

VOLKSWAGEN GROUP

Association Climate Review

2024

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## EDITORIAL NOTES AND DISCLAIMER

**Terminology.** In the following, the terms “Volkswagen,” “Volkswagen Group,” “the “Company” and “the Group” are used to refer to the entire Volkswagen Group. In case a statement only refers to Volkswagen AG or to a specific Group entity or brand, this is explicitly noted as such.

**Translation.** Where possible, quotes of non-English-language position statements were taken from translations provided by the respective association itself. Where no such translation into English was available (in rare occasions), the editorial team took over the translation work.

**Disclaimer.** Please note, the Association Climate Review 2024 is a snapshot as per a specific cut-off date and subject to change. Consequently, the information contained in the Association Climate Review 2024 cannot give rise to claims of any kind. Furthermore, Volkswagen AG does not assume any responsibility to update, revise or supplement the report.

**Reference period.** The reporting year for the ACR 2024 is the year 2024 whilst also including relevant information from 2023.

## NAVIGATION



[References to external websites](#)  
> References to Volkswagen websites

# FOREWORD

## Dear Stakeholders,

Climate change is one of the greatest challenges facing humanity. Today, we no longer discuss whether there is a need for action but rather how we can protect our climate for generations.

The world has entered the path towards decarbonization. And on this way, our industry is at a turning point. The speed of this change is unprecedented. New competitors are entering the market with disruptive technologies, and the world of global trade is changing. Our aspiration as the Volkswagen Group is clear: we don't just want to accompany this era, we want to play a key role in shaping it – as "The Global Automotive Tech Driver".

Within an increasingly unstable environment, the Volkswagen Group stands firmly committed to the principles outlined in the Paris Climate Agreement. Our ultimate goal is to achieve net carbon neutrality by 2050. As part of this commitment, we have set an interim target: a 30 percent reduction in the carbon footprint during the use phase of our passenger cars and light commercial vehicles by 2030, compared with 2018, per kilometer driven.

Effective climate protection and the successful transition to climate neutrality require close collaboration between political entities and the business sector. Volkswagen's Public Affairs departments around the world act as the crucial link between the Company and both industry and political spheres. This role is further strengthened by Volkswagen Group's proactive involvement in alliances, associations, and networks, which we consider a key element for jointly working on the best future mobility solutions. As members of these networks and associations across diverse markets, we are committed to achieving our global goals, driven by our belief in the necessity of sustainable mobility. Moreover, our association memberships facilitate deeper engagement with stakeholders and foster valuable forums for dialogue. To ensure the effective promotion of our ambitious climate protection targets via those associations and to identify potential for improvement, we decided to review our association memberships to ensure alignment with our climate policy positions.

We are therefore pleased to present the second Volkswagen Group Association Climate Review. The report reveals our positions and shall reflect how we evaluate the associations positions in order to establish a constructive dialogue aiming to achieve commitment for Paris climate goals. It is the result of a collaborative project involving the departments of Treasury & Investor Relations, Sustainability, and Public Affairs, and is published on a regular basis. The aim of this Review Report is to provide a methodologically sound basis for leveraging the full potential of our climate policy lobbying and to enrich dialog with all stakeholders. We would like to thank the team involved in preparation of the Review Report, which was coordinated at Volkswagen Group level and carried out in direct collaboration with the Group's political representatives in the markets.

This Association Climate Review Report refers to the year 2024. Publishing date is May 2025 and a lot has changed since we closed the book on the report 2024. For the first time, in 2024 the world surpassed the 1.5-degree target of the Paris Climate Agreement. According to recent data from the European climate service Copernicus, the global average temperature in 2024 was 1.60 degrees Celsius above pre-industrial levels. This marks the first time this threshold has been exceeded for an entire year. At the same time, the decarbonization of the relevant sectors is lacking in speed. Multiple crises have slowed down green investments and consumer demand as well as the necessary infrastructure development. Against this backdrop, we see a change in regulatory frameworks around the world towards a more pragmatic approach enabling industries to transform. Just recently, the European Commission has proposed an adjustment of the CO<sub>2</sub> regulations for passenger cars and light duty vehicles in order to allow more flexibilities for the automotive industry to achieve the targets whilst keeping the overall ambition in place. At the same time, the United states of America announced they will withdraw from the Paris Agreement. China stands by its commitment to decarbonize until 2060 but has not yet reached its peak emissions foreseen for 2030. In this global regulatory landscape and with the upcoming COP30 in Brazil, the year 2025 will be pivotal for determining the future path of the global community on its way to the Paris climate goals.

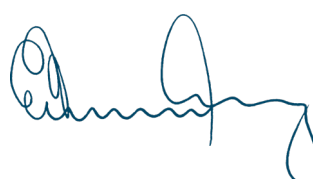
For the Volkswagen Group, one thing is clear, shaping mobility today ensures providing a better world for generations.



Rolf Woller,  
Head of Group Treasury &  
Investor Relations



Dirk Voeste,  
Head of Group Sustainability



Dr. Thomas Steg,  
General Representative of Volkswagen Group,  
Head of Group Public Affairs

# 1. DECARBONIZATION

The climate targets and the global climate policy position of Volkswagen Group were previously published in our CSRD Report and on our website. These have been extracted below for the Association Climate Review. The Sustainability Report and further information, in particular information about decarbonization and ESG KPIs, are available on the Group's corporate website:



[Downloads - Volkswagen Group Annual Report 2024](#)

>Sustainability > Reporting > Volkswagen Group Annual Report 2024 (Sustainability Report begins on page 228 ff.)

## VOLKSWAGEN GROUP AMBITION AND INTERIM TARGETS FOR CARBON NEUTRALITY

The term ESG (Environmental, Social, Governance) refers to the basic principles of doing business sustainably. The Group's stakeholders (e. g., investors, employees, customers and non-profit organizations) have high expectations of the Company's ESG performance, including in areas such as decarbonization 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 °C goal. We aim to achieve net carbon neutrality by 2050. As part of this effort, we are systematically focusing 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 have thus set ourselves intermediate goals to guide our path to target achievement: By 2030, Volkswagen wants to reduce greenhouse gas emissions in production by 50.4% in absolute terms compared to 2018. The Science Based Targets initiative (SBTi) confirmed to the Volkswagen Group in 2022 that the Company is fulfilling the conditions for limiting global warming to 1.5 °C with its objective for the production phase (Scopes 1 and 2). By 2024, absolute greenhouse gas emissions had already been decreased by 51% compared with 2018.

SBTi has confirmed the aim of reducing CO<sub>2</sub> emissions<sup>1</sup> by 30% in the use phase (Scope 3) to the Volkswagen Group as in line with the limitation of global warming to 2 °C. By 2030, the Group wants to emit 30% less CO<sub>2</sub> on average per vehicle (passenger cars and light commercial vehicles) over the entire life cycle than in 2018. The targets are to be achieved through CO<sub>2</sub> reduction only.

Decarbonization targets were also formulated in the area of heavy trucks and buses by two brands with the highest volumes of sold products, and these represent sub-targets for the Group. For example, Scania is committed to reducing its absolute Scope 1 and Scope 2 greenhouse gas emissions by 50% by 2025 compared with the base year of 2015. The Scope 3 greenhouse gas emissions from the use of vehicles sold are to be reduced by 20% per vehicle kilometer at Scania by 2025, also compared with a 2015 baseline. In 2022, the Company also announced its intention to decarbonize its supply chain as far as possible by 2030. This involves the most important production materials and largest sources of emissions: batteries, steel, aluminum and cast iron. By 2030 MAN committed to reduce absolute scope 1 and 2 GHG emissions 70%, as well as to reduce scope 3 GHG emissions from the use of sold vehicles 28% per vehicle km traveled, from a 2019 base year.

## BUSINESS AND PRODUCT TRANSFORMATION TO NET CARBON NEUTRALITY

To achieve the target of net carbon neutrality, the Volkswagen Group is implementing a comprehensive decarbonization program including the whole life cycle of the vehicles. The program is characterized by a clear hierarchy of measures: The top priority is implementing measures in order to avoid or reduce CO<sub>2</sub> emissions. In second place follow measures to gradually shift the energy supply in all steps of the value chain to renewable energy. Finally, unavoidable CO<sub>2</sub> emissions are offset in selected cases through climate protection projects that meet the highest international standards. One example of this is the voluntary offsetting measures in the net carbon-neutral delivery of electric vehicles.

