



# 360° WOLFSBURG



## The New Golf Celebrates Its World Premiere

Presentation in Wolfsburg: eighth generation even more digital and networked than ever before



If any car can be called a bestseller, it's certainly the Golf. Developed and honed from generation to generation, it has become a global constant. The Volkswagen brand now celebrates the world premiere of the eighth generation Golf on the evening of October 24. The new Golf will be showcased in the Hafen 1 function hall in the Autostadt in Wolfsburg.



**Ralf Brandstätter,**  
Chief Operating Officer (COO)  
and Member of the Board at  
Volkswagen  
Passenger Cars

other model has shaped our brand quite so powerfully and permanently over the decades. It is synonymous with the Volkswagen name and everything Volkswagen stands for around the world."

More than 35 million Golf models have rolled off the production line over the past 45 years. The strengths of the Golf – and what has made it a worldwide bestseller – have now been perfected even more

in this latest model.

Along with an efficient new engine range, its refined chassis technology now ensures even greater agility. Numerous central parts for production are supplied by Volkswagen Group Components – from the drive shaft to the gearbox and engine variants. The new Volkswagen will hit the market in December.



Initial designs: The cockpit in the new Golf.

In terms of the exterior, the Golf 8 moves more dynamically than ever before, but it still has that patented Golf look to it. Inside, it is a marvel of digitalization and networked driving, from its assisted driving functions to its online-based features. "We are digitalizing the

Golf class," says Ralf Brandstätter in an editorial that serves as the introduction to a seven-page Golf special in this issue. The special features many other articles about the new Golf, along with insights into what employees really think. → [PAGE 13](#)



**BESTSELLER:** More than 35 million Golf models have been sold over the past 45 years. The eighth generation is now celebrating its world premiere.

### ID.3<sup>1</sup> – Series Ready for Launch

**The countdown is on:** Series production of the ID.3, the first fully electric Volkswagen from the new ID. family, will begin at the Zwickau plant in early November. The conversions are running on schedule, with employees now assembling the last few robots. Some 8,000 members of staff have been working for months at the Saxony location to get ready to meet the electric age. This has seen them involved in measures such as high-voltage training courses to learn how to handle battery systems safely. → [PAGE 21](#)



### Comic Series on Integrity

**13 short stories** clarify behavioral anchors in an easy-to-understand way. → [PAGE 11](#)



### China: V-Space Opens

**V-Space** has now launched in Beijing as the new headquarters of Volkswagen Group China. We interviewed Group CEO Herbert Diess to find out more. → [PAGE 12](#)



### Family Day in Wolfsburg

**The plant** is inviting employees and their families to visit on Saturday, June 20, 2020.

### Wolfsburg – The Green Plant

**Sustainable yet efficient:** The Wolfsburg plant has won the Lean & Green award.



<sup>1</sup> Near-production-ready concept car



## Gold for 360° Volkswagen

Our employee magazine – 360°

Volkswagen – has received a gold medal *Galaxy Award* for its outstanding design in the “Employee Communication – Magazine” category. The Galaxy Awards are presented annually by the New York-based communications association MerComm to outstanding communications and marketing projects. All of us at the Internal Communications Team for the Volkswagen Passenger Cars, Volkswagen Commercial Vehicles and Volkswagen Group Components brands are delighted to receive this award alongside with our agency, Territory. It serves to confirm our joint work and this new design are on the right track. [mercommawards.com/galaxy.htm](http://mercommawards.com/galaxy.htm)



### Legal Notice 360°

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# Volkswagen Group: Monitor to Stay for 90 More Days

Independent Monitor says additional time will “ensure implementation of a high quality, reliable testing regime”

The Volkswagen Group announced today that the U.S. Department of Justice (DOJ) and the Independent Compliance Monitor, Larry D. Thompson, have approved a request for the company for more time to demonstrate that it has met its commitments under the terms of Volkswagen’s 2017 settlement with the U.S. Government.

The agreement gives Volkswagen an additional 90 days to fully test and, where necessary, remediate the measures that the Group and its brands

have put in place, including recommendations from the Monitor, in order for Thompson to certify the company’s ethics and compliance programs.

As a result of the additional testing period, Mr. Thompson’s certification report to the DOJ is now due by July 2020. His Monitorship, which was set at three years on his appointment in June 2017, will continue until September 2020.

“As Volkswagen undertakes the biggest transformation in our history, we are working hard to embed a culture of integrity in everything we do and are making good progress,” said Dr. Herbert Diess, Chairman of the Volkswagen Group Board of Management. “Larry Thompson has been an important catalyst for change, and we appreciate his receptiveness to our proposed timetable for this important test phase. We intend to



Herbert Diess

The request for a short extension was decided unanimously by the Group Board of Management and approved at a meeting with the Monitor, his leadership team and officials of the DOJ.

“In a global company as large and complex as Volkswagen, we need to have enough time to be careful and rigorous in all our testing,” said Hiltrud D. Werner, Member of the Group Board of Management for Integrity and Legal Affairs. “This is about getting it right – not just getting it done – and with more than 100 processes to evaluate, our message to our business units is to be very thorough.”

Thompson said: “The extension of the Monitorship will provide additional time to ensure implementation of a high quality, reliable testing regime that can lead to certification as set forth in the Monitor’s responsibilities in the 2017 Plea Agreement between the U.S. Department of Justice and Volkswagen AG. I look forward to continuing to work productively with the company to achieve our shared goal of making Volkswagen AG a better company.”

As Independent Compliance

Monitor, Thompson is tasked with ensuring that Volkswagen’s compliance and ethics programs are reasonably designed and implemented to prevent and detect violations of U.S. law of the kind that gave rise

to the diesel crisis. He also oversees Volkswagen’s obligations under the terms of its 2017 settlement of U.S. federal environmental and civil claims as the Independent Compliance Auditor.

The request for a short extension was decided unanimously by the Group

### Dear Colleagues,

Today, we announced that the U.S. Department of Justice (DOJ) and the Independent Compliance Monitor, Larry D. Thompson, have approved our request under the terms of our U.S. Monitorship. Volkswagen’s Group Board of Management decided unanimously to request a 90-day extension, which was approved at a meeting with the Monitor, his leadership team and officials of the DOJ. This agreement will give us additional time to fully test and, where necessary, remediate the measures that the Group and its brands have put in place, in order for Mr. Thompson to certify our ethics and compliance programs. We want to ensure that this critical testing phase is as thorough as possible. This is about getting it right – not just getting it done. The request for an extension was a direct response to concerns raised in our business units about meeting the existing deadlines under the terms of the Monitorship. For a company as large and complex as ours, with more than 100 processes to evaluate, we need to be careful and rigorous in all our testing. We know how important it is not to set unrealistic goals, and we do not want to rush this process. Larry Thompson has been an important catalyst for change within our company, and we appreciate his receptiveness to our proposed timetable. As a result of the additional testing period, Mr. Thompson’s certification report to the DOJ appointment in June 2017, will continue until September 2020. The Central Coordination Monitorship team (K-IZ) is working on specific planning relating to this extension and will provide further information to all departments involved. We also will hold a business unit update to provide additional details. As Volkswagen undertakes the biggest transformation in our history, we are working hard to instill a culture of integrity and transparency in everything we do and are making good progress. Our goal is to make sure this change continues long after the Monitorship ends. We thank you for your hard work and continuing support. Should you have any questions, please do not hesitate to contact the K-IZ team.

Hiltrud D. Werner  
Member of the  
Board of Management  
for Integrity  
and Legal Affairs



Thomas Meiers  
Chief Coordinator  
Monitorship

IT City managed to save around 20,000 pages of paper in September. The paper savings for the entire year are projected to equal a stack measuring 50 meters in height.



## IT City Going Paperless

1,500 employees have chosen to go paper-free

Can you imagine life in an office without having to print out documents? That is precisely what 1,500 employees at IT City are currently attempting to do during a three-month trial period.

The print and copy functions of the printers have been deactivated, with only the scan function currently remaining available for use.

According to Adrian Niefind (Volkswagen Group Information Systems), “The primary aim isn’t to save paper. It’s to go digital. We are arguing that no IT employee needs

print-outs to carry out their daily work.”

Work at IT City is already largely paperless. Just four or five forms still need to be digitalized for all the division’s relevant processes to be completely digital. Hospitality receipts, for example, are one such process that is still being worked on.

Practical: the majority of forms can now be signed electronically using digital signatures. “We have to focus on these practical tools and make them available to our employees so that they can save on resources,” says Niefind.

At this point, only minimal negative feedback has been received. “IT’s motto is to get on board instead of refusing to join in.” Many employees have already submitted proposals for digitalization. “Group IT wants to live up to its role as a pioneer,” says Niefind.

A positive side-effect is that the number of pages printed fell

from 28,440 in August to 9,165 in September. If you compare the printing figures from 2018 with the projections from the pilot project, over 550,000 pages will be saved each year. That is an enormous amount of paper, equivalent to a pile measuring more than 50 meters in height.

### More than 550,000 pages saved every year

So is digitalization already in full swing at Volkswagen? “The answer to that is a clear yes and a clear no,” says Niefind. In IT, there is generally little that works on paper. But in other areas, there is still a great deal of untapped potential when it comes to digitalization. Niefind argues that it should be possible for these other areas to function without printers, too.

And Group IT is offering its support to other divisions when they decide to take the leap. “We are happy to share our experiences.”

# Battery Cells in Salzgitter: Group Sets New Standards

Experts are developing, testing, and piloting innovative production methods to manufacture rechargeable lithium-ion batteries

The Volkswagen Group is setting new standards for developing, testing, and producing pioneering battery cell technology at its Germany location. In Salzgitter, Lower Saxony alone, more than 1,000 jobs are set to be created by 2023/24 – 300 at the Volkswagen development center with the pilot plant and 700 at a joint venture between Northvolt and Volkswagen to set up and run a battery cell factory. More than a billion euros is also set to be invested in the Volkswagen Group's battery cell activities during the same period. A pilot plant for small-series battery cell production series was opened in September at the Salzgitter Components plant's Center of Excellence (CoE).

Some 300 experts are developing, testing, and piloting innovative production methods at the location to manufacture rechargeable lithium-ion batteries. Volkswagen is investing more than 100 million euros in development and production capacities during this first phase. This will be



The launch: from left, Thomas Schmall, Bernd Althusmann, Bernd Osterloh, Herbert Diess, and Frank Blome opened the pilot line.

joined by some 900 million euros in investments Volkswagen is earmarking

for joint battery campaigns with Swedish battery manufacturer Northvolt. A 16-gigawatt hour battery cell factory is set to be built in Salzgitter starting in 2020. Production is scheduled to start in late 2023 to early 2024. Volkswagen recently established a 50/50 joint venture with Swedish battery manufacturer Northvolt precisely for this purpose. The stand-alone company will create 700 jobs in the medium term.

### New division: CoE/Battery Cell

Structural changes to the layout of Group Components: the Volkswagen Group has created the CoE/Battery

Cell division. In cooperation with suppliers, the new division will further improve upon battery cells for future use in the Group's electric models. Its work includes everything from increasing capacity for greater range, reducing the use of rare raw materials, and optimizing sustainable production processes to recycling battery systems.

A pilot plant for battery recycling is also under construction at the Salzgitter location and will open for business in 2020.



"Consolidating battery cell development, testing, and pilot production in Salzgitter is a real milestone in the Group's electric offensive. By bundling competencies, we are driving forward the development of battery cells, engineering new standards and laying the foundations for being able to quickly launch series production."

Stefan Sommer, Head of Components and Procurement at Volkswagen AG



Thomas Schmall and Dr. Stefan Sommer on the Group's battery strategy and electric offensive.

"Job security and economic efficiency are by no means a contradiction in terms – even when a company is undergoing a transformation. Our Center of Excellence, the pilot plant, and the future cell plant are proof of that. As employee representatives, we have always chased these issues. And our colleagues' expertise on all aspects of the battery cell production cycle is now worth its weight in gold for Volkswagen. Pricing for cells coming from Salzgitter is also competitive. The company must now ensure that this transformation at the location is accompanied by advanced qualifications and further training for its employees."

Bernd Osterloh, Chair of the General and Group Works Council at Volkswagen AG



"We are already developing and manufacturing power electronics, battery systems, electric engines, and charging systems and are developing our expertise in recycling batteries. By integrating the battery cell development and production center at Components, we will become a leading global manufacturer of electric components."

Thomas Schmall, CEO of Volkswagen Group Components



"This is a good decision for Lower Saxony and for Germany, since important value-added processes for future car manufacturing will remain with Volkswagen and its suppliers. This is the only way for us to keep pace on this technology with the best in the world. Courageous decisions had to be made to shape the transformation process toward e-mobility. The Volkswagen Group – and Dr. Diess in particular – deserve enormous recognition for this."

Bernd Althusmann, Lower Saxony State Minister for Economic Affairs



"The car of the future runs on electricity. Volkswagen needs to significantly expand its expertise in battery technology as a result. Batteries form the heart of sustainable mobility and are an essential part of future value creation. That is why we are investing massively in developing our expertise in battery cell development and production over the next five years and entering into partnerships. This is how we will contribute to successfully transforming the automotive industry in Germany."

Herbert Diess – CEO of Volkswagen AG

**A brief clip explaining the Center of Excellence is available in German and English at the following links:**

DE: <https://youtu.be/kWlcNRo2YoQ>  
 EN: <https://youtu.be/AE2Yogxgb8>

**What is an anode? What is the memory effect? Explanations of the most important battery cell terms are available at:**

## 3 Questions



Frank Blome is in charge of CoE Battery Cell at Group Components

### "Battery Cells Are a Key Issue for Europe"

**1** What was the significance of the opening of the CoE/Battery Cell division – something that incidentally created a great deal of media interest? The broad public interest is a clear indication of how important the issue of battery cells is in Europe and how significant this is for the future of the automotive industry going forward. It was important for all our employees to be able to participate in the opening. It worked well and was a great way to show our appreciation for all of their hard work during the setup phase.

**2** You designed the CoE and are now in charge of the CoE/Battery Cell division at Group Components. Why was a new division in Components necessary? Battery cells continue to gain strategic importance within the Volkswagen Group thanks to the Group's bold electrification strategy. In addition to supplier management and developing our competence in this regard, we will now also be actively involved in the production of battery cells. Our stake in Northvolt AB and our 50/50 joint venture with Northvolt require that we further expand the Group's activities. Since the focus lies much more on production content, the CoE/Battery Cell division segment is the next important milestone in the Group Components segment.

**3** What are the next steps for the segment? What issues will you be prioritizing? We already have the structure of the business segment planned out. We are currently in the process of obtaining the relevant executive board resolutions to then address fill various open positions. But we are also working to expedite the founding of the joint venture. We're currently in the start-up phase and are now addressing the details of implementing our business plan. Basically, we're planning out the organization in detail, working to hire people to fill relevant positions, defining the company's fundamental rules and processes and much more – all of which will come together for the joint venture to succeed. There's a lot to be excited about!

# Forging New Paths: One Developer to Rule Them All

Next step in the Group's Together 2025+ strategy launched: synergies through lead responsibility in research and development

**M**aking greater use of the Group's potential and synergies is a guiding principle of the Together 2025+ strategy launched by the executive board in June 2019. At a board meeting in Wolfsburg, Frank Welsch, Head of Development at the Volkswagen brand, Hans-Joachim Rothenpieler, Head of Technology at Audi, and Michael Steiner, Head of Development at Porsche, reported on the next steps in the Best Performance Engineering (BPE) program and got the green light for its implementation.

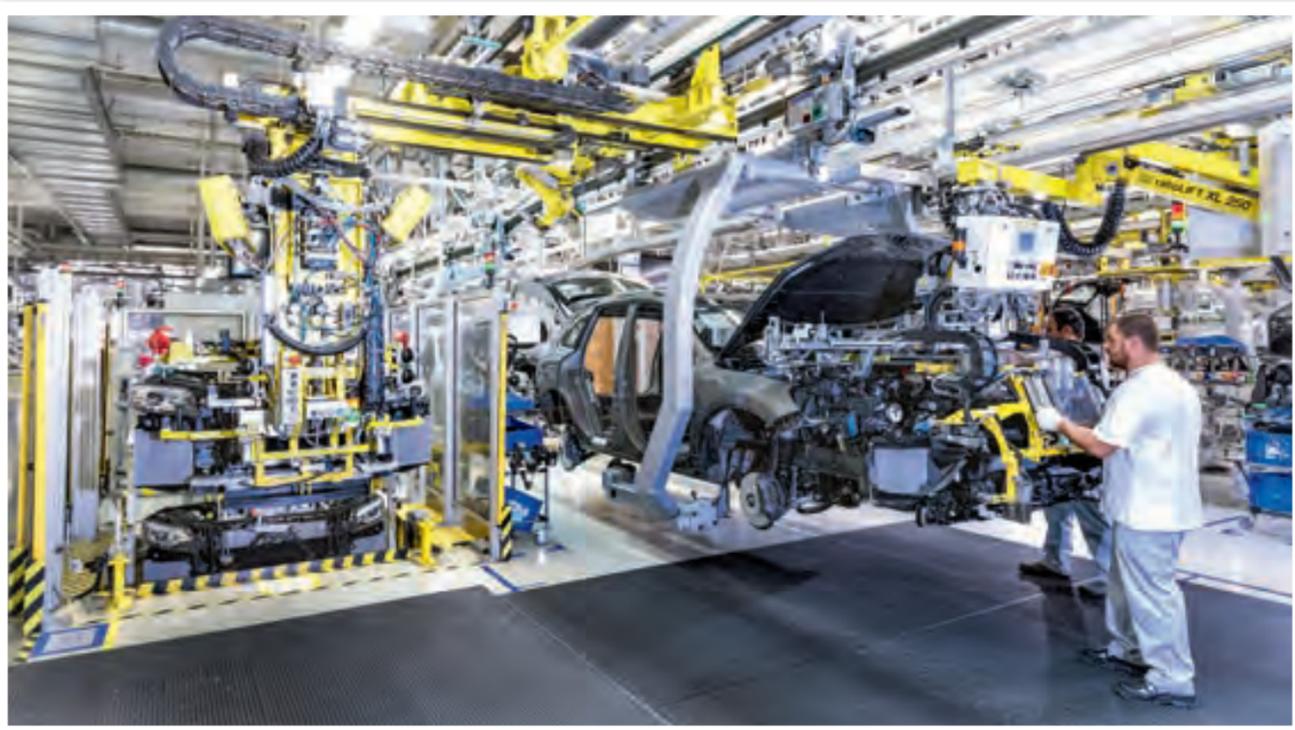
In terms of research and development, the corporate strategy stipulates the following under Together 2025+: The development network should work more efficiently and in a more cross-brand manner than before. Experts should network more closely, share their expertise and work together as partners. Rothenpieler, Head of Development at Audi, adds, "The more well-coordinated our brands

are among the team, the more successful we will be together as a Group. That is why we are now focusing more on leveling the playing field and on cooperation among our brands, rather than on competition."



