



PRESS RELEASE

23 September 2015

Vigeo severely downgrades Volkswagen's rating

Vigeo proceeded today to a major downgrading of Volkswagen scores due to the severity of the facts of concealed emission levels and environmental impacts of its vehicles.

The use of a technology device set up to fool the existing controls in place in the United States of America, acknowledged after a long period of rhetoric and delay, challenges levels of assurance that Vigeo had previously made about Volkswagen's performance on environment, governance, business ethics and community involvement.

Vigeo's opinion is highly downgraded on the capacity of the automobile manufacturer to mitigate its reputational risks, to safeguard the cohesion of its human capital or to ensure the efficiency of its internal processes.

Up to now, Vigeo was considering Volkswagen's overall performance as "limited" with a score of 48/100, and positioned it below the performance of its peers in the automobile manufacturing sector. The highest score was obtained by PSA Peugeot Citroën (60/100), sector leader in Europe. Volkswagen was notably subject to several controversies, including allegations of corruption over the last decade, that had limited its performance in terms of business ethics and governance.

On the environment domain, an area undergoing an increasing set of regulations and on which all automakers know they are being closely observed, Volkswagen's performance was considered by Vigeo as lower than that of its counterparts - the sector leaders in this area being PSA Peugeot Citroën, Fiat and Renault.

Volkswagen's scores are downgraded in 4 of the 6 domains under review by Vigeo:

- The score in the environment domain falls from 48/100 to 5/100
- The criterion analyzing the fairness of information provided to customers within the business behaviour domain is now on rated for this company, and scores at the minimum level of 0/100
- The criterion relating to the societal impact of products has been downgraded from 43/100 to 0/100
- Two criteria relating to corporate governance : integration of CSR issues at Board Level and Audit and internal controls are downgraded, to respectively score now at 22/100 and 0/100
- Domain scores regarding human resources and the respect of human rights on the workplace are not yet downgraded but Vigeo's assurance on the capacity of the company to safeguard the social cohesion of its human capital, its reputation, as well as the social interest of its collaborators and those of its suppliers is weak following this scandal.

Volkswagen's overall score is downgraded by 18 points (30/100), which is considered to be a weak ESG performance.

For Fouad Benseddik, Director of Methodology and Institutional Relations at Vigeo: "These events, of extreme severity, underline the urgency to take into account opinions and scores of social ratings in the evaluation of business performance. Such a gap between the amount, the sincerity and the relevance of information demonstrates the need for market operators to evaluate corporate commitments through specific CSR rating frameworks that are specific, consistent, independent, and taking into account the views of stakeholders"

For any further information



Press contacts Vigeo :

PARIS	Anita LEGRAND (FR/EN)	+33(0)1 55.82.32.44	anita.legrand@vigeo.com
BRUSSELS	Jordi LESAFFER (FR/NL)	+32.2.206.11.17	jordi.lesaffer@vigeo.com
CASABLANCA	Siham MEZZOUR (FR)	+212.522.87.14.77	siham.mezzour@vigeo.com
LONDON	Michaël NOTAT (FR/EN)	+33 (0) 1 55.82.32.83	michael.notat@vigeo.com
MILAN	Simonetta BONO (IT)	+39 02 27 72 71 40	simonetta.bono@vigeo.com
TOKYO	Robert VERDIER (FR/EN/JAP)	+81 3 5721 6159	robert.verdier@vigeo.com
SANTIAGO	Fanny TORA (FR/EN/ESP)	+56 2 29 07 40 68	fanny.tora@vigeo.com

About Vigeo

Founded in 2002 and led by Nicole Notat, Vigeo is the European expert in evaluating corporate responsibility through six domains: business behavior, community involvement, corporate governance, environment, human rights and human resources.

Vigeo offers two types of services through two business brands:

- *Vigeo rating – the way to responsible investment* – offers a broad range of products and services on more than 3 000 issuers, companies, regions and state, to investors and asset managers who seek a sustainable and responsible performance from their investments ;
-
- *Vigeo enterprise – the way to responsible management* – works directly with organizations of all sizes from both public and private sectors, conducts global CSR audits and benchmarks, supports teams and integrates CSR/SRI criteria into business functions and strategic operations.

Vigeo rating's research meets high quality standards and has been externally certified to the Arista standard since 2009, a quality standard for SRI research.

Vigeo is present in Paris, Casablanca, Brussels, Milan, London, Tokyo and Santiago of Chile and has more than 120 employees.

www.vigeo.com