As technology advances, the automotive industry is rapidly moving ahead with its transformation toward e-mobility and digitalization. We therefore expect the market for electric vehicles to grow in the next few years, which means that cost-efficient and sustainable production of battery systems and the expansion of charging infrastructure will be crucial to success. The shift to connected, intelligent and eventually self-driving vehicles will bring even more wide-reaching changes for the automotive industry. The consistent electrification of our vehicle fleet opens up the path to net carbon-neutral mobility for our customers. The Volkswagen Group continuously increases its share of electric vehicles in its core markets of the EU, the US and China. The new electric vehicles are manufactured at eight sites in Europe, China and the US.

We consider the environmental impact we cause throughout the entire life cycle and at all stages of the value chain of our products. 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 charging current and fuel, and ultimately the recycling of the vehicle at the end of its life cycle. It is important to us to make in particular the use phase of our vehicles net carbon neutral in the long-term. This is because around 70% of a car's CO<sub>2</sub> emissions arise in use ("well to tank" and "tank to wheel"). E-vehicles and consistent charging with 100% renewably generated electricity play a key role in achieving carbon-neutral e-mobility. By supplying energy from 100% renewable sources via our subsidiary Elli (Electric Life), we can offer our customers the option of net carbon-neutral mobility in the use phase too.

We are aware that higher CO<sub>2</sub> emissions will initially arise in the supply chain during the transition to electric mobility and shares from the use phase are shifting to production. Against this background, we are systematically identifying the biggest drivers of CO<sub>2</sub> emissions in the supply chain and defining measures to reduce them. The difficulty of raw material extraction and the energy-intensive processes in manufacturing batteries are key drivers here.

Around a third of CO<sub>2</sub> emissions that arise when manufacturing an electric car come from manufacturing high-voltage (HV) battery cells. All suppliers (new contract awards) of high-voltage batteries are already contractually obliged to use certified power from renewable sources in their production processes. In addition, there are further requirements for upstream stages of the value chain, such as CO<sub>2</sub> limits. For the ID. models, the Volkswagen Passenger Cars brand plans to use additional sustainable components, including battery cases and wheel rims made of CO<sub>2</sub>-reduced aluminum. In this way, the ID. family's carbon footprint shall be improved by around two metric tons per vehicle by 2025. Volkswagen Group China is also working together with its suppliers on a more sustainable supply chain. For example, together with suppliers and partners, the group is developing a roadmap for switching to 100% renewably generated electricity by 2030. To date, more than 220 suppliers have already signed a declaration committing to switching to electricity from renewable sources.

Additionally, internal carbon pricing tools are an integral component of our decarbonization controlling. For example, when managing the portfolio, we work with shadow prices to integrate emission-related risks into decision-making processes and with internal emissions trading to optimize reduction paths of CO<sub>2</sub> fleet compliance. In the decarbonization program, we assess the efficiency of reduction measures using abatement costs and aggregate these in an abatement cost curve.

## **RENEWABLE ENERGY FOR PRODUCTION SITES AND OPERATIONS**

In addition to the Group's electric offensive, we are concentrating to a greater extent on switching the entire power supply for our plants to renewable energy and integrating renewably generated electricity in the use phase. Further progress is being made in supplying clients with electricity from renewable energies. For example, the percentage of electricity purchased externally rose from 90% to 94% at worldwide production sites outside of China since 2018. Volkswagen Group is also driving the energy transition at its own sites. We have set ourselves the goal of generating 1.2 million MWh of power from renewable energies ourselves or in the immediate vicinity of the production sites by 2030. In 2024, about 570,000 MWh of electricity was already generated from renewable energy in this way. Additionally, increasing energy efficiency is an important component of the decarbonization strategy. The Volkswagen Group has set itself the goal of implementing energy efficiency measures from 2018 to 2030 that save a total of 4.9 million MWh of energy at the production sites. By 2024, about 9,000 measures totaling 3.5 million MWh had already been implemented. To date, 73 Group production sites have been supplied with external electricity from 100% renewable energy sources.

## **EXPANDING THE CHARGING INFRASTRUCTURE**

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. The Group's focus is 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 exploring 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 850,000 charging points Europe-wide with approximately 70,000 fast charging points in 27 countries. Elli expanded its product range in fiscal year 2024 with the release of the Elli Charger 2, providing smart and cost-effective charging to private customers. Elli started electricity trading on the EPEX Spot power exchange in 2023 on its journey to becoming a holistic energy provider. It continued this journey in 2024 with a strategic partnership in photovoltaics with Otovo, Europe's leading solar energy system platform provider. Elli plans to enter a new business field in the future to develop, build, and operate stationary mass storage systems with partners along the value chain. Elli's industrial energy storage systems can be used in the future to supply customers and for arbitrage transactions on the energy trading market. The aim is to help to stabilize the power networks and increase their efficiency.

## **CO<sub>2</sub> FLEET EMISSIONS**

We use the strategic indicator of CO<sub>2</sub> fleet emissions in Europe and the United States to evaluate the effectiveness of our measures to reduce CO<sub>2</sub> emissions emitted by our vehicles. The Volkswagen Group's new passenger car fleet in the 27 EU member states but including Norway and Iceland (EU27+2) emitted an average of 118 g CO<sub>2</sub>/km (according to WLTP – Worldwide Harmonized Light Vehicles Test Procedure)<sup>1</sup> in 2024 the reporting year in accordance with the statutory measurement bases. The statutory target is 122 g CO<sub>2</sub>/km (WLTP)<sup>1</sup>. Thus, the Volkswagen Group met the EU's CO<sub>2</sub> fleet target more than required. All figures are subject to confirmation of CO<sub>2</sub> data within the scope of official publication by the European Commission. The targets will be tightened as from 2025: the European Commission has set a target of a 15% reduction in CO<sub>2</sub> emissions compared with 2021, which corresponds to a CO<sub>2</sub> target of less than 100 g CO<sub>2</sub>/km for our new passenger car fleet in the EU. A reduction of 55% has been defined for 2030, equivalent to a CO<sub>2</sub> target of less than 50 g CO<sub>2</sub>/km. A CO<sub>2</sub> reduction target of

100% for passenger cars has been set for 2035. Given the changes in the general framework for the sale of electric vehicles (including the general market trend and state subsidies), achieving the CO<sub>2</sub> target for the new passenger car fleet in the EU in 2025 is a major challenge. We are continuously striving to achieve the target by 2030.

The Volkswagen Group's new light commercial vehicles fleet in the EU emitted an average of 190 g CO<sub>2</sub>/km (WLTP)<sup>1</sup> in 2024 the reporting year according to the statutory measurement bases. The statutory target is 195 g CO<sub>2</sub>/km (WLTP)<sup>1</sup>. Thus, the Volkswagen Group met the EU's CO<sub>2</sub> fleet target more than required. All figures are subject to confirmation of CO<sub>2</sub> 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<sub>2</sub> emissions compared with 2021, which corresponds to a CO<sub>2</sub> target of less than 180 g CO<sub>2</sub>/km for our new light commercial vehicle fleet in the EU. A reduction of 50% has been defined for 2030, equivalent to a CO<sub>2</sub> target of less than 105 g CO<sub>2</sub>/km. A CO<sub>2</sub> reduction target of 100% for light commercial vehicles has been set for 2035. Given the changes in the general framework for the sale of electric vehicles (including the general market trend and state subsidies), achieving the CO<sub>2</sub> target for the new light commercial vehicles fleet in the EU in 2025 is a major challenge.

## **VOLUNTARY CARBON OFFSETTING AND PROJECTS**

For a number of the Group's electric vehicles, we have decided to take the voluntary measure of making their delivery to our customers net carbon-neutral. In this way, we want to make possible almost completely net carbon-neutral mobility for our customers, providing they choose a contract for renewable energy for charging their vehicle. For as long as we cannot avoid CO<sub>2</sub> emissions and cannot use renewable energies everywhere, we will do this by voluntarily offsetting the remaining greenhouse gas emissions from our supply chain, production and logistics. This applies to MEB vehicles from the Volkswagen Passenger Cars, Volkswagen Commercial Vehicles, Audi, SEAT and ŠKODA brands in Europe. In 2024, this amounted to 6,7 million metric tons of CO<sub>2</sub> for the Group. As part of net carbon-neutral delivery, we offset unavoidable emissions from the life cycle phases, such as from the supply chain or production, through climate protection projects with high certification standards. These include the Verified Carbon Standard (VCS), the Climate, Community and Biodiversity Standards (CCB Standards) or the Gold Standard (GS). In addition to external certification standards, we also assess offsetting projects for quality assurance in accordance with our own criteria, which are outlined below.

