

ONE PLUS ONE
EQUALS THREE

CORPORATE SOCIAL RESPONSIBILITY AT VOLKSWAGEN
COMBINING VALUE WITH VALUES

VOLKSWAGEN AG

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Always on the look-out for win-win

Dr. Bernd Pischetsrieder discusses social responsibility as a benchmark of corporate trustworthiness



Dr. Bernd Pischetsrieder
Volkswagen AG CEO

The classic role of a business in a functioning society is to be successful in the economic sense: offering customers products and services of good quality at lowest possible prices, providing people with jobs, paying taxes - raising society's material wealth. This is the broad-brush outline of a company's traditional value to, traditional role in, society: a role based on and oriented towards national and international legal frameworks while observing social rules.

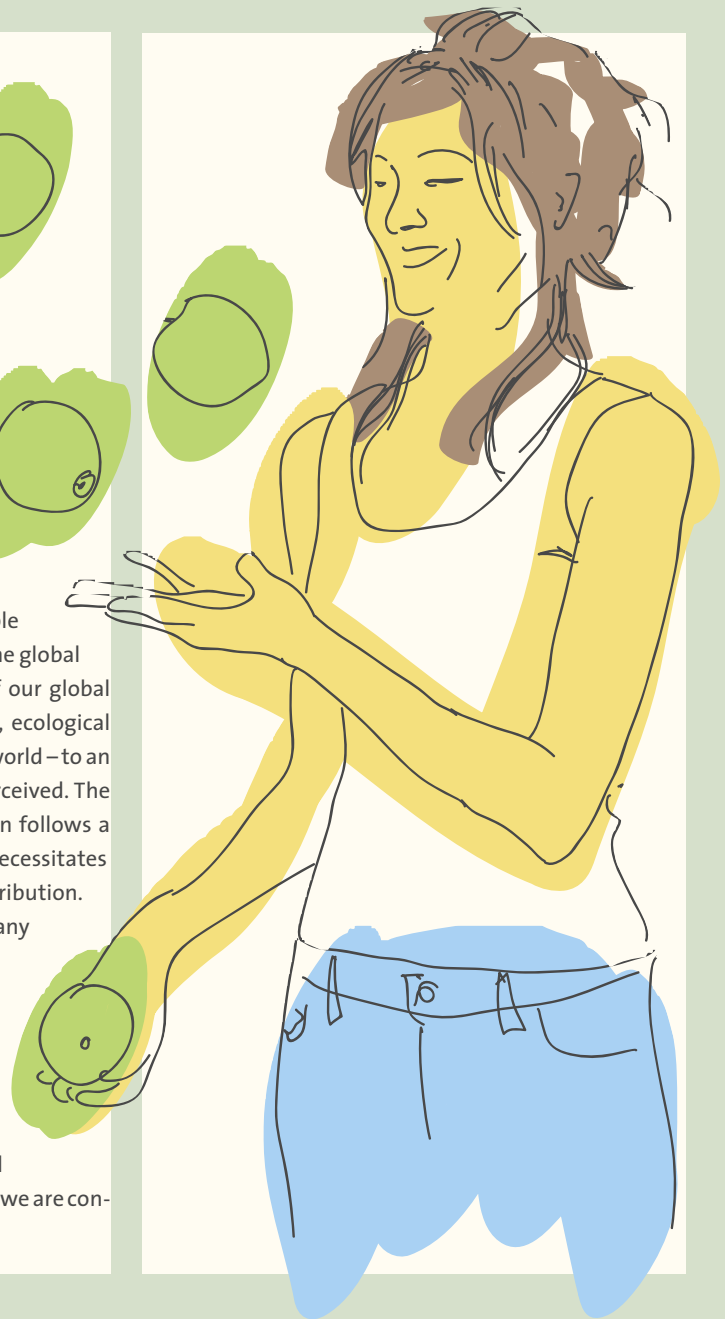
Against a background of progressive globalisation and a welfare state rewriting its guarantees, modern-day citizens now expect more: that companies should orientate their actions within a broader social context. Expectations now include e.g. supplementary contributions to the commonwealth as well as transparency with respect to social and ecological consequences of corporate activity. Only those companies which satisfy these additional demands can expect to gain the kind of societal trust which legitimises their actions - securing their "licence to operate" over the long-term

Volkswagen has always interpreted "sustainable business" as being competitive in busi-

ness while assuring dialogue with society and the environment. It is surely in our own existential self-interest to be recognised by society as an entity generating value. Holding the reigns of business power is tantamount to bearing responsibility – and with responsibility comes opportunity. The greatest opportunity is when politics and society entrust a company with increasingly levels of responsibility, albeit tied to implicit demands because of the very opportunities created – opportunities dependent upon there being the freedom needed to act.

Volkswagen takes the expectations stemming from a responsible business attitude very seriously. As part of the global economy and, concomitantly, a member of our global society, the Group can influence economic, ecological and social living conditions throughout the world – to an extent often larger than often politically perceived. The responsibility for ensuring that globalisation follows a sustainable track is immense and of itself necessitates new modes of behaviour and role redistribution.

Those who peruse the many examples presented here of good practice will quickly realise that Volkswagen long ago adopted the role of a good corporate citizen. The same central question applies without exception to implementation: where are the win-win situations, the situations which allow both society and Volkswagen to profit in equal parts? As far as we are concerned, responsibility and profit are two sides of one and the same coin. ■



A business case, not a social case

Corporate Social Responsibility –
voluntarily seeking sustainable solutions

Corporate Social Responsibility – CSR: Volkswagen’s take on CSR is the practical application of the concept of sustainable development by business organisations. Admittedly, not a new idea. Businesses have always taken care of their natural and social environments, to greater or lesser degrees. The new facet is to gather these activities together under the conceptual umbrella of CSR.

Volkswagen regards CSR as a business management philosophy and not as windowdressing for its main business; this turns CSR into a business case rather than a social one. Defining CSR as a management issue elevates that which companies previously developed individually on an ad hoc and usually back office basis onto a strategic and, at the same time, political level.

Corporations now have an instrument with which to make their social “investments” visible in order to stand out from the competition. It creates the means of satisfying the need for communications with stakeholders, while concurrently shifting their socially-based projects into the company’s core activities and issues; into value generating elements.

This understanding, i.e. that CSR also represents a strategy for boosting competitiveness, forms a starting point for sustainability-oriented management.

The content of CSR is a dynamic process, driven by both market forces and social stakeholder groups, in turn shaped and influenced by cultural traditions and history as well as by the particularities of locales distributed throughout the world. For example, in Brazil, Mexico and South Africa the fight against Aids,

CSR breathes the
spirit of free enterprise

help for street children and campaigns to combat illiteracy are just as important for Volkswagen as is the provision of sufficient trainee places in Germany. The spectrum of challenges is broad, the number of routes to solutions equally so. Corporate Social Responsibility, if it is to be worthy of its name, must therefore live the spirit of free enterprise. Its principal characteristics are flexibility and a willingness to innovate. Only by taking this



route can voluntary networks be repeatedly created, bringing together similar as well as diverse initiatives.

A corset of equalising standards, rules and regulations would be counterproductive – such a straight jacket has the effect of undermining business motivation and stultifying the creative potential of voluntary actions.

Before any misunderstandings arise: compliance with the standards of the International Labour Organisation (ILO), the UN human rights convention, the OECD guidelines for multinational corporations and similar codes of conduct are not the issue here. Volkswagen regards these standards as being the necessary (but also sufficient) framework for

responsible and viable business operations. The potential for future economic and social developments derived from greater efficiency is not to be found in the over regulated territories of Germany or Europe, which themselves are struggling against the enforcement deficits of an excessive bureaucratic regime.

It would be beneficial for politics, business and society if many paths towards shared goals, towards solutions, were recognised as being equally valid.

Only then will Corporate Social Responsibility be able to evolve in the spirit of modern economic and social policies with an entrepreneurial flavour. The social preconditions are: mutual acceptance, understanding, trust and transparency. ■



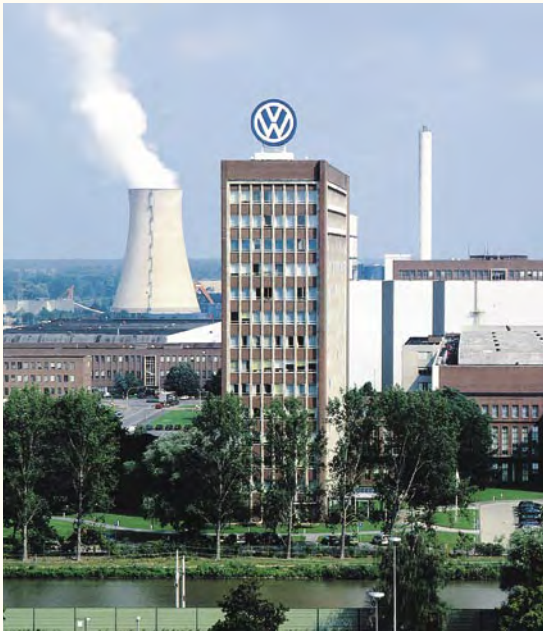


You can't prescribe values, you can only live them.

Management needs to be **cultivated** to be sure of taking the right course.

“Defining that which bonds us together”

“Responsibility”, “respect” and “sustainability” are key criteria at Volkswagen following management’s exhaustive debate of fundamental values. Black sheep in the company face new, more stringent controls.



The starting shot to reform Volkswagen’s corporate culture was fired in Wolfsburg.

In an age of global competition, corporate culture has developed into a crucial factor of business success. In a world previously dominated by punch clocks and job hierarchies, the emphasis today is on creating working environments suited to fostering innovation and motivation. Only companies which can turn bored staff into committed co-workers will glean competitive advantages and be able to exploit market opportunities.

The pivot of corporate culture remains the self-understanding and behaviour of those in management. Only top-down pressure has the strength to achieve true change.

It was Volkswagen’s CEO who, in 2003 – a time completely free of scandals – instigated a deep-seated analysis and discussion of values – a debate which has ploughed many deep tracks in the field of Volkswagen’s corporate culture.

“Whenever diverse groups of people form a state in order to join forces, to be stronger and more successful, they must first and foremost

define the elements which bind them. And then they must all abide by such a constitution.” These were the key arguments with which Dr. Pischetsrieder called on his managers to debate “values”. 200 top managers from throughout the world of Volkswagen were called on to draft ethical and moral standards to shape the company worldwide – with all its cultural diversity. An appeal which fell on fertile ground.

A full, uninterrupted weekend was spent working in groups and seminars, without let up: the deficits perceived in VW’s culture were dissected and solutions discussed. When the marathon closed, they had drafted a canon of preferred modes of behaviour and practice together with appropriate organisational structures: The Group’s new values and guidelines.

However, the goal of this unparalleled journey into self-understanding was not printed papers alone, but rather changes in the operational “day-to-day”. Senior managers can now learn about “getting closer” to customers – one of seven funda-

mental values – by actually being there, spending a day delivering cars or answering customers in a call centre. This new programme is known as “management in practice”. An “office for corporate culture” has even been brought into existence. Volkswagen’s university, the “AutoUni”, is supporting the value codex – by offering courses in “Corporate Ethics and Corporate Government”. In these studies, managers, and those aspiring so to be, learn that there is a need not only for commercial and technical skills, but that equal weight is placed on personal integrity and a willingness to accept responsibility. “Value management” sums up the new era at Volkswagen.

It is therefore no surprise that the corporate constitution is playing an ever-greater role during appointment and personnel interviews. Perhaps even more significant: annual bonuses are now value-linked.

The Group’s seven fundamental values are now being disseminated from Wolfsburg through to places as far afield as Shanghai, where managers are acting as “change agents” in implementing the new values, and Curitiba, where staff are

using a specially developed “learning map” to study details of the new corporate ethics. Taking part in a “soft” cultural revolution which – away from the headlines – targets deep-seated, long lasting effects. Compliant with Fundamental Group Value #7: sustainability.

Last year, Volkswagen complemented its ethic campaign with new, more stringent control mechanisms to screen for black sheep. Following

a corruption scandal, the four-eye principle has been whetted – and extended to include travel expense management. As a further back up, two independent ombudsmen have been appointed with the mandate to act as a confidential contact point for incorrect activities.

THE SEVEN FUNDAMENTAL GROUP VALUES:

Customer closeness, willingness and ability to accept responsibility, for employees, environment and corporate goals; maximise performance and sustainability, i.e. long-term forward-looking, socially and environmentally-oriented corporate activities; respect for the achievements of others and a willingness to learn; foster the creation of values and courage, creativity and fantasy to forge ahead with corporate renewal.

mental values – by actually being there, spending a day delivering cars or answering customers in a call centre.

Another example: any up and coming junior manager who has himself bolted a car together on the production line will have greater respect – another VW fundamental – for those colleagues working



Life is grey
without work.
Shaping labour
is the key to
more colour.

A unique concept for promoting structure and business: A sustainable AutoVision

Reviving “Made in Germany”: Creative strength for the future of industrial work

Value creation through value appreciation: “Work2Work” for people with disabilities

A job machine on a daisy field

Which is Germany's most dynamic business location? Yes, it's Wolfsburg. A unique concept of structural and business promotion; Volkswagen's AutoVision initiative has elevated the city from being a suitable case for treatment into the powerhouse of an entire region.



The heart of AutoVision is the Forum with Innovations Campus and Simultaneous Engineering Centre, established at the turn of the millennium. Over the past five years, Wolfsburg AG has helped create 8,000 new jobs.

E Wolfsburg could not have written itself a better or more positive report: this city is now one of Germany's top ten most promising business cities. Ahead of Hamburg, Düsseldorf and Berlin. And it is the only city north of the centre. Not enough? In terms of business dynamics, Wolfsburg is the undisputed Number One, ahead of all other German towns.

This Top Ten is published by Prognos, the renowned Basel-based management consultant. In its latest "Future Atlas 2004 – German regions in future competition", it considers and assesses the past developments and future opportunities of all 439 districts and cities in Germany based on a catalogue of 29 business, social and demographic criteria. The bottom-line: "In the recent past, Wolfsburg has achieved a performance unparalleled throughout Germany", is how Tobias Koch, one of the Future Atlas authors, sums things up.

One example is the job market: in the last seven years, the number of employees paying national insurance has jumped over 23,000

to today's almost 97,000. An astounding plus of 32 percent (in words: thirty two!). "We currently have the highest employment ratio the city has ever had. And we definitely have the highest job growth rate of any major German city," expounds a pleased Rolf Schnellecke, Wolfsburg's lord mayor. Neither the new jobs nor the excellent prospects are a coincidence. Quite the opposite. They are the intended consequences of a gift.

Every story should start at the beginning. In the early 90s the car industry was going through a crisis which hit both Volkswagen and Wolfsburg. Hardly surprising since the Group represents almost two thirds of all jobs – SMEs and service industries are sadly underrepresented. Even the number of car industry suppliers is 75 percent lower than in other comparable car building areas. Figures not helped by having very low economic growth rates. The number of new start-ups is 30 percent below the national average. The combined consequences of a car industry crisis and this economic monoculture are drastic: in 1977 unemployment in Wolfsburg hit a depressing 17 percent.

The city's anniversary celebrations are somewhat subdued. But the city was handed a vision: Volkswagen decided to mark the occasion by presenting the city with a gift; not a new concert hall this time,

A concept to demonstrate solidarity with the region

or an arts centre – but a concept which demonstrated the company's solidarity with the region and as testimony to the responsibility it felt towards that region: AutoVision. The Group had commissioned McKinsey to develop a strategy with this name: a strategy to revive Wolfsburg's economy, to improve it dynamically and sustainably. Not at some time, but quickly: Peter Hartz, at that time Volkswagen's personnel director, promised the city fathers that AutoVision would cut unemployment in half in a short five years.

What should one do with a gift like this? The best advice is to get out and do it as well as possible: in a move to help AutoVision become a reality, Wolfsburg and Volkswagen joined forces along public-private-partnership lines and formed a joint venture known as Wolfsburg AG. Its remit: "Scour the world", remembers Klaus Dierkes, Wolfsburg AG CEO, when he looks back over the early years of 1998 and 1999. "We looked everywhere in the world, to find out how successful regions really functioned: we trans-

In an age of globalisation,

good ideas know no frontiers. AutoVision is a concept that is not limited to Wolfsburg. Other Volkswagen locations have long since adopted this model in their own localities. Not only in Kassel, Emden and Braunschweig in Germany, but also Sao Paulo in Brazil. AutoVisao Brazil created 800 new jobs during 2005 and helped initiate 20 new start-ups.

www.vw.com.br

Uitenhage, the site of Volkswagen of South Africa's plant, also now has an InnovationsCampus. This is the location for the local version of the AutoVision concept, known as the Uitenhage Despatch Development Initiative (UDDI) and its small business promotion organisation with the name Uitenhage Self Employment Center (USEC).

www.vw.co.za

USEC targets unemployed with no or little school education, youngsters and unemployed women. USEC provides them with education, training, psychological support and the motivation to take their lives into their own hands. For example as self-employed seamstresses and as building brick makers.

www.vw.co.za

ferred all the best strategies into our concept and set about strategically implementing them in Wolfsburg.”

Economic cluster formation is at the concept’s core: basically this is the spatial concentration and networking of activities around one or several nuclei. Klaus Dierkes: “In Wolfsburg we have targeted four business areas: obviously mobility, complemented by leisure and tourism, information technology, health and wellness. It is our intention to kick-start a business dynamic which gathers its own momentum. Our aim is to create an entirely new business landscape by 2015. Our overall vision is to turn Wolfsburg into one of the most successful and stable locations in Germany.”

Not the most modest of goals. But

it has already come about, at least in part. A quick look at the Prognos Future Atlas confirms this. Or at the local employment market statistics: the unemployment rate really was halved within five years. It actually dropped to only eight percent in 2002. On the one hand because of a recovery in car sales, but also thanks to AutoVision: 8,000 of 23,000 new jobs are directly attributable to the work of Wolfsburg AG.

Perhaps the simplest way of finding proof of Wolfsburg AG’s success is to cast a look out of Klaus Dierkes’ office window: over a vista of modern buildings, the InnovationsCampus, built especially for start-ups. “This used to be a daisy field, now it is home to 50 new companies,” says a proud Mr Dierkes. “We

8,000 new jobs are attributable to Wolfsburg AG

have actually helped more than 260 entrepreneurs, who ultimately created companies with 1,500 jobs.“

Extesy AG is one such: Their software allows car developers to virtually network different simulations with one another. This is a young company that already enjoys an excellent reputation throughout the car industry. This shooting star actually only came into being in 2000. With the all-important support from Wolfsburg AG: “We are a bunch of engineers; without their coaches we could never have started so smoothly and so quickly,” says Extesy CEO Hans Martin Schulz.

Start-up promotion is only one of Wolfsburg AG’s fields of activity. The successes achieved in their five other fields are no less impressive. Take supplier location: exactly 101 new operations with almost 4,000 employees are on their list. The previously absent SMEs were ultimately persuaded to relocate to Wolfsburg by a mixture of optimal structural condi-



Software developer Extesy AG with CEO Hans Martin Schulz (2nd row on left) enjoys an excellent reputation in the car industry. The company started up only 5-years ago, with the help of Wolfsburg AG.

Model of new Adventure World in Wolfsburg's Allerpark



WOLFSBURG AG – FACTS AND FIGURES

LARGEST SINGLE PROJECT:

Forum AutoVision: Euro 59.8 million

NEW START-UPS TO DATE:

279

JOBS CREATED TO DATE:

Approx. 8,300

SUPPLIERS LOCATED:

101

IMPACT ON UNEMPLOYMENT:

Down from 17.2 % in 1997 to 11.5 % in 2005

EMPLOYEES:

Status 2004: 201 full-time staff,

730 temporary (quarterly average)

TURNOVER:

Euro 63.02 million (2004)

SHARE CAPITAL:

Euro 10.1 million



Klaus Dierkes

Chairman of Wolfsburg AG
management board

tions and perfect services. “I remember in 2001, we wanted to erect our first hall and had problems with our time schedule; we got the partial building permit we needed within only 24 hours. I am sure that is an absolute record in Germany,” says Volker Behle, regional manager of Panopa Logistik GmbH, which delivers 2,500 t of steel to the Volkswagen press works every day.

The Wolfsburg AG personnel service agency ensures that start-ups and SMEs quickly have the right staff. During the year 2004 the monthly average of temporary staff was 2,000. A figure that underpins a regional responsibility for further and continuing training. For example in the Lower Saxony regional competence network (RKN). Or projects to help disadvantaged juveniles below 25 years of age, those who are often without any hope in the regular jobs market.

And last but definitely not least, “Adventure world“. This is one field of activity which, in close cooperation with Volkswa-

One step along the path to new, highly innovative business fields

gen, has brought about a fundamental transformation of Wolfsburg's face: AutoStadt, Volkswagen Arena and Phaeno Science Center all magnets for visitors, soon to be joined by a multi-functional arena and an indoor ski-slope: attracting not only visitors but also investors.

All factors which make living and working in Wolfsburg and the region around much more interesting. Factors joined by a stream of ideas, impulses and initiatives; like the health project, which focuses on innovative services in health and wellness; like the sustainability and business network, seeking to implement the idea of resource conservation in new market segments. “Wolfsburg AG is the powerhouse driving AutoVision,” summarises Klaus Dierkes.

And will remain so. AutoVision is nothing if not a long-term concept. A statement emphasised by Volkswagen, its co-initiator. Klaus Dierkes: “Just because we have reached our goal of halving unemployment doesn't mean AutoVision will now stop. This is just one step along the way to building self-multiplying clusters, the development of new, highly innovative business fields.” We are definitely fascinated. And curious to see what happens next, and to read Prognos Future Atlas 2010.

Sustainability tariff agreement:

This is the name given by Volkswagen AG and the IG Metall union to the most recent tariff agreement concluded in 2004. Dismissals for operational reasons are prohibited until end 2011.

www.volkswagen.de

Job Families:

the name given to a European-wide skills and personnel development concept at Volkswagen, intended as a response to changes affecting industrial work in practice. Job Families describe related activities – similar to trade guilds, integrated across hierarchical boundaries. The effect is to restructure and radically reduce the over-complexity of formerly 4,000 different job descriptions along process and performance-oriented lines, ultimately transforming into a transparent system of pay.

www.vw-coaching.de

„TOP JOB 2004“

awarded to Volkswagen Bank GmbH after a nation-wide inter-industry survey. The award for being an outstanding employer is based on above average benefits offered in personnel development and family orientation.

www.volkswagenbank.de

Should we simply sit back and watch as jobs vanish out of Germany? An extremely widespread cause for concern. Even Volkswagen has created jobs in Central and Eastern Europe – although not accompanied by the dismantling of jobs in Germany. The opposite is in fact true: while plants have been erected in Poland, Hungary, the Czech Republic and Slovakia, the number of employees in the brand's home country has risen in contemporaneous steps. Volkswagen's moves to meet its social responsibilities in Germany can be described very succinctly: maintaining production locations in Germany and the jobs they represent. In Volkswagen's case this means: moving forward with powerful ideas and the motivation to respond as necessity demands.

Five years ago our “5,000 x 5,000” concept was our first creative and much lauded response to the challenges arising from globalisation and the concomitant harsher location conditions. 5,000 unemployed were to build a new VW model, for a 5,000 DM pay packet. Almost everything about the concept was fresh. From the business processes over the working time models through to the performance-linked wages. The key novelty: instead of dismissals, new jobs were created. Today 3,500 former jobless are on the staff of Auto 5000 GmbH building the Touran family van, one of the VW Group's most successful current models.

Last year marked a further creative tour-de-force, demonstrating yet again that industrial work in Germany can offer excellent prospects: the “future tariff agreement”. “Its core”, according to chairman of the joint and group works council, Bernd Osterloh, “is to prohibit dismissals for operational reasons amongst our 103,000 staff including trainees until end 2011 and to specify future products and investments for individual locations and shape an innovative work organisation.”

In return, employees waived claims for higher wages. And accepted that new staff would not be hired according to the former VW tariff, but under the terms of the regional metalworkers tariff. This was a break-through agreement to reduce labour costs and save a billion Euro – balanced by an employment guarantee. “VW shows how things can be done,” was chancellor Schröder's comment.