**Hans-Joachim Rothenpieler, Head of Technical Development at Audi**

The BPE program focuses on two primary spheres of activity. The first is identifying groups of synergies in development. As is currently the case with the Volkswagen Passat and the Škoda



The "one-for-all" principle fosters strong synergies within the Group development network and significantly reduces costs through a rise in the assembly of identical components in Production.

Superb, when two brands want to develop and build their own models using the same platform, one(!) brand assumes development responsibility. A project team then works as a general developer for both brands.

This saves on costs for prototypes and test vehicles for all brands. In addition, a significantly greater number of identical components are used, avoiding the huge expense of duplicate work. Michael Steiner, Head of



**Michael Steiner, Head of Development at Porsche since 2016**

Research and Development at Porsche, notes, "But we make sure that we preserve brand identity in the process – a Porsche remains a Porsche, an Audi an Audi, and a Volkswagen clearly a Volkswagen. And that must apply to all brands in the Group."

The second sphere of activity lies in consolidating responsibility for development through lead responsibility within Group development: The lead

developers bear responsibility for content, processes, designs, and budgets for component construction kits on a long-term basis. As users of these components built using the component construction kits, the other brands are responsible for their application and integration into their vehicles. Consolidating control of development projects helps to harness the expertise and resources of Technical Development



**Frank Welsch, Head of Development at Volkswagen Passenger Cars**

in the Group more efficiently and sustainably. It's definitely a "one-for-all" principle. Welsch, Head of Development at Volkswagen, says, "Rolling out lead responsibilities avoids the duplication of work within the Group and creates the scope for new projects and future issues. The most important prerequisite for introducing lead developers is having clearly defined roles and responsibilities."

## Volkswagen Remembers the Victims of Halle

Moment of silence at the memorial stone at Volkswagen in Wolfsburg

**A**t the memorial stone in front of the entrance to the corporate archive at the Volkswagen plant in Wolfsburg, Chief Human Resources Officer Gunnar Kilian, Chairman of the General and Group Works Councils Bernd Osterloh, members of the brand's executive board, representatives from the General and Group Works Councils, members of the Youth and Trainee Representative Board, and other employees took a moment to remember the victims of the terrorist attack in Halle. The brand's executive board and opera-

tions committee had suspended their meetings in order to attend. After a moment of silence, the participants laid white roses on the memorial stone.

Gunnar Kilian said, "I am stunned and deeply saddened that such unrestrained violence is perpetrated in my home country of Germany and innocent people are murdered in the streets. This cannot continue." He stressed that the moment of silence at Volkswagen was a clear signal that anti-Semitism, right-wing extremism, and violence have no place in the

company. "Today, decades after the fall of the Nazi regime, we must band together with all our determination to stand up in opposition to this hatred."

Bernd Osterloh said, "The attack in Halle shook us to our core. We are shocked and angry. For Volkswagen employees, historical memories and our current responsibilities have long been inextricably linked with our corporate culture. So we stand together today to send a very clear signal: Volkswagen is firmly opposed to any form of anti-Semitism."



Moment of silence at the memorial stone: The company and works council gathered to remember the victims of Halle.

## Mood Barometer: Have Your Say!

How are things going with the team? More than 600,000 employees are being asked for their opinion

**T**he Volkswagen Group is going another round with its Group-wide employee survey. In the coming weeks, more than 600,000 employees from some 180 companies worldwide will have the opportunity to voice their opinions on topics such as cooperation and leadership, information, the workplace, and work processes. Above all, they can use their feedback to push for optimization. Each company has up to four weeks to participate; at

Volkswagen AG, the period runs from October 21 to November 17, 2019.

Chief Human Resources Officer Gunnar Kilian says, "We will only be able to meet the challenge posed by the transformation in our industry if we work together within the company as best we can. All that means is that the Mood Barometer is not merely a tool to measure the mood of the workforce. It gives each and every employee a voice to bring to the table. And they will be heard. After

the survey, every manager is required to discuss the outcome of the survey with their teams before agreeing on, implementing, and documenting improvements. This is how we guarantee our commitment, transparency, and sustainability. We are giving a strong signal that every person can have an impact!" Participation is voluntary and anonymous.

Get involved through Volkswagen Net at [stibam.de](http://stibam.de)



# Group Research to Become Group Innovation

Interview: Division Head Axel Heinrich on the changing structures and flagship projects to come over the next few years

**Mr. Heinrich, Group Research is now called Group Innovation. Why was that name chosen?**

Research is not an end in itself – the aim of research should always be innovation. We have been working on repositioning ourselves for a year now. In the past, Group research had more of a local focus – on the automobile, and, specifically, automobiles from Wolfsburg. We’ve now integrated many international centers of innovation and have expanded our focus to include regional mobility needs. We are also now involved in venturing, which means we aim to participate in start-ups. In addition, we’ve bundled our innovation portfolio. Instead of dealing with numerous individual issues as used to be the case, we are now concentrating on strategic and central fields of action. And the new name captures that approach well.

**What can you tell us about this repositioning?**

Volkswagen Group Innovation



## Shaping the world of tomorrow

The Research division was founded in 1969. Some 750 employees currently work for the division across multiple locations, including Wolfsburg, Potsdam, Tel Aviv, California, Beijing, and Tokyo. A lot of the work done in Research later flows into the development and production of the Golf, the ID.3, and other Group models. The division had been undergoing a strategic reorganization until July and is now called Group Innovation.

Photo shoot with Sedic, the self-driving concept car: Axel Heinrich, Head of Group Research, which has now been renamed Group Innovation.



currently consists of three centers – Europe, Asia and California – as well as smaller hubs with a more local focus. At each center, we will work to promote certain mobility solutions as a kind of flagship issue. In Europe, for example, we will be focusing on researching autonomous long-distance driving. Among other things, we will need to address power units, batteries, and fuel cells. We call this flagship project Gen.Travel.

**What’s happening in Asia and the US?**

Our colleagues in Asia are focused on urban system mobility. That project is called Gen.Urban. It’s all about 5G communication and intelligent traffic management, but also about new interior concepts for autonomous driving. And in California, we’re researching everything to do with decarbonization. That project

is called Go.Green. It’s all about finding out what Volkswagen can do to reduce its CO<sub>2</sub> footprint and make sustainable individual mobility more accessible to all.

**What’s the advantage of structuring it this way?**

The added value is reflected across many levels: each of these locations engages in close dialog with the others, with the result being that many different innovational cultures and perspectives come together. Our colleagues from Beijing and Tokyo, for example, live in megacities where driving in urban areas has a completely different meaning than driving in Germany, so this is a profitable joint path toward the future of mobility.

**You’ve founded what you refer to as Centers of Innovation in Wolfsburg.**

**What’s behind these?**

Centers of Innovation are organizational units, teams basically, that deal intensively with what are known as “deep tech” issues: batteries, fuel cells, and autonomous driving. What makes them so unique is that as soon as any innovation goals have been achieved, we task our promoters with sharing the key competencies in the area defined for that specific issue.

**Are employees leaving Group Innovation?**

“Leaving” is not the right word here. As sources of information, certain managers and employees are changing to the right positions in order to sustainably advance the development of these issues. Let’s take batteries, for example. Over the next two to three years, the unit will

move to the Center of Excellence, which has just opened in Salzgitter. We will then focus on starting up these new centers of innovation.

**What do employees have to say?**

We implemented this reorganization in just nine months. The fact that we managed to achieve this so quickly and so successfully is down to our employees, who are highly motivated to join us as we forge this new path. There are, of course, a few worries and open criticism. But a key factor in this repositioning is transparency. We made sure to include everyone early on in the planning process, to keep them informed about the forthcoming transformation and participation platforms being initiated – all in close consultation with the Works Council and the Human Resources department.

## Monitor Survey for Employees: Results Now Analyzed

Responses from 24,000 employees at Volkswagen, Audi, and Volkswagen Group of America – positive changes

Employees at Volkswagen and Audi are very familiar with the tools the company uses to drive cultural change and promote integrity. This was confirmed by the study commissioned by US Monitor Larry D. Thompson at the end of last year. A total of more than 63,000 employees from Volkswagen AG, Audi AG, and Volkswagen Group of America were invited to participate. They were asked to give their opinion on compliance, cultural change, leadership, and integrity at the company.

The survey’s findings show both strengths and potential for improvement at the Volkswagen Group: some 95 percent of respondents know all or at least several of the instruments in place. These include the Code of Conduct, the T4I integrity

program, the Volkswagen Corporate Principles, and the whistleblower hotline. Nearly 75 percent of those surveyed are familiar with the Code of Conduct and rate it as helpful in making decisions in their daily work.

More than three quarters of respondents also said that both their direct supervisors and top managers talked to them about compliance and integrity issues. 73 percent say that they consider their direct superiors to act with integrity in their daily work as well. However, the study also addresses critical points on which the

company must continue to work. For example, the vast majority of those surveyed believe that pay-



scale employees and managers are held responsible for misconduct. More respondents than not assume that employees covered by collective bargaining agreements will have to reckon with sanctions. Significantly fewer believe that top managers are also held accountable for misconduct. In response, Hiltrud Werner, Head of Integrity and Legal Affairs for the Group, says, “This is a clear indication that we must continue and actually ramp up our efforts across all levels in order to push forward with cultural change at our company. We will intensively analyze the results of the ECI study to ensure lessons are learned for the further rollout of our T4I program.”

The survey results are based on statements made at the end of

last year. Since then, the company has already done a lot to promote compliance, cultural change, and integrity. This includes initiatives such as the Role Model Program, in which managers and employees discuss matters that go beyond purely technical issues.

All employees receive mandatory training on the Group-wide Code of Conduct at regular intervals. Employees can call the hotline on 00800 444 46300, anytime, anywhere, to report serious rule violations. Managers are required to report violations. Around 3,000 reports were received last year. In addition, the Excellent Leadership program initiated this year fundamentally restructures management development and qualification and focuses on greater diversity in management.

# 360°: Here Stands the Birthplace of the App

Software Development Center in the middle of Wolfsburg: Team of ten employees develops program in one year

The 360° app reliably provides employees of Volkswagen AG with all the latest news from the Group. What hardly anyone knows: The app is a true Wolfsburg, programmed in the Software Development Center (SDC).

The Software Development Center is located in an inconspicuous building on Alessandro-Volta-Strasse, in the middle of Wolfsburg. Only now is some peace returning, because until recently the SDC was spread over the city in two offices.

Here, the digital future of Volkswagen, namely software, is developed with customer focus and agility on a daily basis. Everyday working life begins with an office stand-up meeting, in which all colleagues briefly discuss the current issues of the day.

After that, most of the teams continue straight to the team stand-up meeting, where the individual development teams briefly exchange information on current product topics.

Then things are already on their way: The developers take their user stories and start to work on the respective customer needs in pair programming mode.

The special thing about pair programming is that two developers share a workstation and a computer – one writes the code, the other gives feedback.

Here, knowledge is quickly conveyed, helping to prevent errors in the software code. Even during the lunch break, until the end of the day, the team does everything.

“We already have 120 colleagues in our team from the most diverse professions, for example as software developers, UX designers, or product managers, who do a great job every day in the service of our customers,” says Holger Urban, one of the heads of the SDC in Wolfsburg.

The development portfolio ranges from products such as Elsa2Go for the After-Sales division to My Volkswagen, the new customer portal where all relevant information about the vehicle, digital services, and services are available.



The SDC in Wolfsburg and the SDC in Berlin are Type 3, where the focus is on cooperation with internal employees. Type 1 SDCs work primarily with external partners. A mixed form of this is Type 2, in which

mainly internal employees work together, but where cooperation with external partners is also possible. The SDC is now represented not only nationally in Wolfsburg, Berlin, and Dresden, but also internationally in Pune (India) and Lisbon.

For years, the works council has been a driving force behind investments in SDCs. “In the ongoing transformation of our industry, more in-house expertise in software development is a key success factor,” says responsible Works Council Coordinator Heinz-Joachim Thust. “We therefore support the SDCs from the very beginning. In addition to their



Heinz-Joachim Thust

innovative work itself, it is crucial for us to integrate these hubs as centers of a strong community into our growing global IT family. If nothing else, it's about sustainable, new jobs and trendsetting ways of working together in the office.”

The SDC Wolfsburg has also developed what is probably currently the best-known product, the 360° Volkswagen app: the first employee app for Volkswagen AG developed by Volkswagen itself. A team of ten colleagues, consisting of software developers, UX designers, product managers, and product owners, developed the first app version in just one year.

“I'm proud to work on an internally developed product by employees, for employees. With the help of feedback from our colleagues, we are constantly trying to improve the app in order to provide better support in everyday work. As part of the SDC, I am very happy to be able to help



Everyone works agilely: developers and executives.

shape the digital transformation at Volkswagen,” says Dennis Franke, software developer.

During the six-month pilot phase, many user workshops, surveys, and usability tests were conducted to find out what colleagues want from a modern employee app. It has been available free of charge for business iPhones and personal Android or Apple smartphones since May. Since then, the app has gained more than 22,000 internal users learning about current news and interesting services such as the menus of company restaurants. A new app version is also already at the ready and will follow shortly – for example with simplified access to HR Self Services (presence and absence, salary statement, etc.), internal classified ads (search & bid), and other functions. In the future,

Work on the 360° app: Volkswagen employees developed the program in the Software Development Center (SDC).

**360° Volkswagen App**

You can download the app here

The 360° employee app provides employees with all the important news from the Group world. It can be used on both business and personal smartphones. Scan the QR code to download.

JETZT BEI Google Play

Laden im App Store

colleagues will also be able to apply for a replacement works ID card via the app – conveniently from their couch.

“I am very proud of our app team, because we have become a real talent factory for app experts. This is especially evident in the event of challenges, where we quickly find the right solution,” says Dennis Belling, product owner of the app.

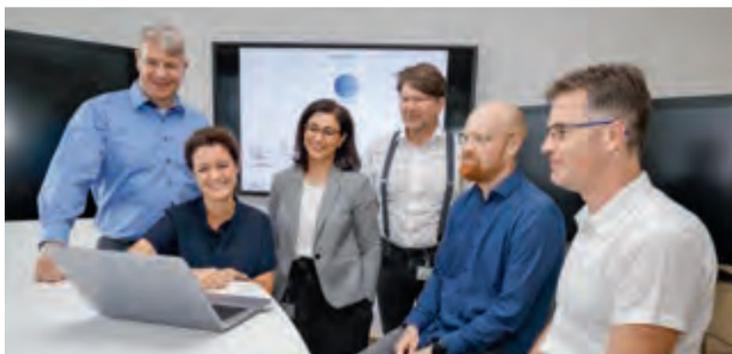


Dennis Belling

## Lake, Not Silo: The Data Processing of the Future

Group Logistics collects its knowledge for the entire Group in the Logistics Data Lake

No, it's not self-explanatory. That is why Carolina Moreno González, Head of Logistics, Analytics, Reporting & Controlling for Group Logistics, describes the future of data processing with one image: “We used to store information in silos without any connection to each other. Today, key figures and expertise flow together in a large lake that everyone can access.” In what is known as the Logistics Data Lake, IT systems from Logistics automatically provide data from texts or spreadsheets. Together with the IT colleagues from Application Management, Group Logistics was able to set up a new data platform in



Roland Harms, Carolina Moreno González, Hadhami Dhraief, Thorsten Sommer, Daniel Markow, and Tobias Faust (from left to right).

the cloud within just a few months. Moreno González emphasizes: “As

part of the Volkswagen Industrial Cloud (Digital Product Platform –

DPP) on Amazon, our platform is open to all divisions.”

The higher the volume of data in the lake, the greater the added value for the company. At least in theory: As a start, the Data Lake only contains raw data. Today: approx. ten terabytes of compressed data, equivalent to more than 10 billion DIN A4 pages. González explains, “We need data scientists, experts in the networking and evaluation of large, complex information, to make sure we can utilize these kinds of data volumes in a profitable way. In Group Logistics, we've developed a corresponding role profile and are establishing suitable jobs.”

The data scientists, together with software developers, finally make the data from the lake practically usable: The information flows as a knowledge base, for example, into early warning systems, machine sensors, and smartphone apps. Supported by artificial intelligence, it helps to optimize traffic flows, automatically arrange appointments with freight forwarders, and monitor parts inventories. This replaces Excel tables and manual work. The Head of Logistics Analysis, Reporting & Controlling explains: “The Data Lake is the foundation for more efficiency, quality, and customer satisfaction. Success is a matter of knowledge leadership.”



## DHL Relies on E-Transporter by MAN

Model eTGE  
in use in Paris

It's a harbinger of the new city mobility in Paris: the MAN eTGE. It went into daily operation at three large French companies this year. For the international express service provider DHL Express, it transports parcels over the first and last mile in the ninth district of the French capital. At the Gare de Lyon and Gare de l'Est stations, SNCF Réseau, the operator of the rail network in France, will use it to transport track maintenance technicians and equipment over short distances between the workshop and construction sites. The globally active logistics service provider GEODIS also uses MAN's locally emission-free 3.5-ton panel van for its delivery driving in Paris.



## New: Truck with No Driver's Cab

Scania presents concept truck



With a concept truck with no driver's cab, a group of Scania experts from various fields has reached another milestone in the development of heavy, self-driving commercial vehicles. Because various industries are striving to rationalize transport tasks and make them more sustainable, the use of self-driving commercial vehicles is increasingly being considered. Well-controlled sites, such as mines and large construction sites in closed construction, offer good conditions for use in a pilot project. "With the concept truck Scania AXL, we are taking an important step towards the intelligent transport systems of the future. Self-driving vehicles are becoming more and more



Henrik Henriksson

a matter of course," says Henrik Henriksson, Chairman and CEO of Scania. "We continue to develop and test new concepts to show what we can achieve with the technology available today." In many respects, the software for autonomous vehicles is more important than the hardware. The Scania XL is controlled and monitored via an intelligent control environment. In mines, for example, autonomous operation is supported by a logistics system that tells the vehicle how to behave. The combustion engine that drives the concept vehicle is an example of the interaction between new and traditional technology. It is expediently run on biofuel from renewable sources.



## Seat: Fuel Made from Biowaste in Vehicles

Brand participates in EU project

Seat will participate in the "Life Landfill Biofuel" project, recently approved by the European Commission until 2023. The aim of the project is to extract renewable gas from municipal landfills. It will be developed over the next four years, together with other partners, and has a total budget of 4.3 million euros. The European Commission will take over 55 percent of this. The European Union will limit the amount of municipal waste that can be



landfilled to 10 percent by 2035. Converting waste into vehicle biofuel is, therefore, a solution to this ecological challenge. There are almost half a million landfills in Europe, so research into conversion into an energy source is a great business opportunity.



## 110 Years of Bugatti

Anniversary: Rally and "Grand Fête" celebration

Bugatti is celebrating its 110th anniversary this year. Customers, journalists, employees, and interested guests were invited to the "Grand Fête" anniversary celebration in Molsheim, France. At the company's headquarters in Alsace,

the focus was on the brand's vehicles, with both classic and current models presented. The festival was the conclusion of a rally along the stages of founder Ettore Bugatti's life, including Milan, Monaco, and Paris, and ended in Molsheim.



