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INTEGRITY**

TO PROTECT WHAT WE LOVE

RISK MANAGEMENT @VOLKSWAGEN GROUP

Hagen Repke, Group Risk Management

Disclaimer

The following presentations contain forward-looking statements and information on the business development of the Volkswagen Group. These statements may be spoken or written and can be recognized by terms such as “expects”, “anticipates”, “intends”, “plans”, “believes”, “seeks”, “estimates”, “will” or words with similar meaning. These statements are based on assumptions, which we have made on the basis of the information available to us and which we consider to be realistic at the time of going to press. These assumptions relate in particular to the development of the economic, political, and legal environment in individual countries and economic regions and the development of the automotive industry. Therefore the estimates given involve a degree of risk, and the actual developments may differ from those forecast. The Volkswagen Group currently faces additional risks and uncertainty related to pending claims and investigations in a number of jurisdictions in connection with findings of irregularities relating to exhaust emissions from diesel engines in certain Volkswagen Group vehicles. The degree to which the Volkswagen Group may be negatively affected by these ongoing claims and investigations remains uncertain.

The outbreak of COVID-19 (commonly referred to as coronavirus) has negatively impacted economic and social conditions in primary markets of Volkswagen, including China and Europe, as public, private, and government entities have implemented containment measures. The continued spread of COVID-19 has caused shortages of necessary materials and parts from suppliers directly or indirectly affected by the outbreak and has caused operational disruptions and interruptions at Volkswagen's production facilities, which led to production downtimes. The COVID-19 pandemic and the respective containment measures might continue to have a negative impact in the future.

A negative development relating to ongoing claims or investigations, the continuation of COVID-19, an unexpected fall in demand or economic stagnation in our key sales markets, such as in Western Europe (and especially Germany) or in the USA, Brazil or China, and trade disputes among major trading partners will have a corresponding impact on the development of our business. The same applies in the event of a significant shift in current exchange rates in particular relative to the US dollar, sterling, yen, Brazilian real, Chinese renminbi and Czech koruna.

If any of these or other risks occur, or if the assumptions underlying any of these statements prove incorrect, the actual results may significantly differ from those expressed or implied by such statements.

We do not update forward-looking statements retrospectively. Such statements are valid on the date of publication and can be superseded.

This information does not constitute an offer to exchange or sell or an offer to exchange or buy any securities.

INTRODUCTION

REVIEW AND ACHIEVEMENTS

OUTLOOK

IN TERMS OF LIKELIHOOD, THE TOP 5 RISKS OF THE 2020 WEF GLOBAL RISKS REPORT REFER TO ENVIRONMENTAL TOPICS

EXTREME WEATHER

CLIMATE ACTION FAILURE

NATURAL DISASTERS

BIODIVERSITY LOSS

HUMAN MADE ENVIRONMENTAL DISASTER

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OUTLOOK



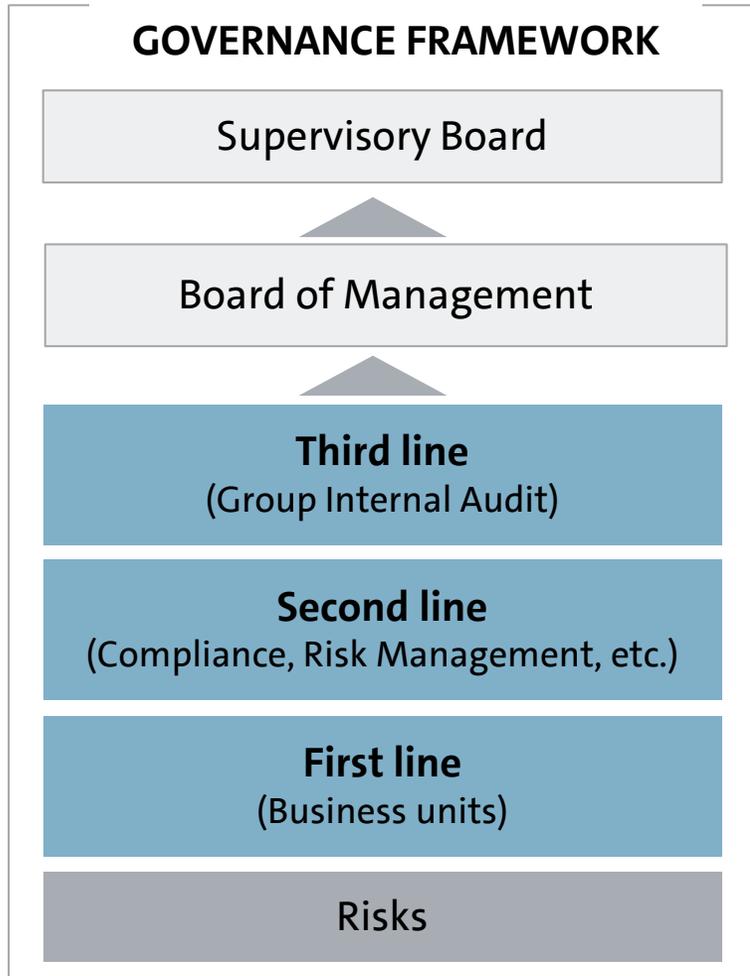
We address risks openly
and make informed
decisions.

