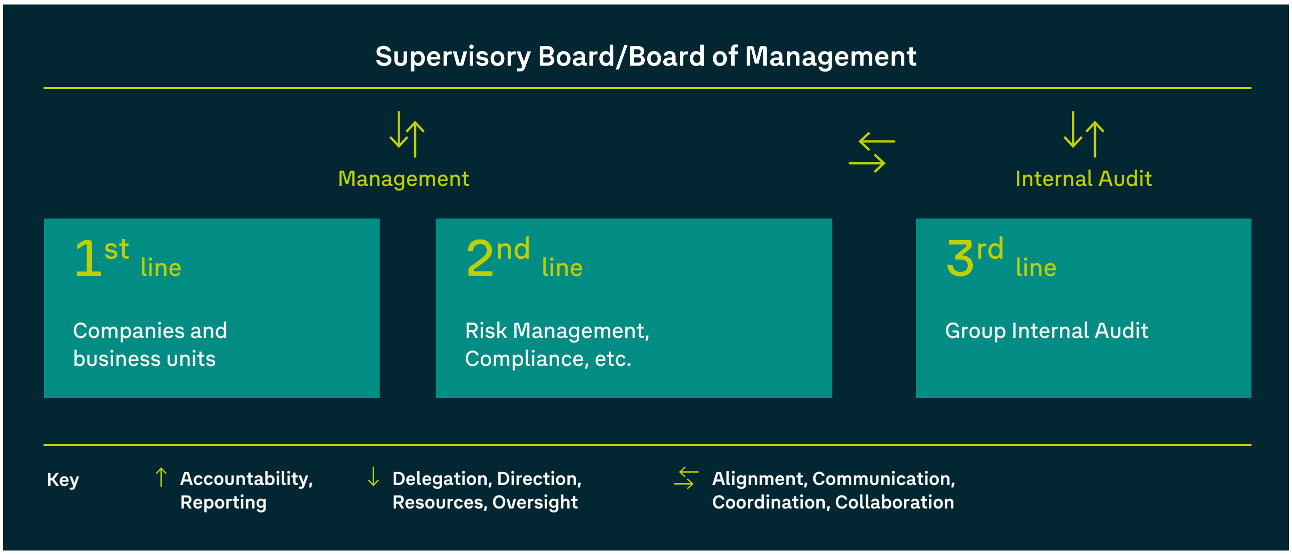
Only by promptly identifying, accurately assessing and effectively and efficiently managing the risks and opportunities arising from our business activities can we ensure the Volkswagen Group's long-term success. The aim of the RMS and the ICS is to identify potential risks at an early stage so that suitable countermeasures can be taken to avert the threat of loss to the Company, and any risks that might jeopardize its continued existence can be ruled out.

Assessing the likelihood of occurrence and extent of future events and developments is, by its nature, subject to uncertainty. We are therefore aware that even the best RMS cannot foresee all potential risks and even the best ICS can never completely prevent irregular acts.

STRUCTURE OF THE RISK MANAGEMENT SYSTEM AND INTERNAL CONTROL SYSTEM

The organizational design of the Volkswagen Group's RMS and ICS is based on the internationally recognized COSO framework for enterprise risk management (COSO: Committee of Sponsoring Organizations of the Treadway Commission). The purpose of structuring the RMS/ICS in accordance with the COSO framework for enterprise risk management is so that potential risk areas are covered in full. Uniform Group principles are used as the basis for managing risks in a standardized manner. Opportunities are not recorded in the RMS processes.

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 Group companies. Countermeasures are introduced, the remaining potential impact is assessed, and, if necessary, 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 THE RISK SCORE

Risk Score

$$= \text{Likelihood of occurence} \times \text{Potential extent of damage}$$

$$= \text{Score}_{\text{Prob}} \times \left(\text{Score}_{\text{Mat}} + \frac{\text{Score}_{\text{Rep}} + \text{Score}_{\text{Req}}}{2} \right)$$

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 2023 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 requirements for a risk early warning system are met by means of the RMS and ICS elements described above (first and second line). The Company's risk situation is ascertained, assessed and documented and therefore also complies with legal requirements. Independently of this, the external auditors check both the processes and procedures implemented in this respect and the adequacy of the documentation on an annual basis. The plausibility and adequacy of the risk reports are examined via spot checks in detailed interviews with the divisions and companies concerned. The auditor examines the risk early warning system integrated 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 2023.

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 aim of the Volkswagen IFRS Accounting Manual, which has been prepared taking into consideration external expert opinions, is to ensure the application and assessment of uniform accounting policies based on the requirements applicable to the parent. In particular, it includes more detailed guidance on the application of legal requirements and industry-specific issues. Components of the 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.

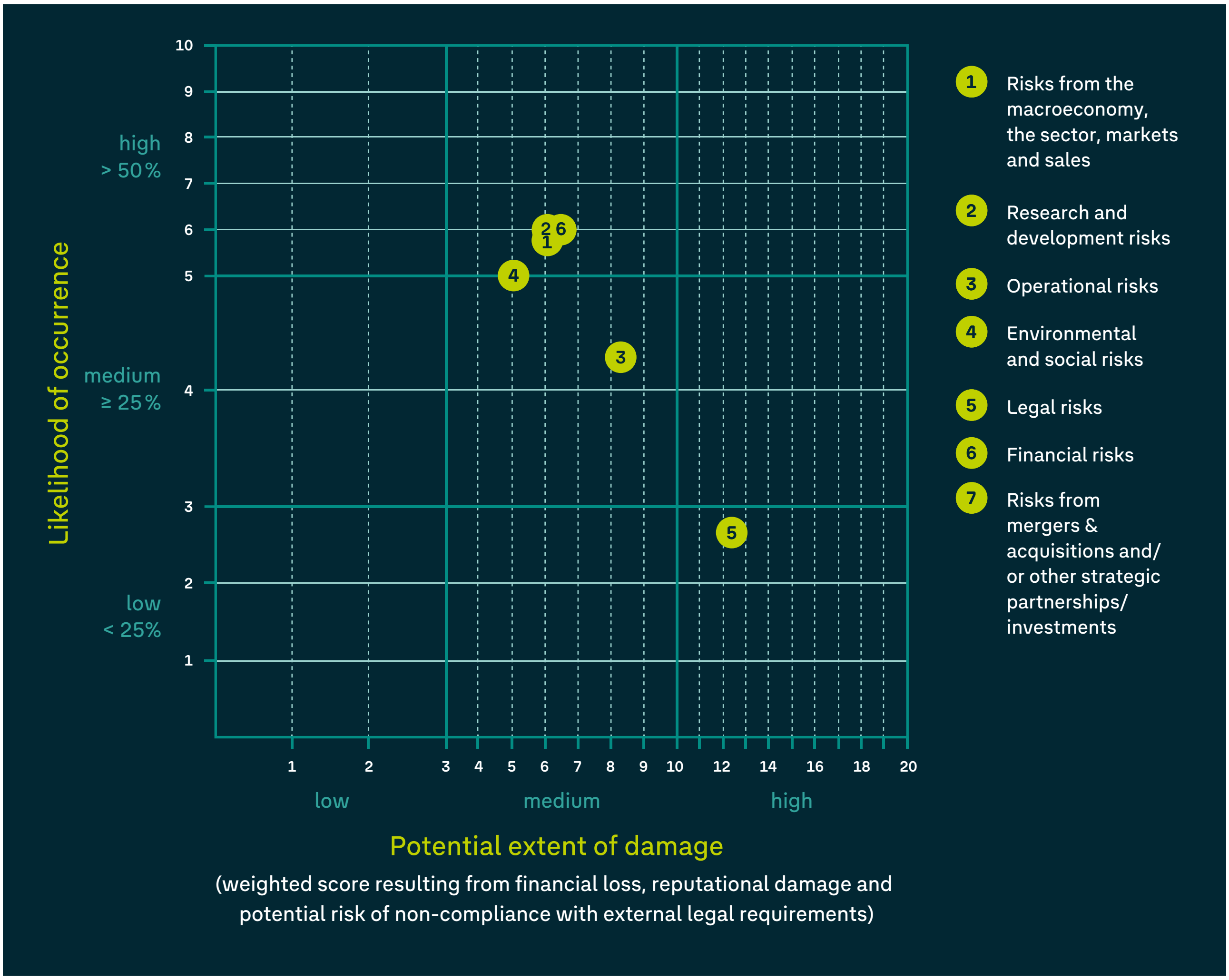
The combined management report of the Volkswagen Group and Volkswagen AG is prepared – in accordance with the applicable requirements and regulations – centrally but with the involvement of and in consultation with the Group units and companies.

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 "Risks from mergers & acquisitions and/or other strategic partnerships/investments" risk category.

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 risks that could prevent or slow positive growth in global economic output arise primarily from a further escalation of the Russia-Ukraine conflict, the confrontations in the Middle East, turbulence in the financial, energy and other commodity markets, and supply shortages in connection with imbalances between supply and demand. These risks also arise from increasingly protectionist tendencies and structural deficits which pose a threat to the performance of individual advanced economies and emerging markets. 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, ineffective 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 other 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, cyberattacks 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 2024. However, due to the risk factors mentioned, as well as cyclical and structural aspects, a slump in global economic growth or a period of below-average growth rates is also possible.

The macroeconomic environment 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 regarding the proportion of local production and minimum requirements (homologation, registrations), as well as various trade barriers. 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 also 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 that 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 Regulation 720/2022, which entered into force on June 1, 2022. As things stand at present, this revised EU regulation does not require any changes to be made to the current distribution system of Volkswagen AG.

On April 17, 2023, the European Commission adopted Regulation (EU) 2023/822, which extends the block exemption for the vehicle sector technically expiring on May 31, 2023 (MVBER – Regulation (EU) 461/2010) by five years. However, in view of the aforementioned extension, the European Commission also issued Communication (EU) C/2023/2335 amending the "Supplementary guidelines on vertical restraints in agreements for the sale and repair of motor vehicles and for the distribution of spare parts for motor vehicles" that accompany Regulation (EU) No 461/2010 to allow for the environmental and digital transformation taking place in the vehicle sector. In the updated guidelines, the European Commission no longer focuses solely on "technical information", but refers only in general terms to "input", which in addition to technical information will in future include tools, training and vehicle-generated data. The guidelines also expressly clarify that if vehicle manufacturers unilaterally withhold a particular input, including vehicle-generated data, this may be considered abuse under Article 102 of the TFEU. It is not yet possible to predict whether and to what extent Volkswagen AG will be affected by these types of claims from independent operators and what economic impact these claims may have.

Competition law requirements, including the Block Exemption Regulation 461/2010 and EU Regulations 2018/858 and 2021/1244, aim to ensure and promote effective competition in the motor vehicle aftermarket. Volkswagen AG, too, is exposed to this competitive pressure and associated risks 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 increasingly forging partnerships and 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. By developing and producing an all-electric pick-up and a robust SUV, the Volkswagen Group plans to tap into the electric vehicle market with the US brand icon 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 are increasingly taking their toll 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 will 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.

These risks are countered 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-CO_2 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, 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. 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 CO_2 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.

Furthermore, government regulations aimed at protecting human rights are putting increased pressure on companies to create greater transparency in their international supply chains. While companies are implementing extensive measures in this regard, there is still a risk that complete transparency cannot be achieved. This may even lead to restrictions on imports of products suspected of being linked to human rights violations – either the products themselves or constituent parts.

