

November 15, 2018

Volkswagen to make Zwickau vehicle plant Europe's top-performing electric car factory

- → First complete transformation of a major car factory from internal combustion engines to e-mobility in the world
- → Production capacity: 330,000 electric cars per year
- → Zwickau to be the nucleus for the roll-out of the global electric production network
- → Climate protection: Volkswagen to start carbon-neutral production of the ID.¹¹ in Zwickau at the end of 2019
- → Thomas Ulbrich, Board Member for E-Mobility: "With our electric cars we want to make a substantial contribution to climate protection. The ID.¹) will be a model for sustainable mobility."

Wolfsburg/Zwickau - The Volkswagen brand is moving forward with its electric offensive and gradually creating the production capacity needed for building more than 1 million electric cars per year throughout the world from 2025. The Group's largest and highestperformance electric car plant is currently being created in Zwickau: in future, up to 330,000 electric models per year are to roll off the production line there - more than at any other plant of the Volkswagen Group. As the first high-volume automaker in the world, Volkswagen is therefore converting an entire plant from the internal combustion engine to e-mobility. Currently, the Golf and Golf Estate are produced at Zwickau. At the end of 2019, in slightly more than a year, the production of the ID.1), Volkswagen's first electric model based on the new modular electric toolkit (MEB), is due to start at Zwickau. In the final stage of development, six electric models of three Group brands are to be produced at the plant from 2021 onwards.



Thomas Ulbrich, Board member e-Mobility, and the ID.chassis



How Zwickau is being transformed

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"The start of production of the ID.¹⁾ in a good 12 months' time will herald a new era for Volkswagen – comparable with the first Beetle or the first Golf," says Thomas Ulbrich, Volkswagen Brand Board Member responsible for E-Mobility. "We intend to take e-mobility out of its niche and to make the electric car affordable for millions of people. Efficient, modern production facilities will be the key. This is why we are bundling electric car production across the Group's brands at Zwickau . In one year, this plant will become the starting point for our global electric offensive. As the first MEB plant in the Volkswagen Group, Zwickau will therefore play a pioneering role for this future-oriented technology.

Green production

With the ID.¹⁾ produced in Zwickau, Volkswagen intends to deliver to customers for the first time a vehicle produced with an entirely neutral CO₂ balance over the entire delivery and production chain. In the production process, the emission of CO₂ is to be avoided or reduced as far as possible. Climate protection measures will be taken to compensate for unavoidable emissions. The CO₂ avoidance measures in the production of the ID.¹⁾ also include the energy-intensive production of battery cells. It has been agreed that our suppliers will use "green" power from renewable sources for the production of the cells. This will be a major lever for further improving the life cycle analysis of the electric car.

Power supplies at the Zwickau plant were already changed over to 100 percent eco-power in 2017. By the start of production of the ID.¹⁾, the remaining emissions from the compact cogeneration plant at the facility and the entire supply chain will be compensated for by climate protection projects certified to officially approved standards. Thomas Ulbrich: "With our electric cars we want to make a substantial contribution to climate protection. The decisive factor is that electric cars will be both built and used sustainably. The ID.¹⁾ will be a model for sustainable mobility.

Major transformation

The transformation of the Zwickau vehicle plant has already started and will be implemented in several phases. The conversion of the production lines started in the summer of 2018. The first of the two production lines will be modified step-by-step up to the planned start of ID.¹⁾ production in November 2019. The second line at the plant will be changed over following the same procedure by the end of 2020 and will start production the same year. The maximum production capacity is to be increased from the present figure of 1,350 to 1,500 vehicles per day, which will probably

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be reached from 2021 onwards. The transformation of the plant is proceeding rapidly in accordance with the schedule.

E-mobility will create jobs with a viable long-term future at the Zwickau plant. The 7,700 employees at this location are currently being prepared for the new technology by a major advanced training campaign. All employees are attending information events on e-mobility and 3,000 team members are completing the e-mobility training center, which includes detailed training in the new production requirements. In total, the Zwickau workforce is to complete about 13,000 training days by the end of 2019.

Digital, efficient, model factory

the course of the transformation, Volkswagen's Zwickau plant is gradually to become a model factory that is digital, flexible and highly efficient. Equipment at the plant will include smart Industry 4.0 robots and driverless transport systems to take components to the assembly lines fully autonomously. The degree of automation in assembly itself will be almost tripled; nevertheless, the workforce at the plant will remain largely stable. All in all, Volkswagen is investing about €1.2 billion in the transformation of the Zwickau plant.

All the electric cars to be built at Zwickau in the future will be based on the modular electric toolkit (MEB). This was developed especially for full-electric cars and makes full use of the possibilities of e-mobility. For example, MEB vehicles offer longer ranges, more space and a variety of new digital services. By 2025 at the latest, the brand plans to sell a total of more than 1 million electric cars per year and to be the world market leader in e-mobility.

Global MEB production network will continue to grow

With the changeover at the Zwickau vehicle plant, Volkswagen is starting a far-reaching transformation of its global production network. In China too, two MEB plants are currently being created, at Anting/Shanghai and Foshan; they are due to start production only a few months after the Zwickau pilot plant in 2020. Volkswagen will also manufacture MEB vehicles in North America; the precise location is to be decided in the future. Further MEB plants are to follow.

"The global automotive industry is experiencing a process of fundamental structural change. The Volkswagen brand is actively shaping this transformation – also in order to safeguard the future viability of jobs for its employees throughout the world," said E-Mobility Board Member Thomas Ulbrich. "The transformation of Zwickau into the number one e-mobility plant expresses our strong commitment to our home market. As

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an automobile production location, we intend to take Germany into the lead with respect to the electric car and to ensure that it remains strong in the long term. The Zwickau team can and will produce fascinating electric cars of the very highest quality."

Further information is available at www.volkswagen-newsroom.com

1) Study car

About the Volkswagen brand: "We make the future real"

The Volkswagen Passenger Cars brand is present in more than 150 markets throughout the world and produces vehicles at over 50 locations in 14 countries. In 2017, Volkswagen delivered 6.23 million vehicles including bestselling models such as the Golf, Tiguan, Jetta or Passat. Currently, 198,000 people work for Volkswagen across the globe. The brand also has 7,700 dealerships with 74,000 employees. Volkswagen is forging ahead consistently with the further development of automobile production. E-mobility, smart mobility and the digital transformation of the brand are the key strategic topics for the future.

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