

regenerate+

Volkswagen Groups Sustainability Strategy to drive Impact

Dr. Dirk Voeste,
Chief Sustainability Officer - Volkswagen Group

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Volkswagen Group – in a nutshell

€ **321** bn
sales revenue



110 production
facilities globally



670.000 employees
150 countries



~9 million
deliveries to
customer

All-service provider
Financial Services,
Mobility Solutions and
Battery



9 car & **4** truck brands
Up to **250,000** cars
produced per week



Full Year 2024 figures; Deliveries to customers, production facilities and employee figures include Chinese Joint Ventures, while sales revenue refers to the Volkswagen Group excluding Chinese Joint Ventures

Why sustainability matters – for us and our business

Sustainability will not go away.

Balance between opportunities and risks.

Sustainability is a business driver.

Our sustainability vision

Becoming a
**nature and
society positive**
mobility provider

Our sustainability definition

Sustainability means
creating value for
todays and future generations,
for **nature, society** and **business**.

Our commitments framing regenerate+

- 1 | We **protect and strengthen** our environment.
- 2 | We treat people with **dignity and respect**.
- 3 | We act **with integrity** and **in compliance**.
- 4 | We take **responsibility towards society**.
- 5 | We provide **sustainable mobility** and **business models**.

Impact-driven ambition towards sustainable mobility

NATURE



OUR PEOPLE



SOCIETY



BUSINESS



Achieved notable **progress**
in the **TOP KPI set**

Integration into
The Group Strategy

Strong commitment to our
strategy and framework

Systematic steering of KPIs is our responsibility towards ...

... impact on nature & environment

- Reduction of CO_{2eq} Inventory
- Share of Circular Materials
- Biodiversity-Index

NATURE

... our own employees around the world

- Proportion of diversity in management
- Ø qualification hours per employee
- Lost Time Injury Frequency Rate

OUR PEOPLE

... our supply chain & society

- Sustainability Performance of supplier in S-Rating
- Global Reputation KPI
- Societal impact by donations and projects

SOCIETY

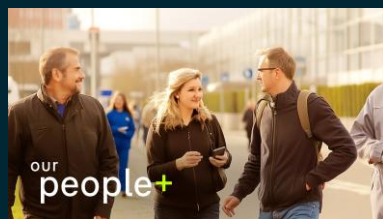
... incremental business from sustainability

- Revenues: sustainable business models
- BEV shares
- Share of Green Bonds

BUSINESS

TOP KPIs for focused business steering

Dimensions



TOP KPIs Sustainability

- Reduction of CO_{2eq} Inventory (e.g., DKI)
- Share of Circular Materials
- Biodiversity-Index
- Proportion of diversity in management
- Ø qualification hours per employee
- Lost Time Injury Frequency Rate
- Sustainability Performance of supplier in S-Rating
- Global Reputation KPI
- Social impact by donations and projects
- Revenues from sustainable business models
- Share of BEV
- Share of Green Bonds

