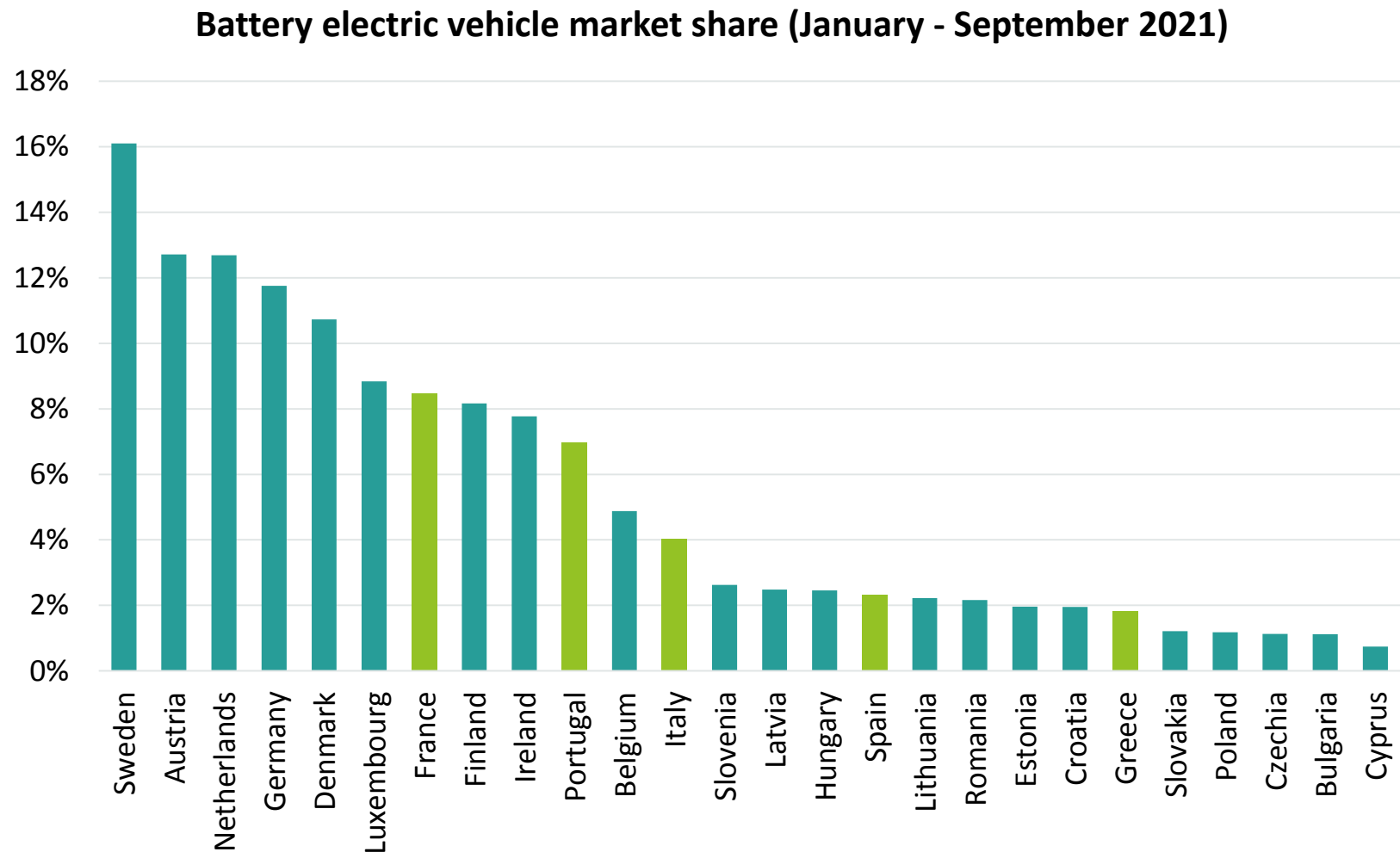




COLLECTIVE BARGAINING AND JUST TRANSITION(S) IN SOUTHERN EUROPE

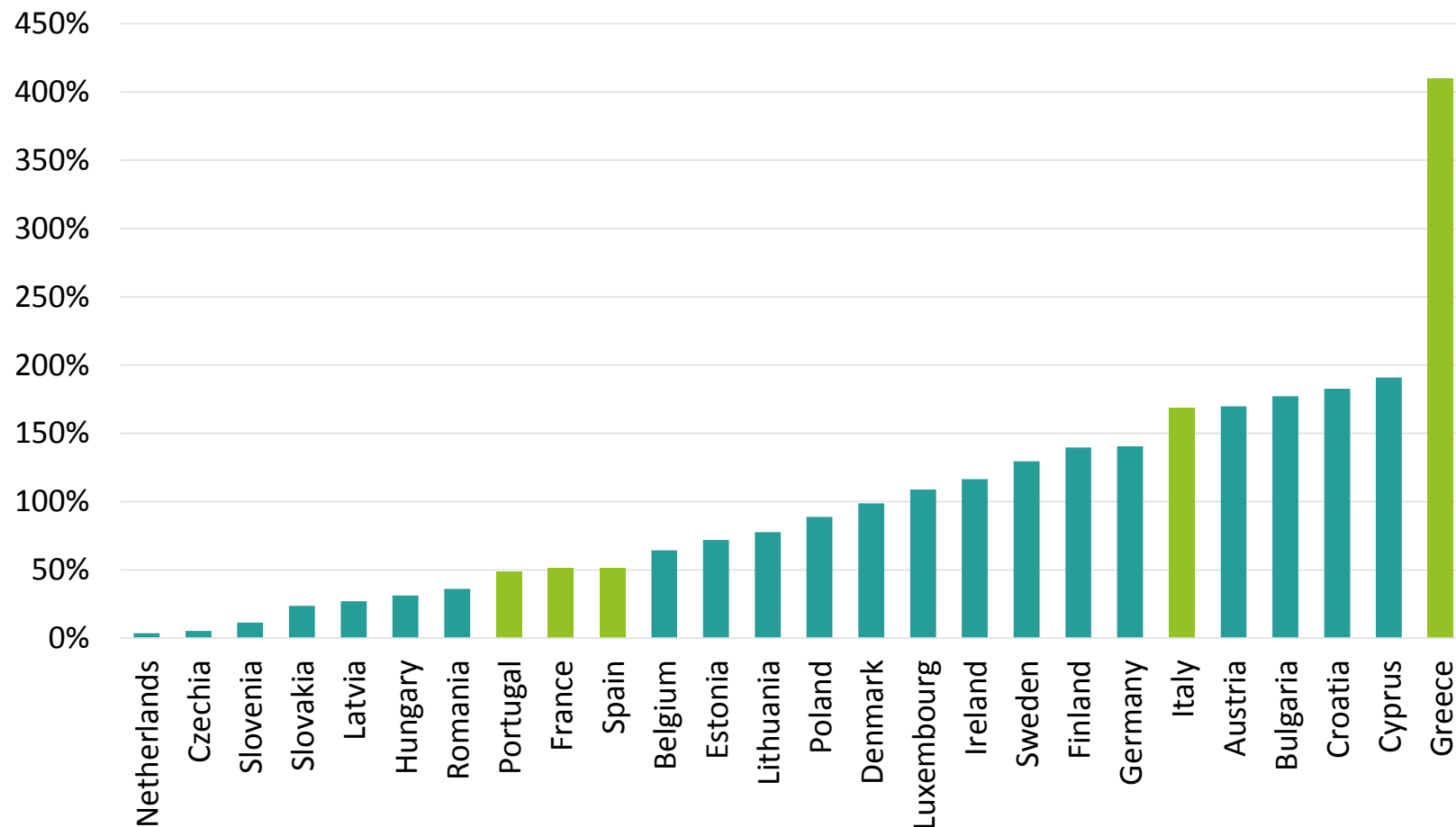
