

**thyssenkrupp reaches agreement on the restructuring of the automotive plant construction business in Germany**

- Framework agreement and social plan concluded for a total of seven thyssenkrupp System Engineering sites in Germany
- 385 jobs to be cut in a socially compatible way
- Important milestone reached in the splitting of thyssenkrupp System Engineering into two independent companies for body and powertrain activities

thyssenkrupp has reached an agreement with the employee representatives on the restructuring of the German sites of the System Engineering unit. The negotiating partners have concluded a framework agreement and a social plan for all seven affected sites in Germany. As a result of the negotiations a total of 385 jobs will be cut across these sites in a socially compatible way.

Felix Bader, Chief Human Resources Officer at thyssenkrupp System Engineering: “With this agreement we have reached an important milestone in the splitting and reorganization of thyssenkrupp’s automotive plant construction business. In record time we have agreed a viable restructuring strategy that gives the new business units created by the separation a competitive starting position as independent companies.”

The operational separation of the automotive plant construction business began in early October. The former System Engineering business unit will be split into two commercially, operationally and legally autonomous business units in the current fiscal year. In the future there will be a company specializing in body assembly systems which will continue to be managed by thyssenkrupp in the Automotive Technology segment. The current powertrain and battery assembly activities will be combined in a company which is part of the Multi Tracks portfolio segment of thyssenkrupp. Both the separation of the company and the drastic slump in order intake exacerbated by the coronavirus crisis in the past fiscal year make restructuring in Germany and abroad necessary.

In the course of the restructuring, the Body unit of the company will shed 157 jobs at the sites in Baden-Württemberg, Saarland and Hesse. In the powertrain and battery unit a further 228 jobs will be cut at locations in Bremen and Saxony. A key component in this is the pooling of all battery technology activities in Chemnitz. The company currently operates a second battery assembly facility in Saxony in Hohenstein-Ernstthal. All the activities from

there are to be moved to Chemnitz by the end of the fiscal year. The market decline and centralization of the storage technology activities at one site will result in 154 job cuts in Hohenstein-Ernstthal and Chemnitz.

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“From the outset our aim was not to abandon any technology field while nonetheless adapting our site strategy to the market conditions. Overall I am very pleased that we have been able to keep the job cuts slightly lower than originally planned. We have achieved this largely by utilizing natural employee turnover and in part through internal transfers. This has enabled us to limit job cuts, keep important know-how in the company and still realize the economic goals of the restructuring as planned,” said Bader.

The System Engineering business unit currently operates nine development and production sites in Germany. In Bremen and Langenhagen (Lower Saxony) the company develops and produces assembly and testing lines for combustion engines, electric motors and fuel cells. Body assembly lines are developed and produced at the sites in Heilbronn (Baden-Württemberg), Lockweiler (Saarland) and Burghaun (Hesse). The company also operates two battery assembly plants in Hohenstein-Ernstthal and Chemnitz (Saxony). In addition lightweighting solutions for vehicles are developed and produced at the sites in Mühlacker and Weinsberg (Baden-Württemberg). In total almost 3,000 employees currently work in automotive plant construction at thyssenkrupp in Germany.

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