Managing Risk is Managing Success.

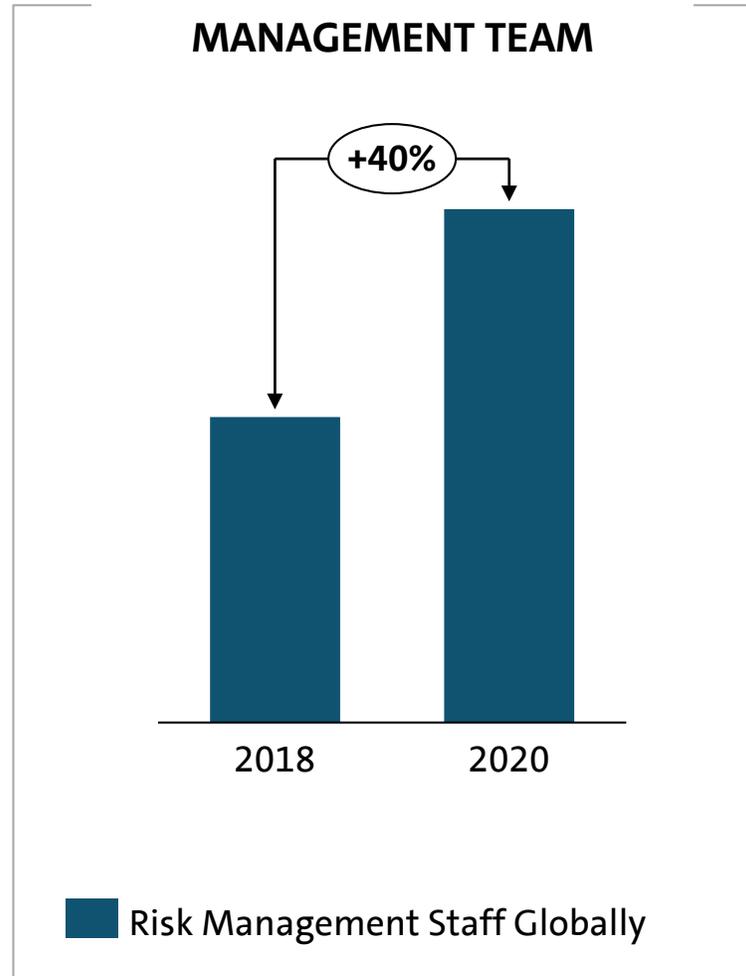
Risk
MANAGEMENT

DURING THE LAST 5 YEARS VOLKSWAGEN HAS STRENGTHENED ITS GOVERNANCE, ORGANISATION AND PROCESSES FOR RISK MANAGEMENT

CLEAR AND RECOGNIZED GOVERNANCE FRAMEWORK



STRONG GROUP WIDE RISK MANAGEMENT TEAM



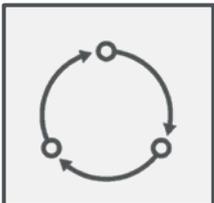
GLOBAL RISK MANAGEMENT PROCESSES



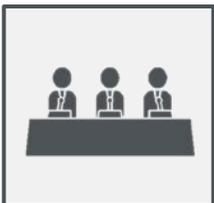
NEW QUARTERLY RISK MANAGEMENT PROCESS INTRODUCED IN 2016 TO FOSTER EARLY RISK IDENTIFICATION AND REPORTING



