

Media Information

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And the winner is...

Volkswagen Group Components presents SPEED+ Award

- → Gold for the Group Components plants Kassel, Silao, São Carlos, Motor Polska and SITECH Polkowice
- → A total of 16 awards presented
- → More than 8,000 employees from 19 plants and seven countries participated in the SPEED+ Award
- → CEO Schmall: "Thanks to the award, long-term improvements were created, savings were achieved and productivity was improved"
- → Group Board of Management member Sommer: "Award is a role model for the entire Group"

Wolfsburg – Volkswagen Group Components recognised its best plants yesterday with the "SPEED+ Award" at the Phaeno Science Centre in Wolfsburg. Thomas Schmall, Chairman of the Board of Management of Volkswagen Group Components, and Dr Stefan Sommer, Group Board of Management member for Components and Procurement, presented this year's TOP plants with their awards in front of around 250 guests from seven countries.



The winners of the SPEED+ Award 2018

Hard KPIs.

This was the second awards ceremony that the newest brand of Volkswagen AG has held to recognise its best plants. Hard KPIs were evaluated in five categories on an ongoing basis to assess the performance of the plants. The categories were plant efficiency, assembly efficiency, shop floor management, process excellence and tool costs. In the sixth category, "Networking", the

best "networking tandem" received its own award. The monthly interim results published in the form of a competition-oriented "Performance League" once again injected some dynamism into the proceedings. The comparability of the evaluated KPIs makes it possible to compare and evaluate different assembly and production lines.

Passion for efficiency.

Thomas Schmall: "The challenges and the pressure have certainly never been greater than they are today, yet the same also applies to the opportunities that are opening up for us. With their passion and commitment to increasing efficiency and collaboration, our plants have

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Media Information

demonstrated that together we can evolve and keep improving. The SPEED+ Award has spurred a number of successful and sustainable improvements in the site network, in addition to cost savings, increased efficiency and improved productivity."

Dynamism through competition.

Dr Stefan Sommer: "The SPEED+ Award creates transparency in respect of the current operating performance, competitiveness and sustainability of the participating sites. This fosters sporting ambition, motivation and team spirit. The competition between plants creates a special dynamic. At the same time, the award makes it possible to improve plant structures and work routines. The result: impressive improvements in productivity and efficiency across the board. This is a model for the entire Group."

International perspective.

The first SPEED+ Awards in 2017 were limited to German sites. The second SPEED+ Awards were extended last year to include international sites. In 2018, the participating plants competed against each other while learning from each other at the same time. Around 8,000 employees (previous year: 4,500) at 19 plants from seven countries (previous year: eight German plants) worked on improving their divisions and, by extension, the whole of Group Components, to make them fit for the future.

"One of the central themes of our realignment as an independent unit is the Group-wide value creation strategy. Volkswagen Group Components aims to become more efficient and competitive. Everyone can work to achieve this themselves, but together we can do it much more effectively. This is exactly where the SPEED+ Award comes in. It is an incentive to broaden your horizons and work with others to improve together. This year's result again serves to underscore this for the long term," says Schmall with conviction about the SPEED+ Award.

The <u>winners of the SPEED+ Award 2018</u> of Volkswagen Group Components are:

System efficiency

- 1. Plant SITECH Polkowice, Poland
- 2. Plant Cordoba, Argentinia
- 3. Plant Dalian, China



Media Information

Assembly efficiency

- 1. Plant São Carlos, Brazil
- 2. Plant Kassel, Germany
- 3. Plant Salzgitter, Germany

Shop floor management

- 1. Plant Kassel, Germany
- 2. Plant Motor Polska Polkowice, Poland
- 3. Plant SITECH Polkowice, Poland

Process excellence

- 1. Plant Motor Polska Polkowice, Poland
- 2. Plant foundry Poznan, Poland
- 3. Plant Chassis Wolfsburg, Germany

Tool costs

- 1. Plant Silao, Mexico
- 2. Plant Salzgitter, Germany
- 3. Plant Tianjin, China

Networking

Motor Polska und SITECH Polkowice, Poland

More pictures of the award ceremony can be found at <u>www.volkswagennewsroom.de</u>.

Additional information about Volkswagen Group Components can be found at <u>www.volkswagenag.com/group-components</u>

This is Volkswagen Group Components.

As an entrepreneurially independent business unit under the umbrella of Volkswagen AG, Volkswagen Group Components is responsible for the development and production of strategic components for the Group's vehicle-producing brands. 80,000 employees work in 61 plants at 47 production sites worldwide in five business areas – Engine and Foundry, Gearbox and Electric Drive, Running Gear, Seats and E-Mobility. They develop and manufacture vehicle components, shape future topics such as charging infrastructure and battery recycling – and thus make a decisive contribution to the value of the Volkswagen Group, its brands and products. Thomas Schmall is the Chairman of the Board of Management of Group Components.

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