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Volkswagen Group Korea Presents its 2022 Plans and Future Mobility Strategy

- As part of the global initiative, the company name is changed to "Volkswagen Group Korea"
- Aims to create synergy between the Group and its brands while electrifying its product offerings
- Will maximize the group synergy in the following 4 areas: 1) platform, 2) vehicle digitalization and electrification, 3) cross-brand collaboration, 4) corporate social responsibility
- Signs an MOU with 42 Wolfsburg, a non-profit coding school supported by the headquarters in Germany and Kookmin University, to start a student exchange program that allows the Korean students to participate in the Software Engineering Automotive & Mobility Ecosystems (SEA:ME) program. The program will be expanded to the Kookmin University and the universities participating in the Innovative Shared University Program, an education innovation project funded by the Ministry of Education
- Plans to launch 21 new models (including variants) across four brands in 2022 and will make speedy efforts to establish infrastructure and systems to offer a higher level of customer experience

Seoul, March 31, 2022 – Volkswagen Group Korea (Till Scheer, Group Managing Director, www.vwgk.co.kr) held a press conference today presented key achievements in 2021 and major plans for 2022 and announced its company name change to “Volkswagen Group Korea (VWGK).”

Electrification and digitalization are accelerating the change of the automotive industry resulting in a radical transformation of the role and value of vehicles in many ways. As part of its "NEW AUTO" strategy, Volkswagen Group strives to turn the Group from a classic car manufacturer into a software-driven technology company. To achieve synergy while reducing complexity and redundancy, a global initiative was announced, in which NSCs with multiple Group brands are integrated under Volkswagen Group.

In this context, the company name is changed from Audi Volkswagen Korea to "Volkswagen Group Korea," marking the company's 18th anniversary in the Korean market. Having 4 strong brands—Volkswagen, Audi, Lamborghini, and Bentley—under its umbrella, Volkswagen Group Korea (VWGK) will take on measures to seek cross-brand cooperation opportunities for the Group and its brands and will further electrify and diversify its model and service portfolio.

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VWGK shared its key achievements in 2021 and major plans for 2022. VWGK was able to position itself as one of the leading brands in the premium EV segment backed by the Audi e-tron line-up. This year, VWGK plans to lay the foundation to step up its e-offensive by launching “Volkswagen ID.4” and “Audi Q4 e-tron.”

“To cope with a rapidly changing business environment, VWGK is making efforts to establish a strategy to ensure a sustainable future; to diversify our business models; and to transform our organization,” said Till Scheer, Group Managing Director of VWGK. “In tandem with the Group’s strategy, we will focus on introducing various new and attractive models, maximizing the synergy between the Group and its brands to offer a higher level of experience for our customers and laying the foundation for sustainable growth.”

“Seven of the Group brands are operating the business in the Korean market representing the importance of Korea to the Group. Till Scheer and his team have laid out a solid strategy, which is well in line with the direction of the Group,” said Dr. Wolf-Stefan Specht, Chairman of the Board of Directors at Volkswagen Group Korea.

81 new models including variants were launched, and 40,838 units were sold in 2021

In 2021, VWGK launched 81 models, including variants across four brands. It recorded sales of 40,838 units and optimized its fuel mix in response to the changing market demand. It increased gasoline and EV segments by 14% and 3%, respectively, while decreasing the diesel portion by 18% versus 2020.

By brand, Volkswagen sold 14,364 units and firmly positioned itself as an “accessible premium” brand offering models with competitive price and marketability.

As for Audi, it launched 59 models (including variants), recording sales of 25,615 units. Audi e-tron was one of the leading EV brands in the premium EV segment. Audi Korea introduced various new offerings and executed an electrification strategy, successfully making Korea a top 10 market for Audi.

As for Lamborghini, 353 units were delivered, making Korea the 8th largest market.

