



ESG Conference: Responsible Lobbying
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Classification: PUBLIC

Group Public Affairs Governance & One Voice Policy



Political Lobbying as a part of Code of Conduct and Sustainability Report



OUR RESPONSIBILITY AS A MEMBER OF SOCIETY

Political lobbying

BACKGROUND
Politics and legislation exert an influence on the economic framework for business processes. The Volkswagen Group's participation in commercial trade means that it also has an impact on society and can specifically promote its interests during decision-making processes, such as those for legislation plans, through political lobbying.

CORPORATE PRINCIPLE
We conduct political lobbying centrally and in line with the principles of openness, accountability and responsibility. It goes without saying that our interaction with political parties and interest groups is based on the principle of neutrality. Dishonestly influencing policymakers and government is not permitted.

MY CONTRIBUTION
I do not attempt to intervene in political decisions on behalf of the Company if I am not authorized to do so. If I am authorized to do so, I observe the relevant internal guidelines in the performance of my duties.

EXAMPLE
An acquaintance of yours is a member of parliament. You know that a legislative proposal that is important for the Volkswagen Group is currently being discussed in parliament and you contemplate contacting your acquaintance to explain the Group's interests in connection with this proposal.

Do not approach your acquaintance about the issue. Political lobbying in the Company is exclusively coordinated centrally and conducted openly and transparently. The appropriate point of contact for such lobbying measures is the External Relations department.

VOLKSWAGEN
AKTIENGESELLSCHAFT

REPRESENTATION OF INTERESTS TOWARDS POLITICS AND SOCIETY
GRI 415-1

The Volkswagen Group and its brands work in a complex and highly regulated environment. We consider it our responsibility to actively participate in shaping the framework for our economic activity in dialog with our stakeholders.

On a Group level, the representation of the Group's political interests towards governments, parliaments, authorities, associations, institutions and society is coordinated worldwide and a coordinated approach is taken in order to ensure coordinated action and consistent communication of the brands and companies. The "Public Affairs" steering committee, which regularly reports to the Group's Board of Management, is responsible for this.

Principles such as integrity, openness and verifiability and guidelines for contact with politicians as well as rules for transparency are set out in a Group-wide policy. For instance, Volkswagen AG's entry in the European Union's transparency register and the disclosure of our positions represented to politicians in the reporting year – e.g. on the topics of decarbonization, digitalization or human rights – are based on these principles.

The policy commits the Group's policymakers in associations to contribute the Group's positions to discussions without change within the framework of what is permitted under competition and anti-trust law. For others who carry out the tasks of representing political interests in associations, a training strategy was introduced in the reporting year.

The Group does not make political donations as a matter of principle. Where other forms of financial support are permitted and desirable, we set rules for granting and disclosing this support, for example for parties in the democratic spectrum in Germany in the context of sponsoring. Figures for the support of party events and for the advertising budget for party-affiliated publications are disclosed annually.