## New World of Experience in the Audi Forum Neckarsulm

Interactive stations await visitors

Experience the fascination of "red diamonds" first hand: On the occasion of the 25th anniversary of the RS models, a new world of experience has been created in the Audi Forum Neckarsulm.

The exhibition area in front of the Audi-exclusive studio on the first floor has been completely redesigned. In addition to highlight vehicles with individual equipment and paintwork, two racing cars from Audi Sport customer racing and two interactive stations now provide a special experience. Visitors can see the new section starting immediate-

ly. The conversion of the area on the first floor to the Audi exclusive world of experience is extensive: The walls are decorated with floor-to-ceiling pictures and brand slogans. On the glass facade facing the piazza stands a shimmering red sticker.

The new world of experience allows visitors to get active themselves at two interactive stations: So-called "sound showers" let guests experience engine noises from current models and racing cars both acoustically and physically as their seats vibrate along with the sound.

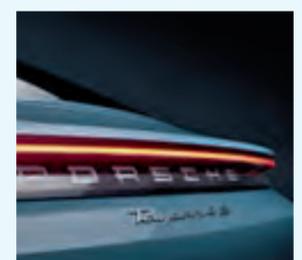


## Karoq<sup>1</sup>: Quarter Million in Two Years

Compact SUV wins over customers

At the Škoda plant Mladá Boleslav, the 250,000th Škoda Karoq has now rolled off the assembly line. The anniversary model is a Karoq 1.0 TSI 85 kW (115 bhp) in the color Black Magic Metallic. The compact SUV celebrated its world premiere in mid-May 2017 in Stockholm, with series production beginning in July 2017. This

means that the Karoq has reached the mark of a quarter of a million units hardly more than two years after the start of production. The Karoq is entering the 2020 model year with an even better range of safety and comfort features. A further expansion of the range in the SUV segment is a cornerstone of the Škoda 2025 Strategy.



The new model is available with two battery sizes.

## E-Sport: Porsche Launches the Taycan<sup>2</sup> 4S

Up to 571 bhp

Porsche is presenting the third version of the sports sedan – the Taycan 4S. The new model is available with two battery sizes and puts out up to 420 kW (571 bhp). For the first time, Porsche is offering a completely leather-free equipment variant of the Taycan. Interior circumferences made of innovative recycled material underline the sustainability of the electric sports car.

<sup>1</sup> KAROQ 1.0 TSI 85 kW (115 bhp): urban: 6.7 l/100km / highway: 4.7 l/100km / combined: 5.4 l/100km; CO2 emissions combined in g/km: 124; efficiency class: B.  
<sup>2</sup> Taycan 4S (420 kW/571 bhp) power consumption, kWh/100 km (NEDC): combined 24.6 - 25.6; CO2 emissions in g/km: combined 0; efficiency class: A+.

# Production: What the Factory of the Future Looks Like

An international project team develops 13 scenarios for small and large series production

The mobility of the future is changing: New environments, customer requirements, and products demand new production concepts. With the production strategy “Factory Worlds 2030+” initiative, the Volkswagen Group is taking a holistic view of the production and logistics of the future. A cross-brand project team developed a map of the future with 13 factory scenarios, four of which were elaborated: “Classic (R)evolution” is a further development of today’s mass production factory with production-as-a-service concepts, “Copy Shop” focuses on the shared mobility market segment, and “Slim Flex Mover” is a flexible concept that can be used in new markets or to expand factory capacity. In addition, there’s the “Flagship Boutique” as a scenario for individual mobility products of the Premium and Sport & Luxury brand groups.

## Cross-brand team formed

“To design future factory scenarios, we’ve set up an agile project house in Wolfsburg that spans all brands. This enabled us to bundle the expert knowledge from all brands,” says Markus Haupt, Head of Production Planning in the Volkswagen Group. “The project team developed a classification system to describe what future factories should look like. Key factors for the design of a factory were identified, future visions for each factor developed and consistencies described. A total of 13 future scenarios were systematically developed and four were fleshed out. The results are outstanding.”

“The four elaborated concepts cover a broad spectrum,” adds Uwe

Schwartz, Head of Planning and Production Technology for the Volkswagen brand. “Both small-series and large-series factories are described. In addition, the concepts differ in aspects such as vertical range of manufacture, degree of automation, product type, and variant spectrum. The medium-term goal is to firmly anchor the method developed for further development of our factories in our worldwide production. Transfer projects are already underway with the Volkswagen, Audi, and Seat brands.”

“We’re developing the future for our production and logistics together with our brands and our worldwide experts,” says Gerd Walker, Head of

Group Production. “We described the future environment for our production with the ‘Futures of Production’ project. The ‘Factory Worlds 2030+’ show possible factory concepts, and the strategic plant allocation focuses on our production network. The combination of these strategic projects enables us, together with the brands, to further advance the strategic orientation of production and thus to support the locations on their path into the future in a target-oriented manner.”



Factory Worlds 2030+: Strategic plant occupancy also plays an important role in the elaborated scenarios.



Working on the factory of the future: The project team has defined various challenges.



Responsible in the Legal department for the legal test case: Katharina Meier (left) and Janett Fahrenholz.

On September 30, the legal test case against Volkswagen began before the Braunschweig Regional Court. Roughly 470,000 people had joined the proceedings by being entered in the Litigation Register. However, far fewer spectators than expected came to the Braunschweig

Municipal Hall, which had been rented especially for the hearing. The court proceedings are meant to clarify in principle whether vehicle owners have suffered a loss and whether Volkswagen must therefore pay damages to the affected customers.

Katharina Meier, corporate lawyer

## Legal Test Case: What Happened at the First Day of the Trial

Volkswagen lawyer Katharina Meier: Why the company wants a speedy procedure

at Volkswagen, on the current status of the legal test case.

### Ms. Meier, the first day of court is over. Was it a good or a bad day for Volkswagen?

The presiding judge Michael Neef made it clear at the hearing that any damage to the customers was “not obvious.” In fact, there are several studies that have examined the price evolution of various diesel vehicles and confirm that there is no depreciation due to the software. In any event, the Court has announced that it will take a close look at the question of possible damage. The plaintiffs have to explain where the damage can be seen.

The judge has also made it clear that he sees no reason why the allow-

ance of compensation for the use of the vehicles should be waived should customers be found to have a claim for possible damages.

### Volkswagen is accused of wanting to prolong the proceedings. Is this the case?

It is in Volkswagen’s interest to conduct the proceedings as quickly as possible. We want clarity for our customers and for ourselves. A long procedure always means negative headlines and further high costs for litigation – especially in the case of possible follow-up proceedings.

### What’s the next step in legal test case?

The second hearing will take place on November 18. Things will become much more concrete then. Even a

first partial judgment is possible. However, that only concerns the admissibility of individual claims.

In our view, however, it will take another three to four years before a final judgment provides clarity for companies and customers.



Janett Fahrenholz and Katharina Meier from the Volkswagen Legal department will answer employee questions about the legal test case in a live talk via Group Connect on November 19. Further information will be available in advance in Volkswagen Net.

# Aim: Promote CO<sub>2</sub>-Neutral Production

In the ONE MISSION 2025 Components strategy, environment management is entrenched in defined projects and measures

The Volkswagen Group is constantly working on its production and processes. The Group's new environmental policy, goTOzero, is predominantly focused on the following four areas of action: **climate change, resources, air quality, and environmental compliance.** The aim is to make Volkswagen AG CO<sub>2</sub>-neutral from a financial perspective by 2050. And thanks to the "Zero Impact Factory" strategy, it is anticipated that this aim will be achieved in the Production division as early as 2030.

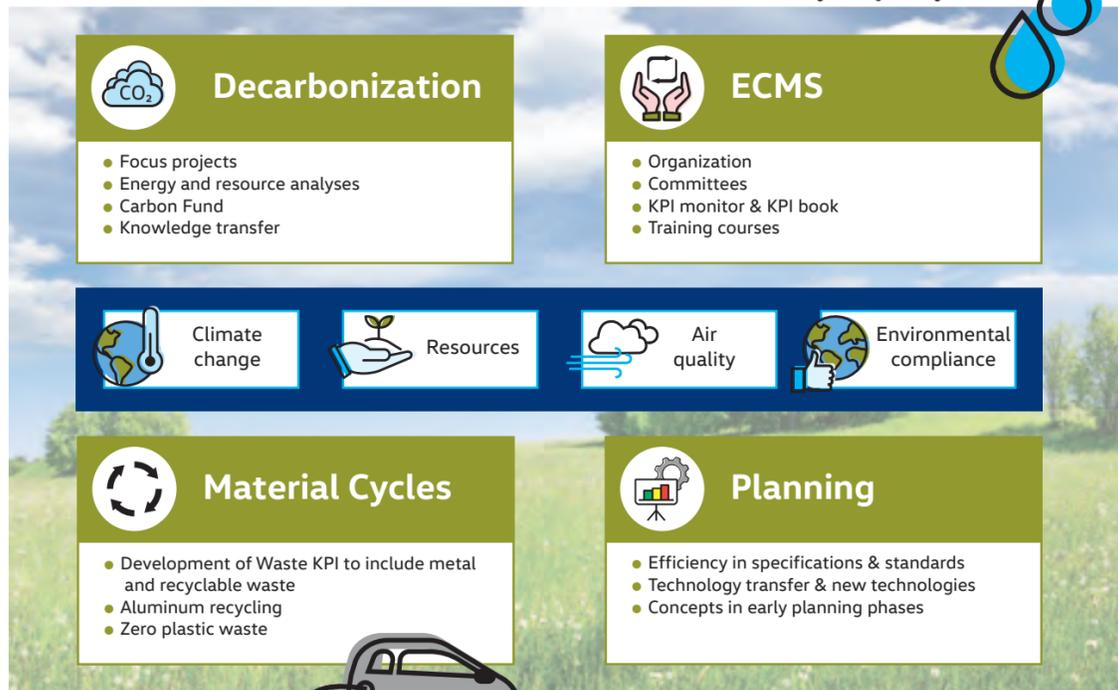
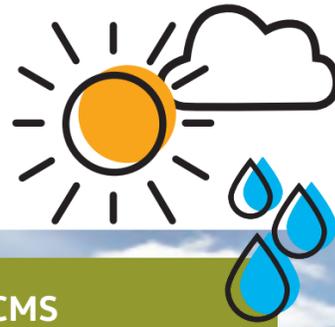
### Many factors – one aim

From the supply chain to on-site production and right through to battery recycling: To minimize negative environmental influences throughout the entire product cycle, sustainable measures and innovative ideas are absolutely essential. This is why the Components division has implemented the Group Components Initiative (GCI) "Vision Zero Impact Factory," which is a crucial element of the ONE MISSION 2025 components strategy in the "Sustainable Process Chain" area of activity. The ultimate objective is to make the 60+ Volkswagen Group Components plants CO<sub>2</sub>-neutral. The Resources & Competence

Management team in Wolfsburg supports its on-site colleagues with a whole host of projects and measures.

With various concrete measures divided into the four key areas of **Decarbonization, Environment**

**Compliance Monitor System (ECMS), Material Cycles, and Planning,** the Components division is making a positive contribution to the four areas of activity involved in goTOzero while also seeking to meet its targets.



### Rules of Play, Electric Drives, and a Change in Competence:

### More News from Group Components at a Glance

**From responsibility to diversity:** Seven Components rules of play as the foundation of our teamwork. Employee suggestions are currently being incorporated.



### E-motor the size of a sports bag:

The electric drive for the new ID.3<sup>1</sup> from Components is so compact that it would fit in a sports bag.



**Mastering the transformation together:** Components is promoting competence management in the transformation through various projects and approaches.



### So what does it mean in practice? A few examples:

- ✓ One of the aims of the Components division is to reduce the level of production-related CO<sub>2</sub> by 50 percent by 2025. This calls for a number of focus projects, which involve taking measures in Production to reduce the consumption of energy, water, and CO<sub>2</sub> emissions. These measures include switching lights to LED, washing technology, and heat recovery. The implementation of the projects is defined in a road map for the sites by 2025 and financed via the planning sessions.
- ✓ Use of the Carbon Fund for focus projects: The Carbon Fund grants the Volkswagen AG locations for Vehicle

Manufacturing and Components an annual sum of 50 million euros to implement energy-efficiency measures. The Components division also benefits from this.

- ✓ Decarbonization pathways for all German, Polish, and international Components plants, including SITECH (except China and components locations of other brands) created and evaluated by 2030. The decarbonization pathways depict a potential scenario of how these plants can reduce their CO<sub>2</sub> emissions to an absolute minimum by 2030.

### Further information



72%

The environmental KPI for Components: C-UEP

**What percentage** of the annual environmental target (reducing energy, CO<sub>2</sub> emissions, water, waste, and VOC) has already been achieved as a result of the various projects and measures in Components? The C-UEP (which stands for Components – Undoing the Environmental impact in Production) indicates the quarterly improvement as a percentage. After the second quarter of 2019, this figure was already at 72 percent.

### Further information

The entire Components edition of 360° is available at: <https://bit.ly/31We6XT>



# Introducing the New Transform Minds at Components!

34 colleagues become promoters of the transformation at Group Components

Shaping change, communicating, and developing future projects: this is what the Group Components Transform Minds program is all about, which is open until the end of August for employees to apply. From a creative video to a letter in the style of a magazine, the second round of the Group Components Transform Minds program saw employees come up with a whole host of application ideas. After going through all of the applications, we were eventually able to name the 34 new Transform Minds! In addition to the many employees from the German Components sites, this year's cohort includes a number of Transform Minds from Porsche (Zuffenhausen), Škoda (Mladá Boleslav), and Audi (Győr), as well as from Polkowice.

The first major get-together for the new Transform Minds group took place in Wiesbaden last week on October 17 and 18. After all coming together for a round of introductions, it was time to take a first look at the strategy topics that will accompany the Transform Minds group into the future. The agenda also included exciting external feedback on the topics of transformation and efficiency, as well as insights into the innovation- and technology-related topics at Components, presented by Ariane Kilian. From now on, the new Transform Minds will play an active role in strategic initiatives for Components and also act as promoters of the transformation for their colleagues at their respective sites. In addition to a learning

journey with plenty of exciting stations, the new Transform Minds will attend strategy events and discussions with Thomas Schmall and the twelve Transform Minds from the first round of the program.



### Further information

For details on the new Transform Minds, including which GCIs they are involved in, take a look at the **Group Components channel** in the 360° app.



Successful kick-off event in Wiesbaden: The Transform Minds are now challengers and promoters of the ONE MISSION 2025 Components strategy with immediate effect.



# New Comic Series: Integrity and Compliance in Everyday Life

Under T4I, the Integrity, Compliance, Risk Management, Human Resources, and Corporate Culture divisions are developing a new format



As part of the Together4Integrity (T4I) integrity and compliance program, liaison officers from all the departments involved in the program – Integrity, Compliance, Risk Management, Human Resources, and Corporate Culture – have developed a new format. “Our ‘Weitergedacht’ (‘scrutiny’) cases illustrate professional situations in offices, in production, in teams, and in cooperation with partners in typical comic art style,” says Christian Cauers from T4I Communication,

explaining the basic idea behind the comic. The short stories are intended to raise awareness of situations in which employees may come into contact with integrity, compliance, risk management, and corporate culture in their everyday work. They feature titles like “Long-term customer relationship, personal gift?” (issue 1) and “Speak up when something’s wrong” (issue 2).

“We plan to publish a total of 13 cases in the next few weeks,” says Anna-Kathrin Süßner from T4I Communication, which is



Communication via comics: Christian Cauers explains the measure.

coordinating the development of the comics. The T4I stories illustrate the “Integrity Behavioral Anchors” in an easy-to-understand way and serve as a guideline for handling situations that require integrity and awareness of personal decision-making.

The comics are available as PDFs in German and English through Group Connect – which means they can also be used internationally by all companies in the Volkswagen Group and for various occasions, team meetings, and workshops.



## Together4Integrity

The goal of the strategic, Group-wide Together4Integrity program is to anchor integrity and compliance in employees’ day-to-day work as well as at the highest levels of the company’s strategy and decision-making. The comics are available for download from the Together4Integrity Group Connect page.

## Flat-Rate Learning: How Employees Can Receive Further Training Online

Latest offer from the Volkswagen Group Academy: IT training videos and e-books on business topics

Under the new flat-rate scheme, employees can now complete IT courses taught through training videos and read e-books on business topics. All this is possible thanks to collaborations between the Volkswagen Group Academy and international online training portals.

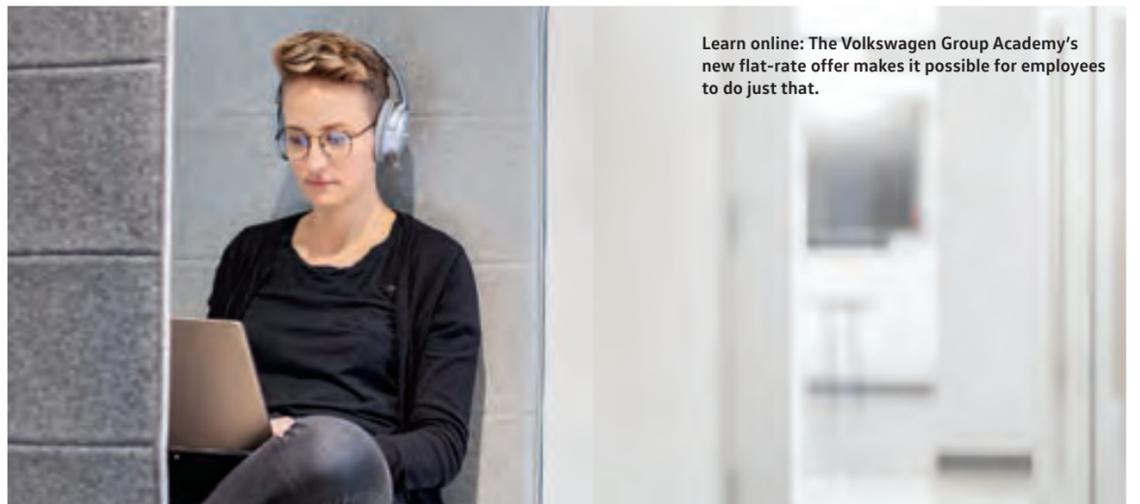
Employees can use video courses from Pluralsight or books from Bookboon to learn independently, anytime, anywhere, all at their own pace,” explains Ralph Linde, Head of the Volkswagen Group Academy. “Genuine skills development takes place in exchange with colleagues. But online courses offer employees a starting point and a tool for acquiring knowledge. We welcome these offers from these outside education platforms as an extension of the good work being done by the Group Academy,” says Gerardo Scarpino,

member of the Works Council and chair of the Education Committee.

Pluralsight offers more than 6,000 IT video training courses for everyone from beginners to experts. Content ranges from PowerPoint to programming language to cyber security. The English-language courses offer subtitles in the student’s own language. Good to know: employees can record the courses they’ve completed in their training history through HR.