Backed by popularity garnered for Flying Spur V8, Continental GT, etc., Bentley achieved a record sales of 506 units in 2021. Bentley recorded an astonishing 71% growth, elevating Korea to the 6th largest market.

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VWKG focused its CSR activities on education and the environment. Its activities were categorized into 1) education program on software coding (TOMOROAD School), 2) environment program to create a pollutant-free and safe education surrounding for future talents (reforestation projects, carbon-neutral forest, Green School Walkway, and Classroom Forest), 3) cultural program to offer various hands-on experience and exhibition opportunities to the general public (goTOzero exhibition), and 4) community outreach programs to provide support for the underprivileged (Winter Warmth Kit, Secret Santa).

As for TOMOROAD School, which offers software coding classes, 9,156 students from 338 schools have participated since 2019. 54,269 trees were either planted or donated under the name of VWKG during the same period. 10,297 people visited the “goTOzero” exhibition, which was held to increase awareness of the seriousness of climate change and to build a social consensus on the need to achieve carbon neutrality. Moreover, community outreach programs were carried out with volunteers offering support for some 4,628 underprivileged in the local communities for the 3 years.

As part of the global initiative, the company name is changed to "Volkswagen Group Korea"... Seeks to maximize the group synergy in the following 4 areas: platform, vehicle digitalization, and electrification, cross-brand collaboration, corporate social responsibility

To cope with the rapidly changing environment, a global initiative was initiated, in which NSCs with multiple Group brands were integrated under Volkswagen Group. The objective was to achieve synergy across the Group while reducing complexity and redundancy to create an agile organization.

Against this background, the company name is changed to “Volkswagen Group Korea,” marking its 18th anniversary in the Korean market. The Korean website (www.vwkg.co.kr) is also newly opened in line with the corporate identity guidelines of the headquarters in Germany.

VWKG will seek various opportunities to collaborate across its brands and will focus on expanding its business portfolio by pushing ahead with its e-offensive strategy. VWKG's primary focus will be on the following areas: platform, connectivity and software, cross-brand collaboration, and CSR.

Expanding product portfolio based on the platform technology

Platform technology will stand at the core of electrification and autonomous driving. Volkswagen Group plans to achieve economy of scale by reducing complexity and development costs by sharing various platform technology across all its brands.

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Volkswagen Group Korea is benefiting from this. VWGK launched Audi e-tron line-ups in 2020 and 2021, respectively, and presented the MLB evo and J1 platforms in Korea. This year, VWGK will launch Volkswagen's first BEV, the ID.4, and Audi's mid-size e-model, Q4 e-tron, through which the Modular Electric Drive Toolkit (MEB) platform will be revealed for the first time in Korea. MEB will be applied to various models offering a sporty, easy and comfortable driving experience and more space, contributing to opening an era of full-blown e-mobility.

Strengthening of vehicle digitalization and electrification competitiveness

Volkswagen Group established a software unit called CARIAD to service the software needs of all of the VW Group brands.

VWGK's Vehicle Digitalization Team supports Volkswagen Group and CARIAD with specific local knowledge, detailed and standardized local testing, and local collaborations to achieve more tailored solutions for Korean customers.

In particular, VWGK's Vehicle Digitalization Team will increase the local testing volume aimed to test more customer-related test cases. To that end, the VDT will focus on the early development phase so that local requirements are included in the early stage of the vehicle software development. This will support the tailored solution of navigation, infotainment, and connect for the Korean market. The VDT will also carry out broader and more standardized testing of EV compatibility with local charging infrastructure, which will help to ensure the right charging experience for its customers. Moreover, the VDT's focus will be to push the introduction of connected cars for brands under VWGK and prepare to provide more offerings from the headquarters to Korea.

As part of the overall VWGK synergies, VDT will conduct local testing for all VW Group car brands in the Korean market. This year, VDT also plans to enhance collaboration with the German development departments and explore local cooperation opportunities with key providers in the Korean market.

