

NO. 133/2024

4th round of the company wage agreement: Volkswagen AG and IG Metall continue to negotiate the future

- **Arne Meiswinkel, lead negotiator at Volkswagen AG: " Today's discussions were constructive, but we remain significantly apart on a solution. We now need cost reductions that can be implemented in the short term and have a lasting effect. This is how we secure our future."**

Wolfsburg, December 9, 2024 - The negotiating committees of Volkswagen AG and IG Metall Lower Saxony and Saxony-Anhalt continued negotiations on the 2024 collective bargaining round in Wolfsburg today. The fourth round of negotiations on Volkswagen AG's in-house collective agreement focused on an in-depth exchange of views on all aspects of the current collective bargaining process. The demands and proposals of both the IG Metall and the company were discussed collaboratively.

Arne Meiswinkel, chief negotiator at Volkswagen AG, said: "Today's discussions were constructive, but we remain significantly apart on a solution. However, further collaboration is needed to identify additional financial opportunities. The goal remains to find short-term and sustainable measures to reduce costs in order to secure the company's competitiveness in the long term."

The employee side had submitted a counter-proposal in the previous round of negotiations, which signaled its openness to a financial contribution from employees. The company welcomed this step, but pointed out that this proposal was not sufficient to ensure a sustainable reduction in costs.

Following today's round of negotiations, progress was made in the discussion. However, the company emphasizes the need to jointly identify additional measures with a sustainable impact. "We must develop a viable solution that enables us to invest in a sustainable product portfolio well into the 2030s. This will provide security and opportunities for both the company and its workforce," says Meiswinkel.

At the same time, discussions are ongoing at the company level with the General Works Council. Among the topics being addressed is the issue of overcapacity and factory costs in the German plants. As is well known, there are differing views on this matter as well.

The next negotiation date has been set for December 16, 2024.

Volkswagen AG's company collective agreement applies to around 120,000 employees at the plants in Wolfsburg, Braunschweig, Hanover, Salzgitter, Emden and Kassel as well as to Volkswagen Financial Services, Volkswagen Immobilien GmbH and dx.one GmbH.

The demands of Volkswagen AG:

Safeguard for jobs

Volkswagen's safeguard for jobs has been part of the collective agreement since 1994. By terminating the collective bargaining agreement for the future and the "Digital Transformation Roadmap" agreement, the company is reacting to the current economic and structural challenges with the goal of realigning the safeguards for production sites and jobs.

Application of Tarif Plus

The application of the Tarif Plus bracket is subject to a separate collective bargaining agreement [RTV T+] for employees in specialist or management positions. The working conditions of employees in the Tarif Plus bracket differ from those covered by the company's standard collective bargaining agreement in terms of working hours, bonus and the use of a company car, for example. At the end of 2023, the company already announced a stabilization for employees in this pay bracket upon their appointment. In the negotiations the company announced plans to restructure the bonus system for employees in the Tarif Plus bracket, with the aim of tying this to the collectively agreed profit-sharing bonus in the future.

Hiring of trainees and dual students

In its collective bargaining agreement for trainees, Volkswagen has committed to providing 1,400 training places each year. Due to lower demand, it has often been a major challenge in the past to ensure that the trainees were hired. By terminating this agreement, the goal is to adapt the number of training places offered and the hiring of trainees and dual students to reflect actual needs, thus ensuring better plannability for both employees and the company.

Temporary workers

Volkswagen deploys temporary workers to deal with production peaks and capacity fluctuations. By terminating the collective agreements on the deployment of temporary workers at Volkswagen, the company is seeking to deploy temporary workers on the collective terms and conditions customary for the sector and not at far higher costs than paid by competitors, as is the case at present.

Pay

As a consequence of the current trend in the automotive industry in Europe, and especially in Germany as a business location, the company sees considerable need for action, over and above rejecting the demands of IG Metall. Volkswagen AG believes a contribution from its employees is necessary. For the collective bargaining process this entails calling for a 10 percent cut in the pay of employees subject to collective agreements at Volkswagen AG.

A standard collective bargaining agreement with uniform working conditions

A future-proof, competitive standard collective bargaining agreement with uniform working conditions such as a 35-hour working week, eliminating protection for employees who joined the company prior to 2005 (HTV I), is a further building block for efficiency from Volkswagen's perspective.

Further efficiency measures

Another efficiency measure that the company believes will help to safeguard its long-term success is eliminating anniversary bonuses and the collectively agreed bonus of 170 euros per month.

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About the Volkswagen Group:

The Volkswagen Group is one of the world's leading car makers, headquartered in Wolfsburg, Germany. It operates globally, with 114 production facilities in 17 European countries and 10 countries in the Americas, Asia and Africa. With around 684,000 employees worldwide. The Group's vehicles are sold in over 150 countries.

With an unrivalled portfolio of strong global brands, leading technologies at scale, innovative ideas to tap into future profit pools and an entrepreneurial leadership team, the Volkswagen Group is committed to shaping the future of mobility through investments in electric and autonomous driving vehicles, digitalization and sustainability.

In 2023, the total number of vehicles delivered to customers by the Group globally was 9.2 million (2022: 8.3 million). Group sales revenue in 2023 totaled EUR 322.3 billion (2022: EUR 279.1 billion). The operating result before special items in 2023 amounted to EUR 22.6 billion (2022: EUR 22.5 billion).
