
Media information

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Volkswagen Group starts battery cell development and production in Salzgitter

- **Pilot line for battery cells at the Volkswagen Group Center of Excellence in Salzgitter opened**
- **Volkswagen is building up battery cell development and production know-how in Germany**
- **Gigafactory under joint venture with Northvolt is to start production at same location in 2023/24**
- **In addition, pilot line for battery recycling to begin operating in 2020**
- **Volkswagen Group Board Member Dr. Stefan Sommer: “Volkswagen is swiftly and consistently moving forward with building up battery cell know-how in Germany.”**
- **Volkswagen Group Components CEO Thomas Schmall: “On track to becoming a globally leading producer of e-mobility components.”**

Salzgitter (D), September 23, 2019 – The Volkswagen Group is setting benchmarks in the development, testing and production of cutting-edge battery cell technology in Germany. In Salzgitter (Lower Saxony) alone, over 1,000 jobs are to be created by 2023/24 for testing and producing battery cells – 300 at Volkswagen’s development center and pilot line, 700 in a joint venture between Northvolt and Volkswagen to build and operate a battery cell factory. Over one billion euros is to be invested in the Volkswagen Group’s battery cell activities over the same period.

A pilot line for small-series battery cell production was opened at the Center of Excellence (CoE) in Salzgitter today. Some 300 experts are involved in developing, testing and piloting innovative manufacturing technologies for the production of lithium-ion batteries. In a first step, Volkswagen is investing over €100 million in amassing its own development and production know-how.

In addition, Volkswagen is investing a further approx. €900 million in joint battery activities with the Swedish battery producer Northvolt. Construction of a 16 gigawatt hour battery cell factory in

Salzgitter is to start in 2020. It is planned to commence production in late 2023/early 2024. To that end, Volkswagen recently founded a 50/50 joint venture with Northvolt. 700 jobs are to be created in the medium-term in this independent joint venture.

Dr. Stefan Sommer, Member of the Volkswagen AG Board of Management responsible for Procurement, commented: “Bringing together the development, testing and pilot production of battery cells in Salzgitter marks a further milestone in the Volkswagen Group’s comprehensive electric offensive. By pooling know-how at this site, we are making sure we drive forward our own activities to further advance the development of battery cells as a key component in electrification, develop new standards and swiftly transition them to series production.”

The Volkswagen Group has therefore established a battery cell business area at Volkswagen Group Components. This business area is designed to optimize battery cells for future use in the Group’s electric models in cooperation with suppliers. The spectrum ranges from increasing capacity to extend the range, reducing the use of scarce raw materials and optimizing sustainable manufacturing processes through to recycling battery systems. Thomas Schmall, Chairman of the Board of Management of Group Components, said: “We already develop and manufacture power electronics, battery systems, electric motors and charging systems, and are building up battery recycling know-how. With the integration of the battery cell business area, Volkswagen Group Components is on track to becoming a globally leading producer of e-mobility components.”

Frank Blome, Head of the Center of Excellence for Battery Cells in Salzgitter, commented: “Today’s commissioning of the pilot line is an important step on the road to building a gigafactory at the Salzgitter site. We will further deepen our knowledge of production processes within a short space of time. That is important in order to shape future developments and thus secure performance and costs as well as quality. The experience gained will also contribute to mastering the entire value chain for lithium-ion batteries – from raw materials through production to recycling.”

A battery recycling pilot line is also under construction in Salzgitter and is slated to begin operating in 2020.

Text and photos are available 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, 664,496 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 totalled €231 billion (2016: €217 billion). Earnings after tax in 2017 amounted to €11.6 billion (2016: €5.4 billion).

Volkswagen Group Components:

As an entrepreneurially independent business unit under the umbrella of Volkswagen AG, Volkswagen Group Components is responsible for the development and production of strategic components for the Group's vehicle-producing brands. 80,000 employees work in over 60 plants at 47 production sites worldwide in five business areas – Engine and Foundry, Gearbox and Electric Drive, Chassis, Seats and Electric Mobility. They develop and manufacture vehicle components, shape future topics such as charging infrastructure and battery recycling – and thus make a decisive contribution to the value of the Volkswagen Group, its brands and products. Thomas Schmall is Chairman of the Board of Management of Group Components.