



## Highlights of Third Tentative Agreement with United Auto Workers

**Members of United Auto Workers (UAW) Local #2069 rejected a new collective bargaining agreement covering Volvo Trucks North America's New River Valley truck assembly operations (NRV) in Dublin, Virginia on July 9, 2021. The agreement was reached by the parties on July 1, 2021 and was the third tentative agreement approved by UAW leadership, but rejected by UAW members. Highlights of the agreement follow below.**

### Regarding Wages, the offer:

- Eliminated the two-tier wage structure;
- Immediately took any employee currently in wage progression and hired on or before June 30, 2015 to top pay on day one of the new contract. This would have taken 532 people not currently at top pay into that category. Top pay varies by job classification and pay grade, but for assemblers, which is the largest group, this would represent about \$57,000 a year without overtime;
- Increased the new hire starting pay by more than 14 percent, from about \$34,900 a year without overtime to about \$40,000 a year for assemblers;
- Provided wage increases of between 47% and 74% over the life of the contract for many of the employees classified as "Competitive" under the current collective bargaining agreement (about 1,600 people), as illustrated below; and

Hourly Employees Wage-Progression Example			
Months of active service Grade 01 example	Total hourly wage increase by % over contract lifetime	Total hourly wage increase in \$ over contract lifetime	Top pay reached
New hire & less than 12 months	64%	\$10.70	2027
12 months	74%	\$13.15	2026
24 months	65%	\$12.15	2025
36 months	56%	\$11.15	2024
48 months	47%	\$9.92	2021

- Provided employees classified as "Core" under the current collective bargaining agreement, and Salaried Bargaining Unit (SBU) employees (about 1,300 people in total), with a 12% wage increase over the life of the contract, plus a \$2,000 lump sum payment on September 6, 2021, and a 4% lump sum payment in July 2023.



**Regarding Health Care Insurance, the offer:**

- Guaranteed employees would have no increases in health care premiums over the six-year life of the contract. Very few people in the country today have such a guarantee. If they took advantage of our wellness credit, these employees would pay only \$8/week for an individual, or \$28/week for a family, for a healthcare plan that we know from benchmarking is first-class compared to any offered regionally or nationally;

**Medical Benchmarking**  
Anthem NRV UAW PPO

Volvo (Anthem PPO)	NRV UAW Tentative Agreement	Transportation and Aerospace Equipment 500+	10,000-19,999 employees	500+ employees w/at least 65% of employees in unions	National 500+
2022		42	113	52	1,288
Number of Survey Participants					
<b>In-Network</b>					
Deductible (Single/Family)	\$350 / \$700	\$500 / \$1,125	\$500 / \$1,250	\$450 / \$1,000	\$1,000 / \$2,000
Coinsurance	15%	20%	20%	20%	20%
Office Visit (PCP/Specialist/Telemed)	\$20 / \$40 / \$10	\$25 / \$40 / N/A	\$25 / \$40 / N/A	\$20 / \$40 / N/A	\$25 / \$50 / N/A
OOP Max (includes Deductible)	\$1,000 / \$2,000	\$3,000 / \$6,000	\$3,450 / \$7,000	\$2,500 / \$5,000	\$4,000 / \$7,600
Emergency Room	\$150	\$150	\$150	\$100	\$200
Urgent Care	\$15	N/A	N/A	N/A	N/A
<b>Out - of - Network</b>					
Deductible (Single/Family)	\$800 / \$1,600	\$1,100 / \$3,000	\$1,500 / \$3,000	\$750 / \$1,600	\$2,000 / \$4,000
Coinsurance	35%	40%	40%	40%	40%
OOP Max (includes Deductible)	\$4,000 / \$ 8,000	\$5,650 / \$12,000	\$6,500 / \$13,500	\$4,000 / \$8,000	\$6,000 / \$13,000
Emergency Room	\$150	\$150	\$150	\$100	\$200



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- Provided best-in-class prescription coverage, also confirmed by industry benchmarking; and

**Prescription Benchmarking**  
Anthem NRV UAW PPO

Volvo (Anthem PPO)	NRV UAW Tentative Agreement	Transportation and Aerospace Equipment 500+	10,000-19,999 employees	500+ employees w/at least 65% of employees in unions	National 500+
2022		42	113	52	1,288
Number of Survey Participants					
<b>Prescription Drugs</b>					
<b>Retail</b>					
Generic	\$10	\$10	\$11	\$12	\$11
Brand - Formulary	\$30	\$32	\$36	\$32	\$34
Brand - Non-formulary	\$50	\$50	\$62	\$48	\$57
<b>Mail Order</b>					
Generic	\$20	\$20	\$24	\$20	\$23
Brand - Formulary	\$60	\$71	\$79	\$60	\$73
Brand - Non-formulary	\$100	\$116	\$140	\$87	\$124



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- Continued to provide substantial additional savings for employees who took advantage of our on-site Family Health Center and Employee Pharmacy, as illustrated below.

Doctor Visits Co-Pay Comparison		
Service	In-Network	Family Health Center
Office Visit	\$20/\$40/\$10 (PCP/Specialist/Telemed)	\$5
Chiropractic	\$10	\$5
Physical Therapy	\$10	\$5
Preventative Care	\$0	\$0

  

Prescription Plan Modifications		
Prescription Drug Benefits	Co-Payment	Employee Pharmacy
Prescription drugs and diabetic supplies		
<b>Retail pharmacy</b>		
Covered drugs up to a 30-day supply		
Generic Drugs	\$10	\$3 or less*
Preferred drugs	\$30	\$15 or less*
Non-Preferred drugs	\$50	\$40 or less*
<b><u>Express Scripts (ESI)</u></b>		
Covered drugs up to a 90-day supply		
Generic Drugs	\$20	
Preferred drugs	\$60	
Non-Preferred drugs	\$100	

\* Note: 90-day supply will be equal to cost of 60-day supply

The Volvo Group is the only heavy-duty truck manufacturing group that assembles all of its trucks and engines for the North American market in the United States. The NRV plant employs more than 3,300 people, about 2,900 of whom are UAW members. The plant is in the midst of a \$400 million investment for advanced technology upgrades, site expansion and preparation for future products, including the innovative Volvo VNR Electric truck. The plant has added 1,100 jobs since the current union agreement was implemented in 2016 and is on track to have a net increase of approximately 600 positions in 2021.



Volvo Trucks provides complete transport solutions for professional and demanding customers, offering a full range of medium to heavy duty trucks. Customer support is secured via a global network of dealers with 2,300 service points in more than 130 countries. Volvo trucks are assembled in 13 countries across the globe. In 2020 approximately 94,000 Volvo trucks were delivered worldwide. Volvo Trucks is part of Volvo Group, one of the world's leading manufacturers of trucks, buses, construction equipment and marine and industrial engines. The Group also provides complete solutions for financing and service. Volvo Trucks' work is based on the core values of quality, safety and environmental care.

**July 11, 2021**

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