



PowerCo SE
in Salzgitter

No. 2
March 14, 2023

IG Metall
District of Lower Saxony
and Saxony-Anhalt



IG METALL MAKES POWERCO A COMPANY OF THE FUTURE IN TERMS OF WORK

The establishment of PowerCo SE, a new Volkswagen subsidiary focused on the battery value chain, is an important step towards a comprehensive e-mobility strategy. However, this transformation requires not only ecological but also social responsibility. Here IG Metall plays a decisive role.

From the very beginning, IG Metall and the works council have accompanied the process of the company's development as the voice of our colleagues. In particular, to ensure that the step towards an ecological transformation of the automotive industry goes hand in hand with a social transformation. Only with fair working conditions and equal participation can the future of sustainable mobility be achieved. This includes ensuring that employees are involved in decision-making processes and that their interests are adequately taken into account.

For more than three-quarters of a year, IG Metall has therefore been negotiating closely with employers to ensure fair and attractive working conditions. The union has made sure that employees have a say in the decision-making process from the very beginning and that their interests are taken into account in an appropriate way. Thanks to the support and

commitment of IG Metall, PowerCo has become a company with an international presence. And it is doing so in a socially responsible way.

Especially in such a globally competitive industry, an attractive and fair salary structure as well as innovative and life-phase-oriented working conditions are crucial for attracting qualified and skilled employees. IG Metall has helped to ensure that PowerCo employees not only benefit from attractive working conditions, but also from a high level of co-determination and participation.



Thorsten Gröger,
District Chairman
of IG Metall

“The collective agreement at PowerCo is a major success: We have set the course for sustainable working conditions—in terms of working hours, pay, pensions and personal flexibility. The future will be shaped by and with IG Metall. We therefore urge you to become a member now—and join us in shaping it!”

FULL POWER FOR THE FUTURE OF WORK

SUMMARY

The collective bargaining agreements between PowerCo and IG Metall give you many opportunities to shape your own work: You can choose your own working hours or even work a full-time 4-day week, and you can include Saturday instead of any other day in your work week. In addition, the collective agreement guarantees all employees—regardless of their individual working hours—a supplementary pension payment of 130 euros, which will increase in line with future collective agreements. And last but not least: The pay increases achieved at Volkswagen with the 2022 collective agreement will also apply at PowerCo!



Daniela Cavallo,
Chairwoman of the General Works
Council, Volkswagen AG

“PowerCo’s collective bargaining agreements with IG Metall give our colleagues many opportunities to shape their own work: Flexible working times, the option of a full-time 4-day week and much more! This really sets standards. We are taking a significant step into the future.”

1 WORK TIME MATCHES LIFE PHASE

IG Metall has been working hard to ensure that PowerCo focuses not only on technical innovation, but also on forward-looking work structures. For this reason, IG Metall and PowerCo have agreed a number of innovative mechanisms in the collective agreement to give employees more flexibility and self-determination in their work. The aim is to make work fit better with people’s life phases.

One of the most important features is the option to determine one’s own working hours outside the basic 35 hours per week. Employees can **choose their own working hours** when they are employed and redefine them up to twice a year. They can choose between levels ranging from 28 to 40 hours per week, all of which count as full-time and are paid at the same hourly rate. Another new feature is the option to replace a day off during the week with a Saturday, giving employees more flexibility in their work schedules. There is also an **entitlement to work remotely**.

Of particular importance is the option to switch to a **4-day week** if you have opted for a 28–35 hour work week. In this way, work adapts to life situations, not vice versa. Safety mechanisms have been agreed in the collective agreement to safeguard the collective working time volume: The company may not exceed the average working time of 37.5 hours per week for all employees covered by the collective agreement, or only in exceptional cases. At the same time, the company has the option of modifying or adjusting individual requests for elective working time in order to ensure the collective working capacity.

The **“My Time Off” option** allows employees to take time off for up to six months while continuing to receive a portion of their salary. Employees may also elect to take up to **10 days of unpaid leave** per year. In addition, they have a vacation entitlement of 30 days. The included **10 collectively agreed days of vacation** can be carried over to the following year, if desired.

IG Metall has made an important contribution to making working conditions at PowerCo even more attractive and flexible. Life-phase work enables employees to balance work and life and to adapt their working hours to their individual needs.