Climbing pressure on costs has, however, forced management and the works council to readjust their employment pact in early 2005. To allow a new model, the off-road Golf (the “Marrakesch”) to be built in Wolfsburg, 1,000 trainees will transfer to the Auto 5000 GmbH after completing

“Volkswagen shows the way to go”

Made in Germany – an out-dated model? Global competition is becoming harsher – no less so for Volkswagen. A pipeline of creative concepts has repeatedly helped the company produce top quality cars even in high cost locations.

their apprenticeships, with a return option in the event of an upturn in demand for personnel. Volkswagen has repeatedly demonstrated in the past its willingness to bear responsibility for its locations, and a willingness to shake off conventions. In 1993, no less than 30,000 of 100,000 jobs in Germany were at stake. But instead

of the mass dismissals expected by many, the response was the introduction of the first four-day-week – with reduced wage levels and a first step towards flexibility. The factories learnt their first lesson in “breathing” with the order books. In other words, to ramp up work levels in response to positive market situations and replete order books, or to deflate if the situation requires. This has the effect of avoiding additional costs, dividing work available more equitably and helping the company retain experienced staff and know-how even through lean times.

The future will demand more rather than less fantasy and creativity than in the past to keep competitive jobs in Germany. And let there be no doubts about it: employees will have to make their contribution. Having said that, as long as there is a will to compromise and reach a fair equilibrium between all stakeholder interests – and surely that is the sign of sustainability-oriented corporate policies even in bad weather periods – then no one needs lose sleep over the future of work at Volkswagen’s German locations.



A surge of interest during open day at the VW Wolfsburg plant demonstrates the close bonds between the works and the city.

“Giving people back their self-respect”

Disabled persons are also able to make their contribution to value at VW. Just like all other employees. It is not their handicap which is emphasised but their abilities. Integrating, not casting out: that is the motto of the Work2Work personnel concept.



People with altered performance can't work?

Not true: Work2Work builds sophisticated simulators, testing and training equipment. Any staff member can perform and produce, provided the work fits the handicap.

Dragan Antoniejevic is a very committed taxi driver: “I have already covered 4 million kilometres. It will be 6 million when I retire,” he says.

A long, long way. Especially for a 55-year old with only a left hand. He lost his right hand in a circular saw accident while building his house. But he can drive a car. Thanks to his special prosthetic arm. “Most of my passengers are fascinated,” he says. “Some tell me I can drive better with one hand than they can with two.” The taxi Dragan drives is not standard. He drives exclusively around the VW grounds at Wolfsburg. His customers are all VW staff, for example engineers, who need to quickly get from one end of the massive plant to the other. They simply call “Pick & Go”, the work’s shuttle service, all the drivers of which have some form of handicap.

“Pick & Go” was the first project of VW’s new Work2Work personnel concept. Its goal is to give employees with disabilities and altered performance – as such persons are referred to at VW after for example an accident or illness – a socially ac-

ceptable occupational alternative to their previous job. “Simply ,socialising’ someone in need of help like they do elsewhere, no way!” is how Wilhelm Bernstein sums up the situation. He is in charge of the workshop and industrial service section at the Wolfsburg plant, a section created specifically for Work2Work. More than 600 staff with altered performance render services previously provided either by outside contractors or work in jobs specifically created for the purpose. Like “Pick & Go”, environmental recycling, packaging of cars for export and miscellaneous repair services of all types.

If this creates the impression of a kind of “protected workshop” then that is wrong. “It’s just like anywhere else in here,” says Wilhelm, “including pressure to get things done.” From its very beginnings, the workshop and the industrial service have had to go out and find orders. Even from outside companies. “Our janitor service, for example, so impressed the neighbouring engineering office that they immediately gave us their contract,” reports Mr Bernstein.

Everyone can work and generate value provided the job fits the problem and their abilities. This is the task of Kerstin Scholz and Leopold Paeth at the Work2Work personnel planning service. “We don’t see ourselves as an agency, but more as a coach,” says Ms. Scholz: “Our goal is to get the best out of each player, define the best position in the team, so that the whole team benefits.” So it’s not the disability we find interesting, but each person’s individual abilities, adds Leopold: “Our first question is not, what can’t you do or can’t you do anymore? We ask: what can you do?”

It is not the file we look at, but the results of an intensive personnel interview. “Also because when many people with altered performance come here, they are scared;” something Leopold Paeth is very much aware of. Hardly surprising: before Work2Work arrived, many persons with altered performance were hidden away somewhere in production. Although they were physically present, they were unproductive – and often sought escape in illness. “We try to re-install a sense of confidence,” says Leopold.

A beneficial concept: 97 percent of altered performance persons were able to take up a problem-compatible value-generating job thanks to Work2Work according to a report prepared by occupational scientist Prof. Bend Rudow of the university of applied science in Merseburg. Just as impressive: the health status of this group also improved by 49 percent within one year. “VW is the first major company which seeks to deal with and solve the problem of people with impaired performance,” enthuses Prof. Rudow.

“Work2Work is an example of genuine pioneering spirit.”

Driving with no arms – possible thanks to tailor-made mobility aids

available from Volkswagen for people with handicaps. The market leader in disabled conversions offers a comprehensive spectrum of driving and control aids as special accessories ex works. Volkswagen and Audi also grant discounts of up to 15 % on the price of a new car to disabled persons and dependants.

www.vw-mobil.de

Every year the in-house rehabilitation centre

at Wolfsburg rehabilitates more than 100 to 120 impaired staff members for their return to work. Most are able to return to their previous workplace. The rehab centre has been in existence since 1973.

www.vw-personal.de

Management, works council and disabled representatives

signed an agreement for the integration of severely disabled in 2003. Disabled employees receive educational offers, disabled juveniles with comparable qualifications are given preference for apprenticeships.

www.vw-personal.de



First **work**, then play?
Jobs need to be
upvalued to explore
room and overcome
limits.

Minimum standards and equality: Declaration on social rights and labour relations

Fitness programme for partners: “Improving health and safety at suppliers” with ILO and GTZ

Learning today, teaching tomorrow: Auto 5000 GmbH qualification programme

No young, no future: Audi’s initiative for more training

Launch ramp for technical intelligence: New training centre in Mlada Boleslav

Global, fair, social

Same rights for all employees at Volkswagen world-wide – guaranteed by the social charter, the first of its kind in the automotive industry.



Volkswagen bears the social responsibility **for more than 320,000 people** at 45 production locations: “Overseas in particular,” says Dr. Bernd Pischetsrieder, “a social charter can highlight ways in which work can be organised in a more socially acceptable way.”

From Puebla in Mexico to Uitenhage in South Africa and Changchun in China – Volkswagen is a globally active corporation, present in all key world markets. Internationalisation is an indispensable factor in ensuring Group competitiveness and future security. The Volkswagen Group employs more than 320,000

people in 45 VW production locations – and therefore must bear a high level of social responsibility. Responsibility from which Volkswagen does not shirk. Dr. Bernd Pischetsrieder, VW AG CEO: “As far as we are concerned, the same high demands are made of all places of work, wherever they are“. In practical terms this means the company treats employees according to the same standards in Brazil, Mexico or

South Africa as apply in Germany and Europe. In June of 2002, some principles long adopted as part of the corporate culture were formalised between the Group executive board, the global group works council and the International Metalworkers Federation: the “Declaration on social rights and industrial relations” guarantees minimum social standards and individual equality of treatment throughout the world of Volkswagen – an unparalleled document of global social importance within the car industry up to the present day. Amongst other things, Volkswagen guarantees that in its plants: workers are entitled to form unions; there will be no child labour; all forms of forced labour are prohibited; persons will be treated equally irrespective of gender, colour, race or creed; will be paid a fair wage and that plants comply with national standards for health and safety.



Bernd Osterloh

Works council chairman

The act of inscribing these rights on paper alone would make such a declaration meaningless. VW has taken the step of publicising its charter at all of its locations. Ensuring that the workforce knows its rights, with the global group works council monitoring compliance. All and any indications that this behaviour code is violated anywhere are taken seriously and followed up.

The intentions behind the social charter are not limited to the world of Volkswagen; they are also hoped to encourage other companies to follow suit, especially in developing and threshold countries. It is especially the case that overseas the charter could “highlight socially acceptable ways of organising and securing work,” according to VW CEO Dr. Bernd Pischetsrieder. A view explicitly shared by Bernd Osterloh, chair of the joint and group works council, who regards the charter as being a “small element of a development model trying to steer globalisation along socially responsible lines.”

The social charter is by no means the only voluntary obligation taken on by Volkswagen. Europe’s top car manufacturer has long oriented itself towards the OECD guidelines and those of the ILO. In addition to which, VW is a member of the “Charter for Sustainable Development”, the International Chamber of Commerce (ICC), and also accepts the ten principles of the Global Compact as spelled out by UN secretary general Kofi A. Annan.

Global Group Works Council

When Volkswagen established a global group works council (WKB) in May of 1998 at the global employee conference in Mladá Boleslav (Czech Republic), it was the first company in the car industry to so do. This committee comprises members of the European group works council joined by colleagues from North and South America and Africa. The WKB meets at least once per year with the Group executive board and personnel directors to discuss long-term Group development. The agenda can include employment situations at locations, productivity and cost structures or the development of working conditions. Above all else: Group management ensures the WKB receives early news of any cross-border production relocation intentions and gives the council opportunity to comment. A policy adopted to quickly flag potential conflicts and solve problems by consensus. The council members are all freely elected labour representatives of the individual countries. The council as a whole has a six member presiding committee including a president and a secretary general.

www.vw-personal.de

270 million accidents at work

happen every year according to ILO estimate. 355,000 of which are fatal. The mortality rate in developing countries is five to seven times higher than in industrialised nations. The ILO estimates the number of occupational illnesses as being 160 million worldwide.

www.ilo.org

The first Group health and safety

conference was organised in the year 2000, attended by all European locations. More than 50 experts from management and works councils met in Wolfsburg to improve safety at work worldwide. The foundation stone was laid for closer cooperation between all occupational safety experts within the VW Group. www.volkswagen-nachhaltigkeit.de

The number of work accidents

at VW has fallen steadily and substantially over the last 25 years. In 2004, the rate was 5.2 accidents at work per million hours worked – the lowest of any German car maker. Almost 26,000 staff members took part in the in-house occupational safety competition entitled “Save yourself” which seeks to engender more self-responsibility for safety at work.

www.vw-personal.de

Elke Sebold is someone who knows all about just what can happen at work. She is an engineer employed by Volkswagen to ensure all valid health and safety standards are adopted and complied with worldwide. “We notice things which people on site have simply become used to,” she says. The Group has a workforce of over 320,000. The car maker does not think its responsibility for health stops at its gates. It cannot simply ignore the fate of those employed at thousands of suppliers and sub-suppliers.

One problem is that safety at work is a low priority in threshold countries in particular. Elke Sebold: “Lack of resources and often simply ignorance frequently lead to problems at small to medium-sized enterprises. They need our support.”

Having said that, even a global player like VW would be overwhelmed without the support of others and so it participates in the inter-

“Our role is not that of
policing but to work together”

national project with the rather long title of “Global Compact and Establishing a Health and Safety Culture” (within the overall “SafeWork” programme), along with the ILO and the GTZ, Germany’s technical cooperation agency. The project’s goal is to improve labour protection in Brazil, Mexico and South Africa – regions where VW already demonstrates a high commitment. The concept is for the ILO to draft national action plans and train work inspectors, with the GTZ taking on implementation monitoring while Volkswagen “supplies” the suppliers.

Elke Sebold is off to South Africa. Volkswagen has selected eight plants for the project. They are all smaller suppliers with fewer than 50 staff. She is very much aware that “no one is taken on only for HS.” Her primary role when arriving at suppliers is to educate them. She distributes checklists and questionnaires advising the SMEs of what they can expect. “Our role is not that of policing but to work together to identify weaknesses and come up with solutions,” emphasises Ms. Sebold.

She returns to the same plant a week later. At that time she is joined by a team comprising another HS expert, a colleague from quality assurance, a national coordinator and two government labour inspectors with whom she goes through each of the plants in short order. A

“Because we are open, they accept our advice”

There is a lot left to do in safety at work in threshold countries. Volkswagen is involved in the International Labour Organisation’s “SafeWork” programme. Not so much to help its own employees but to help those working at its suppliers.

whole month is spent checking, asking, assessing and advising. Two days for each plant. The follow-up talks are not only with the management but also with the unions and employees: “They know their workplace best, and can help identify hazards which a manager would never notice.” A plant inspection is simply impossible without such a visual inspection.

The second day is spent by the advi-

sors compiling lists of strengths and weaknesses, often simultaneous with preparing suggestions for solutions. “These can be immediately adopted by the workers,” she says. Most of them do just that. “Because we work in the open, they trust us and also accept our advice.”

The suppliers themselves are very much aware that investments in safety at work are worthwhile for their own sake. Elke Sebold: “The plants have to realise that safety at work complements productivity.” Accidents often generate substantial follow-on costs.

The government labour inspectors then share experience gained with colleagues who then go on to advise other SMEs. This snowball system helps spread the message.

Next year, when the results from all three project countries are gathered together, SMEs will be able to access tips via a tool – with VW suppliers first in line. The second step is to provide access for all companies globally to “Best practice” suggestions; helping to promote health and safety at work via the internet.



Health and Safety experts with Volkswagen manager Elke Sebold (6th from left, back row) in South Africa.

“And then we all know a little bit more”

3,700 co-workers at Auto 5000 GmbH not only build the Touran, they are also involved in continuous learning, acting as students and teachers at the same time. Every week, each and every one of them invests three hours, half of which are paid.



Katharina Buttler is one of 3,700 employees at Auto 5000 GmbH involved in ongoing continuous qualification: “It’s exactly what I wanted,” says the 25-year-old, “a safe job with prospects.”

Yellow-striped grey overalls marked with a nametag, gloves – ready for work on Finishing Line II. Katharina Buttler bolts on the wings, rear hatch and hinges to the Touran body. Then she precision-aligns all parts. Time per car: five minutes. The pretty 25-year-old is a co-worker in the “Auto 5000 GmbH” body shop where she has been building cars for the last two years. She was recently awarded an additional qualification as “IHK automobile assembler”. “This is what I always wanted, a safe job with prospects,” she says.

Before this life, the trained business assistant worked as a secretary. Then she was made redundant, the key requirement for applicants to Volkswagen’s newest subsidiary. The company had the remit of giving unemployed “talents” a new chance – and also to prove that it was possible to create competitive production facilities in Germany.

All applicants had to bring with them was the ability to learn. Irrespective of whether one was previously a hairdresser, a butcher, a carpenter,

ter or even unqualified: everybody had to know how to use a PC and the internet: this was in fact the one and only communications channel. Katharina Buttler is one of the lucky 3,700 chosen from more than 43,000 (!) applicants. Over the last two years she has not only learnt how to build cars, but also that she must be prepared to continue learning in order to stay successful.

Continuous education is the key at Auto 5000 GmbH. “The tariff contract states that in any one week, three hours are spent in qualification, half of which are paid by the employer, the other half of which we contribute ourselves,” points out Ms. Buttler. What is learnt and when, that is not specified. How we learn is: process oriented, timely, close up.

Katharina Buttler can use the corporate intranet to check through long lists, catalogued under “body building“, “paint shop“, “assembly“ or “interdisciplinary“, to select from around 300 short courses currently on offer. Click on, log in, ready. It’s like booking a flight – you have to get in early, otherwise somebody else grabs the seat,” says Katharina. The brief training sessions take place directly on the production shop floor. Course length: one hour.

Sometimes these short courses are presented by an external although more usually the teacher is a colleague at Auto 5000, somebody who has made the effort of learning the details of whatever the subject is. All co-workers have the right to register a subject, effectively turning students into teachers. All short courses are presented in the intranet for more in-depth study, in either Word or Excel. “The time is set at an hour,” says Ms. Buttler, “and suddenly we all know a little bit more.“

Every week, each team invests half an hour in a team meeting, also considered as learning time. At the meeting, everybody is entitled to express worries or wishes. This “qualitime“ can also be invested in improvements in work organisation or technology along PDCA lines: “Plan, Do, Check, Act“. “Once a problem has been identified we try and think of solutions which don’t impact on the next section, always keeping quality in mind,” explains Ms. Buttler. If the innovation is adopted, it can then be made the subject of the next course. PDCA is basically a never-ending cycle of optimisation and knowledge transfer.

Katharina Buttler and her co-workers all understand the value of “goal-oriented discussions“. And they also all know how to apply themselves to get the best results – professionally, and also in their private lives.

Exposure Coaching gives top managers the chance to spend a week in a social organisation. Spending time with children, disabled or homeless persons is intended to open up a new awareness and develop better social skills. Pre- and post workshops help reflect on experience gained. www.vw-coaching.de

Level-5-Internet-Pass is proof of a Volkswagen employee’s IT skills. From skilled worker to top manager – more than 70,000 staff now have an L5-Pass. This qualification campaign received the IT Training Award 2001. www.vw-coaching.de

Volkswagen Coaching GmbH was established in 1995 as a Volkswagen AG subsidiary and now employs more than 800 staff at six sites. They are tasked with training, personnel and corporate development. www.vw-coaching.de

Sandwich courses offer young people at Volkswagen the opportunity to gain vocational training whilst studying at a university of applied sciences. www.vw-coaching.de



Melanie Drechsel is on a production mechanic apprenticeship. “I really wanted to join Audi,” says the 19-year-old, “because I knew they offered excellent training.”

Melanie's dream

40 per cent more trainees at Audi since 2000: the voluntary “Initiative for more training” benefits young people, the company and us all.

Melanie Drechsel did not actually need to look for an apprenticeship. She knew all along what she wanted to do. “I wanted to go to Audi because I knew that they offered excellent training and that further training, wages and opportunities are also spot on,” she explains enthusiastically. The 19-year-old started her apprenticeship to become a production mechanic in Ingolstadt one year ago. She had posted 40 applications during her last school year, and – a rare thing today – actually had a choice. A choice that she found easy to make.

Melanie has always known what she wanted. She left secondary school with an excellent average grade, her favourite subject “was always maths”. Her dream: “What I really wanted to do was join Audi as a mechanic for model making, but I didn't really have a chance, there are only five apprenticeships offered in that sector.” But technical it had to be.

Melanie was one of 682 young people, of which 163 women, who stepped up to the first rung of their career ladders in September of 2004 at Audi. The majority will be offered a full-time job after they have completed their training.

Audi started its voluntary “Initiative for more

training” in 2000. The goal was also to present a high profile: We wanted to fulfil our societal responsibility and do more than before. The company now has 2,200 apprenticeships, 40 per cent more than four years ago, reaching a peak in 2004.

Audi has done more than simply increase numbers, it has also continuously improved training quality. Basic and technical training take place in superbly equipped centres and various training stations at the works. Flexible training times guarantee maximum possible integration into actual production processes – generating optimal production proximity. This year, Audi is offering training in 20 vocations. New choices are “machine and plant operator” and “cutting machine mechanic”.

Over the course of her apprenticeship as a future “production mechanic”, Melanie Drechsel spends up to six months in three or four sectors. She learns all about production processes in detail – from body building through to assembly and preparation for customer transfer. “We constantly go between theory and practice during the in-depth training courses – for example in car motor or car pneumatics, it really is very interesting,” says Melanie.

“I want to become a technician or even a forewoman – here at Audi”

The environment was also recently on the curriculum – the course attendees spent a week looking at different subjects every day, also touching on graphic design. “We designed posters for a number of environmental topics, which we then presented in groups of twelve,” she explains. She is “really enjoying” her training, that is obvious. She gets on “very well” with her line managers and foremen, as she does with her colleagues in the groups themselves. She already knows how to operate lathes, milling machines and weld. She knows whether a fillet seam is rising or falling. Arc welding – no problem for Melanie. Brazing and gas welding are also her metier. And she has also been elected as liaison for the junior staff members. Of “my production mechanics group.” This is how this young woman is also gaining the necessary social skills to arbitrate when conflicts occur within the group or with the foreman. And the future? Whatever happens, Melanie Drechsel intends to continue learning even after she has completed the present training course: “I want to become a technician or even a forewoman – here at Audi.”

Regional association for training

(RVA) creates training places for disadvantaged young people in the Wolfsburg region. This is a non-profit making organisation, started following an initiative of VW Coaching and the works council. It enters training agreements with juveniles, taking on responsibility for their supervision and then seeks apprenticeships in partner organisations. Since 1998 more than 800 young people have received training in this way, 60 % of whom were then taken on full-time.

www.rva-wolfsburg.de

“Ready4work – Professionals for training” is a private organisation founded by VW managers and works councils and supported by the city administration, industrial associations and corporations. The organisation develops ideas – like discounts and Visa cards, all of which generate revenue for the job initiative. The project is regarded as a pilot model by the BMWa ministry. More than 100 additional trainee places were created during 2003 and 2004.

www.ready4work.de

52,805 suggestions were put forward by 17,620 Audi employees during 2004 resulting in savings totalling Euro 43.8 million.

www.audi.com

First two wheels, then four

Wenzel Laurin and Wenzel Klement really were motoring pioneers: in 1895 they opened a workshop for the fabrication and repair of bicycles, three years later they started building motorcycles. In 1905 their first car left the shop floor. The fusion with the Škoda company in 1925 formed the basis for the continuing development of the car industry in Mladá Boleslav. Škoda joined the Volkswagen Group in 1991. The investment of many billions and massive transfers of know-how and technology were the preconditions for an unparalleled success story. Škoda now has a market share in the Czech Republic of almost 50 per cent and produces more than 450,000 vehicles in its three plants at Mladá Boleslav, Vrchlabí and Kvasiny. Responsibility for the people in the country and securing the company's own future within a competitive world – these are two sides of the same coin for the manufacturer of cars like the Fabia, Octavia and Superb. www.skoda-auto.com/cze



Boleslav, Boleslav – Oh wonderful city“. This is the refrain of an old Bohemian folk song. Anyone who visits this town in Central Bohemia with its 47,000 inhabitants will still find many wonderful sites – even if some are a little rundown.

There are very few buildings more downtrodden in appearance than the old monastery and church of St. Bonaventura of Karmel. During the 15th century, in the era of the Bohemian Brothers, these sacred buildings were the domicile of wisdom and learning, also during the time of the Priorist Order and the Minorites.

Although the present day appearance might tell a different story, the passion for knowledge and learning could very soon return and blossom again in these dilapidated stone shells. There are plans afoot to establish Bohemia's most modern training centre on this approximately 1.7 hectare site in the Na Karmeli district. That is the intention of the city, and also that of Škoda Auto, VW Group's Czech brand with its headquarters in Mladá Boleslav. In the summer of last year, lord mayor Svatopluk Kvaizár and Škoda CEO Detlef Wittig fired the starting shot for the conversion and renovation of these old temples of learning.

When the builders finally leave, it is the plan of the public-private joint venture to establish a branch of the Central Bohemian High School “Jiri von Podebrady” in the former school building. The technical college is also to move in, occupying seminar rooms and laboratories. There is also enough space for a library and a modern media facility. The new inhabitants of the former monastery will also include the Škoda Auto high school. The outcome could be that some 1,000 young people, Škoda employees, students and university lecturers, move in to Na Karmeli and continue a long tradition for research and development. Škoda has earmarked no less than Euro 16 million for investment in this “hotbed for new ideas“ (Wittig), making it the centre of innovation and development in the region.

The Volkswagen Group acquired the Czech brand with its long heritage in 1991 and helped it blossom again. Production and workforce have been growing steadily ever since – Škoda now gives work to almost 25,000 people. The company long ago became the country's largest employer, it is also the primary force behind exports and – with its procurement volume easily topping the Euro three billion mark – is also the locomotive pulling the Czech economy. The burgeoning success in the markets also created a pressing need for managers and engineers – a need which universities in the Czech Republic had great difficulty satisfying. In response to

An ancient school with a passion for learning

An abandoned monastery in Mladá Boleslav is being converted and expanded into a modern training centre. A project with the wholehearted support of Škoda – both in its own interests and also those of the country and its inhabitants.

this situation Škoda established its own high school in 2001. The corporate university, still located in a wing of a primary school, has around 300 students working studiously for their academic qualifications.

Graduates receive certificates that are both state recognised and above all much respected. Although students are required to pay annual fees for their courses, the demand far exceeds the supply. A situation which is less surprising when one realises

that those who pass their exams can look forward to an immediate job offer from the car manufacturer.