Business Driver

Buying Behavior

Employer Attractiveness

Social License to Operate

Conditions for Refinancing

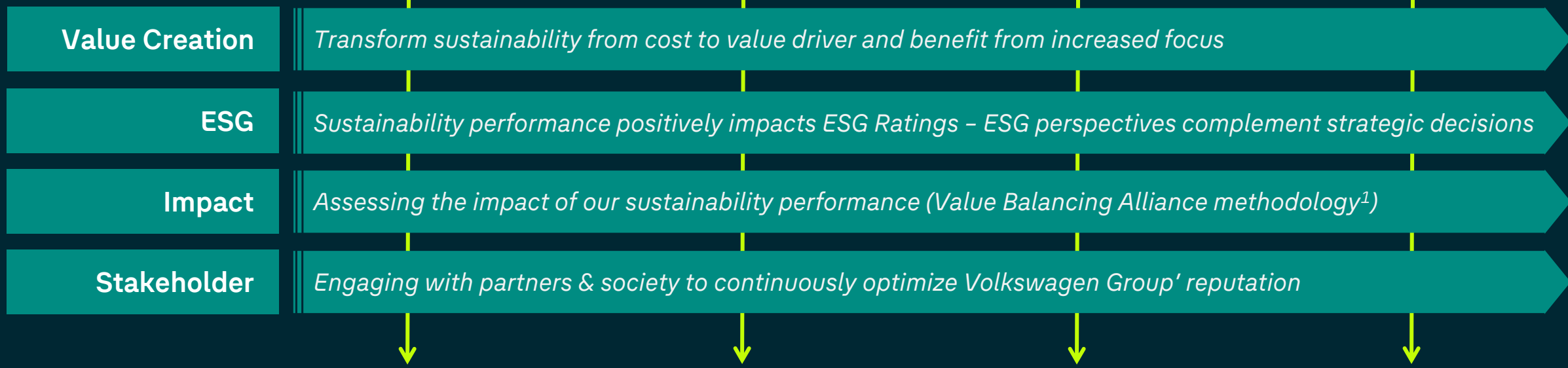
Sustainable Development Goals



Group wide implementation & systematically steering

nature ^{our} people society business

Sustainability Targets and TOP KPIs



Success implementation of regenerate+ in day-to-day business and initiatives

¹ <https://www.value-balancing.com>

NATURE | Transform our sites and expand our environmental impact beyond our value chain

Reduction of absolute CO₂ emissions in production and component sites by **60% since 2018**

Target 2040: All factories to operate net carbon neutral

ID family: headliners, seats and door panels made from **recycled materials**¹

Ambition 2040: 40%² of circular materials

Development of a holistic biodiversity approach

Avoid & Reduce
Conserve & Restore

Biodiversity-Fund with up to **€25mn./a**

Climate

Resources

Ecosystem

¹ for the ID family within the EU; ² Ambition 2040 (world excl. China) for vehicle projects with SOP in 2040 and beyond

NATURE | Zero Impact Factory: Reducing the production-related impacts

- Volkswagen Group's production and component sites have made remarkable strides in environmental performance.
- 48.5% improvement of environmental lead indicator UEP (2010–2024)¹ and surpassed the 45% target set for 2025:
 - Waste volume reduced by 79.4%¹
 - CO₂ emissions reduced by 62.8%¹
 - Energy consumption reduced by 21.5%¹
 - Water consumption reduced by 27.1%¹
 - VOC emissions reduced by 67.5%¹



Various measures at the locations: e.g.,

- **Wolfsburg:** CO₂ reduction through power plant conversion and efficiency measures.
- **Puebla:** 99% industrial waste recycling.
- **Pamplona:** Less than 1 m³ water per vehicle produced.

Environmental milestone reached earlier

**Outstanding performance
of production and component sites**

¹ Metric per vehicle and in the area of passenger cars and light commercial vehicles

OUR PEOPLE | Empower our people and deliver the best for our customers

20.3% proportion of women in management

Target 2028: 23.2% proportion of women in management¹

21.6 training hours per employee²

Systematic requalification towards **digitalization & electrification**

6.2 accident frequency³ (Lost Time Injury Frequency Rate)

Target 2040: < 1 accident frequency (+ further health prevention and promotion)

Culture

Workforce

Occupational Health & Safety

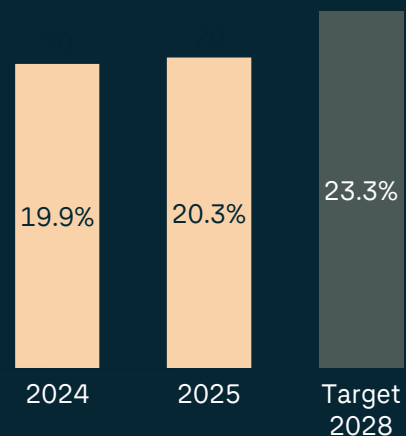
¹Status Annual Report 2025, From 2025 without US entities and their subsidiaries (specification based on the Annual Report as of 2025); ²baseline: 22.3 hours per employee per year;

³new scope and metric since 2024

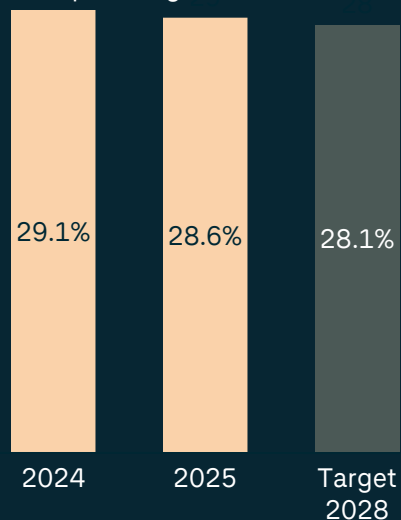
OUR PEOPLE | Empower our people and deliver the best for our customers