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. There is a slight uptrend in global demand for merchant ships; 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 and confrontations in the Middle East

The ongoing Russia-Ukraine conflict and the confrontations in the Middle East represent a risk to the performance of the global economy, to growth in the industry and to the business activities of the Volkswagen Group, in particular as a result of rising prices and declining availability of energy.

The Volkswagen Group does not have any material subsidiaries or equity investments in these regions.

In relation to the results of operations, financial position and net assets of the Volkswagen Group, the business activities of the Volkswagen Group in these regions 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 including its variants), violent conflicts (such as the current Russia-Ukraine conflict and the confrontations in the Middle East), terrorist attacks and interruptions to the energy supply.

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 Euro-7 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) as well as reporting obligations. 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 parts supply shortages – 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 medium (previous year: high) and the potential extent of damage is classified as medium (previous year: medium).

The most significant risks from the QRP lie particularly in cybersecurity and new regulatory requirements regarding IT, as well as in volatile procurement markets, here primarily in relation to the supply of parts, 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 and other events, for example violent confrontations – such as the Russia-Ukraine conflict or the confrontations in the Middle East – 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. We keep global and local risks under constant observation so as to be able to respond quickly to effects throughout the entire supply chain. In addition, measures to counteract further risks include comprehensive safety and emergency response concepts such as fire prevention, property protection, hazardous goods management and task forces, and we take out corresponding insurance coverage where this makes economic sense.

Due to the uncertainty arising from the further development of the Russia-Ukraine conflict and associated sanctions, and the further development of the energy market, there is a risk throughout the entire automotive industry that in spite of preventive measures, looming supply breakdowns may not be recognized early enough and production cannot be maintained in full despite effective countermeasures.

Countermeasures may include finding alternatives where suppliers are unavailable and organizing special processes. Procurement, in collaboration with all Group departments and the supplier network, was able to put these measures to the test in 2023, particularly in securing purchased parts from flooded areas of Slovakia.

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 in particular the financial situation of suppliers, before they are entrusted with the implementation of projects. Procurement takes into account the recommendations of the supplier risk management department.

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.

The sharp increase in commodity and energy prices resulting from the global economic trends and crises of recent years plus the significant rise in personnel costs is impacting the financial situation of many suppliers. Furthermore, the rapid rise in financing costs combined with more restrictive lending is placing additional burdens on suppliers and limiting their ability to finance new projects and capacity adjustments. This, too, is giving rise to the risk of bottlenecks and disruptions in supplies.

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 lead, for example, to supply shortages in production or to sanctions in sales. 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 and implemented a responsible supply chain system in 2022.

Production risks

Production risks for the Volkswagen Group arise in particular from the overarching framework, from supply risks, from internal, strategic and operational challenges and from sales risks. Countermeasures and precautions are taken in accordance with the principles of risk management so as to mitigate each of the risks identified.

Risks arising from the overarching framework include in particular 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. These may lead to production stoppages with financial ramifications for the Group. The Group manages these risks by systematically analyzing the impacts of climate change on its production sites and using the findings to develop specific countermeasures for the individual locations and risk type.

Other overarching risks may arise as a result of social and political changes as well as from other failure of critical infrastructure – for example in the form of supply risks. Here the Volkswagen Group reduces its risk by taking measures to lower consumption and by making its use of raw materials more flexible, provided this is economically viable. In addition, we prepare compensatory measures between locations that reduce the economic effects of risks for the Group as a whole. Internally, the trend away from conventional vehicles with combustion engines and towards a higher share of electric vehicles is giving rise to production risks. In individual cases, an uneven transition to e-mobility may lead to temporary gaps in capacity utilization. In principle, the international production network enables us to respond flexibly at the sites and adjust capacity utilization between production facilities by means of "turntable concepts". The diversity of our models, the reduced product life cycles and the use of complex processes and technical systems have increased the risk of a delay to the start of production of a vehicle in recent years. 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. At an operational level, machine and system failures pose a risk in production. Our comprehensive preventive maintenance concepts and emergency response concepts can prevent these failures or mitigate their impact.

In unit sales, risks arise from fluctuations in demand as regards volumes and vehicle characteristics. Production risks arising from fluctuations in production volumes affecting vehicle models concern in particular utilization of production capacity. This is planned several years in advance based on long-term sales planning for all vehicle projects. The risk is that market momentum and changes in demand will not be forecast correctly. 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. As a countermeasure, the initial investment can be focused on a certain minimum number of units so that the full planned number of units or a higher number of units can be covered with flexible additional investments. In addition, turntable concepts help us to adjust capacity utilization between production facilities. Flexible working time models allow us to stabilize employee productivity when the number of production units fluctuates. The availability of buildable orders for production poses another risk to unit sales. Legal changes, for instance in the context of the changeover to the WLTP test procedure or new cybersecurity requirements in accordance with the UNECE regulation, may impact production. For one thing, a temporary reduction in the range causes demand to focus on the available variants. For another, gaps in production can occur if model variants have not been approved. In such cases, until official approval is granted, production can be stabilized by producing and temporarily storing vehicles, including customer-specific vehicles. The resulting tied-up capital and the availability of storage areas are limiting factors, however. There is a risk that a backlog will be created due to the slow outflow of built vehicles, which will also limit the number of production units. We counteract this risk by taking specific measures to speed up the process up to the end customer and through early contractual commitment of transport capacity.

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.

The aim is to identify these risks at an early stage and to take appropriate measures to eliminate or minimize them in advance, particularly during the bidding and planning phase of large upcoming projects. This is done by constantly optimizing the project control process across all project phases and by using a lessons-learned process and regular project reviews.

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 (CoP – conformity of production) 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 requirements 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 cybersecurity. To better monitor and manage the risk of cyberattacks on our vehicles in the future, we continuously optimize the Automotive Cyber Security Management Systems in all Group brands and exchange information about processes and products across the brands. In addition to mastering the complexity resulting from ever-increasing cybersecurity requirements, the focus here is primarily on protecting customers and our products. 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 cybersecurity.

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 and have set out its responsibilities and processes in Group policies. The Group brands and companies implement these policies in the form of in-house regulations. In the event of safety defects, doubts about compliance with legal requirements, or quality issues relating to the brand image, the APS examines the matter concerned and decides on an appropriate response. 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 cybersecurity 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. We have established a universal, transparent management and tracking system 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, lacking, or incomplete reporting and preliminary analyses. The entire APS process is, moreover, subject to regular review in the form of internal and external audits aimed at ensuring compliance with the requirements and thus also minimizing risks arising from the decision-making process on the part of the APS or CSB.

IT risks

At Volkswagen, a global provider of sustainable mobility, 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 cyberattacks, particularly on our digital offerings. Legal regulations including the UNECE cybersecurity 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 through risk-based use of 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.

Identified IT-related risks are regularly assessed using the methodology specified by the Group and reported to the Board of Management. Risk mitigation is followed up at top management level. This includes, for example, business-critical IT systems used across the Group or sensitive data such as vehicle or customer data.

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. This tactical set-up has proven valuable in practice, as demonstrated, among other things, by the rapid management of a major incident that occurred in September 2023. The technical measures are complemented by a wide range of awareness-raising measures and training courses for employees as well as crisis simulations that create and deepen awareness of information security and train on how to act correctly in the event of an emergency.

We use market-leading technologies that are customary on the market and state of the art 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 cyberthreats. Artificial intelligence is playing an increasingly important role in this context.

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 high (previous year: medium) and the potential extent of damage is classified as medium (previous year: high).

The most significant risks from the QRP arise from non-fulfillment of CO_2-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 *Studium im Praxisverbund* integrated degree, Faculty 73 traineeship scheme, 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. Ensuring a safe and healthy working environment is an important element of corporate sustainability, particularly during our transformation. It is also a major component of employer attractiveness, as it helps to effectively reduce the associated risks and minimize 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 CO_2/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 CO_2/km has applied to the entire fleet since 2021.

The targets will be tightened as from 2025: for new European passenger car fleets, a reduction of 15% in CO_2 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 CO_2 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 CO_2 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 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 2023, this quota was 18% and had to be fulfilled through battery-electric vehicles, plug-in hybrids, or fuel cell vehicles. The quota will be increased further for 2024 and 2025. There is no indication as to possible targets after 2025.

In the USA, the annual CO_2 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 CO_2 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 CO_2/km in 2022 to 106 g CO_2/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 other 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 CO_2 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

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 and ended in late 2023 with a compromise reached during the trilogue negotiations. The final regulation is not expected to be published in the Official Journal until the second quarter of 2024. It is anticipated that this successor regulation will enter into force in the second half of the decade.

The other main EU regulations affecting the automotive industry include:

> the Car Labeling Directive (1999/94/EC), which will be brought into line with Regulation (EU) 2017/1151;
> 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 – EU 2023/2413) introducing sustainability criteria, which contains higher quotas for advanced biofuels and e-fuels (RFNBOs);
> the proposal for revision (COM/2021/563) of the 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. With the revised Regulation (EU) 2019/1242, the European Union set manufacturers of heavy-duty vehicles with a permitted gross weight of over 16 tonnes very ambitious targets for reducing CO_2 emissions in Europe within the next decade. The target set for 2025 of reducing CO_2 emissions of heavy-duty vehicles by 15% has been reaffirmed. The new CO_2 emissions targets proposed for the same vehicle category nevertheless aim for a 45% reduction by 2030 (previously 30%) and a 65% reduction by 2035 based on a reference figure from the period July 2019 to June 2020. Furthermore, the European Commission intends to extend the targets to additional vehicle groups (all medium- and heavy-duty vehicles over 5 tonnes, including buses; work vehicles and special-purpose vehicles have yet to be excluded). The Commission has also proposed that all new city buses in Europe should be emission-free by 2030. If emissions exceed these targets, fines amounting to €4,250 per excess gram of CO_2/tonne-kilometer (tkm) per vehicle could be imposed from 2025 onwards. The European Council and the Parliament have finalized their positions on the Commission's proposal to revise the Regulation setting CO_2 emission performance standards for heavy-duty vehicles. The EU institutions hope to reach a compromise in the upcoming trilogue negotiations.

In the European Green Deal, the Commission defined the goal of achieving climate neutrality by 2050. Targeting an ambitious reduction in EU CO_2 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 CO_2 emission requirements for heavy-duty vehicles in 2023 and the compromise negotiated at the end of 2023 between representatives of the European Parliament and the EU member states for a new Euro-7 standard on the usual air pollutants could further exacerbate these challenges.

New regulations to reduce air pollutant emissions were introduced for commercial vehicle manufacturers in Brazil at the beginning of 2023. In the United States, emission regulations for CO_2 and nitrogen oxide (NO_x) are also likely to be tightened further for heavy-duty vehicles. CO_2 reductions based on 2016 emission levels have already been defined for 2024 and 2027. The United States has also adopted a new NO_x regulation that is due to enter into force in 2024 and 2027, respectively. In mid-2023, China set new targets for reducing CO_2 emissions for all heavy-duty vehicles.

Adapting commercial vehicles to new emission standards is complex and expensive, especially given the often contradictory regulations applicable to CO_2 and other pollutant emissions from internal combustion engines. To meet the targets for the different markets, it is imperative to reduce CO_2 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 (NO_2) 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 NO_2 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 are also 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 (MARPOL – MARine POLlution), 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 the emissions permitted in each case. 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 upper 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 innovative energy solutions to actively shape the climate transition.

Legal risks

For this risk category, the likelihood of occurrence is classified as low (previous year: medium) and the potential extent of damage is classified as high (previous year: high).

The most significant risks from the QRP are associated with the diesel issue.

