

"Just Transition at Volkswagen Group"

7th ESG Conference Volkswagen Group

07.05.2025

DR. THYMIAN BUSSEMER
HEAD OF HR STRATEGY & INNOVATION
VOLKSWAGEN GROUP

Disclaimer

The following presentations as well as remarks/comments and explanations in this context contain forward-looking statements on the business development of the Volkswagen Group. These statements are based on assumptions relating to the development of the economic, political and legal environment in individual countries, economic regions and markets, and in particular for the automotive industry, which we have made on the basis of the information available to us and which we consider to be realistic at the time of going to press. The estimates given entail a degree of risk, and actual developments may differ from those forecast.

All figures are rounded, so minor discrepancies may arise from addition of these amounts.

Any changes in significant parameters relating to our key sales markets, or any significant shifts in exchange rates, energy and other commodities or the supply with parts relevant to the Volkswagen Group will have a corresponding effect on the development of our business. In addition, there may also be departures from our expected business development if the assessments of the factors influencing sustainable value enhancement and of risks and opportunities presented develop in a way other than we are currently expecting, or if additional risks and opportunities or other factors emerge that affect the development of our business.

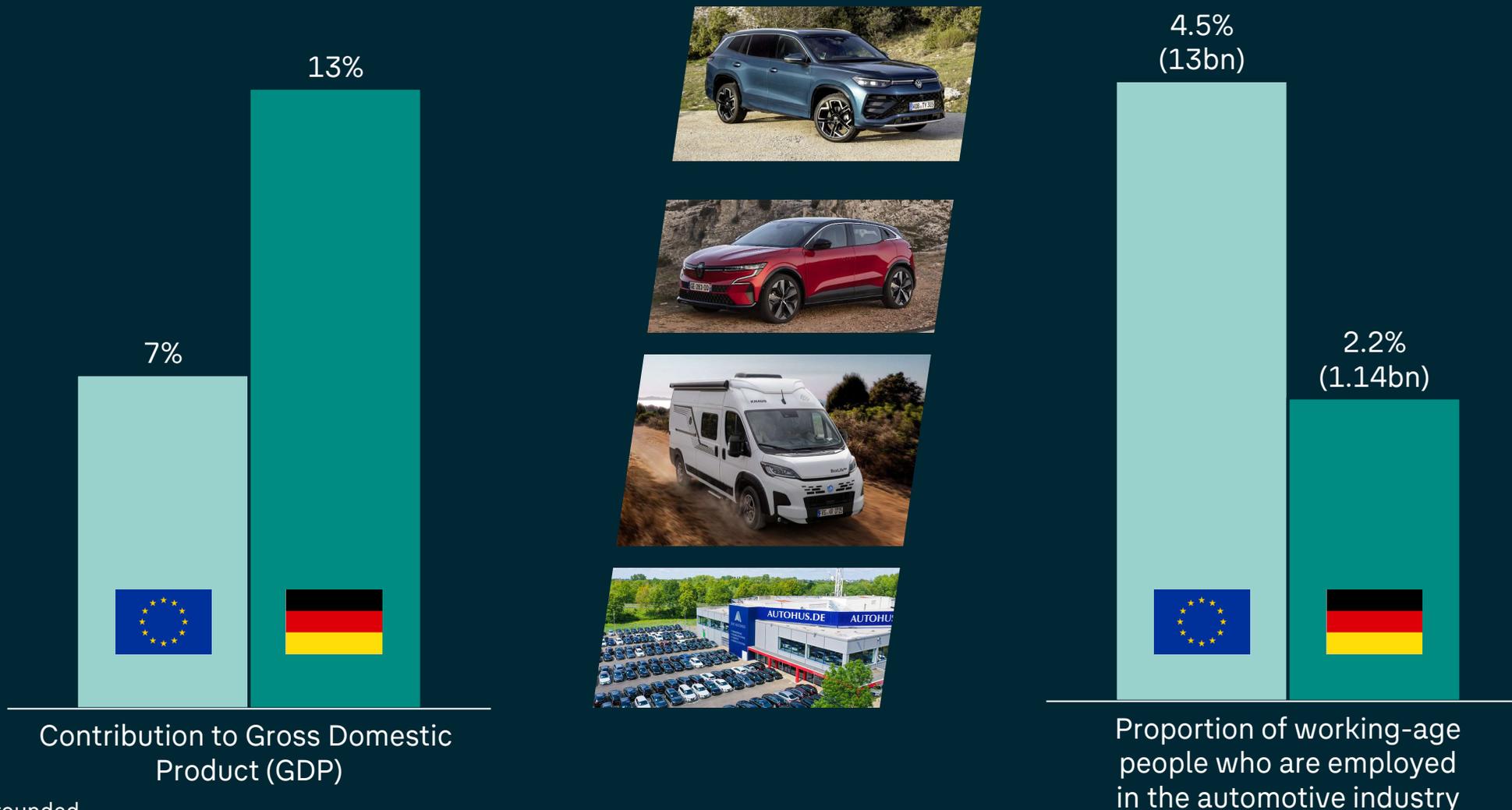
We do not update forward-looking statements retrospectively. Such statements are valid on the date of publication and can be superseded.