Diversity-Index*

Proportion of Women in Management



Degree of Internationalization in Top-Management



* From 2025 without US entities and their subsidiaries (specification based on the Annual Report as of 2025)

Initiatives and engagement of our employees



Corporate Volunteer Day 2025



Health.Care.Run 2025

Leveraging diversity to power our workforce

Our people empowering positive change

SOCIETY | Driving supply chain responsibility and social impact beyond the value chain

83% positive performance of suppliers in **S-Rating**

Target 2040: >95% positive S-Rating

New types of **stakeholder dialog** to engage with partners & society

Target 2025: revised reputation study

> 200 global projects and **> €60mn. in donations**

Sustainability Impact Fund with up to **€20mn./a**

Supply Chain

Stakeholder

Societal Impact

Sustainability Practice Groups: a new and agile council format

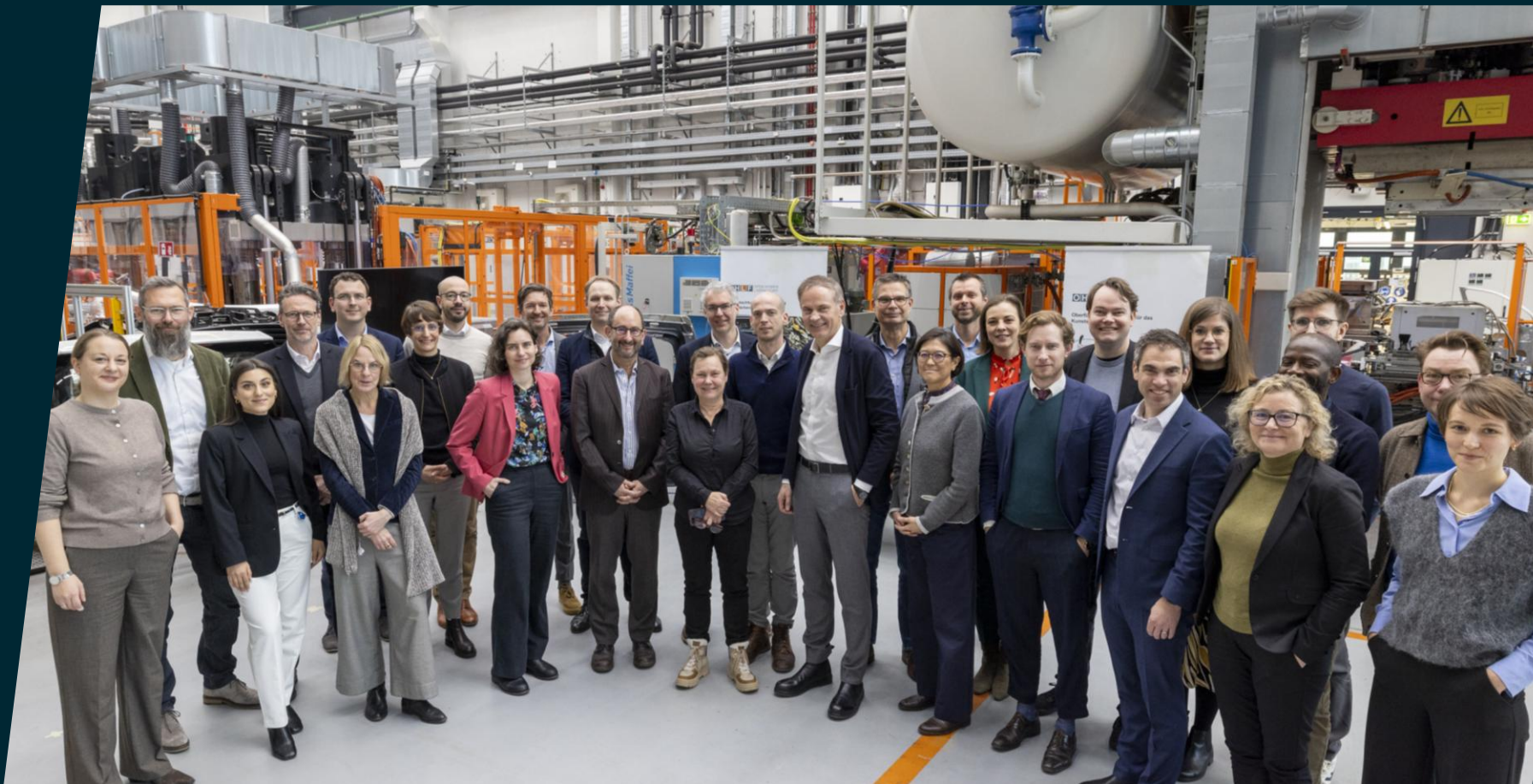
Unbiased expertise in
regenerate+ dimensions