2 ATTRACTIVE PAY

PowerCo and IG Metall have agreed an attractive compensation package. Employees are entitled to twelve equal gross monthly salaries per calendar year, paid at the end of the month. The salary level corresponds to the known experience levels at Volkswagen. The regular monthly salary also includes the special payments of Volkswagen AG. These are the holiday allowance, the collectively agreed bonus, the fixed profit-sharing bonus and the collectively agreed additional remuneration. The **pay increases from the 2022 collective agreement** for Volkswagen AG will also be adopted. This means a **5.2 percent increase on June 1, 2023**, and a **further 3.3 percent increase on May 1, 2024**.

All employees will also receive **variable remuneration**. This is based on the Short Term Incentive Plan. The target value for salary levels A to G is 2.5 percent of annual salary and for levels H and I 3.5 percent. In addition, levels H and I participate in the Long Term Incentive Plan. The target is a further 3.5 percent. The actual amount paid depends on the actual level of target achievement (0–200%) and other parameters specified in the respective plan.

The Plan “Tarif Plus” has been integrated into the pay scale system and is represented by pay grades H and I. In these levels there is also an entitlement to a bonus. In addition, employees at these levels are entitled to a **company car** for business and private use.

Travel time is not working time, but is generally **paid in the same way as working time**.

3 RETIREMENT AND SECURITY

PowerCo is committed to establishing a company pension plan. This is an important pillar for a secure future. Irrespective of the number of hours they work, all employees receive a monthly **supplementary pension payment of 130 euros** in addition to their company pension. This amount will increase in line with future collective agreements. This means that as salaries increase, so does the employer’s contribution to the company pension scheme. In addition, individual remuneration entitlements can also be used for deferred compensation in favor of the company pension plan.

Agreements have also been reached on compensation for **reduced performance**. Unforeseen events such as illness or disability can threaten an employee’s livelihood. Employees who are no longer able to fulfill the requirements of their current job due to physical condition, poor health or an accident at work are to be transferred to a position commensurate with their capabilities. In addition, there is a wage guarantee in the event of company measures.

Last but not least, the **re-employment promise** is also an important success. This promise gives colleagues the opportunity to return to the company after leaving for training or personal development.

APPLICATION

The collective agreements will apply to all PowerCo employees who are members of IG Metall from May 1, 2023.

A deadline of March 31, 2023 has been set for acceptance of the collective bargaining result.

The following also applies in the future: **Only members of IG Metall are entitled** to all the benefits of the collective agreement. So become a member and secure the benefits and rights described here!

IG Metall members can obtain all information and the complete collective agreements at any time from their local IG Metall branch, IG Metall Salzgitter-Peine, works councils and IG Metall union representatives.

CONCERN LOAN? ALREADY AT POWERCO?

YOUR QUESTIONS ABOUT TRANSITION ANSWERED.

What happens if I switch from VW to PowerCo?

If a contract with PowerCo is accepted, a termination agreement with Volkswagen AG is required. This will end the employment relationship and information will be provided with the termination agreement. In the event of a transfer, Volkswagen AG will give a customary promise of re-employment until 2029.

What will happen to my Tarif Plus bonus at PowerCo?

Employees who were covered by Tarif Plus at Volkswagen AG will receive a bonus under the Long Term Incentive Plan. The details will be determined by PowerCo and the union parties once the Long Term Incentive Plan is available and its parameters are known.

What is the pension cost for the company pension for the time I have already worked for PowerCo?

Employees who worked for PowerCo before the pension plan became effective will receive a one-time pension payment for their past service. This is expected to be paid in 2023.

I was already employed by PowerCo in November 2022 and did not receive the November payment from Volkswagen. What do I do now?

There is agreement that a compensation payment should be made to those employees who have not yet received the 2022 payment. For 2023 and beyond, the November payment will be included in the monthly salary on a pro-rata basis.



Dirk Windmüller,
Works Council
Chairman,
VW Salzgitter

“We have negotiated for a long time and can now present a strong result - especially in the current challenging times: Attractive compensation, special payments linked to management, a total of 3,000 euros to compensate for inflation, and two planned pay increases. This will secure income and purchasing power in the long term.”



Only through a strong and influential IG Metall can we fight together for safe, good and fairly paid work—and as a member you secure the legal entitlement to collective bargaining benefits and even more! **Become a member now at bit.ly/join-igmetall**

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