Seeking of cross-brand collaboration opportunity

In 2022, the Group decided to consolidate Bentley into the Premium Brand Group so that the Audi, Lamborghini, and Bentley brands will work together closely in terms of e-mobility and digital technologies. This will also solidify the Group's approach regarding the competition. VWGK expects this change will help the company strengthen its position in the premium and luxury segment in Korea.

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VWGK will set up a new department called "Group Marketing and Business Development." This department will ensure organizational focus on seeking cross-brand business opportunities and collaboration models, secure one-voice across VWGK, and explore the business opportunity. The team is currently exploring opportunity of adding on a new Group brand, which has yet entered the Korean market to expand VWGK's presence in the volume segment.

Signs an MOU with 42 Wolfsburg, a non-profit coding school supported by the headquarters in Germany, and Kookmin University

... Select and send Korean university students to the specialization track for automotive software development and plans to expand the program to the Kookmin University's curriculum as well as to the universities taking part in the Innovative Shared University Program, which is an education innovation project funded by the Ministry of Education

As part of its CSR program, VWGK has offered software coding classes to foster future talents. Building on its achievements, VWGK has signed a 3-party MOU with 42 Wolfsburg, a non-profit coding school supported by the headquarters in Germany, and Kookmin University to forge a business-academia partnership for automotive software development.

As a start, a student exchange program will be initiated from 2nd half of this year. Together with KMU, 4 students will be selected to participate in the program for 6 months. For 3 years from 2023 to 2026, 3 cohorts of 13 students each will be sent to 42 Wolfsburg campus in Germany for 18 months each (making the total number 39) to participate in the Software Engineering Automotive & Mobility Ecosystems (SEA:ME) program. In addition to the SEA:ME program, the students will also participate in the workshops with Volkswagen, CARIAD, Porsche, and Microsoft Azure Cloud services.

As a second step, VWGK will work together with Kookmin University and 42 Wolfsburg to introduce the SEA:ME program into KMU's curriculum and the universities taking part in the Innovative Shared University Program, which is an education innovation project funded by the Ministry of Education.

The first 42 non-profit coding school was established in 2013 in Paris, France. The international network of campuses has grown to 42 announced schools in 25 countries. Of those 3 are based in Germany, two of which are supported by Volkswagen Group, Audi Group, and the Group's software subsidiary, CARIAD.

42 Wolfsburg has a capacity of 600 students, which was opened in May 2021. Volkswagen has donated EUR 11 million for the first five years of operations. Audi AG contributes EUR 960,000 in scholarships over four years to 42 Wolfsburg and 42 Heilbronn.

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Gunnar Kilian, Member of the Board of Management HR and Truck & Bus at Volkswagen AG, says: "Volkswagen is driving its transformation towards becoming a software-focused mobility group. This requires highly trained specialists with cutting-edge software skills and the right mindset to help us develop innovative and sustainable mobility concepts for the future.

As a founding partner of '42 Wolfsburg' and '42 Berlin', Volkswagen recognized at an early stage the powerful role that the coding school '42' could play for our transformation path and automotive products. We are therefore very pleased that the Volkswagen Group Korea team is now also supporting the innovative concept of a new breed, tuition-free coding-school. Bringing Korean students to 42 Wolfsburg will surely help to further increase diversity. It is also an excellent example how we bring our NEW AUTO strategy to live by achieving synergies within the Volkswagen group."

Max Senges, CEO and Headmaster of 42 Wolfsburg, said, "42 Wolfsburg is the pioneer for Software Engineering Automotive & Mobility Ecosystems, short SEA:ME, within the 42 network. Our curriculum is developed as an Open Educational Resource and designed for our 42 peer-learning pedagogy. SEA:ME experts from science and industry collaborate on the curriculum as 42 Fellows. I am very pleased to be part of this partnership with Volkswagen Group Korea and Kookmin University in fostering software talents from Korea, who can contribute to and allow students to study automotive software engineering."