**Exchange, inputs and
challenge**

Direct impact on strategy
and projects

Collaborative working model

Advise and **open opinion** for
all levels in the company



Status as of February 2025

Sustainability Practice Groups: our members and topics

NATURE	OUR PEOPLE	SOCIETY	BUSINESS								
 <p>Frauke Fischer</p> <hr/> <p>Biodiv. & Monitoring</p> <p>Agentur auf!; University of Würzburg</p>	 <p>Rebecca Tauer</p> <hr/> <p>Circular Economy</p> <p>WWF Germany</p>	 <p>Julian Zuber</p> <hr/> <p>Climate Legislation</p> <p>GermanZero e.V.</p>	 <p>Joel Hartter</p> <hr/> <p>Human.cent. Strategy</p> <p>Parallel Labs; University of Colorado</p>	 <p>Christina Schildmann</p> <hr/> <p>Future of work</p> <p>Hans-Böckler-Foundation</p>	 <p>Hannah Zoller</p> <hr/> <p>Sociology & Empl. Develop.</p> <p>University of Labour</p>	 <p>Aron Cramer</p> <hr/> <p>Corp. Social Responsibility</p> <p>BSR</p>	 <p>Maja Göpel</p> <hr/> <p>Systemic Transformation</p> <p>Leuphana University; The New Institute</p>	 <p>Marcin Piersiak</p> <hr/> <p>Resp. Mining/ Sourcing</p> <p>Alliance for Resp. Mining</p>	 <p>R. May Lee</p> <hr/> <p>Biz. Innovation/ Transformation</p> <p>Rensselaer Polytechnic Institute</p>	 <p>William Todts</p> <hr/> <p>Sustainable Mobility</p> <p>Transport & Environment</p>	 <p>Jean-Louis Warnholz</p> <hr/> <p>Fintech/ future strat.</p> <p>Future</p>
<p>Impact of Ecosystem Services on Value Chain & Business</p> <hr/> <p>Impulses for Advocacy on Sustainability & regenerate+</p> <hr/> <p>Climate Change related Business Risks (e.g. Water)</p>			<p>Inputs into Strategy Development (Empower Talents)</p> <hr/> <p>Define Needs & Measures to foster a Culture of Diversity & Participation</p>			<p>Value Proposition & Framework for "Society Positive"</p> <hr/> <p>Input & Enhancement Stakeholder Relationship Strategy</p>			<p>Incentive Mapping & Development for BEV</p> <hr/> <p>Inputs & Challenge on Integrating regenerate+ as Part of Group Strategy into Business & Value Chain</p>		

SOCIETY | Societal impact reduces risks, secures long-term value creation and strengthens reputation

- 2024: more than 200 global projects

Areas:



69% within the region

25% at national level

4% at international level

Focus of the outcome: e.g.,



- Strengthening local communities & resilience
- Education & knowledge transfer
- Gender equality & inclusion
- Healthy ecosystems & biodiversity

Corporate citizenship projects safeguards the license to operate



The **Sustainability Impact Fund** supports **global projects** of the Volkswagen Group brands and companies aimed at **sustainable development** and strengthens **ESG performance** measurably.

- **Focus:** Internal projects, innovations, and methods.
- **Funding:** up to 5 Mio € in 2025 and a maximum allocation of up to 20 Mio € in 2028 / 2029
- **Status:** First application phase completed. Selection of the projects to be funded is currently taking place.

Sustainability Impact Fund

BUSINESS | Generating value and promoting sustainability-driven business fields across industries

Sustainable Revenues KPI
to be published in 2026

Invest in innovations by
Venture Capital Fund

Sustainable Revenues

10.9% global
share of **BEV**

Clear commitment to
electrification,
reflecting regional
requirements.

