
Media information

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Kilian: “E-mobility and digitalization mean profound structural change”

- **Federal Minister of Labour, Hubertus Heil, and SPD parliamentary group leader, Andrea Nahles, on fact-finding visit to future electric vehicle plant in Zwickau**
- **World’s first complete transformation of a major car manufacturing facility is a change of system with extensive structural shifts for the company and employees**
- **Andrea Nahles: “I am proposing an ‘auto industry industrial partnership 2030’ at the highest political level”**
- **Federal Minister of Labour Heil: “Legislation on qualification opportunities supports companies in their efforts to qualify today’s employees to work in the world of tomorrow and beyond”**
- **Group Works Council: the workforce urgently needs the concrete support of policy makers when switching to e-mobility**

Wolfsburg/Zwickau, January 23, 2019 – The New Year sees Volkswagen systematically forging ahead with its electric offensive and the transformation of the factories in Zwickau, Dresden, Emden and Hanover to become production locations for electric vehicles. The Zwickau facility is the trailblazer for this transformation, with the compact ID.¹ already going into production there at the end of this year. By then, Volkswagen will have qualified thousands of employees to perform their future tasks. Along with further fundamental organizational and structural changes, this is an enormous endeavor for the company and the workforce. Today, Federal Minister of Labour, Hubertus Heil, and SPD parliamentary group leader, Andrea Nahles, will be joined by Volkswagen Board Member for Human Resources, Gunnar Kilian, and the Chairman of Volkswagen’s General and Group Works Council, Bernd Osterloh, on a fact-finding visit to the Zwickau plant to gain a first-hand impression of the progress and challenges of this transformation.

Following the working discussions, the guests went to Hall 2 where a marketplace presented qualification and innovation topics such as virtual welding, 3D printing, innovative charging structure and human-robot cooperation. The visitors also engaged in discussions with employees and startups. As Kilian explained, “e-mobility and digitalization mean profound structural change for our industry. We can only master the transformation if policy makers and the company engage in a constructive dialog to make automobile production in Germany, and thus hundreds of thousands of jobs in this key industry, future-proof.”

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The SPD parliamentary group leader and SPD-chairperson Andrea Nahles, said: “The automotive industry is facing a multitude of challenges posed by the diesel scandal, digitalization, climate protection and changes in the global economic situation. Politics must set out clear and binding requirements for the auto industry, but at the same time must not overburden the sector. Because the best cars in the world must still be built in Germany in 2030 and the industry’s skilled workforce must be able to earn good money. That is why I am proposing an ‘auto industry industrial partnership 2030’ at the highest political level. Because we must bring together all the different goals and to do that, we need a framework for jointly discussing them within the overall context.”

Federal Minister of Labour, Hubertus Heil, commented: “The competence, creativity and commitment of the workforce are a company’s greatest asset. Our new legislation on qualification opportunities supports companies in their efforts to qualify today’s employees to work in the world of tomorrow and beyond. As a result, car manufacturers such as Volkswagen will be among those who can benefit from retaining skilled specialists in the longer term.”

Kilian emphasized that “this is about identifying the risks and seizing the opportunities offered by digitalization and e-mobility for Germany as an industrial location. I am confident that the Federal government has a keen interest in that and is creating the right framework. One good example is the recent legislation on qualification opportunities initiated by the Federal Minister of Labour. This legislation will help employees to gear up for working in tomorrow’s world. That is pro-active job security.”

The Chairman of Volkswagen’s General and Group Works Council, Bernd Osterloh, is also backing cooperation between policy makers and the company for successful structural change: “Time and again we have made it clear that the road to e-mobility urgently needs the support of policy makers. By that we mean very concrete initiatives that are not just theory, but actually function in real working life. I am convinced the new legislation on qualification opportunities provides this kind of support. We have often been critical of the political parties in recent weeks. This initiative, though, deserves special praise, because this legislation gives us momentum for the conversion that lies ahead, a conversion that will be difficult and where our most important task will be to make sure that no employee gets left behind.”

Jens Rothe, Chairman of the General Works Council of Volkswagen Sachsen GmbH, said: “Conversion of our factory in Zwickau to become the most advanced production facility for electric vehicles in Europe makes us a true trailblazer in our Group. Across-the-board qualification of our colleagues enabling them to meet the new challenges is crucial – further training for a small number of specialists is not an option. The new legislation on qualification opportunities will be an important pillar in our efforts.”

Europe’s largest and most efficient electric vehicle factory is currently taking shape in Zwickau. This is the world’s first complete transformation of a major car manufacturing facility. Going forward, the factory will exclusively build electric vehicles based on the Modular Electric Toolkit (MEB), and will have an annual production capacity of 330,000 units.

The transformation to e-mobility is an enormous endeavor for Volkswagen, the Zwickau factory and its workforce. It involves a fundamental change of system with far-reaching organizational

and structural shifts that include among other things establishing a suitable infrastructure, providing eco-friendly power generation for climate protection and, of course, comprehensive qualification of the workforce.

To bring about this structural change, employees will be contributing several hundred thousand hours from their working time accounts in 2019 alone, over one hundred employees will be working at other Group locations in Saxony and elsewhere over the course of the year, and there will also be other measures to safeguard jobs while at the same time achieving maximum flexibility as structural change is implemented.

Every single employee in Zwickau is affected by the ongoing change process. The company has drawn up a comprehensive qualification program for the team. Under this program, 8,000 employees will be involved in the change process, there will be more than 300 in-depth training courses for 3,500 employees, some 1,400 employees will be prepared for working with high-voltage technology, 160 employees will receive intensive training in special high-voltage topics, 3,000 employees will attend courses at the e-mobility training center, and there will also be vocational training for several dozen electrical/electronics specialists.

The necessary structural adjustments not only affect Volkswagen, but also impact small- and medium-sized enterprises (SMEs). Together with their personnel, they too must master new technologies. Volkswagen is therefore also making the required training know-how from the Volkswagen Educational Institute available to these businesses. Talks on openings under the qualification opportunities legislation are currently being held with the relevant employment agency with a view to identifying how the education program can be meaningfully offered to regional SMEs and suppliers – these efforts aim primarily at ensuring future-proof and sustainable employment in the automotive industry as well as further afield.

The pilot site in Zwickau has already given Volkswagen extensive insights into the qualifications required for the transformation and the optimal training formats to qualify employees from different fields for their new tasks. Via its network of academies, the company will share this know-how with all its sites worldwide affected by the transformation, such as the factories in China that are also gearing up to produce electric vehicles.

There will be further additions to Volkswagen's production network for electric vehicles following the pilot phase in Zwickau. The decision has been taken to produce electric cars at the Emden and Hanover factories in Germany as well. Dresden was completely converted to the production of electric vehicles back in April 2017.

¹⁾ Study

Note:

Photos are available from 6 p.m. at: www.volkswagen-newsroom.com

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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 include ranges from pick-ups, buses and heavy trucks. Every weekday, 642,292 employees around the globe produce on average 44,170 vehicles, are involved in vehicle-related services or work in other areas of business. The Volkswagen Group sells its vehicles in 153 countries.

In 2018, the total number of vehicles supplied to customers by the Group globally was 10,834 million (2017: 10,741 million). The passenger car global market share was 12.1 per cent. In Western Europe 22.0 per cent of all new passenger cars come from the Volkswagen Group. Group sales revenue in 2017 totaled €231 billion (2016: €217 billion). Earnings after tax in 2017 amounted to €11.6 billion (2016: €5.4 billion).