This information does not constitute an offer to exchange or sell or an offer to exchange or buy any securities.

Automotive industry with significant impact on European economy

Base: 2023 incl. suppliers

Europe Germany



*Figures are rounded

Source: Institut der deutschen Wirtschaft, 2024; Annual report VDA 2023, Statistisches Bundesamt

Volkswagen Group has significantly contributed to the creation of well-paid and future-proof jobs – in Germany and beyond

1990



2024

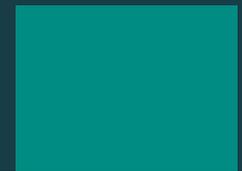


257.930



Total workforce

165.711



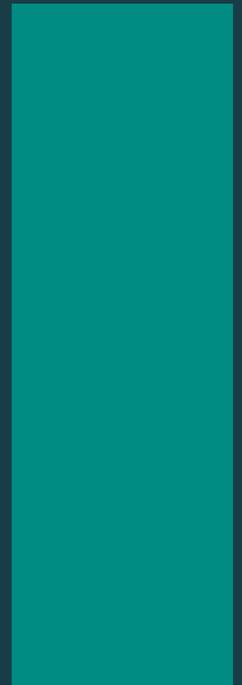
Workforce in Germany

92.219



Workforce outside Germany

679.472



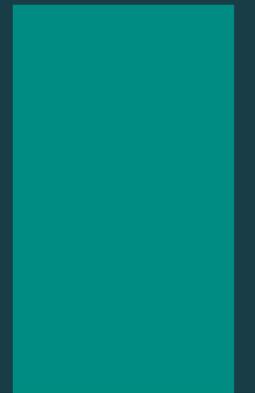
Total workforce

295.000



Workforce in Germany

388.000



Workforce outside Germany

The future of jobs: Germany's automotive industry has reached its peak of employment in 2018



The rearrangement of the automotive world in times of geopolitics: continental plate shift with unforeseeable outcome



Shanghai Motor Show, April 2025: tipping point or only top of the iceberg?



Concerns about the German automotive industry and its workforce: lay-offs and skill shortage simultaneously

ZEITUNG MEHR F.A.Z. **Frankfurter Allgemeine** Abo

AUTOBRANCHE IM UMBRUCH

Die deutsche Autoindustrie hat letztes Jahr 19.000 Stellen gestrichen

06.03.2025

06.03.2025, 13:11 Lesezeit: 2 Min.



Newsletter Datercenter E-Paper Jobs Events Abo

Automobilwoche

Login | Mein Abo | Registrieren

NACHRICHTEN HERSTELLER AUTOMARKTDATEN HANDEL ZULIEFERER SOFTWARE MEDIADATEN MEHR Suche

Studie: Autoindustrie fürchtet Mangel an qualifiziertem Personal

17.03.2025

...

Ein weiteres bedeutendes Thema ist der akute Mangel an qualifizierten Fachkräften – weltweit. Mehr als die Hälfte der Befragten äußert große Bedenken hinsichtlich der Fähigkeit ihres Unternehmens, die richtigen Talente für die Zukunft zu sichern. Dieser Wert ist höher als in jeder anderen befragten Branche. Die Automobilindustrie steht damit vor einer erheblichen Qualifikationslücke, die sich durch die zunehmende Verschmelzung von Automobil- und Technologiebranchen noch weiter verschärft.

...