Litigation

Volkswagen AG and the companies in which it is directly or indirectly invested are involved in a substantial number of legal disputes and governmental proceedings in Germany and abroad. Such legal disputes and other proceedings occur, among other things, in connection with products and services or in relation to employees, public authorities, dealers, investors, customers, suppliers, or other contracting parties. For the companies in question, these disputes and proceedings may result in payments such as fines or in other obligations or consequences. In particular, substantial compensatory or punitive damages may have to be paid and cost-intensive measures may have to be implemented. In this context, specific estimation of the objectively likely consequences is often possible only to a very limited extent, if at all.

Various legal proceedings are pending worldwide, 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, before the Unified Patent Court and in the United States. If Volkswagen is alleged or determined to have violated third-party intellectual property rights, it may for instance have to pay damages, modify manufacturing processes, or redesign products, and may be barred from selling certain products; this may result in delivery and production restrictions or interruptions.

Criminal acts by individuals, which even the best compliance management system can never completely prevent, are another potential source of legal risks.

Appropriate insurance has been taken out to cover these risks where they were sufficiently definite and such coverage was economically sensible. Where necessary based on the information currently available, identified and correspondingly measurable risks have been reflected by recognizing provisions in amounts considered appropriate or disclosing contingent liabilities, as the case may be. As some risks cannot be assessed or can only be assessed to a limited extent, the possibility of material loss or damage not covered by the insured amounts or by provisions cannot be ruled out. This is, for instance, the case with regard to the legal risks assessed in connection with the diesel issue.

Unless otherwise explicitly stated, the amounts disclosed for the litigation being reported on refer only to the respective principal claim. Ancillary claims, such as for interest and litigation expense, are generally not considered.

Diesel issue

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

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

There are furthermore no findings that, following the publication in May 2014 of the study by the International Council on Clean Transportation, an unlawful "defeat device" under US law was disclosed to the persons responsible for preparing the 2014 annual and consolidated financial statements as the cause of the high NO_x emissions in certain US vehicles with 2.0 l type EA 189 diesel engines. Rather, at the time the 2014 annual and consolidated financial statements were being prepared, the persons responsible for preparing these financial statements remained under the impression that the issue could be resolved with comparatively little expense. In the course of the summer of 2015, however, it became progressively apparent to individual members of Volkswagen AG's Board of Management that the cause of the discrepancies in the USA was a modification of parts of the software of the engine control unit that was later identified as an unlawful "defeat device" as defined by US law. This culminated in Volkswagen's disclosure of a "defeat device" to the EPA and the California Air Resources Board (CARB), a department of the Environmental Protection Agency of the State of California, on September 3, 2015. According to the assessment at the time by the responsible persons dealing with the matter, the magnitude of the costs expected to result for the Volkswagen Group (recall costs, retrofitting costs, and financial penalties) was not fundamentally dissimilar to that in previous cases involving other vehicle manufacturers. It therefore appeared to be manageable overall considering the business activities of the Volkswagen Group. This assessment by Volkswagen AG was based, among other things, on the advice of a law firm engaged in the USA for regulatory approval issues, according to which similar cases had in the past been amicably resolved with the US authorities. The EPA's publication of the "Notice of Violation" on September 18, 2015, which the Board of Management had not expected, especially at that time, then presented the situation in an entirely different light.

The AUDI AG Board of Management members in office at the time in question have likewise stated that they had no knowledge of the use of "defeat device" software that was prohibited by US law in the type V6 3.0 l TDI engines until the EPA issued its November 2015 "Notice of Violation."

Within the Volkswagen Group, Volkswagen AG has development responsibility for the four-cylinder diesel engines and AUDI AG has development responsibility for the six- and eight-cylinder diesel engines.

As a consequence of the diesel issue, numerous judicial and regulatory proceedings were initiated in various countries. Volkswagen has in the interim succeeded in making substantial progress and ending many of these proceedings. In the USA, Volkswagen AG and certain affiliates reached settlement agreements with various government authorities and private plaintiffs, the latter represented by a Plaintiffs' Steering Committee in a multidistrict litigation in the US state of California. The agreements in question include various partial consent decrees as well as a plea agreement that resolved certain civil claims as well as criminal charges under US federal law and the laws of certain US states in connection with the diesel issue. Although Volkswagen is firmly committed to fulfilling the obligations arising from these agreements, a breach of these obligations cannot be completely ruled out. In the event of a violation, significant penalties could be imposed as stipulated in the agreements, in addition to the possibility of further monetary fines, criminal sanctions and injunctive relief.

In agreement with the respective responsible authorities, the Volkswagen Group is making technical measures available worldwide for virtually all diesel vehicles with type EA 189 engines. For all clusters (groups of vehicles) within its jurisdiction, the KBA determined that implementation of the technical measures would not result in any adverse changes in fuel consumption, CO_2 emissions, engine output, maximum torque, and noise emissions.

Following the studies carried out by AUDI AG to check all relevant diesel concepts for possible irregularities and retrofit potential, measures proposed by AUDI AG have been adopted and mandated by the KBA in various recall orders pertaining to vehicle models with V6 and V8 TDI engines. AUDI AG continues to anticipate that the total cost, including recall expenses, of the ongoing largely software-based retrofit program that began in July 2017 will be manageable and has recognized corresponding balance-sheet risk provisions. AUDI AG has in the meantime developed software updates for 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. Pursuant to a motion filed by the Braunschweig Office of the Public Prosecutor, the Braunschweig Regional Court reopened the proceedings against the former Chair of the Board of Management in December 2023. This case will move forward; the Braunschweig Regional Court has as yet set no date for commencement of the trial.

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 conducted investigations on suspicion of fraud in connection with type EA 288 engines. The proceedings against the accused employees and against Volkswagen AG were terminated in late 2022 and early 2023, definitively against payment of a sum set by the court in the case of three of the accused persons and provisionally as regards four others.

In June 2020, the Munich II Regional Court accepted the substantially unchanged indictment of the Munich II Office of the Public Prosecutor, which also named a former Chair of the Board of Management of AUDI AG, and opened the main trial proceedings on charges of, among other things, fraud in connection with the diesel issue involving 3.0 l and 4.2 l TDI engines. The trial before the Munich II Regional Court concluded in June 2023; the former Chair of the Board of Management of AUDI AG and the other two defendants were sentenced to prison terms, the enforcement of which was in each case suspended subject to probation. The conditions of probation include the payment of sums set by the court. The judgment is not yet final. All three defendants have filed appeals on issues of law. The Office of the Public Prosecutor has likewise appealed the judgment against one of the defendants. In April 2023, the Munich II Regional Court had previously terminated the proceedings against an additional former defendant against payment of a sum set by the court.

In August 2020, the Munich II Office of the Public Prosecutor issued a further indictment charging three former members of the Board of Management of AUDI AG and others with, among other things, fraud in connection with the diesel issue involving 3.0 l and 4.2 l TDI engines. The Munich II Regional Court has not yet decided whether to accept the indictment.

As the type approval authority of proper jurisdiction, the KBA is moreover continuously testing Audi, Volkswagen, and Porsche brand vehicles for problematic functions. If certain functions are deemed impermissible by the KBA, the affected vehicles are recalled pursuant to a recall order or they are brought back into compliance by means of a voluntary service measure.

In judgments rendered in July and November 2022, the European Court of Justice (ECJ) ruled that a so-called thermal window (i.e. a temperature-dependent exhaust gas recirculation) in the range of 15°C and 33°C outside temperature represents a defeat device. In this context, the ECJ developed a new, unwritten criterion according to which a thermal window, even if it serves to prevent sudden and extraordinary damage, is impermissible if it is active "for most of the year under real driving conditions prevalent in the territory of the European Union." The KBA commenced formal administrative proceedings relating to certain first and second generation type EA 896 engines that were installed in certain older vehicle models as well as to individual vehicle models with type EA 189 engines. In July and October 2023, the KBA issued two administrative rulings against AUDI AG in which it ruled that the originally incorporated thermal window version failed to meet the ECJ's new vehicle engineering criterion in some of the affected vehicles. AUDI AG has appealed the rulings, and they are therefore not final. The KBA issued corresponding administrative rulings against Porsche AG in December 2023 and against Volkswagen AG in January 2024. Porsche AG and Volkswagen AG have appealed the rulings. The Volkswagen Group had previously already begun rolling out software updates that modify the thermal window in accordance with the ECJ's new vehicle engineering criterion and will continue to do so.

In a trial level decision rendered in late February 2023, the Schleswig Administrative Court upheld a lawsuit brought by *Deutsche Umwelthilfe* (DUH – Environmental Action Germany) against the KBA and invalidated the notice of approval for a software update for certain older Golf Plus model vehicles to the extent this notice classified the thermal window feature, the altitude correction feature, and the taxi switch feature as permissible deactivation devices (defeat devices). Altitude correction refers to altitude-dependent exhaust gas recirculation. The taxi switch modifies exhaust gas recirculation when a vehicle with a running engine stands motionless for a certain period of time. Volkswagen AG is involved in the litigation as an interested party summoned. In late April 2023, Volkswagen AG and the KBA filed appeals against the judgment of the Schleswig Administrative Court. This decision is thus not legally final. DUH has filed two additional lawsuits with the Schleswig Administrative Court. The first action contests the notices of approval for further Audi and Porsche brand vehicles equipped with type EA 189 engines as well as with selected V-TDI engines; the second action is directed against all Group diesel vehicles with the Euro-5 and Euro-6b/c exhaust emission standard. In the first action, the Schleswig Administrative Court issued a judgment in January 2024 that extended its initial February 2023 decision to additional vehicles with type EA 189 engines and invalidated the KBA's notices of approval for these vehicles. The court granted both leave to appeal (on points of fact and law) and to leap-frog appeal (on points of law). This decision is thus not legally final.

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 were pending in the reporting year 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. These actions asserted alleged rights to damages and other relief. The pending actions included in particular the following:

Pending in Belgium is a class action filed by the Belgian consumer organization *Test Aankoop VZW* seeking repayment of the purchase price or damages in the alternative; an opt-out mechanism has been held to apply to this action. 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. In July 2023, a trial level judgment was rendered in this class action by which Volkswagen AG was ordered to pay 5% of the purchase price, or 5% of the difference between the purchase price and the resale price, if a consumer had purchased a vehicle with a type EA 189 engine between September 1, 2014 and September 22, 2015, had not installed the software update, and was able to produce the relevant evidentiary documentation. The judgment is not yet final.

In Brazil, two consumer protection class actions are pending. In the first class action, which pertains to some 17 thousand Amarok vehicles, the Superior Court of Justice in August 2022 rejected in part the appeal filed by Volkswagen do Brasil against the May 2019 judgment at the first appeals level that had initially reduced the damage liability of Volkswagen do Brasil considerably to around BRL 172 million. Following Volkswagen do Brasil's appeal, the Superior Court of Justice vacated its own prior decision in its entirety. The case was remanded to the lower appellate court for rehearing of certain issues. Volkswagen do Brasil is permitted to introduce new evidence. The judgment is enforceable, but remains non-final. In the second class action, which pertains to roughly 67 thousand later generation Amarok vehicles, the appeal filed by the plaintiff against the October 2021 trial court judgment dismissing its complaint was rejected by the appellate court in June 2023. The plaintiff has appealed this decision to the Superior Court of Justice.

financialright GmbH originally filed consolidated actions before various German courts asserting roughly 45 thousand claims assigned to it by customers in Germany, Slovenia, and Switzerland against Volkswagen Group companies; the *Bundesgerichtshof* (BGH – Federal Court of Justice) has since affirmed the permissibility of *financialright GmbH's* business model. Following the withdrawal of numerous motions for relief, approximately 9 thousand claims are currently still pending. Provisions were recognized to account for the possibility that objectively valuable claims may again be raised in or out of court.

