WLTP for fleet

How the new test procedure affects the fleet business
Ladies and Gentlemen,

The automotive industry is facing a major transformation process that will also affect the fleet business directly. The EU countries have introduced a new, more realistic and more consistent test procedure for determining fuel consumption and emissions which came into force on September 1, 2017. The WLTP (Worldwide Harmonized Light-Duty Vehicles Test Procedure) replaces the existing NEDC for all passenger cars and light commercial vehicles.

One of its improvements is the possibility to simulate more realistic driving profiles in laboratory conditions on the basis of real driving data collected worldwide. For you as a fleet customer, the WLTP means a considerable advantage in comparability and transparency, as you can already adapt your vehicles to your fleet targets during the configuration process on the basis of more realistic consumption values.

None of this will affect the vehicles you have already registered in your fleet. Of course, as a manufacturer we are taking extensive preparations to ensure that, once the WLTP is fully implemented – for passenger cars from September 1, 2018 and for light commercial vehicles from September 1, 2019 – that our vehicles will be approved according to the new test procedure. So the Volkswagen Group will continue to offer you and your fleet an attractive and diverse product portfolio.

As Volkswagen Group, we want to inform you about the changes to the new test procedure in good time with this brochure. We have collected central and fleet-relevant questions and answers for you on the following pages. Volkswagen Group Fleet International stands at your side as a transparent partner.

Yours sincerely

Armin Villinger
Managing Director Volkswagen Group Fleet International

PS: By the way, you can also read everything you need to know on our fleet customer information platform www.volkswagen-group-fleet.de/en/fleet-customer/wltp
WLTP detail
Introduction and deadlines

WLTP was developed with the intention of recording consumption and emission values as realistically as possible. The 30-minute driving cycle was drafted on the basis of a variety of driving data from around the world, from acceleration behaviour to shorter stops, and is intended to produce more representative results.

WLTP was introduced in the European Union and countries that follow EU regulations in September 2017 and will be expanded in two subsequent stages until 2019. Passenger cars and light commercial vehicles are subject to different deadlines.

First deadline: September 1, 2017

Passenger cars
Type approval for new models will require consumption and CO₂ values to be measured according to the WLTP.

Light commercial vehicles
WLTP applies to all newly developed vehicles in category N1 class I – i.e. models with a reference mass of less than 1,305 kg. The reference mass is comprised of the empty weight of a vehicle plus 75 kg (for the driver), 100 percent operating liquids, a 90 percent tank filling and an additional 25 kg.

Second deadline: September 1, 2018

Passenger cars
The WLTP applies to all passenger cars and category N1 class I light commercial vehicles. The relevant vehicles must be type approved under the WLTP by the manufacturers at this time.

Light commercial vehicles
WLTP applies to all newly developed light commercial vehicles of category N1 classes II and III as well as category N2 must be type-tested under WLTP.

Third deadline: September 1, 2019

Light commercial vehicles
It is mandatory for all manufacturers to disclose WLTP for all light commercial vehicles in category N1, classes II, III and category N2.

WLTP IMPLEMENTATION – KEY DATES

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*Vehicles in category N2 classes II and III, and in category N2. Light commercial vehicles of category N1 class I are subject to the same deadline as passenger cars.

**According to the European Commission, a revision of the passenger car labelling guideline and the national tax legislation is recommended after 2019. For that reason, different dates for implementation may apply in different EU countries.
Implementation at national level
Next to the European WLTP regulation for type approval of different vehicle classes, there is also the European customer information directive regarding the specification of values in showrooms, configurators and vehicle labelling.

It is important to know that the directive has to be implemented through the respective national legislation. Some countries levy taxes on CO₂ and envisage concrete regulations on labelling, while other countries apply just one or the other.

When modifying fleet policies, it is essential to consider this diversity and obtain information on the relevant national regulations from the authorities and associations in question. Neither the EU nor the manufacturers can make a general statement on this matter.

Differences in taxation
The WLTP will be introduced in the EU-28 countries, Norway, Iceland, Switzerland and Liechtenstein, as well as in Turkey and Israel, which follow EU regulations. However, as taxation is constituted and enacted on a national level, different timelines and procedures may exist for each member state. Several European countries, such as Germany, Austria and the Netherlands, for example, have already provided first indications.

As of September 2017, it is not clear how the WLTP will affect the respective national legislation in monetary terms. The general rule is, however, that vehicles that are already registered will not be subject to tax penalties due to the WLTP transition. The determining factors for taxation and the specification of consumption values are the applied test procedure and the date of registration. It is expected that vehicles with type approval
under NEDC will be taxed according to the NEDC (in the interest of vested rights).

**Specification of WLTP values**

Even though, WLTP type approval has been mandated by the European Commission for all new models and engines since September 2017, the concrete labelling of WLTP values has not been scheduled as yet. Initially, the labelling of WLTP values is mandatory only for the Certificate of Conformity (CoC). It specifies that the vehicle corresponds to international standards to facilitate the registration process.

