

## PRESS RELEASE

### **MEYER WERFT puts together a package for the future**

**Agreement with union and works council - voluntary program, an employee contribution and further orders secure the future. Former Finance Minister Schneider mediates a solution between the bargaining parties.**

Papenburg, July 28, 2021 - MEYER WERFT has reached an agreement with IG Metall Küste and the shipyard's works council on a package to secure the shipyard location and competitiveness in the longer term. The agreement ends on December 31, 2023. If the general conditions improve significantly in the long term, e.g. through new orders, the agreement will end at the end of the current year. The current workforce size will be adjusted to the market conditions triggered by Corona. The entire MEYER WERFT workforce was informed in detail about the measures in person and online at a works meeting today, Wednesday.

MEYER WERFT has significantly less work due to the Corona crisis. The production hours per year have decreased massively, so that the management is forced to realign the company. In the course of this, a reduction in personnel is unavoidable. Initially, up to 350 employees of MEYER WERFT and 100 employees of EMS Maritime Services will be affected on a voluntary basis. An increase in external services as compensation for this reduction was jointly ruled out.

"The current agreement with the works council and IG Metall is an important step towards securing the Papenburg shipyard site, even though the staff reductions are very painful. The adopted socially responsible package for the future only works on the basis of further orders for the years 2024 and 2025. The orders from Japan for NYK, the participation in the construction of the Navy tanker and now a new apartment ship help to stabilize the lower utilization of production. Otherwise we would not have been able to achieve the

current result at all. But it also shows that we are continuing on the path of developing new business areas. It's a good chance for a fresh start for cooperation with the works council and the union," says Managing Director Bernard Meyer.

In a three-stage downsizing process, a voluntary program with a transfer company will be implemented with the aim of avoiding or minimizing compulsory redundancies and reducing as many jobs as possible by mutual agreement.

**Figure: Staff reduction in three stages**



### Measures to improve competitiveness

To safeguard competitiveness and all jobs in the long term, an employee contribution and an efficiency improvement target for production costs were agreed. Another important component of the future package is a planned continuous increase in productivity and an employee contribution. The employee contribution of 100 hours per year for MEYER WERFT can be provided by overtime or waiving special payments. For employees of EMS Maritime Services this amounts to 25 hours per year. The industrial service of Ems Maritime will be dissolved; where possible, employees will be deployed in other production areas and companies of the Group. Competitive and price pressures

in the shipbuilding industry continue to increase significantly. Management, the Works Council and IG Metall have agreed on the introduction of an effective two-shift model in production and production-related areas. Previously existing shift arrangements in production areas remain unaffected. Details of this arrangement are still being worked out separately

The MEYER Group has now found solutions with the employees' side at all three shipyard sites in order to master the crisis and subsequently continue to operate competitively in the market. "Now we are fully focused on the transformation of the Group, further digitalization and on developing climate-neutral solutions for our ships and maritime applications as quickly as possible," says Jan Meyer, Managing Director. This will require further innovative new ship projects. The company's management confirmed at today's works meeting that another newbuilding project with completion scheduled for the end of 2025 has been won, subject to financing. The shipyard has been working on the Ocean Residences project for some time. This involves the construction of an apartment ship with a length of 290 meters and more than 130 apartments. This order is urgently needed in order to prevent the utilization rate from dropping even more than 40% in these years.

Without the recent individual orders from NYK, Ocean Residences as well as the participation in the naval tanker order for NEPTUN WERFT, securing the remaining jobs would be even more difficult.

***Photo: Computer animation / Rendering***