

# Agreement reached: Volkswagen AG positions itself competitively for the future



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Volkswagen AG – with its brands Volkswagen Passenger Cars, Volkswagen Commercial Vehicles and Group Components – and employee representatives have concluded a joint agreement entitled 'Zukunft Volkswagen' after intensive negotiations

- Agreed target: the core brand, Volkswagen Passenger Cars is to become the technology leader of the world's volume manufacturers by 2030
- Volkswagen Passenger Cars brand to achieve medium-term return-on-sales target
- Volkswagen's production capacities in its German plants to be aligned competitively and reduced on a lasting basis by 734,000 units
- Agreement on socially responsible reduction of the workforce by more than 35,000 across Volkswagen's German locations by 2030. This includes a newly formulated job security plan through to 2030.
- The agreement will achieve sustainable cost savings for Volkswagen AG of more than €15 billion per year in the medium term. Of this, over €4 billion per year will come from the present negotiations on labour costs, structural and production measures and plant utilisation.
- Labour costs alone will be reduced by €1.5 billion per year.

Following intensive negotiations between Volkswagen AG, IG Metall and the Works Council, a joint agreement entitled 'Zukunft Volkswagen' [Future Volkswagen] has been concluded. The company and the Works Council are thereby jointly positioning Volkswagen AG for sustainable success. To this end, the company is realigning production capacities at Volkswagen AG's German locations. It is creating the conditions for a reduction in labour costs of €1.5 billion per year at the collectively agreed level with an agreement on the company wage settlement until 2030. The short-term effects in labour costs and the agreed structural

measures through capacity reduction and a decrease in development costs will lead to cost effects of over €4 billion per year in the medium term. In addition, a reduction in capacity of 734,000 units across the German plants is planned. This will enable Volkswagen AG to lay the foundation for important investments in future products through to 2030. The structural realignment of the company at an operational and collective level will create the conditions for achieving the return-on-sales target for the Volkswagen Passenger Cars brand in the medium term.

A full and final assessment of the impact of these cost effects on the Group's operating profit in 2025 and subsequent years will be made in the coming weeks. At this point in time, the company does not expect any significant impact on the outlook for the 2024 financial year.

The 'Zukunft Volkswagen' agreement sees Volkswagen AG and the employee representatives agreeing on a vision for the company that combines job security, financial stability and a leading technological position in the field of sustainable mobility. The jointly declared goal is for the Volkswagen Passenger Cars brand, the core of Volkswagen AG, to become the technologically leading volume manufacturer globally by 2030.

The comprehensive capacity reduction across the German plants and significant and sustainable decrease in labour costs of €1.5 billion per year as part of the 'Zukunft Volkswagen' agreement have now created the financial conditions for this goal. They also now provide job security for the workforce of Volkswagen AG at the collectively agreed level until the end of 2030, as agreed during the collective bargaining negotiations. 'Zukunft Volkswagen' also now ensures commercially sustainable production at the German sites. To this end, the company and Works Council have agreed on a socially responsible reduction in the workforce of more than 35,000 across Volkswagen's German sites by 2030, alongside the structural production measures.

Oliver Blume, CEO of the Volkswagen Group:

'Following the long and intensive negotiations, the agreement is an important signal for the future viability of the Volkswagen brand, Volkswagen Commercial Vehicles and the component plants. With the package of measures that has been agreed, the company has set a decisive course for its future in terms of costs, capacities and structures. We are now back in a position to successfully shape our own destiny. The Board of Management and the wider management team are making a greater than proportional financial contribution.'

Gunnar Kilian, Chief Human Resources Officer of the Volkswagen Group and Labour Director of Volkswagen AG:

“‘Zukunft Volkswagen’ marks the fundamental realignment of Volkswagen AG. It was the declared goal of all negotiating partners not to find a short-term compromise, but to develop a fundamental agreement that has a financially sustainable effect and creates prospects for our plants and workforces. After very intensive negotiations, we have now succeeded in doing this together with the Works Council. I would like to thank everyone involved, especially our lead negotiator Arne Meiswinkel and his team, who have shown outstanding commitment. The outcome of the negotiations will enable us to position our company for the future, maintain production in Germany and make it competitive, in order to lead Volkswagen back to the top.”

Thomas Schäfer, CEO of the Volkswagen Passenger Cars brand:

‘We have set ourselves three priorities for the future of the Volkswagen brand: Reduce overcapacity in Germany, reduce labour costs and achieve competitive development costs. The negotiations have led to viable results in all three areas. With the agreed package of measures, we are in a position to largely close the gap in our performance programme. We have thus created the basis for making Volkswagen the technologically leading volume manufacturer by 2030 - with a clear plan, strong products and a clear commitment to Germany as a business location.’

Agreement at company level

At the company level, the company and employee representatives have agreed to realign the production capacities of the German Volkswagen plants with new structures and technologies to ensure competitiveness. To this end, production capacity in Germany will be reduced by approximately 734,000 units. The company is thereby responding to the decreasing automotive market in Europe and the increasingly fierce competition, while at the same time creating the fundamental requirements for continued commercially viable production at its home base in Germany.

The plant utilisation agreed upon provides for the following realignments for the plants of the Volkswagen Passenger Cars brand:

- In future, the ID.3 and CUPRA Born models will also be manufactured at the headquarters.

- Production of the Golf and Golf Estate models will be relocated to Puebla in Mexico from 2027.
- As a result, production will be focused on two assembly lines instead of four today.
- The future of the plant will also be secured at the end of the decade with the introduction of the electric Golf and another model based on the future SSP electric car architecture.

### Wolfsburg (Technical Development)

- In order to be able to invest more in innovation, Technical Development is being reorganised to make it more effective. By utilising Group synergies, the competitiveness of Technical Development will be sustainably strengthened.
- As part of this realignment, around 4,000 jobs will be cut by 2030. Tasks will also be transferred to other locations within the Technical Development network.
- In the future, the Technical Development department of the Volkswagen Passenger Cars brand will be responsible for the core brand group's development network.
- The Emden plant will continue to produce the ID.7 saloon, ID.7 Tourer and the ID.4, even after the facelift.
- The T-Roc Cabrio will be manufactured in Osnabrück until mid-2027. Options for a different use of the site are currently being explored.
- Zwickau will remain a production location for the Audi Q4 e-tron and Audi Q4 e-tron Sportback. As a result, vehicle production will focus on a single line from 2027.
- In addition, new business areas are to be developed in the context of the circular economy.
- Vehicle production at the 'Transparent Factory' in Dresden will be discontinued at the end of 2025.
- Volkswagen AG is working on alternative options. These include the possibility of Volkswagen AG participating in a third-party scheme.

### Volkswagen Commercial Vehicles

The main plant Volkswagen Commercial Vehicles plant in Hanover will remain the production site for the [ID.Buzz](#) and the Multivan. Concrete measures have been agreed to sustainably reduce factory costs. This will enable Volkswagen Commercial Vehicles to create the basis for investing in future products using its own resources.

## Volkswagen Group Components

In order to ensure the competitiveness of Volkswagen Group Components, a sustainable efficiency increase of up to €3 billion cumulatively by 2030 is targeted. The focus is on increasing economies of scale by systematically focusing the product portfolio on strategic core components. On this basis, labour costs will be reduced by around €500 million. The Volkswagen Group Components sites in Kassel, Braunschweig, Salzgitter, Hannover, Wolfsburg and Chemnitz will be retained and factory costs will be continuously reviewed. New working time models will be introduced to make production capacities more flexible.

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