



MITBESTIMMEN!



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Newspaper of the Volkswagen Works Council

EXTRA

New job protection until end of 2030

No factory closures – monthly salaries remain – fewer bonuses

We finally made it! At Volkswagen, mass layoffs, plant closures and attacks on monthly pay in the in-house wage agreement are off the table. The General Works Council and IG Metall have managed to avert the horror scenario that the Board of Management had started in September – with its historic breaking of taboos. The conflict was neutralised shortly before Christmas in four days of marathon negotiations in the town of Hanover. Core of the agreement: All German sites continue to have a perspective and a reduction in pay beyond the monthly income is set up, which includes several elements. In addition, a new job protection applies. It is non-cancellable (!) until the end of 2030.



Daniela Cavallo

The compromise means capacity reductions for the German factories, but no closures. Until the end of the negotiations, the company had repeatedly considered these to be absolutely essential.

General Works Council Chair **Daniela Cavallo**: 'No site will be closed, no one will be made redundant and our in-house collective



The Board likes to do the maths, but it had hardly calculated on this strike force in front of the headquarters. Tens of thousands of employees there made it clear: 'Not like this!'

bargaining agreement will be secured in the long term. With this triple deal, we have achieved a rock-solid solution under the most difficult economic conditions. Although there are concessions under the collective agreement beyond



Thorsten Gröger

the monthly income, these are offset by the solidarity-based safeguarding of all sites including future prospects, a new job protection until the end of 2030 and, last but not least, the certainty for the Board of Management that changes at Volkswagen against the workforce's support are doomed to failure.'

Chief negotiator **Thorsten Gröger**: 'In an for Volkswagen unprecedented collective bargaining battle under adverse economic conditions, we have

succeeded in finding a solution that secures jobs, safeguards products in the plants and at the same time enables important investments into the future. In doing so, we are going against the mainstream of many executive floors and showing that it is possible to find solutions for the future without mass layoffs.'

Details: see following pages



'It's about more!': With two waves of warning strikes, the VW workforce signalled its readiness for conflict.



BOARD WANTED A LOT



Poison list: Among other things, the Board wanted to enforce a 10% pay cut, abolish the collective bonus (€167) as well as the anniversary bonus – and also decouple the Tarif-Plus experts from management. VW also wanted to force plant closures and redundancies. All of this was hindered (pages 4 and 5).



The main points of the in-house collective bargaining deal ...

As a test of power, the Board committed a triple breaking of taboos on 'Black Monday', 2 September 2024: It put plant closures, mass layoffs and attacks on the in-house collective bargaining agreement on the agenda. The Works Council and IG Metall opposed this. In the end, tens of thousands of employees signalled their readiness for conflict in warning strikes – and all the red lines held. The details:

Pay increase helps to secure job protection

In the German metal and electrical industry, there recently was a good 5% pay increase over 25 months. This now also applies at VW, but will not flow directly into the bank accounts of all employees for six years. It will instead help to support transformation until the end of 2030. Examples: (Partial) compensation for staff reducing working hours if order intakes go down and extended partial retirement offers. From 2031, the good 5% will then return to the pay table in real terms. The changes are therefore unquestionably a sacrifice - but it will prevent collective cutbacks.

May bonus cut off in 2026/2027; reduction also in 'Tarif Plus' and management

In May 2026 and May 2027, there will be no bonus for staff paid within the **collective agreement**. In May 2025, the May bonus for 2024 will be paid again as usual. After those three years, it will increase again in stages: In May 2028 (for 2027) there will be 20%, then 40% in 2029, 50% in 2030 and again 100% in 2031 (for 2030). The November payments always remain untouched. The **management** is also to participate in the savings with a significant contribution. Details of this are in finalisation. The **'Tarif Plus'** makes a contribution by reducing the May bonus from 2026 (for 2025) from around 50% to around 35% of the lowest management level. This corresponds to a calculated loss of around 7% in annual income.



Holiday pay is reduced in stages

The former holiday pay remaining after earlier reforms (€1290 per year) will also be reduced until 2030 (two years of cancellation in 2025 and 2026, then 20, 40, 50 and 100% again). That applies only to members of the IG Metall.

Compensation for standardised 35 hours

From 2025, the collectively agreed working hours for employees in the so-called HTV I (employees hired before January 2005) will be a standardised 35 hours per week. This used to be 34 (white collar area) or 33 hours (blue collar area). This change beginning in 2025 will be compensated by equalisation payments: HTV 1 (blue collar) will receive €829,30 per year for 6 years. For the white collar sector: €606,80 per year, also paid for 6 years. Important: Part-time HTV I employees are excluded from the adjustment.

