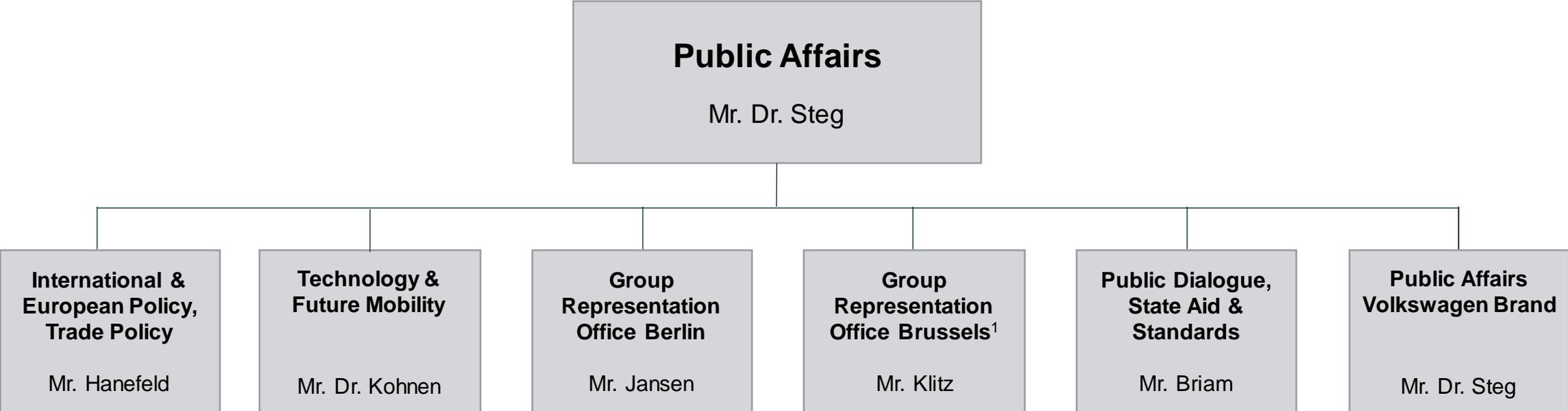


Appendix to the Principles and Guidelines for Public Affairs

2022

Classification: PUBLIC

Structure of Public Affairs (schematic representation)



¹ Volkswagen AG Group EU Representation/VIB

The Volkswagen Group is a member of organisations such as:

VOLKSWAGEN GROUP

ACEA (European Automobile Manufacturer's Association), Brussels

American Chamber of Commerce in Germany e.V., Frankfurt am Main

Atlantik-Brücke e.V., Berlin

Bitkom e.V., Berlin

Carl-Duisberg-Gesellschaft e.V. (GIZ-Wirtschaftsbeirat), Hanover

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

Latein-Amerika Ausschuss der deutschen Wirtschaft (LADW), Berlin

Stifterverband für die Deutsche Wissenschaft e.V., Essen

VDA (Verband der Automobilindustrie e. V.), Berlin

World Economic Forum, Geneva

Further information on Volkswagen AG with regard to lobbying in Germany can be found here:
[Volkswagen AG Register Entry - LobbyRegister of the German Bundestag](#)

Political Visits

Information event on current developments in the Group.
Individuals or groups of public officials and elected officials from home and abroad.
Takes place at locations of the Group in Germany upon request of politics or invitation.

Volkswagen Group's New Year Reception

Evening reception to position the Volkswagen Group as a partner for dialogue with European policy-makers in Brussels.
100 to 200 participants from EU institutions, European associations and companies, representatives of civil society and journalists. Takes place once a year in Brussels.

Information on political party events supported by Public Affairs and on advertising costs in calendar year 2022

Support for political party events

Sponsoring (total) in € 0

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 2022.

Advertising costs for party-affiliated publications

Advertising (total) in € 0

Due to the general and operational restrictions due to the COVID-19 pandemic, no advertising was placed in calendar year 2022.

Key positions in dialogue with politicians | 2022

We see it as our responsibility to actively shape the framework for our economic activities in dialogue with our stakeholders in politics and civil society. In doing so, we ensure uniform communication across all brands and companies. We also bring our positions into the discussions in the associations. Key positions we advocated in 2022, in alphabetical order:

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Artificial intelligence

Together with the associations, the Volkswagen Group is committed to a balanced European regulation of artificial intelligence (AI Act) that ensures legal certainty and at the same time creates a dynamic and flexible ecosystem that can adapt to the constant development of technology.

