
Media information

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Volkswagen drives forward its transformation

- **Chief Human Resources Officer Gunnar Kilian: “Measures in the set of guidelines will provide solutions to the challenges posed by the transformation and allow for disciplined cost management”**
- **Additional early retirement scheme and partial retirement for the 1956 to 1962 birth cohort**
- **Early retirement to be opened up to employees born in 1964 in order to continue the transformation along the demographic curve**
- **Training budget increased by EUR 40 million to a total of EUR 200 million for future jobs**
- **Volkswagen AG extends “level freeze”: number of employees in 2021 capped**

Wolfsburg, March 14, 2021 – Management and the works council have drawn up a set of guidelines specifying additional components for driving forward the Group’s transformation in the current fiscal year. The measures agreed will make an important contribution to disciplined cost management, the key drivers being freezing the size of the workforce at the January 2021 level and an extensive retirement package. It was also decided to open up partial retirement to employees born in 1964 as announced as part of the digital transformation roadmap, to reopen partial retirement for the 1961 and 1962 birth cohorts, and to additionally launch an early retirement program for the 1956 to 1960 birth cohorts.



The set of guidelines adopted by management and the works council contains important components for continuing the successful work begun on reducing Volkswagen’s fixed cost base and defines specific measures for the 2021 fiscal year. These include extensive retirement regulations and training measures. In addition, it was decided to extend the “level freeze” introduced in 2020 for Volkswagen AG.

Unoccupied positions will also be evaluated as part of the fixed cost reduction program.

Gunnar Kilian, Chief Human Resources Officer of Volkswagen AG: “Thanks to our sizable investments in the expansion of electric mobility and digitalization, Volkswagen has carved out a pioneering role for itself as a driver of the automotive transformation. We now intend to consolidate our strong position. Disciplined cost management will continue to be necessary to

finance the required investments in the future, to remain competitive and, above all, to make it possible to safeguard jobs in the long run. The measures set out in the guidelines provide the right solution for this. The guiding principles adopted in the Future Pact and the digital transformation roadmap remain binding. This means that we are strengthening the internal transformation of our workforce and creating jobs in forward-looking areas – through training and targeted external recruitment. For this purpose, we are also increasing our training budget by 40 million euros to a total of 200 million euros.”

Bernd Osterloh, Chairman of the General Works Council: “We are continuing what has proven to work. This especially includes partial retirement, which we rapidly called for to be opened up to the 1964 birth cohort without delay. The finish line is now in sight. For our older colleagues, partial retirement is a good opportunity to enter their well-deserved retirement a bit earlier. The same goes for the other programs aimed at older birth cohorts. What all these measures also clearly show is that the works council is taking pains to ensure that the departures do not impact on the remaining employees. VW is sticking to its tried-and-tested approach: we will recruit new staff where necessary, and there will be no work intensification. What is more, we will continue to build up our business in cutting-edge fields, reinforced by our internal transformation.”

The freeze of the workforce caps (“level freeze”) will go a long way to accelerating the company’s internal transformation, as vacant positions are required to be filled internally first. The jumping-off point for the development of the workforce is the number of employees as of January 2021. External new hires are still planned in forward-looking areas such as electrification, digitalization and battery cell development.

In order to increase the number of employees leaving the company under retirement arrangements up to the end of 2023, there are attractive arrangements in place for employees born between 1956 and 1960 to leave the company earlier. Employees born in 1961 and 1962 will once again have the opportunity to take partial retirement. In addition, it has been decided to open up partial retirement to the 1964 birth cohort so that the demographic curve can continue to be used for the transformation beyond 2023. Around 11,500 of the Group’s employees were born between 1956 and 1964. Based on experience, the company expects up to 900 employees to volunteer for the short-term early retirement models; for partial retirement, a low four-digit figure.

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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 236 billion). Earnings after tax in the fiscal year now ended amounted to EUR 14.0 billion (2018: EUR 12.2 billion).