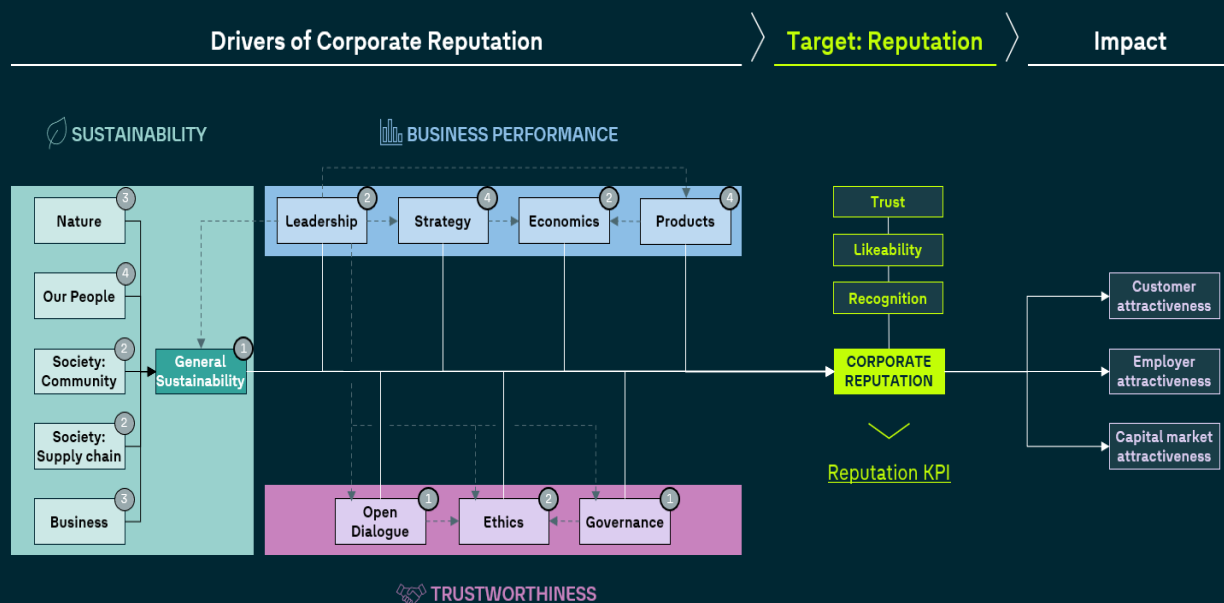
EV transformation

31.5% share of
green bonds

Target 2040: > 50% of
outstanding bond volume
through **green bonds**

Financing

regenerate+ Deep Dive on New KPIs



Global Reputation KPI

- The reputation study was strategically enhanced in 2024/25 in collaboration with academic and industry experts.
- Average KPI from external trust, likeability and recognition assessments:

89% Global Reputation KPI

Germany:	81%	China:	98%
European Union:	86%	Mexico:	100%
United States:	73%	Brazil:	96%

Measuring reputational developments and drivers globally

regenerate+ Deep Dive on New KPIs

Sustainable Revenues KPI

€63.9 bn sales revenue with sustainable impact in 2025
19.9 % of total Group revenue

- Pragmatic and transparent Top KPI developed with Council feedback building on established frameworks
- 4-tier ranking of holistic sustainability for steering business towards sustainable business fields (tier 1-3)
- Published in public whitepaper

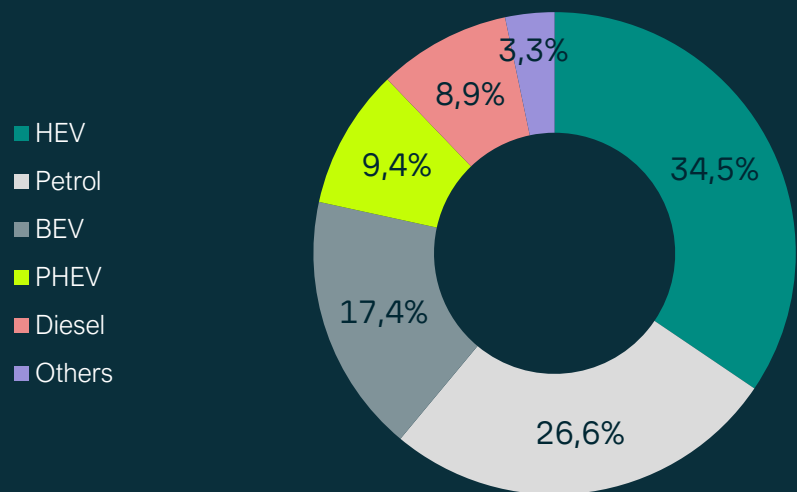
A new KPI to assess business fields with positive sustainability impact



BUSINESS | Electrification becomes mainstream in EU-26. Our top sellers shape the electric portfolio.