Trend 1: The current shift towards BEVs brings a new push in the decline of work volume in our factories

Vehicle production in mix ICE & BEV



■
- 12 %
↓

Electric powertrain vs. ICE powertrain



■
- 60 %
↓

Gearbox in mix ICE & BEV



■
- 70 %
↓



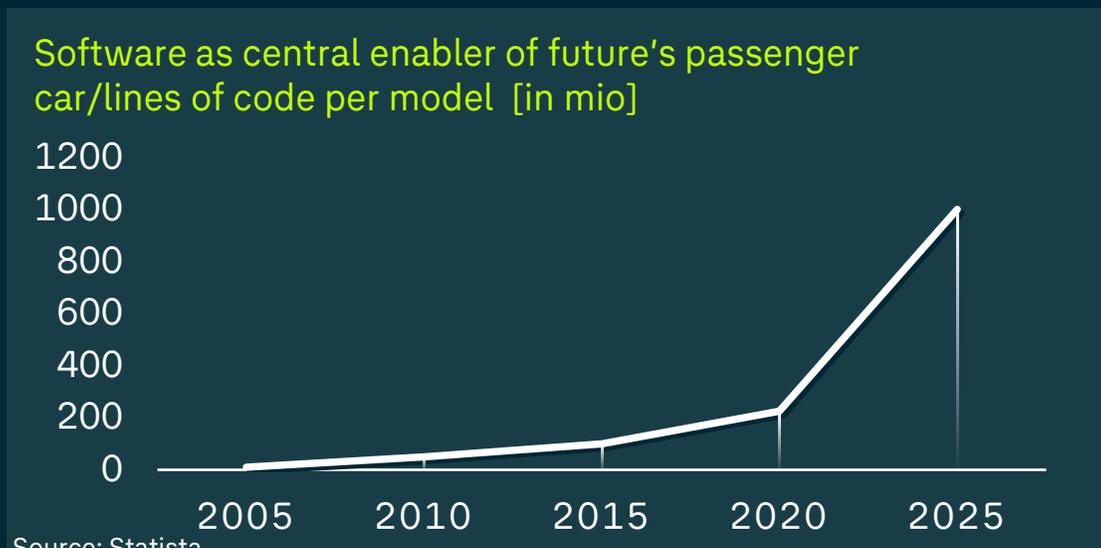
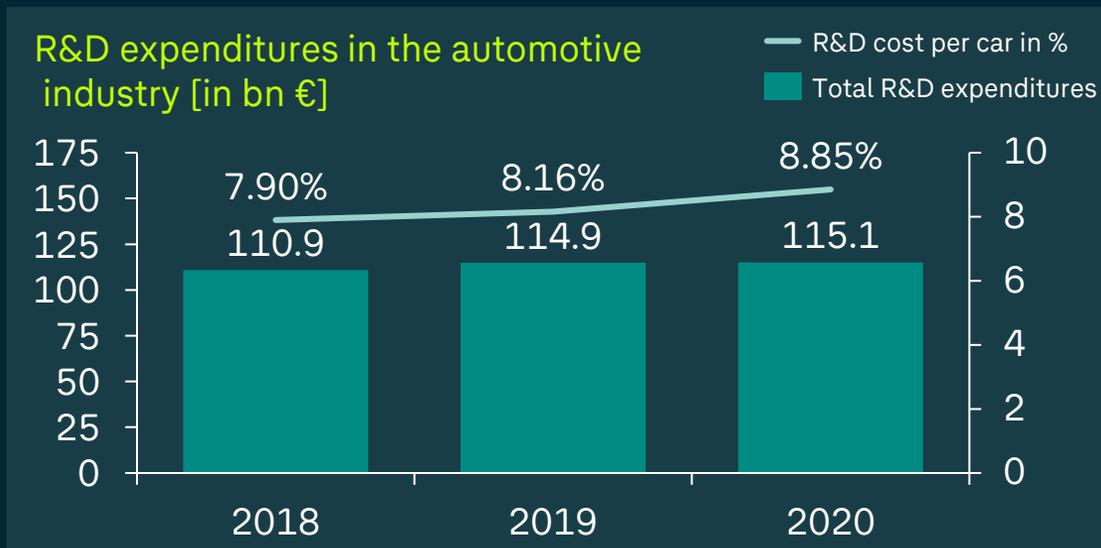
Support and enable people in shifting jobs



