

Press Release

Athens, Greece, 4 November 2020 | The Greek government and the Volkswagen Group, one of the world's leading automakers, announced today a groundbreaking agreement for a pioneering project to transform Astypalea into the first smart, green island in the Mediterranean with energy autonomy.

The project involves gradually replacing conventional private and public vehicles on the island with electric ones; the introduction of an innovative transportation system; and the production of electricity from renewable energy sources to replace the current use of fossil fuels, leading to a sharp reduction in the island's emissions of greenhouse gases. The agreement signed today by Deputy Minister of Foreign Affairs for Economic Diplomacy and Openness Costas Fragkogiannis and Dr. Herbert Diess, CEO of the Volkswagen Group, reinforces the National Strategy of the Greek government to promote the green economy.

For the Greek government, this emblematic project represents a central pillar of its environmental policies and provides an example of its approach based on three key features:

- Replacing the existing vehicle fleet on the island with e-vehicles
- Introducing innovative shared and on-demand transportation services
- Fostering fossil fuel independence through a hybrid RES system

The project is realized thanks to the decisive contribution of Government members Mr **Adonis Georgiadis**, Minister of Development and Investments and Mr **Nikolaos Papathanassis**, Deputy Minister of Development and Investments, Mr **Konstantinos Hatzidakis**, Minister of Environment and Energy, Mr **Theodoros Skylakakis**, Deputy Minister of Finance, Mr **Panagiotis Theodorikakos**, Minister of Interior, Mr **Konstantinos Karamanlis**, Minister of Infrastructure and Transport and Mr **Ioannis Kefalogiannis**, Deputy Minister of Infrastructure and Transport, and Ms **Alexandra Sdoukou**, Secretary General for Energy & Mineral Resources of the Ministry for the Environment and Energy.

The project will be implemented over six years and demonstrates Greece's ability to attract international investment focused on smart sustainability and electric transportation.

H.E. the Prime Minister of the Hellenic Republic, Kyriakos Mitsotakis, attended the ceremony and said "I strongly believe in partnerships. Governments can't deliver on their own and the private sector isn't the answer to every question. That is why this ambitious endeavor is the result of the close partnership between the Greek state and Volkswagen Group. A world leader in the automotive industry that aims at making its fleet of vehicles and the company fully carbon neutral by 2050; coming together with a European nation in full transformation mode."

Deputy Foreign Minister Costas Fragkogiannis said: "Today is a great day for Astypalea, the Dodecanese Region, the Aegean Sea and all of Greece. Today we are launching the first "Smart Green Island" project in our country, which marks a major change in our outlook. Electric transport and a holistic, green and sustainable action plan will have a positive impact on the everyday life of the island's inhabitants. Combined with a pioneering public transport system, we are turning futuristic ideas into reality. Today Greece shows that it is ready to adopt groundbreaking, innovative and flagship investments that take society to another level of connectedness, smart sustainability and innate usability."

Dr. Herbert Diess, CEO of Volkswagen Group, said of the agreement: "Politics, business and society have a common responsibility to limit climate change. Our long-term goal is climate-neutral mobility for everyone. And with the Astypalea project we will explore how to realize that vision already today. E-mobility and smart mobility will improve the quality of life, while contributing to a carbon neutral future."

Project description

Following on the Greek government's recent announcement to promote the use of low- and zero-emission vehicles, we present the "Smart Green Island" project, which will be implemented for the first time on an Aegean island. The Greek government and Volkswagen are working together to develop this project – a beacon of innovation – in order to turn Astypalea into a model island for electric transport, new transportation services, and energy autonomy through a hybrid RES power system.

At the heart of the project is a completely new and advanced transportation system that includes:

- Incentives to replace conventional private vehicles with electric vehicles through a financing program. In total, about 1,000 electric vehicles are to replace about 1,500 vehicles with internal combustion engines.
- Replace public and utility vehicles on the island – police, ambulance and buses – with e-vehicles with the support of the Volkswagen Group.
- Establish the necessary infrastructure for an integrated, electric vehicle charging network.
- Creation of an on-demand public transportation system through the use of digital applications that will allow residents and visitors greater freedom of travel through the use of vehicle sharing, e-moped and e-bicycle services.
- The Greek government will facilitate all necessary processes required to accommodate autonomous driving once this becomes possible.

Plugging in to the future

The National Plan for the Transition to Electrification is one of the central pillars of the Greek government's environmental strategy to phase out fossil fuels. The plan encompasses every level of government – local, regional, national – the market, private enterprise and individuals. It is supported by Greece's highly innovative and important "Green Deal" that was

signed by 19 public and private sector bodies and the Greek ministries of infrastructure and environment at the beginning of June.

Greece is committed to promoting sustainable development, green energy and innovation as necessary conditions for the continuous improvement of social, economic and environmental conditions in the country. In this context, the government has adopted national strategies to mitigate climate change through decarbonization, energy efficiency, renewable energy and electrification, and is taking the necessary steps to support and facilitate the transition to a green growth economy.

Greece is ready to support local projects and partnerships aimed at helping cities and communities with their local development strategies. The government takes into account the global challenges and opportunities offered by developments in the fields of green energy, electric vehicles, cutting-edge technologies and on-demand travel.

Astypalea: Smart Green Island

Astypalea is an island of the Dodecanese in the south Aegean with an area of about 100 square kilometers. It has a population of about 1,300 inhabitants that welcomes some 70,000 visitors each year. Astypalea has a very limited transportation service with two buses operating only in one small area of the island. At present, energy demand is almost entirely covered from fossil fuel sources. The island aspires to become a pioneer for sustainable tourism in the coming years and therefore supports sustainable transportation.