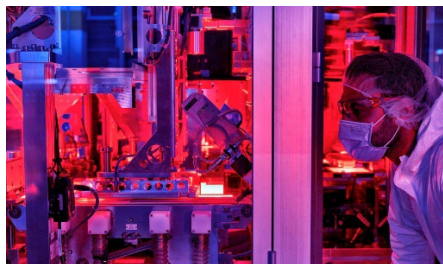

Media information

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‘Power Agreement’ – collective bargaining agreement concluded for Volkswagen’s battery company PowerCo

- **New collective bargaining agreement features innovative elements such as flexible elective working hours and a lean remuneration system**
- **Stable collective bargaining framework for the organization of work and collective working conditions will make PowerCo more competitive and attractive, also for international specialists**

Wolfsburg, March 14, 2023 – PowerCo SE and IG Metall Lower Saxony and Saxony-Anhalt have reached agreement in the collective bargaining process. The collective bargaining agreement, which enters into force on May 1, 2023, provides a stable framework for a sustainable organization in addition to attractive working conditions. Featuring innovative elements such as flexible elective working hours for staff, the collective bargaining agreement will be instrumental in placing PowerCo in a strong position in the competition for the best talents. At the same time, the lean nine-grade remuneration system will create transparency and reduce complexity.



PowerCo boasts high-tech jobs in battery cell production

Following intense negotiations, the Volkswagen Group’s new battery company PowerCo SE and the management of IG Metall Lower Saxony and Saxony-Anhalt have reached agreement in the collective bargaining process. The collective bargaining agreement for PowerCo, which was established in summer 2022, comprises a framework agreement on employment conditions, a remuneration framework agreement and a collective wage agreement and enters into force on May 1, 2023.

The collective bargaining agreement has the following main elements:

- Flexible elective working hours for staff (six levels between 28 and 40 hours per week)
- Option to spread working hours flexibly over four to five weekdays and also work on Saturdays
- Lean, transparent, activity-based remuneration system with nine wage brackets
- Variable remuneration based on achievement of corporate targets
- Company pension: collective bargaining element agreed

Going forward, PowerCo employees will be able to make flexible adjustments to their weekly working hours while taking the needs of the company into account. For instance, twice per year staff will have the opportunity to change their working hours in six levels between 28 and 40 hours per week in agreement with their supervisor. Staff who work up to 35 hours per week will be able to divide their working time between four working days including Saturdays taking operational requirements into account. Part-time employment under 28 hours per week is also possible.

In addition, employees can take up to ten days of unpaid leave per calendar year plus up to six months of paid time off as part of a career break pre-financed by the employer.

Sebastian Krapoth, Chief Human Resources Officer of PowerCo, commented on the agreement: “The new collective bargaining agreement will enable us to achieve a good work-life balance and accommodate the wish of our employees to have more flexible working arrangements. Other benefits such as the agreement on a collective bargaining element for the company pension, the option of salary conversion and a variable remuneration component tied to company performance make the collective bargaining agreement an attractive package overall.”

Volkswagen’s chief negotiator and Chief Human Resources Officer of the Volkswagen Passenger Cars brand Arne Meiswinkel stressed: “The collective bargaining agreement for PowerCo is another step towards our strategic goal of actively shaping collective working conditions in the Group as a key element of remaining competitive. Elements such as a lean remuneration system, a 37.5-hour working week and elective working hours for employees of between 28 and 40 hours per week show how competitiveness and employer attractiveness can be reconciled.”

“Because we are still a young high-tech company in the strategically important battery sector, flexibility with lean and efficient structures is crucial if we are to be competitive internationally from the get-go,” Krapoth added. “At the same time, it is fundamental for PowerCo to provide ideal working conditions

for all groups of employees. I firmly believe that the new collective bargaining agreement will make us as an employer exceedingly attractive for our employees and for all experts who join us in the future. This is important because we are looking to inspire talented people worldwide to join us on our exciting battery mission.”

The outcome of the negotiations on the collective bargaining agreement has yet to be approved by the boards of both parties to the agreement.

PowerCo SE was founded in July last year and brings together the Volkswagen Group’s global battery activities. This will be accompanied by strong personnel growth at the battery company, which is to employ up to 1500 people in the first year after its foundation.

The new collective bargaining agreement covers all PowerCo employees in Germany and runs until the end of 2025.



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About PowerCo SE

The Volkswagen Group bundles its global battery activities in the European company (SE) PowerCo. From its headquarters in Salzgitter, the company manages international factory operations, the development of cell technology, the vertical integration of the value chain and the supply of machinery and equipment to the factories. Looking ahead, further products such as large-scale storage systems for the energy grid are planned. After Salzgitter, the next cell factory is to be established in Valencia. Sites are currently being identified for further cell factories in Europe as well as in North America.

PowerCo SE is managed by CEO Frank Blome and the Executive Board members Soonho Ahn (Technology), Sebastian Krapoth (Human Resources), Kai Alexander Müller (Finance), Jörg Teichmann (Purchasing) and Sebastian Wolf (Operations).

About the Volkswagen Group:

The Volkswagen Group, with its headquarters in Wolfsburg, is one of the world's leading automobile manufacturers and the largest carmaker in Europe. The Group comprises ten core brands from seven European countries: Volkswagen Passenger Cars, Audi, SEAT, CUPRA, ŠKODA, Bentley, Lamborghini, Porsche, Ducati and Volkswagen Commercial Vehicles. The passenger car portfolio ranges from small cars all the way to luxury-class vehicles. Ducati offers motorcycles. In the light and heavy commercial vehicles sector, the products range from pick-ups to buses and heavy trucks. Every weekday, 672.800 employees around the globe are involved in vehicle-related services or work in other areas of business. The Volkswagen Group sells its vehicles in 153 countries.

In 2021, the total number of vehicles delivered to customers by the Group globally was 8.9 million (2020: 9.3 million). Group sales revenue in 2021 totaled EUR 250.2 billion (2020: EUR 222.9 billion). Earnings after tax in 2021 amounted to EUR 15.4 billion (2020: EUR 8.8 billion).