Bookboon, the world’s largest online book publisher, offers around 1,500 e-books and audio books in several languages. Topics range from marketing and sales to communication and presentations, and even accounting and finance.

After speaking with their supervisor, Volkswagen AG employees can get paid licenses to Pluralsight



Learn online: The Volkswagen Group Academy’s new flat-rate offer makes it possible for employees to do just that.

or Bookboon in Group Learn. There, training courses and/or books will be available until the license

period expires in either August or September 2020. How to get a license: enter “Pluralsight” or

“Bookboon” in the search bar in Group Learn. Additional collaborations are being planned.



Official opening: Cutting through the ribbon together at the V-Space Opening Ceremony in Beijing.

# A New Era for Volkswagen Group China: V-Space Headquarters Opens in Beijing

*Herbert Diess: China has real significance for the entire Group*

**A** new era: In the last week, Volkswagen Group China has launched its new V-Space headquarters in Beijing, which is now home to more than 2,300 employees. Volkswagen CEO Herbert Diess was in attendance at the opening ceremony.

“V-Space represents a clear indication that we are pressing ahead with our strategy in China. This inspirational location is yet another example of our commitment to China and the significance of this market for the entire Group,” explains Diess. “I would like to wish all the best to the entire Volkswagen Group in China and hope they enjoy every success – particularly here in the new premises at the Beijing location.”

According to Stephan Wöllenstein, CEO of Volkswagen China: “I am convinced that this new facility will help

us on our way to becoming more responsive, creative, and inspirational. The closed conference rooms of the past have been replaced with more dynamic spaces in a bid to reduce hierarchies and promote the exchange of ideas. Our new location is an expression of a sustainable and dynamic working culture while also embodying our affiliation with the Group.”

In the past, there were numerous office buildings scattered throughout Beijing; however, the Volkswagen

Group’s tremendous growth called for a solution that would combine all forces at a single site. Employees came up with the name V-Space for the building.

A real focus was placed on environmental considerations when developing V-Space, which boasts state-of-the-art, sustainable technologies such as separate heating and cooling systems with reduced energy consumptions and lower CO2 emissions, hot-air drying facilities, and 150 electric charging stations.

V-Space is now home to four subsidiaries of Volkswagen Group China and a whole host of other brands under a single roof. From 2016 to 2018, around 750 employees were involved in collating all requirements and ideas so that these could then be incorporated into the design and establishment of the building. All divisions will be active by the end of 2019.



CEO of Volkswagen China Stephan Wöllenstein

A peek into the new building: open spaces and plenty of glass.



Opening ceremony with Herbert Diess: Traditional elements were a must.

## Herbert Diess: “Development in China Is Impressive”

*An interview with the Volkswagen Group CEO: the role of the Chinese market for the Group*

**W**hat role does Volkswagen play in the Chinese mobility market? Group CEO Herbert Diess tells all in our interview. He also talks about the development of the country, its prospects for the future, and a growing customer base.

**This year marks the 70th anniversary of the founding of the People’s Republic of China. What do you think of China in terms of its economic power today?**

The development of China over the last 70 years has been impressive. In the last year, China’s GDP amounted to 13.6 billion dollars and China asserted itself

as the second-largest economy in the world. The demographic taking home an average income has risen to over 400 million people, and there are now almost ten times more university students than there were 20 years ago.

We have observed a rapidly growing Chinese customer base, which is becoming ever younger, more educated, and more independent. The fact that the country can now offer the prospect of a better life for so many millions of people in such a short space of time is a truly unique achievement in human history.

**What economic opportunities have arisen for Volkswagen in China in recent decades?**

The first connections between the Volkswagen Group and China were established some 40 years ago with the start of the



Herbert Diess in the Volkswagen ID. ROOMZZ show car during Auto Shanghai 2019.

reform and open-door policy. As a pioneering, international automotive company, Volkswagen has made a real contribution to getting China on the road. We established our local production sites together with our trusted Chinese partners SAIC and FAW. Today, not only do we have a third joint venture with JAC, but we are also still the leading automotive manufacturer in China by some way on account of the excellent cooperation we enjoy with our Chinese partners. More than 35 million Chinese customers are currently driving a car

from the Volkswagen Group. In fact, in the past year alone, we have delivered 4.21 million cars to Chinese customers.

**Unilateralism and trade protectionism are on the rise and the global economy is facing major challenges. What role can China play in the ongoing development of the global economy?**

As automotive technologies and services spread from China to the rest of the world, we value and support globalized fair trade and multilateral trade. Our experience has shown that unilateral protectionism helps no one in the long run. Historically, it was globalization that provided the Volkswagen Group with the opportunity to take a leading position in the Chinese automotive market. With over 660,000 employees, of whom over 100,000 are based in China, our company really is representative of a globalized world. More than a quarter of all Volkswagen Group plants are located in China.

**What do you think about the future prospects for the Chinese economy?**

We are very confident about the positive prospects for the future – particularly with regard to the development of the automotive market. As far as the world of mobility is concerned, the Chinese automotive market is set to become a real powerhouse. Future technologies and trends such as e-mobility and autonomous driving are going to influence mobility around the world – starting in China.

This is why we are keen to strengthen our local research and development capabilities for future products and services. With our comprehensive “ONE R&D” strategy, we are aiming to pool all of our R&D capacities together so that we can continue with our research and development for the benefit of the entire Group, China, and the rest of the world. Over 4,200 of our R&D experts are currently working on the mobility of tomorrow. We also work closely with strong Chinese partners to maximize our research efforts.



Herbert Diess, CEO of Volkswagen AG at Volkswagen Group Night, Auto Shanghai 2019.



## The Golf 8 and Its Team



Hall 12: More than 100 employees from the Production team at the Wolfsburg plant with the new Golf 8 model, still under wraps.

# The Eagerly Anticipated New Golf

World premiere: seven pages dedicated to the next generation of the Volkswagen icon

The new Golf is celebrating its world premiere in Wolfsburg on October 24. The eighth generation will be showcased in the Hafen 1 function hall in the Autostadt.

Anticipation really is building for what continues to be the most important model to the Volkswagen brand: “We are bringing the Golf class into a new digital era, which is seeing us make new digital technologies accessible to many people – typical of Volkswagen, really,” explains Ralf Brandstätter, who runs the operational side of the business as COO of the brand (see editorial on this page).

The Golf really is one of a kind, which you will soon discover over the next six pages of this 360° edition. An interview with Series Director Karlheinz Hell sees him describe the new Golf as an icon and thanks Volkswagen staff for their dedication: “Our team showed what they’re made of

once again, so I really would like to express my gratitude for that.” As for Stefan Loth, Head of the Wolfsburg plant, he reveals: “My heart has beat for the Golf since I got my driver’s license. After all, my first car was a used, white Golf 1.”

### Employees reveal what they like about the new Golf

Even Janine Thiel, Team Spokesperson for Technology Installation, is desperate to finally see the car on the road: “I’m a huge fan of the Golf 8 as it combines so much in one: It’s dynamic and elegant without losing sight of what makes it a Golf.”

Read on to find out what other employees have to say. You will also find articles on the history of the Golf, employee qualifications, and the cooperation of Production, Development, and Series, as well as eighth-generation central parts made by Volkswagen Group Components.

Still under wraps: The new Golf 8 is celebrating its world premiere in Wolfsburg on October 24.



Andreas Tostmann, Head of Production for the Volkswagen Passenger Cars brand

“Any time you hear Golf mentioned, you automatically think of Wolfsburg, its plant, and its production team. These concepts have been inextricably linked now for over four decades.”

“Excitement has reached fever pitch in Wolfsburg once again ahead of the premiere of the new Golf. Wolfsburg and the Golf are connected by a recent tradition and an urge for constant improvement. There’s no doubt in my mind that the Golf 8 will be a best-seller like all of its predecessors and a worthy ambassador for Wolfsburg.”

Klaus Mohrs, Mayor of Wolfsburg



“The Golf is the best car in the world. And it’s built right here in Wolfsburg by the best team in the world. This is why I’m so confident that all of the employees involved in the new Golf 8 will continue to write its success story. Not only that, but customers of the new Golf 8 can count on the fact that they have chosen a vehicle that is really setting new standards in its class.”

Jürgen Hildebrandt, Plant Coordinator for Golf Assembly



### Dear Colleagues,

The Golf has been impressing our customers now for the past 45 years. In fact, an entire generation bears its name – the “Generation Golf.” No other model has shaped our brand quite so powerfully and permanently over the decades. It is used synonymously with the Volkswagen name and everything Volkswagen stands for around the world.

It is – and is set to continue to be – the most important model at the Wolfsburg location, for the Volkswagen brand, and for the entire Group. With the new Golf 8, we really are going the extra mile and pressing ahead with this success story like no other.

Now as much as ever, the Volkswagen Golf is all about making the pioneering technologies from the luxury segment available to all. Even the eighth generation of our ever-popular model is setting new standards – just like its predecessor. We are bringing the Golf class into a new digital era, which is seeing us make new digital technologies accessible to many people – typical of Volkswagen, really.

The drive portfolio of the Golf is better than ever before: The electrified mild hybrid is raising the bar when it comes to CO<sub>2</sub> emissions without compromising on a truly impressive driving experience. As for the plug-in hybrid, this offers a 60-kilometer electric range to allow everyday journeys to be carried out entirely electrically and therefore free from emissions. Environmental friendliness and driving enjoyment go hand in hand where the Golf is concerned. And as the saying goes, life happens with a Golf!

I am proud of our incredible team performance and can’t wait to see the new Golf 8. After all, this is the fruit of all your exceptional work. I have no doubt that the eighth generation will continue to impress our customers.

Kind regards,

Ralf Brandstätter  
Chief Operating Officer (COO) and Member of the Board at Volkswagen Passenger Cars



*"I'm behind the Golf"*



"The Golf 8 is significantly more sporty and has a really dynamic look. Technically speaking, it is incredibly complex and boasts plenty of features."

Ronald Wießner – Foreman, Assembly Line 3



"The interior design is my favorite part – especially the cockpit."

Anne-Kathrin Rau – Assembly Line 3



"I'm particularly impressed by the technology of the Golf 8."

Elisabeth Sommer – Final Vehicle Inspections & Quality Assurance



"My favorite part has to be all of the technical features inside the vehicle."

Heinrich Gordzielik – Final Vehicle Inspections & Quality Assurance



"Golf is synonymous with reliability and has a high recognition factor. I get excited every time I see a Golf, because I think they're great and, of course, they keep me in a job."

Alfred Gergel – Foreman in the Special Paint Shop

# "The Team Has Shown What They're Made Of"

Interview: Karlheinz Hell, Head of the Compact Series, on the new Golf 8

So Mr. Hell, the new Golf is celebrating its world premiere. What makes it so special?

The Golf is an icon. It embodies high-quality mobility for everyone like no other car. Take my word for it: The eighth generation is going to really raise the bar. It is modern, elegant, and represents technology, diversity, and individuality. It also appeals to a wide range of customers thanks to its sporty GT and R models.

How does it differ from the earlier model?

The way I see it, Klaus Bischoff and his design team have done an incredible job on the development. There's no doubting that it carries the typical Golf gene. It is evolutionary on the outside, which makes it instantly recognizable, and revolutionary on the inside. And with features such as the new InnoVision Cockpit, the Golf 8 is set to carry us right into the digital age. Its innovative operating concept is setting new standards, while features such as Lane Assist, Front Assist, and Car2X are opening up a whole host of ADAS technologies to a mainstream customer base. Convenience and safety like this have previously been available only in higher vehicle classes.

It hasn't been long since the launch of ID.3. Is there still any call for the Golf?

I am sure we haven't seen the end of it yet by a long way. With its clean

Delighted with the new Golf, shown here still under wraps: Karlheinz Hell, Head of the Compact Series.



and economical units, it is sure to remain the number-one choice for many customers. Development of the Golf 8 is also showing no signs of slowing down when it comes to electrification. Going forward, for example, we will be offering all automatic vehicles with TSI engines as an eTSI option and expanding the e-hybrid range with two alternatives. This will ensure we are continuing to make a vital contribution on the road to CO<sub>2</sub>-neutral mobility.

What do you think of the project on the whole?

I am incredibly happy with it. As part of our development of the series, we analyzed customer requirements and got rid of less popular variants, such as the 3-door model. This has allowed us to cut the available variations by 35 percent in comparison to the Golf 7. But this is not to say we haven't incorporated a number of new functions into the vehicle. We are also boosting productivity. The production processes in Zwickau and Puebla have been merged into the main plant in Wolfsburg with the launch of the Golf 8, which is intended to ensure better utilization and reduce costs.

What was the cooperation like?

It went very well across all areas, and our team showed what they're made of once again, so I really would like to express my gratitude for that. Of course, the work we do is sometimes very demanding, and the car is full of new ideas, so we have decided to introduce a concept we're calling the Golf Camp.

What does this involve?

It calls for colleagues from different areas and suppliers to work together as part of a responsive team. We meet several times a day to address open issues without any kind of hierarchy or closed-minded thinking. We make decisions very quickly so that we can get back to our work. This allows us to minimize our response times and take a logical approach to handling problems.

How are preparations going in the run-up to the market launch?

We are fully on schedule right now, which means we will be celebrating the market launch of the Golf in Germany at the end of the year. Customers will then be able to customize their own bespoke vehicle. The sporty GTx and R models will follow later in 2020, although this gradual approach in phases is entirely normal.



Right before the world premiere of the eighth generation: the Golf Team.

## The Lowdown on the Golf 8 Premiere

Anticipation runs high as the Service Factory celebrates the new model – Golf 8 goes on tour – Löw in Wolfsburg

THE GOLF 8 is celebrating its premiere, and the Service Factory is right at the heart of the action: From October 22 to 24, visitors to the company restaurant at the Wolfsburg site can expect to enjoy a very special Golf menu.

- Wednesday, **October 23:** Golf Burgers, consisting of a whole wheat burger bun, Aberdeen Angus patty, guacamole, grilled zucchini slices, and Lollo Rosso lettuce, served with sweet potato fries
  - Thursday, **October 24:** Energy Bowl, consisting of whole grain rice, sweet potatoes, edamame, warm marinated tofu bites or chicken breast strips, hummus, roasted walnuts, and sunflower and pumpkin seeds
- The Corporate Catering team is looking forward to welcoming everyone who would like to join in the world premiere celebrations with the special Golf menu.

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THE SERVICE FACTORY has launched 35,000 limited edition packs of currywurst on the market in honor of the premiere of the new Golf. These sausages proudly feature the text "Golf 8"



Butchery team with Golf currywurst.

on not only the packaging but also the sausage skin itself. The special edition sausages will be sold in the shops at the Volkswagen sites in Wolfsburg, Emden, Hanover, Braunschweig, Salzgitter, and Kassel, as well as in Edeka supermarkets that already stock the Volkswagen currywurst in their standard product range.

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IT'S ALL KICKING OFF STARTING CW 45: Following on from the premiere in Wolfsburg, the Golf 8 will be heading out on tour across the various Volkswagen production plants throughout Europe. Within the space of five weeks, the vehicle will visit the plants in Osnabrück, Emden, Zwickau,

Bratislava, Palmela, and Pamplona. The roadshow is an initiative by Production and Logistics as part of their "The Magic of Production" campaign, which will allow the production teams at each site to experience the latest model from the brand up close.

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HIGH-PROFILE PREMIERE GUEST: National team coach Joachim Löw will be joining in the world premiere celebrations for the Golf 8 at the Autostadt in Wolfsburg. A real highlight will see him visit the plant alongside the main event, which will allow him to learn more about the production processes. Löw will also be taking time out of his busy schedule to speak to staff.



Special guest in Wolfsburg: Joachim Löw.

*"I'm behind the Golf"*



"The electronics are impressive and the interior is in a class of its own."

Giuseppe Lapi – Team spokesperson, Assembly Line 3



"The cockpit looks like it's been taken straight out of an airplane – it's brilliant!"

Hans-Peter Ritter – Production coordinator, Assembly Line 3



"I love the exterior and I just hope it will be equally well received by our customers, too."

Martina Korte – Assembly Line 3



"We've developed a truly great car here yet again. I hope plenty of people go ahead and buy it."

Iris Skibitzki – Final Vehicle Inspections & Quality Assurance



"The Golf 8 has a fantastic design. The cockpit has a really digital look that I love."

Dieter Gampe – Technology Installation

"I'm behind the Golf"



"I hope the car will be a bestseller. The exterior looks incredible with its seriously fierce look."

Steven West –  
Team Spokesperson, Assembly  
Line 3



"I'm looking forward to seeing a whole load of new Golf models on the road. I particularly like the headlights."

Talin Alo –  
Assembly Line 3



"The new Golf is brimming with the DNA of its predecessors. The Golf is still a Golf, and that's just the way we want it. In terms of connectivity, we're catching up with the Touareg. When you sit in a Golf 8, you're sure to feel instantly comfortable."

Stefan Gieseler –  
Quality Assurance Exterior  
Purchased Parts



"I'm a huge fan of the Golf 8 as it combines everything in one: It's dynamic and elegant without losing sight of what makes it a Golf."

Janine Thiel –  
Team Spokesperson, Technology  
Installation



"I really love the electronics and the various new components."

Marc Paulmann –  
Operational Management,  
Car Completion



Excellent cooperation: (from left to right) Arved Maecker (Development), Christian Meier (Production), and Jürgen Wimmer (Series).

"I'm behind the Golf"



"I think the design is especially appealing. There's just no question that the Golf 8 looks good."

Alexandra Vetter –  
Assembly Line 3



"The interior design alone represents a huge step toward the future, as this is where we are combining the very latest technologies."

Tim Walter –  
Foreman, Quality Assurance



"The equipment and cockpit are great, and the shape is just beautiful – it's a zippy, agile car."

Simone Neum –  
Assembly Line 3



"I think the design is very accomplished. It's stylish and sporty and I'm very impressed with it."

Natalia Glijun –  
Assembly Line 3



"The Golf 8 is the best Golf of all time – sporty and functional all in one. For me, there's no excitement quite like it. It's a lovely-looking car featuring a contemporary design and great functionality."

Andreas Dorne –  
Overall Vehicle Quality Assurance

## How Teamwork Put the Golf On the Road

Cooperation: Vehicle developed under the series leadership team for the first time

Over the last few weeks and months, hundreds of employees at the Wolfsburg site have been working non-stop to get the new Golf on the road. But how did the cooperation between the various divisions – Series, Production, and Development – actually go?

The Golf 8 was developed as the first new vehicle to benefit from the new series structure. The project managers from each division sit together in a project center at the production facility to facilitate fast decision-making processes and act as the direct points of contact for the divisions. "This has made life significantly easier," explains Jürgen Wimmer, Head of the Golf family model series.

"The collaborative work began as early as late 2015," notes Arved Maecker, Head of Technical Project Management for the Golf family. Even during these early stages, representatives of the Development, Production, and Design divisions still sat together. The burning question on everybody's lips was, "How do we come up with a fantastic design that

is also robust enough to stand up to our production processes?" The aim was to develop a car that required as little follow-up work in the factory as possible. They also wanted to develop the Golf in such a way that meant they could continue to exploit many of the existing production facilities. "And we actually pulled it off," enthuses Christian Meier, Head of Production Project Management. "The ability to make decisions quickly allowed us to make savings in the triple-digit million range."