Škoda is also very much interested in training a technical intelligencia. Very recently the car builder joined forces with Robert Bosch Obytova s.r.o and the ministry of education in Prague to start a “European project for the co-ordinated training of pedagogical staff” for an initial three-year period. In this project, two teachers from 14 technically oriented vocational schools will attend six one-week seminars for further education purposes. This project is based on the snowball principle: these teachers will later themselves bring other teachers in the country up to speed in the state-of-the-art of automobile technology. Bosch and Škoda are sharing the costs.

Svatopluk Kvaizar is also quick to praise the “excellent co-operation” with Škoda. At the foundation stone laying ceremony in Na Karmeli, the lord mayor said that he very much appreciated the “long-term contribution of the car plant to the development of the city”.



In December 2005 Škoda and Bosch joined with the Government to start an EU project.



Millions could live like **people** if we offered them **help** and protection.

Overcoming ignorance and shame

40 million people are infected with Aids worldwide – a humanitarian, social and economic catastrophe. In Brazil and South Africa, Volkswagen is demonstrating how to combat this disease – and help people help themselves.

Aids is an unparalleled nightmare, the greatest threat to health since the plague.” Words not expressed by anyone, but by Kofi Annan, UN secretary general. On a global scale more than 40 million people are already infected. In Africa, the Acquired Immune Deficiency Syndrome is now the most

frequent cause of death. South Africa is particularly badly hit. Government survey figures show that in the Eastern Cape province, the site of Volkswagen’s Uitenhage plant, 25 per cent of all adults are HIV infected.

On an upward curve. The social and economic consequences are tragic. The illness results in longer and more frequent times off sick from work. Local companies are losing skilled staff. They have to provide more training, more social benefits for the sick. This is a situation which is simply untenable. Volkswagen has taken up the gauntlet and is fighting Aids with support from NUMSA, the National Union of Metal Workers in South Africa. They are collaborating with two partners: the Uitenhage and Despatch Independent Practitioners Associations (UDIPA), made up of local doctors, and the German government’s technical cooperation agency (GTZ).

HIV positive VW staff members now receive all necessary support – from consulting through to medication. Each single patient is entitled to free services equal to a value of Rand 20,000 per



Condom dispensing machines and posters at Volkswagen in South Africa help educate young people about the risks of the disease.

year. The organisation also pays the costs for the – expensive – anti-retroviral treatment up to Rand 15,600 per year. The **life centre** also doubles as contact point for local Aids self-help groups. Whenever necessary, UDIPA doctors can treat Aids patients in the local Uitenhage provincial hospital as in-patients. The GTZ has been supporting Volkswagen of South Africa since July 2002 with an **Aids care project** within the works. The most basic aspect is elementary education. Young people in particular are very ignorant about the HIV virus. Talking about Aids in South Africa remains a taboo subject, even today.

VW employees are therefore very hesitant to join the “Voluntary Counselling and Testing Programme” (VCT). “I have had to accompany some of my colleagues personally to the medical centre,” admits Isgard Sokelin, one of the counsellors. As the number of persons willing to take the test gradually increased, so did the demand for condoms. During the early days only around 4,000 were (almost clandestinely) distributed at the medical centre, in the first half of 2003 that number jumped to 17,000 per month, picked up by employees from more than 40 dispensing machines distributed throughout the plant.

The **Community Trust**, a non-profit making foundation set up by Volkswagen, is active in the area of the factory providing education and help. In March 2003, Volkswagen of South Africa again donated two million Rand to the communal Aids project.

VW do Brazil was the role model for efforts in South Africa. HIV positive staff members and dependants had been able to depend on **medical care and outpatient domestic help** in that country since 1994. At the Sao Bernado da Campo works, one of five VW plants in the country, the medical group includes infectologists, psychologists working with social workers and nutrition experts. This team of professionals works hand-in-hand with the families of the sick and then takes the back seat again when the family is able to cope with the domestic care tasks. “Each case is different,” emphasises **Maria Teresa de Santi**, head of the project, and each case therefore demands an “individual approach.”

The Global Compact Learning Forum put together a case study with many statistics: according to these, the number of persons hospitalised in Brazil fell by 95 per cent over the last ten years, and the annual costs for treating an Aids patient dropped from an original 1,500 to 2,000 dollars per month to only 300 dollars per month today. And above all, nine of ten HIV-infected VW staff members do not fall ill with the typical Aids symptoms.

UN secretary general Kofi Annan

has described the VW Aids Care Project in Brazil as a “good example. It has saved the bread-winners of many families.”

www.unglobalcompact.org

In recognition for its commitment

to fighting Aids, VW received the Corporate Care Award issued by the Professional Management review Africa (2004) and the “Business Excellence in the Workplace” award of the Global Business Coalition on HIV/Aids (2005). VW do Brazil’s Aids Care Project previously received the 1999 award of the Global Business Council on HIV/Aids.

www.pmrinet.com

Health coaching is available to all VW staff members on an individual basis. The goal is to sensitise persons to stresses and stress behaviour.

www.vw-personal.de

Obesity is recognised as a health risk. Trainees with a body mass index of > 30 are expected by VW to take part in a nutrition-counseling course. When they have their weight under control and falling, they can expect to be taken on full-time.

www.vw-personal.de



Health, as Oscar Wilde was aware, is the primary obligation in life. Let us **promote** it.

Driven out of smokers' paradise

Smoking is hazardous – and also a cost factor. For businesses as well. SEAT has started an intensive no smoking campaign targeting its own workforce. All employees of the Spanish Group brand were encouraged to take part in a stop-smoking programme.



SEAT started an information campaign specifically for smokers in October 2005. Internal media were first of all used to inform staff about the risks of tobacco consumption and then all employees received a personal invitation to join a course to give up smoking.

Cigarettes were dirt cheap, smoking bans were totally ignored – for many years Spain was a kind of smokers' paradise within Europe. People walking down the street trailing a stream of blue smoke – an everyday picture. Twelve million people in Spain – one third of the population as a whole – smoke regularly. Perhaps even worse: the starting age for young people is a mere 13 years. Every second juvenile in Spain – boys and girls – seems to regard regular tobacco consumption as a necessity. Smoking is the cause of nine of ten lung cancer deaths. Every year 19,000 new cancer cases are diagnosed in Spain. According to national health statistics, 50,000 Spanish people die every year as a consequence of this addictive herb, several hundreds of them as passive smokers. Smoking is also a major economic cost factor. Sickness payments, know-how losses, costs for substitution and training of new staff – no one really knows exactly what smok-

ing costs a company. Many computer simulations indicate that costs are everything other than negligible. Health management at SEAT was no longer prepared to accept this massive abuse of the drug nicotine.

In October 2005 a campaign was started, initially limited to education and information. The Spanish brand's in-house magazines and media published articles targeting education and sensitisation. Posters were hung in works halls and offices pointing out the risks and consequences of tobacco abuse. Above all, however, the company sent each staff member a personal letter offering to support the decision to do without. Every single individual was offered free professional counselling to finally "give up smoking the Allen Carr Easyway®". The health service set up a new hotline for anyone interested to register and - surprise, surprise - the campaign had an unexpectedly high response. The courses were much in demand and participants, according to accompanying surveys, were pleased to be able to talk about their experience and suffering within the group scenario. Ultimately, two thirds of those who took part actually gave up smoking – a very high success rate.

This SEAT campaign complemented a health campaign organised by the government. Since 1 January 2006, Spain has new anti-tobacco laws which make the sale and advertising of tobacco subject to the most restrictive regulations within the European Union, after Holland and Ireland. Even places of work were declared smoke-free zones – Prohibido fumar! Violations can be very expensive. Employers who tolerate smokers on their premises can expect to pay fines of between 600 and 10,000 Euro.

Mind you, Spain's smokers were not prepared to have their risky habit spoiled that easily. Ever since cigarette boxes come draped with drastic warnings ("Smoking is deadly" – like everywhere else in Europe), they have taken to covering their packs in cardboard sleeves marked with pretty hearts or yellow ducklings. Many tobacco shops quickly sold out of their stocks of camouflage (or sheaths, as they are referred to in the vernacular).

But the government does not appear to be backing down. In fact, the opposite is the case: Elena Salgado, Spanish minister of health, recently announced that the smoking ban also applied to in – door bull fighting arenas. SEAT is actually one step ahead – all works halls have been smoke-free zones for a long time already.

Proactive health care the SEAT way

As part of its proactive sickness prevention campaign, the health department offers all staff members the chance to take regular medical check-ups, as well as ongoing medical counselling. The thorough health check offered by the occupational health preventive programme helps diagnose health risks at an early stage and encourage staff members to adopt a healthier life style. The repertoire of the health management department is also complemented by seasonal flu jab and regular blood donation campaigns. These campaigns are, and have been, for the most part well received by the staff and are helping slowly establish a culture of greater health awareness within the company.

www.seat.com





Everyone's talking about **demographic change**. Hardly anyone knows what it is. **Coping** with it will be a good trick.

"Biographical Coaching" is offered to senior managers: those seeking or wishing to learn about how their individual professional pasts might help them in the future can take part in around 15 sessions with a personal trainer helping illuminate the way.

www.vw-coaching.de

Demographic working time is a programme in which staff members can gradually ease out of the working phase of their lives prematurely even as early retirement is phased out in Germany. At least 66 hour of overtime have to be deposited annually on the "life time account" in the form of time vouchers. VW then pays interest on those hours "loaned" to the company by the employee.

www.vw-personal.de

Life-long-learning is now fully accepted at Volkswagen as a way of coping with the dynamic marketplace demands. VW coaching organises some 4,000 events every year attended by around 46,000 participants. At Auto 5000 GmbH, life-long-learning at work has been obligatory from the very beginning. AutoUni provides more academic further education options.

www.vw-coaching.de

The head of Volkswagen AG's health department rarely sees his staff at meetings in his own office. He prefers going to them. "It's a more relaxed atmosphere, and I have the benefit of more exercise," explains Dr. Rainer Göldner.

Giving up smoking, moderation in alcohol, a healthy and varied diet, regular exercise – anyone who wants to be fit and healthy up to and beyond retirement age has to work at it. "This is what we call self-responsibility," explains Dr. Göldner. The rest is up to the employer, as companies, for reasons for pure self-interest, adjust places of work to fit the worker. As the wave of demographic change moves closer, complying with the prescriptions issued by occupational health practitioners will become more and more important.

The scenario is one of increasing life expectancy compounded by falling birth rates – just like in the population at large, Volkswagen's workforce is getting older. Personnel strategists have long been referring to human capital as the "bottleneck resource of the future"; what they are talking about is a deficit of young workers. "In the future, the company will employ more and more older people. This makes sense: the longer they have been with us, the more know-how they represent," explains Dr. Göldner. And does anyone seriously still claim that ageing is synonymous with sickness and infirmity? Dr. Göldner knows better: "Today, we generally stay young, biologically speaking, longer. One no longer talks about a general reduction in capabilities, but rather of a change in qualitative aspects." Body strength gradually reduces, speed and dexterity are lost, and substituted with experience, thoroughness, responsibility, conscientiousness and social skills. It is these strengths of older staff members which match the changes taking place in the world of work.

Volkswagen has been preparing itself for this demographic challenge. Labour organisation, working time models, workplace configuration and health care have long been adapting to the needs of staff. So what does a workplace for older employees at Volkswagen look like? "Just like all the others. Our workplaces are designed according to ergonomic principles, for all age groups. They are tailored to the people, and not the other way round," says Dr. Göldner. Travelling assembly platforms, rotating suspended rigs, lifting gear and manipulators, they have all helped reduce the physical stress of production.

Volkswagen has complemented this ergonomic configuration of the workplace with group work – prevention by rotation: those jobs with more or less physically demanding activities are rotated amongst the team members. As a result, back pains, which can crop up now

Wanted: older, experienced, fit

25, male, strong – the perfect employee. Maybe once upon a time. We are now looking for more mature men and women. It is almost a paradox: older people will soon help secure Volkswagen's future. Mindsets are already changing – VW's too.

and again, need no longer end unavoidably in chronic back problems. Sickness rates at Volkswagen have been slashed by 55 per cent over a ten-year period.

It is also crucial to deploy the right people: "We take care to ensure that people work according to their capacity. We achieve a great deal this way – for both the employees and the company." Wherever the onus is on strength, movement and speed, we need younger people. When production lines start up, the experience of older members is indispensable. Not infrequently, both are required – and this is where a mixed age team can offer the right response. "We need youth complemented by the cunning of age," says Dr. Göldner.

Intelligent working time models are able to help each individual configure their working lifetime. The "life time account" is a forward-looking approach introduced by Volkswagen in 2005 for all of its staff members: employees can save overtime worked in young years and "cash it in" as they approach retirement.

Dr. Göldner would like to see a health module incorporated in the tariff agreement

in order to promote prevention. All employees would then for example be entitled to a comprehensive health check: "We could then tell each staff member whether their physical values are OK, or whether they need to change their life styles in order to remain fit and healthy up to retirement." Dr. Göldner himself need not worry too much about these aspects – he only started work very recently.



Mixed age team on the motor assembly line.



Little can be achieved without **families**. Not even companies can be successful without families. It's time to **support** mothers and fathers, not give them new burdens.

Volkswagen and prams: Flexible part-time models for parents and single parent families

Workshops for soft re-entry: Audi's job and child programme

Volkswagen and perambulators

It's not rocket science: children are our future. Volkswagen employees need no longer choose between children and work. Both are possible – thanks to flexible working time models.

Hall 54 operates in three shifts. Heidi Langner (36) assembles locks, scuffboards and interiors, finishing doors on the new Golf. Two days a week, a total of 16 hours a week. Leaving five days to look after her daughters, Nathalie (6) and Jennifer (9) and do the



Heidi Langner with her daughters Nathalie and Jennifer:
“Being a mother – no problem at Volkswagen.”

housework. And then back to work. She has already been with Volkswagen half her life; she started in 1987 assembling wiring looms in hall 18. When she was expecting her first child, about ten years ago, she knew that her life would change: “No problem though at Volkswagen”, she says, “the company is very family-friendly.” And when there’s an emergency, there is always grandma....

Three years parental leave, thirteen days at work, then maternity leave for the second child and then three years parental leave. It was only three years ago that Heidi actually returned to work, since when she has been working part-time in assembly.

All staff members are entitled to up to five years “sabbatical”, they do not need to have a baby. Five years to care for the family, to study, to have the adventure of a lifetime, circumnavigate the world. There is no need to tell us why, only when they will be back. Volkswagen keeps a backdoor open for its people – although not necessarily the old workplace. A guarantee is given for the entitlement to a job within the former occupational group – piece-work, performance linked wages, time

wage or salary. It has long been realised that the 28.5 hour week helps, is a benefit to the quality of family life. And while present day full-time working agreements as applied at VW are often still the subject of tough “part-time work” negotiations at other businesses, mothers and fathers at VW can already negotiate with the personnel department to arrive at the best part-time working model for them and their personal life-circumstances.

In the case of single parent families, totally dependent on having a full wage packet, a three-shift model is no longer viable. The “F”-shift was configured especially for them in production. Production workers in the F-model can earn a full-time wage with their working hours adjusted to match the times of the child day-care centre. Hardly surprising then that Volkswagen has the highest quota of women in the industry – an average of 13 per cent. At the Wolfsburg plant, the ratio of female staff is even higher: 18 per cent.

The company’s part-time work models not only target mothers. A few years ago, when the ministry for families in Berlin started a “Room for fathers” campaign, VW took the step of commencing its own pilot project: “Fathers and family work”. It is, however, pointed out, that the

“They simply don’t know what they are missing at home”

number of men who take up these part-time working models is still quite small.

Siegfried Mathias (46) is one of those few who prefer to be at the centre of family life, and waive a career. After each birth, he took parental leave. Mathias was often the only father in the baby play-group and children’s gymnastics groups. He now starts work when his wife comes home from work – every second week, a late shift starting 14.00.

On those days, after feeding the kids and checking their homework, he puts both of them in his car, drives to the Wolfsburg plant, hands the boys over to their mother, and starts work. “During my ‘on-weeks’ we have a car-park marriage”, he jokes. He works an average of 15 hours per week. The rest of the time is for his two sons (Joe, 8 and Nick, 6) and doing household chores. At work, he is often laughed at by his colleagues. “They simply don’t know what they are missing at home,” he comments. Whoever and wherever: single parents, in management, in production or offices – Volkswagen has an open attitude to all and many lifestyles.

“Volkswagen offers you the chance to take a sabbatical from the company for longer periods to that you can deal with your own private matters, issues and focus on your own interests without a continuous double burden.” (2004, “Information sheet on operating agreement No. 1/91”) www.vw-personal.de

Alternating tele-working is now well established within Volkswagen’s work organisation. A study accompanying the first pilot phase identified the advantages of tele-work. Training courses help tele-workers establish an efficient, individual time management model. www.vw-personal.de

Women’s promotion has long been in place at Volkswagen. In addition to a central committee and a dedicated department in HR, each location has its own women’s affairs officer. www.vw-personal.de

Audi has 300 part-time working models. “We try and realise all requests,” explains Maximilian Fischbach, personnel department manager at Audi AG. www.audi.com

Hello Again” – that is the message sent to returnees six months before their sabbatical expires. Mothers and fathers who have spent time off to look after their kids receive a letter from their new/old employer inviting them to come to a welcome event and take part in the “Job-and-Child Programme”. “Many of them have a funny feeling in their stomachs when they return after a few years of absence to the works hall or the office,” says Maximilian Fischbach, the manager in Audi’s HR department responsible for “vocations and family”.

Hardly surprising: anyone who has not worked in their profession for seven years – this is the length of the longest “return guarantee” available from Audi – is perfectly entitled to feel a little insecure. And that is why the returnees from a sabbatical are offered the chance to rebuild their self-assurance and freshen up those qualifications.

The programme targets not only professional qualifications – anything from IT to latest production philosophy – but also psychological aspects. Psychologist Yvonne Schmidt helps women returnees rejoin the company. “The first thing is to get them reactivated,” she says. They have to learn to verbalise their thoughts and wishes, and how to exchange experience. And they have to become active themselves, in order to rediscover their place within Audi – obviously with the support of the personnel department. There is often the need to ensure child care facilities are available, because in Bavaria for example there is a deficit of day-care and nursery places.

On this first day, the psychologist always first draws an equilateral triangle on the board – symbolising the triangular relationship between family, company and the psyche. “Only if the needs of all parties involved are fully covered will long-term satisfaction be reached,” explains Ms. Schmidt. Neither the job, nor children and partner, nor one’s own person should be ignored or neglected. “If the psyche is forgotten, there is a risk of burnout; if the family is neglected, crises threaten; if the job is neglected, stress at work is pre-programmed.” The unavoidable fact is that returning to work after such a long period represents a high level of stress, which impacts on family life; it is something all persons should be fully aware of before their return.

This return to work does not mean back to the old workplace. Because that is either already occupied or perhaps no longer exists. A change-over from full-time to part-time working will also not always function without investing some effort. Ms. Schmidt started a workshop to deal with questions of this ilk: “How can you make best use of past contacts?”

“Women in business” is an initiative organised by major companies, including VW, in order to improve the “work-family balance” and promote more women in technical and management positions. The network represents more than 400,000 career women. In the nation-wide “Success factor family 2005” competition, the initiative received a special prize presented by the ministry for families, senior citizens, women and youth (BMFSFJ).

www.erfolgsfaktor-familie.de

“Local family association” is a joint BMFSFJ and German industry initiative seeking more and better solutions to make jobs and families more compatible. This industry alliance has a membership of 1,000 companies and 40 chambers of industry and commerce, including the VW plant in Emden.

www.lokale-buendnisse-fuer-familie.de

A broad range of child care options is offered to VW mothers and fathers at all locations. The range includes part-time working and tele-work, financial support for kindergartens, help in finding day-care places as well as agreements with private day-care organisations.

www.vw-personal.de

Red carpet for returnees

Employees at Audi are entitled to take up to seven years leave after the birth of a child – with a job return guarantee. To make that return run as smoothly as possible, the company organises tailored “Job-and-Child-Programmes”.

Where do you want to work and how many hours?” “Who will help looking after the children?” and, last but not least: “Where can you recharge your batteries?”

While one can practice IT or learn about innovations in health and safety and in job organisation – some of the modules in the programme – those seeking to return also need to be aware (or made aware) of their personal needs. They attend six workshop days in small groups over an eight-week period to learn how to



Young women returning to work have the chance to refresh their know-how and abilities.

be more goal-oriented and aware of their own interests.

Recently, because there were no part-time jobs available, three women proposed to the personnel department that they could together take up and share one full-time job. And it was only when she attended the workshop that one woman realised she did not really want to return to work. She now looks after the children of others whom she met during the programme. “If people are creative, they will find the solution for any problem. And new networks can help – also later on at work,” is something Yvonne Schmidt knows from personal experience.

The response and resonance to the “Job-and-Child-Programme” is positive - for the most part. “Those who genuinely take part learn above all a lot about themselves, their needs, their strengths, weaknesses. After the eight-week course everyone knows how and where they need to apply themselves.” Over the last three years, Ms. Schmidt has supervised nine workshops, each attended by 12 women returnees. The result: they now all have a place of work. 80 per cent are working at Audi in the part-time positions they requested.



Too much **diversity**
can be bad. It can also
open up the world.
But only if you know
how to **exploite** it.

It's good to be different

What's normal: colour of skin, place of origin, sexual preferences – customers and employees are simply no longer the same, they are different. Is this a problem? No, it's an opportunity: Volkswagen Bank deliberately makes use of this new diversity. And that is not (yet) normal in Germany.



Flagship of Christopher Street Day Parade: VW Bank accepts and promotes diversity of lifestyle – also because it makes economic sense. In 2004, the bank was voted “Best Employer” in a “Capital” magazine competition.

Gunnar Lammers actually looks quite normal. He looks just how you would expect a 37 year old bank employee working at the Volkswagen Bank call centre in Braunschweig to look: tidy, short hair, tie with Windsor knot, trustworthy smile. And one other thing: Gunnar Lammers loves other men, lives together with his partner. Basically, a completely normal banker. At least at Volkswagen Bank. “Admittedly, some of my colleagues were slightly irritated when I arrived and made no secret of my homosexuality,” he remembers. “But I think only for the first five seconds or so. After that, I was one of the team,” says Gunnar, spokesman of Qeerdirekt, the group representing homosexuals and lesbian staff members of VW Bank in Braunschweig.

This open attitude might not be that normal, it is also no coincidence. At VW Bank, homosexuality is everything other than a reason for discrimination. It is actually a respected and natural lifestyle, one of many. And should be considered no more different than

being Catholic or Muslim, looking European or Asian. More than this, the bank not only accepts different lifestyle choices – it takes extra steps to promote them. It has adopted the maxim that the more diverse the staff, the better.

Diversity management is the name of this personnel concept; definitely somewhat different and very new to Germany. It can be succinctly stated: Different is definitely better. “Diversity is everywhere and it means that people should be respected with all of their differences. This applies equally to nationality, race, religion, age, gender, disability, sexual orientation, culture or education, working style, you name it,” explains Barbara Rupprecht, head of Diversity Management at VW Bank. “One thing we have learnt through experience: only where each individual feels he or she is accepted the way he or she is, and not the way they think they have to act, is there the space needed for creativity, commitment, enthusiasm and innovation,” explains Ms. Rupprecht.

VW Bank has moved away from looking at things in terms of prejudice and seeks to benefit from the advantages of diversity. Also, and primarily, for its own gain, adds Barbara: “Firstly because

VW Bank now has an excellent reputation in the homosexual scene

staff who feel accepted in their lifestyles and appreciated as persons can better exploit their potential and will perform better and achieve more at work. And secondly, because the company can reach out to the communities of these employees and acquire them as customers.”

At least in theory. And in practice? “Yes, this idea works,” of that Gunnar Lammers is sure. “In the homosexual scene, at least, VW Bank now has an excellent reputation.” And it was also the first financial service provider to deliberately advertise in magazines preferred by lesbians and homosexuals and support their events – in particular, it is the main sponsor of the Christopher Street Day Parade in Braunschweig and the gay scene’s two-week “Sommerlochfestival”. Small wonder that the VW Bank was voted “Best Employer 2004” in “Capital” magazine’s readership survey, beating all other participating banks. I am “really proud” of my company, says Gunnar Lammers.

