

Sustainability Council

Prof. Dr. Ottmar Edenhofer - Connie Hedegaard – Prof. Dr. Gesche Joost – Georg Kell – Yves Leterme
Prof. Dr. Gertrude Lübbe-Wolff – Margo T. Oge – Michael Sommer – Elhadj As Sy

Mr. Matthias Müller

CEO Volkswagen Group

New York , June 25th 2017

Dear Chairman of the Executive Management Board,

Dear Mr. Matthias Mueller,

As you know, we joined the VW Sustainability Council last October because we share the belief that the diesel crisis offers great opportunities to accelerate change towards a more transparent and accountable organization that is shaping the future with sustainable transport solutions with highest standards of integrity.

Over the past months, we had opportunities to better understand how VW intends to navigate the twin challenge of the diesel crisis while embarking on a deep transformation towards electrification, digitalization and innovative transport solutions with a view to establish VW as a global leader for sustainable transport. We realize that important questions regarding the root causes of the diesel crisis and the lessons learned are still open. Recent news suggest that there is still much left to be done. Towards this end we will cooperate with the Monitor to ensure that our own efforts dovetail with their work. We are also aware that VW has an enormous social responsibility which we will take very seriously in all our efforts.

At the same time, we believe it is now critical VW embrace environmental leadership as a core strategic principle and embed it in all policies and operations, accordingly. Doing so would not only greatly enhance the chances for a successful transformation by shaping an environment that is conducive to VW's ambitions. It would also be a credible and effective response to the loss of trust as the public would certainly understand over time that VW is drawing the right lessons from the diesel saga.

Stakeholders are ready to support such a shift. More specifically, we would encourage you to:

- 1) Embrace carbon leadership as a core strategy, set ambitious goals and change policies and operations accordingly and advocate carbon leadership with policy makers, customers and investors.
- 2) Change positions towards regulators in all key VW markets and become an advocate for new standards that reduce pollution and drive electrification.

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- 3) Become a leader on transparency, working with stakeholders to establish “gold standards” for emissions and fuel consumption and share actual performance data with the public.

We understand that within the EU context a meeting with the Commissioner is on the agenda in the near future to discuss post 2021 CO2 standards. In the US, the 2025 CO2 standards are currently under review through 2018, and California has already started to work on post-2025 standards. We hope that VW sees these as opportunities to demonstrably signal a change.

VW has already much to show for. New promising concepts such as holistic foot printing across the entire value chain are breaking new ground and many of its products already rank as good performers. Now is the time to build on these strengths. Embracing environmental leadership at the policy and operational levels, and elevating it as a core strategic principle will greatly help to restore trust while laying the foundation for future success.

We, the members of the VW Sustainability Council as well as relevant stakeholders are ready to support you.



Georg Kell

Spokesman Sustainability Council