**The software in the Golf 8 is more complex than ever**

But there were also huge challenges to overcome: The arrival of digitalization within the vehicle has seen the focus shift towards software development and functional integration. "We have been handling conventional issues such as bringing an accurate design to life in a large-scale production process for years now," explains Wimmer. Nevertheless, the sheer extent of the in-vehicle software for the Golf 8 has

grown exponentially. "Whereas the software for a vehicle in 2010 included around 15 million lines of code, the Golf 8 now boasts in the region of 80 to 100 million."

It was therefore in a bid to get to grips with this level of complexity that the Golf Camp came into being at the start of the year. "Employees from various divisions came together at 8 a.m. every day to discuss how to make certain functions error-free as quickly as possible," recalls Maecker. Even suppliers of essential components were involved on site. At the end of the day, everyone would report back on how things had gone and which errors had been eliminated. "This is an initiative we spent 30 long weeks on," reports Meier, adding that, "the Golf Camp really proved its worth."

"Our team became even closer during this startup period," notes Jürgen Wimmer. And if there's one thing they all agree on, it's that the Golf is something truly special, considered the heart of the Volkswagen brand by all employees at the Wolfsburg location.

## Qualification: Assembly Employees Prepare for Golf 8

Eight employees trained as promoters

New components, new parts lists, updated installation sequences: Every time a model is launched, employees have to be qualified to handle the new workload. The Assembly team has taken this in a new direction with its "Promoter program."

Alexandr Arkhipov from the Assembly service explains the concept behind it: "Early on in the vehicle startup phase, we took eight workers who had previously been deployed in different assembly teams and involved them in an intensive training program over several months to familiarize them with the new Golf 8. This training took place in both the learning workshop and the pilot hall. With the insights gained from this experience, we could then work together on a qualification schedule for all other employees. The clear advantage of this approach is that they know exactly where issues could potentially

arise on the line. As a result, we can then tackle these issues in advance as part of the qualification schedule." The promoters include Oliver Dornedde, Denis Wiesner, and Serge Schudilowski. Each of them is now responsible for an assembly area in their

role as promoters. With the help of division-specific sample vehicles and mobile training stations, they train their colleagues either right on the line or in the learning workshop. Serge Schudilowski is convinced that this approach is the right way to go: "As an assembly worker, we know



Assessing their colleagues: (from left to right) Oliver Dornedde, Alexandr Arkhipov, Denis Wiesner, and Serge Schudilowski.

exactly what goes on along the assembly line. With the insights we gathered from other startups, we can now have a direct influence on the training program. After all, we speak the same language as our employees on the line, which helps when it comes to making sure everyone is qualified."



*"I'm behind the Golf"*



"The technology in the vehicle interior is particularly good, most notably the infotainment."

Anas Saidi – Technology Installation



"The new lights are really great. They're really a first."

Anika Kaczmarek – Shift 2, Car Completion

# Production Ready for the Golf 8

For efficient production: conversion of existing systems instead of constructing a new building

For the past year and a half, the Golf production facility at the Wolfsburg plant has been converted to make it fit for the Golf 8. In contrast to earlier model changes, there are only a few new systems. Existing stations are being converted to manufacture the Golf 7 and Golf 8 in parallel.

Head of Production Henning Habicht explains: "This is the first time in the company that we have integrated a new vehicle purely into existing production. A new building would have been easier, but also more expensive."

This is made possible by the identical MQB platform and early coordination between production and development. The parallel manufacture of the two Golf generations played a decisive role even at the car's design stage. Virtually every weekend, systems

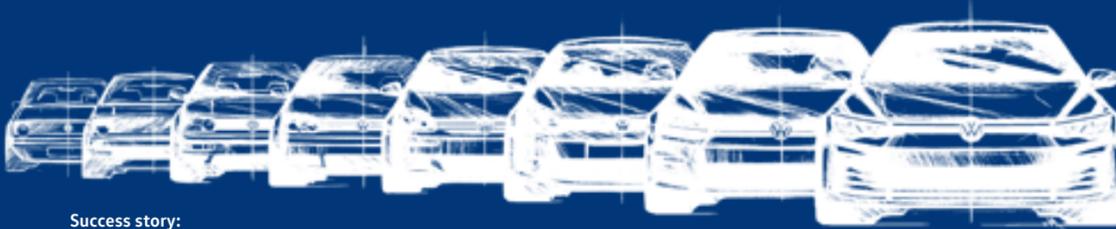
are being rebuilt and upgraded for the Golf 8. This is a particular challenge in the body shop, for example: Will all welding spots fit again on Sunday evening? If not, the deviation will appear in the Golf 7, in the middle of mass production.

Habicht: "We'll only manage it if we see it as a team effort. System operators and planners must go hand in hand."



*"A new building would have been easier, but also more expensive."*

Henning Habicht, Head of Production



Success story: sketches of Golf generations one to eight.

*"I'm behind the Golf"*



"I'm impressed by the new design. In addition to the headlights and the tail lights, the new Golf 8's new cockpit really stands out. I'm looking forward to the response from customers."

Tabata Timm – Automotive mechatronics technician in training



"All touch, all modern. The new Golf sure looks good."

Melina Böhm – Assembly Line 3



# Components in the Golf 8



Group Components supplies core components for the Golf 8 – an overview

For many Group Components employees, the world premiere of the Golf 8 was a challenging task. They were

responsible for supplying many of the core components – from the drive shafts, gearboxes, and engine types through to the cylinder heads. The

teams from the Engine and Casting, Gearbox and Electric Drive, Chassis, and Seats business areas all had a part to play, too. Here you can see just

a selection of the components that make up the latest edition of the Golf. We also asked employees from the teams in Braunschweig, Salzgitter,

Kassel, and Wolfsburg why they are so excited about the new Golf.



## Chassis division

### Front axle

- Support frame
- Control arm
- Swivel bearing
- Suspension strut
- Brake disc
- Drive shaft

### Rear axle

- Rear axle (assembly)
- Support frame
- Spring link
- Wheel drive
- Brake disc
- Drive shaft



## Seats division

- Seat structure
- Complete seat



## Gearbox and Electric Drive division

- MQ200/281/350
- DQ200/381
- EA211 evo exhaust system
- EA288 evo exhaust system
- Various press parts



## Engine and Casting division

### EA211 evo

- Cylinder block
- Cylinder head
- Crankshaft
- Connection rod
- Active cylinder management (ACT)

### EA288 evo

- Cylinder block
- Cylinder head
- Crankshaft
- Connection rod
- Integrated valve train module (IVM)



"The world premiere of the Golf 8 marks a special day for me, too, as I'm responsible for bringing our various components, such as aggregates and chassis parts into the pilot halls for the vehicle projects. This has allowed me to contribute to the success of the entire project as a kind of interface to the vehicle, so to speak."

**Nicola Brandhorst, Change Management, Central Group Components in Wolfsburg**



"We are building the DQ381 direct shift transmission together for the new Golf. I'm proud of the Golf 8, because our gearbox makes the vehicle particularly CO<sub>2</sub>-efficient."

**Timo Schneider, Gearbox Assembly, Kassel plant**



"We manufacture the front and rear seats for the new Golf based on the just-in-sequence supply principle and have mastered the launch of the entire seat production process incredibly well as a team. This is why I'm proud of our SITECH seats in the Golf 8 and I can't wait to see the finished article."

**Pascal Mahlke, Front Seats on Production Line 3 at the SITECH site in Wolfsburg**



"We build the engine for the Golf 8. I'm so excited about the new Golf and I'm hoping to see plenty of innovations with regard to the interior and the way it networks with the driver in particular. Lots of my family members drive a Golf – myself included."

**Steve-Nicola Zocher, Maintenance Technician, EA211 evo Assembly, Salzgitter**

"I'm proud of the Golf 8 – not only because it looks good, but also because it incorporates a first-class rear axle from Braunschweig, which makes for an incredibly comfortable driving experience."

**Eva Cichosz, Rear Axle Production Team, Braunschweig plant**



"I'm really excited about our new Golf with the best EA211 gasoline engines! After all, I'm responsible for the quality assurance of the engine projects in the pilot hall, as well as being involved in the projects going into mass production – all in line with our high quality standards, of course."

**Wilfried Hexel, Gasoline Engine Quality Assurance, Central Group Components in Wolfsburg**



# ID.3<sup>1</sup> Close to Serial Production

Conversion measures are right on schedule: This November, serial production of the ID.3 will start in Zwickau



The countdown is on: This November, serial production of the ID.3 will start in the Zwickau plant. Employees are now setting up the last few robots and trying out assembly. The first ID.3s from the pilot production are already being tested all over Europe. "Production launch for the ID.3 in November will mark the beginning of a new era for Volkswagen – comparable to the first Beetle or the first Golf," says Chief E-Mobility Officer Thomas Ulbrich. "Our conversion measures are right on schedule."

The ID.3 is the first model from the MEB series for electric vehicles. It's to be delivered to customers next summer. Volkswagen is launching the largest worldwide e-offensive in the automotive industry with the ID.3. Over the next three years, 33 e-cars will go into series production

for the Group's volume brands.

Since 2018, the Zwickau plant has been converting to produce electric cars – according to the motto "100 percent 'E.'" The conversion will last three years. The Body Shop and Paint Shop have already been converted for ID.3 production. One of two final assembly lines is also up and running.

### Six MEB-based models starting in 2021

This is where serial production of the ID.3 will begin in November. And that's just the beginning: Starting in 2021, employees in Zwickau will produce six MEB-based models for three Group brands. The annual production capacity of the site in Saxony will then increase from 300,000 to 330,000 units.

Employees have installed more than 1,600 new production robots in recent months. Output will increase significantly with automation measures like automated installation of the roof lining, allowing 150 more cars per day to leave the line.

For months, 8,000 employees have been preparing for the e-era. For example, they are attending high-voltage training to learn how to safely handle battery systems and power lines. More than 2,500 employees have

now completed these training courses and are well equipped to bring the ID.3 into series production.



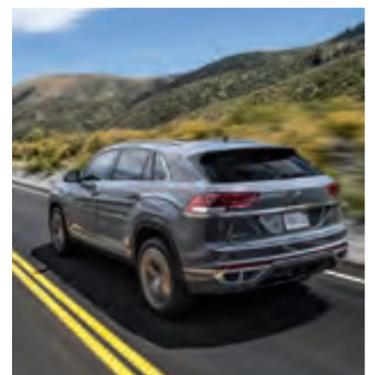
Just a few days left until series production: Pre-series production of the ID.3 is in full swing.



New Procurement Chairman of the Volkswagen brand: Dirk Große-Loheide.

## Dirk Große-Loheide Is the New Chairman of Procurement

Dirk Große-Loheide (55) has been appointed Member of the Board at Volkswagen Passenger Cars, Procurement division. He took over the position on October 1. Große-Loheide had previously been Head of Group Procurement Operations. In his new role, he succeeds Stefan Sommer, who had previously managed the Brand division in addition to his function as Group Board Member for the Components and Procurement division. Große-Loheide's appointment will allow Sommer to concentrate on his Group board member duties. Dirk Große-Loheide holds degrees in economics and banking, and has worked for the Volkswagen Group for 28 years. In 2014 he assumed responsibility for the procurement of Group services and equipment, from 2017 he was Chief Procurement Officer at MAN Truck&Bus, and in April 2019 he became Head of Group Procurement Operations.



The Atlas Cross Sport: The coupé version of the SUV also comes from Chattanooga.

## Premiere of the Atlas Cross Sport<sup>2</sup>

The series version of the Atlas Cross Sport is celebrating its world premiere in Chattanooga. The successful SUV for North America, Russia, and the Near East region is now also available in a coupé version. The dynamic variant of the Atlas combines sporty driving characteristics with a high utility value.

The tail is flatter than the Atlas, and the rear lights and rear bumper have a new design. The front has new fully LED headlights. Chrome accents on the sides of the lower body and the rear bumper underscore the premium look. The optional R-Line package makes the Atlas Cross Sport even more attractive.

The coupé version of the Atlas is 4.90 meters long and has five seats. Just like its sister derivate Atlas, the SUV is based on the Modular Transverse Toolkit (MQB), and therefore has the same wheelbase and similarly lavish space conditions in the interior. The Atlas Cross Sport is optionally available with 4MOTION all-wheel drive. The Atlas Cross Sport is not offered on the European market.

Together with the Atlas and the Passat, the vehicle is built in Volkswagen's assembly plant in Chattanooga.



## Productivity Rising More Than Expected

The TRANSFORM.TOGETHER program: Production helps cut costs by 500 million euros in 2019

The Volkswagen brand is well on the way to achieving the goals it has set itself for more cost-efficient vehicle production. Following last year's launch of the TRANSFORM.TOGETHER production strategy, the first signs of success are now emerging.

Andreas Tostmann, Chief Production and Logistics Officer, took stock of the situation at an international conference with 500 leading managers: "The numbers show that our strategy is taking hold. In 2019, we will improve our productivity by more than six percent and reduce production costs per vehicle for the first time since 2013. The team has done the extraordinary here, and I want to thank them for that. We've shown our team spirit and made strong starts with our new models. With great expertise, our colleagues consistently contribute to increasing production efficiency and productivity."

In total, the Volkswagen brand's annual factory costs amount to around ten billion euros. In the

period from 2019 to 2023, production in the areas of personnel costs, ancillary procurement costs, and material overheads will contribute two billion euros to improving the brand's profits. 500 million euros of this goal will be achieved in 2019.

### Productivity to increase by 30 percent by 2025

The company is working to increase productivity across all sites by 30 percent by 2025. With an increase of six percent, the annual target of five percent will be exceeded this year. Of special importance to Volkswagen is aligning all plants worldwide, with their very different requirements, to shared production standards. A central procedure ensures that ideas and improvements from one location are quickly transferred to other plants. 220 such measures are currently being implemented.

The new digital production platform developed with Amazon Web Services (AWS) and Siemens, which unifies the different IT systems of the



Taking stock: Chief Production Officer Andreas Tostmann.

plants, will also help to implement common standards.

Production has also set itself the goal of comprehensive decarbonization. As an intermediate step, the plants' CO<sub>2</sub> emissions are set to be

halved by 2025 compared to 2015. The figures from 2015 to the first half of 2019 show that the company is on target: CO<sub>2</sub> emissions per vehicle produced were lowered by 22 percent.

<sup>1</sup> Near-production-ready concept car

<sup>2</sup> Atlas Cross Sport: This vehicle is not being sold in Europe.

# Human Resources Division to Be Restructured

New "One HR" structure from January 1: More than 1,800 staff members trained already

Volkswagen AG's Human Resources department is taking a new direction. Gunnar Kilian's declared goal is to become simpler, faster, more digital, and more efficient. This was announced by the Chief Human Resources Officer at the Works Council meeting in Wolfsburg at the end of September.

From January 1, 2020, the new One HR operating model will make human resources work less complicated – both for employees and for the HR department itself. "The aim of our model change is to establish



Thymian Bussemer

Volkswagen one day as a pioneer of innovative human resources work. It's a long path to that point. But with the launch of our new operating model, we are now taking the first decisive step in this direction," explains Thymian Bussemer, Head of HR Strategy & Innovation.

## New personnel model: "SOP is imminent"

The centerpiece of the realignment, which the HR team is currently driving forward under the project name "Fokus Personal," is the transition from a direct to an indirect support model. Two main points make this new model special: On the one hand, HR staff will in future be available as



New operating model: Chief Human Resources Officer Gunnar Kilian would like to reposition Volkswagen as a pioneer in innovative HR work.

business partners to advise managers in order to jointly align their respective specialist areas more strategically and in a more demand-oriented way.

On the other hand, HR support for employees will in future be provided from a consulting center equipped with high-quality technology and staffed by top specialists. These new

functions, business partners, and top specialists in the consulting center thus form the supporting pillars of the new operating model.

For almost a year now, the HR Strategy & Innovation team has been working intensively with all areas of the HR department to get this new model on the road. With our stra-

tegic "Fokus Personal" project, our colleagues are currently laying the groundwork for One HR in collaboration with the works council. SOP is now imminent," according to Bussemer.

## More than 1,800 employees have already been trained

More than 1,800 HR colleagues have already been trained for this SOP in large group events. That makes this qualification measure one of the most comprehensive in the history of Volkswagen Human Resources, and will enable faster and less complicated personnel processes for employees as of January 1, 2020.



Qualification: Around 1,800 HR employees are already "fit."

## "We Need an Open Risk Culture"

Interview: Arno Antlitz, member of the Management Board responsible for Controlling and Accounting, and Alan Pezzo, Head of Risk Management, on how to handle risks correctly

Mr. Antlitz, how would you rate the risk culture at Volkswagen?

Antlitz: Through the initiatives, as part of Together4Integrity (T4I) for example, we have further improved our risk culture. I do, however, feel that employees are still acting cautiously on this issue. The T4I Perception Workshops have shown that some employees still feel that it is undesirable to openly address risks. But the opposite is the case: more than before, we need a culture that is seen to be open to this issue.

Why is that so important?

Antlitz: Risks are an inherent part of any entrepreneurial activity. Take the core of our strategy, our electric offensive. Of course, to an extent, this is uncharted territory for us. As well as the opportunities, there are also risks that we need to keep an eye on, such as whether the necessary battery capacities can be provided in good time. The rule of thumb is that the earlier risks are discussed, the more time there is to avoid any possible damage.

What are the tangible benefits of risk management?

Pezzo: Risks must be identified, evaluated, and controlled in a systematic fashion. Risk management creates the right framework to do so with systems and processes. In individual cases, however, it lies within the responsibility of every employee to keep their eyes peeled.

Can you think of any examples?

Pezzo: Take an employee in Production. He may detect irregular noises on his press system and points them out to his manager. This allows for active control of the risk. In the best case scenario, a machine failure with resulting loss of production time can be prevented. However, there are also less tangible examples, such as compliance risks in the supply chain or the availability of new technologies.

Volkswagen is now entering the e-mobility age, which brings its own uncertainties with it. Are you already active in e-mobility?

Antlitz: For several months now, Risk Management has been coordinating the Battery Risks working group with the aim of bringing relevant areas such as Procurement, Finance, Development, and After-Sales together at one table. We're currently examining many questions, such as: Can we cover the future need for battery cells? How will the prices for raw materials develop? Do we have compliance risks in the supply chain?

Mr. Pezzo, we've now heard a lot about risks. But how are they recorded in the first place?

Pezzo: Risk Management currently works with two processes for identifying risks. On the one hand, there is an annual regulatory process that focuses on general risks. On the other hand, there is a quarterly risk process that examines acute risks to the business. For example, there will

very probably be negative effects on demand if there is a hard Brexit. If this is recognized in time, countermeasures such as pricing strategies can be developed to reduce financial damage. Particularly acute risks with a high potential to do damage are discussed by the Board four times a year.