Anniversary bonus saved as a fixed amount

The Board wanted to cancel it completely. But now it's done this way: from 2025, there will be a fixed amount of €6,000 for 25 years of service at VW (previously 1.45 monthly salaries) and €12,000 for 35 years (instead of a factor of 2.9). This is an improvement for everyone below pay level 8. The biggest reduction is in management.

Fairness buffer for lower pay groups

The higher reduction in May bonus and holiday pay in the first years initially reduces annual income by an average of 5%. A fairness buffer prevents smaller pay groups (where bonus and holiday pay are more important) from losing more than 5%.

Number of trainees / permanent employment

The Board wanted to reduce the number of apprenticeships to 420 per year. Now it has become 650. That's roughly the middle: in 2024, VW still had 989 new apprentices (out of 1150 possible places). The 650 includes 50 places for dual study courses and 50 special places for initial qualification. Those who complete their training will continue to receive permanent employment. And the best for last: from March 2025, the monthly pay for trainees will increase by €140.

Analysis for the Volkswagen salary system

This will be addressed from 2025 by means of a competitive comparison. If employees are graded too high, they will be protected and continue to earn as usual. Those who have too little according to the analysis will be upgraded (see page 4 for further details).

Bonus for IG Metall members

The staggered ramp-up of holiday pay (see there) only applies to members of the IG Metall trade union.

Imprint

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... and the most important points for the German VW factories



Wolfsburg will be reorganised and made ready from 2029 on for the SSP flagship models around the ID.Golf. The basis for this is the 'game changer' approach, which will bring completely new concepts such as giga casting into production at the end of the decade. To make room for this, the Golf moves to another location. The ID.3 and Cupra born come from Zwickau and go to assembly line 1. A possible production carousel with Zwickau will be retained. Tiguan, Tayron and the drive shaft will remain in Wolfsburg.



Emden ID.7 and ID.7 Tourer will remain in East Frisia. In addition, the complete volume of the new ID.4 ReSkin will be added from 2026. Two shifts are thus secured and, together with job security, means reliability for the region and the VW families. It is also arranged that a further model will be decided in 2027.



Hanover ID. Buzz and T7 Multi-van remain in Hanover - so the Board's relocation plans have thus been averted. The transformation at the components continues as agreed.



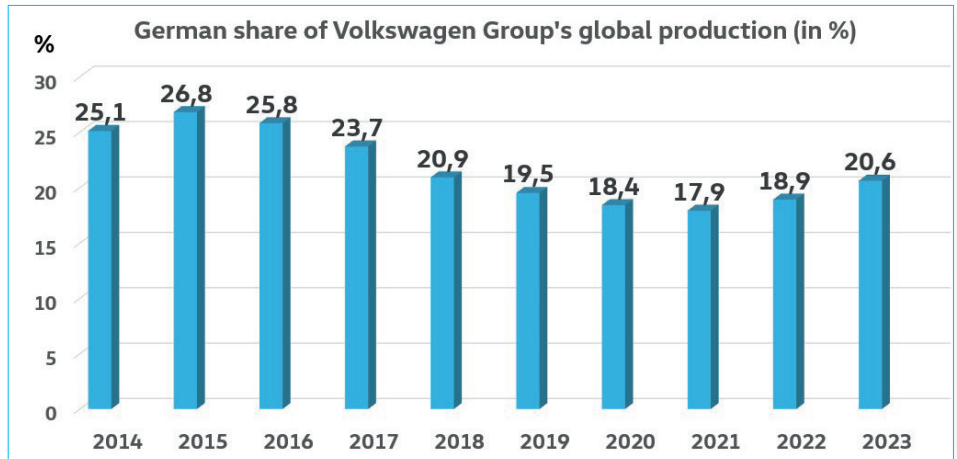
Zwickau remains an electric mobility centre with the Audi Q4 e-tron and corresponding facelift models. A potential production carousel with Wolfsburg is part of the plan. In addition, capacity is being created to once again be a pioneer in the Group: this time for the entry into the circular economy (an industry trend towards recycling issues along the entire automotive value chain). And: Zwickau will join the VW in-house wage agreement as early as 2026 (instead of 2027)!



Osnabrück The T-Roc Cabriolet will run longer than previously estimated, namely until late summer 2027. The aim is also to develop future economic prospects for the location.



Brunswick Future topics from the SSP family are plan-



The importance of the vehicle producing factories in Germany for Volkswagen Group's global production: a good quarter used to come from Germany, now only a fifth does.

ned for Brunswick: Subframes, steering ('Steer by Wire') and the first section of battery system assembly. Brunswick will also in the future oversee the sites for module assembly for chassis and axle systems.