Automated driving

Interconnected, highly automated and, in the future, autonomous vehicles have the potential to make traffic safer, cleaner and more efficient. For the new technologies, a clear, adequate and harmonised legal framework is indispensable, which includes ethical aspects in product development and addresses product and road safety as well as the data protection interests of users for data collection and use. Furthermore, adjustment of the infrastructure towards greater interconnection is helpful and increases comfort - for example, a comprehensive, uninterrupted, fast radio network. This also includes measures such as digital city maps and clearly legible road markings and traffic signs. The licensing of data from vehicles and their use for service and innovation will become an important new business model.

Business and Human Rights

The Volkswagen Group welcomes the adoption of the Supply Chain Due Diligence Act in Germany and supports a binding legal framework at EU level that obliges companies and their suppliers to uphold human rights. The European Commission's legislative initiative in this regard is the right step towards uniform standards that offer companies legal certainty in their field of action and create level playing fields. Since August 2022, Volkswagen has a Human Rights Commissioner for the first time to advise the company on these issues.

China

The German government should stick to its policy of critical dialogue, international cooperation and deepening economic relations with China. We support the differentiated approach of the EU and the German government to regard China as a partner, competitor and system rival. The design of the China strategy should reflect all three aspects in a balanced way. We support the reduction of one-sided dependencies and diversification, and we reject economic decoupling from China.

Competitiveness and funding

To achieve the climate protection goals of the Paris Agreement while ensuring competitiveness, the associated transformation processes require progressive innovation, new strategies and technologies from the Volkswagen Group. The Group will therefore engage throughout the entire value chain from raw material extraction and refining to recycling. However, in order to reduce dependencies, remain competitive with China and the USA and at the same time not

slow down the entry into electromobility through high costs for the customer, targeted funding is required.

Especially in light of the American Inflation Reduction Act, European funding must support own cell production and associated value creation in order to create an attractive long-term investment environment in Europe. This also includes the provision of cheap, green energy as a decisive factor in future location decisions. The urgency of the transformation requires that funding instruments be made as unscriptive and comprehensive as possible, which is not the case with current measures such as the promotion of "Projects of Common European Interest" (IPCEI).

Data regulation

The Volkswagen Group supports the European Commission's data economy approach from February 2022, which is intended to give consumers and third-party companies the opportunity to gain access to data and to use this data with the cross-sector "Data Act". The Volkswagen Group welcomes and supports the general strengthening of user rights as a result.

Some provisions of the Data Act should be adjusted to create the greatest possible added value for the automotive industry with its deep supply chains as well as for the customers. In addition to cross-sectoral regulation, the Volkswagen Group also supports the sector-specific proposal of an EU-wide approach by the European Commission, which is expected in the second quarter of 2023.

In addition, the [VDA ADAXO concept](#) (Automotive Data Access, Extended and Open) was developed in 2022 to ensure safe and fair use of data along the entire value chain, from data generation in the vehicle to new data-based services for the customer.

The Volkswagen Group actively participated in European initiatives such as the cloud project GAIA-X, Catena-X and the Mobility Data Space, which aim to build internationally competitive data infrastructures. Engagement took place also at national and international level in official consultations on digital policy topics.

Decarbonisation

The Volkswagen Group is committed to the two-degree target of the Paris Climate Agreement. By 2050, the Group wants to be net CO₂-neutral as a whole. This ambition for climate protection is also a central part of the environmental mission statement "[goTOzero](#)", which calls for a CO₂-free economy.

To achieve a holistic long-term CO₂ reduction in the transport sector, the expansion of renewable energies represents a decisive factor for achieving the climate targets.

The Group welcomes the "European Green Deal" and the "Fit for 55" package as an important regulatory framework at EU level. Together with the agreement on the future CO₂ fleet regulation for passenger cars and light commercial vehicles, the European institutions have

sent a clear and expected signal for climate protection. To achieve the fleet regulation targets, the electrification of the vehicle portfolio is the indispensable prerequisite. The Group is living up to its responsibility by investing heavily in electromobility.