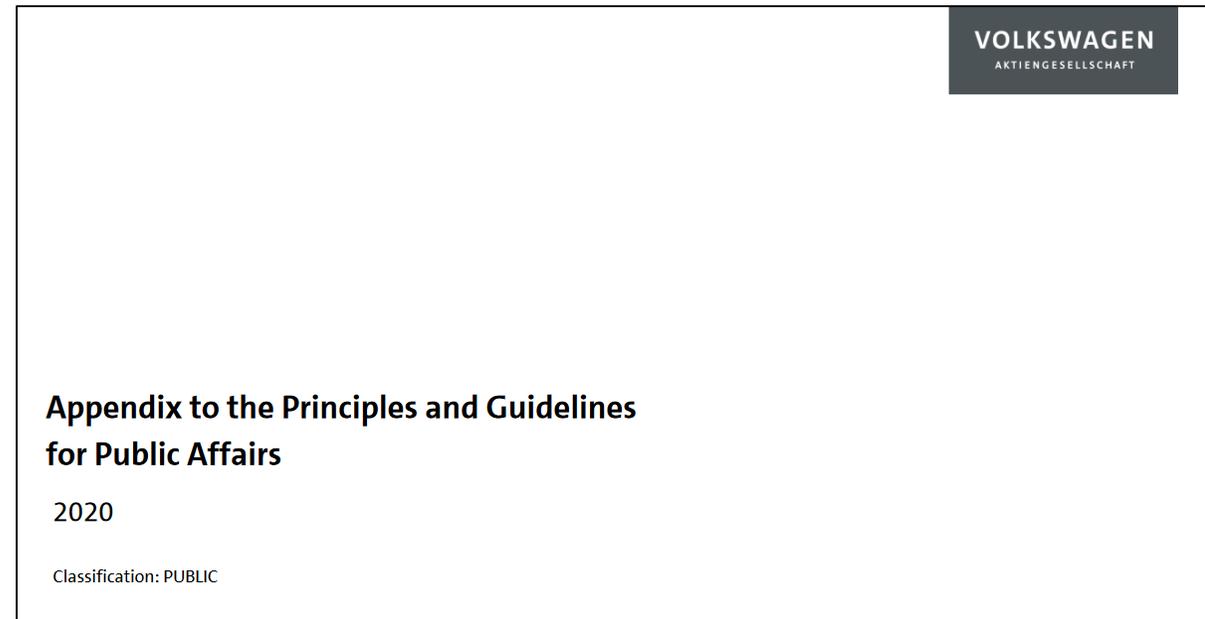
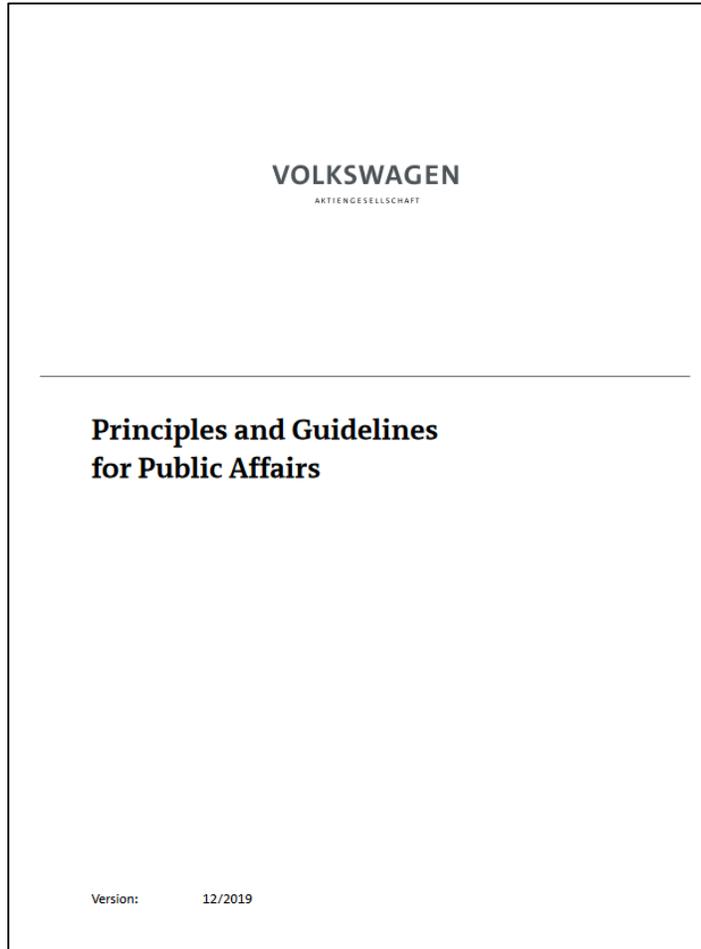
Our positions toward politicians, the policy on representing political interests and further information on public affairs can be found online at:
www.volkswagenag.com > Sustainability > Policy

SUSTAINABILITY REPORT
2020

STRATEGY AND MANAGEMENT

Group Public Affairs

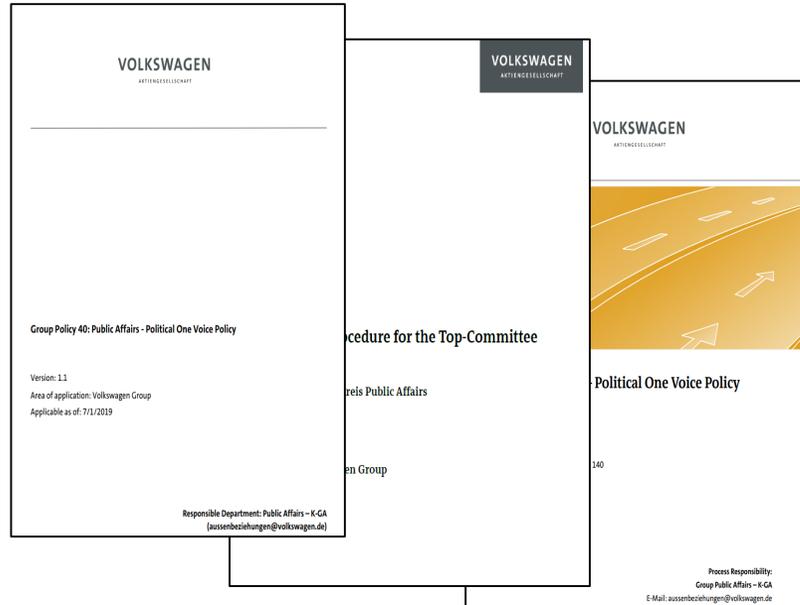
Principles and Guidelines for Public Affairs