Volkswagen Financial

Services AG, established 1994 as a Group subsidiary, is Europe’s largest car financial service provider. It is active in 35 countries with a workforce of 5,200. Its balance sheet total is currently Euro 42 million. As of 2006, the FS AG included the VW Bank and VW Leasing GmbH as well as an insurance service and the Europcar car rental company.

www.vwfsag.de

“Behaving in partnership at work”

is a works agreement in which the fundamentals of fair and humane cooperation with one another at work are regulated. Anyone who harasses, discriminates or mobs colleagues can expect tough sanctions – up to dismissal.

www.vw-personal.de

“Mittelstand openly against discrimination” is an initiative

started by the German association of SMEs in the wake of the election successes of right wing extremist groups in the German states of Saxony and Brandenburg, and is supported by Volkswagen. A brochure illustrating examples of the commitment of major corporations is hoped to encourage more to follow suit.

www.buendnis-toleranz.de

13.1 % of VW employees are female. This figure means VW boasts the highest ratio of women in the car industry. As early as 1999, the joint works council and management agreed on principles for women's promotion.

www.vw-personal.de

Girls Day is a regular event at Volkswagen. Girls Day is an initiative promoted by the BMBF and BMFSFJ. The objective is to give girls a chance to find out about "male" jobs and help them make career decisions.

www.girls-day.de

"Total E-quality" An award presented to VW and Group companies on several occasions. This award is conferred by the Total E-quality non-profit-making organisation to those companies offering men and women equality in vocational opportunities and development. This initiative is funded by the BMBF and BMFSFJ.

www.total-e-quality.de

Volkswagen first presented the "Woman Driving Award" in 2005. This nation-wide competition with a prize worth 10,000 Euro targets young female engineers.

www.vw-personal.de

Young women are generally better qualified than their male counterparts. They usually work harder as well. Their earnings orientation has never been higher. They want children and careers. Never before has so much help been available in the form of equality officers and women's promotion programmes. And yet – a look on the management floors, not only of corporations, shows that women continue to be extremely underrepresented. In Germany, not even 2 per cent of top managers are women.

A real location disadvantage. Because it is a long proven fact that a good workforce mix leads to higher productivity and is above all more innovative than homogenic organisations; diversity happens to be better than monotony. "Companies cannot afford to continue to ignore the potential of women," says Elisabeth Vogelheim, head of women's promotion.

The open sesame for women into higher-level male bastions at Volkswagen can be expressed by the word "mentoring". The idea is straightforward: a talented young woman, the mentee, is given the help of a manager with many years of experience in both professional aspects and in the handling of conflicts – acting as a counsellor and trainer in equal parts.

Executive board members act as mentors for female high-flyers

This tandem solution to cope with the problem of "invisible ceilings" – the term coined by sociologists for such invisible obstacles blocking the career ladders of women – was started at the end of the 90s as a joint project with the EU: NOW (New Opportunities for Women). Mentoring has since evolved into a fixed element of VW's personnel development activities. All plants are at it: mentoring is also a top priority. An executive board member acts as the personal sponsor for a group of women with high flying potential. Surely, the very best way of jump-starting a network.

Susanne Dirksen is one of the first young women at Volkswagen to be considered worthy of taking part in a one year special promotion programme. Because line managers cannot be mentors, the department head of research and development was appointed as her mentor, her protector. "Basically there was an independent person who helped me deal with difficult situations," says a thankful Susanne Dirksen about her time as

Breaking through invisible ceilings

Women are still rare on industry's management floors even after years of "equal opportunity policies". Volkswagen adopted mentoring a few years ago: experienced managers help talented young women.

a mentee. Mentor and mentee met regularly. Susanne Dirksen is now a team leader for Audi product compliance in Auburn Hills, USA. She is no longer involved in NOW, but she is still in daily contact with her former mentor.

Mentoring is not the only tool in Volkswagen's diversity management tool box. Another very useful item is the equality audit.

This involves preparing a systematic review of qualifications and potential opportunities for women in selected areas. On top of this, every year the company ensures that at least 25 per cent of all trainees are female, so that over the long term, slowly but steadily, the number of female foremen and trainers is growing in real terms.

Volkswagen has a 12.5 per cent ratio of women in management, which, while better than most other companies, particularly in the car industry, it is still a long way below the ambitious goal of Europe's Number One car manufacturer: 30 per cent. The future of mentoring is – it would appear – secure for many years ahead.



Susanne Dirksen was once a mentee and is now team leader for product compliance at Audi in the USA: "Someone who helped me in difficult situations."



A warm welcome
to **Europe**! Let its
peoples never become
enemies again.
A goal only achievable
by **integration** on the
basis of shared values.

Exporting know-how and corporate culture: Volkswagen Group's expansion eastwards

“We are unfolding our wings”: Volkswagen Poznan



Bratislava, Capital city of the Slovakian Republic, is a Volkswagen brand location. Models built here include the Polo, Golf and Touareg.

When the Iron Curtain came down, Volkswagen was quick to recognise the chances offered in the former Eastern Bloc states. Recognise and use: the Group has invested more than seven billion Euro in the last 15 years in technology, infrastructure and knowledge transfer. The Group now employs around 50,000 people in 12 locations in Poland, Hungary, the Czech Republic and Slovakia, and in the not too distant future, these plants will together produce more than one million cars per annum.

This early circumspection has been very worthwhile. “Our market share in the new EU member states is now a good 30 percent. This excellent positioning is primarily due to Volkswagen committing itself at a very early stage. A commitment honoured by customers: We definitely have the best image,” sums up Michael Ulbricht, Group officer for Eastern Europe.

A reputation that is fully justified. Not only because VW offers people training, work and chances for betterment. “The effects of our Eastern European commitment reach much further,” says Volkswagen AG CEO Bernd Pischetsrieder. “We also export know-how, environmental protection and a corporate culture based on partnership. In real terms: the same social and environmental standards as apply in Wolfsburg also apply in Bratislava. As a socially responsible corporation, Volkswagen seeks, also, and especially in the countries of Central Europe, to marry sustain-

12 locations in 5 countries

The Volkswagen Group is active at 12 locations in five Eastern European countries. The largest plant, with a workforce of 24,000, is Mladá Boleslav near Prague that also doubles as Škoda headquarters. Kyasiny and Vrchlaby are located in the Czech Republic, too. In neighbouring Slovakia, Volkswagen has works at Bratislava and Martin, employing a total of 8,300 people. They assemble the VW Polo, Golf, Touareg, SEAT Ibiza and various gearbox components. The Polish plant at Polkowice has been producing diesel engines since 1998. The Poznań plant, also in Poland, produces vehicles like the VW Transporter, VW Caddy plus various special models and components. The Polish Group companies VW Motor Polska, VW Poznań, VW Elektro Systemy and Sitech provide nearly 11,000 jobs. In Bosnia-Herzegovina, to be more exact in Sarajevo, 300 people work assembling Škoda, Volkswagen and Audi cars. Audi has also operated a plant at Győr in Hungary since 1993, producing engines for premium class cars, as well as the Audi TT Coupé and Roadster. Győr has some 5,100 employees.

“Social responsibility is part of our investment”

Volkswagen does more than simply exploit cost advantages in Central Europe. The Group exports its know-how together with its high environmental and social standards. Europe’s Number One car manufacturer is making massive contributions to the integration of the new Europe.

able development prospects for both the company and the people. In the process, Volkswagen is making a contribution towards the integration and cohesion of Europe which should not be underestimated.”

“Our understanding of social responsibility has always been part of our investment strategy,” comments Eastern Europe officer, Michael Ulbricht. One more reason why the employees’ representatives have always been fully involved in each step taken towards the East. A fact which contradicts the fear that each new job in the new EU member states threatens jobs in Germany. “The driving force behind our commitment was, and remains, improving the Group’s international competitiveness. A move which also benefits jobs in Germany,” emphasises Mr Ulbricht, underpinning his arguments with facts: over the last ten years the Group’s workforce has also risen in Germany, from 150,000 to over 177,000. Job displacement is a myth; VW’s workforce has grown both in Germany and abroad in equal amounts, in actual figures by 12 per cent each in the last five years.



The Bratislava plant delivers excellent quality and is now well established as a key location in the VW Group’s global development and production network.

„We are unfolding our wings“

Processes, people, projects: An evolution initiated by the employees themselves is transforming the former Poznań assembly plant into a complete car factory, into a motor driving jobs and regional development.

Volkswagen has been mobilising the faith of employees in their own capabilities for a number of years now: in their inventiveness, their strength of character, their will – characteristics which have helped mankind overcome many hurdles and achieve many things, including flying. This undoubtedly mammoth project has been given an ap-



Assembly line at the Poznań commercial vehicle plant: Volkswagen has invested heavily in people.

propriate motto: “We are unfolding our wings”. In the early phase, the focus was on establishing the kinds of processes and structures needed to turn a pure assembly plant into a complete car factory. In 2005 the focal point of project activities realigned on the staff themselves and the development of their supradisciplinary skills. More than 100 co-workers voluntarily participated in various sub-projects (“adoption and delegation of responsibility”, “health promotion at VW Poznań”). The results were discussed at a large group event attended by some 650 staff, and followed up by individual projects in seven “action-weeks”. During this period the management provided an ongoing flow of information to the staff detailing project progress and also brought more staff members on board. By autumn 2005 the plant was ready for phase three of the transformation. Under the motto “Unfolding wings – shaping the future”, the current phase involves developing sector-specific strategies with the goal of securing the future of the location in terms of competitiveness and jobs.

The Volkswagen Poznań Plant

knows it can rely on the support of the region, after all, it has set a development train in motion in Poznań – with its 600,000 inhabitants, the fifth largest city in Poland - which is opening opportunities for the region in a similar way to the Autovision project in Wolfsburg. Since production started of the Caddy and the T5 Transporter, more than 1,000 new jobs have been created, including those at logistics service providers. Component supplier conferences are organised to encourage more partners to locate facilities in the area.

It is a top priority at Volkswagen Poznań to invite dialogue with its surrounding areas – for example with municipal authorities, environmental organisations, inhabitants, companies and the media. This cooperative spirit has turned the plant into a fixed component of both civil society and the town itself. It is not only one of the major investors, it is also the largest employer in the town and the region.

“Line Managers keep their people informed in weekly sessions”

VW Poznań has been investing in people’s minds since its arrival. Young staff members are offered a broad palette of vocational and extra-curricular training, as well as English and German language courses. Those staff members seeking to gain qualifications by studying, also as postgraduates, are offered financial support. This is how VW Poznań not only strengthens its human capital but also enhances the employment capacities of its employees.

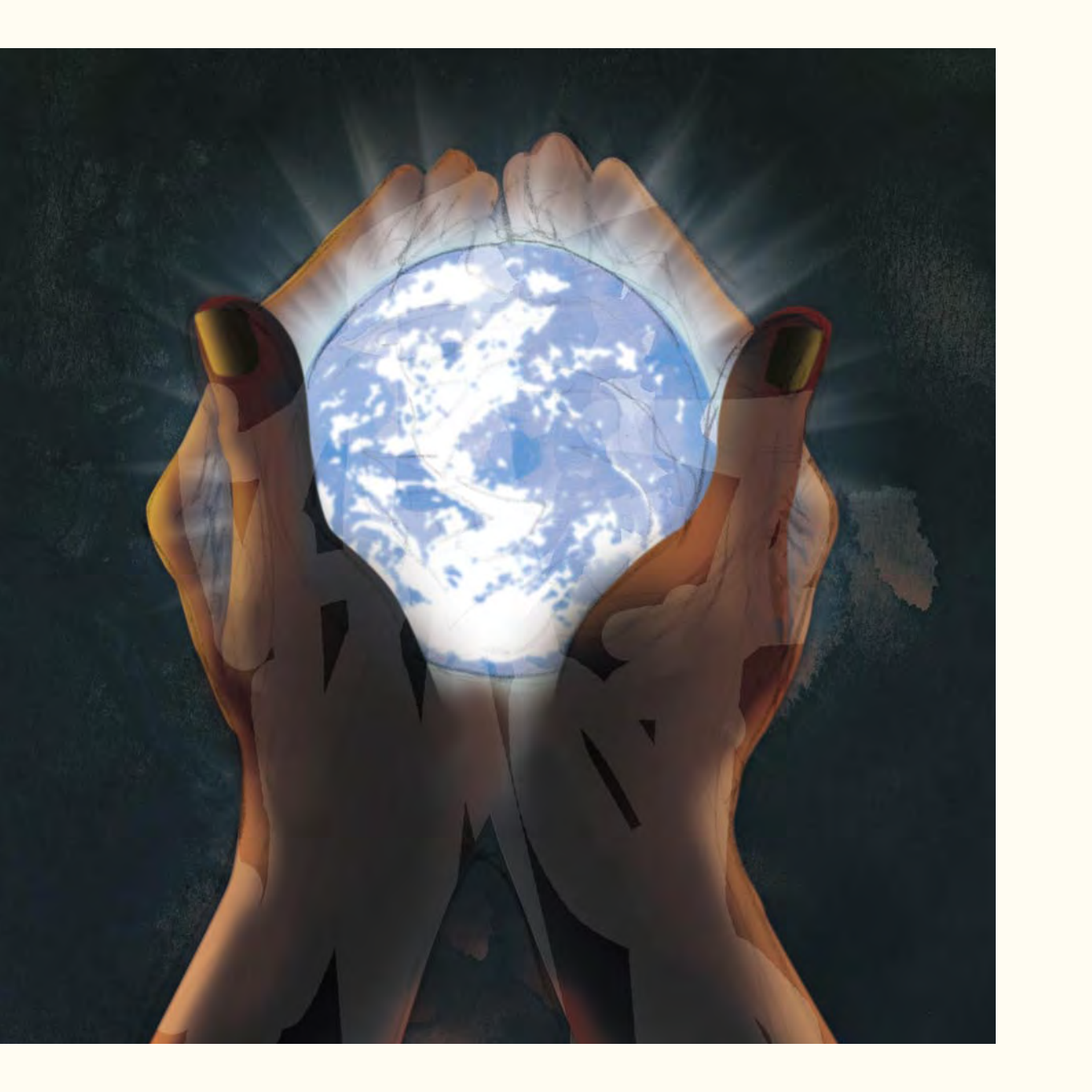
The lively atmosphere of internal communications helps motivate employees, helps fire people’s imagination and motivation. Line managers keep their people informed in weekly top-down sessions; they also have to ensure that the voices and opinions of employees are heard at senior management levels. The plant design helps underpin this open corporate structure – transparent offices located directly along production lines mean staff have instant access to managers.

Even after the transformation is over, the task remains of keeping people fit and ready to face new challenges as arising from the European market and global competition. VW is currently, successfully, involved in a shake-up of conventional mindsets and attitudes, to hopefully bring about changes. Whether or not this also helps the plant fly higher than its competitors, only time will tell.

Volkswagen Poznań

Volkswagen Poznań was created in 1993 from a joint venture of the Volkswagen Group with Tarpan, a Polish car manufacturer. In 1996 it became a 100 % Group subsidiary. Within a very short period, the plant, located in the centre of Woiwodschaft Wielkopolska (Greater Poland), evolved from a pure assembly facility into a modern car factory, fully compliant with Western European quality, environmental and social standards. The highlight of developments to date was undoubtedly the start of series production of the Caddy and the T5 Transporter models. Since then, the plant has been working at full capacity almost without exception. 625 vehicles roll off the production line every day. In 2005, the 6,900 staff produced no less than 156,000 vehicles and delivered a further 4.5 million components into the Group’s production network - inlet manifold modules, cylinder heads and steering casings made of aluminium alloy. These figures mean Volkswagen’s Poznań plant is Poland’s second-largest exporter.

www.volkswagen.pl



Critics of globalisation only ever offer different interpretations, the vital task is to **shape globalisation.**

Homes, food, education: Street children project “An hour for the future”

Enjoyment and aid: Fair coffee in works canteens

The green contract: The sustainability project in the supplier chain

Wolfsburgers help the world: Volkswagen’s environmental sponsors

Surviving the drought: The people’s pump of Brazil

First the soul, then the school: Terre des hommes flood relief project in India

Ticket to job: Education and training institute in South Africa

Checks and campaigns: Health test in Puebla

When Andréia dos Santos first arrived at the “Gotas de Flor con Amor” she was undernourished and weak. She quickly recovered, went to school and was offered an apprenticeship in a company. The company was so pleased that it also financed a university course in law: Andréia dos Santos has made it. She now has qualifications and a full-time job.

Like many other children from the Favelas of Sao Paulo, Andréia used to live on the street, confronted by violence and poverty everyday. The “Gotas de Flor con Amor” project provides 300 children and juveniles with one warm meal a day. It also offers regular school attendance, with older children taking part in foundation and literacy classes. The organisation also tries to answer all questions relating to violence and sexuality, as well as offering help in jobs and vocational orientation. Andréia is now an example for many other children and juveniles in the Brooklyn Novo neighbourhood of Sao Paulo, other kids who regularly visit “Gotas de Flor”.

“Please invest what you earn in an hour!”

In 2004 Volkswagen made a donation of Euro 32,500 to the project from its “An hour for the future” initiative. VW’s joint and group works council started this campaign in 1999. “Please invest the earnings from one hour of work in the future of the children of the world,” was the earnest plea to the workforce. Many VW employees in plants throughout the world took the message to heart and continue today to make regular contributions. Some VW staff members donate their bonus payments, or organise collections at, for example, silver wedding anniversaries. School classes and sports clubs play their part and made donations – the snowball principle at its very best. By the end of 2004, an amazing five and a half million Euro had been collected to help children in poverty.

Volkswagen uses this money – in partnership with the famous “terre des hommes” charity organisation – to sponsor projects in Brazil, Argentina, Mexico and South Africa, and recently even children living on the streets of Germany.

Like Paul. Paul is 17. Visibly shivering in the cold, he approaches the minibus marked “Karuna e. V.” in Berlin’s Kreuzberg district.

Below the poverty line, some 20 percent of Mexico’s 97 million population live below the poverty line. 11 million children work to help families survive. Mexico City has an estimated 30,000 children on its streets. 7 million children live on the streets of Brazil’s cities. 1.3 million children do not go to school, 3 million children under 14 are forced to work.

www.eine-welt-info.de.

terre des hommes was founded in Stuttgart in 1967 and sponsors more than 400 relief projects in 26 countries across the world.

www.tdh.de.

“Fundacao Volkswagen” is a charity set up in 1979 to help socially disadvantaged school children in Brazil. Since then more than 30,000 children and juveniles have benefited from the education programmes. Disadvantaged students also receive scholarships to study at eight universities in the country.

www.vw.com.br

start social is an initiative to encourage people to take up honorary posts in Germany. Audi employees have been participating in the start social programme initiated by McKinsey for several years now.

www.startsocial.de

Relief according to the snowball principle

If everyone gives a little, many can be helped a lot. This is the principle of the “An hour for the future” project to help children living on the street, wherever they are in the world.

“They stole my shoes last night,” he says. His feet are covered with colourful wooden socks wrapped in plastic bags to keep them dry. He is grateful for a bowl of warm soup. “Maybe we can find another pair of shoes,” says the helper. The Karuna relief organisation is one of several German initiatives receiving aid from VW em-



Street children in Brazil are happy to have a roof over their heads and food thanks to VW's welfare project.

ployees via their “One hour for the future” collection.

According to the office for juvenile affairs, up to 3,000 children and juveniles live on the streets of Berlin. Many are drugs dependent and pay scant attention to health. Education is important, so that they know how they can protect themselves against hepatitis and HIV.

Children on the streets of South Africa are even worse off. Most of them are Aids orphans, the majority are also HIV positive. “Many of these children do not even have a birth certificate, are not officially registered,” points out Magdalena Bruning of the Volkswagen joint works council. To help these children, it was first of all necessary to qualify staff, network local initiatives, and integrate local agencies. A van was also needed for moving the sick and transporting materials. Last year 85,000 Euro were donated to the “Save the Children” forum, an organisation working together with the Volkswagen Community Trust, a registered charity. Once the pilot project got underway, it received many enquiries from other cities and regions of South.

Fair Week is a nation-wide campaign in which the Volkswagen AG also participates every year. During Fair Week, staff are presented with a wealth of information about the philosophy of transfair and the products of fairtrading.
www.faire-woche.de

transfair is an independent initiative, which does no trading itself, but provides a quality mark for products which are fairtraded based on corresponding licence agreements. The criteria for Fairtrade comply with the standards set down by the Fairtrade Labelling Organisation International (FLO).
www.fairtrade.net

350 farmers' cooperatives and plantations in 49 countries of Africa, Asia and Latin America benefit from fairtrade with the Transfair mark. Around one million farmers and agricultural workers are helped to earn the minimum they need for existence and survival.
www.transfair.org



Edgar's night is over at 5 in the morning. Within the hour, the 57 year old Costa Rican is already making his way to his coffee field. If he's not harvesting, he's fertilising, or weeding or liberating his plants from insects and pests. Edgar usually returns to his wife and seven children from his labours in the field at around 16.00. But his working day is by no means over. He still has to feed the animals, collect firewood. This long and hard day's labour is accepted by Edgar as the only way to provide his seven children with a better future: "I want them to be well educated and I want them to have a choice in what they do."

Edgar is a coffee grower who receives support from the Coopeldos Cooperative. Since he became a member he has been able to sell 30 – 40 percent of his harvest via the fairtrade market. The additional earnings available from fairtrade make the difference, enabling Edgar to send all of his children to school. Two of them get direct financial support from the cooperative for their education. One of his sons has just completed his medical studies.

The range of fairtrade products has continuously expanded

Without help from the cooperative, the farmers in Edgar's village would struggle to even cultivate their fields. The prices on the world's coffee markets have fallen drastically. Edgar's worry is that prices might continue to plummet and prevent him from paying off his debts. Therefore, his appeal to coffee drinkers throughout the world is simple: "Drink more Fair Coffee!"

Something which is actually not that simple at Volkswagen. VW employees were first introduced to fairtrade products in 1999. According to Klaus Schneck, of the Volkswagen AG works council, the "obvious move was to create our own VW coffee, after all, we already had a VW Currywurst and VW Ketchup." Since that time, some 180,000 packages of the fair waker-upper have been sold between Kassel and Emden.

The range of products available via fairtrade has continuously expanded. Works restaurants and self-service shops now also sell fairtrade tea, orange juice, biscuits, sesame bars and even footballs. "These products are generally slightly more expensive, but consumers know they have a product which not only satisfies all social criteria, but is also superior in quality and flavour," says Wolfgang Neumann, responsible for catering and sales procurement.

Great flavour, what a relief

Think globally, act fairly – Transfair coffee offers many benefits. Above all for small overseas producers. Volkswagen is actively involved. Not only with black beans.

The production of fairtrade products is, for the most part, achieved without the use of artificial insecticides and fertilisers. Anyone who buys food which has been fairtraded is therefore doing good, both in helping to support the existence of the producers and their families and at the same time for their own health and well-being.

All products offered by VW are marked with the Transfair fairtrade mark, available since 1992 for products traded according to fixed and fair terms and conditions. Some 70 different companies have entered licence agreements with the Transfair non-profit-making organisation. Companies like gepa mbH, Europe's largest fairtrading organisation. Volkswagen also sources its fairtraded products directly from gepa, without any intermediaries.

Klaus Schneck hopes that in the future many more companies will follow this example. "Buying products from fairtrade is not only an act of solidarity, it is also a contribution towards a more responsible use of the environment."



Volkswagen has had fairtrade coffee on its menu since 1999. Every year, the company also takes part in the "Fair week" awareness campaign.

Suppliers are given a development mandate

Suppliers are expected to not only deliver high quality pre-products, but also guarantee environmental protection and safety at work.

Since the 90s, environmental protection has taken on a key role in the dialogue between Volkswagen and its many suppliers. To date, some 140 workshops and seminars have been organised to inform interested companies throughout Europe of standards as they apply both to VW products and to Volkswagen itself, world-wide. Representatives from a total of 12,000 companies have been brought up to speed in issues like the EC eco-audit, recycling, material balances and the International Material Data System, IMDS. While emulation was welcomed, it was by no means obligatory: “The compulsory conditions as they apply to our suppliers have so far been limited to the products we buy,” explains Dr. Michael Mesterharm, Group environmental strategist.