What tangible measures can employees take if they identify risks themselves?

Pezzo: When employees identify potential risks, they should address them openly at all times and immediately. They can use team meetings or performance reviews to do so. Maybe some of their colleagues have already come up with solution or someone is already working on the problem.

Risks are not mistakes. On the contrary: it would be a mistake not to address them.

Whom can employees approach if they discover risks within their working environment?

Pezzo: The first step should be to talk to their responsible manager. In addition, many of their immediate colleagues have already been entrusted with some risk management tasks. If they do not know who to approach, our colleagues in Risk Management will be happy to help them.

Contact Risk Management at: [rms-ics@volkswagen.de](mailto:rms-ics@volkswagen.de)



Promoting an open approach to risk: Brand Board Member Arno Antlitz talking to Alan Pezzo.

"The earlier risks are discussed, the more time there is to avoid any possible damage."

Arno Antlitz, Member of the Management Board responsible for Controlling and Accounting

# South Africa: 200,000 New Polos Have Left the Production Line

153,000 cars built for export – vehicle enters all right-hand-drive markets worldwide



Proud team: The 200,000th Polo has now rolled off the production line in Uitenhage, South Africa.

**M**ilestone for the Volkswagen Group South Africa: The 200,000th new Polo has now rolled off the production line in Uitenhage. Polos have been made at the South African Volkswagen plant since 1996. The Polo Classic got the ball rolling 23 years ago. Since then, a large number of models have been built in Uitenhage, with production of the current model starting in 2017.

Of the 200,000 Polos produced since then, 153,582 have been

exported, while the remaining 46,418 cars were built for the local South African market.

A total of 1,053,600 cars have been produced for export in South Africa since 1994. This year, 110,265 vehicles have already been produced between January and August. The new Polo is exported from South Africa to all right-hand-drive markets worldwide, and the Uitenhage plant adds production of left-hand drive Polos for European markets.

The milestone reached now of

200,000 new Polos produced follows closely on from another success: It was only in August that VWSA was named Exporter of the Year by Exporters Eastern Cape – an award that the company has received for the third time since 2011 and 2017.

“We would not have been able to hit this milestone without the dedication of employees,” according to Thomas Schäfer, Chairman of the Board of VWSA. “Our success, both locally and internationally, benefits both our staff and

the local economy. We want to attain further milestones in the future and make a contribution to the economy here in the region.”



## Launches: What Will Change

Kick-off in Wolfsburg

**W**ith the reorganization of the central departments, Launch Management was also restructured.

Launch managers from the plants and headquarters come together to benefit from each other's experience. Dr. Ulf Tritthart, Head of Central Launch Management, explains how the new procedure works.



**Mr. Tritthart, for the kick-off, launch managers from all over the world came to Wolfsburg for one and a half days. Did the meeting meet your expectations?**

Completely. Launch managers from Mexico to South Africa were there. With the central launch management, which officially started on May 1, we want to increase our launch excellence in our brand and bring the plants on board. In the past, launch managers were often lone fighters, but this is about to change. The entire production network will also become embedded in this area.

**You put your knowledge into the plants. What do you learn in turn from them?**

In central launch management, we design processes and develop standards to ensure consistent quality in launch management. We bring the requirements of the plants to the central committees. The experience and best practices of the plants are very valuable; they help us to design the standard processes in such a way that all areas benefit from them.

**What is the most important added value offered by this procedure?**

That we can use the experience of the plants to increase launch excellence. Together with the launch managers in the plants, we're further developing the existing processes. We're entering into projects at an earlier stage than before, which gives us an opportunity to incorporate our experience into the products and processes.



A look at Assembly.

## Truck to Save CO<sub>2</sub>

**V**olkswagen Palmela has now introduced the Gigaliner, a three-axle truck with semi-trailer and a transport vehicle that can save 70 metric tons of CO<sub>2</sub> per year. This corresponds to a reduction in CO<sub>2</sub> emissions on the route served by this new transport model.

This logistics solution represents a significant change in the logistics and transport sector, as Dinora Guerreiro, Head of the Supply and Transport Chain at Volkswagen Autoeuropa, noted: “This project can bring about improvements at various levels, particularly in the environmental and economic fields.”

The first Gigaliner in the service of Volkswagen Autoeuropa will cover about 150 kilometers to the supplier MD Plastics in Valado dos Frades (Nazaré). “We hope to be able to expand this solution within a year to other Portuguese suppliers and maybe Spanish ones, too,” says Guerreiro.



The first Gigaliner in the service of Volkswagen Autoeuropa.



Highly motivated: the team from Bratislava.

## Bratislava Wants to Claim the Title

Production competition: plant in Slovakia among the top three

**T**he Race4Transformation competition is entering its final phase. Three production locations are still competing for the title of the best Volkswagen plant. We present the finalists in three installments. Today: the Slovakian Volkswagen plant in Bratislava.

No one can really accuse our colleagues from Bratislava of a lack of self-confidence. “We want to be the most efficient plant in the Volkswagen brand and win Transformer of the Year,” is the clear statement from Bratislava. The Slovak team answers the question of why without hesitation: “Because we can!”

“Without big goals, there are no big successes. Our ambition is therefore, of course, to be number one – this has been the slogan of our location strategy for years anyway,” says Oliver

Grünberg, Chairman of the Board of Management of Volkswagen Slovakia. In the past, it has been documented with tangible results – such as the success story of the Touareg, which the plant has been building for 17 years. “Race4Transformation is another opportunity to add to the list of successes at our location,” says Grünberg.

### In the beginning was an idea

In the beginning was an idea which, thanks to personal dedication and effective teamwork, eventually grew into hundreds and hundreds of other ideas. “We localized Race4Transformation, cheered on the team's fighting spirit, and animated our colleagues' sense of innovation,” says Grünberg. How? As part of an internal individual and

team “ideas competition” that is evaluated on a monthly basis.

### How the plant is fighting for victory

The transformation process bears the signature of employees from all levels of the hierarchy. “When the entire team, from the board of directors to the executives and the teams, pulls together, fascinating and effective results can indeed be achieved in production,” Grünberg knows. Thematic workshops, presence of the topic in the committees, representation by the highest levels, motivating news about the strengths of the site: “All this brought the Race4Transformation competition to where it belongs – to the team. And that's how we'll become the Transformers of the Year!” says Grünberg.

# A New Beginning with a Female Voice

Luise Helm is the new voice of the brand: she was found by Simon Bauer, along with a team from Design and Marketing

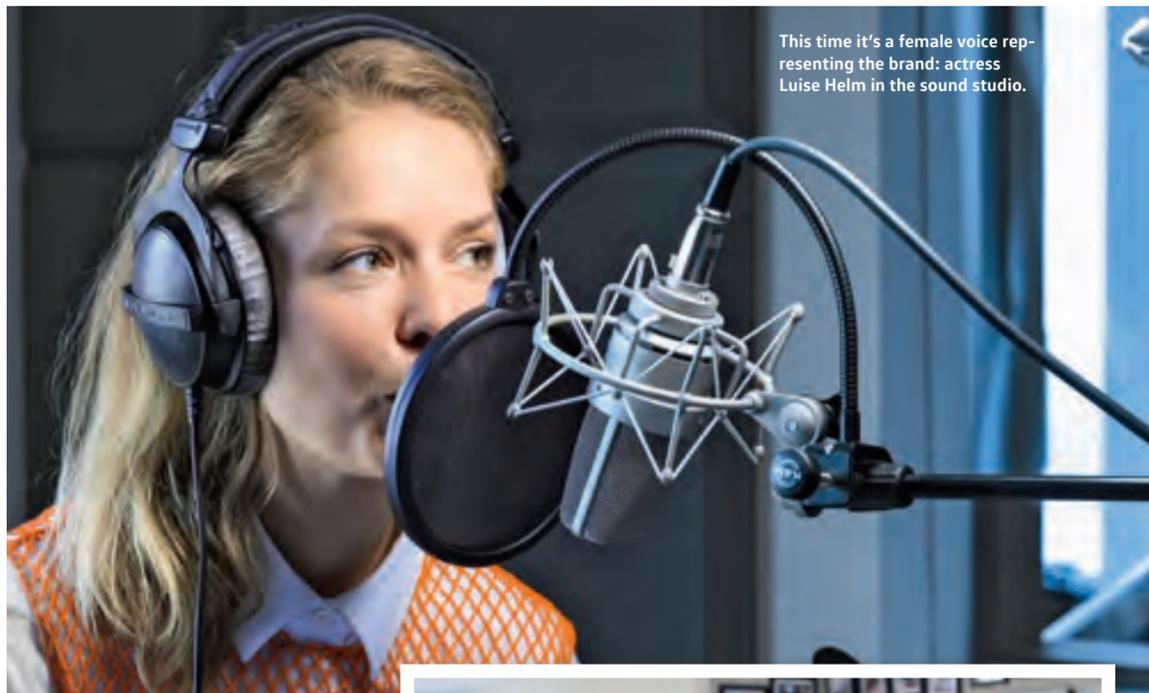
Great start to the International Motor Show in Frankfurt – the world premiere of the ID.3, the exhibition stand in Volkswagen brand design, the new brand logo on the brand tower, and at the power station in Wolfsburg. The change in the brand is also audible. Actress and dubbing artist Luise Helm is the new voice of the brand. When the Volkswagen logo appears in advertising videos or radio spots, the native East Berliner has the last word: “Volkswagen.”

Simon Bauer from Marketing Strategy assisted in the process of finding a new voice for the brand right from the start. In a joint design and marketing team, he works with agencies at the Power House in Berlin on the new brand image. One objective is that the brand should speak with a strong, characteristic voice – more sympathetic, emotional, and human. And it should be a female voice – different than before.

## Luise Helm's voice stays in your head

The search for a female spokesperson began in summer 2018. There were more than ten candidates. The decision was made quickly in the Power House. Luise Helm was the clear victor. “The team was unanimous at once: that’s how Volkswagen should sound,” Bauer remembers. “Luise Helm’s voice perfectly matches Volkswagen and conveys a strong personality. Once you’ve heard it, it stays in your head.”

Luise Helm brings with her a great deal of voice acting experience. As a child, she stood with her father in the dubbing studio at the microphone. As a teenager, she was in the comedy



This time it's a female voice representing the brand: actress Luise Helm in the sound studio.

*Harte Jungs* and later in the detective series *Tatort* and *Polizeiruf 110*. As a dubbing artist, the 36-year-old has been lending her voice to Hollywood stars Scarlett Johansson and Megan Fox for years. She can also be heard in many radio plays and audiobooks.

Now you can hear Helm’s voice in the brand’s new sound logo. Before that, she had recorded the commercial “Fußball, das sind wir alle” (“Soccer is for all of us”), with which Volkswagen launched the advertising campaign as a partner of the DFB. In the coming months, Helm’s “Volkswagen” will certainly be heard more often in the brand’s sound logo.



A strong character voice: actress Luise Helm talking to Marketing employee Simon Bauer.

## 3 Questions

Luise Helm (36), the new voice of the brand

### “Truly Standing for Something New”

#### 1 Where did you see the particular challenge in giving the brand a new voice?

It’s very exciting how fast the brand is currently changing. My task was to give the changes to the brand an emotional tone that really stands for something new. In addition, the new voice is intended capture the imagination of customers and employees with it and inspire them.

#### 2 What’s important in the sound studio?

In the studio I had to use my voice to invent a strong character for the brand. With a lot of intuition and imagination. It ultimately took about 90 minutes until we had everything in the can.

#### 3 The brand used to have a male voice, now it has a female one – how do you view this change?

I think it’s great that Volkswagen has decided on a female voice. It doesn’t go without saying. We have long associated the marketing and communication of cars with a male voice. But that’s now changed, which is more fitting for our times.

## “The US Is Ready for E-Mobility”

In an interview with 360°: Volkswagen US boss Scott Keogh

Despite a shrinking overall market, the Volkswagen brand is increasing its sales in the US. Electric cars play a decisive role, even in North America. In an interview, Scott Keogh, Chief Executive Officer of the Volkswagen Group of America, talks about preparing retail for electric mobility and explains how the brand’s image in the region is improving.

### How is the US market developing overall, and particularly for Volkswagen?

The overall market is challenging, but Volkswagen has been able to increase its sales again in a shrinking market. Since the beginning of the year, we are up 6.9%, making us the brand with the strongest growth. In the important SUV segment in particular, we have been experiencing a significant upturn since the beginning of the year: Sales of the Tiguan have gone up by 28% and those of the Atlas by an impressive 39%.

### What electric car plans does the Volkswagen brand have in the US?

Volkswagen is a relatively small brand in the US in terms of market share. E-mobility is a kind of fresh start and is a great opportunity that we will take advantage of. For



E-mobility is important in the US, too: Scott Keogh with the ID.3 at the International Motor Show (IAA) 2019.

example, we are currently preparing dealers for the new challenges and opportunities. In November, we will exclusively present our new electric models for the coming years. With

the MEB, we will offer competitive products that we will initially import, but in the future will manufacture locally in Chattanooga. By the way, the appearances of our all-electric

The political situation is complex. For example, there are a lot of rules and provisions that we have to follow, some of which don’t apply across the country. But, as far as I’m concerned,

ID. Buzz always put a smile on people’s faces. The US is ready for e-mobility.

### How important are dealers for success?

Very important. As with every new technology, electric mobility is all about trust at the outset. Our 650 dealers know their customers and their customers know them. Our dealers are convinced by electric mobility. That’s how they can convince others. Our sales partners in the U.S. are looking forward to this great opportunity.

### How are the political framework conditions for e-mobility in the US?

The political situation is complex. For example, there are a lot of rules and provisions that we have to follow, some of which don’t apply across the country. But, as far as I’m concerned,

e-mobility is not a political issue. It’s the consumer that matters. No customer comes to a dealership to help Volkswagen comply with laws and standards. They’re looking for a cool car at a good price. So give them that. Customers want to drive the future!

### Four years after the diesel scandal: How is Volkswagen’s image in the US now?

Public perception of our brand is improving steadily. But you can’t just flick a switch and suddenly have a positive image. It needs time and work – like an interpersonal relationship. In our new marketing campaign, we are playing on American roots: If you’ve made a mistake, stand by it and make it better in the future.

A second important point for us to gain back trust: We need to get our cars on the road so that customers can see them. This is because people trust in those around them when making decisions. If I see my neighbor driving a Volkswagen and using it to drive his kids to school, then there’s no reason for me not to buy one, too.

The most important thing is that we work hard every day to regain our customers’ trust.



The xStarters team carries out workshops with school students all over Germany.

**xStarters in Numbers**

- ≈ 2,500 people reached
- 1,500 Instagram followers
- 559 Challenge participants
- 204 posts on Instagram
- 95 workshops carried out
- 36 blog posts on social and digital topics
- 17 videos uploaded to YouTube
- 9 cities visited in Germany
- 9 influencers we've worked with

# xStarters: The Program for a Generation That Thinks Differently

Volkswagen supports young people who are enthusiastic about digital and social innovations

Since the Fridays for Future movement at the latest, it has been clear that many young people don't just have their smartphones on their brains; they also think outside the box. With the xStarters program, Volkswagen offers young people with a hankering to change the world a platform to bring their ideas to the fore.

Since June 2018, young people have been able to submit proposals to meet the United Nations' sustainability goals. They are supported by experts from the start-up world, but also by a Volkswagen Group partner. The Volkswagen Group's Innovation

Program aims to inspire young people throughout Germany to embrace digital and social innovations. Anika Paul, Head of Digital Employee Experience, knows: "In each of us lies an idea that could make the world a little better. With partners from government, business, non-profit organizations, and the education community, Volkswagen is helping to ensure that young people get everything they need to implement these ideas."



On offer: workshops.

Since its inception, the xStarters program has reached some 2,500 people through 95 workshops, 36 blog posts on social media, 17 videos on YouTube, and

many more appearances in various communication channels. "Our projects included Girls' Day in the IT City in Wolfsburg last March, workshops at an international school in Hanover, and teacher training at the Transparent Factory in Dresden. Three more events are already planned for September," says Dr. Daniel Scholz (xStarters team). Support comes not only from business experts: celebrities such as model Sara Nuru have also been on hand to offer advice and support. "xStarters is the program for a generation that thinks differently. We welcome anyone who wants to support us or become part of the program," adds Moana Keiper (xStarters team).

## Wanted: someone to change the world!

In the xStarters Challenges, 16- to 20-year-olds can submit ideas to meet the United Nations' sustainability goals. They are supported by experts from the start-up world, but also by a Volkswagen Group partner.



Finn and Kai: winners of the first xStarters Challenge in 2018.

## #digitalsocial #futureskills



More about xStarters: also on YouTube and Instagram.

xStarters is a Volkswagen Group innovation program. The mission? Inspire young people throughout Germany to embrace digital and social innovations.



Wrap party for the first xStarters Challenge with Chief Human Resources Officer Gunnar Kilian.



"Digital and social": the motto of the xStarters program.



## How can you be both social and mobile?

The Challenge: Imagine you can have a van converted so that it can be used for social purposes. What would you do with this space?

**What?** Exciting ideas to use a vehicle in a sustainable and social way  
**When?** 09/01/2019 – 01/31/2020  
**Who?** Everyone aged 16 to 20



# The Tiguan Now Also Built in Indonesia

Final assembly of the Allspace takes place near the capital Jakarta – painted bodies come from Mexico, other parts from Wolfsburg

Volkswagen now has a local production plant in Indonesia. The Tiguan with the long wheelbase, the Tiguan Allspace, is being assembled in the Southeast Asian country.

Production for the Indonesian market is based on the Medium Knocked Down (MKD) principle. It is a joint project of Volkswagen and a local partner in Cikampek, near the capital Jakarta. The partner built the production facility especially for the Tiguan. Here, complete final assembly takes place. Previously, painted bodies were delivered from Puebla in Mexico and other parts from Wolfsburg.

"The start of localized Tiguan production in Indonesia is another

milestone in the Volkswagen brand's presence in the Southeast Asia region. Within only a year and a half, we have made MKD production a reality with PT Garuda Mataram Motor and all Volkswagen divisions involved. We're proud of that," says Andreas Lauenroth, Head of Foreign Production. The customers have already seen the Tiguan made in Indonesia at a car show – and were obviously thrilled. "During the trade fair alone, orders were received for 75 percent of the production volume planned for 2019," says Lauenroth.

And why is the brand producing a small series in Indonesia? The duties to be paid on locally produced vehicles are lower than those that apply to



Proud after start of production (SOP): the team that assembles the Tiguan Allspace in Indonesia.



imports. Lauenroth: "This allows us to approach the market with competitive prices."



# Fewer Components for More Success

Variant management: The Project Center was founded about a year ago – the number of variants for the Polo has gone down by ten percent

Reducing components is playing an increasingly important role for the Volkswagen brand in making processes even more efficient and profitable. The first successes can already be seen, for example in the Polo: The number of variants will be cut by more than ten percent for the next model update.

