
Media information

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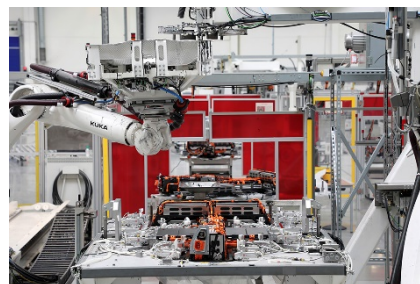
Volkswagen Group Components makes progress with realignment

- **Key objectives: improved efficiency and optimized investments for a coordinated entry to e-mobility**
- **Management and business area management teams headed by Thomas Schmall**
- **New plant managers for Kassel and Brunswick**

Wolfsburg, July 2, 2018 – In future, Volkswagen’s component development and production activities are to become even more efficient and flexible. By analogy with the Volkswagen Passenger Cars and Volkswagen Commercial Vehicles brands, Components is to become an independent corporate entity under the umbrella of Volkswagen AG with effect from January 2019. The realignment process which is currently in progress is focusing on aspects such as changes in the structure of the business areas, slimmer management and board systems and a Group-wide added value strategy.



The battery systems for the e-Golf are produced at Brunswick.



Battery production unit for the e-Golf.

Thomas Schmall, Board Member for Components of the Volkswagen brand and Head of Group Components, says: “The realignment of Group Components will make us even more efficient and competitive. We are preparing ourselves for the approaching new era of mobility. Investments for the new electric components must be borne by our present core business. We are therefore working at full speed on a Group-wide added value strategy based on investment and cost optimization. This will ensure the future viability of Components and safeguard jobs in the long term.

For many years, the strengths of Group Components, with 56 plants and about 80,000 employees throughout the world, have included the development and production of strategic vehicle components, from engines, transmissions and electric motors through to steering systems and lightweight parts. In order to realign these competences in a future-oriented way, it was decided as part of Group strategy to group global components activities together in an independent corporate entity “Group Components”. The main objective of the realignment is to improve efficiency and optimize investments with a view to ensuring a coordinated entry to e-mobility.

Components is laying the foundation for achieving these objectives by consistently orienting its operations towards economic viability and efficiency in production plants and offices: since 2016, the Components team has improved production and administration processes, developed shop floor management for uniform communications between management, foremen and employees and has already consistently implemented all the objectives of Volkswagen’s Pact for the Future.

Five-member management team for Group Components

Key steps have also been taken in terms of personnel realignment. The management team for the future independent corporate entity is now complete. It will be chaired by Thomas Schmall. Gerd Müller-Enghausen is to be responsible for financial management, Wolfgang Fueter for human resources, Mark Möller for development and Stephan Beyse for purchasing. A Supervisory Board with representatives of the Boards of Management and Works Councils of the Volkswagen Group brands will provide support for the realignment.

Appointment of business area managers

The management structure of the business areas is to be realigned and reinforced on the basis of the principles of the series groups. The business area managers, who will have a cross-brand function and will be independent from the individual plants, will be responsible for the coordination of global plants and their strategic orientation. In each of the five business areas, the different departments such as development, procurement and production planning will cooperate closely at an early stage to consistently strengthen innovative power and competitiveness. The “Engine and Foundry” business area is to be managed by Herbert Steiner, previously Head of Components at the Audi plant in Győr, Hungary. The current plant manager at Kassel and head of the Transmissions Business Area, Thorsten Jablonski, is to be responsible in future for the “Transmissions and Electric Drive Systems” business area. The “Chassis” business area is to be managed by Otto Joos, who was previously also the plant manager responsible for Brunswick. The heads of the “E-mobility” and “Seats” business areas will be appointed in the near future. The managers of the 56 Components plants are to make a significant contribution to the overall strategic process of Group Components and will be responsible for the competitiveness of their production facilities. In the course of the realignment, plastics technology will be assigned to Volkswagen brand production.

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New plant managers at Kassel and Brunswick

In connection with the appointment of the business area managers, new plant managers have also been appointed for the Components plants at Kassel and Brunswick: Olaf Korzinovski, currently General Manager Technical responsible for the component plants for dual-clutch gearboxes at Tianjin and Dalian, is to be the new manager of the Kassel plant. In future, Werner Gose is to manage the Brunswick plant. To date, he has been responsible for production line 1 at the Wolfsburg plant.



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