Hong Jae Yim, the President of Kookmin University said, "Kookmin University possesses the best education system on future cars in Korea and the Innovation Sharing University Project has dual objective of establishing an educational model based on industry-university-research convergence and open cooperation and nurturing key talents for future cars. Our goals are well in line with 42 Wolfsburg's SEA:ME program as it promotes open education and peer-to-peer learning. We expect the partnership will help to create an excellent educational model for industry-university cooperation in fostering outstanding global talents in the field of software engineering of future cars harnessing their problem-solving and practical skills."

Launch 22 new models across four brands in 2022 and enhance infrastructure and systems to provide a higher level of customer experience

In 2022, VWGK plans to introduce 22 new models, including variants across its 4 brands. VWGK began the year with the successful launch of the Volkswagen Arteon and Golf. Continuing on this success, VWGK will focus on introducing various offerings of ICEs and EVs across multiple segments.

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VWGK will expand the BEV offerings with the launch of ID.4 for Volkswagen and four new EVs for Audi.

To complement its expanded EV portfolio, VWGK will strengthen its e-readiness efforts for its customers. For example, 29 service centers will be able to repair EVs, and there will be 1 repair center for high voltage batteries.

VWGK's Training Academy will operate a systematic qualification program to service BEVs. Using this qualification system, VWGK plans to qualify 587 EIPs (Electrically Instructed Persons), 122 HVTs (High Voltage Technicians), and 12 HVEs (High Voltage Experts) this year.

Lastly, VWGK will continue installing AC and DC chargers in the dealer network. 23% of which will be 150kW rapid chargers. Various charging options such as customer-only reservation service, charging-on-demand services and home charging will be offered.

By brand, under the theme of "accessible premium, Volkswagen will continue to focus on diversifying its energy mix by launching more gasoline models and an EV.

Audi will launch 12 new models (including variants), including the premium compact model A3 and 4 EV models. Audi will revamp customer journey touchpoints to enhance the overall customer experience.

Lamborghini will launch 3 new models continuing its strong growth in the premium segment.

As for Bentley, it is aspiring to make Korea within the top 5 markets for Bentley.

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Volkswagen Group Korea (VWKG) has four strong brands – Volkswagen, Audi, Lamborghini, and Bentley. By importing and selling a wide range of models that meet the various lifestyle and characteristics of the local customers, VWKG is contributing to the growth of Korea's imported vehicle market. Also, VWKG focuses its CSR activities on education and the environment. In particular, since 2022, VWKG will drive a business-academia partnership in fostering global talents in the field of software engineering of future cars with 42 Wolfsburg, a non-profit coding school supported by the headquarters in Germany, and Kookmin University. As a sustainable partner in the Korean market, VWKG aims to take the lead in the transformation of sustainable mobility in Korea through a diverse product portfolio across its four brands, a future strategy backed by electrification, and continuous CSR activities. The company was established in 2004, with approximately 200 employees working in Korea.

The Volkswagen Group, with its headquarters in Wolfsburg, is one of the world's leading automobile manufacturers and the largest carmaker in Europe. Ten brands from seven European countries belong to the Group: Volkswagen Passenger Cars, Audi, SEAT, Cupra, ŠKODA, Bentley, Lamborghini, Porsche, Ducati, and Volkswagen Commercial Vehicles. The passenger car portfolio ranges from small cars to luxury class vehicles. Ducati offers motorcycles. In the light and heavy commercial vehicles sector, the products range from pick-ups to buses and heavy trucks. Every weekday, 672,800 employees around the globe are involved in vehicle-related services or work in other areas of business. Volkswagen Group sells its vehicles in 153 countries.

In 2021, the total number of vehicles delivered to customers by the Group globally was 8.9 million (2020: 9.3 million). Group sales revenue in 2021 totaled EUR 250.2 billion (2020: EUR 222.9 billion). Earnings after tax in 2021 amounted to EUR 15.4 billion (2020: EUR 8.8 billion).