The strategic foundation for reducing the number of variants is being developed in the Variant Management Project Center, which was initiated about a year ago. Every Thursday, experts from various departments

meet in a meeting room in the production facility at the Wolfsburg plant to advance this complex topic across all divisions. The members of staff represented include employees from Development, Series, Strategy, Procurement, Production, Sales, Finance, and Value Engineering.

“When the team first met a year ago, three goals were clearly defined,” says Project Center manager Thomas Germerodt. “The components of existing models are to be reduced by ten percent annually for the next three years. In the case of new vehicles, the

number of variants will be reduced by 30 percent from the predecessor model. And the number of construction kits will be reduced by 50 percent. The long-term goal is to prevent the variance from occurring at all in the early phase of projects.”

As part of the Project Center’s efforts, a “Variant Management Manual” has been developed in which all guidelines, processes, and tools for variant management are stored centrally.

The strategies are implemented by the project teams of the individual vehicle projects. This has made production more efficient in Pamplona, Spain, for example. By reducing the number of components, production of the Polo has been streamlined to such an extent that the T-Cross can now also run on the same lines. A significant reduction in part numbers was achieved across

all vehicle projects. Savings potential exists, for example, in rims, door sill panels, engine and transmission variants, as well as in exterior paint colors, which are to be reduced to just eight.

A measure that should pay off. In many models, around 100 components will be eliminated for each exterior color that is phased out. “We are already noticing a decrease in the number of variants. The overriding goal in the future must be to develop only those components that we actually need,” says Germerodt.



The Project Center team (from left to right): Thomas Germerodt, Jens Gardlo, Julia Müller, Nils Mandel, Sarah Lautenschlaeger, Olaf Surborg, Felix Hofmann, Maren Bernstein, and Michael Mende.



Success story in the Pamplona plant: By reducing the number of components, it's possible to run the Polo and T-Cross on the same belts.

## The Goal: Less Complexity

The Variant Management Project Center was founded about a year ago. Employees from various departments meet weekly to develop sustainable strategies for reducing the number of variants in new and series vehicles. The results are regularly presented to the Management Board in the Variant Management Steering Committee and made available to all employees centrally via the “Variant Management Manual” (online via Group Connect).

# IT Employee in International Socca World Cup: Early End but Positive Conclusion

Wolfsburg soccer player Jan Ademeit talks about a mega experience: "Great mood, fantastic organization" – all games live on TV

For Jan Ademeit, the Socca World Cup on the Greek island of Crete ended in disappointment: The Volkswagen employee and the rest of the German national team were eliminated in the preliminary round, even though the team had arrived as defending champions.

"Nevertheless, it was a mega experience to have once played for a World Cup title. Nobody can take that away from me. Everything was fantastically organized, the atmosphere



At his workstation shortly before departure: Jan Ademeit in the Bürozentrum Nord.

was great," sums up the 30-year-old, who works in the Group's IT department as a planning manager for the Mobility shops.

In and around Wolfsburg, he is well known in the soccer scene as a long-time captain of the regional and fourth league team Lupo Wolfsburg, and since this season, as a playing co-coach of the eighth league club WSV Wendschott.

Worth noting: The TV channel

Sport1 broadcasts all matches of the German eleven live. "I would never have thought that small-field soccer had such significance, and would even be shown on television," says Ademeit.

His prophecy that Germany would be in a strong group with a target on their backs as defending champions came true. Right from the start, it was a 1:3 defeat against Hungary. Then Ademeit and his team lost a 3-0 lead against five-time European champion Romania – in the end, it was 3:3. And there was no victory against Slovenia either – another 3:3 meant they were as good as out in the preliminary round. The 3-2 win over Pakistan in the last group match was not enough to help. Ademeit: "It's a shame it wasn't meant to be. We were unlucky, but we didn't manage our usual performance, either." Granted, he scored two goals in the tournament. "I'd have rather gotten further."

Just how did Ademeit get to this squad of the German team in the first place? "Pure coincidence," explains the man from Jerxheim-Bahnhof, a municipality of Helmstedt. In the spring, he helped out in the Braunschweig University league at the request of some former school friends. The president of the Deutscher Kleinfeld-Fußball-Verband (the German Socca Association) was among the spectators, and was apparently impressed with Ademeit's performance. Training with the national



Team photo: Jan Ademeit (top left) with his teammates before the Hungary game.

team followed, then a friendly match against Belgium, and now participation in the World Cup. A repeat can't be ruled out.



## Socca On the Small Field

This time the International Socca World Cup was held in Greece, on the island of Crete. At a World Cup, players always play on a 40 x 20-meter artificial turf field, with a goalkeeper and five outfielders. The play time is 2 x 20 minutes.



Long legs: Jan Ademeit (right) clearing an attack.

## Stephan Lerch: Success Cannot Be Achieved Alone

The coach of Bundesliga women's team VfL Wolfsburg on the season kickoff and his way of leading the team

Mr. Lerch, the VfL women are once again riding a wave of success in the Bundesliga, the DFB Pokal (German Cup), and the Champions' League. How do you explain that?

Their successes are the result of hard work. We have a powerful team with players who do their job with passion and a great desire to win.

What is important to you when working with the team?

A good foundation of communication with the team, as well as with the individual players, is important. You always have to have an open ear for them. And as a coach, I also have to be a team player. Success cannot be achieved alone.

You've brought many new players from Germany and Europe on board for the new season. How do you go about making them a team?

We've been familiar with this situation for years. Our team has a grown structure, with strong leadership players like Almuth Schult, Alexandra Popp, and Pernille Harder, who form our captain's trio. Now and then we do training exercises to strengthen the team, but we're not doing the high ropes course. As a rule, the new players quickly make friends in the team.

In your opinion, what are the team's strengths?

My team has a strong mentality, and quality is high across all positions. On top of that, every player knows

that, in training as in the game, only the performance counts.

You recently extended your contract until 2021. What draws you to the Wolfsburg way in women's soccer?

A while ago, many years before I came to Wolfsburg, the women were still training on the soccer field in the district of Wendschott. Since then, everything has developed in an extremely positive direction. First and foremost the team that, today, is made up of absolute top players. It's a great privilege for me to be able to work as a coach with the best players in Europe.

They say you came to the coaching job through a birthday present from your girlfriend – is that true?

Yes, my then-girlfriend, who is now my wife, gave me the first coaching course for my birthday. That was a great stroke of luck for me.

What do you associate with Wolfsburg, where you have lived for six years?

Wolfsburg is a young, modern city that lives in complete harmony with the plant. You have everything you need here for a good life. Two or three times I've had the opportunity to visit the factory – simply impressive!

As a coach of one of the strongest women's teams in Europe, do you ever



Successful: As coach of the Bundesliga women's team VfL Wolfsburg, Stephan Lerch took the double two times in a row.

'switch off'?

You have to force yourself. To clear my head, I often get on my racing bike, go jogging, walking, or to the swimming pool.

What can VfL fans look forward to this season?

To thrilling, offensive, and passionate games where my players give their all, no matter how things stand. Naturally, I want to celebrate titles with our fans. The season is young and there's still a long way to go.



## Stephan Lerch

The 45-year-old from Darmstadt played as a young man with Eintracht Frankfurt, and later in the fifth division. Lerch came to the VfL Wolfsburg in the 2013/14 season, became head coach of the second women's team, then assistant coach and finally head coach of the Bundesliga women's team in 2016.

## VfL Wolfsburg: Now Come the Crunch Games

The VfL Wolfsburg faces difficult matches in the Bundesliga, the DFB Pokal, and the Europa League. After the 1:0 win over promoted team Union Berlin, the team under new coach Oliver Glasner surprisingly went into the international break as runners-up. Until Christmas, the league will now be followed by the hard hitters, including Bayern Munich, Borussia Dortmund, Schalke 04, Borussia Mönchengladbach, Eintracht Frankfurt, and Bayer Leverkusen.

It is no different in the other two competitions. With RB Leipzig, one of the title favorites will be in the Volkswagen Arena in a few days (Wednesday, October 30, 6:30 p.m.) in the DFB Cup round of the last sixteen. The Europa League will also be decided after VfL defeated Ukraine's Olexandrija 3-1 and played 1-1 at AS St-Étienne in France. Twice this year they will go against KAA Gent from Belgium – on October 24 away and November 7 at home. The second legs against Olexandrija and St-Etienne will take place on November 28 and December 12, respectively, with each game again on a Thursday. Tickets for all games are also available online at [www.vfl-wolfsburg.de](http://www.vfl-wolfsburg.de).



VfL Coach Oliver Glasner

**REARVIEWMIRROR** – A Look at the History Books of Volkswagen



**70 Years Ago:**

**British Hand Over Factory to the Federal Republic**

The German word that British officer Ivan Hirst (1916–2000) hears most often when he takes command of the Volkswagen plant is “Schwierigkeiten” (difficulties). He’s not yet 30 years old. His assignment: rebuild the plant and set production of the Volkswagen sedan in motion.

At that time, the Volkswagen plant is under the control of the British military government, in whose zone the plant is located. It

acts as the company’s trustee. Dismantling is threatened. The decision of the occupying power to have 20,000 cars built, primarily for its own transport needs, saves the day.

Major Hirst, a trained watchmaker, takes a pragmatic approach to the reconstruction. In half a year it is possible to start production in the halls, some of which were still damaged by the bombing raids. 55 “Type 1” sedans are made by New Year’s Eve in 1945. The transforma-

tion bears fruit: The former armaments factory becomes a car factory, producing civilian sedans in large numbers.

Production slowly ramps up. In March 1946, the employees build the

thousandth Volkswagen, by the end of the year the ten thousandth. The British improve the quality, build up a dealer network, and start the export business in 1947.

In spite of all the difficulties, such as hunger and lack of personnel, Hirst laid the cornerstone for the unique success story of Volkswagen. Under his command, 40,036 Volkswagens roll off the line. That’s where Heinrich Nordhoff (1899–1968) comes in as the new CEO.

On October 8, 1949, the British military government transfers trusteeship to the German federal government, who then commissions the state of Lower Saxony with the administration. The situation is promising: Volkswagen is already number one in Germany. Every other automobile comes out of Wolfsburg. In August 1955, the former “Britons’ plant” celebrates a magical record: 1 million Volkswagens built.

The Beetle just keeps going and going and going – all over the world. After 21,529,464 units manufactured, it’s over in 2003 – farewell, Beetle! In a little over 60 years, the Beetle has become a global icon. It is the work of the British that got it running.



Manager of the reconstruction: The British officer Ivan Hirst ran the plant until 1948.



New trustees: Colonel Charles Radclyffe signs the protocol for transfer of Volkswagenwerk GmbH to the German federal government. Right: Minister of Economic Affairs Ludwig Erhard.



**Tips for Further Reading**

- Markus Lupa, *Spurwechsel auf britischen Befehl*, Wolfsburg 2010.
  - Ralf Richter, *Ivan Hirst. Britischer Offizier und Manager des Volkswagen Aufbaus*, Wolfsburg 2013.
- You can download these titles at [www.volkswagenag.com](http://www.volkswagenag.com)

**20 Years Ago:**

**Record: Volkswagen Celebrates 100 Million Vehicles**

In the late 1990s, Volkswagen clearly demonstrated the success of its multi-brand strategy. With its worldwide automobile production, the Group is the first European company to achieve a total production figure of 100 million vehicles. The record number includes about 81 million cars with the Volkswagen logo, 12 million Audis, five million Seats, and two million Škodas. Bentley, Lamborghini, and Rolls-Royce have reached a good 2,000 vehicles since they joined the Group. The anniversary car is a silver New Beetle, which just recently rolled off the line in Puebla, Mexico. CEO Ferdinand Piëch presents the anniversary Beetle to 1,500 guests in the Lindencorso building in Berlin. The fact that the hundred millionth Volkswagen is a New Beetle is “naturally pure coincidence,” says Piëch. It nevertheless could be understood as an homage to the Beetle, which laid the foundation for Volkswagen’s success. On the anniversary day, Volkswagen sets another record and brings 100 lookalikes of famous personalities and stars like Charlie

Chaplin, Marilyn Monroe, Albert Einstein, Michael Jackson, Norbert Blüm, and Queen Elizabeth to Berlin. In 100 New Beetles and in specially designed bicycle rickshaws, they take to the roads of Berlin throughout the day. Passengers and fans have the opportunity to get their photos taken with their “favorite star.”



Success under the banner of the Bug: the 100 millionth Volkswagen is a New Beetle.



In the Autostadt: classics from Brazil, here the Volkswagen SP2 from 1976.

**40 Years Ago:**

**SP2 and Co. in the Autostadt**

The plant in Anchieta is the oldest Volkswagen location outside of Germany. It is celebrating its 60th birthday this year. The milestone anniversary of the founding of the Anchieta plant is the occasion for the Autostadt in Wolfsburg to dedicate a separate exhibition area to select exhibits from the “Volkswagen do Brasil” collection. Visitors can see automotive classics developed for the Brazilian market on the ground floor of the ZeitHaus. “Feito no Brasil – Born Local” applies here for the Volkswagen SP2 (1976), the Gurgel X-12 (1978), the last edition of the Volkswagen Type 2 from 2013, as well as for the Volkswagen Brasília (1980).

**60 Years Ago:**

**In the Archive: Legends of Beetle Advertising**

The ad campaign for the Beetle set milestones in the advertising world and beyond. For some, it’s considered the mother of modern advertising. 20 English-language advertisements made in the years between 1959 and 1969 show how it all began. The classics are on display in a special exhibit in the

forum of the Group archives in the Volkswagen Wolfsburg plant (Sector 2, second floor). Accompanying texts inform viewers about vehicles, advertising, and growth. The exhibit is open to visitors Monday to Friday, 9:00 a.m. to 4:00 p.m., by prior appoint via e-mail to [history@Volkswagen.de](mailto:history@Volkswagen.de).



The launch of modern Volkswagen advertising: This American Beetle ad set standards that last to this day.

Dear Colleagues,



The world premiere of the Golf 8 is a special event for us at Group Components. The production start of new vehicles is a very challenging time, requiring a high degree of discipline and flexibility from the teams. I would like to thank all my colleagues for their dedication – some of them introduce themselves on page 19. There you will also find an overview of the central components in the Golf 8 that we, as Group Components, supply.

Golf 8



While we continue to optimize the technology of the internal combustion world, we are also already well on our way to the world of e-mobility: In the Group section on page 3, you can read about the opening of the Center of Excellence with a number of exciting guests and the new business segment within Group Components, CoE/Battery Cell.



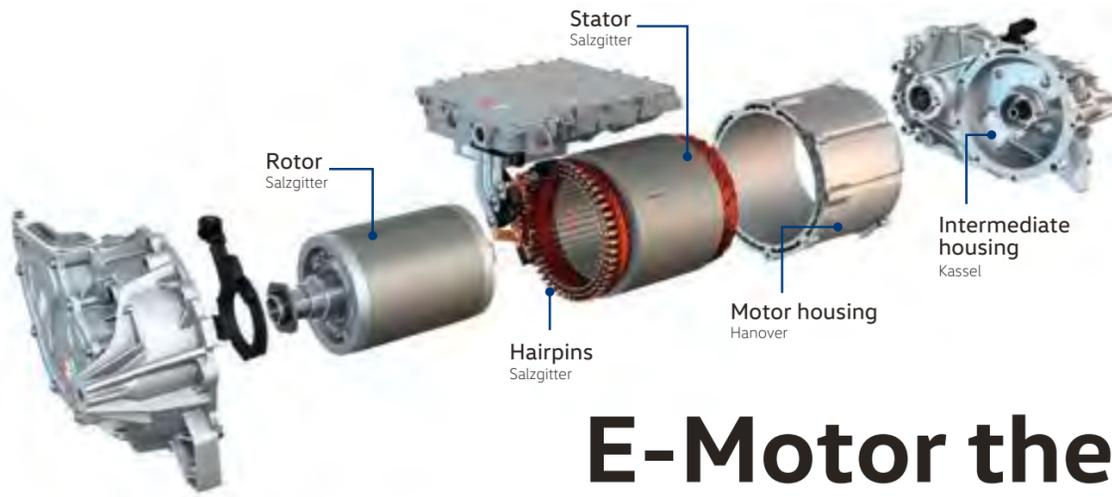
We are also driving forward the topic of environmental management: Our colleagues have developed numerous innovative and sustainable measures on the basis of the Group's environmental mission statement. Decarbonization, resource-saving production and sustainable supply chains are clearly anchored in our ONE MISSION 2025 components strategy. You can find out more on page 10.



Another topic that is very close to my heart is our Group Components rules of play, which we have jointly developed over the last few months on the basis of the Group Essentials – your feedback and ideas are also reflected in them. Thank you very much for your dedication! More on page 23.

I hope you enjoy this issue!  
Yours sincerely,  
Thomas Schmall

CEO, Volkswagen Group Components



## E-Motor the Size of a Sports Bag

The electric motor for the new ID.3<sup>1</sup> is so compact it would fit in a sports bag

The ID.3 is a symbol of the new era of electrified mobility, not only for the Volkswagen brand, but also for the entire Group. Many components of the new ID.3 come from the Volkswagen Group Components brand. This includes the electric motors, for example. This motor is made from over 100 parts at the Kassel components plant, with supplier parts from the Salzgitter, Hanover and Poznań sites. But how does an electric motor actually work? And what distinguishes it from a traditional combustion engine?

The design and operating principle of every electric motor are relatively simple. Anyone who can remember their physics lessons at school will

know that a wire through which a current passes generates a magnetic field, and that opposite poles attract, and similar ones are repelled. Based on this principle, every electric motor has what is known as a rotor, which rotates by attraction and repulsion within a strong magnetic field generated by the stator. However, in order to meet the high requirements of the ID.3 in terms of performance, weight and efficiency for a mass-produced electric vehicle, several innovations have been introduced for its electric motor.

### Stator – efficiency with the hairpin method

In the stator, the magnetic field required to rotate the rotor is generated using copper wires and electricity – the more copper, the stronger the power, but the greater the weight. Unlike other electric motors, the stator



Extremely compact: e-motor with single-speed transmission (without power electronics).

in the ID.3's engine is manufactured using the hairpin process – the use of this technology in mass production is a real innovation. A hairpin is a flat, preformed coil of copper wire, similar in appearance to the kind of hairpin you would put in your hair. 144 of these hairpins are braided to form a stator basket that optimally fills the spaces within the stator's sheet metal package – in such a way that the same performance can be achieved with the same installation space and less material. This increases not only the torque density, but also the efficiency of the electric motor. This innovative production method is being premiered in the ID.3. The rotor and stator are manufactured at the Salzgitter Components plant: "Here, the innovative technology is combined with a highly sophisticated manufacturing process that produces one hairpin every second," says Thorsten Jablonski, Business Area Manager Gearbox and Electric Drive at Volkswagen Group Components.



Thorsten Jablonski

### Competitive advantages through lightweight construction and low noise

Aluminum casting plays a key role in

lightweight construction: The motor, intermediate and gear housings, which enclose the central elements of the rotor, stator and gearbox, are made of aluminum. And although the cast parts come from three different component plants – Hanover, Kassel and Poznań – they are all perfectly compatible. As a result, and thanks to special bearings, the level of acoustic comfort is also significantly higher than that of the competition. The cylinder-shaped motor housing is produced with internal cooling channels using sand core technology with gravity die casting.