Actions were filed in late 2021 in courts in England and Wales 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. These actions are in a very early procedural stage. No Group company has as yet been formally served with a complete statement of the grounds of the complaint, and a number of the plaintiffs' claims have yet to be specified in detail.

In France, a class action is pending that was filed by the French consumer organization *Confédération de la Consommation, du Logement et du Cadre de Vie* (CLCV) against Volkswagen Group Automotive Retail France, Volkswagen Group France, and Volkswagen AG for up to 1 million French owners and lessees of vehicles with type EA 189 engines. This is an opt-in class action in which CLCV is primarily seeking rescission without compensation for use of the vehicle or, in the alternative, damages amounting to 20-30% of the purchase price.

In Italy, a trial level judgment in favor of the plaintiffs was rendered by the Venice Regional Court in July 2021 in the class action brought by the consumer association *Altroconsumo* on behalf of Italian customers; the judgment required Volkswagen AG and Volkswagen Group Italia to pay damages to some 63 thousand consumers in an aggregate amount of roughly €185 million. The judgment was largely overturned pursuant to the appeal filed by Volkswagen AG and Volkswagen Group Italia. Per this decision, the consumers validly registered in the class action will receive merely €300 each.

In the Netherlands, an opt-out class action is pending that was brought by *Stichting Volkswagen Car Claim* seeking declaratory rulings for up to 201 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 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 trial 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 DJEF filed what was originally a comprehensive appeal against this judgment, but limited its appeal in the reporting year solely to the issue of the applicability of the new class action regime; hence the court's decision that it lacks jurisdiction to hear lawsuits brought by consumers outside the Netherlands is final and binding. The court suspended further trial level proceedings pending a decision by the appellate court.

In Portugal, a Portuguese consumer organization had filed an opt-out class action potentially affecting up to approximately 70 thousand vehicles with type EA 189 engines. In July 2023, the Supreme Court dismissed the class action as inadmissible because the plaintiff consumer organization lacked standing to sue. The judgment became final in September 2023.

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 25 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 had 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.

In late June 2023, the BGH handed down judgments in lawsuits against Volkswagen AG and AUDI AG posing the issue as to how the case law of the ECJ on the potential claims of buyers under European type approval law should be implemented in German law. The BGH held that the negligent use of an impermissible defeat device may in principle entitle plaintiffs to differential damages in tort amounting to 5% to 15% of their vehicle's purchase price. Whether this claim is given in a particular instance is for the appeals courts to determine. The BGH stated that, when deciding whether a deactivation device was impermissible, it did not matter whether the limits in the NEDC testing procedure would be complied with even when system functioning was modified. The BGH held that liability does not arise where the manufacturer is not at fault, e.g. because the relevant public authority had approved the deactivation device in its specific configuration and taking account of identified combinations of deactivation devices, or would have done so upon request. Where a claim for differential damages exists in principle, the buyer must furthermore accept an offset for the benefit derived from using the vehicle and for the vehicle's value to the extent these exceed the vehicle's diminished value. An implemented software update may also potentially mitigate damages.

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.

Almost all investor lawsuits are now pending before the Braunschweig Regional Court or the Braunschweig Higher Regional Court. In August 2016, the Braunschweig Regional Court issued an order referring common questions of law and fact relevant to the investor lawsuits pending in Braunschweig to the Higher Regional Court in Braunschweig for binding declaratory rulings pursuant to the *Kapitalanleger-Musterverfahrensgesetz* (KapMuG – German Capital Investor Model Declaratory Judgment Act). The investor lawsuits pending against Volkswagen AG in Germany are stayed pending resolution of the common issues, unless the cases can be dismissed for reasons independent of the common issues that are to be adjudicated in the model case proceedings. The resolution in the model case proceedings of the common questions of law and fact will be binding for the pending cases that have been stayed as described. The model case plaintiff is Deka Investment GmbH. Oral argument in the model case proceedings before the Braunschweig Higher Regional Court began in September 2018. The Braunschweig Higher Regional Court issued several notification rulings stating its position on certain legal issues of fundamental importance for the litigation. In July 2023, the Braunschweig Higher Regional Court issued an order for the taking of evidence including the examination of numerous persons as well as the production and consultation of documents and records. The mandated taking of evidence focuses initially on whether the Board of Management of Volkswagen AG or individual members thereof and/or individual members of Volkswagen AG's Ad Hoc Disclosure Clearing Office (the persons with ad hoc disclosure responsibility in the court's view) had or, as Volkswagen AG's state of knowledge indicates, lacked knowledge of the installation of deactivation devices prohibited under US law in Volkswagen AG vehicles, as well as on the conceptions of these persons regarding the potential share price impact of the information that each respectively possessed. Volkswagen AG has the burden of proof on some issues. The taking of testimony commenced in September 2023. To date, none of the witnesses examined has testified to having personal knowledge or to knowledge on the part of persons with ad hoc disclosure responsibility. Several witnesses invoked a privilege against giving testimony. In some cases (not as to persons with ad hoc disclosure responsibility), the Braunschweig Higher Regional Court affirmed a comprehensive right to refuse to testify. The implications of the refusal to testify given Volkswagen AG's burden of proof cannot be assessed abstractly. Pursuant to § 286 of the Code of Civil Procedure, the Braunschweig Higher Regional Court must decide at its discretion and conviction, taking account of the entire content of the hearings and the results of the evidence taken.

Further investor lawsuits are pending before the Stuttgart Regional Court against Volkswagen AG, in some cases along with Porsche SE as joint and several debtor. An additional investor action for model declaratory judgment was filed with the Stuttgart Higher Regional Court against Porsche SE; Volkswagen AG is involved in this action as a third party intervening in support of a party to the dispute. The Wolverhampton City Council, Administrating Authority for the West Midlands Metropolitan Authorities Pension Fund, was appointed model case plaintiff. The Stuttgart Higher Regional Court rendered a model declaratory judgment in late March 2023. Based on the determinations made in the model declaratory judgment and the current substantive status of the underlying actions, all of the suspended investor lawsuits against Porsche SE would in effect have to be dismissed. The model declaratory judgment is not yet final. The model case plaintiff, several interested parties summoned, and Porsche SE petitioned the BGH for review on points of law. Volkswagen AG joined the proceedings as a third-party supporting the petition for review of Porsche SE.

Excluding the United States and Canada, claims in connection with the diesel issue totaling roughly €9.2 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. To date, claims in the high triple-digit-millions range have been withdrawn or finally and conclusively dismissed. Volkswagen AG remains of the opinion that it duly complied with its capital market obligations. Therefore, no provisions have been recognized for these investor lawsuits. Contingent liabilities have been disclosed where the chance of success was estimated to be not less than 10%.

4. 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 the United States and Canada.

In November 2023, Volkswagen reached a settlement agreement resolving the environmental claims brought by the Attorney General of the State of Texas and various Texas municipalities against Volkswagen AG, Volkswagen Group of America, Inc., and certain affiliates. The settlement agreement became final in January 2024 after it was approved by the court. In November 2023, Volkswagen also finalized a settlement agreement resolving the environmental claims brought by two municipalities (Hillsborough County/Florida and Salt Lake County/Utah) against Volkswagen Group of America, Inc. and certain affiliates.

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.

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 formal matter. Volkswagen AG also filed a constitutional complaint against the subsequent (and likewise formally unappealable) decision by the Higher Regional Court of Celle to appoint a special auditor other than the one initially appointed. Following November 2022 rulings by the Federal Constitutional Court that upheld both of the constitutional complaints and remanded the cases to the Celle Higher Regional Court, the Higher Regional Court directed that extensive evidence be taken in the case concerning the order for a special audit. Proceedings in the case concerning the replacement of the special auditor were suspended until the completion of the taking of evidence. Volkswagen AG had in addition previously filed an action before the Braunschweig Regional Court seeking to enjoin the special auditor from performing the audit as long as he had not furnished sufficient proof of his independence. The Braunschweig Regional Court dismissed the action for injunctive relief in the summer of 2022; Volkswagen AG then appealed this decision to the Braunschweig Higher Regional Court.

A second motion seeking appointment of a special auditor for Volkswagen AG to examine matters relating to the diesel issue was filed with the Regional Court of Hanover. The proceedings in this matter were resumed after initially being stayed pending the decision of the Federal Constitutional Court in the first special audit case.

6. Risk assessment regarding the diesel issue

An amount of around €0.9 (1.4) billion has been included in the provisions for litigation and legal risks as of December 31, 2023 to account for the currently known legal risks related to the diesel issue based on the presently available information and the current assessments. Where adequately measurable at this stage, contingent liabilities relating to the diesel issue have been disclosed in the notes in an aggregate amount of €4.0 (4.2) billion, whereby roughly €3.8 (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. In late September 2022 the 1st Antitrust Chamber of the Higher Regional Court of Celle issued a model case ruling by which all of the plaintiffs' objects of declaratory judgment were either dismissed or declared to be irrelevant. The legal positions of the model case defendants were thus upheld in their entirety. Two appeals alleging error of law in the model case ruling have been received, one of which is also directed against Volkswagen AG.

In Brazil, the Brazilian tax authorities commenced tax proceedings against Volkswagen Truck & Bus (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 BRL 3.4 billion could result for the contested period from 2009 onwards; this amount has been included in contingent liabilities in the notes.

After Volkswagen do Brasil had successfully brought an action in the Brazilian courts against what was held to constitute unconstitutional double taxation of vehicles on the part of the Brazilian federal government, Volkswagen do Brasil received a refund of the excess amount paid from the state of Brazil. In December 2023, the Brazilian dealership association *Associação Brasileira Dos Distribuidores Volkswagen* (Assobrav) and individual dealers, among others, filed lawsuits against Volkswagen do Brasil alleging that the dealers were at least partially entitled to the refunded amount. Eight such actions are pending. The lawsuit brought by Assobrav with a provisionally estimated amount in dispute of roughly BRL 2.4 billion is by far the largest of these actions. In January 2024, the court dismissed the dealership association's lawsuit in its entirety. Assobrav can appeal the dismissal; the judgment is not yet final.

In 2011, the European Commission conducted searches at European truck manufacturers for suspected unlawful exchange of information during the period from 1997 to 2011; in November 2014, the Commission issued a statement of objections to MAN, Scania, and the other truck manufacturers concerned. In its settlement decision of July 2016, the European Commission assessed fines against five European truck manufacturers. MAN's fine was waived in full as the company had informed the European Commission about the irregularities as a key witness. In September 2017, the European Commission 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's April 2022 appeal against this judgment was rejected in full by the European Court of Justice, the court of last resort, in February 2024. Furthermore, antitrust lawsuits seeking damages have been received from customers. As is the case in any antitrust proceedings, this may result in further lawsuits for damages. No provisions have been recognized for a large number of these legal disputes as they are not expected to result in final damage awards at the highest appeals level. For those actions in which, after reassessing the risks, the final outcome at the highest appeals level appears more likely than not to result in the payment of damages by MAN or Scania, provisions have been recognized in an amount of €89 million. Contingent liabilities have not been disclosed as their quantification is not currently possible. This applies in particular to the proceedings that are currently in an early stage – including those as to which the process of expert assessment is still in an early stage.

