

Sustainability – getting it right this time

The crisis revealed weaknesses in our processes and, in so doing, opened doors and cleared the way for change. Strengthening the Group's sustainability management is a key example.

Text — Prof. Dr. Gerhard Prätorius

September 18, 2015, was a black day for Volkswagen – and a bitter blow for the Group's sustainability management. The notice from the US Environmental Protection Agency revealed that Volkswagen had broken not only the law, but also a promise to society. Clean diesel wasn't clean. It had failed to deliver on its environmental claims.

The new Chairman, Matthias Müller, promised that Volkswagen would learn the right lessons from the absurd manipulation that had taken place. Less than a year on, some of these lessons have already been taken on board. Apart from the need to improve compliance standards, the most important lesson from the mistakes of the past is the need to strengthen the Group's sustainability management.

The Council

To tackle this task, the Group has appointed an international Sustainability Council that is vested with far-reaching rights of information, consultation, and initiative, and thus is able to initiate projects. The high-caliber council consists of four women and five men. They will establish their own working methods and areas of focus and will consult with the Management Board regularly to breathe life into the Group's sustainability strategy. The council's role is to cast a search-

ing, critical eye over developments within the company and in society.

In addition, it will provide fresh impetus by putting forward ideas and suggestions. The proven expertise of the council members guarantees a comprehensive approach. The topics are: (1) social responsibility and integrity, (2) sustainable mobility and climate protection and (3) the future of work and digitalization. This should enable external reflection on our internal view of problems and solution approaches in areas of future significance. A project budget and offices are being set up to facilitate the work of the council.

“We have to integrate sustainability more strongly into our management processes.”

Dr. Thomas Steg,
General Representative of the Volkswagen Group and Head of Public Affairs and Sustainability

Stakeholder management

A company that seeks to position itself for long-term success on the market and vis-à-vis the competition must have a close knowledge of its business environment and stakeholders, as well as the factors that influence them. And its strategy must take these into account. In the near future, Volkswagen will therefore redouble its efforts to resume its time-proven stakeholder dialogues and partnerships, and to regain its place in national and international sustainability alliances.

Along with our employees and customers, our stakeholder groups in science, business, politics, the media, and society all need to be integrated into a systematic stakeholder management strategy. The new “TOGETHER – Strategy 2025” has laid the foundation, placing stakeholders firmly at the center: we are taking responsibility for the environment, safety, and society.

In a process spanning our divisions and brands, we are also developing targets and indicators that the company will use to measure its progress in three key arenas: business, the environment, and social affairs.

The aim is to ensure that, as it moves forward, Volkswagen takes stakeholder expectations into account in a balanced way and keeps its promises to society. ◀

BRIGHT MINDS

**Prof. Ottmar Edenhofer,**

born in Germany, is Deputy Director and Chief Economist at the Potsdam Institute for Climate Impact Research (PIK) and Director of the Mercator Research Institute on Global Commons and Climate Change. From 2008 to 2015 he was one of the co-chairs of Working Group III of the Intergovernmental Panel on Climate Change (IPCC).

**Connie Hedegaard,**

born in Denmark, is a member of the board of Aarhus University and Chairwoman of the Kann Foundation, an international environmental foundation. From 2010 to 2014 she was European Commissioner for Climate Action. Prior to that she served as Denmark's Minister for the Environment and Minister for Climate and Energy, and hosted the UN Climate Change Conference in Copenhagen in 2009.

**Prof. Gesche Joost,**

born in Germany, is a professor of design research at Berlin University of the Arts, where she heads the Design Research Lab. Her research focuses on human-computer interaction. In March 2014 the German government appointed her Digital Champion for the European Commission.

**Georg Kell,**

born in Germany, is Vice-Chairman of Arabesque Partners, a company specializing in sustainable investment. He was the founding director of the United Nations Global Compact and its executive director until 2015. He is considered one of the most influential thinkers in the field of business ethics.

**Yves Leterme,**

born in Belgium, is Secretary-General of the International Institute for Democracy and Electoral Assistance (IDEA) and a former leader of the Christian Democratic and Flemish Party (CD&V). He was the Belgian Minister of Foreign Affairs until 2009 and Prime Minister until 2011, when he became Deputy Secretary-General of the OECD.

**Prof. Gertrude Lübke-Wolff,**

born in Austria, is a professor of law at Bielefeld University. She served as a judge on Germany's Federal Constitutional Court from 2002 to 2014. She received the Gottfried Wilhelm Leibniz Prize from the German Research Foundation for her research in the field of public law.

**Margo T. Oge,**

born in Greece, has lived in the USA since 1968. She is a Distinguished Fellow of the ClimateWorks Foundation and a member of the International Council on Clean Transportation (ICCT). For more than 30 years, she held high offices at the Environmental Protection Agency (EPA), including as Director of the Office of Transportation and Air Quality.

**Michael Sommer,**

born in Germany, is Vice-Chairman of the Friedrich Ebert Foundation and a member of the Board of Trustees of the Volkswagen Foundation. A member of Germany's Social Democratic Party (SPD), he was Chairman of the German Trade Union Confederation (DGB) from 2002 to 2014 and, during his last few years in office, also President of the International Trade Union Confederation.

**Elhadj As Sy,**

born in Senegal, is Secretary-General of the International Federation of Red Cross and Red Crescent Societies. He is a member of the Independent Oversight and Advisory Committee for the WHO Health Emergencies Programme. In June 2016 UN Secretary-General Ban Ki-moon appointed him to the Global Health Crises Task Force.