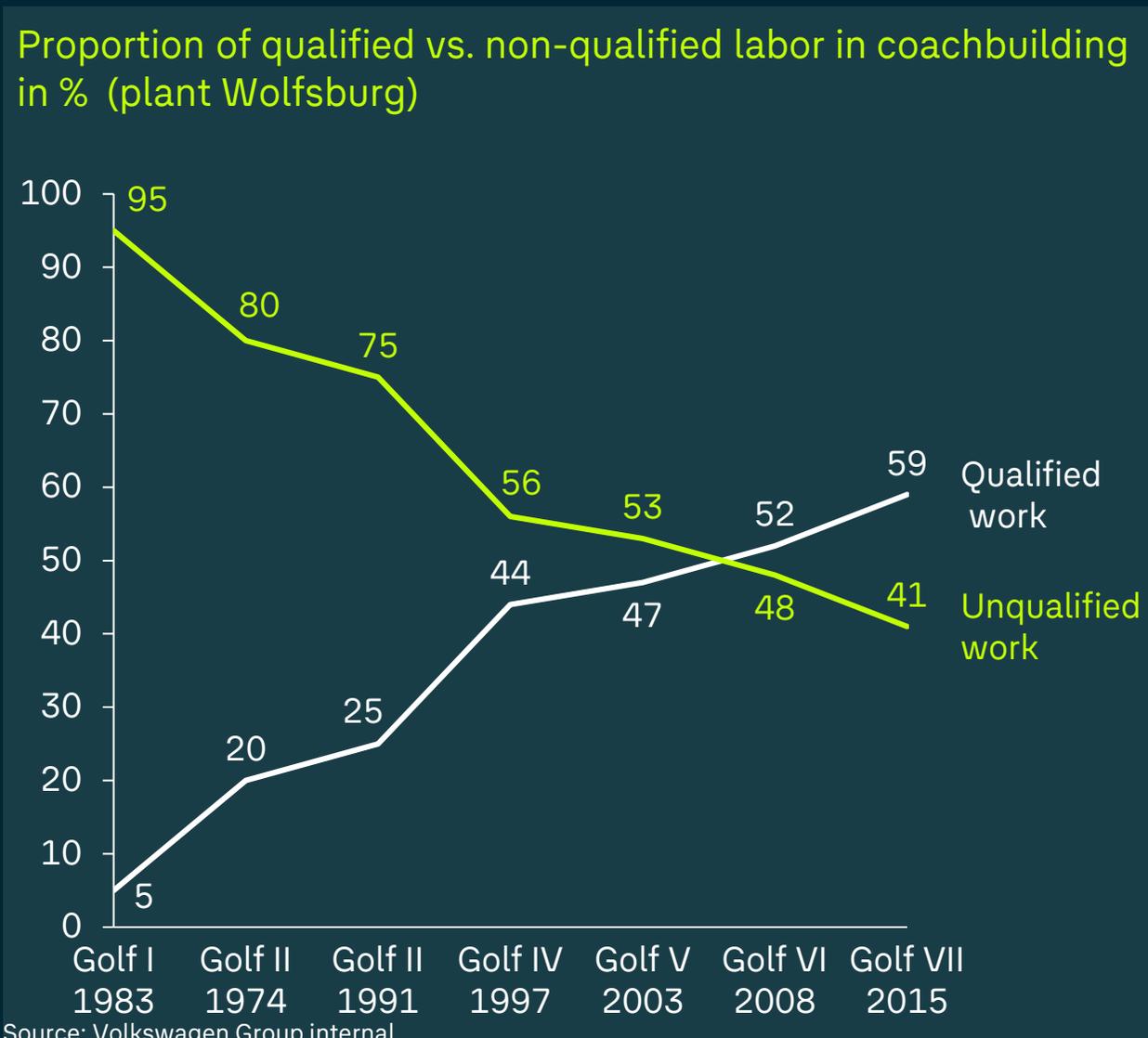
Provide meaning for workforce in traditional fields

Source: Fraunhofer IAO
Decrease in %

Trend 2: Importance of knowledge work in automotive is massively increasing



Source: Statista



Source: Volkswagen Group internal

Managing workforce transformation in all its parallelism is a central strategic objective of Volkswagen for the next decade

Product strategy affects needed skills and quantity of work

Workforce faces a combination of restructuring, relocation and digitalization of work

