

New cross-brand steering model for Brand Group Core strengthens foundation for more competitive products and greater efficiency

- **Newly-formed Brand Group Board of Management for the Brand Group Core (BGC) to make cross-brand decisions going forward**
- **Reorganization streamlines processes, decision-making paths and structures**
- **In future, the Škoda, SEAT&CUPRA and Volkswagen Commercial Vehicles Boards of Management will each retain four functional positions for steering business: Chief Executive Officer, Board Member for Finance, Board Member for Human Resources and Board Member for Sales**
- **Starting in January 2026, the Production (P), Technical Development (TE) and Procurement (P) functions in the Brand Group Core will gradually be managed across brands**
- **Optimized processes reduce TE development expenses in the individual brands – increased cross-brand development scopes will raise the efficiency of BGC total investments to a higher level in future**
- **In Production alone, the reorganization unlocks cumulative savings potential of one billion euros through 2030**

"Our synergistic steering model is the next step in our cooperation. The new Brand Group Board of Management brings greater speed and steering for the optimal cross-brand outcome. That is why the focus is on management efficiency – and on faster process speed for more competitive products. The new governance reduces costs and structures – while at the same time increasing our efficiency level. This reorganization is a significant step for the future viability of the Brand Group Core."

Thomas Schäfer, Member of the Volkswagen AG Board of Management, CEO of the Volkswagen Passenger Cars Brand and Head of the Brand Group Core



Wolfsburg, January 21, 2026 | The Brand Group Core (BGC) within the Volkswagen Group – the organizational unit comprising the volume brands Volkswagen Passenger Cars, Škoda, SEAT&CUPRA and Volkswagen Commercial Vehicles – is taking the next step in its successful cooperation. From this January, an overarching steering model lays the groundwork for an efficient and more competitive organization.

As the top BGC management body, the newly-formed “Brand Group Core Board of Management” will make cross-brand decisions going forward.

The overall objective is to streamline processes, structures and decision-making paths. Stronger prioritization of decisions in the interest of the brand group will lead to a higher level of efficiency within the BGC. Going forward, the Production (P), Technical Development (TE) and Procurement (B) functions will be managed at cross-brand level by the Brand Group Core Board of Management.

New steering model

Overall, the new steering model with the Brand Group Core Board of Management will streamline the volume brands’ executive bodies: in a first step, the total number of Board members within the four volume brands that make up the BGC will be reduced by approximately one third by summer 2026. Medium-term, the planned reorganization will successively streamline management structures within the Brand Group Core further.





Consistent use of synergies and scaling effects

The new steering model will make even more consistent use of existing synergies and scaling effects – thereby generating cross-brand cost benefits.

Implementation of operational activities within the Brand Group Core will be faster, while the focus at Group level will center on strategic synergy areas such as software and batteries. Responsibility will be spread more evenly going forward – regional and specialist competences will be deployed where they generate the greatest benefits for the entire organization.

Example: Future Production Governance

In Production (P) alone, the approved reorganization of the steering model unlocks cumulative savings potential of one billion euros through 2030.

The new Future Production Governance steering model plays a part in Volkswagen AG's ongoing performance program, while at the same time tapping into additional potential. It is characterized by leaner processes at the BGC's 20+ production locations worldwide that will in future be organized in five production regions. Going forward, regional management will be responsible for cross-brand and cross-national planning, steering and logistics. Within this system, the regions will become more independent, more efficient and more flexible.

The new steering model kicked off on the Iberian Peninsula, where the production plants have been brought together to form a cross-brand cluster.

Key lever for long-term return targets

The approved measures are a key lever for achieving a sustainable increase in BGC's returns. The new cross-brand steering model with its clearly-defined responsibilities and swift decision-making will boost the competitiveness of the entire Brand Group Core model range.

The principle is: strong business management and individualized branding, driven by a lean and efficient internal powerhouse.

The new steering model starts in January 2026 and implementation will be fully completed by summer 2026.



Contacts

Jens Katemann

Volkswagen Brand Communications

+49 (0) 1520 912 7561

jens.katemann@volkswagen.de

Christoph Adomat

Brand Group Core Communications

+49 (0) 160 908 321 10

christoph.adomat@volkswagen.de

About the Volkswagen Group

The Volkswagen Group is one of the world's leading car makers, headquartered in Wolfsburg, Germany. It operates globally, with 115 production facilities in 17 European countries and 10 countries in the Americas, Asia and Africa.

With around 680,000 employees worldwide. The Group's vehicles are sold in over 150 countries.

With an unrivalled portfolio of strong global brands, leading technologies at scale, innovative ideas to tap into future profit pools and an entrepreneurial leadership team, the Volkswagen Group is committed to shaping the future of mobility through investments in electric and autonomous driving vehicles, digitalization and sustainability.

In 2024, the total number of vehicles delivered to customers by the Group globally was 9.0 million (2023: 9.2 million). Group sales revenue in 2024 totaled EUR 324.6 billion (2023: EUR 322.3 billion). The operating result before special items in 2024 amounted to EUR 19.1 billion (2023: EUR 22.5 billion).

About Brand Group Core

The brands belonging to the Volkswagen Group are organized in the Brand Groups Core, Progressive, Sport Luxury and Trucks. The Volkswagen Group also includes CARIAD, Group Technology, Financial Services and MOIA. Within the Brand Group Core, more than 200,000 employees of the sister brands Volkswagen, Škoda, SEAT/CUPRA and VW Commercial Vehicles work together at 21 plants to realize their existing enormous synergy potential.

By standardizing and streamlining processes and making greater use of joint resources, these brands can significantly improve overall efficiency – thus freeing up the space needed for the coordinated and sustainable development of best-in-class products in the relevant market segments. In order to act as the high-volume core of the Volkswagen Group, the Brand Group Core is targeting a sustainable consolidated operating margin of eight percent through the joint definition of clearly defined key areas.