Volkswagen has decided to go one large step further and extend the scope to include production and location conditions: in the future, every supplier throughout the world must proffer a declaration that he operates environmentally, complies with health and safety regulations and seeks to establish social fairness in his facilities. “We want

globalisation, and we want it to be compliant with our ethical goals,” explains Dr. Mesterharm, “and so it is crucial for all of our suppliers to play their part.”

Dr. Mesterharm spent two years



Sustainability in the supply chain is one of Volkswagen AG's strategic objectives.

working in close cooperation with scientist at the university of Oldenburg, drafting and revising the details of sustainability management for the supplier chain. On many occasions, all corporate stakeholders convened at a round table to discuss the road map for global standardisation of terms and conditions.

The new “etiquette catalogue” sets down rules for those suppliers who fail or cannot yet meet one or other of the hurdles. A circle of Volkswagen experts will then “develop and discuss and finally agree on suggestions for improvements at and with the supplier”. The basic principle is one of help rather than punishment. It would benefit nobody if Volkswagen simply cancelled a contract – and local deficiencies stayed unchanged. “Responsibility at Volkswagen means supporting its suppliers and helping them along the path to reach the goal,” is Dr. Mesterharm’s standpoint.

Volkswagen’s stipulation catalogue as it applies to suppliers around the world is oriented along the following criteria:

- Introduction of environmental management regulations
- Introduction of and compliance with Volkswagen standards for health and safety
- Core labour standards of the International Labour Organisation (ILO) like no child labour or forced labour, freedom to form unions and hold meetings, prohibition of discrimination etc.

Most suppliers will undoubtedly already find the lights are set to green. Producers in industrialised countries already comply with comparable legal and statutory requirements. Long-term suppliers based in Brazil and Argentina long ago adopted the valid standards and requirements of Europe’s leading car manufacturer. “On the other hand, our demands and requirements need time to influence new partners, especially small and medium-sized enterprises in threshold and developing countries,” says Dr. Mesterharm.

United Nation surveys have shown that any improvements in the environmental and working conditions of companies in developing countries almost without exception lead to real improvements to productivity and quality. In effect, a supplier capable of meeting Volkswagen’s requirements has thoroughly reviewed his entire production process, has eradicated any interference factors; is more productive and more reliable in order to satisfy a key account. According to Dr. Michael Mesterharm, “that surely is precisely what is known as the classic sustainability perspective.”

“We feel responsible – integrated environmental protection in the supplier chain.” This is the title of a series of seminars on the topic of dialogue with supplier organisations organised by VW Coaching on behalf of the procurement department.

www.volkswagen-coaching.de

An annual eco prize for suppliers has been awarded by AUDI HUNGARIA MOTOR Kft since 2003. The prize honours companies with particularly environmentally-friendly production.

www.audi.com

International Labour Organisation

(ILO) is a special UN organisation established in 1919. 178 member states are represented in the organs of the ILO by government representatives as well as social partners.

www.ilo.org

25 Best Suppliers receive the VW Group Award in five categories – development competence, product quality, logistics, corporate achievements, and environmental protection. The environmental prize is awarded depending upon proof of effective management systems. www.volkswagen-nachhaltigkeit.de

Recycling rinsing water

Environmental standards within the VW Group are high and the same everywhere. Eight sponsors in Wolfsburg support experts

Dr. Christiane von Finckenstein-Wang speaks fluent Chinese. She spent three years studying in China and a further three years at Volkswagen's liaison office in Peking. In 1996 she took up her post in Group environmental planning in Wolfsburg. It seemed a very natural step when she – five years ago – took on the role of environmental sponsor for the VW locations in Changchun and Shanghai. Environmental sponsors are how Volkswagen refers to those persons responsible for supervising plants outside Europe.

They are tasked with stimulating, bringing to life the global scope of the high environmental standards within the Group. A very strenuous job for the eight sponsors based in Wolfsburg. Especially so for Christiane von Finckenstein. Volkswagen is a joint venture partner in China and does not have sole powers. Be that as it may:

if a “regional conference” is scheduled in Changchun or Shanghai to discuss how much funding which environmental project will receive, or if colleagues based in China, and responsible for practical environmental protection at Chinese locations, travel to training courses in Germany or the plants are being upgraded in the course of ISO 14001 certification: Christiane von Finckenstein is always involved, sending invitations, training and keeping things moving. She bows as a gesture of courtesy. “Without the commitment of our Chinese colleagues, even the most ambitious environmental campaign would only be a paper tiger,” she points out.

The company resolved its three-year plans long ago, they are already being implemented point for point in Changchun and Shanghai. Some examples: the rinsing water from the paint shops is treated so that it can be recycled and reused several times; waste water is treated and cleaned and returned into the water supply; that soil and groundwater are suitably protected during planning, operation and shut-down of plant. Volkswagen does this not only for the environment, or to conserve resources. It also makes economic sense.

As Dr. Christiane Finckenstein-Wang also knows, Chinese environmental laws are now equal to the “highest international standards”. Some background on this: In the wake of the economy's dynamic growth, pollution of air and water has quickly worsened



Dr. Christiane von Finckenstein-Wang, environmental sponsor for the works in China

and waste tips have grown apace. The problem is exacerbated by massive shortages of water and power. Reasons enough for adopting a more frugal approach.

Not only for cost reasons. “If we are not conservative with power,” explains Dr. Christiane von Finckenstein-Wang, “things not only become expensive, there is also the risk of production shut-downs”: which would not suit this particular sponsor at all.

More information about environmental management

is available from Volkswagen Group Sustainability Report 2005/2006 “Moving Generations”. This report is available from Volkswagen AG, environment and HSE, Post Box 011/17743, 38436 Wolfsburg or on www.volkswagen-nachhaltigkeit.de.

More information is also available in the Skoda sustainability report at www.skoda-auto.com and the AUDI AG environmental report on www.audi.com.

Saving lives with the Bomba d’Agua Popular

The last drought lasted years and caused a million deaths in northeast Brazil. And the next drought is coming shortly. Volkswagen sponsors the Misereor “Surviving the drought” project – turning the people’s pump into reality.

It is so dry in North-eastern Brazil that “even the goats die of thirst”, says Lauro Alcantara. And these animals really are “very modest drinkers”. Lauro Alcantara grew up in Brazil. He is now responsible at Volkswagen for the South American region.

This is a catastrophe that comes on a 20 to 30 year cycle, each time leaving behind many human victims: there is no rain, not even in winter. Sometimes the drought lasts for five years. By then there is not only no drinking water, the fields have also turned into

arid wastelands. The only survival choice, for those who can afford it, is to go far, far away, to a city. During the dry periods, the slums grow and multiply. The next drought has just started, and could last until 2010, or even longer.

But this time, things might be different. The vicious cycle, which gains pace during the drought, and ends in death or squalor in some city slum, is something which Misereor is trying, with Volkswagen sponsorship, to break with an initiative entitled “Surviving the drought”. The people’s pump is called the “Volanta”. Its mission is to provide water

supplies even in Brazil's arid regions. "We were looking for a simple mechanical pump; series production commenced in August," explains Mr Alcantra.

Working together with Misereor, the Catholic Church in Wolfsburg, the IG Metall union and local organisations in Brazil, the first stage of the plan is to provide 1,000 communities with a Bomba



Water for poor local communities in Brazil, pumped by the Bomba d'Agua Popular, the people's water pump.

d'Agua Popular. There is enough money now to buy the tools and build the first 200 pumps. Local organisations will decide on the locations of the first pumps.

The Volanta design was chosen because this pump needs no motors and is simple enough to be operated and understood by anybody. The finishing touches to the design prototype were made by Volkswagen in Wolfsburg, based on the initial design of a Dutch development aid worker – followed by a global search for the lowest cost suppliers for the individual components. "Raw materials and pump components are actually sourced in Brazil, and assembly is also a local operation," says Lauro Alcantara. So this project will not only be pumping water, it is also delivering jobs.

Many years ago, ambitious explorers drilled deep into the earth of Brazil's northeastern regions in their search for "black gold". They did not find any oil. But those fruitless efforts might now turn out

The search for oil long ago could be a lucky break

to be good luck after all for the region's future. Because the holes drilled then can now be used to pump water. This is a region which does not have electricity everywhere, the costs for drilling new wells would be simply unrealistic. Especially since the water is encountered at depths of 30-60 metres. Once the first 1,000 pumps have been distributed to the rural communities, they will produce water for around 250,000 people. Maybe that will be enough to convince the Brazilian government to include the Volanta in its "Zero Hunger" project, and finance the remaining people's pumps. 30,000 pumps at a unit price of around Euro 2,000 including assembly and training – not a high price to save millions of human lives.

It's time for school, Kalari!

The Tsunami was followed by a world-wide wave of aid. VW is providing relief to traumatised children in Andrah Pradesh – long-term relief.

Kalari's childhood ended suddenly and dramatically on the 2nd day of Christmas 2004, when the massive flood wave hit land. Kalari is 12 years old, she does not go to school anymore: she has to help her family. She spends many hours in the sun, her head covered by the tip of her sari, picking peanuts. Kalari is paid according to quantity – she can earn up to 50 Rupees a day, the equivalent of 40 Eurocents.

Her father was a fisherman. But he has not been out to sea since the Tsunami arrived – the giant wave destroyed his boat and tore away his nets. It basically destroyed the existence of many fishing families in the villages. The only piece of good luck was that these inhabitants of the state of Andrah Pradesh, on India's eastern coast, have their homes several hundred metres inland, so that at least their houses survived the onslaught.

Even those fishermen whose equipment was not damaged are fighting for survival. Because hardly anyone enjoys eating seafood anymore. People think the fishermen are bringing the dead back in their nets. As fish.

Many children had to suddenly

become adults – not only fishermen's children, but also children of traders. Their future depends on whether they can be encouraged to leave the fields, the factories and the households and return to the classroom. "terre des hommes" has started a major programme aimed at giving the children in the devastated villages an education, and hence a new future.

Volkswagen is a donor to "New chances after the flood", giving an initial donation of one million Euro. The workforce has itself collected Euro



The future of the children depends on their being brought back to school.

600,000. “A total of eight schools is being rebuilt, the first of which has already been inaugurated,” explains Peter Mucke, director of terre des hommes. Another 24 schools are being renovated. It is hoped that this work will provide the facilities in which 4,400 children can receive pre-school and primary school education. The programme also includes the further training of teachers and providing traumatised children with psychological counselling. Finally, the hurricane protection fortifications

along the coast will be repaired with VW sponsorship. The re-schooling campaign started in spring. And got off to a dynamic start. New teachers are giving crash courses in which children can catch up on lost work. There is a great deal of convincing and persuasion to be done – amongst parents to encourage them to send their children back to school. To give back to those children some of the childhood washed away with the water. Perhaps even Kalari’s as well.

Health service, 24 hours a day, 365 days a year

Volkswagen de Mexico has an exemplary medical services organisation in place, moving it closer to being the “safe factory”.

The health of VW employees is not only important for economic reasons. The example of Volkswagen de México demonstrates how seriously medical care is taken also for social and humanitarian reasons: the 16,000 employees at the Puebla plant can depend on this medical service. “The health of staff has top priority. We provide a medical service on 365 days of the year – and 24 hours of each day,” says doctor in charge, Dr. Manual Max Robles Ortega.

The 15 head team at the health centre ensures not only free basic medical services

but also extremely high standards of safety at the workplace. Regular rounds are made of the plant, where great emphasis is placed on good ergonomics and good working conditions. For example, in areas where metal is processed, like the foundry, all staff members are equipped with individual safety goggles – and their vision is also checked. “Prevention measures also include our regular health checks and vaccination campaigns,” says Dr. Max Robles. The medical department of Volkswagen de Mexico also operates a software system to aid the management of all relevant health data of each individual staff member.

The Volkswagen doctors are also responsible and committed to providing full explanations of general health risks. Any staff members with high blood pressure, cholesterol or diabetic problems are offered counselling in dealing with obesity and diabetes. In order to raise levels of self-responsibility, trainees are particularly sensitised towards health risks by way of informative discussions and talks – for example touching on issues like proper nutrition, dangers of addiction and family planning methods. “Our approach of proactive controls is noticeably helping in reducing the risk of accidents at the place of work,” says Dr. Robles. This medical practitioner has the ambition of including suppliers into this high quality health system. “It is a long path, but if we are successful we will have turned our factory into a model for the whole of Mexico.”



VW employees in Puebla benefit from an excellent medical service.

Knowledge is the key

Five years ago, VW of South Africa opened up its in-house Education and Training Division to external customers. The autonomous ETI institute on the Eastern Cape has evolved into a top ranking provider of further and continuing education.

Uitenhage, the site of Volkswagen’s plant in the Eastern Cape province, has an unemployment rate of almost 40 percent. Many of the inhabitants are not included in the official statistics because they are just able to support their families, liv-

ing on earnings from micro-commerce. The reason for this situation: lack of opportunity and deficient vocational training. Volkswagen of South Africa (VWSA) is, together with its suppliers, the key industry in the region. The obvious choice was to give people here the chance to start a career by giving them an education!

This was the motivation behind VW-SAs Education and Training Division – which for 20 years has helped train up VW employees ready for the job – decision to open its services to other third party organisations, and its doors to people currently without hope or prospects. Primary school children can attend courses in reading, writing and ‘rithmetic, juveniles can attend vocational qualification programmes or take a computer course. High school graduates can apply for a place on a graduate trainee programme. Two thirds of the 30 places available per annum are reserved for black graduates. The best participants of the 18 month intensive course can look forward to full-time jobs with Volkswagen.

The Education and Training Institute (ETI) works within a network of regional initiatives, such

as UDDI, the Uitenhage Despatch Development Initiative. This has a similar mission to AutoVision in Wolfsburg, i.e. to attract more companies into the region and give people here the chance of getting qualifications and work. “In a rapidly changing world, it is important that people have the opportunity to get on the winning track. This can only be based on good education – it is a worthwhile investment,” says Leon de Klerk, general manager of ETI. The institute, which also has an assessment centre, offers wide-ranging courses, including, technology,

Ticket into the world of work for 800 unemployed

production, assembly, finance and data processing, personnel development, management development.

The ETI has gained an excellent reputation thanks to modern teaching methods and teaching content – a reputation not only on the Eastern Cape but also in the whole of South Africa. The client base now includes 120 external companies and agencies which are happy to send their staff to Uitenhage.

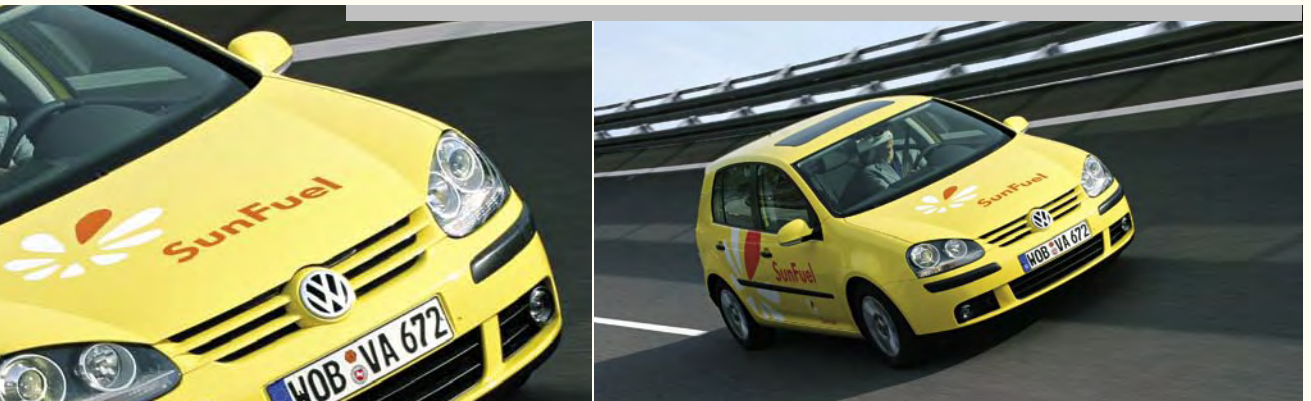
It was definitely no coincidence that the ministry of employment in Johannesburg selected Volkswagen and the ETI as two of the companies setting the national benchmarks for professional training standards in South Africa.

During 2004, 170 full-time trainers provided further and continuing education to a total of 51,000 school students, technicians, craftsmen, engineers and junior managers from a wide spectrum of professions and vocations. Only some 1,000 participants per month come from Volkswagen itself. Thanks to the cooperation of ETI, the government and the UDDI, 800 unemployed people were able to pick up a ticket into the world of work.



Excellent vocational training is the hallmark of the Volkswagen funded ETI institute in Uitenhage.

SunFuel® – The Way to Sustainable Mobility





Yesterday we would simply cut down anything standing in our way. Today we want to **preserve nature** while we build.



One of 16 aurochs grazing all year round the meadows between Wolfsburg and Gifhorn

Where are they then? The view is across a wide area of flat meadowland – suddenly two massive horns come into sight. Quickly followed by a massive black-brown body – an aurochs. This beast is the ancestor of most of our modern cattle and became extinct in the 17th century. Reverse breeding has now brought the “bos primigenus” back to life. 16 of these impressive creatures are now on the hoof in their new home at the Ilkerbruchwiesen meadows between Wolfsburg and Gifhorn – thanks to a Volkswagen AG project.

This “model change” of the most unusual kind was triggered by a plant expansion programme. According to the laws of Lower Saxony, any person who destroys nature must undertake “biotope enhancing measures” at some other location. Thus began the “aurochs in the Ilkerbruchwiesen” project. VW’s environmental department collaborated with the city of Wolfsburg, NABU and the “White stork officer” and came up with a “concept for optimal development of green landscapes” in areas previously dedicated to agriculture. The concept was to recreate a “semi-open meadow landscape” suitable for providing endangered bird and plant species with habitats. The trump card is the aurochs: these tough beasts are going to act like living lawn mowers, making the need for human landscape gardeners superfluous.

This exciting idea has now actually become reality. VW

New home Cerrado

The Cerrado woodland-savanna of Central Brazil is one of the continent’s most threatened natural habitats. What was once a wooded savanna offering homes to many species of flora and fauna is now covered by eucalyptus plantations for the production of cellulose and paper. An area of nature protection is now being established near Volkswagen’s São Carlos plant to reintroduce the original vegetation of the Cerrado. This project involves planting a total of 63 species of trees and shrubs on an area of 140,000 sqm. To be able to grow, these seedlings need care over a longer time period: ants have to be repelled, fertiliser applied. “It will take several years for the reservation to regenerate. Then we will see again those species of animals displaced from other areas,” says Marco Lima, environmental protection officer at VW do Brazil. Animals like the maned wolf and marsh deer, giant anteater and puma. The ecological park in São Carlos is also playing its part in saving these endangered species. Volkswagen is a long-term partner of this organisation.

www.volkswagen.com.br

Living lawn mower

A model change of the most unusual kind has taken place in Wolfsburg in keeping with the principles of Agenda 21: Volkswagen lets auerochs and konics graze in wild coexistence.

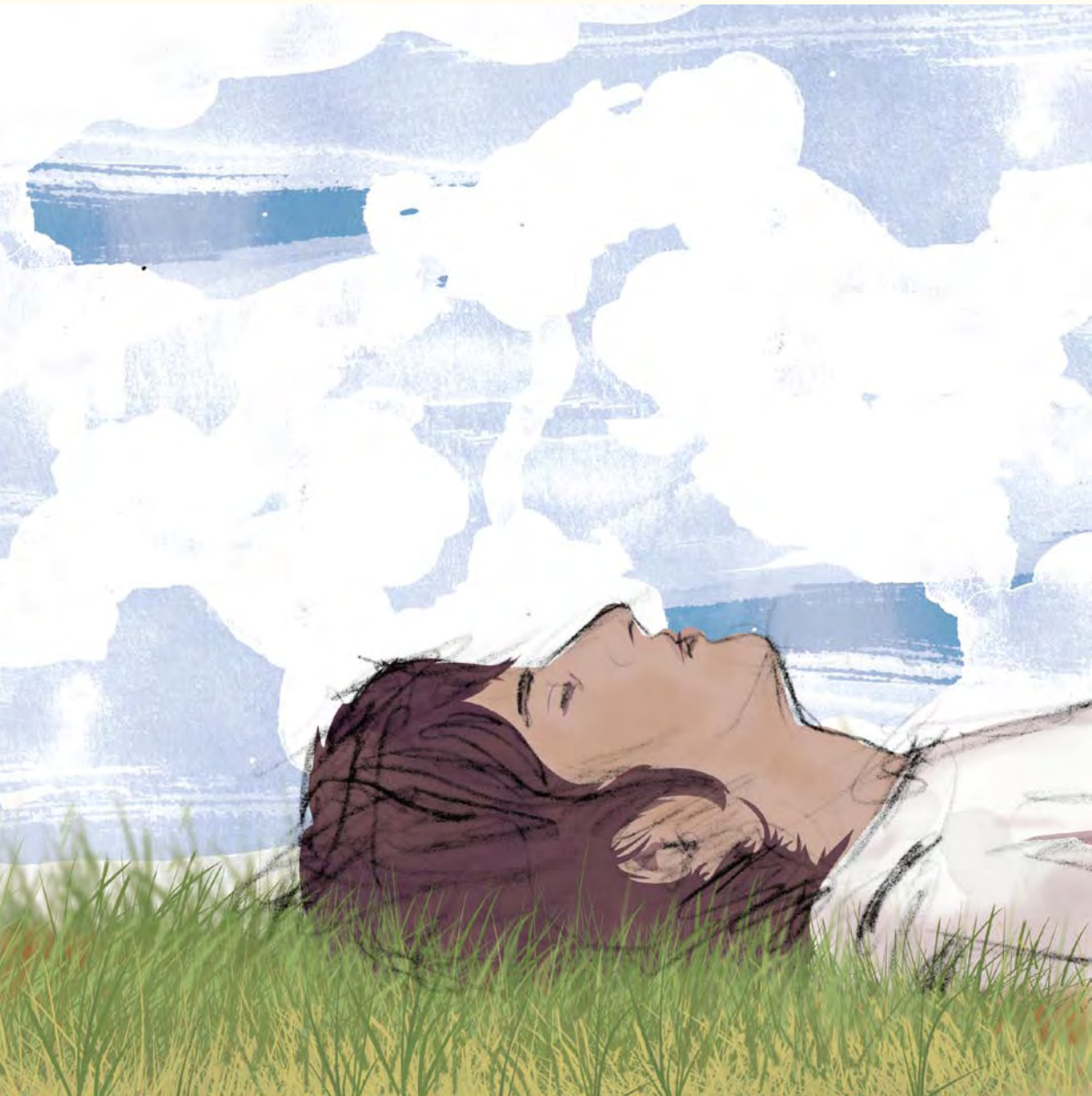
acquired some 40 hectares of countryside – most of them contiguous: “We did not want to play around, we wanted real results,” says Joachim Röttcher, responsible for the project at Volkswagen. It was necessary to introduce areas offering dry cover in winter, dig ponds, erect fences, flatten slopes, plant hedges and tree stands, as well as put up public information boards. The company injected no less than Euro 750,000 into this nature protection project. A hayrack was also built for those occasions when nature provides no food.

A well signposted educational walk was opened around and through the area last summer. The auerochs have also been joined by others—four small horses, konics, are now free to roam. These descendants of tarpans are strong and robust and ideally suited to life in the wild. These two species, the bison and the horse, coexist quite peacefully, says Joachim Röttcher. Three paved viewing mounts have been created to provide good all-around vistas—soon including sand banks offering an open invitation to birds, horses and cattle to bathe, soon of stands of birch trees offering pleasant shade in the summer. The cold of winter has not been forgotten. A small rapids has been created by moving the banks of a

stream closer together, ensuring that water to drink will be available even in times of frost. And if the brook were actually to “freeze up in temperatures of minus 20°C, farmer Bendlin will come and break the ice open,” says Joachim Röttcher to quell the fears of worried animal lovers. The farmer from Sülfeld is also in charge if an animal falls ill or a fence is damaged. In return he is allowed to slaughter the cattle and sell the high quality organic meat.