### A power pack the size of a sports bag

The end result is an extremely compact, drive-engineered power pack that weighs only 90 kg but has an output of 150 kW – and it would fit into a large sports bag. The typical driving dynamics of an electric motor are most noticeable when pulling off and accelerating. The maximum torque of 310 Nm over a wide rev range is immediately available more or less from a standstill. For this reason, a simple gear ratio with a 1-speed gearbox, which is also produced at the Kassel components plant, is sufficient. In the near future, up to 500,000 electric motors will roll off the production line there annually for all MEB vehicles for Europe and North America. At the same time, there is a very close cooperation between the Kassel plant and the Tianjin plant in China, where the electric motor for the Chinese market is being produced in parallel. Together, the two plants will produce up to 1.4 million electric motors per year from 2023. This will make Volkswagen Group Components one of the world's biggest manufacturers of electric motors in the future.

## Business Areas Meet Internationally

Topics included plant utilization, product cost reduction, and future viability



International cooperation: The Business Area Committees met for the first time on a cross-brand basis.

From Asia to South America via Europe: 89 representatives of various departments from 21 locations and 15 Group companies as well as employee representatives attended the first meeting of the Business Area Committees of Group Components in Wolfsburg. CEO Thomas Schmall, Thomas Eichenberg (Finance) and Wolfgang Fueter (Human Resources) kicked off the event by informing

participants about the current status of Group Components as an independent unit within the company, and explaining current and future challenges.

On day two, attendees participated in "deep dives" within each business area. The focus was on current issues from planning session 68 as well as our future direction and business area-specific challenges. Finally, there

was a summary for each business area with clear work packages and prioritized fields of action.

Wolfgang Fueter said: "I'm happy that Group Components' first Business Area Committees were a success. The exchange of ideas within the individual committees went into great



Wolfgang Fueter

detail regarding the current situation and the strategic direction of the business areas. Jointly discussing these topics with all participants allows us to create a basis for the continuous further development of Group Components."

Markus Bieber, Chairman of the Group

General Works Council, added: "On the basis of the Group Works Agreement at Group Components, the international Business Area Committees are working constructively on capacity utilization issues and employment prospects. This proves that profitability and employment are equally important goals at Group Components. Every colleague can rest assured that secure jobs and future viability in the competitive arena are both equally prioritized."

The Business Area Committees will be held twice a year in future. The next committee meetings are planned for February/March 2020.



Markus Bieber

<sup>1</sup> Near-production-ready concept car

# Fifth Innovation Day in Győr

Colleagues from Audi Hungaria presented innovations and ideas on the topic of IT



Stand after stand: Companies were also among those presenting projects, including on IT security and data mining.

In early September, employees gathered at the Hungarian Audi location of Győr for the fifth time to share innovations and ideas on the topic of IT! During the innovation day, more than 500 employees discovered the many innovations that were presented in a series of talks and at the various trade fair stands. As well as a panel discussion on innovations, stability and sustainability in production, there were also expert interviews and virtual reality (VR) simulations.

For example, the individual steps in the transportation of components were simulated to show how these could be automated. The VR equipment allowed visitors to experience

how process ergonomics are being optimized in 3P workshops in assembly with the aid of VR simulations. Andrés Kohler, VMP Coordination and contact person for Cockpit and Electrics, explains: "Over the last six months, we have particularly focused on employees in the various departments. In June, we even managed to conduct a workshop completely virtually with colleagues from Mexico and Ingolstadt." György Nagy, Chairman of the Works Council, was impressed by the engagement shown and believes that the innovation day at the site is an exciting platform for creative thinking: "Being open to innovations is a significant advantage for Audi Hungaria, but it requires courage. I am pleased to see that the young generation shares this excitement for innovation – our IT apprentices created a world-class robot as part of an Innolab project," says Nagy.



A focus on participation: Employees had the chance to try out innovations at several stands.



## What Does a Quality Project Manager Do?

Before an engine enters serial production, it must fulfill certain quality criteria from the quality management plan: This includes the use of vital "lessons learned" solutions and obtaining all the necessary quality approvals. All that has been the responsibility of Piotr Kociucki, Quality Project Manager in Quality Assurance for Components (CQ-M), for seven years. He oversees all engine projects at the Group Components sites of Kaluga and Pune.

What does Piotr Kociucki like most about his job? That he always gets to work with the latest innovations, like the plasma coating of cylinder blocks. But he also enjoys interacting directly with colleagues at the international locations. He is particularly proud on days when engines are approved for serial production and he knows that, thanks in part to his thorough work, the

cars will be supplied to customers with high-quality components. The process from project start to serial production can take up to four and a half years: "But it's worth it, because

ultimately it's our customers that count. They are the ones who buy our cars and whom we want to impress," says Piotr Kociucki with great satisfaction.



Piotr Kociucki with his colleagues Waldemar Martens and Wilfried Hexel (left to right) and an EA211 evo



Top team – top performance: Business Area Manager Herbert Steiner congratulates colleagues at the site.

## Engine Milestone in Kaluga

Employees celebrate a landmark production achievement

On October 10, it was time: Colleagues from Components at the Russian site in Kaluga celebrated the production of the 500,000th 1.6-litre MPI engine from the EA211 engine family. The production of the engine family started in Kaluga in the fall of 2015. Today, 612 engines are produced at the site every day.

Volkswagen is one of the first international companies to establish its own engine production facility in Russia. Three mechanical lines (cyl-

inder block, crankshaft and cylinder head), one assembly line, logistics and quality assurance are operated over an area of 32,000 m<sup>2</sup>.

Once finished, the engines are installed in the Volkswagen Polo and the Škoda Rapid in Kaluga, as well as in the Škoda Octavia at a second Russian site – Nizhny Novgorod. In addition, the engines from Kaluga are shipped to production sites around the world, including plants in Spain, the Czech Republic, Poland, Mexico and South Africa.

## Outstanding! Our Doctoral Students at PRO.MOTION 2019

Driven by Fascination" was the motto of this year's doctoral student day, hosted by Volkswagen on the Mobile Life Campus in mid-September. Our nine students from Components were among those who demonstrated their enthusiasm for scientific research: The scientists presented their thesis topics in front of more than 500 industry visitors at the PRO.MOTION 2019 doctoral student day. A total of around 100 doctoral students from the Volkswagen Group took part in the event, and showed what they have been researching intensively in the last few months. The doctoral student day was being held for the 14th time and, once again, the scientists presented their topics in academic lectures, guided tours, discussion groups and an exhibition.

The doctoral projects of the Group Components PhD students are on topics such as lightweight construc-



Dr. Stephan Knorr, Dr. Constanze Uthoff, Dr. Hans-Elias Marusch, Dr. Sebastian Gierth, Dr. Christoph Fiebig, Dr. Sabine Baumbach, and Dr. Jakob Hennig (left to right) completed their doctoral studies in Components. They were congratulated by Thomas Schmall (middle).



Thomas Schmall (middle) at the PRO.MOTION 2019 doctoral student day with the exhibiting doctoral students from Components: Philipp Adler, Robert Wendland, Rika Berger, Nidhesh Dhamodaran, René Kaiser, Hinrich Lührs, Iwona Sierakowska, Jonas Wittenbrink, Nadja Fischer, Teresa Tumbrägel (left to right).

tion, electric drives, thermal management in battery systems, autonomous driving and human-robot collaboration. The event also honored all grad-

uates who completed their doctorates over the last year, including seven doctors who wrote their thesis in Components. Congratulations!

# Mastering Transformation Together

Through various projects and approaches, Components is promoting competence management in the transformation



From HR management to knowledge exchange: Competence management is crucial, especially in the transformation of Components – and that is why it has been firmly anchored in the ONE MISSION 2025 component strategy in the “Competence transformation” action field. This consists of three Group Components initiatives (KKIs), which are promoting change within Volkswagen Group Components. The goal is to coordinate the key tasks, competencies and capacities of Components employees with one another through strategic management and exchange of knowledge between locations – with a focus on demographic and technological change in Components.

The KKIs at a glance:

1. Establish strategic HR and competence planning
    - Top-down: strategic HR planning
    - Bottom-up analysis: strategic competence management (determine competence requirements and plan training measures)
- Determine the “big picture” of transformation and identify necessary action

## 2. Promote global knowledge transfer

- The focus here is on digital competencies
  - Promote global exchange between experts (e.g. energy network: with the help of digital tools)
  - Industrial engineering/production system training concept
- Transparent and systematic sharing of knowledge supports transformation

## 3. Guide and implement transformation

- Establish the mindset for change
  - Develop and apply tools for management staff
  - Guide and train management staff
- Support with the change process for managers and employees

“Fit for Change” and “Learn How to Learn” are two programs that are guiding the competence transformation at Volkswagen Group Components and supporting employees too. The projects started as pilots in Braunschweig two years ago and one year ago, respectively.



## Fit for Change

### Learning fitness training for employees

**Target group:** This seminar is for employees who are preparing for changes in their professional life.  
**What it's about:** After this training course, employees will be able to motivate themselves for changes in their careers and adopt a proactive attitude, as well as activate their own resources to ensure a smooth transition.



“The seminars are important and valuable because the transformation is not about adjusting machines, but about supporting people through change.”

**Bettina Wilhelms, trainer at the Volkswagen Group Academy**

### Management training

**Target group:** This seminar is designed to help managers supervise and guide employees through change projects.  
**What it's about:** After this training course, managers will be able to apply effective, practical management tools for change processes, understand and confidently manage the resistance and emotions of employees, as well as anchor the change in their employees.



## Learn How to Learn

**Target group:** This seminar helps employees prepare for a new professional qualification.  
**What it's about:** In the seminar, employees learn how to apply effective



“The seminar helped me learn how to learn again. It's important to stay agile mentally, to show what you can do. The company will be able to develop some talents on the way to e-mobility.”

**Vedat Tomen, production employee in plastics technology at Braunschweig**

learning techniques and strategies in practice and to learn more efficiently. After the seminar, participants will also be able to deal with learning barriers and overcome test anxiety.

### Who can take part?

There will be further training sessions at the sites in 2019. Suitable participants for the seminars are selected by their foremen, the transformation office (in Braunschweig) or the academies.



## A Look Into the Volkswagen Passenger Cars Brand

### ID.3<sup>1</sup> SOP, New VW Voice, and Clever Variant Management



**ID.3 Close to Serial Production:** This November, serial production of the ID.3 will start in Zwickau. The conversion measures are right on schedule. +++

### A New Beginning With a Female Voice:

Luise Helm is the new voice of the brand. She was found by Simon Bauer from Marketing Strategy and a Design and Marketing team. +++



Luise Helm in action.

### Fewer Components for More Success:

Variant management: The Project Center was founded one year ago – the number of variants for the Polo has been reduced by 13 percent. +++



**Success story in Pamplona:** By reducing the number of components, the Polo and the T-Cross can now be produced together.

# The Foundation of Our Teamwork: The Components Rules of Play

Impulses become concrete rules of conduct – and employee ideas are incorporated into the rules of play

To be successful in the long term, every team member has to pull together. To achieve that, rules are needed that help organize everyday teamwork and strengthen the company's competitiveness and future viability. This was the idea behind Volkswagen Group Components' move to develop its own rules of play.

### Defining the rules of play

The basis for the rules of play were, firstly, the Group Essentials and, secondly, the feedback from the online survey of over 350 international management staff and colleagues from Components. In addition, a joint workshop for executives, managing directors and business area managers at the beginning of July helped bundle existing ideas, gather external input and formulate

seven concrete rules. Their contents and implementation were the focus of a strategy event with 56 international managers in Berlin at the end of August. In the final step, we presented our rules of play at the Components Talk in September, and discussed them with colleagues and the extreme mountain climber and inspirational figure Benedikt Böhm. Many eager colleagues also submitted their ideas and suggestions via Group Connect, email or app by mid-September.

### What's the next step?

The results are clear: Employee and manager ideas were translated into 164 discussion points and 147 suggested measures. Now these ideas are being used to finalize the rules of play at Group Components. In addition, the measures will be



Components Talk in early September.

### Our rules of play:



1. Take responsibility.
2. Dare to take a stance.
3. Forge new paths.
4. Make the most of diversity.
5. Work for success you can be proud of.
6. Be strong together.
7. Say what you do. And do what you say.

further developed for implementation, in order to anchor the guiding principles of the rules in the routine workday. The final rules of play and implementation measures will be published in the fourth quarter.



Strategy event: The rules were also tested in the open air.



Test run: Managers gave feedback.

## The Road-to-6% Finance Game

**How** do you increase return on investment? What is Components' KPI cockpit? What does EBITDA stand for? To increase entrepreneurial thinking and activity, a financial planning game will be rolled out at the German sites of Group Components, as well as in Chemnitz and at SITECH from November. Heads of central offices and managers up to the foreman level will be trained in the new KPI system and the financial context of company processes as part of Components' ONE MISSION 2025 strategy. The methodology was optimized with the help of feedback from two pilot sessions in September.

<sup>1</sup> Near-production-ready concept car.

Names & News

**Dr. Tim Strauss**, previously Head of QA for Purchased Parts/Test Laboratories (CMS-Q1) at the Salzgitter plant, became Head of Quality Assurance at Volkswagen Sachsen GmbH at the Chemnitz site on October 1, 2019.

**Frank Michael**, previously Head of Quality for Group Components Gearboxes, e-Traction, Seats, and Chassis (CQ-G) at the Wolfsburg site, becomes Head of Quality Analysis/Planning (CGK-Q1) in Kassel on November 1, 2019.

**Martin Strassburg**, previously Head of Quality Assurance (CGK-Q) at the Kassel site, becomes Head of Quality Assurance for the Gearbox/e-Drive (CQ-G) business area in Wolfsburg on November 1, 2019.

**Thomas Pape**, previously Head of QA Analysis Center at Volkswagen Automatic Transmission (Tianjin) Co., Ltd., becomes Head of Quality Assurance (CGK-Q) in Kassel on November 1, 2019.

**Dr. Stefan Brinkmann**, previously Head of Planning Management (CMS-P/5) at the Salzgitter site, became Head of QA Production-Assembly (CMS-Q3) in Salzgitter on October 1, 2019.

**Dr. Thomas Schilling**, previously Head of Quality Assurance for Vehicle Construction (NQ-HF) at the Hanover site, becomes Head of Quality Assurance (CCB-Q) at the Braunschweig site on November 1, 2019.

**Bertram Scholz**, previously Head of Quality Assurance (CCB-Q) at the Braunschweig site, will stop working and enter retirement.

# "Quality Always Prevails"

Christine Medler is responsible for SAP and, as a manager, promotes independent thinking in her team



Team player: Christine Medler in an internal meeting.

Since the beginning of this year, Christine Medler has been coordinating the SAP program and Enterprise Resource Planning (ERP) at Components. She can look back at 23 years with Volkswagen, having started at the company in 1996. After holding various positions within the company, at Salzgitter and elsewhere, she was appointed to the manage-

ment in 2008. Another milestone: From 2012, she was in charge of plant logistics in Chemnitz. In 2013, she was appointed to the upper management circle.

But how does Christine Medler see her role as a manager? "I want to create a world that others want to belong to. I try to foster a working environment that takes individual life

planning into account and ensures the company has motivated employees who are committed and creative." This requires the right framework conditions: for example, mobile working in the team, which works well for her employees because they are often traveling between sites. She emphasizes that

*"Managers need to accept that independent employees don't need them. For me, leadership means providing opportunities and clear objectives."*

values like honesty and appreciation are the basis of her management understanding. Her motto is "Treat others as you would like to be treated yourself." If you ask Christine

Medler for tips for managers-to-be, she returns to her values once again: Always do as you expect others to do; your words and your actions must be consistent. She also encourages them to believe in themselves and their abilities: "Quality always prevails."

When it comes to Components, she believes that a shared identity as a unit is important. Information about issues and projects in Components help the unit to grow as a team, whatever the location. "Components is so big - you have to feel part of the family, no matter where you work," says Christine Medler. The topic of transformation is also close to her heart: "It's important to discuss things with one another often and to offer employees something tangible, to impress them and win their enthusiasm - preferably before you introduce a new system, for example. I'm trying to do just that with SAP."

## e-Beetle Hits the Road

First edition of the "Mille Miglia Green" with the e-up! and e-Beetle

Inspired by the famous classic car rally "1,000 Miglia," the first ever "green" spin-off took place with alternatively powered vehicles on September 27-29, 2019. Under the title "1,000 Miglia Green," various vehicles entered the multi-day e-mobility race in different categories in Brescia, northern Italy. With the new e-up! and the e-Beetle, the race featured two fully electric Volkswagens that have something in common: the electric drive. The drive train and the battery

system in the e-Beetle are the same as those of the e-up!, both of which are manufactured by Volkswagen Group Components. With the tailor-made series parts from modern production, the electrified classic car achieves a top performance of 60 kW/82 bhp and has a range of up to 200 km. In three stages over 250 km, the vehicles drove some of the same routes as in the classic "1,000 Miglia" from Brescia to the finishing line in Lainate via Milan.



Drawing a crowd: the e-Beetle driving through Milan.



A real tradition: German and Polish colleagues ran the Wolfsburg Marathon again in 2019.

## Across the Finish Line with SPEED

Components colleagues worked hard to secure first place

Strong performance: in September, 42 Polish and German Components colleagues entered the 14th Hexad Wolfsburg Marathon - and achieved an excellent result. The team's hard work paid off, and they took first place in the marathon's team rankings! With SPEED, the Components runners also took part in other races, such as the 5K and 10K, and the half-marathon. With the sun shining and a buzzing atmosphere on the town square, our

colleagues loudly cheered each other on, showing that they support each other away from their desks and the shopfloor too. Wolfgang Fueter, Head of HR at Components, who encouraged the colleagues before the race, was impressed: "As well as great sportsmanship, all our colleagues put the team first - that was very tangible and made a deep impression. An excellent performance from the Components team and a lovely message to us all."

## SPEED+ Award 2019: The September Results Are In!

Fresh off the press: The latest ranking of the SPEED+ Awards. Now we see who has gone the extra mile and moved up a place or two over the last few weeks. The full results can be viewed in the 360° app on

the Group Components channel. On October 10, the visit of the SPEED experts from Wolfsburg and ROI at SITECH Wolfsburg kicked off the last phase of the 2019 award year with the third and final factory tour -

where every method scan and every figure could decide the victor. As in every issue, we explain one award category here.



SPEED+ visit to SITECH colleagues.



### The "Shopfloor Management" Category

**What exactly is measured?** Evaluation of the relative improvement of method scans in production, production-related and administrative areas.

**Winner for the last two years:** Kassel (2017 and 2018)

**Factors for success:**

- Cycle time and setup time checks by

- team spokesperson and foreman
- Stringent info cascade from the daily team briefing to plant management
- Fast and transparent problem solving in the CIP and Shopfloor Management team

**Further information**  
More information is available on the location pages