+17.4%

battery-electric market share.
ACEA - European Automobile Manufacturers' Association



2025 is the first year that HEV, BEV and PHEV together exceed 61% of new car registrations.

Volkswagen
ID.4/ID.5



Volkswagen
ID.3



Škoda Elroq



+ 20 new models within our product offensive in 2026

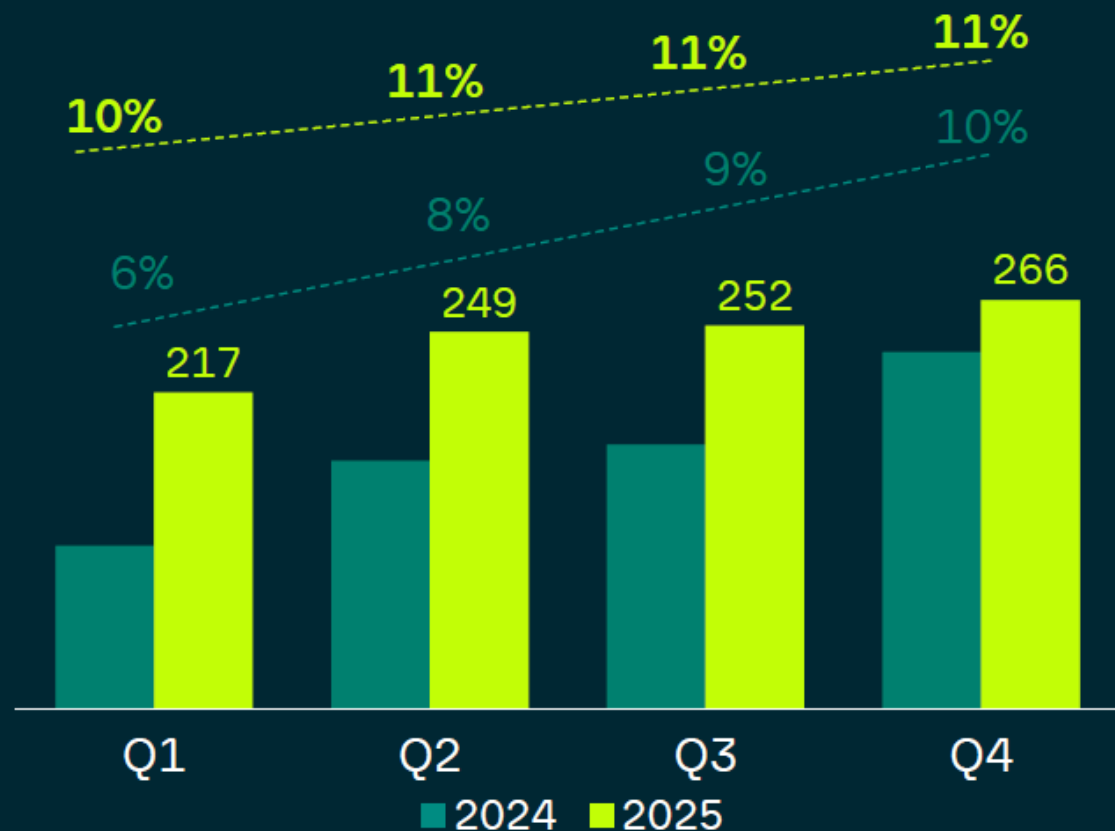
Our products shape the transition to electric mobility (10,9 % of our globally sold vehicles in 2025)

Volkswagen Group Deliveries

BEV share increased to 11% globally in 2025 (8% in 2024), driven particularly by strong growth in Europe