We consider protecting natural carbon sinks to be an important task. Measures in this area should be both scalable and able to ensure the additionality and permanence of atmospheric carbon sequestration. To underpin our commitment to climate protection projects and be able to develop our own projects in accordance with the highest standards, VW Kraftwerk GmbH and ClimatePartner GmbH have established the joint venture Volkswagen ClimatePartner GmbH. It develops and funds certified climate protection projects that serve the recognized offsetting of CO<sub>2</sub> emissions. One key requirement for all projects is that they meet the highest quality standards. For this reason, the joint venture also takes control with regard to quality assurance. Core aspects include additionality, accuracy and permanence of the emission reductions, the socioeconomic and environmental advantageousness for the region and regular audit by independent third parties. The initial project standards are the VCS, CCBS and GS. The joint venture commenced its operational work in 2022 and is focusing on forest protection projects and nature-based solutions. It is accompanied by a specially established independent project advisory board.

<sup>1</sup> The use of the term CO<sub>2</sub> emissions in this Review Report includes the consideration and identification of additional climate-damaging greenhouse gases such as methane (CH<sub>4</sub>) and laughing gas (N<sub>2</sub>O) (CO<sub>2</sub> equivalents). All figures in this Review Report on CO<sub>2</sub> emissions correspond to CO<sub>2</sub> equivalents, except for fleet emission figures. Net carbon neutrality is achieved when anthropogenic CO<sub>2</sub> emissions are balanced worldwide through avoidance, reduction and offsetting over a specific period of time. With regard to climate protection, in addition to CO<sub>2</sub> emissions Volkswagen also pays attention to all other relevant greenhouse gases. Avoidance and reduction have priority over offsetting for the Volkswagen Group. For offsetting measures, the Group follows internationally established standards.

## 2. CLIMATE LOBBYING POSITIONS OF VOLKSWAGEN GROUP

### PARIS AGREEMENT

The Volkswagen Group was the first automobile manufacturer to commit itself to the goals of the Paris Agreement and we stand by our commitment. With our strong belief in the need for action, our new Group strategy Mobility for Generations reflects our ambition for emission-free mobility and the achievement of the climate targets uniting technological innovation and the need for decarbonization. By 2050 at the latest, the Volkswagen Group aims to be net carbon neutral. To reach this goal, our plans call for a 30% reduction in CO<sub>2</sub> emissions and a comprehensive decarbonization strategy throughout the entire production and vehicle portfolio by 2030. As Volkswagen's climate actions were confirmed to be in line with the Paris Agreement by the independent Science Based Targets initiative, we will continue our ongoing efforts to help limit global warming.

### TRANSFORMATION TO NET CARBON-NEUTRAL VEHICLES

The Volkswagen Group views decarbonization holistically. The "Way to Zero" goes far beyond the electrification of the car only – it encompasses the entire life cycle. Thus, our strategy is not limited to the accelerated electrification of the product portfolio. Important building blocks for becoming net carbon neutral also include a systematic approach to recycling and the switching of the energy supply to renewable sources throughout the entire value chain. However, the Group cannot master the challenge of transformation alone. All stakeholders must work together to provide the necessary framework conditions to accelerate the transformation towards e-mobility and net carbon neutrality.

### DECARBONIZATION AND CARBON NEUTRALITY

The Volkswagen Group has set the long-term goal of becoming net carbon neutral by no later than 2050. To reach this goal, decarbonization remains a key element of our strategy and is one of the focus topics in the Group initiative to improve ESG performance. In line with this, the Volkswagen Group has defined ambitious interim targets. By 2030, we want to reduce CO<sub>2</sub> emissions by 30% compared to the baseline year 2018. As a result, an average Volkswagen vehicle would emit 17 metric tons less CO<sub>2</sub>. In Europe, it is our goal that the Volkswagen brand outperforms the Group target by reducing CO<sub>2</sub> emissions by 40% already. To reach these goals, the expansion of e-mobility is imperative. By 2030, the Volkswagen Group will deliver 30 new electric models tailored to local requirements, thereby taking a leading role in the era of intelligently connected vehicles. Our commitment to net carbon neutrality is also cemented in our sustainability strategy regenerate+, which calls for a carbon-neutral way of doing business.

### CHARGING INFRASTRUCTURE

The Volkswagen Group is rapidly expanding its electric vehicle portfolio. For us, transformation towards e-mobility is inevitable and necessary to reach the goals set out in the Paris Agreement. However, the path towards net carbon neutrality requires conditions that enable further growth of the fully electric vehicle market. This particularly includes the development of a comprehensive charging infrastructure worldwide. The Group contributes to the accelerated build-up, for example with the joint venture IONITY and its brand Elli. Additionally, the Group and its entities advocate for suitable framework conditions that enable the necessary charging infrastructure growth and the uptake of smart technologies to integrate e-mobility into the energy system.

### RENEWABLE ENERGY

The Volkswagen Group supports all investments and policies that promote the use of renewable energy. Since we believe in our responsibility, the Volkswagen Group is the first automobile manufacturer to support the expansion of renewable energy on an industrial scale. By supplying energy from 100% renewable sources via our subsidiary Elli, we can offer our customers the option of net carbon-neutral mobility for their electric vehicles. At the same time, environmentally friendly energy is needed for the existing fleet of vehicles with combustion engines as well. Synthetic fuels and advanced biofuels are an option for reducing CO<sub>2</sub> emissions produced by the vehicle stock while the mobility sector transforms towards electrification.

### CARBON PRICING

CO<sub>2</sub> must have its price. The Volkswagen Group supports appropriate carbon pricing, as this promotes the transformation towards green energy and e-mobility. An increasingly effective carbon price may, however, lead to additional costs in energy and material consumption. We are countering this risk by shifting our energy supply to renewable sources, including the introduction of corresponding quotas in the supplier-side procurement requirements. For market-based tradeable certificates, this price must be high enough to have a steering effect. Greenhouse Gas and Fuel Economy Fleet Regulations The Volkswagen Group views greenhouse gas and fuel economy fleet regulations as conducive to the transformation towards carbon neutrality and the achievement of the goals set out in the Paris Agreement. However, fleet regulations must be complemented by policies that incentivize customers to participate in the transformation towards e-mobility.



### 3. OPERATIONAL FRAMEWORK, METHODOLOGICAL CONCEPT AND SELECTION CRITERIA

#### OPERATIONAL FRAMEWORK – VOLKSWAGEN’S POLITICAL ONE-VOICE POLICY

Volkswagen’s Political One-Voice Policy (also the “Group Policy”) aims at ensuring that a single, coordinated and binding position is defined for political issues that are relevant to the Group. Such a position is globally communicated to the respective target group through identical messages from the Group, related brands and companies. This way, Volkswagen’s interests are represented using the same internally agreed content, aims and statements. As a result, the Political One-Voice Policy enables professional political lobbying with consistent content when several Group entities are involved. Within the framework of the Group Policy, responsibility for the Political One-Voice Policy lies either with the Group Public Affairs office or the Group Steering Committee Public Affairs. For the Group Steering Committee Public Affairs, the brands appoint members and deputies who are allowed to make policy-related determinations for the brand and/or its holding company.

To enable a transparent and binding reporting structure between the entities involved, the Group Policy asks the brands to appoint a Political Representative to act as a contact for the Group’s Public Affairs department – within the limits set by applicable statutory and legal requirements and, in particular, the related limited right of intervention. In a first step, the local Political Representative shall provide all the necessary information about the corresponding topics. Where necessary, the Group companies concerned shall also be involved. In every market where several brands or companies are active, the process is coordinated with the Group’s Public Affairs department via a central contact person who is appointed by the companies to deal with topics that are relevant to the Group.