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. Following the European Commission's July 2021 administrative fine decision, several class actions were filed in the United Kingdom beginning in late 2021 against Volkswagen AG, among others. Service of the complaints is expected in the course of 2024. Neither provisions nor contingent liabilities have been stated as a realistic estimate of risk exposure is not possible at the present stage of the proceedings. After analyzing potential violations based on the facts of the EU case, the Korean competition authority KFTC issued its administrative fine decision in April 2023. No fine was imposed on Volkswagen AG, and Porsche AG is not affected by the decision. A fine equaling just under €3 million was assessed against AUDI AG. AUDI AG and Volkswagen AG have appealed the decision to the relevant court in Seoul/Korea. The Turkish competition authorities, who investigated similar matters, issued a final decision in January 2022 in which they determined anticompetitive behavior to allegedly exist, but found that it had no effect on Türkiye, for which reason they refrained from imposing fines on the German automakers. The written grounds of the final decision are not yet available. Volkswagen AG, AUDI AG, and Porsche AG have filed appeals. Based on comparable matters, the Chinese competition authority has instituted proceedings against Volkswagen AG, AUDI AG, and Porsche AG, among others, and issued requests for information.

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 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 CMA appealed this judgment in April 2023, and in January 2024 the appellate court ruled in the CMA's favor. Volkswagen AG is considering whether to appeal this decision. Concurrent therewith, Volkswagen AG continues to examine the possibilities for reasonable cooperation with the CMA.

In addition, a few national and international authorities initiated antitrust investigations. Volkswagen is cooperating closely with the responsible authorities in these investigations. An assessment of the underlying situation is not possible at this early stage.

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. A large number of the issues have already been completed.

In November 2021, three claimants accompanied by Greenpeace filed a lawsuit against Volkswagen AG before the Braunschweig Regional Court. Among other things, the action sought 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 sought 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 likewise dismissed as unfounded by the Detmold Regional Court in February 2023. The plaintiffs filed appeals against the judgments dismissing their complaints (appeals filed in March 2023 with the Braunschweig Higher Regional Court and in April 2023 with the Hamm Higher Regional Court).

In Russia, Automobile Plant GAZ LLC (GAZ) had initially filed several judicial proceedings against Volkswagen AG and others in the reporting year alleging damage claims totaling around RUB 44 billion. In this connection, GAZ applied for and in some cases initially obtained protective measures relating to the shares in Volkswagen Group Rus OOO (VGR) as well as to the movable and immovable property of VGR; the courts have since either rejected or vacated these measures. GAZ had appealed these decisions rejecting or vacating protective measures relative to the movable and immovable property of VGR; these appeals have since been finally and conclusively rejected. In May 2023, Volkswagen AG completed the sale of its shares in VGR and its local subsidiaries to Art-Finance LLC; thereby transferring title to the shares in VGR and its local subsidiaries to the buyer upon registration of the transaction. VGR was renamed AGR LLC in June 2023. In fulfillment of a court-confirmed settlement, GAZ has since withdrawn its complaint in the first lawsuit, thus terminating these proceedings. Volkswagen AG continues to defend the remaining second lawsuit, in which it is the sole defendant and alleged claims of approximately RUB 28.5 billion are at stake.

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 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 retrospective tax payments, while other provisions were recognized for ancillary tax payments arising in this connection.

The Volkswagen Group is aware of its social responsibility to comply with tax regulations (tax compliance) and is committed to being a responsible and reliable taxpayer (tax governance).

The organizational principles relating to the Volkswagen Group's tax affairs are set out in the Group's Tax Policy, which is reviewed annually to verify that it is up to date. This policy also contains uniform requirements for the implementation of a Group-wide Tax Compliance Management System, which must be followed by the Group companies and serves to monitor adherence to tax regulations. The organizational principles defined therein are designed to ensure that tax-related financial and regulatory as well as any resulting reputational risks can be identified and evaluated. These risks are communicated, proactively managed and monitored, and are comprehensively incorporated into our risk management processes and systems.

The Board of Management has also published its tax strategy principles, which focus in particular on correct fulfillment of tax obligations. Among other things, these principles require Group companies to conduct transactions with each other at arm's length in order to satisfy relevant OECD guidelines for multinational enterprises. Inappropriate legal arrangements, and particularly an "aggressive" tax strategy muste be avoided.

Financial risks

For this risk category, the likelihood of occurrence is classified as high and the potential extent of damage is classified as medium. No risks with a score of more than 20 were reported for this risk category in the previous year.

The most significant risks from the QRP arise in particular from volatile foreign exchange markets.

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 confrontations in the Middle East. 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.

At year-end 2023, there were no more hedges for the Russian ruble.

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 and the confrontations in the Middle East, 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, lithium 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 prices of electricity and gas deliveries.

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 for emission allowances to hedge the prices of a portion of the CO_2 emissions generated beyond the free allocations as part of the European Union Emissions Trading System (EU ETS) over the coming years.

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, earnings, financial position and net assets.

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 fully committed credit lines, uncommitted credit lines 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 geopolitical tensions and conflicts such as the Russia-Ukraine conflict or the confrontations in the Middle East – and by 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 2023 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. Our intent here is to generate maximum value for the Group and its brands and to enable us to expand our expertise, particularly in new areas of business. Our innovative presence in the markets supports this process. We enter into partnerships at a local level to help us identify regional customer needs more accurately, establish competitive cost structures and thus develop and offer market-driven products. At the same time, partnerships are associated with the risk that the interests of our business partners might differ from our own or that common goals cannot be reached. Furthermore, specific risks and expenses may arise from the provision of data and systems in new development partnerships in a way that meets the requirements of the relevant jurisdictions (e.g. national data protection law) and roles (e.g. the need-to-know principle of the Volkswagen Group). To mitigate the aforementioned risks, development partnerships receive not only technical support but also assistance on legal and IT-related aspects.

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 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 cybersecurity, 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 2024, 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 and the confrontations in the Middle East. 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.

Outlook for 2024

Our planning is based on the assumption that global economic output will grow overall in 2024 compared with 2023, albeit at a slower pace. The persistently high inflation in major economic regions and the resulting restrictive monetary policy measures taken by central banks are expected to dampen consumer demand. 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 are associated in particular with the Russia-Ukraine conflict and the confrontations in the Middle East. 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. Crisis-related disruption to the global supply chain and the resulting impact on vehicle availability may weigh on the volume of new registrations. Uncertainty may also arise from shortages of intermediates and commodities. These may be further exacerbated by the consequences of the Russia-Ukraine conflict and the confrontations in the Middle East and may, in particular, lead to rising prices for materials and a declining availability of energy.

We predict that trends in the markets for passenger cars in the individual regions will be mixed but predominantly positive in 2024. Overall, the global volume of new car sales is expected to be slightly higher than in the previous year. For 2024, we anticipate that the volume of new passenger car registrations in Western Europe will be slightly higher than that recorded in the reporting year. In the German passenger car market, we expect the volume of new registrations in 2024 to also be slightly up on the prior-year level. Sales of passenger cars in 2024 are expected to significantly exceed the prior-year figures overall 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 2024 is forecast to be slightly higher than the level seen the previous year. We also anticipate a slight increase in new registrations in the South American markets in 2024 compared with the previous year. Likewise, the passenger car markets in the Asia-Pacific region are expected to be slightly up on the prior-year level in 2024.

Trends in the markets for light commercial vehicles in the individual regions will be mixed; on the whole, we expect the sales volume for 2024 to be slightly above the previous year's figure.

For 2024, we expect to see a noticeable downward 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 noticeable year-on-year increase in demand is anticipated for 2024 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 2024.

In a challenging market environment, we anticipate that deliveries to customers by the Volkswagen Group in 2024 will increase by up to 3% compared to the previous year.

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 and the Passenger Cars Business Area to exceed the previous year's figure by up to 5% in 2024. The operating return on sales for the Volkswagen Group and the Passenger Cars Business Area is likely to be between 7.0% and 7.5%. For the Commercial Vehicles Business Area, we anticipate an operating return on sales of 8.5% to 9.5%, also amid a year-on-year increase of up to 5% in sales revenue. In the Power Engineering Business Area, we expect sales revenue to be up to 2% above the prior-year figure and operating profit to be in the low three-digit-million euro range. For the Financial Services Division, we forecast an increase of 3–7% in sales revenue compared with the prior year and an operating result in the range of €4.0 billion.

In the Automotive Division, we are assuming an investment ratio of between 13.5% and 14.5% in 2024. We expect net cash flow in 2024 to be between €4.5 billion and €6.5 billion. This will include in particular investments for the future and cash outflows from mergers and acquisitions for the battery business field, which are a vital pillar of the Volkswagen Group's transformation. Net liquidity in the Automotive Division in 2024 is expected to be between €39 billion and €41 billion. Our goal remains unchanged, namely, to continue with our robust financing and liquidity policy.

Wolfsburg, February 20, 2024
The Board of Management

Responsibility Statement

To the best of our knowledge, and in accordance with the applicable reporting principles, the consolidated financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the Group, and the Group management report includes a fair review of the development and performance of the business and the position of the Group, together with a description of the material opportunities and risks associated with the expected development of the Group.

Wolfsburg, February 20, 2024

Volkswagen Aktiengesellschaft
The Board of Management

Oliver Blume	Arno Antlitz	Ralf Brandstätter
Gernot Döllner	Manfred Döss	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 2023, the work of the Supervisory Board of Volkswagen AG and its committees focused on the Volkswagen Group's strategic alignment, with the spotlight on the China strategy and the transformation. The Supervisory Board regularly deliberated on the Company's position and development in the reporting year. We supervised and supported the Board of Management in its running of the business and advised it on issues relating to the management of the Company, and particularly on sustainability issues, in accordance with our duties under the law, the Articles of Association and the rules of procedure. The Supervisory Board was directly involved in all decisions of fundamental importance to the Group. Additionally, we discussed strategic considerations with the Board of Management at regular intervals.

The Board of Management complied with its disclosure obligations, which are set out in the information policy adopted by the Supervisory Board. The Board of Management provided us with information regularly, promptly and comprehensively both in writing and orally, particularly on all matters of relevance to the Company relating to its strategy, business development and the Company's planning and position. This also included the risk situation and risk management. In this respect, the Board of Management also informed the Supervisory Board of further improvements to the internal control system and the risk and compliance management system. In addition, the Supervisory Board received information about compliance and other topical issues from the Board of Management on an ongoing basis. We 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 addition, the Board of Management continued to report on the situation related to the Russia-Ukraine conflict and discussed corresponding action with the Supervisory Board.

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

The Supervisory Board held a total of eight meetings in fiscal year 2023. Six of the meetings were held face to face and two as video or conference calls. The attendance rate (calculated for all meetings held during the fiscal year and for all Supervisory Board members in office) was 92%. 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, while the Audit Committee is comprised of three shareholder representatives and three employee representatives. The members of these committees as of December 31, 2023 are stated in the Group Corporate Governance Declaration.

The Executive Committee met 12 times in the reporting year. Five of the meetings were held face to face and seven as video or conference calls. The Executive Committee meticulously prepared the resolutions of the Supervisory Board, discussed the composition of the Board of Management and took decisions on matters such as contractual issues concerning the Board of Management other than remuneration, and on consent to ancillary activities by members of the Board of Management. The Executive Committee also exercised the function of a Remuneration Committee and prepared the Supervisory Board's decisions on matters relating to Board of Management remuneration.

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). The Nomination Committee held one meeting face to face in 2023 and, taking the aforementioned requirements into account, proposed candidates for the Supervisory Board to recommend to the Annual General Meeting for election.