In addition, the Volkswagen Group advocates for an EU-wide and cross-sectoral CO₂ pricing, which should go hand in hand with effective carbon leakage protection for European companies. A CO₂ border adjustment mechanism is the right measure in view of continuously rising CO₂ costs in Europe. A fair CO₂ border adjustment mechanism that is compatible with WTO regulations can support the global CO₂ reduction targets and the Paris climate targets and form the basis for the introduction of a global emissions trading system across all sectors.

Electrification in the transport sector reduces the demand for gasoline and diesel fuel. The existing combustion fleet must also reduce its CO₂ emissions by increasing binding blending quotas for advanced biofuels and e-fuels.

Electromobility and charging infrastructure

With the agreement on the future CO₂ fleet regulation for passenger cars and light commercial vehicles at the end of October 2022, the European institutions have sent a clear and expected signal for climate protection: the transition to electric mobility is irreversible.

The Volkswagen Group takes the position that this transition is the ecologically, technologically and economically only sensible way to replace combustion engines as quickly as possible. When it comes to passenger cars, there are no technologically sensible and available alternatives to electric mobility. This is where the efficiency of electricity – and long-term green electricity – is used most efficiently. Until electric mobility has become established, regulators should focus on setting up and supporting the necessary environment, especially the development of the charging infrastructure.

The Volkswagen Group supports promotional measures for all customer groups, a mix of purchase and usage incentives, targeted measures to create a used car market and the development of a charging infrastructure. For example, the development of an EU-wide customer-friendly public and private charging infrastructure must be regulated by legally binding expansion targets and charging point quotas for all Member States to be able to adequately serve the ramp-up of electrified vehicles. By this, also the ambitious target of no new registrations of vehicles with combustion engines in the European Union by 2035 would be feasible.

The Volkswagen Group expects that electrification will also be the exclusive or predominant solution for light commercial vehicles and heavy-duty long-haul transport and is promoting a stringent and anticipatory build-up of the corresponding charging infrastructure in Europe.

Energy supply and renewable energies

Germany has decided, for political reasons, to phase out both nuclear power and coal. Due to the breakdown of Russian gas supplies, Germany has become vulnerable in terms of energy

security and energy supply. The explosion in the cost of electricity and heat represents a fundamental challenge. Germany must reduce its dependence on external energy. Considerable amounts of renewable energies are needed to secure the industrial transformation. This requires an ambitious expansion of renewable energies, quick approval procedures and the expansion of the grids. In the future, green electricity must be available everywhere in Germany, at internationally competitive prices.

Euro 7 legislation

The Volkswagen Group supports all efforts to improve air quality. Air quality has already improved significantly in recent years, particularly due to the steadily growing number of electric cars and the continuous renewal of the fleet.

Euro 7 must be designed as a technically feasible regulation that does not overload the industry, maintains its competitiveness and enables the sale of vehicles with combustion engines in all segments from small cars to heavy commercial vehicles without slowing down the transformation to electric mobility. An introduction of the new Euro 7 emission standard at the desired time and in its current form is not realistic. After the submission of the final law, presumably at the beginning of 2024, sufficient time is needed to develop and industrialise the necessary technologies such as the planned "On-Board Monitoring" or a "Low emission brake". Therefore, in case of an early implementation of Euro 7, there is a risk of far-reaching production stops.

In addition to the date of implementation and emission values, further details of the regulation, in particular the RDE testing conditions, must be defined by the EU as quickly as possible, so that the series development of the vehicles can start without further delay. When defining the testing conditions, it must be avoided that the standards are also applied to atypical, exotic and non-representative driving situations.

Overall, there is a risk that financial resources initially designated for the transformation to electric mobility have to be used for Euro 7-related investments, which jeopardizes the achievement of the goals for electric mobility in 2030 and 2035.

EU industrial policy and subsidy instruments

The Volkswagen Group is interested in a united, sustainable Europe that is strong in international competition. The European internal market, cross-border trade, the free movement of skilled workers and the exchange of knowledge are fundamental conditions for competitiveness.

The European Union has no suitable instruments for a short-term industrial policy and cannot compete with subsidies offered in the US or China. The IPCEI (Projects of Common European Interest) instrument is too cumbersome and complicated. The Volkswagen Group advocates for a transformation fund for projects in the areas of climate protection, decarbonisation and

the restructuring of industrial clusters across the EU. So far, regional funding has mainly taken place in Eastern Europe.