Dresden Vehicle production will end at the end of 2025. Until now, the Gläserne Manufaktur (GMD) has been assembling ID.3 from Zwickau as part of the world of experience (most recently around 6.000 vehicles per year). An alternative overall concept is now being developed for the period from 2026. One thing is already certain: Volkswagen AG will continue to be present at the site with its own activities in the future. And: also Dresden will join the VW in-house wage agreement as early as 2026 (instead of 2027)!



Chemnitz No changes. Chemnitz is well positioned for the coming years. The path to the future has been confirmed. A long-term concept for 2035 is under way. And: Chemnitz joins VW's in-house wage agreement as early as 2026!



Kassel The commitments for further electric engines including pulse inverters (SSP platform) have been made. Capacity utilisation in hot forming and the foundry (including the competence centre for giga castings) has also been secured.



Salzgitter The second cell block (CP2) is no longer in question. The timing will be decided in planning round 74 (in 2026) at the latest - and the latest SOP is determined by the run-out of the engines. If the ramp-up of electromobility is delayed, there will be an increased volume of EA211 to safeguard employment if necessary.

A lot of future instead of a lot of clear cutting - and reductions only in a socially responsible way!

(conclusion on the compromise for the German sites)

CAPACITY DECREASES

Factories have a technical capacity. To a certain extent, this is their capacity to produce unit quantities. It binds capital, i.e. investments. In Wolfsburg, for example, capacity is still well above 800,000 per year. This figure has become unrealistic (see also the chart above with Group figures). All German factories have a backlog in reducing capacity. This is now being adjusted to reality. This means that the technical capacity of the five German vehicle manufacturing VW factories will be reduced by several hundred thousand units.



What the Board wanted and what came out in the end



**None of the items on the poison list
reached the finish line as desired**

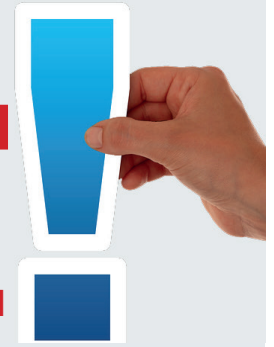


| Topic area of the poison list | The Board's demands  | Counter position Works Council / IG Metall  | Results of the negotiations  |
|--|---|---|---|
| The future of German VW sites | Close up to three plants | Keep all locations with reliable future prospects | All locations have prospects, the necessary investments will be made |
| Jobs and job protection | Layoffs for operational reasons up to mass layoffs must be possible | No layoffs whatsoever and again job security (well beyond 2029) | Ruling out layoffs for operational reasons and instead again a fresh job protection (six years until the end of 2030!) |
| Monthly pay | 10% minus, everywhere | Hands off the monthly salary | No losses in the pay scale |
| Collective bonus | Loss of the €167 (per month) | Hands off that extra money | €167 will continue to flow monthly – as before |
| Bonus (in the collective wage agreement) paid in November and May | Eliminate forever (without substitution) | Keep the bonus system in principle; November payment must continue to flow as before; May bonus could be contributed to the solidarity fund | The bonus system is kept up; the advance payment on the bonus in November (most recently €1879.50) is not affected, but the May payments will be reduced – but only until 2030 and staggered (see page 2 for details) |
| „Tarif Plus“ (this is an area between the collective pay scale and management) | 10% minus in monthly pay; abolish link to management; reduce variable bonuses to a fixed amount (that should be twice the monthly salary) | No reductions in monthly pay; keep link to management; parts of the bonuses could be contributed to the solidarity fund | Monthly salary and link to management remain; proportional management bonuses are not replaced by static fixed amounts, but the quota for linking to management bonuses is reduced from around 50 % to around 35 % |
| Anniversary bonus | Cancel immediately without any replacement | Preserve as broadly as possible | Instead of 1.45 times a monthly salary (for 25 years) and 2.9 times (35 years), there will be fixed amounts from 2025 – namely €6,000 and €12,000 respectively; this also applies to management; this means an improvement for levels in the pay table lower than 8 |
| Apprenticeships | only 420 instead of the recent almost 1000 apprenticeships | Adjustment and flexibility can be discussed, but the reduction demanded by the Management Board is too extreme | 650 apprenticeship places will be made available (instead of the previous figure of just under 1000); this includes 50 places for Dual Study courses and 50 for a special, initial training scheme ahead of the apprenticeships |
| holiday pay | Possible adjusting screw | Keep it the way it is | Staggered reduction (see page 2 for details) |
| Future of gradings (in the pay table) | Fundamental changes, extensive slowdown | Inventory possible, but only with security for existing cases | Analysis begins in 2025; possible exceedances are safeguarded 100% |
| additional days off | Reduce in principle | Generally maintain | No change beyond existing agreement |



If the Board had been allowed to do what it wanted to do ...