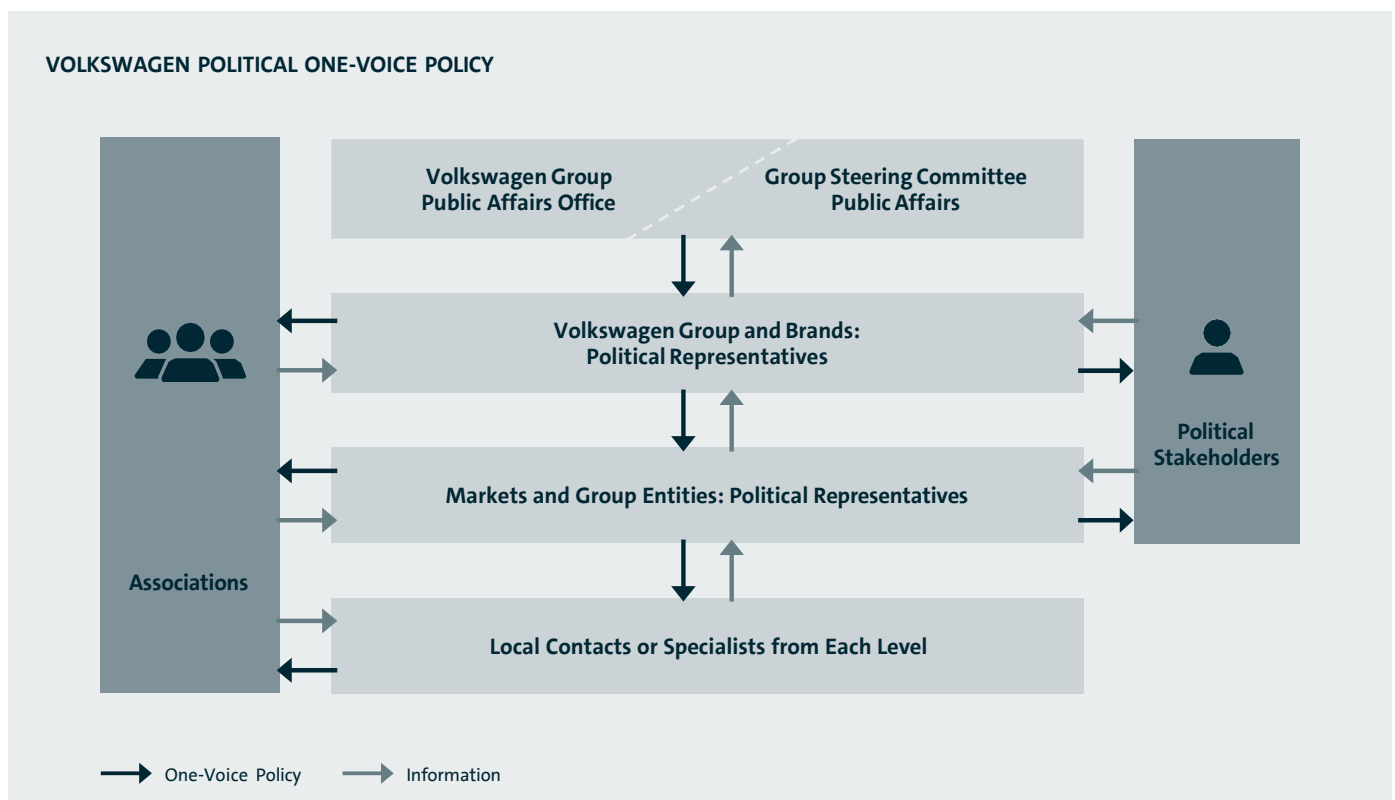
The implemented reporting structures and Political Representatives only permit lobbying to be carried out through designated channels with defined Principles and Guidelines for Public Affairs. The policy also defines criteria for determining whether a topic is politically relevant to the Group and describes the tasks and obligations for those involved.

Concerning Public Affairs tasks in general, the Volkswagen Group follows the principle of subsidiarity, wherein a task should be performed by the lowest possible level or by the smallest possible unit wherever feasible. The Political One-Voice Policy is solely applicable to issues if the political topic is of interest for the whole Group (such as support of the Paris Agreement) and if the political objectives can be better achieved at Group level. Regional and local political topics are handled by the local entities. The representation of interests through industrial associations is also delegated to the local level.



[Policies | Volkswagen Group](#)

> Sustainability > ESG Performance & Ratings > Policies





## METHODOLOGICAL CONCEPT

The Volkswagen Group's evaluation of industry associations for the purposes of this Review Report is based on a methodological concept that lays out a defined set of key characteristics on the basis of which associations are to be comparatively evaluated as well as stipulating next actions and follow-up Review Reports. We view this Review Report as an important element in a continuous review of Volkswagen's climate commitments and industry association positions.

The methodological concept, the selection criteria and the analysis of the associations were developed in an overarching project group consisting of experts from the Investor Relations, Sustainability and Public Affairs departments. The whole project and process is supervised at senior level by the Heads of Group Treasury & Investor Relations, Sustainability and Group Public Affairs.

The basic approach was defined in close exchange with sustainable investor groups. Based on this consultation, the Volkswagen Group decided to pursue a continuous process of association climate policy assessments. The aim is not only to evaluate the climate positions but also to continuously develop the Review Reports. This first review begins with the development of an assessment framework, methodological concept and selection criteria. The basic objective is to clearly define the analysis of associations with respect to their climate protection positions as well as subsequent measures to be taken internally in the event of a deviation.

In this context, the Group's own policy-related climate positions were distilled from Group strategy statements and existing resolutions and brought together in a new form to make them usable for analysis. The climate positions were confirmed internally by the Group Steering Committee Public Affairs. On this basis, a methodological concept was then developed, which includes the criteria for a (mis)alignment as well as the selection criteria for the countries and associations. From this method, a questionnaire was designed.

In consultation with local Political Representatives of the Volkswagen Group, six associations have been identified as meeting the necessary criteria for being subjected to the initial analysis. A specifically designed questionnaire to identify pertinent statements from the aforementioned associations was distributed to the Political Representatives. They then conducted research on the associations' positions on the basis of publicly accessible sources and returned the completed questionnaire to the core project team for evaluation. The evaluation process was conducted according to a previously defined method.

At the same time, within the Company the process for dealing with the results was initiated. The main question being: What measures should follow in the case of partial alignment or misalignment? Volkswagen is of the opinion that only those who are present can effect change. Thus, in the case of an identified partial alignment or misalignment, the primary objective is to look at each case individually and seek dialog with the respective association, viewing termination of membership as a last resort. The Company sees further potential for development in the engagement process.

The evaluation of the automotive associations for the purpose of this Review Report is based on the Volkswagen Group's climate commitments and global climate policy positions as presented in the previous chapter. The assessment framework consists of two parts, which lead to three assessment categories: aligned, partly aligned and misaligned.

The first part of the assessment for the purpose of this Review Report examines an association's position regarding the Paris Agreement and the transition to net carbon-neutral vehicles (e.g., electric vehicles). The Group expects all its associations to support:

The Paris Agreement, transformation to net carbon-neutral vehicles (e.g., electric vehicles), which are the main guiding principles for the Group's actions and strategy. For an association to be considered "aligned," it must demonstrate explicit public support for these two policies, which are central to the Group's climate commitments. If an association only demonstrates partial public support for these policies, it can only be considered "partly aligned." Associations that do not publicly position themselves on these policies are categorized as "misaligned."

The second part of the assessment evaluates whether an association's policies complement the Volkswagen Group's climate positioning. To remain "aligned," the evaluated association must not advocate against any position the Group has on specific topics, such as:

- decarbonization and carbon neutrality,
- charging infrastructure,
- renewable energy,
- carbon pricing,
- greenhouse gas and fuel economy fleet regulations.

In cases where one or more positions of an association on these topics diverge from the Group's positioning, the association may only be considered "partly aligned" if it has not already been declared "misaligned" in part one. For instance, an association that explicitly supports interim targets and a carbon pricing system but has no public position on or advocates against the Volkswagen Group's position on greenhouse gas and fuel economy fleet regulation would be categorized as "partly aligned."

## INDUSTRY ASSOCIATION SELECTION CRITERIA

The selection of countries and associations for the purpose of this Review Report is based on specific criteria:

the country must have a production site or be a relevant sales market for Volkswagen Group's products,  
the association must align thematically with the core business area of the Group,  
the Group's top management must be effectively represented in the association, and  
it must be a voluntary membership wherein the Group pays a membership fee so as to have a lever for sanctions.

Meeting all four conditions is necessary to ensure that Volkswagen has significant leverage for action possibilities. The involvement in associations is undoubtedly of a political nature and yet in equal parts also with a focus, for example, on education and qualification. For this reason, the possibility of influencing the association is a selection factor. In instances of pure information acquisition, this is not the case and is usually associated with a low membership fee and absence of top management. Mandatory memberships are also excluded from the analysis, as they have consultation possibilities but no sanction channels.

Furthermore, this review is intended to focus on the Group's core business – production of passenger cars – and the related associations. A future inclusion of other sectors in the analysis, such as heavy commercial vehicles, is possible.

Excluded from consideration are companies within the Group which are not fully controlled by Volkswagen AG (as parent company of the Group) (e.g., Porsche AG, TRATON SE and joint ventures).

