
Media information

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European CEO Alliance emphasizes cross-industry collaboration to fight climate change

- **Members agree at first meeting: “We support the EU Green Deal. The climate targets are feasible, with sustainable growth and future-proof jobs ahead”**
- **Volkswagen and 11 leading European companies collaborate on decarbonization of economy and society**
- **Investments of over €100 billion underpin members’ decarbonization roadmaps**
- **Member companies represent all key industry sectors, over €600 billion in annual revenue and 1.7 million employees**

Wolfsburg/Stuttgart, October 2, 2020 - Yesterday, Dr. Herbert Diess, Chairman of the Board of Management of Volkswagen AG, and CEOs from 11 other European companies joined forces for a zero-carbon future and a more resilient Europe. The European Union is committed to net zero emissions by 2050, which is in line with the CEO Alliance companies’ own decarbonization strategies. All members support the Paris 2050 goals, the EU Green Deal and the ambition to raise EU climate targets. They represent different industries, generate a combined €600 billion in annual revenues and employ 1.7 million people. The CEO Alliance channels their decarbonization efforts: it connects sectors and strategies, identifies potential for collaboration, and fosters projects and investments for a sustainable economy and society.



From left to right: Members participated virtually and physically. Present in Stuttgart were Georg Kell (Advisor), Henrik Henriksson (Scania), Peter Weckesser (Schneider Electric), Thierry Vanlacker (AkzoNobel), Herbert Diess (Volkswagen), Connie Hedegaard (Advisor) and Björn Rosengren (ABB).

At its inaugural meeting in Stuttgart, the cross-industry alliance underscored: “The climate targets of the European Union are feasible. Our industries do not block, but rather foster the shift toward a carbon-neutral economy. We see growth potential for all industries in the long run. If we manage this historic transformation successfully, sustainable development and new future-proof jobs will be the result. Together, we will support all efforts to reach a social consensus for more sustainability.” With yesterday’s start, the CEO Alliance becomes an association of action that unites corporate

strategies, industries and societies on the road to a carbon-neutral Europe.

All members believe the new climate targets of the European Commission, envisaging emission reductions of 55% by 2030, are manageable. On the industry side, the CEO Alliance members have already pledged to invest more than €100 billion in their respective decarbonization roadmaps over the next years to help reach these targets. Every member has defined its own strategy to address decarbonization, by reducing carbon emissions across the relevant value chains and by offering sustainable products and services to customers. For reaching the respective CO₂ targets, each member and each sector is dependent on other members and sectors, which especially calls for cross-sector activities.

Collaboration potential of the Alliance was identified in six fields: In energy systems, renewable power generation must be scaled up rapidly and power grids must be modernized. In terms of mobility and transport, the EV charging infrastructure must be expanded and the low-carbon transport or shipping of goods intensified. Zero-impact production – in particular for renewable power generation components – and sustainable battery production are key aspects in manufacturing and industrial processes. In terms of buildings and urban environments, the focus is on zero-emission offices and sustainable green city planning. In regard to new business models, the focus is on carbon tracking with digital technologies in the supply chain. The field of sustainable finance will also offer new opportunities.

The members also agree that the transformation towards a net-zero carbon future needs to be based on a broad public consensus. The CEO Alliance is willing to contribute to this consensus, and to establish a social contract, by intensifying the dialogue between stakeholders from the private sector, public sector and civil society. At the same time, the members call on political leaders to create the necessary political support and incentives. At the inaugural meeting, the dialogue started with a discussion with Frans Timmermans, Executive Vice President of the European Commission.

The CEO Alliance is convinced that ambitious decarbonization and cross-sector collaboration require ambitious and cross-sector policy frameworks, for example carbon pricing with a minimum floor price in the EU Emissions Trading System, a reform of the energy taxation system, and driving demand for sustainable, innovative and digital solutions, among other things by using renewal schemes, public procurement and investments.

The CEO Alliance represents members from key industry sectors: ABB, AkzoNobel, Eon, Enel, Iberdrola, A.P. Møller Maersk, Philips, SAP, Scania, Schneider Electric, Siemens and Volkswagen. Following an initial joint letter to the European Commission in June 2020, the first face-to-face meeting underscored the commitment to act fast and to recognize the urgency of the necessary transformation for future competitiveness.



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About the Volkswagen Group:

The Volkswagen Group, with its headquarters in Wolfsburg, is one of the world's leading automobile manufacturers and the largest carmaker in Europe. The Group comprises twelve brands from seven European countries: Volkswagen Passenger Cars, Audi, SEAT, ŠKODA, Bentley, Bugatti, Lamborghini, Porsche, Ducati, Volkswagen Commercial Vehicles, Scania and MAN. The passenger car portfolio ranges from small cars all the way to luxury-class vehicles. Ducati offers motorcycles. In the light and heavy commercial vehicles sector, the products range from pick-ups to buses and heavy trucks. Every weekday, 671.205 employees around the globe produce on average 44,567 vehicles, are involved in vehicle-related services or work in other areas of business. The Volkswagen Group sells its vehicles in 153 countries.

In 2019, the total number of vehicles delivered to customers by the Group globally was 10.97 million (2018: 10.83 million). The passenger car global market share was 12.9 percent. Group sales revenue in 2019 totaled EUR 252.6 billion (2018: EUR 235.8 billion). Earnings after tax in the fiscal year now ended amounted to EUR 14.0 billion (2018: EUR 12.2 billion).
