

## COMPETITIVENESS AGREEMENT IN FRANCE: ONE YEAR AFTER SIGNATURE, RENAULT IS ON TRACK TO MEET ITS COMMITMENTS

- **Renault is making a positive initial review of the implementation of the “Contract for a new dynamic of Renault growth and social development in France”.**
- **The agreement put in place the conditions enabling the allocation of 132,000 Nissan Micra units to the Flins plant by 2016, the reassignment of 65,000 gearboxes to Cléon in January 2014, and investments in several sites, including SOVAB and the Fonderie de Bretagne foundry.**
- **By introducing real-life measures, gains in competitiveness have already been posted in the first year. Renault is on track to generate €500 million in savings in 2016.**

Commenting, **Marie-Françoise Damesin**, Executive Vice President, Human Resources at the Renault group, said: *“With this agreement, we made the choice to safeguard our activity in France by exploring new paths to increase our competitiveness. One year later, the review is a positive one. Competitiveness gains have already been made and guarantees on activity have been provided, notably with Nissan’s decision to produce 132,000 Nissan Micras at Flins starting in 2016. With Industry Week to start in France in a few days, this initial milestone is a highly encouraging sign of vitality. It shows that a combination of determination, labor-management dialogue and innovation can make our industry more competitive, efficient and attractive.”*

### Recap of the main commitments in the agreement:

- Keep the manufacturing sites and the core engineering, sales and corporate functions in France.
- Increase activity at French plants between now and 2016, ensuring that a minimum 710,000 vehicles are produced in France.
- Maintain or increase business at the powertrain and logistics sites in France.
- Adjust workforce numbers without a redundancy or voluntary departure plan, by not replacing 7,500 positions between now and 2016.
- Hire 760 people on permanent contracts targeting critical skills in the second period of the agreement (providing that departures are in line with the commitment).

The agreement is based on four key focuses, each one including a series of measures to improve competitiveness and boost social development. At the completion of this first milestone, the largest part of the measures and projects are already in place.

Focus 1 on “activity and employment”: Renault is on the right track, both in terms of activity development and workforce adjustment.

**Activity.** Several positive decisions have been taken to provide clear visibility on activity in France beyond 2016. Nissan has decided to entrust Renault with the production of 132,000 Micras in 2016. The Cléon plant has been assigned the production of 65,000 J gearboxes, previously manufactured in Portugal. Renault has also invested €10 million to increase the production capacity of the Batilly plant and €30 million to sustain activity at the Fonderie de Bretagne foundry plant.

**Employment.** To adjust the workforce to activity levels, Renault has extended and broadened its “Forward-looking management of jobs and skills” agreement, the incentives of which have enabled the Group to increase the number of departures in line with the commitments of the agreement. In 2013, 80% of departures were linked to retirements and activity exemptions. If departures continue at the same pace, the company will be in a position to hire critical skills in the second period of the agreement.

**Organization.** The organization of the manufacturing sites into two regional hubs, Northeast and West, was presented on March 26. The pooling of activities not directly linked to daily production activity is to be implemented on June 1, 2014. The objectives include economies of scale, greater efficiency, guaranteed service quality, and higher skills levels for the employees concerned.

**Industry support.** Looking beyond the Group itself, Renault is deeply involved in the development of the automotive industry in France, both in terms of the automotive platform and in projects supporting business and research, such as the project to implement a research chair on onboard lighting systems.

Focus 2 on “social development”: three projects underway

**Quality of life in the workplace.** Coordinated at the highest level of company management, an action plan on occupational health and safety was introduced in early 2014 aimed at positioning the company as a benchmark in the industry. In France, Renault is also conducting an experiment with a team of researchers from the National Conservatory of Arts and Crafts (CNAM) on the ideas of “work well done” and “pride at work” to help improve the health of employees. The field experiment was begun at the Flins plant and is being continued at the Technocentre.

**Supplementary healthcare coverage.** Renault has trained its trade unions with a view to negotiations on the implementation of supplementary healthcare coverage, to be introduced in the near future.

**Training.** Renault is working on a new project this year to redesign its in-house training offering, the aim being to make it both more attractive and efficient.

Focus 3 on “working time”: the harmonization of working time organization has been completed

All the measures set out in the agreement have been implemented, namely the realignment of actual working time with the legal standard of 35 hours a week at all sites (up 6.5% on average), the inclusion of training in working time, and the cap on the number of days of leave that can be accrued.

Focus 4 on “remuneration”: a wage agreement and a three-year profit-sharing agreement

**Wage policy.** Renault signed an agreement with two trade unions on wages in 2014. The annual wage policy agreement, the first in five years, is consistent with the commitment on wage moderation in the agreement signed on March 13, 2013 and demonstrates a sound understanding on the part of the trade unions of today’s economic environment and competitiveness issues.

**Profit sharing.** In parallel, Renault is updating its profit-sharing agreement for the 2014-2016 period. By increasing both the amount of the lump sum paid to all employees and the amount distributed whenever operating margin exceeds 3%, Renault has respected its commitment to enable employees to share more fully in the results of the company. The profit-sharing bonus paid to employees in 2014 is double that of 2013.

While the search for competitiveness is particularly crucial in France, given the downturn in the European market and the scale of fixed costs, similar efforts are being made in all the company’s operating countries. Spain paved the way in terms of competitiveness agreements in 2010. In South Korea, an agreement on wages, working time and activity at the Busan plant was signed in July 2013.

**Pour Plus D'informations:**

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