One association per selected country is evaluated on a representative basis.

| Country/Region           | Association   |
|--------------------------|---|
| European Union           | European Automobile Manufacturers' Association (ACEA)             |
| Czech Republic           | Automotive Industry Association (AIA)                             |
| Germany                  | German Association of the Automotive Industry (VDA)               |
| Portugal                 | Associação Automóvel de Portugal (ACAP)                           |
| Spain                    | Spanish Association of Automobile and Truck Manufacturers (ANFAC) |
| Sweden                   | Mobility Sweden   |
| United Kingdom           | Society of Motor Manufacturers and Traders (SMMT)                 |
| United States of America | Alliance for Automotive Innovation (Auto Innovators)              |

## 4. ASSOCIATION REVIEWS

### EUROPEAN UNION – EUROPEAN AUTOMOBILE MANUFACTURERS’ ASSOCIATION (ACEA)

#### GENERAL INFORMATION

|   |   |
|---|---|
| Region of activity                            | Europe/European Union   |
| Top Group representative                      | Oliver Blume, Chairman of the Board of Management of Volkswagen AG  |
| Position of representative within association | Member of the Board of Directors  |
| Objective                                     | “Association of 14 European automobile manufacturers “working towards a new era of mobility, where all Europeans can access affordable transport solutions that are: Green & Clean, Smart & Efficient, Safe & Reliable. Our aim is to drive Europe’s mobility transformation – while at the same time ensuring that the auto industry remains a strong Global & Competitive player.” <a href="#">ACEA, About ACEA</a> |

#### POSITION ON CLIMATE POLICIES

|  |  |
|--|--|
| Paris Agreement                                  | “There is no question for us about the need to decarbonize – the future of our planet is at stake. We are investing billions to make this happen – far more than any other sector.” <a href="#">Futuredriven Manifesto</a>   |
| Transformation to net carbon-neutral vehicles    | “Contrary to four years ago, meeting tougher CO <sub>2</sub> -reduction targets this time requires the seamless interplay of factors within and beyond manufacturers’ direct control. Regulatory targets and the supply of cars alone are not enough. A timely and unambiguous declaration of support in this pivotal moment of the transition is critical to securing competitiveness and jobs along the value chain.” <a href="#">ACEA on CO<sub>2</sub> targets</a>   |
| Decarbonization and carbon neutrality            | <p>“EU vehicle manufacturers, united in the European Automobile Manufacturers’ Association (ACEA), are fully committed to bringing CO<sub>2</sub> emissions down to zero, supporting Europe’s goal of reaching climate neutrality by 2050.” <a href="#">ACEA Position Paper on Revision of the CO<sub>2</sub> Targets</a></p> <p>“ACEA members are fully committed to deliver the ambitious 2025 and 2030 CO<sub>2</sub> reduction targets.” “A lot will be delivered by the industry over the coming decade: By 2030, CO<sub>2</sub> emissions from new passenger cars will have to be cut by more than 60% from a 2005 baseline; emissions from light commercial vehicles will have to go down by 31% between 2021–2030 [and] a 30% reduction is expected for heavy-duty vehicles by 2030 compared to a (still unknown) 2019 baseline.” <a href="#">ACEA 10-Point Plan</a></p> |
| Charging infrastructure                          | <p>“If the EU is serious about making EVs a practical reality for all Europeans within the next five years, the deployment of public charging points needs to dramatically pick up pace.” <a href="#">ACEA on transition</a></p> <p>“Governments across the EU need to ramp up investments in charging infrastructure, and should swiftly implement the Alternative Fuels Infrastructure Regulation (AFIR) – bearing in mind that it sets minimum requirements only. At the same time, the European Alternative Fuels Observatory (EAFO) must ensure a robust monitoring system that incentivizes member states to deploy infrastructure faster.” <a href="#">ACEA Automotive Insights</a></p>   |
| Renewable energy                                 | “Thoroughly review the REDIII requirements to speed-up the decarbonization of fuels.” <a href="#">ACEA contribution to Clean Industrial Deal</a>   |
| Carbon pricing                                   | “Only with the strong support of a policy framework that sets a price on carbon, will it be possible to encourage transport operators to choose low- and zero-(carbon) emission powertrain solutions over conventional diesel-powered vehicles.” <a href="#">ACEA on ETS</a>   |
| Greenhouse gas and fuel economy fleet regulation | “Increase mandatory targets for public procurement of zero emission vehicles in an accelerated review of the Clean Vehicles Directive. Set up measures to encourage shippers to prioritize transport services with zero emission vehicles.” <a href="#">ACEA contribution to Clean Industrial Deal</a>   |

#### RESULT OF REVIEW

The analysis of ACEA’s climate policy positions shows full alignment with the Volkswagen Group’s climate lobbying. ACEA expresses its commitment to the Paris Agreement and publicly promotes a transformation to net carbon-neutral vehicles. In addition, the results of the analysis reflect full alignment also with regard to Volkswagen’s more specific climate policy positions as none of them are advocated against by the association. The assessment reveals high efficacy of Volkswagen Group’s advocacy within the association, and we will continue to engage in dialog with ACEA to ensure alignment on future climate policies as well.

## GENERAL INFORMATION

|   |  |
|---|--|
| Region of activity                            | Czech Republic   |
| Top Group representative                      | Martin Jahn, Member of the Board of Management for Sales and Marketing, ŠKODA AUTO   |
| Position of representative within association | President  |
| Objective                                     | “Automotive Industry Association is a voluntary association of companies involved in the production chain of the automotive industry in the Czech Republic. It also brings together research institutions, schools and other similar entities or individuals interested in actively contributing to the development of the Czech automotive industry. It creates a platform for their mutual communication and support of common goals.” <a href="#">AIA, About Us</a> |

## POSITION ON CLIMATE POLICIES

|  |  |
|--|--|
| Paris Agreement                                  | “The European automotive industry has clearly declared that it is ready to contribute to the common goals of the Paris Climate Agreement to be a carbon neutral continent in 2050. Hundreds of billions of euros are being invested by domestic vehicle manufacturers and suppliers in the development of clean mobility. But the transition to clean mobility depends heavily on a number of factors that are not just in the hands of the car industry. Government representatives, energy distributors and developers will therefore also have to do their part. In conclusion, it should be mentioned that the proposed format is a compromise that gives the automotive industry and the Member States enough time to gradually meet the tightening criteria by 2035. There also remains a review clause in the regulation which will assess the success or otherwise of the regulation in 2026.” <a href="#">AIA on EU CO<sub>2</sub> emission</a>   |
| Transformation to net carbon-neutral vehicles    | “The Czech automotive industry is intensively preparing for the transition to clean mobility. (...) The related investments by companies amount to tens to hundreds of billions of crowns. However, in order to ensure that the transition to clean mobility does not mean a loss of GDP or jobs for the Czech Republic, we need to work with the government on a number of strategic issues to implement this transition, ranging from supporting the change of companies’ production programs to retraining programs for thousands of employees.” <a href="#">AIA on EU CO<sub>2</sub> emission standards</a>  |
| Decarbonization and carbon neutrality            | <p>“The CO<sub>2</sub> reduction targets leading to decarbonization of freight transport have our full support. However, they must necessarily be complemented by national conditions for their practical implementation. For a successful green transformation, not only ambitious emission targets are not enough, but adequate and equally ambitious support from industry, public and private transport operators and the development of specific charging infrastructure for trucks and buses is necessary.</p> <p>Key conditions for the successful decarbonization of heavy passenger and freight transport include not only significant investment in the production and development of the vehicles themselves, but also the construction of specific charging and refueling infrastructure. This must take into account the requirements for larger vehicle sizes, their batteries and the specific locations needed for charging and filling. An integral part of this is the setting up of a national system of fiscal incentives that will support the economics of operating these vehicles for haulers. At least at this early stage, the need to implement a national program to support the purchase of zero-emission vehicles, which the EU envisages from the Modernization Fund, should not be forgotten. Without quickly and effectively setting up this framework at home to support demand for zero-emission truck and bus models, it will be impossible to achieve the targets set, especially given the ambitious timetable.” <a href="#">AIA on CO<sub>2</sub>-Emissions</a></p> |
| Charging infrastructure                          | “To make the above fundamental change in mobility work, i.e. to create an acceptable and affordable low-emission transport option for citizens, we need to fundamentally accelerate the construction of charging and refuelling infrastructure – not only ultra-fast charging on Europe’s main roads (under the Alternative Fuels Infrastructure Regulation, AFIR), but also slow charging, e.g. in garages (under the Energy Performance of Buildings Directive, EPBD), in housing estates in towns and cities.” <a href="#">AIA on EU CO<sub>2</sub> emission standards</a>  |
| Renewable energy                                 | No specific statement  |
| Carbon pricing                                   | No specific statement  |
| Greenhouse gas and fuel economy fleet regulation | “(…) we strongly warn of the negative impact that any delay or challenge to the CO <sub>2</sub> reduction targets could have on the negotiation of further regulations, such as the Euro 7/VII proposal, which in its current form, we continue to see as a critical threat to maintaining the performance of the sector, jobs and a diverse range of vehicle models to meet customer demands.” <a href="#">AIA on CO<sub>2</sub> regulation developments</a>  |

## RESULT OF REVIEW

The analysis of the AIA’s climate policy positions shows full alignment with the Volkswagen Group’s climate lobbying. AIA clearly expresses its commitment to the Paris Agreement and publicly promotes a transformation to net carbon-neutral vehicles. In addition, the results of the analysis reflect full alignment also with regard to Volkswagen’s more specific climate policy positions as none of them are advocated against by the association. The assessment reveals high efficacy of Volkswagen Group’s advocacy within the association, and we will continue to engage in dialog with AIA to ensure alignment on future climate policies as well.