Even meadow pipits and bluethroats have been spotted again. Grey geese are frequent visitors, while white storks are only too pleased to come by, attracted by the thought of snacking on the many fat frogs. Today, plans are already under discussion on how nature can be given more room to spread out in the meadows of the Aller river. Environmental activists at Volkswagen have put forward the idea of expanding the project to cover 100 hectares. Another suggestion is to upgrade the terrain to form an “extra curricular place of learning” for schools and kindergartens.

Notwithstanding these plans, the Ilkerbruch meadows are still basically a project with an open end. Exactly how it all turns out will ultimately be down to Mother Nature.



Anyone turning
his nose to the wind
will be aware of the
changing **climate**.
People can either
shut their eyes.
Or work to **protect** it.

Looking after the environment and the money in your pocket: “Drive and save” trainings organised by VW and NABU

A fuel farm: The SunFuel strategy

“Use the engine’s fuel cut-off system!”

Over the last four years, VW and NABU have organised a large number of free fuel-saving training sessions throughout Germany. Looking ahead and thinking ahead when driving can not only protect the environment and the climate, but also save the money in your pocket and your nerves.

Otto Schumacher really did think he knew all there was to know about driving. But Otto, in his mid-fifties, gradually realised that Gero Heppel should still show him a few tricks. Trainer and trainee have already taken one circuit in the 150 hp Volkswa-

gen-Golf – a road course via Jagstrot through Bühlertal and Cröffelbach and back to “Gründle”, to the Schürmann car showrooms to be precise. This is the start and finishing line of the fuel-saving training course, to which Volkswagen and NABU (Germany’s largest nature protection organisation) invited anyone interested from the area of Schwäbisch Hall and surroundings.

So far, Otto was told to “drive normally”. But on the second round, the trainer started giving a few instructions. “Short and sweet”, says the voice from the passenger seat, “don’t accelerate too long, change up into third gear, skip fourth, let the car roll.” Otto Schumacher is a little bit disconcerted. He has already learned that changing gear burns fuel. But how can accelerating save money? Before he reaches the end of his thoughts, he hears the next instruction. “Downhill, use the fuel cut-off system!” The display tells all – consumption drops to zero. Otto Schumacher gives his trainer a quick look of respect.

Volkswagen and NABU have been organising these fuel-saving training courses for four years



Trainer and trainee on a fuel-saving training session:
Save 25 percent fuel by observing a few simple rules.

– in a campaign that started on an initiative of the federal office of the environment entitled “Simply change – it’s easy to save”. Young or old, man or woman; “everyone can take part who wants to learn how to use their accelerator and brake pedals to save fuel and protect the environment and the money in their pockets,” says Dietmar Oeliger, responsible for traffic and mobility at NABU.

The preparation, organisation and execution of the training sessions is thanks to the joint efforts of local NABU groups (coordinated by the central office in Berlin), VW dealerships and a team of professional trainers. The sessions take place on ordinary roads, in ordinary traffic, using special vehicles. On the first round, participants are told to drive as normal. The on-board computer system calculates fuel consumption and average speeds. After a brief theoretical session, the second round starts, this time with the trainer giving instructions. The sessions are accompanied by a travelling exhibition entitled “Mobility and climate protection”, providing a more in-depth look at knowledge gained.

Whether the location is Korbach, Mainz, Wolfenbüttel or Schwäbisch Hall – the results of this brief ecological training session often leave people with amazed looks on their faces. Because they really can cut fuel consumption by up to 25 percent by observing a few simple rules. Perhaps the most surprising aspect: the average speed of this ecological “thinking ahead” driving technique is no lower than with normal driving. In fact, most participants were actually faster overall.

The scientific accompanying programme during the first year of the training courses provides fascinating reading, and indicate an amazing savings potential. In his final report, the project leader at the time, Dr. Frank Musiol, stated that nation-wide training sessions could “allow an annual savings of CO₂ emissions amounting to 11 million tonnes”, nationwide. This is 1.3 per cent of total emissions. Of course, at Volkswagen, the art of saving fuel has a long track record. As early as 1985, VW was a partner to the central environmental office and the Technical University of Berlin in sponsoring a forward-looking research programme with the catchy title; “Educating for environmentally-aware driving behaviour while at driving school”. On this one day in September, Otto Schumacher has also learnt some new tricks from his trainer, Gero Heppe. By applying them he used 13.8 percent less fuel. Always having been good at maths, Otto quickly calculated that over a year these savings could change his quality of life: “That’s amazing, that’s equal to one extra week of holiday on Majorca.”

The German fuel-saving championship had been organised by VW since 1996 together with AutoBild car magazine, Deutsche Veedol and the national association of German motor traders.

www.cleverfahren.de

Free fuel-saving training sessions are also organised by Volkswagen at the national church days. “Try and see” courses are available for church day attendees, organised together with NABU, VW’s cooperation partner.

www.kirchentag.de

From the ARAL “driving licence trophy” through to the “VDK Sachsen disabled organisation – car training sessions”, Volkswagen is willing to cooperate with all interested parties when saving and safety is on the agenda.

www.volkswagen.de

Event dates and fuel-saving tips and tricks are available from Naturschutzbund Deutschland.

www.sparsprit.info

Basic, advanced and “try and see” courses for more environmentally-friendly and safer driving techniques are also available from VW Group brands Audi, Seat and Skoda.

www.audi.com



This number is breath-taking: 25 million tonnes! Every year, humanity pumps an additional 25 million tonnes of carbon dioxide (CO₂) into the atmosphere. This happens to be the gas that most scientists agree is responsible for the greenhouse effect. The gas which is emitted every time you take your car for a drive.

At the moment, Volkswagen is not prepared to wait until researchers are absolutely, totally convinced that CO₂ is the culprit behind climate change. The Group has adopted an integrated drive and fuel strategy, and is already implementing and promoting it in order to drastically reduce emissions of CO₂, nitrogen oxides and soot particles. Also as a way of providing a bridge until emission-free fuel cells reach mass production. "After all, that could be another two to three decades," is how Dr. Wolfgang Steiger, head of VW drive research, contradicts predictions which he regards as being much too optimistic.

The central pillar of this transitional strategy is provided by synthetic fuels as an alternative to mineral oil: for example fuel from natural gas, referred to as "Gas To Liquid" (GTL) in the jargon; and fuel from maize (US: corn). That's right: maize – or even wood or rye. Just like GTL, BTL (Biomass To Liquid) fuel is basically fully developed. A pilot plant operated by the Choren company in the town of Freigert/Saxony (Germany) is already converting wood into diesel. Or SunFuel. This is the brand name of this purely vegetable fuel of the future, the production process of which was co-developed and for the most part co-funded by Volkswagen and DaimlerChrysler.

The result is a fuel which offers a number of impressive advantages, above all in terms of the environment: compared with conventional diesel fuel, SunFuel generates 60 to 90 per cent less greenhouse gas and only half as many soot particles.

Maize could be made into the fuel of the future, argues Dr. Wolfgang Steiger, head of VW drive research. BTL fuels, like SunFuel, mark the way forward to CO₂-neutral combustion, benefiting the environment and the climate.

From the field into the tank

Summer smog, greenhouse effect, and climate collapse – the most important task of today's car manufacturers is undoubtedly to maintain sustainable mobility. VW has picked up the gauntlet. And is also placing its bets on the power of grain: SunFuel, the future biomass fuel.

“These values were recorded on latest generation motors,” emphasises Dr. Steiger. In reality, most areas of the world are full of thirty-year-old diesel powered trucks belching out vast clouds of black smoke. The good news is that even these vehicles can use SunFuel. Simply pour it in the tank, start the engine, drive off – BTL fuels do not require any engine modifications. “The effects of SunFuel can be measured in tonnes of particles, in Cairo or in Peking,” says Dr. Steiger.

From 2015 onwards, the ecological balance of SunFuel will actually be even more positive. This is the date when VW expects a new range of combined combustion system (CCS) engine units to be available. CCS units marry the advantages of diesel and petrol engines, achieving even greater efficiency and with much cleaner exhausts. Steiger: “With CCS and SunFuel, our cars will emit neither soot particles nor nitrogen oxides and CO₂ only in the same quantities as generated by natural photosynthesis – fuel combustion will be absolutely CO₂-neutral!” Which is great for the atmosphere, and for farmers. They will be energy

producers, growing fuel in their fields. BTL fuel would also reduce the world's dependency upon oil: “The EU itself has enough area to cover 20 per of its total fuel demand with SunFuel,” assures Dr. Steiger. And not at the expense of having ecologically negative maize monoculture. “Sun flower, reeds, grass, straw – SunFuel can be produced from basically any vegetation.” This is the ace up the BTL sleeve! Even compost can be used. “SunFuel is way better than biodiesel made from rape. It has a far greater yield because it is not only the oil from the seed but the entire plant, with stalk and stem, which is used”. And no one need have any fear that filling up with rape diesel will blow up the motor.

So there are many advantages. The only question is: when will this new fuel-era start? Dr. Steiger's prediction: “From 2010 – because from then on BTL diesel and petrol will be added in successively increasing portions.” Dr. Steiger's company car already runs on this fuel from the fields – and he has personal experience of one more advantage: “SunFuel does not stink, it smells a little like wax.”



Life's adventure starts
on the field next door.
Maintaining liberty
and peace also means
securing mobility.

Rail-based deliveries: Dresden's Cargotram

Mobile phones report traffic jams: Telematic initiative in Lower Saxony

Moving goods on tram lines

Minimising delivery traffic – this was Volkswagen’s ambitious goal for its Transparent Factory in the very city centre of Dresden. A goal achieved by delivering almost all components to the factory via tram tracks. This clever logistics concept has also gained international interest.



The Cargotram delivers VW parts for assembly into its Phaeton luxury limousine across and through Dresden city centre – helping the environment and cutting traffic jams. In the old days, even laundry was moved by tram.

What’s blue, has neither doors nor windows, moves along Dresden’s tram way on a 40 minute schedule and has no room for passengers? Dead right: the Cargotram. As the announcement said – Do not enter!

As Volkswagen was planning the Transparent Factory on the edge of Dresden’s city centre, the car manufacturer was already starting to invest in a forward-looking logistics concept to benefit the inhabitants, the environment and the infrastructure of the area. Two trams were designed and built specifically to transport heavy materials. Ever since production started on VW’s top model, the Phaeton luxury limousine, most components, parts and tools have been delivered to the assembly plant “just in time”. Where normal trams have seats for passengers, the Cargotram has loading bays with tarpaulin sides. The 60 metre long train can transport up to 60 t per trip.

In the interim, the entire logistics has been relocated in the GVZ goods traffic centre in Friedrichstadt, one of Dresden’s suburbs. This is the drop-

off point for all trucks, from where DVB, Dresden's public transport operator, takes over. As soon as the Cargotram arrives, forklift trucks first of all unload the return packaging materials from one side. On the other side, other forklift trucks start loading components and parts required at the works. Concurrent loading and unloading takes only 20 minutes, after which the Cargotram makes the return journey, from Friedrichstadt through the city to Straßburger Platz. The five kilometre route is covered by the tram in a speedy 15 minutes.

Each Cargotram has room for the equivalent of three truck loads; overall this system means 60 fewer trucks have to drive through Dresden city centre per day. Seen over a whole year, this means the roads of Dresden have to cope with 200,000 fewer truck kilometres than would otherwise be the case. The only parts delivered by lorry to the assembly plant are delicate body components prefabricated in other works, and delivered direct to the Transparent Factory because the fewer times they are handled, the better.

With the traffic lights on green,
there are no more traffic jams.

With specially trained DVB drivers in the cab, the Cargotrams exploit gaps in normal passenger tram services. The flow of the normal mass transit vehicles is not affected. This intelligent logistics concept is one of VW's contributions to assuring quality of life in the state of Saxony's capital city. And because all lights are switched to green for the Cargotram, it also has the secondary effect of helping prevent traffic jams and protect the environment as well.

While this logistics concept might seem almost revolutionary, that is not quite true. 100 years ago, Dresden already had trams carrying freight along the tracks. In those days, special laundry carriages were hooked on to the back of normal trams. Later on, grain and flour was transported between the Alberthafen port and mills located in the Plauen district. Volkswagen's concept is therefore more the revival of a good idea.

Despite the advantages, this implementation of the idea of transporting goods along tram ways is still very unusual – not only in Germany. Having said that, many cities throughout the world are showing great interest in the blue tram and its deliveries to Volkswagen. Urgent enquiries had been received from places as far away as Japan, China, Dubai, France and Slovakia.

Sustainable mobility is a project initiated by the car industry within the framework of the World Business Council for Sustainable Development. This project drafted a vision for global mobility in the year 2030. The initiative has managed to persuade stakeholders like environmental associations, scientific institutes and government agencies to join this strategy debate.

www.wbcsd.org

Think globally, act locally –

a motto adopted by the steering group of Agenda 21 in Wolfsburg. Representatives of companies, administration and associations have joined forces in order to proactively promote climate protection. Volkswagen is participating in various projects. One of which is encouraging its employees to form car pools.

www.wolfsburg.de

By shifting freight on to environmentally-friendly container ships, Volkswagen recently moved some 150 truck-trips a week off the roads. In 2004 alone a good 20,000 TEUs were moved on to the waterways between Braunschweig and Hamburg.

www.vw-transport.de

Volkswagen has been active since four years in the INVENT research initiative.

This Ministry of Research and Technology (BMFT) funded project to develop intelligent traffic and user-oriented technologies was to optimise flow of traffic and raise traffic safety. Volkswagen's contribution looked into "driver assistance and active safety" and also at "Traffic Management 2010". Other contributors comprise 23 companies from the automobile, electronic and telecommunications sectors.

www.invent-online.de

gedas is an IT service provider,

which, until 2005, was a Volkswagen AG subsidiary. It was established in 1983, is headquartered in Berlin, and employs almost 5,000 people in 50 locations in 13 countries.

www.gedas.de

Logiweb, an internet portal

developed by gedas, is a telematic product capable of mapping the entire logistics process – from ordering through to consignment tracking – and also offers European-wide optimisation of fleet management.

www.logiweb.de

Unbelievable, but true. On average, every single car driver spends one and a half weeks of every year sitting in a traffic jam. In that time, many millions of litres of petrol are consumed without gain, spewing vast clouds of exhaust fumes into the atmosphere. In an attempt to avoid such idle waste, Volkswagen Group Research has integrated its own in-house traffic project with those of other companies like Bosch, Siemens and Vodafone into initiatives of the city of Hannover and the state of Lower Saxony's "Telematic" initiative. This bundling of forces has the benefit of strengthening Lower Saxony as a research location and raising the potential for growth and work.

"The better our information about the traffic situation, the earlier we can advise drivers, helping avoid traffic jams by appropriate recommendations," says Dr. Gerhard Prätorius, head of the state of Lower Saxony's Telematic initiative. It is crucial to achieve "better management" of road works and accidents, the two primary causes of traffic jams. The basic technology for intelligent traffic management is known as telematics, a word derived from telecommunications and informatics. Telematics covers "all applications based on the wireless transmission of information and data processing," explains Dr. Prätorius.

This project, with a consortium made up of private companies, research organisations and the state of Lower Saxony's central traffic management office, is already trying out the future of data acquisition. The pilot has been active in Hannover since 2004. About 50 especially equipped buses, police cars and courier vans are on the move in the city. These "floating cars" act as mobile sensors, transmitting measured values about the average speed of travel or stand-still times to the central office via SMS. The data is then remixed with other information generated by the infrastructure, i.e. by cameras located on bridges or induction loops, to create a realistic map of the traffic situation. Dr. Prätorius: "This kind of advanced database should enable towns and cities to adopt a more forward-looking approach to managing inner city traffic."

A second project kicked off in summer 2005: this joint project of Vodafone and Volkswagen generates speed profiles for individual sections of the two key motorways in Northern Germany, the A2 and the A7, using mobile telephones. Researchers in the "Traffic Online" project are making use of the fact that very few car drivers actually turn their mobile phones off when travelling. Another interesting piece of information is that almost 70 per cent of all mobile phone calls are made when sitting in a car, of which a major portion when sitting in a traffic jam. By analysing the times in which

Mobile phone as traffic jam sensor

Intelligent traffic management could be the way out of blocked roads. Lower Saxony is already bundling know-how in the field of telematics. Volkswagen is helping.

many thousands of mobile phones travel from mobile phone mast to mobile phone mast, it is possible to derive information about the flow of traffic. Mobile telephones become anonymous traffic flow/blockage sensors.

The stream of data coming from the floating cars, mobile phones, induction loops and cameras enables the traffic on the motorways and surface roads around Hannover, as well as in the city centre itself, to be mapped on a real-time basis. In the run-up to the 2006 Football World Cup, the data is processed and displayed on a large metre-scale digital map at the central traffic management office, creating an image of the traffic situation throughout the conurbation. No other traffic management office in Europe has access to this kind of quality data.

One more factor is the European Galileo satellite positioning system, which should be available in the next three to five years. This is the first civilian system that can determine an object's position down to a number of metres and is the precondition for many applications in which the focus is on safety. The research aerodrome at Braunschweig-Wolfsburg is earmarked as the location of a European GAUß centre. According to Dr. Prä-

torius, the ambitious plan of this Lower Saxony state initiative is, "to exploit the lead we have here in the region and set up a demonstration and trial area."



Intelligent traffic management is no longer just a dream. Volkswagen and Vodafone are cooperating in a project to create speed profiles for the A2 and A7 motorways – using data from mobile phones.



Not every accident
is avoidable.

But **roads** can be
made **safer**. Giving
life right of way!

Research on tarmac: Volkswagen accident research

Learning and fun: Children's road park in Pamplona

Advertising the seat belt: Volkswagen of America's buckle up campaign

“Every scratch counts”

Despite all the tests invested in a car’s development – it is the first accident which demonstrates a car’s true safety level. Volkswagen has its own accident research team, because only analysis of the present day provides a basis for improvements in the future.

Sunday, 8:39, breakfast time. An on-call mobile phone rings. Markus Jungmichel (37) jumps into his red VW Multivan: “A new Golf has left the road and hit a tree. Driver and passenger are slightly injured, nothing happened to the child,” he says in tense tones. The accident is on major road B4, in the direction of Braunschweig. Cause: unknown.

Mr Jungmichel is head of the data acquisition centre of Volkswagen’s Group accident research unit in Wolfsburg. He and the other five highly specialised team members travel to all accidents involving a current model car or van. The information collected in the field is fed directly back to the car designers and into production. Reason enough for the on-call telephone to be manned 24 hours a day, 7 days a week, including holidays. “We investigate all accidents in which someone is injured, either in the car, on a bicycle, or on foot,” explains Markus. “Every scratch counts,” he adds.

8:55, arrive at the scene. Police, emergency medical team and ambulances are already there. Markus switches on his emergency warning lights and gets down to work: marking all items found

with chalk. Mustn’t lose any time! Where did the car leave the road? Do the tyre tracks indicate any abrupt last minute steering wheel movements? Did the driver brake? “Tyres with anti-block systems don’t leave brake marks anymore,” says the accident researcher. Although the clues are hard to find, experts can spot them – bent blades of grass indicate that the driver responded. All



Markus Jungmichel searches for clues at the site of the accident:

“We investigate every accident where people were injured.”

glass fragments, all scratches, all car parts and the place they were found are painstakingly documented. Mr Jungmichel works rapidly and precisely.

His VW Multivan has everything a tracker needs: chalk, rulers, straight edges, digital camera, storage media, batteries. A 3D laser scanner was recently added to the kit. The scanner generates 125,000 pixels per second. Ambulances and the emergency medical team have now left the scene. The police have questioned the only witness. Markus Jungmichel is now also ready and can return to his weekend.

Other people will be playing their part in the next few days. The doctors in the accident research team – with the consent of the persons involved – make a detailed examination of injuries, prepare documentation, and read the report prepared by the doctors in the hospital. Psychologists will interview all persons involved and the witness: How did you experience the accident? How do you think it happened?

“One hour at the site of an accident generates 40 hours of homework,” explains the expert. Once all data have been collected, the pieces of the puzzle come together. The cause: the family was returning from a holiday in Italy. The husband had been at the wheel for nine hours – with only one short break. His son (2) and his wife had fallen asleep. Just a few kilometres from home he was overcome by fatigue. He only woke up when the car started crossing uneven ground, he braked but could no longer avoid hitting the tree. “It’s almost always the same,” says Markus. “97 per cent of all accidents are down to human error.”

The other accidents are caused by defects – of the wheels, the braking system, the road. In his experience the number of accidents due to actual technical failure of the car is only a few in a thousand. “In the past, the driver and passengers of this car would have been seriously injured, if not dead,” says Mr Jungmichel.

The fact that many accidents today are minor in terms of injuries is thanks to the level of perfection of passive safety systems. “These are difficult to improve upon any more. Our focus must now be on improving active safety,” opines the accident researcher. In the future, intelligent vehicles will notice when a driver has fallen asleep and wake him up. Maybe the car will actually initiate emergency braking. If that were the case, that accident last Sunday could have been avoided, and Volkswagen’s Markus Jungmichel could have enjoyed an uninterrupted weekend despite being on call.

Accident research in China

People on the road in China live much more dangerously than do people in Europe. In China there are eight deaths (2003) per 1,000 cars, in Germany it is 0.13 (2004). Volkswagen recently joined Tongji university to make Chinese roads a safer place to be. Working in close cooperation with police, hospitals and road traffic authorities, an interdisciplinary team made up of members from car development, medicine and psychology, travel to accident scenes to collect clues and evaluate them. Traffic safety and driver behaviour are the two focal points of this new accident research project. VW’s contribution includes a fully equipped Touran minivan. The knowledge generated by the accident research unit is then input into further development of active safety systems like ABS and ESP. As part of its activities and commitment to the People’s Olympic Games in 2008, VW is cooperating with the Olympic committee to start more projects targeting sustainable mobility in China. The “Volkswagen Experience” is a training programme in which Chinese drivers are already learning to deal with hazardous situations on the road.

www.csvw.com

The Driving Academy opened by VW of South Africa in 2004 in Kyalami is open not only to VW drivers. The company is very much active in the areas of driver training and road safety overall. For example, the company also sponsors the popular Arrive-Alive website, giving younger car drivers a whole raft of tips and tricks for safer driving.
www.arrivealive.co.za

From straightforward road traffic education through to the “curriculum mobility” – these are the objectives of a cooperation project between the Lower Saxony ministry of education and Autostadt. An info reader with guidelines for teachers is also already available.
www.autostadt.de

VW's Automobil Forum, Unter den Linden, in Berlin, now also has a place for children to learn about traffic and cars. Also on offer is a selection of virtual playing, learning and research environments.
www.autolernwerkstatt.de

zoon.com is an internet portal covering lifestyle topics as well as offering interactive driver training for youngsters to get their minds around the theoretical and practical aspects of passing a test.
www.zoon.com

Excuse me, have you got a car?“ “Yes”. “What make?“ “It’s an Audi”. “And do you get speeding tickets?“ The children had lots of questions for King Juan Carlos I, and he was happy to answer them even if proper protocol was sometimes not strictly adhered to. Their Royal Highnesses, Don Juan Carlos I and Dona Sofia, were guests at the inauguration at the children’s traffic park in Pamplona.

This miniature city covers an impressive 20,000 sqm. It is a place for children aged between 5 and 14 years to play in and learn about dealing with road traffic, to help them improve their own safety as pedestrians, cyclists, moped riders and car passengers.

When the children enter the park, they are first of all given an ID card. Police give instructions in theory in the main assembly hall. After a snack, the practical side starts. The children are first of all taken to the workshop. They learn all about how the mechanics of a cycle and how bicycles work. Children 12 years and older can also choose to learn about first aid.

Depending upon age, children either drive carts, ride bikes or mopeds.

They are soon walking through Polo-Park. As they follow the path, they have to observe zebra crossings, road signs, traffic lights and give way rules, passing various information houses along the way. At each house they insert their ID card into a slot, and the machine asks them a question. At the end of the day, each child receives a grade for answers given. The next session is all about driving training. Depending upon age, children negotiate the miniature town either on bicycle, go-cart or moped.

The Polo-Park is visited by up to 8,000 children every year. Volkswagen Navarra S.A. foundation and Navarra savings bank are responsible for the project, which aims to reduce the number of accidents involving children. The police, mayors and suppliers located in the region also help fund the park because the educationally-based courses have now been proven to effect long-term changes in children’s behaviour in the road environment. The importance of such projects, where children are educated to increase their own safety, is emphasised by the presence of their Royal Highnesses on the inauguration day in Pamplona in 1999.

