

DR.-ING. HERBERT DIESS

CHAIRMAN OF THE BOARD OF MANAGEMENT

H.E. António Guterres  
Secretary-General  
United Nations  
New York, NY 10017  
USA

February, 19<sup>th</sup>, 2021

Dear Mr. Secretary-General,

Volkswagen AG first joined the United Nations Global Compact almost two decades ago. In the wake of the diesel crisis, the UN GC decided to remove Volkswagen and its brands from the GC participant list. This was the right decision to protect the integrity of the whole initiative. Since then Volkswagen has worked hard to lay new foundations for the integrity and compliance of our business. Despite our suspension from the United Nation Global Compact, we have continued to report and reference to the UN GC principles. Rejoining the UN Global Compact has been our goal ever since and I am pleased that the Volkswagen Group is readmitted into the initiative. Also, to show our sincerity and openness, we would like to offer to publish our readmission letter detailing the steps we have taken to become an trustworthy member of the UN Global Compact again.

I am pleased to confirm that Volkswagen supports the Ten Principles of the United Nations Global Compact on human rights, labour, environment and anti-corruption. We again express our intent to continue implementing those principles. We are committed to making the UN Global Compact and its principles part of the strategy, culture and day-to-day operations of our company, and to engaging in collaborative projects which advance the broader development goals of the United Nations, particularly the Sustainable Development Goals. Volkswagen will make a clear statement of this commitment to our stakeholders and the general public. We recognize that a key requirement for participation in the UN Global Compact is the annual submission of a Communication on Progress (COP) that describes our company's efforts to implement the Ten Principles. We support public accountability and transparency, and therefore commit to report on progress within one year of joining the UN Global Compact, and annually thereafter according to the UN Global Compact COP policy. This includes:

- A statement signed by the chief executive expressing continued support for the UN Global Compact and renewing our ongoing commitment to the initiative and its principles. This is separate from our initial letter of commitment to join the UN Global Compact.
- A description of practical actions (i.e., disclosure of any relevant policies, procedures, activities) that the company has taken (or plans to undertake) to implement the UN Global Compact principles in each of the four issue areas (human rights, labour, environment, anti-corruption).
- A measurement of outcomes (i.e., the degree to which targets/performance indicators were met, or other qualitative or quantitative measurements of results).

Sincerely yours,



DR.-ING. HERBERT DIESS

CHAIRMAN OF THE BOARD OF MANAGEMENT

Ms. Sanda Ojiambo  
UN Global Compact Office  
685 Third Ave, 12th floor  
New York, NY 10017 USA

Wolfsburg, November 17<sup>th</sup>, 2020

Dear Ms. Ojiambo,

Volkswagen AG first joined the United Nations Global Compact almost two decades ago. In the wake of the diesel crisis, the UN GC decided to remove Volkswagen and its brands from the GC participants list. This was the right decision to protect the integrity of the whole initiative. Since then Volkswagen has worked hard to lay new foundations for the integrity and compliance of our business. We have made serious progress. That is why I am now formally asking for the reinstatement of the Volkswagen Group into the United Nations Global Compact.

Essential for Volkswagen's dealing with the diesel crisis, its consequences and conclusions was the Independent Compliance Monitorship. In 2017, former Deputy U.S. Attorney General, Larry D. Thompson and his team started working with us. Over the course of this Monitorship, Volkswagen updated and strengthened its structures, processes and systems in many divisions of the company including technical development, governance, risk management, compliance and legal functions. Volkswagen implemented an expanded whistle-blower system, anti-corruption and anti-trust prevention.

In September 2020, Volkswagen successfully completed the Monitorship. Larry D. Thompson concluded that "Volkswagen is a better company after the scandal". Yet we know that integrity and a changed corporate culture with honesty and openness are ongoing tasks. We continue to work on this every day.

The same applies to our contribution to climate protection. Our Group was the first automotive manufacturer globally to commit to the Paris Agreement. We have launched the industry's largest decarbonization offensive. The intention is for the entire Volkswagen Group to be carbon neutral by 2050. By 2030, we will reduce our passenger car fleet's total life-cycle carbon footprint by 30% compared to 2018 – in line with the recent approval by the Science-Based Target Initiative.

Therefore, we are fully focusing on the electrification of our fleet. The battery electric vehicle is the best and most efficient option at our hands to reduce the CO<sub>2</sub>-emissions in road traffic. The year 2020 marks the market entry of the Volkswagen ID.3, the world's first balance-sheet CO<sub>2</sub>-neutral electric car, soon followed by the ID.4. And up to 75 new e-models are planned to come into the market until 2029.

In procurement, we work on sustainable supply chains with focus on decarbonization, human rights, responsible procurement of raw materials and combating corruption. We pay particular attention to protecting those groups of people who, along our supply chain, are at particularly high risk of human rights abuse. The Volkswagen Group Board of Management has built on the UN Guiding Principles on Business and Human Rights and the OECD Guidelines for Multinational Enterprises by integrating directly into its compliance management system.

Another important setting for us was the designation of an international Sustainability Council in 2016. Renowned experts from business, politics, science and society advised us on the topics of sustainable mobility and environmental protection, social responsibility and integrity as well as the future of work and digitization. Last September we gladly extended our cooperation with the Sustainability Council for an additional two years.

Despite our suspension from the United Nation Global Compact, we have continued to report and reference to the UN GC principles. We remain committed to the organization as it is our intention of rejoining.

To achieve this, we have aligned with the UN GC in NY and the German section over the last two years. Their central requirement was an external proof that Volkswagen has changed since the Diesel crisis. We believe that the independent report of Monitor Larry D. Thompson offers you this necessary assurance.

The Board of Management, our leadership team and our workforce are fully committed to making a positive, sustainable change and to prove ourselves worthy of the certification. We think that we can bring valuable perspectives to the cooperation. Our Group went through a deep crisis and has recovered from it. We have experienced for ourselves how easy it is to lose trust and how difficult it is to win it. We want to bring these experiences and our lessons learned to the UN GC, as well as the views of a global player that is driving the change to emission-free mobility on a large scale.

My team and I will gladly answer any follow-up questions that might occur.

Yours

A handwritten signature in blue ink, appearing to read "H. MEISS". The signature is written in a cursive, flowing style with a large initial "H" and "MEISS" in all caps.