## GENERAL INFORMATION

|   |  |
|---|--|
| Region of activity                            | Germany  |
| Top Group representative                      | Oliver Blume, Chairman of the Board of Management of Dr. Ing. h.c. F. Porsche AG, and Thomas Schäfer, CEO of the Volkswagen Passenger Cars Brand   |
| Position of representative within association | Members of the Managing Board  |
| Objective                                     | "On the way to climate neutrality, we are further developing the mobility offers. The German Association of the Automotive Industry (VDA) ensures the right framework conditions." <sup>5</sup> <a href="#">VDA, About</a> |

## POSITION ON CLIMATE POLICIES

|  |   |
|--|---|
| Paris Agreement                                  | "Our goal is climate-neutral mobility in Europe by 2050 at the latest – in line with the Paris climate protection agreements." <a href="#">VDA Report 2023</a>  |
| Transformation to net carbon-neutral vehicles    | "The ramp-up of electromobility as the essential contribution is currently falling short of expectations. Therefore, the reviews (passenger cars/commercial vehicles) should be brought forward to 2025, and progress should be regularly monitored politically." <a href="#">VDA press statement</a>   |
| Decarbonization and carbon neutrality            | "We work for electromobility, climate-neutral drives, the implementation of climate goals, resource security, digitalization and connectivity, as well as German engineering." <a href="#">VDA on Decarbonization</a>   |
| Charging infrastructure                          | "The main focus is on the charging and H2 refueling infrastructure (passenger cars/commercial vehicles) with the necessary increase in the AFIR ambition level, in conjunction with accelerated grid expansion." <a href="#">VDA Annual Report 2023</a>   |
| Renewable energy                                 | "On the path to a fully renewable electricity supply, renewable energies should already ensure at least 80 percent of the electricity supply in Germany by 2030. This also benefits the climate-friendly transformation of road transport. [...] Therefore, renewable energies must be expanded even faster, and the power grids must be comprehensively modernized and digitalized." <a href="#">VDA on renewable energy</a>   |
| Carbon pricing                                   | "Emissions trading is an essential element of a market-based, economically efficient climate policy. In this way, an effective CO <sub>2</sub> price based on a reliable cap can set clear investment signals and develop the entire transport sector towards sustainability." <a href="#">VDA statement on report at the parliament</a>  |
| Greenhouse gas and fuel economy fleet regulation | "The automotive industry is committed to the Paris climate goals. The CO <sub>2</sub> fleet regulation is not supported by sufficient political measures and is therefore not achievable. We rely on incentives and good location conditions instead of new burdens for industry and consumers. A rapid improvement of the framework conditions will be crucial so that consumers can and want to switch to climate-neutral drives as quickly as possible." <a href="#">VDA press statement</a> |

## RESULT OF REVIEW

The analysis of the VDA's climate policy positions shows full alignment with the Volkswagen Group's climate lobbying. The VDA clearly expresses its commitment to the Paris Agreement and publicly promotes a transformation to net carbon-neutral vehicles. In addition, the results of the analysis reflect full alignment also with regard to Volkswagen's more specific climate policy positions as none of them are advocated against by the association. The assessment reveals high efficacy of Volkswagen Group's advocacy within the association, and we will continue to engage in dialog with the VDA to ensure alignment on future climate policies as well.

## GENERAL INFORMATION

|   |   |
|---|---|
| Region of activity                            | Portugal  |
| Top Group representative                      | Thomas Hegel Gunther  |
| Position of representative within association | Member of the Executive Committee of the Automobile Manufacturers of ACAP |
| Objective                                     | -   |

## POSITION ON CLIMATE POLICIES

|  |   |
|--|---|
| Paris Agreement                                  | No specific statement   |
| Transformation to net carbon-neutral vehicles    | “ACAP promotes the implementation of policies that promote sustainable mobility, including the promotion of electric vehicles and other low-emission technologies - Holding meetings and presenting measures to the Portuguese Government that benefit the automotive sector.” <a href="#">ACAP on carbon-neutral vehicles</a>  |
| Decarbonization and carbon neutrality            | <p>“ACAP defends, with political power in Portugal, the following points:</p> <ul style="list-style-type: none"> <li>- Urgent need for industrial and fiscal policies that encourage the renewal of the vehicle fleet and promote the adoption of sustainable electric vehicles.</li> <li>- ACAP criticized the lack of effective implementation of a true plan to encourage the scrapping of end-of-life vehicles in Portugal</li> <li>- Creation of an autonomous and comprehensive plan for the scrapping of end-of-life vehicles, inspired by successful models, such as the 2009 Plan.” <a href="#">ACAP on decarbonization</a></li> </ul> |
| Charging infrastructure                          | “ACAP defends that maintaining clear objectives for expanding the charging station network is vital to keep up with the growth of electric mobility. In this context, ACAP will continue to invest in collaboration with Mobi.e, taking advantage of the Observatory created to monitor and optimize the development of these infrastructures.” <a href="#">ACAP on charging infrastructure</a>   |
| Renewable energy                                 | No specific statement   |
| Carbon pricing                                   | No specific statement   |
| Greenhouse gas and fuel economy fleet regulation | “ACAP follows the sector's trend in relation to the transition to greener mobility, using natural resources such as wind, solar or other energy to produce energy.” <a href="#">ACAP on fleet regulations</a>   |

## RESULT OF REVIEW

The analysis of ACAP's climate policy positions shows partial alignment with the Volkswagen Group's climate lobbying. ACAP clearly expresses its commitment to and publicly promotes a transformation to net carbon-neutral vehicles. However, a specific statement of the association on the Paris Agreement could not be found. On Volkswagen's more specific climate policy positions, the analysis reflects full alignment as none of them are advocated against by the association. To push for clear commitment to the Paris Agreement by the Auto Innovators, we will strengthen dialog with the association and aim for full alignment of all climate policy positions in the future.

## GENERAL INFORMATION

|   |  |
|---|--|
| Region of activity                            | Spain  |
| Top Group representative                      | Wayne Griffiths, President of SEAT S.A.  |
| Position of representative within association | President  |
| Objective                                     | "ANFAC is an interest group whose mission is to promote the proper development of the automotive sector and contribute to the general interests of the country." <a href="#">ANFAC, About us</a> |