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

The Audit Committee held four meetings in fiscal year 2023. Three of the meetings were held face to face and one meeting was held as a video or conference call. The focus was on the annual and consolidated financial statements, the Risk Management System including the appropriateness and effectiveness of the Internal Control System and the Internal Audit System, and the work performed by the Company's Compliance organization. In addition, the Audit Committee concerned itself with the Volkswagen Group's quarterly reports and the half-yearly financial report, as well as with current issues, the supervision of financial reporting and the financial reporting process, and the examination thereof by the auditors. The Audit Committee regularly evaluates the quality of the audit. In consultation with the auditors, it discussed the assessment of audit risk, the audit strategy and audit planning and the results of the audit.

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

Hans Dieter Pötsch

TOPICS DISCUSSED BY THE SUPERVISORY BOARD

The first Supervisory Board meeting in the reporting year took place on February 10, 2023. At this meeting, we discussed matters related to the Board of Management and remuneration and consulted with the Board of Management in particular on the e-mobility strategy in China and the supply situation. We also looked at the current status of the Volkswagen Group's investment and financial planning.

The next meeting of the Supervisory Board took place on March 3, 2023. Following a detailed examination, we approved the consolidated financial statements and the annual financial statements of Volkswagen AG for fiscal year 2022 prepared by the Board of Management. We examined the combined management report, the combined separate nonfinancial report for 2022 and the precautionary Report by the Board of Management on Relationships of Volkswagen AG with Affiliated Companies (dependent company report) in accordance with section 312 of the *Aktiengesetz* (AktG – German Stock Corporation Act). The other items on the agenda included the issue of the audit engagement for the 2023 annual and consolidated financial statements as well as other accounting documents, an amendment of the remuneration system for the members of the Board of Management, the restructuring of sections of the Financial Services Division of the Volkswagen Group, especially for the establishment of TRATON Financial Services AB, the choice of location for a battery cell factory in North America and the production strategy for all-electric models in the United States.

On May 9, 2023, the Supervisory Board held a meeting that, alongside the composition of the Board of Management of Volkswagen AG, focused on the raw materials situation and preparations for the 63th Annual General Meeting of Volkswagen AG. Further topics that we discussed with the Board of Management included business development in the first quarter of 2023, developments in the Chinese market and the repositioning of CARIAD SE.

Along with the concept for the Capital Markets Day, the Supervisory Board meeting on June 13, 2023 concentrated primarily on strategic considerations for the Chinese market. In addition, we discussed with the Board of Management the current status of the Volkswagen Group's investment and financial planning and Volkswagen AG's energy strategy.

The Supervisory Board meeting on June 29, 2023 focused on the composition of the Board of Management of Volkswagen AG. At this meeting, we resolved to appoint Mr. Gernot Döllner as a member of the Board of Management of Volkswagen AG with effect from September 1, 2023 to succeed Mr. Markus Duesmann, who left the Company by mutual agreement, and also agreed that Mr. Döllner would additionally assume the role of Chair of the Board of Management of AUDI AG.

The meeting of the Supervisory Board on July 26, 2023 focused on the e-mobility strategy in China.

On September 29, 2023, the Supervisory Board met to discuss in particular the composition of the Board of Management, the supply of raw materials to Volkswagen AG and the portfolio strategy of the Commercial Vehicles Business Area.

One of the topics we discussed with the Board of Management at the Supervisory Board meeting on November 17, 2023 was the current status of the Volkswagen Group's investment and financial planning and the Commercial Vehicles portfolio strategy. Together with the Board of Management, we issued the annual declaration of conformity with the German Corporate Governance Code (the Code).

In the reporting year, we voted in writing on, among other things, a further amendment of the remuneration system for the members of the Board of Management, the proposal to change the remuneration provisions for the members of the Supervisory Board submitted to the Annual General Meeting, approval of the choice of location for a battery cell factory in North America and the composition of Supervisory Board committees.

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 2023:

	Meetings of the full Supervisory Board	**Meetings of the Committees**
Hans Dieter Pötsch	8 out of 8	13 out of 13
Jörg Hofmann	8 out of 8	11 out of 12
Dr. Hessa Sultan Al Jaber	7 out of 8	–
Mansoor Ebrahim Al-Mahmoud	6 out of 8	4 out of 4
Harald Buck	8 out of 8	–
Matías Carnero Sojo	7 out of 8	–
Daniela Cavallo	8 out of 8	15 out of 16
Julia Willie Hamburg	6 out of 8	–
Marianne Heiß	8 out of 8	4 out of 4
Dr. Arno Homburg	7 out of 8	–
Günther J. Horvath (since February 28, 2023)	6 out of 7	–
Simone Mahler (until May 31, 2023)	3 out of 3	–
Peter Mosch	8 out of 8	12 out of 12
Daniela Nowak	8 out of 8	–
Dr. Hans Michel Piëch	7 out of 8	10 out of 13
Dr. Ferdinand Oliver Porsche	8 out of 8	4 out of 4
Dr. Wolfgang Porsche	6 out of 8	12 out of 13
Jens Rothe (until March 3, 2023)	2 out of 2	4 out of 4
Gerardo Scarpino (since April 21, 2023)	6 out of 6	10 out of 10
Karina Schnur (since July 11, 2023)	3 out of 3	–
Conny Schönhardt	8 out of 8	4 out of 4
Stephan Weil	7 out of 8	11 out of 13

CONFLICTS OF INTEREST

No conflicts of interest were reported or were discernible in the reporting year.

CORPORATE GOVERNANCE AND DECLARATION OF CONFORMITY

Among the topics addressed at the Supervisory Board meeting on November 17, 2023 was 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.volkswagen-group.com/declaration. Additional information on the implementation of the recommendations and suggestions of the Code can be found in the Group Corporate Governance Declaration.

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

COMPOSITION OF THE SUPERVISORY BOARD AND BOARD OF MANAGEMENT

Mr. Jens Rothe, Chair of the General Works Council of Volkswagen Sachsen GmbH, resigned from the Supervisory Board of Volkswagen AG with effect from March 3, 2023. Jens Rothe had held a seat on the Supervisory Board as an employee representative since October 22, 2021. Mr. Gerardo Scarpino, Executive Director of the Volkswagen Group Works Council, was appointed by the court as his successor with effect from April 21, 2023.

The terms of office of Ms. Marianne Heiß and Mr. Wolfgang Porsche on the Supervisory Board of Volkswagen AG ended with effect from the close of the Annual General Meeting of Volkswagen AG on May 10, 2023, as did the term of office of Mr. Günther Horvath, which was limited by court appointment. The Annual General Meeting elected Ms. Marianne Heiß, Mr. Wolfgang Porsche and Mr. Günther Horvath for another full term of office.

Ms. Simone Mahler, Chair of the joint Works Council of Volkswagen Financial Services AG and Volkswagen Bank GmbH, resigned from the Supervisory Board of Volkswagen AG with effect from May 31, 2023. Simone Mahler had held a seat on the Supervisory Board as an employee representative since May 12, 2022. Ms. Karina Schnur, Chair of the General and Group Works Councils of MAN Truck & Bus SE, was appointed by the court as her successor with effect from July 11, 2023.

Effective from December 31, 2023, Mr. Peter Mosch, Chair of the General Works Council of AUDI AG, resigned from the Supervisory Board of Volkswagen AG. Mr. Mosch had held a seat on the Supervisory Board as an employee representative since January 18, 2006. Ms. Rita Beck, Deputy Chair of the General Works Council of AUDI AG, was appointed by the court as his successor with effect from January 9, 2024.

Effective from September 1, 2023, the Supervisory Board appointed Mr. Gernot Döllner as a member of the Board of Management of Volkswagen AG. Mr. Döllner took over the Progressive brand group (formerly: Premium) Board function, succeeding Markus Duesmann, who stepped down from the Board of Management by mutual agreement with effect from the close of August 31, 2023.

Our sincere thanks go out to all of the departing members of the Supervisory Board and the Board of Management for their work.

AUDIT OF THE ANNUAL AND CONSOLIDATED FINANCIAL STATEMENTS

In line with our proposal, the Annual General Meeting of Volkswagen AG on May 10, 2023 elected *EY GmbH & Co. KG Wirtschaftsprüfungsgesellschaft* (EY) as auditors and Group auditors for fiscal year 2023. 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 audit of the content of the combined separate nonfinancial report for 2023.

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, 2023 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."

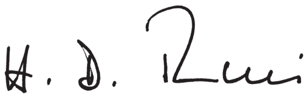
The members of the Audit Committee and the members of the Supervisory Board were provided with the documentation relating to the annual and consolidated financial statements, including the dependent company report, the documentation relating to the combined management report, and also the audit reports prepared by the auditors and the report from EY on the external audit of the content of the combined separate nonfinancial report for 2023 in good time for their meetings on February 29, 2024 and March 1, 2024, respectively. 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 the preparation of the Audit Committee meetings, about the progress of the audit, and reported to the Audit Committee on this. The Audit Committee and the auditor also consult regularly 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 2023, and reported on these at the Supervisory Board meeting on March 1, 2024. 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 1, 2024, 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 limited assurance review of the content of the combined separate nonfinancial report for 2023 and issued an unqualified report. At our meeting on March 1, 2024, EY also took part in the discussions on the agenda items relating to the combined separate nonfinancial report for 2023. Upon completion of its own independent examination of the combined separate nonfinancial report for 2023, 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 2023. 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 warm 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 the reporting year. 2023 was another year full of challenges to overcome, some of which were substantial. With hard work and a high level of personal commitment, they all contributed significantly to making 2023 a positive fiscal year for the Volkswagen Group.

Wolfsburg, March 1, 2024



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 17, 2023 with the following wording:

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

The recommendations of the Government Commission of the German Corporate Governance Code in the version dated 28 April 2022 (the Code) that was published by the German Ministry of Justice in the official section of the Federal Gazette *(Bundesanzeiger)* on 27 June 2022 was complied with in the period from the last Declaration of Conformity dated 11 November 2022 and will continue to be complied with, with the exception of the recommendations listed below for the reasons stated there.

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

- b) Recommendation B.5 (Age limit for members of the Board of Management)
  Pursuant to Recommendation B.5, an age limit is to be specified for members of the Board of Management and disclosed in the Corporate Governance Declaration. This has been complied with. In September 2023, the Supervisory Board re-appointed Dr Manfred Döss and in so doing exceeded the stipulated age limit by way of exception. The Supervisory Board considered this exception to be in the interest of the company. The transformation of the VOLKSWAGEN Group affects a large number of topics being addressed by the Integrity and Legal Affairs division for which Dr Döss is responsible, for example with regard to autonomous vehicles and ESG (environmental, social and governance) issues. Dr Döss has already positioned the VOLKSWAGEN Group well in this respect. The renewed appointment of Dr Döss ensures that the Group will continue to tread this path as effectively and efficiently as possible. The Supervisory Board otherwise adheres to the age limit specified for members of the Board of Management. It cannot, however, be ruled out that legal commentators would regard a company as having deviated from Recommendation B.5 even if it had exceeded a specific applicable age limit only once while the age limit as such remained in force. As a precautionary measure, such deviation is therefore being declared.
- c) Recommendation C.5 (Mandate ceiling regarding Board of Management mandate)
  The Chair of the Supervisory Board is on the supervisory boards of three listed companies of the VOLKSWAGEN Group, namely VOLKSWAGEN AG (as Chair), Dr. Ing. h.c. F. Porsche AG and TRATON SE (as Chair), as well as being on the Supervisory Board of Bertelsmann SE & Co. KGaA. He is also Chair of the Board of Management of Porsche Automobil Holding SE. Porsche Automobil Holding SE is not part of the same group as VOLKSWAGEN AG, Dr. Ing. h.c. F. Porsche AG and TRATON SE within the meaning of German stock corporation law. We are, however, confident that the Chair of the Supervisory Board of VOLKSWAGEN AG has sufficient time at his disposal to fulfill the duties related to his mandates.
- d) Recommendation C.13 (Disclosure regarding election proposals)
  Under this recommendation, certain circumstances shall be disclosed when the Supervisory Board makes election proposals to the General Meeting, but the requirements are vague and the definitions unclear. Purely as a precautionary measure, we therefore declare a deviation in this respect. Notwithstanding this, the Supervisory Board will make every effort to satisfy the requirements of the recommendation.
- e) 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, three-year 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 fiscal year 2022 exceeded the target value of the long-term variable remuneration. In the current fiscal year 2023, the IPO bonus granted in fiscal year 2022 had still not been fully settled. As a precautionary measure, we are therefore continuing to 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.
- f) Recommendation G.10 sentence 2 (Four-year commitment period)
  Dr Blume can have access to the third tranche of the IPO bonus previously described under e) as part of the long-term variable remuneration after three years rather than after four.