Younger visitors also learn about taking care, being circum-

“Do you also get speeding tickets?”

Volkswagen provides children with training in theory and practice to enhance their safety on the road. Polo-Park in Pamplona and the Autostadt in Wolfsburg offer children edutainment – including a driver’s licence.

spect and showing consideration for others in a road environment at the VW Autostadt in Wolfsburg. The first point on the agenda is the cinema. Films show how to behave when on foot paths, cycle paths, zebra crossings, at traffic lights and in flowing traffic. The youngsters then take to the wheel of a car for the first time, driving small electric mini-Beetles around the course. Stopping

at the red light, giving way at junctions – children can learn a lot in a 50 minute session. And while they are there, parents need have no worries about their 5 to 11 year old children breaking any speed limits: the mini-Beetles are restricted to a 4 km/h top speed. As a memento, each child is given their driver’s licence, including name and photo.



8,000 children visit Polo-Park in Pamplona every year to learn about the most important rules of the road.



Children 12 years and older can also take part in a first aid course.

“Buckle up – don’t let them fade away!”

School children film advertising spots – Volkswagen of America’s head-turning campaigns and activities aim to keep kids and youths alive on today’s roads.

The rear-view mirror upon which the eyes of the driver focus is a window into a series of memory snapshots: „Your friends... your parents... your dreams... your hopes.” Life encapsulated in flashbacks lasting just seconds. “Don’t let them fade away”... intones the narrator, off camera. The car is now racing towards a knoll. Fade out. Suddenly tyres screech, followed by an ultimatum: “Buckle up!”

This moving short film was broadcast on nation-wide TV in America last year. It had previously come first in a competition started by Volkswagen of America. The contenders were high school children asked to film a 30 second spot aimed at children of the same age to get across the message of how important it is to use a seatbelt when in a car. The three best spots were then broadcast on nation-wide TV. The finalists received prizes including bonds, digital cameras and computers for their schools.

The primary cause of death amongst America’s youth is traffic accidents. Statistically, one young person dies in a car in Amer-

ica every 13 minutes. Because they seldom buckle up, US teenagers face four times the risk of older road users. Two thirds of the young fatalities would have survived if they’d been wearing a seat belt.

These were the facts which convinced Volkswagen and Scholastic Inc., a longstand-



Young, hungry for life, and often careless: Volkswagen of America’s campaign to promote voluntary use of seatbelts.

ing publisher of schoolbooks, to join forces and get the „Buckle up!” message across to children and teenagers in the US. Stateside, Volkswagen is one of the most well-known brands amongst teenagers and those in their twenties, giving VW all the more responsibility. The „Fasten your seatbelt ... Go far!” campaign has been underway for the last three years – initially in only 10, now in 20 US conurbations. The nation-wide film spot competition was just one more element of a massive educational campaign.

The main torchbearers of the „Fasten your seatbelt...” campaign are teachers. They are given teaching materials intended above all to persuade and promote understanding. This is the reason for getting school children themselves involved as proponents of „Buckle up” – spreading the word in their peer groups: one of the most effective forms of propaganda. With very measurable results. Even in the land of unlimited opportunity more and more young people are now voluntarily using their seatbelts and buckling up.

The „Sit Safe Child Passenger Safety Programme” targets even younger people, in this case babies and children. This project is an initiative of Volkswagen working with another partner, the Program Professionals Inc., a major non-profit organisation for health and safety. Those VW dealerships participating in the initiative take part in a course which disseminates information about the legal regulations as they apply to child and baby safety, about preventing accidents and injuries, crash risks and passenger protection. The same course also goes into practical details of correct installation and use of baby and children seats.

Just how important that is was recently exposed by a study: no less than 90 per cent of all retention systems, systems actually intended to protect the smallest and weakest road users, are actually used incorrectly. Traffic accidents have also long been the major cause of death of children under 14.

The safety of a minority is also the subject of the Visor Card project. This project was started by the hard of hearing and deaf community in Washington D.C., and receives sponsorship from local Volkswagen dealers. A card marked „Driver is Deaf” is intended to help card holders deal more easily with the police in emergency situations but also reduce stress levels in traffic jams. The card is quickly attached to the sun visor or displayed in a side window to avoid misunderstandings when, for example, police approach the vehicle. Admittedly not a huge affair, but it is often small things which can be of great help, in this case helping deaf people feel more secure.

Volkswagen and the Student Conservation Association SC

help organise practical sessions and voluntary service for young people in nature conservancy and environmental protection. High school kids in the Detroit area have the opportunity to work in national parks and develop their personality. www.vw.com

In collaboration with VSA Arts,

a renowned non-profit organisation, Volkswagen is sponsoring young artists with disabilities. Under the motto “Shifting gears” an art competition was organised in 2005 offering prize moneys totalling 60,000 dollars. The 20,000 dollar first prize was also the biggest award ever presented to a young artist in the USA. www.vw.com

Juvenile Diabetes Research,

the United Way, Aids Partnership Michigan and other social and welfare organisations active in the communities where Volkswagen employees live and work are regular beneficiaries of donations. www.vw.com



The poor can play
good music.
But **culture** needs
money. It is our
obligation to
promote sponsorship.

“Good times imported from Wolfsburg”

Volkswagen has helped and sponsored more than 1,000 up and coming bands since it set up the Sound Foundation eight years ago. The company received the International Sponsoring Award for its activities in 1999. The Donots also tour in a VW Multivan.



The Donots are a VW sponsored punk-rock band, including singer and songwriter Ingo Knollmann

The trouble started right on time five years ago at the start of the tour. The old VW microbus gave up its ghost, simply refused to move. The fans were waiting, the stars had a break-down – a total catastrophe. And then Ingo Knollmann, front man of the Donots punk-rock band from Ibbenbühren in Münsterland, remembered VW’s Sound Foundation: “I never really thought that we had any chance at all, because they are inundated with requests.” But nothing ventured, nothing gained: The talented musicians were dealt with “quickly and unbureaucratically” (Knollmann) and were soon sitting at the wheel of a black T4 van and the tour went ahead on time.

In the meantime, the Donots have more than 1,000 concerts under their belts. They play every note themselves, Ingo Knollmann authors every lyric. Their CDs are recorded live in the studio, because “it’s more genuine, more real.” And why the name, why the “Donots”? Well it’s just a nice typo,” explains Ingo with a laugh. It was Eike Herwig on drums who

created the band's name when he mistyped the word Donut and created the Donots. A name that has definitely not held them back. Their last album "Got the Noise" was big in Japan, immediately landing on third place in the charts. "We sold 80,000 CDs, almost earning us a Gold," says Ingo.

Stars might move an audience of millions, Volkswagen moves the stars. In the early 90s, the company started to move people in the rock industry, initially at big events only. The Rolling Stones, Genesis, Bon Jovi, Pink Floyd and Eric Clapton, they all appeared with the friendly support of a certain motor manufacturer in Wolfsburg. In 1997, these activities were then bundled together into the Volkswagen Sound foundation. And sponsoring was restructured in a new concept: helping and supporting up and coming young talent.

The pool comprises ten Volkswagen transporters – all

So, how successful has this sponsorship been? Very.

latest models, all black, with black tinted windows and long wheel base. The Sound Foundation has already helped more than 1,000 bands get mobile.

Young pop talents were also helped in other ways including arranging concerts, participating in competitions like Volkswagen "TourFactory" and "Sounds for nature". Individual consulting for young bands backed by a database.

So, how successful has this sponsorship been? Very. A fact proven not only by the International Sponsoring Award presented to the Sound Foundation in 1999. The Volkswagen Sound Foundation helped bands like the "Guano Apes", "Lemonbabies", "Echt", "Rosentolz" and "Die Fantastischen Vier" to become successful and famous.

Four promising punk-rock artists from Ibbenbüren are currently working on their new album, scheduled for release this year. And a new tour – across Europe, from Ireland to Portugal. They will be spending three months in a new T5. Ingo Knollmann thinks the Multivan is "really comfortable." Some of our "good times are imported straight from Wolfsburg," he adds with a wink.

Movimentos is an international dance festival initiated by Autostadt GmbH. This project is organised every year in the old power station on the grounds of the VW plant in Wolfsburg. It is a meeting place for the world's top ballet ensembles, presenting choreographies from many continents.
www.autostadt.de

Audi sponsors young artists from all over Europe in the "European college of the arts". Its sponsorship of the Salzburger Festspiele and the Bavarian state opera, the organisation of summer concerts and funding of the Audi works orchestra and Audi Big Band are merely the latest examples in this VW subsidiary's long tradition of sponsoring art and culture.
www.audi.de

Principal partner to the international film festival in Berlin: Volkswagen also sponsors the TalentCampus. This is a network of several hundred young film makers from more than 90 different nations, the culmination of which is the Score Competition. Every year the winning young sound designer gets the chance to spend a week in the Dolby Sound Studios in Los Angeles.
www.berlinale.de



When we focus on things, we recognise that without knowledge everything is worthless!
It is our duty to **strengthen research.**

A scholarship for young historians: The Ivan Hirst Foundation

Advancement through cooperation: Audi's research network in Ingolstadt and Neckarsulm

“We want to fulfill researcher’s dreams”

Germany and Volkswagen share a reputation for having superbly trained engineers. The Group is also actively engaged in helping newcomers in disciplines other than the technical. The Ivan Hirst Foundation, for example, sponsors mainly young historians.

van who? Ivan Hirst. Never heard of him? It really is time you read his biography, which describes one of the most exciting chapters – and characters – in Germany’s economic history: Ivan Hirst was the British Major who saved the Volkswagen plant in Wolfsburg from being totally dismantled in 1945. When the Allies appointed young Major Hirst as plant manager they coincidentally appointed a car lover and technophile, who overcame all resistance to realise his great idea: to get the Beetle out on the road. In 1945, the great car industrialist Sir William Roots visited the plant and said: “Young man, if you think you’ll ever build even a single car here, you are a complete fool.” One year later, Volkswagen had already delivered the first 20,000 Beetles to the Royal Army. “An absolutely amazing feat,” enthuses Ralf Richter. “After all Ivan Hirst was not yet 30 years old, and he had absolutely no management experience.” Hardly anyone knows better than Ralf Richter just how much stubbornness and inspired improvisation Hirst needed to get production back up and running: Ralf Richter is the young historian

who wrote Hirst’s biography – working on a Volkswagen commission. Not a straightforward contract, but a very special form of research sponsorship: Ralf Richter became Ivan Hirst’s biographer as bearer of the first Ivan Hirst Award bestowed by the Ivan Hirst Foundation.

Perhaps the story is best told in se-



Juliane Kunze is the second award winner of the Ivan Hirst Award, seen here next to a portrait of the late plant manager



Major Hirst driving the 1000th Beetle: “Young man, if you think you’ll ever build even a single car here, you are a complete fool.”

quence: Volkswagen has always placed a high priority on promoting the next generation, also in research. Perhaps the best example of this is the intensive cooperation with many universities: from A as in the Aachen Technical University through to Z for Zwickau University in Western Saxony. The Ivan Hirst Foundation, established by Volkswagen in the year 2000 following Hirst’s death, is not intended as a source of funding for university institutes. It is intended as a source of direct sponsorship for young academics. “Sponsorship for graduates in Germany is in steady decline, making our corporate responsibility in this field all the more important,” argues Dr. Manfred Grieger, head of the History Commission at Volkswagen and co-initiator of the Ivan Hirst Award.

The Ivan Hirst Award is used by Volkswagen to sponsor the research project of a talented newcomer. While the intended work should if possible have some connection to VW’s history, it is not mandatory. “The main thing is, we can help a researcher’s dream come true,” emphasises Dr. Grieger. “And that our support helps produce results. It was one thing Ivan Hirst abhorred: if hard work did not produce a product.”

Ralf Richter, the first prize-winner, wrote the Ivan Hirst biography, an exciting and much acclaimed publication, also in Great Britain. When Ralf Richter looks back, after continuing his studies in Cambridge and spending time in the USA on research for his doctoral dissertation, he says: “Both the award and my work were the triggers which sparked off all of my subsequent projects – and they were both vital door openers.”

Corporate archive

“The person who knows not his past, will find no way into the future”. Archives are necessary to create the preconditions for securing one’s own history over the long term, and also remembering that history in the future.

The corporate archive was inaugurated at the Wolfsburg plant in December 1999, offering its users functional and representative facilities together with fully climate-controlled storage spaces. Several kilometres of documents are filed in acid-free cardboard boxes, files which stretch back into the early history and birth of the company in the late 1930s. Hundreds of thousands of film negatives tell the history of products, the locations, car production and the workforce at work in halls or offices. This huge wealth of documents stored in the archives is a source for much research and investigation, questions, discussions and decisions. The Volkswagen AG archive employs many highly qualified historians and represents an unparalleled source, at least equal in standing to any other corporate archive in Germany.

Advancement through cooperation

The power to innovate is vital in global competition. Audi is defending its technical lead in several PPP projects with universities, technical colleges and local communities. Research with a practical orientation is creating win-win-win situations.

Knowledge is the productive power of the future. So say economists. Emphasising that in today's world, the priority is to cut the time to market, the lead time necessary to transform the results of research into new products and services. Something that has long been assimilated in Ingolstadt.

As most people are aware, Ingolstadt is the location of Audi's main factory. Of the 120,000 inhabitants of Ingolstadt, every fourth works for Audi, with many others active in the supply industry. Audi is to Ingolstadt what Volkswagen is to Wolfsburg, and both act accordingly – the emphasis is on collaboration. And while the town has been the home of a university of applied sciences for the last ten years, as well as to the Business Studies Faculty of the Catholic University of Eichstätt, nevertheless it was considered good policy to try and attract more applications-oriented research to the location. This was how both Audi and the city fathers saw the situation, and cast their eyes across the country to Munich, the site of Bavaria's only technical university.

Resulting in the creation of the INI. TUM, the Ingolstadt Institute of the Technical University of Munich, inaugurated in October 2003. At that time, eight post-graduates moved into rooms placed at their disposal by the city, a number which had risen to 25 only one and a half years later. They are employed by the technical university, they are supervised by Audi. Audi AG's simultaneous engineering centre offers an „innovative atmosphere and enough space for exchanging ideas plus the



The inaugural act of the IAF, Institute for Applied Research, at the Ingolstadt University of Applied Sciences.

For more information about the Ingolstadt Institute of the Technical University of Munich, go to www.ini.tum.de

Research and training partners with whom Volkswagen cooperates include the TU Chemnitz, the Westsächsische High school in Zwickau, Cottbus University, the Braunschweig/Wolfenbüttel University of Applied Sciences, Clausthal University, the Technical University of Vienna, RWTH Aachen, the universities of St. Gallen and Bern, the Fraunhofer Gesellschaft, the Euroscience Foundation and the European Business School in Oestrich-Winkel. www.fh-wolfenbuettel.de

The library of the TU Berlin and the University of the Arts received five million Euro sponsorship from VW and now bears the name of its sponsor. www.ub.tu-berlin.de

The INPRO innovation company for advanced production systems in the car industry started out as a joint initiative of business, science and politics. 70 engineers now work on production systems for the car industry in a location near the TU Berlin. Volkswagen has been involved since the beginning. www.inpro.de

tranquillity needed for thorough scientific work, away from the hectic of everyday routine,” says Dr. Peter F. Tropschuh, in charge of Audi’s location projects and one of the cooperation’s initiators. Research here focuses on “drive analysis and coupled simulation” – systems intended to advance car and road traffic safety.

Reflecting the fact that Audi feels an equally strong bond to Neckarsulm as it does to Ingolstadt, it approached the technical university of Stuttgart and the Karlsruhe technical university as two strong partners for undertaking applications-oriented research at its second German location as well. The HIN, High-school Institutes of Neckarsulm, works on research into the areas of drive technologies and “light-weight engineering” – not that surprising since this is also the site of Audi’s aluminium centre.

The IAF Institute for Applied Research of the FH Ingolstadt was born in 2004 as one more public-private partnership – this time in cooperation with other business organisations. The IAF has a different concept to the INI-TUM. In the first place it is industry itself that initiates and funds the research topics, secondly, the junior researchers work on the individual topics in groups and thirdly, the period and scope of the projects is very flexible. There are currently nine projects in progress, the longest with a term of three years.

Interested laymen can also benefit from the cooperation with high schools in Ingolstadt. University professors present papers

This strategic cooperation between partners has basically created a win-win-win situation:

- Audi benefits from usable research results and an influx of academically trained new employees
- The high schools earn a reputation for practical training and education
- The communities benefit from becoming attractive research locations.

on a regular basis in the Audi Forum Ingolstadt – forming a kind of technical evening high school.

Audi fully intends to cut time to market in locations other than Germany. The scientific and business communities are also to start collaborating much more in Hungary: plans are well underway to establish an institute in cooperation with the universities in Győr and Budapest, explains Dr. Peter Tropschuh.





If you never learn,
you'll always
depend on outside
help. **Knowledge
transfer** is
synonymous with
creating chances.

Helping to overcome deficits in education: The Volkswagen Community Trust in South Africa

Education and sport: Audi and the Ayrton Senna Foundation in Brazil

Faster, Alessandro!

Brazil has many children living on the streets. The Ayrton Senna Foundation tries to help these children gain hope and prospects for the future. Primarily in the form of education. Audi supports this work. It even sponsors its own course of studies.



Viviane Senna, sister of the Formula 1 World Champion who died in 1994, is in charge of the Instituto Ayrton Senna, seen with one of the girls sponsored by her brother's foundation. Audi also sponsors the „education through sport” programme.

Alessandro is sitting in the dirt, never letting the Cessna overhead out of his sight. This seven year old often comes here, the Aeroporto de Jacarepaguà on the outskirts of Rio de Janeiro. Alessandro's greatest wish is to lift off and fly away, just once, from the nearby slums in which he lives.

Maybe he'll make it, some day. Senninha could help him on his way. The figure on Alessandro's overlarge white T-shirt might be nothing more than a cartoon – but it is also the mascot of the Instituto Ayrton Senna (IAS). The triple Formula 1 World Champion founded the foundation bearing his name just two months before his fatal accident on 1 May 1994. A foundation dedicated to helping children living on the streets in his home country. Senna wanted to do all he could to help them live in humane conditions, primarily through education. His foundation was to use a variety of school, training, social and sports projects to help as many kids as possible escape from an apparently inevitable circle: life on the streets, truancy and a gradual

downward spiral into criminality. Brazil is in dire need of projects like IAS. There are an estimated 7 million children living rough on the street. Other relief organisations have great difficulty reaching out to these children and often fail. The IAS is different. Even those children who have been living on the streets for many years and have previously rejected all other offers of help, respond positively when they get the chance to learn in one of our projects,” says Viviane Senna, Ayrton’s sister and now director of the IAS. The difference is Ayrton Senna’s charisma: the IAS has already been able to reach out and help **one million street children** by way of many different projects: like the “Acelera Brasil” programme (Faster, Brazil) in which kids with a chronic record of truancy are brought back into the school classroom. Or the „Escola Campea” (Best School), a programme to raise the quality of teaching.

Allessandro also participates in the „Educando pelo Esporte” (Education through sport) programme at the Universidade do Estao do Rio de Janeiro—with great success. All participants are convinced that this course has helped considerably improve Allessandro’s social behaviour. His willingness to learn has jumped, his aggression is lower. He is also welcomed by Bernd Quinzler, director of Sports Sponsoring International at Audi AG, who helped bring this project into being together with IAS in 1997. “We want to do more than earn profits in Brazil, we also want to do something for the country and its people,” explains Bernd Quinzler.

Audi has provided the „Educando pelo Esporte” programme with active support and funding since then. Not only in Rio de Janeiro. No less than 16 universities have now joined the programme as cooperation partners and have helped more than **30,000 children** attend courses. It was only the commitment of a private partner like Audi which enabled the IAS to extend its programme into even the furthest corners of this huge country. The foundation now has more than 50,000 voluntary teachers active in more than 3,300 universities and schools—and has received many awards for its labours. Like the „Best Practices in Social Work and Social Services” award, one of the greatest accolades in the world for social commitment. The IAS was also the first private organisation to receive the UNESCO „Cathedral” title, an honour only extended by this UN organisation to particularly professional educational organisations.

Ayrton Senna, the founder of the IAS, wanted to help not only people living in Brazil: Ayrton Senna once said, „In life, the most important thing is to have a clear starting point if you want to cross the finishing line.” The IAS helps children living on the streets, like Allessandro, to find the starting point to have a decent life.

The International Salzgitter Junior University offers seminar courses to children and juveniles between the ages of 15 and 18 in electrical and bioengineering, nature preservation, paper recycling and pneumatics. Chemical experiments and mobility are also on the curriculum. This project was given initial funding by a civil foundation, which Volkswagen joined as a corporate citizen. www.junioruniversitaet.de

„N21/schools in Lower Saxony online” is an initiative in which Volkswagen cooperates with a network comprising the Lower Saxony state government, high level community organisations, other companies and NGOs. www.n21.de

Here’s the school, here’s the factory—for most children, the first contact with the world of work is after they have decided on their future lives. The middle school in Mosel and the Volkswagen plant have now demonstrated that there are other alternatives. Working in partnership, excursions are organised to tour the plant while Volkswagen managers organise presentations during lessons or at parents’ evenings. www.volkswagen-sachsen.de

"Combating violence to children"

is the motto of Volkswagen's cooperation with the Wolfsburg family educational facility in a programme sponsored by the federal government.

www.fabi-wolfsburg.de

A factory as a lecture theatre.

The Salzgitter plant has been co-operating for many years with the University of Bielsko Biata in Poland. On a regular basis, mechanical engineering and informatics students come to Germany to continue their education in seminars organised at the VW plant.

www.vw-coaching.de

For the Tuareg people of the

Sahara desert, knowledge is as vital for survival as is water. In return for permission to use their name on its off-road vehicles, Volkswagen is providing financial support to establish schools for the Tuareg.

www.tamat-ev.com

The PISA „Klasse“ project to promote reading and writing skills is an initiative of Audi working together with the Donaukurier newspaper in the Ingolstadt region. The project involves 250 classes with more than 5,500 school children attending all types of school.

www.audi.com

South Africa would like to have problems like those exposed by the PISA study in Germany. „What we have is a national educational disaster with negative knock-on effects in all areas of society,” says national president Thabo Mbeki. A painful diagnosis. Especially since South Africa is one of the top ten countries in the world in terms of educational spending: no less than a quarter of its total gross domestic product.

Even this is not enough. Classes are too big, teaching levels are low, failure rates high. Three quarters of all schools do not yet have even one computer. Motivation is also at a terribly low ebb. Not only that of the children: teachers are often truant. Or off sick. An estimated 40 per cent of all teachers are HIV infected.

Every single private contribution is welcomed in this fight against educational deficits, the faster and more effective that help, the better. As in the following example: Take five abandoned 20 foot containers, weld them together, repaint them, install toilets and wash basins, lay some electric cables and some furnishing: Hey Presto, a new school is ready. In this case the Nonkquebela Pre-School in Uitenhage, where Volkswagen of South Africa has its assembly plant.

About 100 children aged between 2 and 6 attend full-day schooling at this rather unorthodox pre-school. A huge step forward in the particularly socially disadvantaged Uitenhage township of KwaNobuhle. “The children here used to learn, if at all, in backyards in the open air, in preparation for their schooling,” reports Mveleli Ncula, project director at the Volkswagen Community Trust, which organised and financed the pre-school in collaboration with the Safmarine shipping line. The community trust was founded in 1988 by Volkswagen of South Africa, with funding to the tune of 18 million Rand. Since then, more than 22 million Rand have been invested in local social projects: in creative concepts and projects for more jobs, projects to ensure equality of opportunity and equality of the genders or to promote and protect health.

The top priority has, however, always been supporting schools and education. The VW Community Trust therefore sponsors full-day care and board not only at the Nonkquebela Pre-School, but also in 35 other schools. It gives funds to the Read Educational Trust (READ): This organisation helps provide poor schools with new books and teaching materials. It trains teachers and advises parents in management and finance issues. And it also brought the highly respected school governance programme into existence.

