



Media Information

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Management, Works Council and IG Metall Agree on “Social Framework Agreement for a Sustainable Future”

- Further push for implementation of company plan PACE! New joint Purchasing area supports increased Purchasing power
- Comprehensive cost-reduction measures
- Agreement on specific programmes such as senior leave and early retirement agreements
- Management also makes a contribution

Rüsselsheim. Opel/Vauxhall has taken a decisive step towards sustainable profitability and improved performance. After intensive negotiations, the Opel management and representatives of the General Works Council, the Works Council Bochum and the IG Metall have agreed on a social framework agreement for Germany.

Michael Lohscheller, CEO Opel Automobile GmbH, said: “Hereby we create the requirements to implement PACE! even faster. It is our joint goal to make Opel competitive again. It is therefore important that the management, the Works Council and the IG Metall work together through co-determination. With the agreement for Germany, the parties have defined a joint way forward and decided on important cornerstones. This once again underlines our intention to avoid plant closures and forced redundancies.”

Dr. Wolfgang Schäfer-Klug, chairman of the General Works Council, underlined: “With this agreement we have created an important social framework for the Opel workforce. Under difficult conditions, attractive measures such as a senior leave agreement and early-retirement regulation could be agreed. It is also important for the next steps that the co-determination and collective agreements could be comprehensively considered.”



The main points of the agreement are:

1. The purchasing organisations of Opel/Vauxhall and Peugeot/Citroën/DS Automobiles will get a joint organisational structure to increase the potential of Groupe PSA through economies of scale, thus also raising competitiveness. In the long term, 30 percent of the total synergies from the integration of Opel/Vauxhall into Groupe PSA will be created in purchasing. This new purchasing power gives the companies the opportunity to achieve significant savings in purchasing, which is an essential building block for PACE!.
2. Extension of early retirement programme: Employees born between 1957 and 1960 will be offered the possibility of early-retirement. In addition, the company will offer an alternative senior leave programme for people close to retirement age (up to 36 months) that will enable them to leave the company early and immediately.
3. Opel will launch a programme to improve internal mobility. Agility is important for reaching the PACE! goals.
4. As of January 1, Opel plans to introduce short-time work for at least six months in the areas of Engineering and Administration, subject to final approval from the employment agency.
5. The employment contracts are to be adapted to 35 hours per week. The adaptation affects employees currently working longer hours under a supplementary agreement and whose departments are facing underutilisation. It is set to take effect on April 1.
6. A new mobile working programme will be developed to make better use of the benefits of digitalisation for the Opel workforce and contribute to the employees' work-life balance.
7. Variable payments for managers will be linked to the turnaround plan and Opel/Vauxhall business targets for 2017.

In addition, management and social partners have agreed to develop and negotiate additional important measures to strengthen the implementation of PACE!. Furthermore, a permanent arbitration committee has been set up – an instrument that has proved itself in comparable processes. A debt agreement has also been signed. This creates the opportunity to approach further individual topics step by step.



Opel CEO Michael Lohscheller said: "PACE! gives us the historic opportunity to position Opel successfully against increasing competition in a challenging environment. A fast and consistent implementation is crucial - only then can we quickly become successful and profitable again."

Xavier Chereau, EVP HR for Groupe PSA said: "This month of intensive negotiations demonstrates that sharing the common goal to protect the company in the best interest of the employees brings remarkable results. I would like to underline the high level of maturity of IG Metall and the works council's contribution in terms of co-determination."

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