As both NEDC and WLTP values will be provided in the CoC until the end of 2020, a comparison between WLTP and NEDC is possible in principle, but it would yield any results as both values are determined by different test procedures.

The WLTP consumption values displayed for customer information in showrooms, configurators, the CO₂ energy efficiency label and the vehicle tax need to be implemented consistently by January 1, 2019 as stipulated by the EU Commission. Until then the NEDC specifications remain binding until national legislation is modified. WLTP values can be provided voluntarily as additional information until then.

The Volkswagen Group, for example, already displays both sets of values for all new model types approved under WLTP in order to inform customers at an early stage.
In which countries will the WLTP be introduced?
The WLTP will be introduced in the EU-28 countries, Norway, Iceland, Switzerland and Liechtenstein as well as Turkey and Israel as countries that follow EU regulations. Outside of Europe, Japan will introduce the WLTP in modified form and China will introduce it for emissions. In addition, India and South Korea plan to introduce WLTP at a later stage. The new test procedure will account for conventional combustion engines as well as hybrid and electric vehicles.

How does the WLTP affect vehicles already registered in my fleet?
Generally, the shift to WLTP will not affect vehicles already registered under NEDC. During its first stage of introduction from September 1, 2017, the WLTP will be relevant only for new model types, while from September 1, 2018, WLTP guidelines will be mandatory for all new registrations. For commercial vehicles outside category N1 class I, introduction will be delayed by one year.

What kind of tax implications will the WLTP have for my fleet?
In tax terms, nothing will change for vehicles that have already been registered. The deciding factor for taxation and the specification of consumption values for the vehicle is the test procedure applied on the date of registration. It is expected that vehicles with type approval under NEDC will be taxed according to the NEDC (in the interest of vested rights). The modulation of CO₂ taxation lies within the responsibilities of each EU member state and is therefore regulated by national law. As the NEDC is the deciding factor in taxation until at least August 31, 2018 or until national legislation has been adapted, we do not currently see any direct changes to vehicle taxation. However, as the WLTP will demonstrate higher CO₂ values than the NEDC due to more realistic test conditions, an increase in vehicle tax can be assumed if current national taxation laws remained unchanged.

What influence does WLTP have on CO₂ values?
It is not possible to quantify the actual impact on CO₂ values, partly because there is no conversion formula to WLTP, and also because there is no experience as of yet. In addition, we as a manufacturer may only provide officially approved values. Furthermore, vehicle ranges for electric and hybrid cars are also determined for each vehicle.

WLTP: concise information for fleet customers
The introduction of the WLTP may result in several changes for fleet customers. We have collected relevant fleet questions and answers below.
Do I need to adapt my fleet guideline directly to the WLTP?

Next to actual CO₂ emissions of a fleet, vehicle choice and internal company guidelines are often a determining factor in taxation. However, these values are derived from the current NEDC and will remain so until national legislation is fully implemented. Until national laws are ratified and official WLTP values type approved by the governing authorities are available, it is not advisable to adapt fleet policies. Nevertheless, we recommend raising the awareness among fleet drivers by communicating WLTP figures voluntarily as additional information from 09/2017 for all new types.

When will Volkswagen AG provide WLTP values?

Publication of WLTP values requires official type approval from the responsible motor vehicle authority beforehand. From September 1, 2017, both NEDC and WLTP values have to be provided in the CoC for all new types approved under WLTP.

When will configurators begin to display WLTP values?

The Volkswagen Group will provide WLTP type approved values for all newly homologated models voluntarily as additional information from September 2017. Until the WLTP is fully implemented in each country or the national law is modified, the NEDC values remain decisive.

To what extent will the WLTP influence my vehicle configuration?

So far the NEDC has been decisive when determining consumption and CO₂ values as well as vehicles ranges. In the new WLTP test procedure, measurements are performed while taking into account the equipment weight, vehicle aerodynamics, rims and tyre roll resistance and engine-gear box combination. That is why vehicles will feature individual emission and consumption figures. As a result, the consumer will be able to influence both the price and the CO₂ emissions of the configured vehicle in future.

Test results will be higher after the WLTP procedure. Does that mean that my fuel consumption has increased?

The general rule is: individual customer consumption is independent from the test cycle. The aim of the test procedure is to ensure by means of a standardised and reproducible process that different vehicle models and manufacturers can be compared. In reality, a vehicle’s consumption and CO₂ emissions depend on a multitude of factors that cannot be perfectly reconstructed in the laboratory, even with the WLTP. Different driving styles represent a central factor here. If two drivers move identical vehicles in identical conditions in real traffic, the values are bound to differ due to individual acceleration and braking behaviour, for example. With the WLTP, CO₂ emissions and fuel consumption will likely be higher because the new test procedure simulates a wider range of realistic driving profiles.