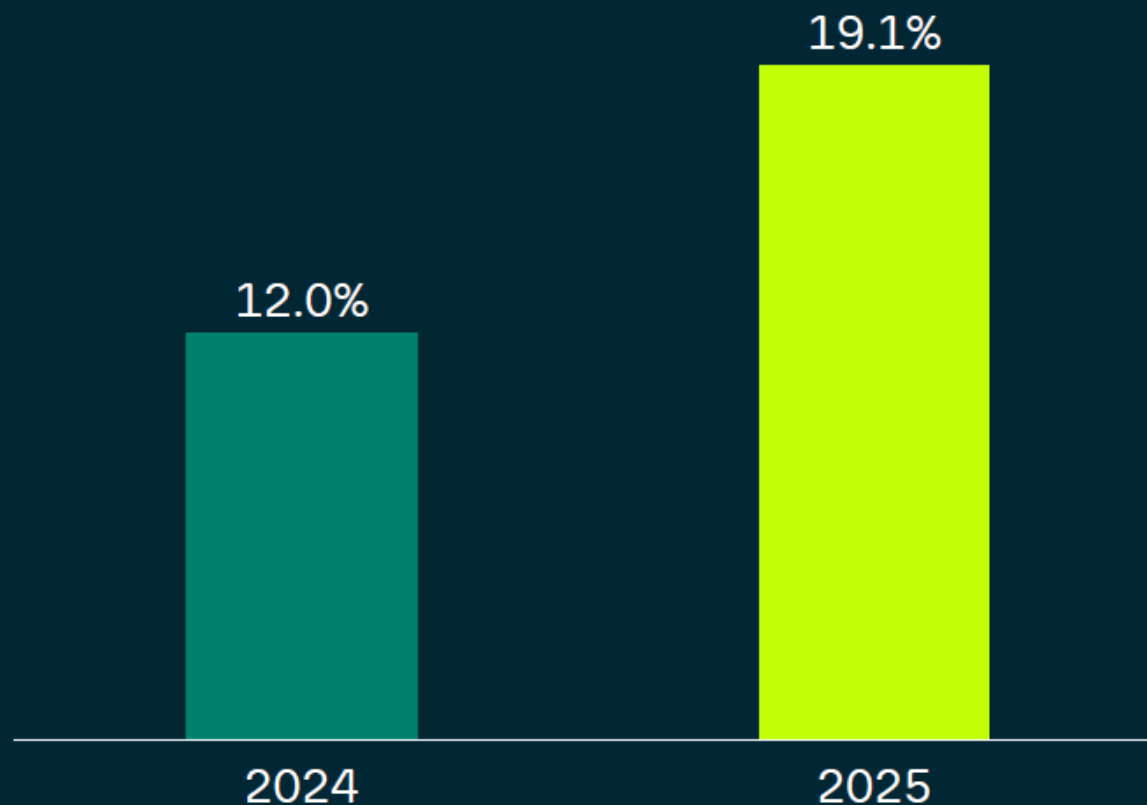
Development global BEV share per quarter

BEV deliveries [in '000 units]
 --- BEV share 2025 [in % of global deliveries]
 --- BEV share 2024 [in % of global deliveries]



BEV Share Europe (EU27+4)

BEV Share [in % of EU27+4 deliveries]



Circular Economy is driven by the external environment and disruptive business field opportunities