Source: https://www.volkswagenag.com/presence/nachhaltigkeit/documents/policy-intern/Volkswagen_Guidelines_Public_Affairs_201912_public.pdf

Group Public Affairs

One Voice Policy for Memberships



Annex 3 to Group Policy No. 40

Principles and Guidelines for Public Affairs

Networks

Public Affairs also maintain contact with political decision makers through Group memberships in national and international organisations, for instance memberships in associations.

The same principles and guidelines are binding on them within the context of these memberships. They commit to introduce the positions of the Group used for the dialogue with political decision makers unchanged within these organisations whilst respecting competition and antitrust law. If the positions for the dialogue with political decision maker resolved upon by the members of these organisations deviate in their substance from the Group's positions, this is noted as dissent.

The basis of these memberships is the acceptance of their respective policies and rules by those responsible for Public Affairs. When a membership is taken up, these policies and rules must be reviewed for any contradictions to applicable regulations.

Information about key memberships is published yearly.

Principles and Guidelines to Public Affairs Published Documents

The Volkswagen Group is a member of organisations such as:



- ACEA (European Automobile Manufacturer's Association), Brussels
- American Chamber of Commerce in Germany e.V., Frankfurt am Main
- Atlantik-Brücke e.V., Berlin
- BusinessEurope, Brussels
- Forum Ebenhausen e.V. – Freundeskreis der Stiftung Wissenschaft und Politik, Berlin
- Förderkreis der Deutschen Gesellschaft für Auswärtige Politik e.V., Berlin
- ICC (International Chamber of Commerce), Paris
- Netzwerk Europäische Bewegung Deutschland
- Stifterverband für die Deutsche Wissenschaft
- VDA (Verband der Automobilindustrie e. V.), Berlin
- World Economic Forum, Geneva

Information on political party events supported by Public Affairs and on advertising costs in calendar year 2020



Support for political party events

Sponsoring (total) in €	0
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The aim of political party sponsoring is to generate public awareness for the company and its projects.
Due to the general and operational restrictions due to the COVID-19 pandemic, there was no sponsoring of political party events in calendar year 2020.

Advertising costs for party-affiliated publications

Party	Costs in € ¹
CDU/CSU ²	3.000,00
Bündnis 90/Die Grünen ³	6.000,00
Total	9.000,00

Available budget is allocated according to the number of seats won by the political parties for the 19th German Bundestag (election in September 2017). The funding key is furthermore based on the German market share of 18.4% for VW and 8.2% for Audi in the first half of 2017.
Due to the general and operational restrictions due to the COVID-19 pandemic, no further advertising was placed in calendar year 2020.



Significant positions in dialog with politics | 2020

We believe it is our responsibility to actively help shape the framework for our economic activity by engaging in dialogue with our political and civic stakeholders. To achieve this, we ensure coherent communication across all brands and companies. We also introduce our positions in the discussions within associations.

List of the significant positions we adopted in 2020, in alphabetical order¹:

Business and crisis assistance

In the wake of general restrictions, the Group stopped protect its workforce. Employees' health was also a top priority. Tests could be carried out with own test capacities at German health system. The Group was also active in crisis aid: Volkswagen turned its factory into a temporary hospital in just a few weeks. SEAT is in Spain. SKODA in the Czech Republic and Lamborghini in Italy provided masks. The Group provided 40 million euros in aid supplies and other aid supplies. In coordination with the German Federal Government, the Group looked for suitably arranged for transport to Europe. The Group also supported retail

The Group supports the goals of the Paris Agreement and welcomes the European framework for the future. The company aims to be climate-neutral. The Volkswagen Group supports an EU-wide and cross-sectoral mini-lead-in hand with effective carbon leakage protection for Europe. The adjustment mechanism must be carefully examined. The Group also supports its responsibility to offer sustainable and efficient technological mobility. The reduction targets in CO₂ fleet regulation ex-