



**Shaping the future today - together**  
**Insights on Futures of Ethics & K-I Strategy**  
01 December 2020/Dr. Paul Hünecke/3<sup>rd</sup> ESG Conference

14<sup>th</sup> of September 2020

We have reached an amazing milestone with the end of the Monitor's term

## End of US Monitorship

Golden Rules

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3 Lines Model

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ECMS & PCMS

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T4I: World-wide Integrity & Compliance Program

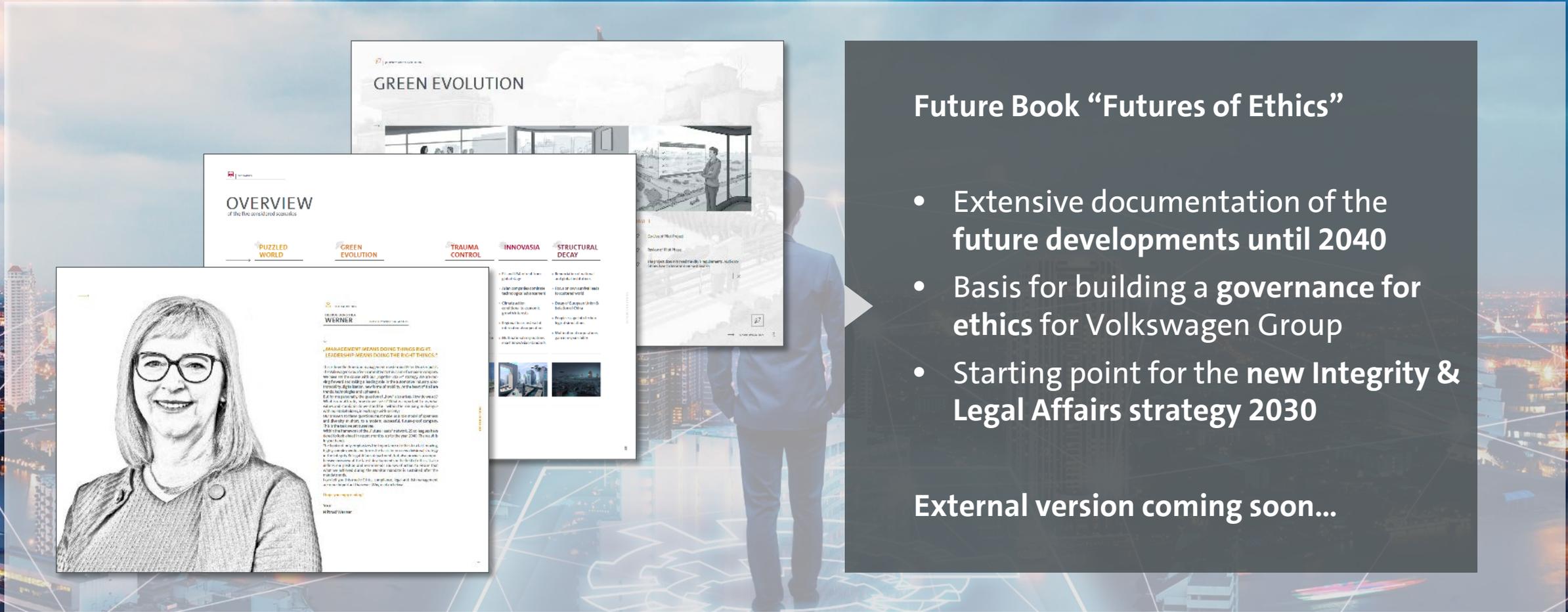
## Use the momentum to further strengthen the I&C organization

- Transformation towards more integrity in all our daily decisions
- Use the spirit, mind set shift and change to find answers for more and more integrity questions
- Prevent change fatigue
- Define the legacy and purpose of our functional area in the future



# How we see the future

We conducted a comprehensive analysis phase to anticipate possible futures in 2040



## Future Book “Futures of Ethics”

- Extensive documentation of the future developments until 2040
- Basis for building a governance for ethics for Volkswagen Group
- Starting point for the new Integrity & Legal Affairs strategy 2030

External version coming soon...

# What the world could look like in 2040

We believe that there is not only one future - there could be five...



## Puzzled World



Return of the nation state and domestic markets

Significant robot-human interaction

World still operates well beyond its sustainable limits

## Green Evolution (cc)



Automation empowers societal engagement and less work

Humanity-centered design and AI for good

Paradigm shift towards sustainable value creation

## Trauma Control



Focus towards risk-averse policies

Publically supported supervision

Companies operate within the limits of the new system

## InnovAsia



Regional focus instead of international cooperation

Asian companies dominate technological advancement

Climate action conditional to economic growth interests

## Structural Decay



Focus on own survival leads to scattered world

People escape into technological simulations

Multinational corporation gain in responsibility



Domination by few digital “super-star” firms



Return of the nation state and domestic markets



World still operates well beyond its sustainable limits



Significant robo-human interaction



Great Decoupling – USA/China



Social activism leads to World Climate Organization



Humanity-centered design and AI for good



Paradigm shift towards sustainable value creation



Policies and state aid in line with environmental targets



Automation empowers societal engagement and less work



Multinational corporations enact  
InnovAsian standards



Regional focus instead of international  
cooperation



EU and USA retreat from global stage



Climate action conditional to economic  
growth interests

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Asian companies dominate technological  
advancement

## What we have learned

Thanks to Futures of Ethics we identified new requirements for the role of Integrity & Legal Affairs department

- ▶ **Shocks** and unexpected disruptions might **appear more frequently**

- ▶ Breakthrough of highly advanced technologies with **new areas of risk, ethical questions, and new business partners**, e.g. superstar firms

- ▶ Technological **legislation slower than innovation**

- ▶ **Complex political landscape** with further varying regulation, legislation and requirements on Volkswagen Group

- ▶ New stakeholders question the **license to operate**, demand an **active contribution to sustainability** and want **trust, transparency and involvement**

- **Cross-functional resilience, governance, and tools**
- **Proactive guidance, advice, and equal standards**
- **Early identification and workflow for changes**
- **Open discourse about conflicting goals and transparent decision making**
- **Transparency and public dialogue**
- **Purpose driven common good & welfare**

## Driven by Integrity to protect what we love

The Integrity & Legal Affairs department pursues these four strategic goals to enable sustainable change

### DRIVEN BY INTEGRITY

TO PROTECT WHAT WE LOVE



#### Guide & Resilience Manager

KPI:

Organizational Resilience  
Index



#### Navigator for Trust & Transparency

KPI:

ESG Ratings



#### Efficient & innovative 2<sup>nd</sup> Line

KPI:

Digital Maturity  
Assessment



#### Talent Developer for Integrity & Legal Affairs

KPI:

Employee satisfaction  
(Stimmungsbarometer)

## Key messages

The new Integrity & Legal Affairs strategy focuses on Foresight, Trust and Resilience