Increased
resilience

Untapped
profit pool

Accelerating
nature action

Uncertain
legislation

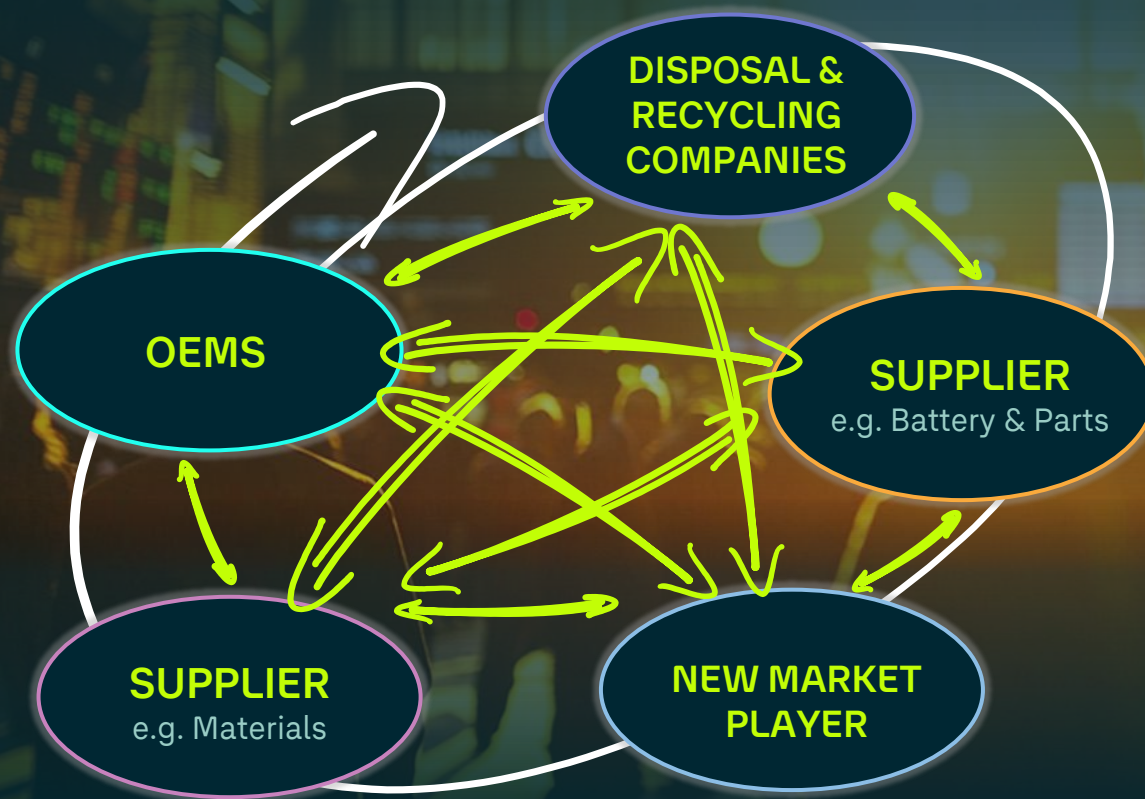
Market
dynamics

Access to scarce & expensive
materials

Unleash
Revenue potential

2031 decisive for
battery regulation

Strategic partnerships will be essential in a developing market
Circular Economy will not work alone



“... it’s a Network
not a Circle”

Reduce & Grow

Our Vision: Making circularity the new normal in mobility

Redesign for Circularity

Design parts and material for longer life, full and easy recoverability, and minimal waste.

Asset Recovery & Recycling

Enable take-back to end-of-life vehicles to secure secondary raw materials.

Reman & Refurb / Reuse

Extend value with upgraded original parts or second-life.

New Business Models

Unlock new revenue streams by aligning "R-strategies" with lifecycle customer touchpoints.



Circular Economy Group Hub Approach



Current ID.7: Innovative interior materials

Covers and surfaces made from recycled materials



Art-Velours "ECO"

71% recycled
PET bottles

Insulation

part. made from
recycled clothing

Floor mats

nearly 100%
recycled PET or PA

"Dilours" carpet

nearly 100%
recycled PET



Current T-Roc: About 140 components inside and outside the vehicle include full or partial recycled content



**Underbody
Panel**

**Plastic Mounted
Carrier**

**Tailgate Trim
Panel**

Cupra Raval (launch '26)

Bringing circularity to the mass market

Key Facts on recycled materials:

- Uses up to 36 kg of recycled plastics throughout the vehicle
- Approx. 14% of all thermoplastic parts are made fully or partly from recycled materials
- 100% of interior textiles incorporate recycled content
- Around 190 interior/exterior components feature recycled material



NEW Sustainability Reporting Landscape at Volkswagen

RELEASE: 16th May 2025

SUSTAINABILITY REPORT

Combined non-financial statement as part of the annual report 2024

- In full application of the ESRS¹
- 1st Double Materiality Assessment



ESG FACTBOOK

Additional capital market-relevant "Further Information"² & references in existing sources

- All ESG facts in one place
- Increased ESG Transparency



TABLE OF CONTENT

ESG @ VOLKSWAGEN GROUP	
ENVIRONMENT SOCIAL GOVERNANCE	
APPENDIX	JUST TRANSITION
	PAI SCORECARD
	SASB REPORT

¹ European Sustainability Reporting Standards as a framework | ² Not included in the sustainability report.

Volkswagen Group Circular Economy initiatives to close the loop in the Automotive Industry



**Vehicle
recycling**

Take back, dismantling
& used parts business



**Battery
recycling**

Investments in battery
recycling start ups

CoE
BATTERY

**PowerCo
& partner**

Battery recycling
technology



**Circular Economy
Strategy @ Audi**

MaterialLoop

Empower People. Protect Resources. Regenerate Progress.

Climate neutrality is achievable by reaching net-zero emissions and protecting natural resources.

Circular economy reduces primary resource demand and safeguards environment and society.

Regeneration can only be achieved through close partnerships and transparent stakeholder engagement.

Empowering people through diversity, inclusion, and open dialogue drives **transformation for long-term business success.**

Shaping a Sustainable Future Together - Moving what Matters

regenerate+

Moving what matters

dirk.voeste@volkswagen.de
[LinkedIn: Dirk Voeste](#)