ALL BRANDS AND REGIONS INTEGRATED



COVERS COMMERCIAL, REPUTATIONAL, COMPLIANCE, ENVIRONMENTAL AND OTHER RISK TYPES



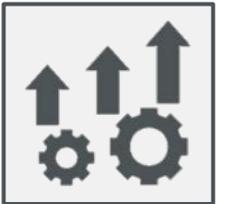
QUARTERLY RISK REPORTS FOR BRAND BOARDS, GROUP BOARD AND AUDIT COMMITTEE

INTERNAL CONTROL SYSTEM HAS BEEN STANDARDIZED ACROSS ALL KEY PROCESSES

ONE MASTER CONTROL CATALOGUE



> 4,000 CONTROLS IMPROVED OR ADDED



> 8,800 CONTROLS NOW DOCUMENTED AND TESTED



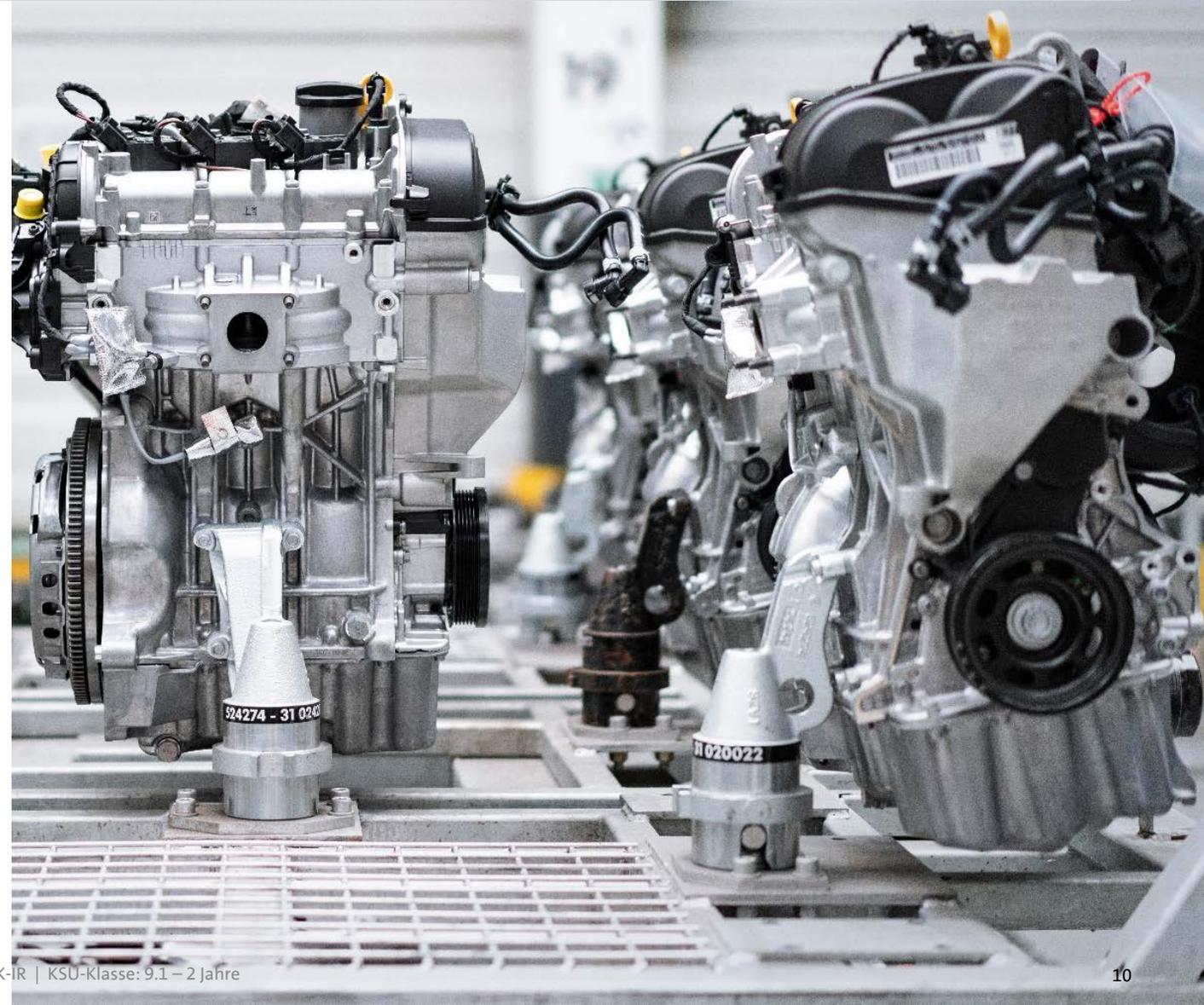
WHEN YOU MAKE A MISTAKE, THERE ARE ONLY THREE THINGS YOU SHOULD EVER DO ABOUT IT