## POSITION ON CLIMATE POLICIES

|  |   |
|--|---|
| Paris Agreement                                  | <p>"Similarly, in this European path towards decarbonization, the 2015 Paris Agreement established an emissions reduction target of 15% for passenger cars and vans in 2025, and 37.5% and 31% for passenger cars and vans, respectively, in 2030. Both targets are a commitment of Europe and Spain, which ANFAC reflects in our Automotive Plan 2020-40". <a href="#">ANFAC on sustainable mobility</a></p> <p>"The decarbonization of transport and climate neutrality targets for 2050 have gone from being a desideratum to become a real, plausible and shared objective for all sectors and administrations. And the Spanish automotive sector, fully committed to this, is making a major effort, both in terms of investment and in innovation and technology to achieve this. It is no coincidence that the commercial offer of electric vehicles (pure and plug-in hybrids) is growing exponentially, with close to 200 models already on the market." <a href="#">ANFAC on sustainable mobility</a></p> |
| Transformation to net carbon-neutral vehicles    | <p>"The automotive industry and sector has been committed to decarbonization for years, with a view to meeting the European objectives of achieving climate neutrality in the vehicle fleet by 2050. The approval of the Climate Change and Energy Transition Law meant agreeing at a legal level on objectives that the sector was already promoting at a business level. From that point of view, it gives us a horizon of regulatory certainty, as there is nothing more damaging to the sector than uncertainty. 'The automotive industry and sector has been committed to decarbonization for years, with a view to meeting the European objectives of achieving climate neutrality in the car fleet by 2050'." <a href="#">ANFAC Statement López-Tafall</a></p>   |
| Decarbonization and carbon neutrality            | See above   |
| Charging infrastructure                          | <p>"ANFAC, on behalf of car and truck manufacturers, sets out in this document its guiding proposals for better action by the public authorities. document sets out its guiding proposals for better action by the public authorities and the development of public-private and the development of public-private collaboration in the achievement of the common objectives for reducing reduction targets set out in the Integrated National Energy and Climate Plan for 2030. Energy and Climate Plan to 2030 (PNIEC)2." <a href="#">ANFAC on charging infrastructure</a></p>   |
| Renewable energy                                 | <p>"ANFAC and SERNAUTO, with the collaboration of KPMG, presented in September the report New challenges for the automotive sector in Spain. The aim of this publication is none other than to set out the roadmap that will enable us to preserve the industry's competitiveness in the transformation towards low or zero-emission mobility. The report outlines five lines of action to meet the challenges of the transition and, in turn, to strengthen our competitiveness and promote industrial and technological sovereignty'. (...) 'Thirdly, Spain must take advantage of green regulations. We have 300 days of sunshine a year, and renewable energies will allow us to reduce emissions from production processes. To this, we must add circular economy processes such as the remanufacturing of vehicles and components." <a href="#">ANFAC on Renewable Energy</a></p>   |
| Carbon pricing                                   | No specific statement   |
| Greenhouse gas and fuel economy fleet regulation | No specific statement   |

## RESULT OF REVIEW

The analysis of the ANFAC's climate policy positions shows full alignment with the Volkswagen Group's climate lobbying. ANFAC clearly expresses its commitment to the Paris Agreement and publicly promotes a transformation to net carbon-neutral vehicles. In addition, the results of the analysis reflect full alignment also with regard to Volkswagen's more specific climate policy positions as none of them are advocated against by the association. The assessment reveals high efficacy of Volkswagen Group's advocacy within the association, and we will continue to engage in dialog with ANFAC to ensure alignment on future climate policies as well.



## GENERAL INFORMATION

|   |   |
|---|---|
| Region of activity                            | Sweden  |
| Top Group representative                      | Claes Jerveland, Main Board member and Chairman of the Market Board |
| Position of representative within association | Member of the Managing Board  |
| Objective                                     |   |

## POSITION ON CLIMATE POLICIES

|  |  |
|--|--|
| Paris Agreement                                  | “We welcome that the worlds countries now agreed to work against global warming. Sweden need to act smart so we with large commuting distances and a leading automotive industry can combine reduced emissions with increased mobility.” <a href="#">Mobility Sweden on Paris Agreement</a>  |
| Transformation to net carbon-neutral vehicles    | “Mobility Sweden is committed to the green transition and actively works to drive the development towards a fossil-free vehicle fleet. To outline the path forward, the organization has developed two roadmaps – one for light vehicles and one for heavy vehicles. These roadmaps map out key steps in the transition and include forecasts for the development of zero-emission vehicles up to 2030. They provide an overview of necessary measures and demonstrate how electrification and other fossil-free technologies can contribute to achieving climate goals. <a href="#">Mobility Sweden on Transformation</a> |
| Decarbonization and carbon neutrality            | “The climate target for domestic transport is to reduce emissions by 70% by 2030 compared to 2010, and by 2045, the vehicle fleet should be completely fossil-free. Sweden has high ambitions and is at the forefront in this area, with strong potential to become a role model for other countries in the transition. To reduce emissions, vehicle manufacturers are focusing on three key strategies: electrification, increasing the share of biofuels, and improving vehicle and transport efficiency.” <a href="#">Mobility Sweden on decarbonization</a>  |
| Charging infrastructure                          | “To bring electric vehicles to the market, charging infrastructure is needed in depots and along roads, expanded power grids, reliable electricity supply, as well as access to fast chargers and home charging.” <a href="#">Mobility Sweden on charging infrastructure</a>   |
| Renewable energy                                 | “The association supports all policies that promote the development of fossil-free energy sources to accelerate the transition to a sustainable energy system.” <a href="#">Mobility Sweden on renewable energy</a>  |
| Carbon pricing                                   | “The government must also take a comprehensive approach to the transition and develop a long-term plan for reducing emissions in the transport sector. ETS2 and other parts of Fit for 55 are important components of this, but additional investments and measures from the government are needed to drive the transition forward.” <a href="#">Mobility Sweden on carbon pricing</a>   |
| Greenhouse gas and fuel economy fleet regulation | “The roadmaps are our path to achieving the goals. There are several ways to reduce the cost gap between conventional vehicles and electric vehicles, either through incentives that lower the purchase and usage costs or by making fossil fuels more expensive.” <a href="#">Mobility Sweden on Greenhouse gas</a>   |

## RESULT OF REVIEW

The analysis of Mobility Sweden’s climate policy positions shows full alignment with the Volkswagen Group’s climate lobbying. The VDA clearly expresses its commitment to the Paris Agreement and publicly promotes a transformation to net carbon-neutral vehicles. In addition, the results of the analysis reflect full alignment also with regards to Volkswagen’s more specific climate policy positions as none of them are advocated against by the association. The assessment reveals high efficacy of Volkswagen Group’s advocacy within the association, and we will continue to engage in dialog with the VDA to ensure alignment on future climate policies as well.

## GENERAL INFORMATION

|   |  |
|---|--|
| Region of activity                            | United Kingdom   |
| Top Group representative                      | Alex Smith, Managing Director of Volkswagen Group UK, and Alain Favey, Member of the Board of Management of Bentley Motors   |
| Position of representative within association | Managing Director, Volkswagen Group UK Limited   |
| Objective                                     | "SMMT represents more than 800 automotive companies in the UK, providing them with a forum to voice their views on issues affecting the sector, helping to guide strategies and build positive relationships with government and regulatory authorities." <a href="#">SMMT, About SMMT</a> |

## POSITION ON CLIMATE POLICIES

|  |   |
|--|---|
| Paris Agreement                                  | "The introduction, and subsequent amendment, of the UK Climate Change Act has created a legally binding commitment for UK Government to deliver the Paris Climate Change Goals and achieve net zero by 2050. The automotive industry has long-recognized its critical role in meeting this target, delivering the zero emission vehicles and technologies on which the UK's wider net zero economic progress relies, and also through the decarbonization of its own manufacturing and supply chain activities." <a href="#">SMMT Automotive Sustainability Report</a>  |
| Transformation to net carbon-neutral vehicles    | "The automotive industry has long-recognized its critical role in meeting this target, delivering the zero emission vehicles and technologies on which the UK's wider net zero economic progress relies, and also through the decarbonization of its own manufacturing and supply chain activities.." <a href="#">SMMT 2024 Sustainability Report</a>   |
| Decarbonization and carbon neutrality            | <p>"Your government and our industry remain committed to delivering Net Zero. We also share the belief that the transition can drive economic growth. But it will only do so if the conditions are right and the consumer can afford it." <a href="#">SMMT's open letter to UK Chancellor of the Exchequer</a></p> <p>"Workable regulation – backed with incentives – will set us up for success and green growth over the next decade." <a href="#">SMMT Mike Hawes</a></p>  |
| Charging infrastructure                          | SMMT's Manifesto 2030 asks Government to "Ensure everyone has a 'right to charge' by mandating delivery of public charging and refueling infrastructure across the UK with binding targets, leading to a significant uplift and reliability of all types of public chargers across the whole UK." <a href="#">SMMT Manifesto 2030</a>   |
| Renewable energy                                 | "The energy grid mix is the single most important factor in reducing vehicle emissions. Around 40% of carbon emissions from BEVs come from charging the vehicle, so stripping emissions out of the grid means that green vehicles can be recharged with green energy. EV and battery production is also energy intensive – accounting for around 57% of lifecycle emissions – and so a decarbonized grid has profound implications for delivering significant emission reduction." <a href="#">SMMT's Sustainability Report</a>   |
| Carbon pricing                                   | SMMT's Vision 2030 report (P10) references our previous Race to Zero report, which highlights the need for "...significant support in the near-term to ensure our energy costs are competitive. Automotive, widely recognized as export-led and trade intensive, should be afforded equivalent benefits as an energy-intensive industry (EII) allowed to claim from the EII Exemption Scheme, or be a beneficiary of the British Industry Supercharger scheme. Given UK electricity prices are currently more than double the average paid at EU vehicle plants, the availability of low cost, low carbon energy could be a huge influencer in investment decisions, especially for more electricity-intensive electric vehicles and their associated supply chains." <a href="#">SMMT's Vision 2030 report</a> |
| Greenhouse gas and fuel economy fleet regulation | As the industry transitions away from fossil fuels, drivers continued to invest heavily in low and zero emission vehicles – which meant average new car CO <sub>2</sub> fell by -2.2% to 108.9 g/km." <a href="#">SMMT's press statement</a>  |

## RESULT OF REVIEW

The analysis of the SMMT's climate policy positions shows full alignment with the Volkswagen Group's climate lobbying. SMMT clearly expresses its commitment to the Paris Agreement and publicly promotes a transformation to net carbon-neutral vehicles. In addition, the results of the analysis reflect full alignment also with regard to Volkswagen's more specific climate policy positions as none of them are advocated against by the association. The assessment reveals high efficacy of Volkswagen Group's advocacy within the association, and we will continue to engage in dialog with SMMT to ensure alignment on future climate policies as well.

