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Start of collective bargaining round: Volkswagen rejects IG Metall demands and calls for cost reductions

- **Negotiations in the collective bargaining round at Volkswagen AG brought forward to start on September 25, 2024, in Hanover**
- **Volkswagen rejects IG Metall demands**
- **Arne Meiswinkel, chief negotiator for Volkswagen AG: "We must safeguard Volkswagen's future viability and competitiveness in the long term. To do this, we need to reduce costs. Now is the time to take groundbreaking action together."**

Hannover, September 25, 2024 - The collective bargaining committees of Volkswagen AG and the Lower Saxony and Saxony-Anhalt branches of IG Metall today started discussions in the 2024 collective bargaining round in Hanover. The parties to the collective bargaining agreement had agreed previously to bring forward the start of the collective bargaining round originally planned for the end of October by one month.

Due to the current economic challenges, Volkswagen AG felt compelled to add matters other than the IG Metall pay demand to the negotiations in the collective bargaining round and, for the first time, to terminate collective agreements effective December 31, 2024. These include the safeguards for production sites and jobs, the hiring of trainees and dual students, the application of the Tarif Plus bracket and all collective agreements on the deployment of temporary workers.

As the discussions started, Arne Meiswinkel, chief negotiator for Volkswagen AG and Chief Human Resources Officer of Volkswagen Passenger Cars, explained the company's position: "The situation at our home location in Germany is very serious. As a leading volume manufacturer, Volkswagen will only be able to prevail if we future-proof the company now in the face of rising costs and the massive increase in competition. Sustained cost reductions coupled with greater efficiency and productivity are the only way we will be able to invest in new technologies and products and thus safeguard employment in the long term."

Arne Meiswinkel also emphasized: "We are committed to Germany as a business location and to industrial jobs. However, this requires a high level of competitiveness. Now is the time to take groundbreaking action together." Previously, Thorsten Gröger, chief negotiator and head of IG Metall in Lower Saxony and Saxony-Anhalt, had demanded a seven-percent pay increase and a basic payment of EUR 170 for trainees and dual students.

During the negotiations, Arne Meiswinkel rejected IG Metall's demands, saying: "We can only future-proof Volkswagen if we are competitive. To achieve this, we need sustained cost reductions and a future-proof structure for the working conditions covered by our collective bargaining agreement. The realignment of the safeguards for production sites and jobs, the application of Tarif Plus, needs-based training and the competitive deployment of temporary workers are key elements. We must also reduce our labor costs in Germany. We can only maintain our top position and safeguard jobs in the long term if we work more economically. The one presupposes the other and cannot be achieved without a contribution from the workforce. In the upcoming collective bargaining process, we will therefore be seeking solutions that strengthen both the company and the workforce in the long term. As the parties to the collective bargaining agreement, we must work together to shape the company's future viability and safeguard it for the long term."

The first round of negotiations ended after three hours.

The duty to refrain from industrial action ends on November 30, 2024.

Volkswagen AG's collective bargaining agreement applies to around 120,000 workers at the plants in Wolfsburg, Braunschweig, Hanover, Salzgitter, Emden and Kassel and also covers employees at 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. The company has now terminated this agreement with the goal of realigning the application of the Tarif Plus bracket.

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.

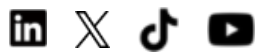
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About the Volkswagen Group:

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).
