

Press release

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E.G.O. reaches agreement with Works Council and trade union on collective agreement for the future 2024+ for the Oberderdingen site

Following in-depth, very constructive negotiations, the E.G.O.-Group (E.G.O.), the Works Council, and IG Metall have agreed on a collective labor agreement that will run until the end of 2029 and will secure jobs at the headquarters in Oberderdingen. In this agreement, the Group has committed to keeping most of production, the competence centers, logistics, and plant construction at the site. In addition, the company has pledged to make annual investments for the further development of the site. The production of thermostats and hotplates will be transferred to the international production network. Plans to cut approximately 160 of the current 1,346 jobs will also be handled in a socially responsible manner through a voluntary resignation program without operational layoffs. In return, employees will work two hours extra without pay until 2029 and will waive part of their vacation benefit and other special company payments. From 2029, all payments will be raised in line with the master agreement.

“In view of the situation in the household appliance market, with demand declining since 2022, we must adjust our structures to maintain the necessary economic success going forward and to enable continued investment in our future,” said Dr. Karlheinz Hörsting, CEO of the E.G.O.-Group, in a press conference on Wednesday, May 8. “We are therefore very pleased with the agreement that has now been reached and would like to thank our employees for their willingness to make concessions along the path to positive development.” The CEO also spoke very positively about the discussions with the Works Council and IG Metall: “We had difficult decisions to make. The negotiations were therefore in-depth – but always constructive and characterized by a shared will to retain as many jobs as possible and secure the company’s future here at the headquarters for the long term.”

Marcus Kornherr, Chairman of the Works Council of the German E.G.O. companies, and Dirk Becker, First Representative of IG Metall Bruchsal, confirmed Dr. Hörsting’s assessment. “There are undoubtedly some painful cuts, and we didn’t achieve everything we wanted,” explained Becker. “For

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example, we were unable to prevent the relocation of thermostat and hotplate production, unfortunately.” Chairman of the Works Council Kornherr was understanding of the company’s position: “Ultimately, as employee representatives, we have to acknowledge the economic realities. The household appliance industry is currently facing a difficult situation, especially in Europe, and insisting on our maximum demands would be dangerous and ultimately not helpful.” The trade union and Works Council also confirmed the constructive nature of the discussions. Becker: “Those responsible at E.G.O. have very clearly shown that they are also looking for solutions that balance out the burdens for both sides and include commitments that offer potential for the site’s future. In this respect, we believe that we have achieved a good result for the employees in Oberderdingen, given the negative framework conditions.”

Gabriele Lintner, Head of National Human Resources at Blanc und Fischer Corporate Services GmbH & Co. KG, explained the details of the new collective labor agreement. In addition to the clear commitment to induction and thick-film production, machinery and plant construction, and logistics, the agreement contains a whole range of other provisions. The company will also provide 20 apprenticeships annually and offer employees who currently have fixed-term contracts permanent positions in E.G.O. production. According to Lintner, the employer and employees share a clear objective of achieving the job cuts without operational layoffs. Both sides have great hopes for the voluntary resignation program. According to Lintner, interested employees will be able to find out the details of the program at special events in June.

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Caption: Dr. Karlheinz Hörsting, CEO of the E.G.O.-Group, Gabriele Lintner, Head of National Human Resources at Blanc und Fischer Corporate Services GmbH & Co. KG, Dirk Becker, First representative of IG Metall Bruchsal and Marcus Kornherr, Chairman of the Works Council of the German E.G.O. companies (from right) presented the results of the negotiations on the future development of the E.G.O.-Group at the Oberderdingen site today.

About the E.G.O.-Group

The E.G.O.-Group with its headquarters in Oberderdingen, south-west Germany, is one of the world's leading suppliers for household manufacturers. It all began almost 100 years ago, when company founder Karl Fischer developed the first electric hotplate suitable for series production. The core values summed up in the words "made by E.G.O." are not only found in your stove, but also in washing machines, dryers, refrigerators, and many other household appliances and commercial machines. The supplier covers four different business areas with its technologies and products: heating, controlling, converting, and connecting. The E.G.O.-Group has around 5,270 employees worldwide, working in 23 sales and production companies in 19 countries. Their drive: Innovations that make people's everyday lives easier, create benefits, and preserve natural resources at the same time. In 2023, the Group generated a turnover of 699 million euros. Additional information can be found on the website www.egoproducts.com.

The E.G.O.-Group is a member of BLANC & FISCHER Family Holding.

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