> g) Recommendation G.13 sentence 1 (Severance cap)
At the end of July 2022, the Supervisory Board of VOLKSWAGEN AG resolved by mutual agreement with Dr Diess to terminate his appointment as member and as Chair of the Board of Management with effect from 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 are therefore continuing to 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.

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

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

DECLARATION OF CONFORMITY OF TRATON SE
https://ir.traton.com/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 in the Board of Management are currently divided among ten Board functions. In addition to the "Chair of the Board of Management" function, the other Board functions have been "Technology", "Finance and Operations" (formerly "Finance"), "Human Resources and Trucks brand group" (formerly "Human Resources and Truck & Bus"), "Integrity and Legal Affairs", "Progressive brand group" (formerly "Premium"), "Sport Luxury brand group" (formerly "Sport & Luxury"), "China", "IT" and "Core brand group" (formerly "Volume"). The Chair of the Board of Management is also responsible for the "Sport Luxury brand group" Board function.

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

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, 2023, 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 in accordance with the rules of procedure for the Board of Management 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 www.volkswagen-group.com/en/corporate-governance.

Each Board of Management member manages their area of responsibility independently, without prejudice to the collective responsibility of the Board of Management. All Board of Management members 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 of Volkswagen AG 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 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 www.volkswagen-group.com/en/corporate-governance. The Board of Management must report conscientiously and faithfully to the Supervisory Board or its committees. With the exception of the immediate reports from the Chair of the Board of Management to the Chair of the Supervisory Board on matters of particular importance, the Board of Management is required to report to the Supervisory Board in writing as a rule.

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

Related party transactions

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

The Audit Committee continuously monitors the actions of the Board of Management. To this end, the Audit Committee regularly engages the auditor, most recently for fiscal year 2023, to conduct spot checks of the related parties with whom Volkswagen AG or other Volkswagen Group companies conduct transactions with a total financial value in the fiscal year exceeding the RPT threshold. If and to the extent that the economic value of the related party transactions exceeds the RPT threshold, these transactions are also checked to establish whether they were conducted at arm's length in accordance with proper business practice.

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

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

Diversity concept and succession planning for the Board of Management

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

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

> Members of the Board of Management should have many years of management experience.
> Members of the Board of Management should, if possible, have experience based on 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 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 in the diversity concept. The gender balance meets the legal requirements (see also section "Disclosures required by the *Führungspositionen-Gesetz*" (FüPoG - Act on Equal Participation of Women and Men in Leadership positions)).

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 the rules of procedure for the Supervisory Board, the Supervisory Board specified the following age limit for members of the Board of Management in accordance with Recommendation B.5 of the Code: as a rule, members of the Board of Management should be appointed for a term of office ending no later than their 65th birthday. Board of Management members may be appointed to serve beyond their 65th birthday until no later than their 68th birthday, provided this is agreed by a two-thirds majority of the Supervisory Board.

SUPERVISORY BOARD

The Volkswagen AG Supervisory Board 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 certain 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 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 who are 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.

In accordance with the rules of procedure for the Supervisory Board, each Supervisory Board member is obliged to disclose any conflicts of interest to the Chair of the Supervisory Board without delay. In its report to the Annual General Meeting, the Supervisory Board informs the 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.

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

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

Working procedures of the Supervisory Board

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

The Chair of the Supervisory Board coordinates the work within the Supervisory Board. 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 information on these discussions with investors is provided in the "Report of the Supervisory Board".

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

The Supervisory Board 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 www.volkswagen-group.com/en/corporate-governance.

Supervisory Board committees

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

Which tasks the Supervisory Board has 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 also exercises the function of a "Remuneration Committee", preparing the Supervisory Board's decisions on questions about Board of Management remuneration. The Executive Committee supports and advises the Chair of the Supervisory Board. It works with the Chair of the Board of Management to ensure long-term succession planning for the Board of Management.

The Nomination Committee proposes suitable candidates for the Supervisory Board to recommend to the Annual General Meeting for election. Before presenting such proposals, it ensures that the candidates can commit the expected time to their role and identifies the personal and business relationships of the candidates to Volkswagen AG and its Group companies, to Volkswagen AG's corporate bodies and to shareholders who directly or indirectly hold more than 10% of the voting shares in Volkswagen AG. In its proposals to the Supervisory Board, the Nomination Committee also takes into 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 nonfinancial 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 www.volkswagen-group.com/en/corporate-governance.

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

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

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

The Supervisory Board is of the view that the above criteria have been met. 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 six 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. It also cannot be ruled out that Mr. Pötsch still fulfills this requirement. 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 eight 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 completely changed.

In addition, the Supervisory Board adopted the following profile of skills and expertise for the full Board: to properly perform its supervisory and advisory duties, the Supervisory Board as a whole must collectively have the required expertise, i.e. knowledge, skills and professional experience. For this, the members of the Supervisory Board must collectively be familiar with the sector in which the Company operates – i.e. the automotive industry – and be able to assess the business conducted by the Company. In addition, the Supervisory Board members 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 MATRIX[1]

	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	
Rita Beck	x	x			x				x	x
Harald Buck	x	x			x			x	x	x
Matías Carnero Sojo	x	x			x	x			x	x
Daniela Cavallo		x			x	x	x	x	x	x
Julia Willie Hamburg					x		x			
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	
Daniela Nowak	x	x								x
Hans Michel Piëch	x	x			x	x			x	
Hans Dieter Pötsch	x	x			x	x	x	x	x	
Ferdinand Oliver Porsche	x	x			x	x		x	x	
Wolfgang Porsche	x	x			x	x			x	
Gerardo Scarpino	x	x			x			x		x
Karina Schnur	x	x			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. The allocation of competencies is based on a self-assessment by the respective Supervisory Board member.

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 was also involved in sustainability reporting and the auditing and assurance thereof as part of her former activities at BBDO Group Germany GmbH, and Mr. Pötsch as part of his activities at Porsche Automobil Holding SE. Ms. Heiß is also an ESG expert on the Supervisory Board of Porsche Automobil Holding SE. Ms. Heiß, Mr. Al-Mahmoud, Mr. Pötsch and Mr. Ferdinand Oliver Porsche track and monitor the latest developments in the area of sustainability reporting and the auditing and assurance thereof and contribute their expertise to Volkswagen AG's Audit Committee.

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

The Nomination Committee and Supervisory Board also took into account the diversity concept, specific composition targets and profile of skills and expertise (in their latest valid versions) in its proposals to the Annual General Meeting in fiscal year 2023 for the election of three Supervisory Board members. The composition targets, diversity concept and profile of skills and expertise were also taken into account in the court appointment of two new Supervisory Board members as employee representatives in fiscal year 2023.

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, the exchange of information with the Board of Management, and the depth and quality of the presentations to and discussions in the Supervisory Board and may suggest possible improvements. In particular, the members of the Supervisory Board are also asked to make comparative observations with comparable boards of other companies on which they also serve and, drawing on these, to make specific suggestions for improvement as required. Following analysis of the questionnaires, the findings and potential improvements are usually discussed at the next regular meeting of the full Board. Measures to improve the work of the Supervisory Board are continuously developed and implemented on the basis of the findings. The Supervisory Board members assess whether the measures have achieved the targeted improvements at the latest in the next self-evaluation. The most recent internal self-evaluation took place from late 2023 to early 2024.

DISCLOSURES REQUIRED BY THE FÜHRUNGSPOSITIONEN-GESETZ

The statutory quota of at least 30% women and at least 30% men has applied to new appointments to the Supervisory Board of Volkswagen AG since January 1, 2016 as required by the *Gesetz für die gleichberechtigte Teilhabe von Frauen und Männern an Führungspositionen in der Privatwirtschaft und im öffentlichen Dienst* (*Führungspositionen-Gesetz*, FüPoG – German Act on the Equal Participation of Women and Men in Leadership Positions in the Private and Public Sectors). Shareholder and employee representatives have resolved that each side will meet this quota separately. The shareholder representatives have met the quota of at least 30% women and at least 30% men since the end of the 56th Annual General Meeting on June 22, 2016. The employee representatives have met the quota since the end of the 57th Annual General Meeting on May 10, 2017. Both the shareholder and the employee representatives also fulfilled the quota on December 31, 2023.

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, 2023, the proportion of women in the active workforce at the first level of management was 15.3 (14.2)% and at the second level of management it was 21.5 (19.7)%.

REMUNERATION REPORT

The remuneration systems for the members of the Board of Management and Supervisory Board and the Remuneration Report for fiscal year 2023 are available on the website www.volkswagen-group.com/remuneration. Previous years' remuneration reports can also be found at this address. The remuneration reports contain both extensive explanations and descriptions of the remuneration systems for the members of the Board of Management and Supervisory Board as well as information on and explanations of the individual remuneration of members of the Board of Management and Supervisory Board.

CORPORATE 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.

Ethics, compliance and risk management

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

> Integrity and compliance
  Adherence to statutory provisions, internal company policies, ethical principles and our own values in order to protect the Company and its brands.

> 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 data protection.

> Business and human rights
  Volkswagen fully recognizes key international conventions and declarations, particularly the International Bill of Human Rights and the Fundamental Conventions of the International Labour Organization (ILO). We align our business activities with the United Nations Guiding Principles on Business and Human Rights (UN Global Compact), which represent crucial pillars for our actions.