## UNITED STATES – ALLIANCE FOR AUTOMOTIVE INNOVATION (AUTO INNOVATORS)

### GENERAL INFORMATION

|   |  |
|---|--|
| Region of activity                            | United States  |
| Top Group representative                      | Kjell Gruner, President and CEO of Volkswagen Group of America and CEO of Volkswagen Brand North American Region   |
| Position of representative within association | Member of the Board of Directors   |
| Objective                                     | “Alliance for Automotive Innovation represents the full auto industry, a sector supporting 10 million American jobs and five percent of the economy. Active in Washington, D.C. and all 50 states, the association is committed to a cleaner, safer and smarter personal transportation future.” <a href="#">Auto Innovators, About Us</a> |

### POSITION ON CLIMATE POLICIES

|  |   |
|--|---|
| Paris Agreement                                  | No specific statement   |
| Transformation to net carbon-neutral vehicles    | <p>“The auto industry is committed to electrification and a net-zero carbon transportation future.” <a href="#">Auto Innovators' comment to California Air</a></p> <p>“With the right complementary policies in place, the auto industry is poised to accept the challenge of driving EV purchases to between 40 and 50 percent of new vehicle sales by the end of the decade” <a href="#">Auto Innovators Statement on President Biden EO 14037</a></p>  |
| Decarbonization and carbon neutrality            | <p>“For automakers around the world, decarbonizing road transport is a shared goal to which they are committed. [...] In order to achieve carbon neutrality, measures to reduce CO<sub>2</sub> emissions from new vehicles, and also from in-use vehicles, must be pursued. [...] As representatives of the global automobile industry, taking into consideration the current global geo-political and socio-economic situation, we believe that this reaffirmation to achieve carbon neutrality in our sector by 2050 is timely.” <a href="#">Auto Innovators Reaffirmation by the Automobile Industry</a></p> |
| Charging infrastructure                          | <p>“To support automotive investment in electric vehicle development and expand consumer choice, federal and state policymakers should expand funding for and prioritize the buildout of reliable and dependable EV charging and refueling infrastructure. State policymakers should also invest in the resilience and robustness of the electric grid to support EV charging and adopt building codes that ensure residential access to EV charging.” <a href="#">Auto Innovators 2025 Policy Priorities</a></p>   |
| Renewable energy                                 | No specific statement   |
| Carbon pricing                                   | No specific statement   |
| Greenhouse gas and fuel economy fleet regulation | <p>“To preserve regulatory certainty, policymakers should ensure compatibility and alignment between the greenhouse gas regulations and fuel economy regulations at the federal level and, to the extent possible, between federal and state regulation of greenhouse gas and criteria emissions. In doing so, policymakers should be sure to accommodate consumer choice and market realities.” <a href="#">Auto Innovators 2025 Policy Priorities</a></p>   |

### RESULT OF REVIEW

The analysis of the Auto Innovators' climate policy positions shows partial alignment with the Volkswagen Group's climate lobbying. Auto Innovators clearly expresses its commitment to and publicly promotes a transformation to net carbon-neutral vehicles. However, a specific statement of the association on the Paris Agreement could not be found. On Volkswagen's more specific climate policy positions, the analysis reflects full alignment as none of them are advocated against by the association. To push for clear commitment to the Paris Agreement by the Auto Innovators, we will strengthen dialog with the association and aim for full alignment of all climate policy positions in the future.









## 5. SUMMARY AND OUTLOOK



The Volkswagen Group Industry Association Climate Review and the process behind provide one of many instruments for evaluating the alignment between Volkswagen's positions and those of industry associations on the subject of climate protection. As the process of creating this report includes personal interviews with association's representatives and clearly demands public statements it raises awareness for the importance of the Paris climate goals within the associations and advocates for more public commitment. Our analysis thus contributes to our efforts to achieving the climate protection goals.

The **methodological framework** chosen allows for us to analyze and subsequently compare the climate positions of associations to those of the Volkswagen Group itself. This way, we are able to assess to what extent the associations are aligned with the Group's path towards net carbon neutrality. The results enable us to identify associations with whom intensified dialog will be required in order to promote the Volkswagen Group's climate positions.

For this second edition of the Association Climate Review, we **extended the scope** and included two more relevant markets according to specific criteria: the country chosen must have a production site or be a relevant sales market for Volkswagen Group products; the association must align thematically with the core business area of Volkswagen; the Group's top management must be effectively represented in the association; it must be a voluntary membership in which the Group pays a membership fee to have a lever for sanctions. Fulfilling all four criteria provides necessary leverage for the Volkswagen Group to advocate for future alignment of the association's positions with the Volkswagen Group's climate lobbying positions. In total we analyzed eight associations.

**The result of the analysis shows general alignment between all associations' climate positions and the Volkswagen Group's respective positions.** No clear opposition by associations to those of Volkswagen was identified. Instead, the main reason for classifying associations as only partly aligned is the absence of specific public statements on individual topics. In the report 2023, three out of six associations were categorized as "fully aligned" with the Volkswagen Group's climate positions.

| RESULTS OF THE ASSOCIATION REVIEWS                                |   |
|---|---|
| ASSOCIATION   | STATUS OF ALIGNMENT   |
| European Automobile Manufacturers' Association (ACEA)             |  |
| Automotive Industry Association (AIA)                             |  |
| German Association of the Automotive Industry (VDA)               |  |
| Associação Automóvel de Portugal (ACAP)                           |  |
| Spanish Association of Automobile and Truck Manufacturers (ANFAC) |  |
| Mobility Sweden   |  |
| Society of Motor Manufacturers and Traders (SMMT)                 |  |
| Alliance for Automotive Innovation (Auto Innovators)              |  |

 Aligned
  Partly aligned

We can report a satisfying **improvement** as with this report 2025 now six out of eight association reviews are categorized as "fully aligned" with the Volkswagen Group's climate positions. Those associations fully aligned are the German Association of the Automotive Industry (VDA), the Czech Automotive Industry Association (AIA), the European Automobile Manufacturers' Association (ACEA), the British Society of Motor Manufacturers and Traders (SMMT), the Spanish Association of Automobile and Truck Manufacturers (ANFAC) and Mobility Sweden.

For two associations – the Alliance for Automotive Innovation (Auto Innovators) and the Associação Automóvel de Portugal (ACAP) – no specific public statement addressing the Paris Agreement has been made. Therefore, based on our methodological approach, those two association have been categorized as "partly aligned" with Volkswagen's climate lobbying positions.

In cases of partial alignment or misalignment, a process for continued engagement is defined. During internal specific **Panel** meetings (chaired by Group Treasury & Investor Relations and including the Heads of Group Public Affairs and Group Sustainability), every association identified as "partly aligned" or "misaligned" is reviewed and addressed. Bringing together the different perspective of the involved fields of expertise, all potential measures are discussed. After a thorough exploration of all possible paths, a decision is made within the Panel on how to proceed. In principle, the first step is to engage in a dialog with the association. If the misalignment cannot be remedied, withdrawal from the association must be considered, and a recommendation will be made to the responsible entity in the respective country.

**Overall, the results of the analysis reflect Volkswagen's high engagement within the associations since no misalignment exists.** Nonetheless, we will continue to engage in a close dialog with

and within all associations and aim for full alignment of all reviewed associations' climate positions with our own positions in the future.

In the future, we will aim at **further extending** the scope of this Review Report including other associations and countries according to the selection criteria developed. The reporting will happen on a **regular basis**.

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### YOUR FEEDBACK

In the interest of improving and advancing this report, we would be delighted to receive your feedback on this year's report. You can send us your views directly via e-mail (see contact details).