Effective management of wages in the transformation essential

ICE ⇌ BEV



Software driven products



MaaS & TaaS



Restructuring programs

ZUKUNFTS
PAKT

TRANSFORM
2025+

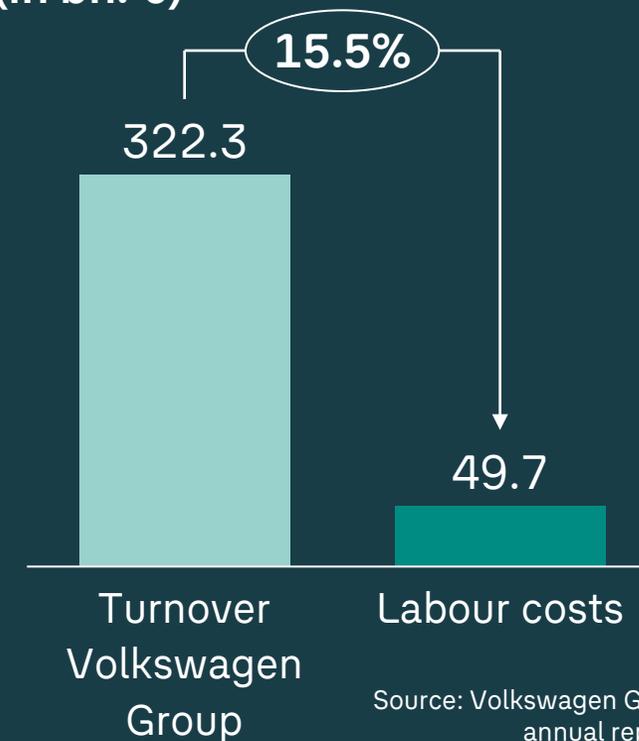
NEW
Volkswagen

Roadmap:
Digital Transformation

EFFIZIENZ
PROGRAMM
FÜR DIE ZUKUNFT

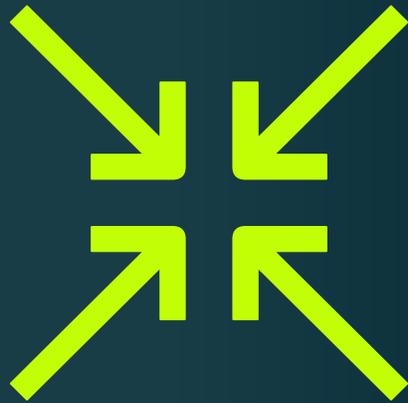
ZUKUNFT >>
VOLKSWAGEN

Annual labor costs
Volkswagen Group 2023
(in bn. €)



Volkswagen addresses the workforce transformation with a holistic people strategy

Functional Department Strategy



Focus on HR

#functionally centered
#KPI based
#linear

People Strategy



Focus on People & Business

#human centered
#data oriented
#holistic

Volkswagen Group People Strategy: high level targets

We@VW Group and
the world around us

**Aligned with society &
environment**

All of Us@VW Group

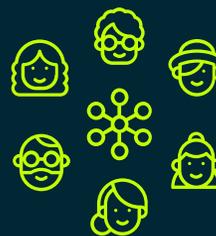
Outstanding culture

Teams@VW Group

**Best performing teams &
exemplary leadership**

Me@VW Group

Excellent employee experience



"Just Transition" at Volkswagen: Managing the change from "old" to "new" since 9 years

Brand VW PKW



- Creation of **new jobs**: 9,000 new jobs created in **future-oriented areas**.
- **Socially responsible** job cuts: Up to 30,000 jobs worldwide, mainly through partial retirement and qualification offers.
- Investment in **future technologies**: Around 3.5 billion euros invested in electromobility and new services.

2016

Roadmap: Digitale Transformation

- **Securing employment** Until 2029
- Strengthening **training & qualification**: 160 mil. EUR between 2019 - 2023 to enhance training and qualification.
- Establishing 2,000 **new IT positions** by 2023 and investing approx. 4 billion EUR in **digitalization**.
- **Socially responsible** job cuts: Reducing 4,000 positions in a socially responsible manner
- **Increasing flexibility** in personnel deployment across departments and locations.

2019

ZUKUNFT >> VOLKSWAGEN

€
>4 bil. € p.a.
Sustainably negotiated savings

👥
>35.000 Jobs
Headcount reduction in GER by 2030

2025

Transition from traditional industrial occupations to tech-enabled knowledge-work