“ADMIT IT,

“LEARN FROM IT,

“AND DON´T REPEAT IT”

Paul Bryant



RISK MANAGEMENT HELPS TO ANALYZE FUTURE SCENARIOS AND TO DEVELOP COUNTERMEASURES TO MANAGE GROUP WIDE RISKS

BREXIT

BATTERIES

HUAWEI

TARIFFS

CYBER SECURITY

IDENTIFICATION: CROSS-DEPARTMENTAL COLLABORATION TO IDENTIFY POSSIBLE RISKS

ANALYSIS: COMPREHENSIVE RISK ASSESSMENT – POINTING OUT INTERDEPENDENCIES

MANAGEMENT: HELP TO ESTABLISH CLEAR RESPONSIBILITIES AND COUNTERMEASURES

DURING THE US-MONITORSHIP THE RISK MANAGEMENT AND INTERNAL CONTROL SYSTEM WAS INTENSLY TESTED AND IMPROVED FURTHER



69 SYSTEM ELEMENTS WERE TESTED



IDENTIFIED WEEKNESSES WERE FIXED



CERTIFICATION ACHIEVED

INTRODUCTION

REVIEW AND ACHIEVEMENTS

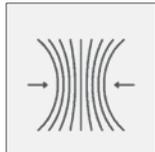
OUTLOOK

WE CONTINUE TO KEEP OUR RISK MANAGEMENT AND INTERNAL CONTROL SYSTEM UP-TO-DATE USING AN ANNUAL 10 POINT PROGRAMM

EXTRACT OF 10 POINT PROGRAMM 2021



RISK SPOTTING OF FUTURE RISKS



INCREASING ORGANISATIONAL RESILIENCE



FURTHER ROLL OUT OF STANDARD ICS



BUSINESS CONTINUITY 2.0



BEST RISK MANAGER



HOLISTIC GOVERNANCE

QUATERLY STATUS REVIEWS OF PROJECTS IN MANAGEMENT MEETINGS

PRESENTATION TO THE SUPERVISORY BOARD

PRESENTATION TO THE BOARD OF MANAGEMENT

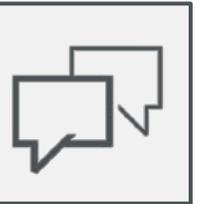
DEVELOPMENT OF NEW 10 POINT PROGRAMME

RISK MANAGEMENT IS AN IMPORTANT PART OF VOLKSWAGEN'S GROUP WIDE STRATEGIC TOGETHER 4 INTEGRITY (T4I)-PROGRAMME



Together4Integrity
We keep our Word

JOINT COMMUNICATION



ONE ROLL OUT OF ACTIVITIES



GROUP WIDE AWARENESS