Turning containers into school rooms

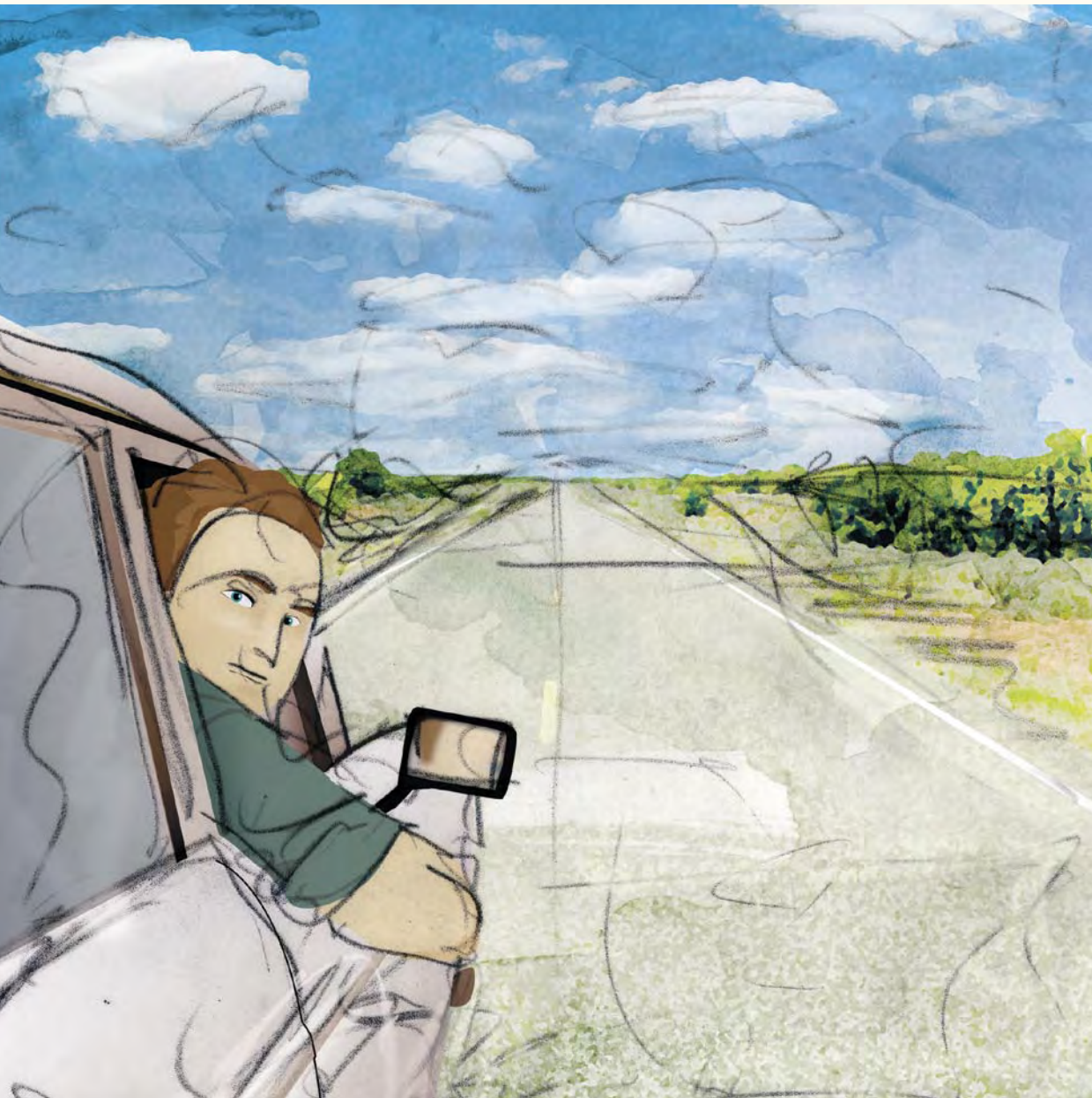
Promoting training and education is the top priority of the Volkswagen Community Trust. The Volkswagen of South Africa foundation undertakes welfare activities which are not restricted to buying of books and granting scholarships.

Based on this programme, the children, teachers and parents at six schools in KwaNobuhle prepare, meet, discuss and resolve goals and rules of behaviour which are binding on all. The result has been that the programme manages to generate a **new school spirit** everywhere,” reports READ coordinator Toy Valentine. „At the sponsored schools, the levels of morale, teaching and general behaviour have improved substantially. Teachers, children and parents now see themselves as sharing the ownership of their schools. They all feel responsible for the school’s development.”

The last, but perhaps most important area of activity of the Volkswagen Community Trust: half of the trust’s annual 2 million Rand budget is spent on its **scholarship programme**. This programme has helped more than 1,000 young people to study at college or university. The scholarship is bound to only one single condition: that during the scholarship period they spend one month in every year doing social work within their community free of any charge. For example by helping supervise the pre-school kids at the Nonkqebela Pre-School.



In Uitenhage, location of the Volkswagen plant in South Africa, abandoned sea containers are turned into the Nonkqebela Pre-School, providing education and food to 100 children every day.



If you never look
behind you, you'll
forget where you've
come from.

Companies are also
well advised to
remember their
history.

The press works towers above them: A memorial to forced labour under the Volkswagen plant grounds

For a shared European future: Auschwitz brings young people together

„We have not been forgotten“

It is not the low ceilings and narrow passages which give visitors a sense of unease. It is the confrontation with overwhelming suffering: an old underground air-raid shelter below hall 1 is where VW faces up to the darkest chapter in its history – a memorial to forced labour.

The press works in hall 1 thunders overhead. Every time a robot makes a certain movement, a wire grid platform below shakes and rattles. Frightening. Especially when the heavy robots also cause the ground to shake. “That is obviously only the rhythm of the factory,” explains Dr. Manfred Grieger, in charge of historical communications at Volkswagen. “But many visitors associate the noise with bomb blasts and cast fearful eyes upwards to the ceiling.”

Flashback to 60 years ago. It was in this underground shelter, now the home of Volkswagen’s memorial, where forced labourers cowered in fear. Stefan Zurawicz, once forced to work here, remembers: “We were herded down here, 40 to 50 people, separated according to nationality, locked in behind closed steel doors with a rubber seal. Behind padlocked doors we would stare at the ceiling and see if it was still in one piece as the aircraft flew by.”

The vibrating floor adds a further dimension to the chilling atmosphere in the memo-

rial. Although it is not a deliberate effect. „It would be arrogant of us to use special effects to try and recreate the suffering of those people,” emphasises Dr. Grieger. The memorial focuses above all on documentation and authenticity: on files, photography, and contemporary artefacts. Many of which are on loan from those who suffered. Hand-made spoons, pen knives, soft puppets. Or the improvised wedding



An old underground air-raid shelter now houses a memorial to forced labour.

ring of Pierre Bernard, a Frenchman: made of aluminium with the engraved likeness of his wife. They were separated only 2 months after the marriage.

The former armaments manufacturer, Volkswagenwerk GmbH, is estimated to have exploited around 20,000 foreign forced labourers and concentration camp detainees. In the penultimate year of the war, 1944, forced labourers made up two thirds of the workforce. A fact which was long forgotten, a taboo, but which VW is now seeking to face up to: towards the end of the 80s the Group began to organise historical research into its early years. “Since then, a very specific culture of remembrance has evolved within the company and has now established deep roots,” explains Dr. Grieger.

The most visual expression of this culture of remembrance is the memorial itself. Interesting in that this was not a top-down decision. “It was the trainees who came up with the idea of bringing the memories of the forced labourers back into the factory itself,” says Dr. Grieger. In 1995 the representatives of the young employees and trainees opened the first exhibition in the air-raid shelter according to their own designs, a concept has since been steadily expanded. “The historical com-

“Honouring those not lucky enough to survive this tragedy”

munications department has only provided these young people with support in making the memorial more professional,” emphasises Dr. Grieger.

The result is unlike anything attempted by any other German company. The most important exhibits are the memories of those forced to work: Volkswagen’s historical communications department has interviewed 200 of these people. It has also published some very detailed personal memories in its “Historical Notes” series. “This book will help immortalise my memories from the time of oppression and of being at the mercy of those people,” are the words written by Julie Nicholzen in the May 2005 issue, “It is also in honour of those who unlike me were not lucky enough to survive this tragedy.”

The memorial to forced labour is also respected by former labourers themselves. “It gives them a feeling of final satisfaction; we have not been forgotten,” is how Manfred Grieger sums up the essence of his many interviews.

Volkswagen AG humanitarian fund

In 1998 Volkswagen was the first major German corporation to set up its own humanitarian fund for former forced labourers of the one-time Volkswagenwerk GmbH. The presiding committee – with a membership including former Israeli foreign minister Shimon Peres, former Austrian chancellor Dr. Franz Vranitzki and former German president Dr. Richard von Weizsäcker – specified a standard payment of 10,000 Deutsch Mark, to be paid out irrespective of ethnic group, persecution details and duration. By mid 2005, Volkswagen AG had contacted 2,150 entitled persons i.e. those directly affected by forced labour. Volkswagen AG’s humanitarian fund pre-empted the “Remembrance, responsibility, future” foundation established in the year 2000 by act of parliament with an initial funding of 10 million Deutsch Marks made up of equal contributions by German industry and the German state. Volkswagen contributed to this fund as well.



Volkswagen trainees uncover an old track on the grounds of the former Auschwitz-Birkenau concentration camp. Every year since 1987, Volkswagen has sponsored 90 trainees from Germany to take part in 14 days of voluntary work at the memorial.

The sun burns down. Sweat flows. Some already have blisters on their hands and fingers. Hands unused to working with spades and pick-axes. But no one is complaining. Not here, not because of the heat or the effort: a dozen Volkswagen trainees are uncovering an old stone track on the grounds of the former Birkenau death camp. One of the tracks along which thousands of prisoners walked. A track which turned people into numbers. Which took most of them to their death. And which is now hidden below a thick layer of humus. The German trainees are uncovering that track, exposing it to the light again.

It is work against forgetfulness. Every year since 1987, VW has sponsored 90 trainees from its German plants to take part in 14 day sessions at the memorial in four groups. “By their efforts, these young

“One only sees
what one knows”

people are helping to ensure that memories as well as buildings remind people of the holocaust, of the murder of millions,” says Hans-Jürgen Uhl, who is not only member of the works council but also one of the initiators of Volkswagen’s work at the memorial in Auschwitz. Millions of people were herded here, gassed, incinerated. “I stand here, I work and I am pleased about what we have done. And then I look up, look across the grounds and suddenly it all comes back,” is how Felicitas Bollerhey of Kassel tries to express feelings shared by herself and her colleagues. Before they came to the camp in Birkenau to work on the memorial, the groups also went on two trips to the main concentration camp in Auschwitz. The mustering square with the gallows, death block no. 11, where thousands were shot, and block 10, where heinous experiments were made on young Jewish women:

“Auschwitz becomes part of you”

No, grass is not being allowed to cover up the past at the Auschwitz concentration camp: Volkswagen trainees are here to pull it up again. Working hand in hand with Polish trainees, they dig up old tracks, repair fences, help maintain the concentration camp memorial.

Christoph Heubner, vice president of the international Auschwitz committee, personally takes each new VW group through the camp. As their educational guide, he doesn't just repeat facts, he tells individual stories: these victims should not be allowed to become one of a faceless mass. Each should have a face and an identity.

“One only sees what one knows,” explains Christoph. That which the VW trainees see and experience during their stay in Oswiecim, today's name for Auschwitz, is deeply embedded. „After 14 days with the ramp constantly in view, Auschwitz becomes part of you,” is how Sabine Unglaub from Emden formulates her experience. Even after many years, Mr Heubner receives letters from those who took part in the work. In this correspondence they not only talk about their absolute incomprehension of right-wing extremists. Christoph Heubner goes on to say that, „many also tell me that they cannot laugh anymore about stupid Polish jokes after having been here and got to know Polish contemporaries, their names and their stories.“

Since 1992, the young Germans

who come here meet Polish youngsters of the same age from Bielsko-Biala. They live together at the international meeting place in Oświęcim, a facility co-financed by Volkswagen in 1986, and for which the company is still the primary source of funds. “Our trainees, and their Polish counterparts work here, talk here and deal with their impressions here. Shoulder to shoulder they not only make an important contribution to prevent forgetfulness, but also in helping peoples' understanding of each other and for a shared European future,” explains Peter Haase, manager of VW Coaching GmbH, the unit responsible for the exchange programme.

This meeting of young people and work at the memorial site in Auschwitz have long been constituent elements of the culture of remembrance at Volkswagen. Almost 1,000 trainees have now taken part – most of whom hopefully came to the same conclusions as Felicitas Bollerhey: “There is no bottom line, it is our historical responsibility to do all we can to ensure that something like this never happens again.”



Tell me what you
want, and I'll tell you
what I can do.

**Encouraging
dialogues** is the way
to build trust.

Network for sustainability: Volkswagen is the pacemaker of econsense, Germany's sustainability forum

Dispute with one another, act together: A partnership with the Naturschutzbund Deutschland e. V.

Dialogue for sustainability

Sustainable development – irrelevant for companies? The opposite is true. Since econsense was formed, German industry has been communicating and spelling out its competence. VW is one of the think tank's driving forces.



Nanotechnology workshop with econsense director Dr. Klaus Mittelbach (2nd from left): the forum for sustainable development has a membership of 23 companies and German industry associations.

Paul Born is a man who writes question marks where others put exclamation marks. Nanotechnology is something “about which we simply do not know enough,” says the famous medical doctor and toxicologist on this afternoon in the Magnus-Haus of Germany’s physical society in Berlin. “Acute inflammation” and consequent “secondary effects like cancer” can at least not be excluded based on “what we know today.”

Critical comments about technical advancement are not unusual in Germany. What is unusual is that the potential suppliers of nanotechnology should **create a forum** for their critics. Because the workshop which Born enriches with his scepticism has been organised by econsense, the Forum for Sustainable Development of German Business.

This network, unparalleled in Germany, has a role call of members made up of industry’s leading global players and organisations – from A as in Allianz to V as in Volkswagen – they have without exception adopted sustainable

development as a key facet of their corporate philosophy and are making best efforts to juxtapose value generation and value orientation.

The BDI (German Industry Association) helped set up Econsense at the turn of the millennium, with Volkswagen AG as a founder member. The goal was to no longer leave the urgent subject of sustainable development up to whim of those in politics and non-governmental organisations. German industry wanted its own think tank. Since that time, the forum, with the backing of its current 23 members, has been pushing Corporate Social Responsibility as a management concept – also and above all within industry itself. “Learning from one another and developing common standpoints, ensuring open dialogue with politics and groups within society,” are the forum’s raison d’être and are spelled out in black on white in its mission statement.

The small Econsense office in Berlin organises a big conference every year to discuss future themes – for example “Integrated product policy” or “Demographic change”: providing a platform for experts and decision makers in the political and societal communities. During the remainder of the year, roundtable sessions and workshops provide many opportunities for companies to demonstrate their competence and best practice projects. Econsense has evolved various ideas and activities to help put across the often confusing topic of sustainability – by way of memoranda and self-discernment papers, organising trips for journalists, conferring an Award for Excellence in Print and Film Reporting.

All of this effort by this industry alliance would be worthless without the commitment of its members. Volkswagen has supported and used this forum from the beginning, has demonstrated management responsibility and shown its colours insodoing. Dr. Bernd Pischetsrieder, VW AG CEO, is member of the presiding committee while Reinhold Kopp, general manager at VW, is the chairman of the corporate alliance’s steering committee. Volkswagen discusses issues on the way to sustainability together with Econsense and other corporate members, but also other partners from the political field; it also presents own model solutions for discussion – for example on ways to achieving a better “Work-life balance”, intelligent programmes for employing disabled through to the prospects of nanotechnology.

The declared objective of this expert workshop was to analyse the chances for a social consensus re the risks represented by this new technology. How to achieve this goal if critics like toxicologist Paul Born are not allowed to speak their piece?

CSR Europe is Europe’s leading sustainability alliance, with a membership of over 60. Its principal task is to support enterprises when integrating CSR into their business processes. Volkswagen is a founder member.

www.csr-europe.org

The Global Compact (GC) is the largest CSR network in the world, with over 2,000 corporate members. It was established following an initiative of UN secretary general Kofi Annan when he called on the business community to accept global responsibility for human rights, labour standards and environmental protection. In 2004 a tenth principle was added, that of anti-corruption. The GC understands its remit as a teaching and dialogue platform, also for NGOs. Volkswagen has played an active role in the GC since 2002.

www.unglobalcompact.org

German Friends of the Global Compact is a local network of which Volkswagen is also a committed member. The macondo media group has published the GC yearbook since 2004, sponsored by GC German friends.

www.macondo.de

A tandem on the road to sustainability

Volkswagen AG and Naturschutzbund Deutschland, Germany's largest nature protection organisation, have adopted a policy of close stakeholder dialogue and joint organisation of projects, regulated by a cooperation agreement.

Naturschutzbund Deutschland

e. V. (NABU) has a membership of 380,000 and is one of the most important environmental and nature protection organisations in Germany. The membership is structured in approximately 1,500 local district associations and groups, with a majority of members acting on an honorary basis. Thanks to this commitment, vital habitats have been preserved in Germany for threatened flora and fauna. The NABU has named a "Bird of the Year" since 1971.

www.nabu.de



As the black VW Phaeton limousine pulled up in front of house No. 112 of the Invalidenstraße there was nothing to indicate an extraordinary occasion. A small golden plate on the wall states that the Naturschutzbund Deutschland e.V. has its national office here. Within a few seconds, Dr. Bernd Pischetsrieder had entered the listed building in Berlin's central district. The chairman of the Volkswagen AG management board was here to get to know NABU's new president, Olaf Tschimpke, on a personal level and to sign a cooperation agreement with him – a circumstance which is definitely everything but ordinary.

The normal situation between car manufacturers and environmental organisations is one of mistrust. Seldom is dialogue achieved beyond that of issuing vague statements of intent, the preferred stance being that of a stand-off between enemies – on the one hand the air-polluters, on the other hand the car-haters.

Volkswagen and NABU decided to take the plunge and risk a process of mutual learning – in the interests of sustainable development in Germany. The provisions of the cooperation agreement represent a consensus between the country's largest environmental protection organisation and the country's foremost car manufacturer to the effect that NABU would provide Volkswagen with "advice in matters of sustainable mobility development", as is stated in Article 1 of the agreement. Since that

time, representatives of both dialogue partners meet on a regular basis for informal exchanges of ideas. Subjects discussed include “ecological requirements for drive and fuel strategies or recycling concepts and innovative traffic management,” explains Reinhold Kopp, VW general manager and director of Group corporate relations. Mr Kopp co-chairs an eight member steering group together with NABU general manager, Leif Miller, to coordinate the direction of cooperation.

Critical subjects are not avoided in this bilateral stakeholder dialogue. Not that different opinions never clash. The debate on diesel particle filters was definitely a “lively exchange of opinions,” says Dietmar Oeliger, responsible for traffic and mobility at NABU.

These two disparate partners organised their first public workshop at the end of 2004 in the Berlin Automobil Forum. The fact that the „Mobile in dialogue“ series of events were not only occasions of peace, joy and happiness is perhaps symbolised by the keynote question of the political debate: “Interaction of transport modes – more than just a pack of lies?”

The joint fuel-saving training course

(“Simply change – it’s easy to save”), organised every few weeks at various locations between Flensburg in the north and Garmisch in the south, are very well received by the public, and are also free of charge. They offer car drivers an opportunity to find out how the intelligent use of accelerator and brake pedals can quickly add up to a 25 per cent saving in fuel consumption and money. Staff at NABU’s offices in Bonn and Berlin are also able to demonstrate how fuel can be saved: Volkswagen sponsors latest model cars on a permanent loan basis.

The latest joint project is an educational campaign to re-introduce wolves into the wild called “Welcome Wolf!”, a project in which VW and NABU are joined by the VfL Wolfsburg foot-

“It has helped open up a new perspective”

ball team, “The Wolves”, and the city of Wolfsburg, which features a Wolf Rampant on its coat of arms. The previous government’s National Sustainability Strategy was impressed enough by the VW-NABU brand of stakeholder dialogue to praise its activities, which were also reflected in various expert ratings.

While not every single project started always achieves the desired effects, nonetheless each individual joint initiative has always “helped to open up new perspectives on both sides,” says Dietmar Oeliger.

This was also very much the case during the first summit meeting in February 2004 between VW AG CEO Dr. Bernd Pischetsrieder and NABU president Olaf Tschimpke. Whether discussing the prospects of bio-sourced fuels, innovative car concepts or improved climate protection, in almost each case, the two partners were able to arrive at a common denominator.



Signed and sealed: Olaf Tschimpke, Dr. Bernd Pischetsrieder

AN OVERVIEW OF CSR AT VOLKSWAGEN

SOCIETY

Moving towards ILO core labour standards, the OECD guidelines for multinationals and the 10 Global Compact principles: worldwide projects relating to education, health and women's promotion, including Wolfsburg AG AutoVision PPP project (VW and city) and similar initiatives at VW locations in Germany and all over the world; Aids Care in Brazil and South Africa (together with GTZ and local partners); health and safety at suppliers (with GTZ and local partners); street children project „An hour for the future“ (terre des hommes and VW workforce); schools and water for the Touareg nomads (VW Group /tamate e. V./local partners); initiative for more training (Audi AG); etc.

EMPLOYEES

Innovative personnel concepts, flexible work organisation, various working time models / time accounts, time vouchers, Work2Work project (for performance impaired employees), instruments to achieve work-life balance, diversity management, women's promotion, idea management, know-how batons and knowledge exchanges, AutoUni, life-long-learning, social charter and HS declaration with (minimum) global standards, Euro and global group works council etc.

ENVIRONMENT

Global environmental management, ISO/EMAS certification of Group locations throughout the world, environmental and sustainability reporting, environmental goals, environmental audits, innovative recycling per the VW-Sicon process, innovative drive technologies (TDI, TSI) and low-consumption vehicle concepts (Polo BlueMotion), promoting clean synthetic fuels from natural gas and biomass (SynFuel, SunFuel), development of fuel cell technology, supplier seminars, "sustainability in the supplier chain" project, etc.

PRIZES AND AWARDS

Corporation is listed in sustainability indexes (FTSE4Good, ASPI) and holds sixth place in the Scoris DAX 30 Sustainability-rating, has received many prizes for exemplary reporting; for example, Environmental Report 2003/4 came first in the Pacific Sustainability Index (PSI), was declared "Best in the Car Industry" by IÖW and future e. V. and rated as best German report in the "Global Reporters 2004 – International Benchmark in Sustainability Reporting" ranking.

MEMBERSHIPS

Econsense – Forum for Sustainable Development of German Business; CSR Europe; Global Compact; International Business Leaders Forum; World Business Council for Sustainable Development; UNEP Mobility Forum; European Disability Forum; acatech; etc.

COOPERATIONS, INITIATIVES, PROJECTS, FOUNDATIONS

Collaboration with local/regional authorities, national governments and international organisations; VW Community Trust (South Africa); Volkswagen Foundation (Brazil); Volkswagen fund for orphans (Mexico); Accident research in China / Joint project with Tongji University Shanghai; cooperation with GRI Global Reporting Initiative; cooperation agreement and projects with Naturschutzbund Deutschland e. V.; cooperation with the Evangelical Academy in Loccum; participation in the civilian foundation JugendUni Salzgitter; participation in the German government action programme 2015; "Curriculum Mobility" / in cooperation with Autostadt GmbH and state of Lower Saxony; youth meetings and memorial maintenance at former Auschwitz concentration camp; various cooperation agreements with schools, universities of applied sciences and universities

MISCELLANEOUS

Memorial to forced labour on the Wolfsburg plant grounds

GLOBAL COMPACT REFERENCE

Following the UN conference on sustainable development in Johannesburg 2002, Volkswagen has supported UN secretary general Kofi Annan's Global Compact. Global Compact membership, now nearly 3,000 companies throughout the world, takes on the voluntary obligation to proactively work towards a more socially and ecologically compatible globalisation. Members act in compliance with the United Nations to, wherever they can, exert influence to ensure human rights and labour and social standards and protect the environment. They are also called on to resist corruption ("10 principles"). Those companies supporting the Global Compact are required to document progress achieved in implementing the 10 principles. Following summary shows which of the Volkswagen Group's "best practices" illustrated in this brochure achieved progress in implementing principles of the Global Compact.

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