

NO. 127/2024

# Collective bargaining: Volkswagen AG continues to focus on sustainably securing the future

- Volkswagen AG welcomes employee representatives' openness to contribution of employees
- Volkswagen AG continues to focus on achieving its financial target sustainably.
- Arne Meiswinkel, lead negotiator at Volkswagen AG: "We need sustainable financial relief for the company and clear prospects for our workforce."

**Wolfsburg, November 21, 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. In the run-up, the employee side had responded to the company's demands to secure the future viability of Volkswagen AG with a counter-proposal. In it, IG Metall signaled its openness to a reduction in labor costs and capacities.**

Arne Meiswinkel, lead negotiator at Volkswagen AG, emphasized that the company welcomes this step:

"We view it as a positive signal that the employee representatives have shown openness to reducing labor costs and capacity reductions. However, the counter-proposal they submitted must be judged on whether it creates both sustainable financial relief for the company and offers clear prospects for the workforce."

The negotiations therefore focused on discussing the content of the employee contribution plan presented publicly in advance. "For Volkswagen AG, the sustainable achievement of financial targets remains crucial in order to ensure competitiveness in an extremely challenging phase for the German automotive industry," explained Meiswinkel.

The goal of Volkswagen AG is to work together with employee representatives to develop a sustainable solution that ensures economic stability, secures employment prospects, and restores the balance between efficiency and job security.

In addition to the current proposals, topics such as temporary work and demand-oriented training were also discussed in depth.

The next negotiation date has been set for December 9, 2024.

The peace obligation for the collective wage agreements ends on November 30, 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).

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