International trade policy

Cross-border trade in goods has generated enormous growth in prosperity worldwide. The focus of international trade policy must continue to be on opening up new markets and removing trade barriers, not on achieving protectionist objectives.

De-globalisation is counterproductive for climate protection, progress, prosperity and economic development. To counteract protectionist tendencies and prevent reshoring, an accelerated implementation of negotiated/modernised trade agreements is necessary. Due to changing geopolitical and economic realities, a pragmatic European approach is needed, including trading with a variety of partners to improve the resilience and sustainability of supply chains. Volkswagen stands for an open, rules-based trade policy with a focus on connectivity rather than decoupling.

Right-Wing extremism

During the Second World War, around 20,000 forced labourers were employed in Wolfsburg. From its history, the company has an obligation to stand up against extremism in general and the strengthening of right-wing extremism in particular. The Volkswagen Group is politically neutral, but not indifferent. It advocates for its positions in dialogue with politicians worldwide but always decides on the basis of its corporate values on contact with individual stakeholders.

Sustainable financing

The European Commission's "Strategy for financing the transition to a sustainable industry" and the planned delegated act for the environmental goals "Sustainable use and protection of water and marine resources", "Transition to a circular economy", "Prevention and control of pollution" and "Protection and restoration of biodiversity and ecosystems" will be accompanied by new reporting requirements for the Volkswagen Group. The company is following the procedural process for the planned delegated act, which specifies the stated objectives.

Transformation and future of the automotive industry

With the new Group Strategy 2030 "[NEW AUTO- Mobility for Generations to Come](#)", the Volkswagen Group has initiated the largest process of change in the company's history. With the realignment of the company from a successful automotive company to a leading global provider of sustainable mobility and mobility services, the Group wants to turn its attention to the future open-minded.

The Volkswagen Group supports the EU's political decision to ban combustion engines from 2035. Therefore, and in addition to the drive shift towards pure electric mobility, which is promoted by the Group, the Volkswagen Group will strengthen and expand its competencies in the areas of battery products, battery recycling and charging infrastructure. The continuous

change towards digitization and the data economy is also being carried out consistently. In addition to in-house software development and mobility services, the focus is increasingly on the key technology of autonomous driving.

Since the path of change cannot be undertaken by the Volkswagen Group alone, the Group is counting on the active support of politicians to set the necessary regulatory framework for this transformation.

Transparency of Public Affairs

The Volkswagen Group supports regulations on the transparency of public affairs. Where political guidelines are already in force, they are followed. Service providers are committed to the Group's principles and guidelines for public affairs, too. The Group is registered in the Transparency Register of the European Union ([entry of Volkswagen AG](#)) and in the German lobby register ([entry of Volkswagen AG](#)) and complies with the associated requirements.

The future of mobility

The focus is on the development of sustainable, connected, safe and tailor-made mobility solutions for future generations. The aim is to link the mobile and digital worlds in a way that customers, companies and society benefit equally.

The Volkswagen Group sees mobility as a basic human need. Accordingly, an equal coexistence of different mobility options is regarded as indispensable in order to be able to provide consumers with the best possible mobility option tailored to them. An improved synergy of the individual mobility concepts to increase personal freedom and individual mobility is considered fundamental by the Volkswagen Group.

A fair balance of rights and obligations for existing and new forms of passenger transport is an essential factor for new mobility service providers to establish themselves with innovative offers in the long term. The equal tax treatment decides whether bundled on-demand transport can develop its full added value as a supplement to public transport and for traffic and cost relief in municipalities. For example, German road traffic law does not yet cover new modes of transport such as ridepooling in its special rules for public and occasional transport. It should be adapted accordingly in favour of environmentally friendly mobility concepts and ridepooling should be equated with taxis under road traffic law.

Working in the pandemic

Workers' health remained a top priority in the third year of the pandemic. With its own testing capacities and vaccination offers at locations worldwide, the public health systems were relieved. In Germany, it was an objective to modernise legal requirements on working hours in the interests of employees and today's operational reality. Temporary work should be maintained as an important instrument of flexibility and the short-term working allowance scheme should be continued in 2023.