

SECOND NEGOTIATIONS MEETING: TOWARDS GREATER POOLING AT PRODUCTION SITES

- **The Management and the trade unions (CFDT, CFE-CGC, CGT and FO) met on November 13 for the second meeting in the cycle of negotiations begun on November 6.**
- **At the second meeting, the Management and the trade unions focused on ways of improving operations at production sites in France.**
- **The Management presented scenarios on setting up two regional production centers to pool the back-office activities of the support services at plants, and discussed measures to create greater staff mobility.**
- **At the end of the meeting, the Management said that in the event of a global agreement on the entirety of the measures proposed in the negotiation cycle it could commit to no plant closures in France, despite the fact that no real growth is forecast for the period concerned by the Renault 2016 Drive the Change plan.**
- **The next meeting will be held on Thursday November 29.**

Regional industrial centers to address site dispersion

With over ten manufacturing sites in France, Renault's production base in the country is dispersed. This is a handicap for each site, especially in terms of fixed costs. That being the case, the Management presented scenarios for setting up two regional production centers.

- the **West center** would group the sites in Vallée de Seine, Choisy-le-Roi and Le Mans;
- the **Northeast center** would group the sites of Douai, STA, MCA and SOVAB.

Pooling back-office activities to make economies of scale

Setting up two regional production centers would enable the company to pool the back-office activities of the support

services. The back office handles service activities that are not directly linked to day-to-day manufacturing activity (general management, human resources, communication, purchasing, accounting, maintenance, logistics organization, etc.), while the front office takes care of activities that require direct relations with managers and employees, working closely with the production activity.

The project to pool back-office activities would serve to maintain and develop specialist skills at the centers while making economies of scale through the creation of shared departments.

Enhancing staff mobility to safeguard jobs

As part of the regional production center organization structure, balancing the workforce could be made easier through the introduction, in line with the conditions agreed on in the negotiations, of a better organized staff secondment system, whereby employees may be led to work temporarily at other sites in their center in line with activity and needs.

Such a system would help each site, within its center, to maintain performance in line with cyclical fluctuations in activity at the sites by using the skills of sites in under-activity to strengthen those at sites requiring extra workforce. It would also serve to limit the use of short-time work and avoid redundancies, thereby safeguarding employment and skills.

The negotiations could lead to no plant closures in France

At the end of the meeting, the Management said that in the event of a global agreement on the entirety of the measures proposed during the negotiation cycle it could commit to no plant closures in France, despite the fact that no real growth is forecast for the period concerned by the Renault 2016 Drive the Change plan.

Renault has chosen labor-management dialog and negotiations as a way of implementing the conditions needed for a robust and lasting production, R&D and support-service base in France. Throughout the negotiation cycle, every possible way of improving operating efficiency and economic performance will be reviewed, including operating modes between plants; the operating efficiency and economic performance of various business lines; the company's break-even point; pay and working time policy; efficiency in terms of innovation; skills development; quality of life at work; and Renault's contribution to the automotive industry in France.

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Pour Plus D'informations:

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