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

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

MEMBERS OF THE BOARD OF MANAGEMENT

(appointments: as of December 31, 2023 or the date of departure from the Board of Management of Volkswagen AG)

DR. OLIVER BLUME (*1968)
Chair (since September 1, 2022),
Sport Luxury brand group,
Chair of the Executive Board of
Dr. Ing. h.c. F. Porsche AG,
April 13, 2018[1], appointed until 2028
Nationality: German

Appointments:

- ○ CARIAD SE, Wolfsburg (Chair)[3]

DR. ARNO ANTLITZ (*1970)
Finance and Operations,
April 1, 2021[1], appointed until 2027
Nationality: German

Appointments:

- ○ Dr. Ing. h.c. F. Porsche AG, Stuttgart[3,4]
- ○ PowerCo SE, Salzgitter[3]
- ○ Volkswagen Financial Services AG, Braunschweig (Chair)[3]
- ○ Volkswagen Financial Services Europe AG, Braunschweig (Chair)[3]
- ⦿ Porsche Austria GmbH, Salzburg (Deputy Chair)[3]
- ⦿ Porsche Holding Gesellschaft m.b.H., Salzburg (Deputy Chair)[3]
- ⦿ Porsche Retail GmbH, Salzburg (Deputy Chair)[3]
- ⦿ Volkswagen (China) Investment Co., Ltd., Beijing[3]
- ⦿ Volkswagen Group of America, Inc., Herndon, VA (Chair)[3]

RALF BRANDSTÄTTER (*1968)
China,
Chair of the Board of Management (CEO)
of Volkswagen (China) Investment Co., Ltd.
January 1, 2022[1], appointed until 2026
Nationality: German

Appointments:

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

DR. GERNOT DÖLLNER (*1969)
Progressive brand group,
Chair of the Board of Management of AUDI AG
(since September 1, 2023)
September 1, 2023[1], appointed until 2026
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., Crewe[3]
- ⦿ Ducati Motor Holding S.p.A., Bologna (Chair)[3]
- ⦿ FAW-Volkswagen Automotive Co., Ltd., Changchun[2]
- ⦿ SAIC Volkswagen Automotive Co., Ltd., Shanghai[2]
- ⦿ Volkswagen (China) Investment Co., Ltd., Beijing[3]

DR. JUR. MANFRED DÖSS (*1958)
Integrity and Legal Affairs
February 1, 2022[1], appointed until 2028
Nationality: German

Appointments:

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

○ 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)

Progressive brand group,
Chair of the Board of Management of AUDI AG
(until August 31, 2023)
April 1, 2020 – August 31, 2023[1]
Nationality: German

Appointments (as of August 31, 2023):

- ○ 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., Crewe[3]
- ⦿ Ducati Motor Holding S.p.A., Bologna (Chair)[3]
- ⦿ FAW-Volkswagen Automotive Co., Ltd., Changchun[2]
- ⦿ SAIC Volkswagen Automotive Co., Ltd., Shanghai[2]
- ⦿ Volkswagen (China) Investment Co., Ltd., Beijing[3]

GUNNAR KILIAN (*1975)

Human Resources and Trucks brand group
April 13, 2018[1], appointed until 2026
Nationality: German

Appointments:

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

THOMAS SCHÄFER (*1970)

Core brand group,
Chair of the Board of Management of the Volkswagen Passenger Cars brand,
July 1, 2022[1], appointed until 2025
Nationality: German

Appointments:

- ⦿ FAW-Volkswagen Automotive Co., Ltd., Changchun[2]
- ⦿ SAIC Volkswagen Automotive Co., Ltd., Shanghai[2]
- ⦿ SEAT, S.A., Martorell (Chair)[3]
- ⦿ Škoda Auto a.s., Mladá Boleslav (Chair)[3]
- ⦿ Volkswagen (China) Investment Co., Ltd., Beijing (Chair)[3]

THOMAS SCHMALL-VON WESTERHOLT (*1964)

Technology,
Chair of the Board of Management of Volkswagen Group Components,
January 1, 2021[1], appointed until 2028
Nationality: German, Brazilian

Appointments:

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

HAUKE STARS (*1967)

IT
February 1, 2022[1], appointed until 2025
Nationality: German

Appointments:

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

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

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

MEMBERS OF THE SUPERVISORY BOARD AND COMPOSITION OF THE COMMITTEES

(appointments: as of December 31, 2023 or the date of departure from the Supervisory Board of Volkswagen AG or the start date after December 31, 2023)

HANS DIETER PÖTSCH (*1951)

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

Appointments:

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

JÖRG HOFMANN (*1955)

Deputy Chair (since November 20, 2015),
IG Metall
November 20, 2015[1], appointed until 2027
Nationality: German

DR. HESSA SULTAN AL JABER (*1959)

Former Minister of Information and Communications Technology, Qatar
June 22, 2016[1], elected until 2024
Nationality: Qatari

Appointments:

- ⦿ Malomatia Q.S.C, Doha (Chair)[2]
- ⦿ MEEZA QSTP–LLC (Public), Doha[2, 4]
- ⦿ 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, 2022[1], 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, 4]
- ⦿ Qatar Stock Exchange, Doha (Deputy Chair)[2]
- ⦿ Qatari Diar Real Estate Investment Company, Doha (Board member)[2]

RITA BECK (*1970)

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

Appointments (as of January 9, 2024):

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

HARALD BUCK (*1962)

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

Appointments:

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

MATÍAS CARNERO SOJO (*1968)

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

DANIELA CAVALLO (*1975)

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

Appointments:

- ○ PowerCo SE, Salzgitter (Deputy Chair)[3]
- ○ TRATON SE, Munich[3, 4]
- ○ Volkswagen Financial Services AG, Braunschweig (Deputy Chair)[3]
- ○ Wolfsburg AG, Wolfsburg[2]
- ⦿ Allianz für die Region GmbH, Braunschweig (until May 31, 2023)[2]
- ⦿ Autostadt GmbH, Wolfsburg[3]
- ⦿ Brose Sitech Sp. Z o.o., Polkowice[2]
- ⦿ Porsche Holding Gesellschaft m.b.H., Salzburg[3]
- ⦿ SEAT, S.A., Martorell[3]
- ⦿ Škoda Auto a.s., Mladá Boleslav[3]
- ⦿ VfL Wolfsburg-Fußball GmbH, Wolfsburg[3]
- ⦿ Volkswagen Group Services GmbH[3]

○ 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.

JULIA WILLIE HAMBURG (*1986)
Minister of Education and Cultural Affairs for the Federal State of Lower Saxony
November 8, 2022[1], delegated until 2027
Nationality: German

MARIANNE HEIß (*1972)
Chief Executive Officer of BBDO Group Germany GmbH (until April 30, 2023)
Member of the Supervisory Board
February 14, 2018[1], elected until 2028
Nationality: Austrian
Appointments:
- ○ AUDI AG, Ingolstadt[3]
- ○ Flix SE, Munich[2]
- ○ 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, 2022[1], appointed until 2027
Nationality: German
Appointments:
- ⊙ Volkswagen Pension Trust e.V., Wolfsburg[3]

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, 2023[1], elected until 2028
Nationality: Austrian
Appointments:
- ○ Porsche Automobil Holding SE, Stuttgart[2, 4]

SIMONE MAHLER (*1971)
Chair of the Joint Works Council of Volkswagen Financial Services AG and Volkswagen Bank GmbH
May 12, 2022 - May 31, 2023[1]
Nationality: German
Appointments (as of May 31, 2023):
- ○ EURO-Leasing GmbH, Sittensen[3]
- ○ Volkswagen Financial Services AG, Braunschweig[3]
- ⊙ Volkswagen Pension Trust e.V., Wolfsburg[3]

PETER MOSCH (*1972)
Chair of the General Works Council of AUDI AG (until September 30, 2023)
January 18, 2006 - December 31, 2023[1]
Nationality: German
Appointments (as of December 31, 2023):
- ○ AUDI AG, Ingolstadt (Deputy Chair)[3]
- ○ Audi Pensionskasse – Altersversorgung der AUTO UNION GmbH, VVaG, Ingolstadt[3]
- ○ CARIAD SE, Wolfsburg (Deputy Chair)[3]
- ⊙ Audi Stiftung für Umwelt GmbH, Ingolstadt[3]

DANIELA NOWAK (*1970)
Chair of the Works Council of Volkswagen AG, Braunschweig plant
May 12, 2022[1], appointed until 2027
Nationality: German
Appointments:
- ⊙ Volkswagen Pension Trust e.V., Wolfsburg[3]

DR. JUR. HANS MICHEL PIËCH (*1942)
Supervisory Board
August 7, 2009[1], elected until 2024
Nationality: Austrian
Appointments:
- ○ AUDI AG, Ingolstadt[3]
- ○ Dr. Ing. h.c. F. Porsche AG, Stuttgart[3, 4]
- ○ Porsche Automobil Holding SE, Stuttgart (Deputy Chair)[2, 4]
- ⊙ Porsche Holding Gesellschaft m.b.H., Salzburg[3]
- ⊙ Schmittenhöhebahn AG, Zell am See[2]

DR. JUR. FERDINAND OLIVER PORSCHE (*1961)
Member of the Board of Management of Familie Porsche AG Beteiligungsgesellschaft
Managing Director of Real Estate Holding GmbH,
Managing Director of Neckar GmbH
August 7, 2009[1], elected until 2024
Nationality: Austrian
Appointments:
- ○ AUDI AG, Ingolstadt[3]
- ○ Dr. Ing. h.c. F. Porsche AG, Stuttgart[3, 4]
- ○ Porsche Automobil Holding SE, Stuttgart[2, 4]
- ⊙ Porsche Holding Gesellschaft m.b.H., Salzburg[3]
- ⊙ Porsche Lifestyle GmbH & Co. KG, Ludwigsburg[3]

○ 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.

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

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

Appointments:

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

JENS ROTHE (*1970)

Chair of the General Works Council of Volkswagen Sachsen GmbH
October 22, 2021 - March 3, 2023[1]
Nationality: German

Appointments (as of March 3, 2023):

- ○ Volkswagen Sachsen GmbH, Zwickau (Deputy Chair)[3]

GERARDO SCARPINO (*1962)

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

Appointments:

- ○ CARIAD SE, Wolfsburg[3]

KARINA SCHNUR (*1977)

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

Appointments:

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

CONNY SCHÖNHARDT (*1978)

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

Appointments:

- ○ CARIAD SE, Wolfsburg[3]
- ○ PowerCo SE, Salzgitter[3]
- ○ Volkswagen Bank GmbH, Braunschweig[3]

STEPHAN WEIL (*1958)

Minister President of the Federal State of Lower Saxony
February 19, 2013[1], delegated until 2027
Nationality: German

SUPERVISORY BOARD COMMITTEES

Members of the Executive Committee

Hans Dieter Pötsch (Chair)
Jörg Hofmann (Deputy Chair)
Rita Beck (since January 24, 2024)
Daniela Cavallo
Peter Mosch (until December 31, 2023)
Dr. Hans Michel Piëch
Dr. Wolfgang Porsche
Gerardo Scarpino
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
Gerardo Scarpino
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 2023, and the income statement for the fiscal year from 1 January to 31 December 2023, 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 2023. 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 2023 and of its financial performance for the fiscal year from 1 January to 31 December 2023 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 2023. 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 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 2023 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 VOLKSWAGEN AKTIENGESELLSCHAFT 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 VOLKSWAGEN AKTIENGESELLSCHAFT 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. 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.

The ongoing transformation of the core business toward electromobility and digitalization, the transition to autonomous vehicles and growing environmental regulation lead to uncertainties that have to be factored into 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 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 – IMMANENT 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 immanent 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 executive directors and the Supervisory Board are responsible for the declaration pursuant to Sec. 161 AktG ["Aktiengesetz": German Stock Corporation Act] on the German Corporate Governance Code, which is part of the 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 ["Energiewirtschaftsgesetz": German Energy Industry Act] to keep separate accounts for the fiscal year from 1 January to 31 December 2023. 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 VWAG_JA_HGB_2023_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 2023 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 10 May 2023. We were engaged by the Supervisory Board on 20 July 2023. 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

but not the annual financial statements, not the management report disclosures whose content is audited and not our auditor's report thereon.

3. COMPANY INFORMATION OUTSIDE OF THE ANNUAL REPORT REFERENCED IN THE 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, 1 March 2024

EY GmbH & Co. KG
Wirtschaftsprüfungsgesellschaft

Matischiok Wirtschaftsprüfer [German Public Auditor]	Hantke Wirtschaftsprüfer [German Public Auditor]