Instruments for socially responsible headcount reduction

Headcount reduction in line with the agreed program targets
~35.000 FTE by 2030

Use of the demographic curve & hiring freeze

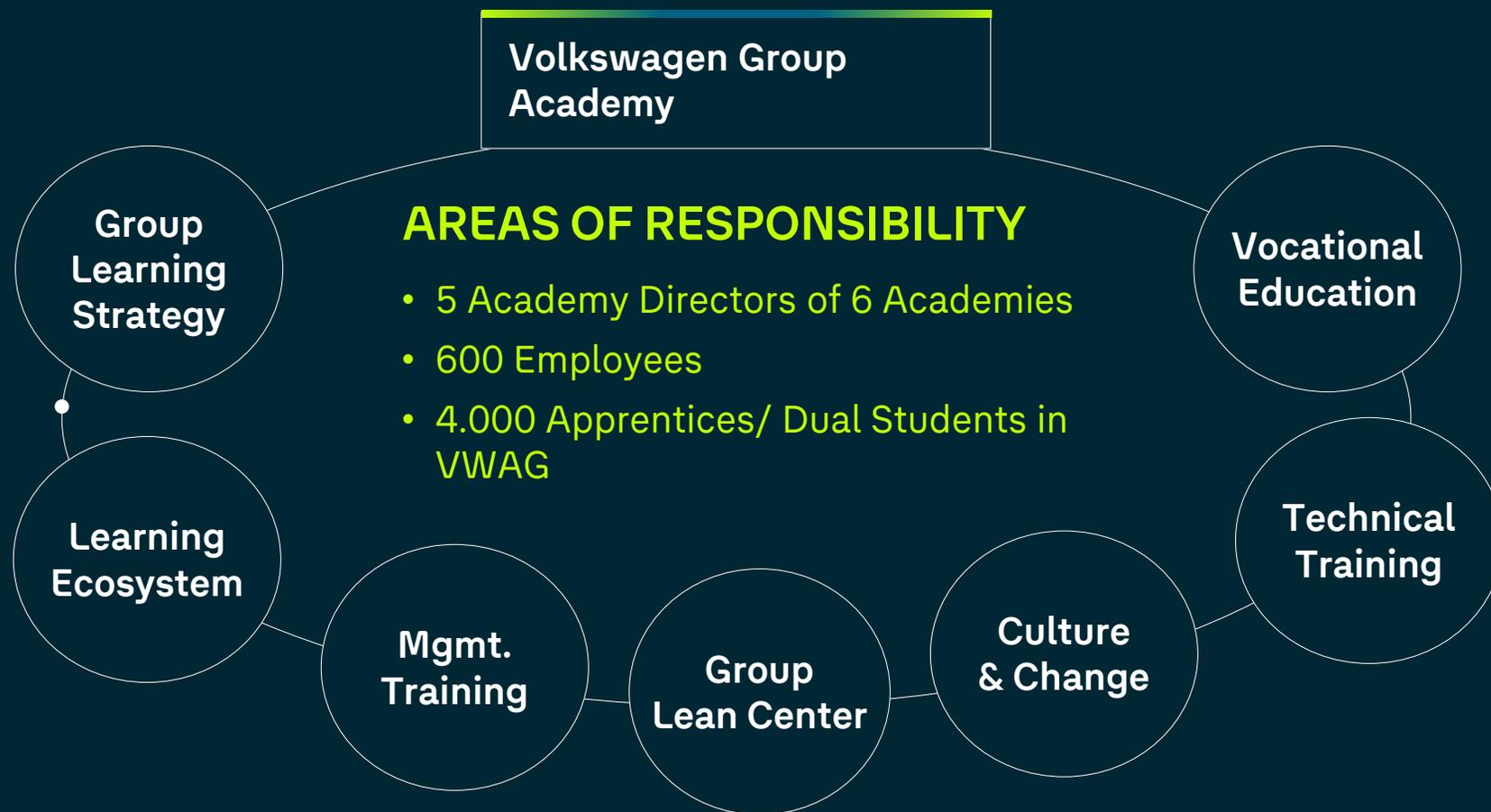
Partial retirement agreements

Termination agreements

Reduction of apprenticeships, consequently flattening of inflow



The Volkswagen Group Academy as central driver for re- and upskilling at Volkswagen AG



In 2024, the Volkswagen Group trained 17,201 apprentices in 30 professions and over 20 dual study programs

Apprenticeship 2.0: Shift from training in traditional professions to future-proof jobs

New apprenticeship professions



Chemical laboratory technician



Electronics technician for IT & systems technology



IT specialist (new specializations)



IT systems electronics technician



Digitization management specialists



Production technologist 4.0

New study programs



Automotive Engineering



Chemistry



Chemical engineering



Digital Engineering (M.E.)