... small wages would have been particularly affected



VW's in-house collective bargaining agreement is currently once again the subject of public debate. In recent weeks, the Works Council and IG Metall have already presented many facts and refuted claims such as that the VW in-house wage is 15 to 20% higher on average than the level in the German automotive industry. This table shows what the staggered losses, which are limited until 2030, mean for annual income on typical pay levels. It also shows what would have happened if the Board had pushed through its poison list. The examples apply to pay grades (ES) 8 (assembly line), ES 13 (common for clerks and entry level for Bachelor graduates) and ES 17 (experienced professionals). The annual income¹ is based on: Monthly salary, collective bonus (€167), holiday pay and the average of the pay scale bonus since 2007 (in November and May payment). A buffer ensures that pay grades up to 7 do not suffer a disproportionate loss in annual income. Up to 1676 euros are paid in return. Important: The values here are gross annual values based on the collective agreements. They fluctuate net depending on the individual tax duties and are broken down to monthly level in the payroll accounting. Rounding differences and inaccuracies are therefore conceivable. And: possible future pay rises are not yet taken into account!

| scenario / year | pay grade 8 | pay grade 13 | pay grade 17 |
|--|--|--|--|
| As if nothing had happened: Annual income ¹ at old level, calculated for 2025 - with the average May bonus since 2007 (Ø) | 12x monthly salary 12x bonus €167 (monthly) €1.290 holiday pay €1.819,50 bonus November €2.500 bonus May (Ø) ----- € 56.898 per annum | 12x monthly salary 12x bonus €167 (monthly) €1290 holiday pay €1819,50 bonus November €2500 bonus May (Ø) ----- € 71.244 per annum | 12x monthly salary 12x bonus €167 (monthly) €1290 holiday pay €1819,50 bonus November €2500 bonus May (Ø) ----- € 87.360 per annum |
| Annual income ¹ reduced by the poison list of the Board (see page 4). Up to € 15.045 would have been missing! | 12x monthly salary (-10%) 12x bonus €167 (monthly) €1.290 holiday pay €1.819,50 bonus November €2.500 bonus May (Ø) ----- € 46.175 per annum | 12x monthly salary (-10%) 12x bonus €167 (monthly) €1.290 holiday pay €1.819,50 bonus November €2.500 bonus May (Ø) ----- € 59.087 per annum | 12x monthly salary (-10%) 12x bonus €167 (monthly) €1.290 holiday pay €1.819,50 bonus November €2.500 bonus May (Ø) ----- € 73.591 per annum |
| Annual income ¹ with the negotiated wage compromise for the year 2026 . | 12x monthly salary 12x bonus €167 (monthly) €1.290 holiday pay (0%) €1.819,50 bonus November €2.500 bonus May (Ø) (0%) ----- € 53.108 per annum | 12x monthly salary 12x bonus €167 (monthly) €1.290 holiday pay (0%) €1.819,50 bonus November €2.500 bonus May (Ø) (0%) ----- € 67.454 per annum | 12x monthly salary 12x bonus €167 (monthly) €1.290 holiday pay (0%) €1.819,50 bonus November €2.500 bonus May (Ø) (0%) ----- € 83.570 per annum |
| Annual income ¹ with the negotiated wage compromise for 2027 (plus possible pay rises from collective bargaining round!). | 12x monthly salary 12x bonus €167 (monthly) €258 holiday pay (20%) €1.819,50 bonus November €2.500 bonus May (Ø) (0%) ----- € 53.366 per annum | 12x monthly salary 12x bonus €167 (monthly) €258 holiday pay (20%) €1.819,50 bonus November €2.500 bonus May (Ø) (0%) ----- € 67.712 per annum | 12x monthly salary 12x bonus €167 (monthly) €258 holiday pay (20%) €1.819,50 bonus November €2.500 bonus May (Ø) (0%) ----- € 83.828 per annum |
| Annual income ¹ with the negotiated wage compromise for 2027 (plus possible pay rises from collective bargaining round!). | 12x monthly salary 12x bonus €167 (monthly) €645 holiday pay (50%) €1.819,50 € November €1000 bonus May (40%) ----- € 54.753 per annum | 12x monthly salary 12x bonus €167 (monthly) €645 holiday pay (50%) €1.819,50 € November €1000 bonus May (40%) ----- € 69.099 per annum | 12x monthly salary 12x bonus €167 (monthly) €645 holiday pay (50%) €1.819,50 € November €1000 bonus May (40%) ----- € 85.215 per annum |