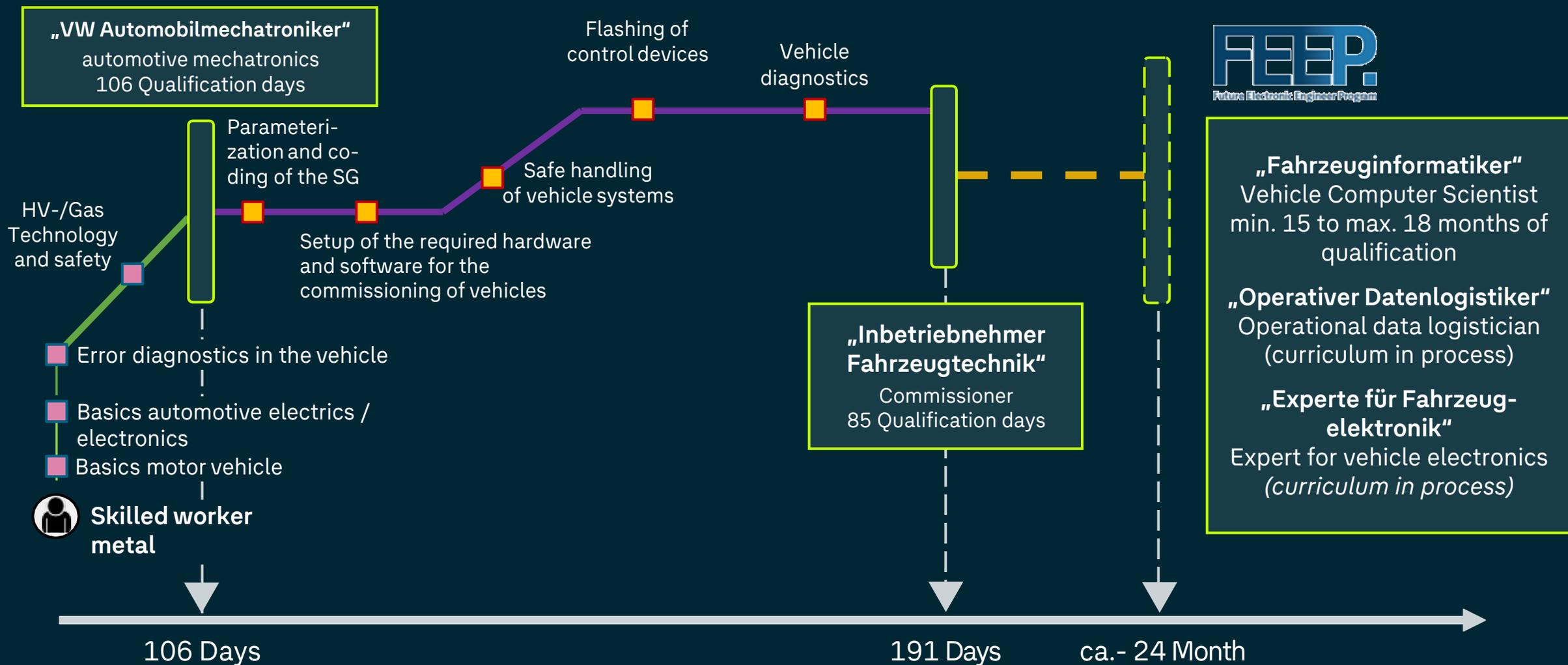


Vehicle information technology

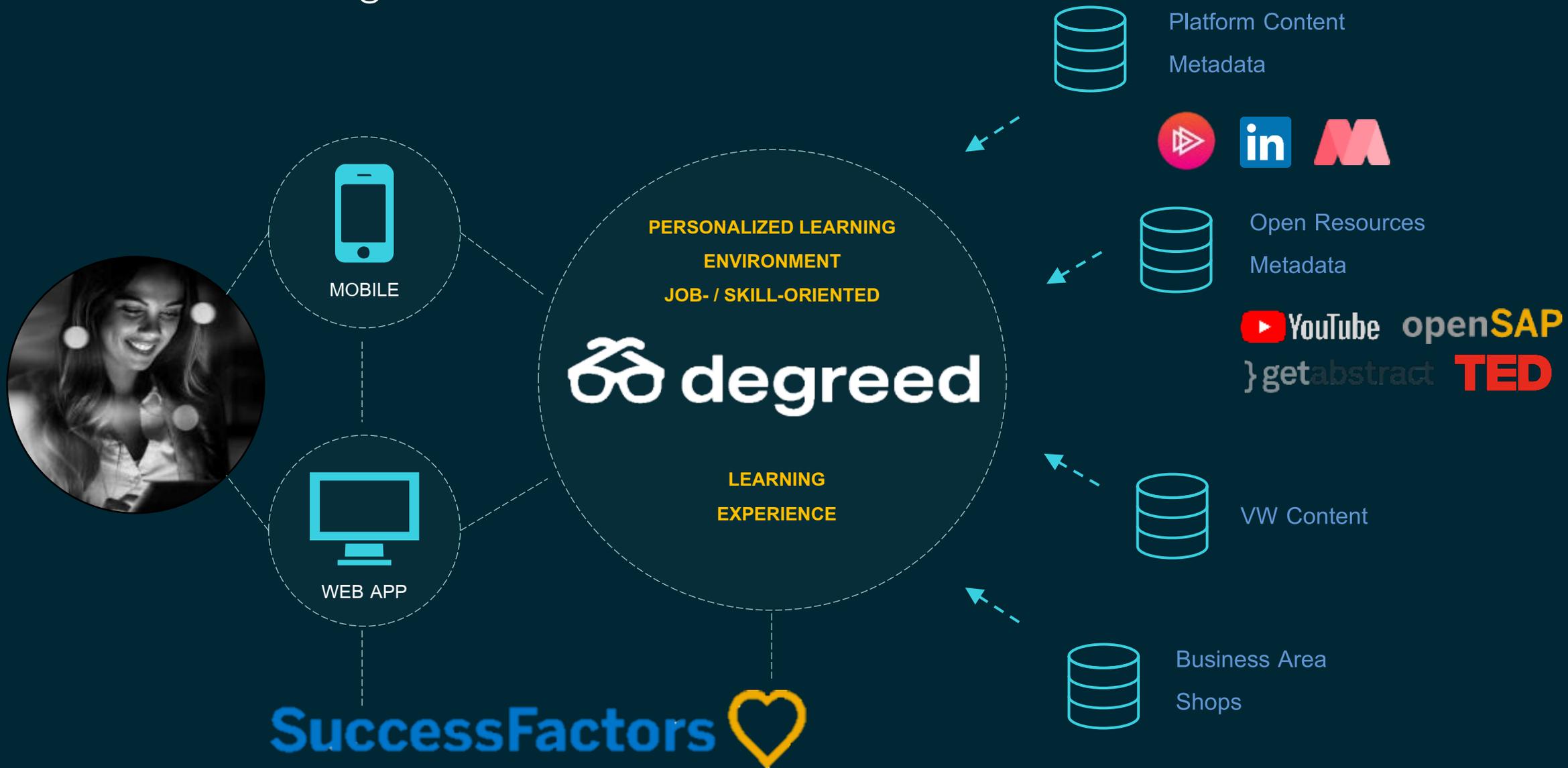


Smart Vehicle Systems

Example for systematic re-skilling of traditional professions: from skilled metal worker to vehicle IT specialist



Customized digital learning ecosystem for various job families at Volkswagen



42 Wolfsburg & Berlin: New ways in the training of IT specialists



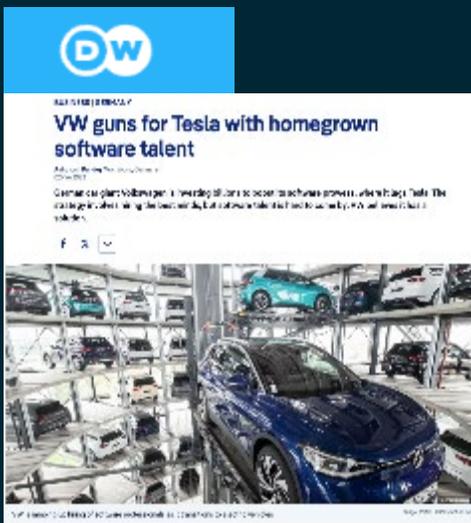
 **37%** of former students hold a permanent position in the automotive sector



26% at VW software suppliers
(e.g. T-Systems, Capgemini, ETAS..)



11% within the Volkswagen Group



Year	2021	2022	2023	2024	2025	2026	2027	2028	2029
School utilization in %	22%	44%	67%	91%	100%	100%	100%	100%	100%
Students									
Wolfsburg	240	484	733	1.000	1.100	1.100	1.100	1.100	1.100
Berlin	240	320	376	450	500	500	500	500	500
	0	164	357	550	600	600	600	600	600
Permanent positions	0	13	38	100	150	210	285	350	350

Summary

The decline in employment in the automotive industry in Germany and Europe will continue, the extent of which also depends on the framework conditions

We are shaping the workforce transformation in a socially responsible way

We will remain a magnet for talents from a wide range of disciplines

We are developing new apprenticeship schemes to create future professions for the automotive industry

With innovative reskilling concepts, we are enabling our employees to make easier transitions from direct to indirect during the transformation process



VOLKSWAGEN GROUP