15 DECEMBER 2021

GREEN/DIGITAL TRANSITION ACCELERATING



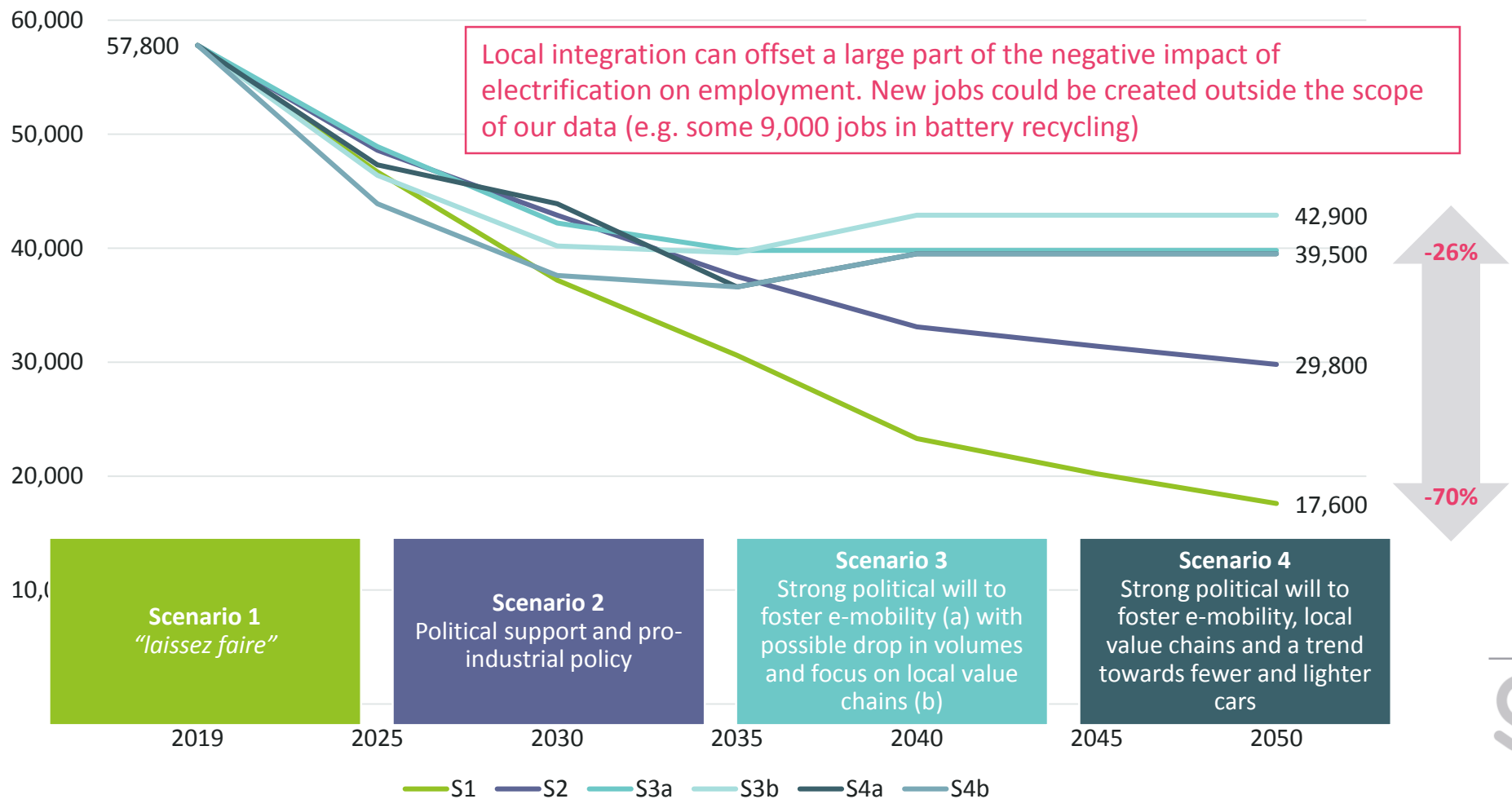
GREEN/DIGITAL TRANSITION ACCELERATING

Battery electric vehicle sales growth, 3Q 2021 vs. 3Q 2020



SYNDEX ASSESSMENT OF THE FRENCH AUTOMOTIVE SUPPLY CHAIN: THE NEED FOR ACTION TO MITIGATE EMPLOYMENT IMPACT

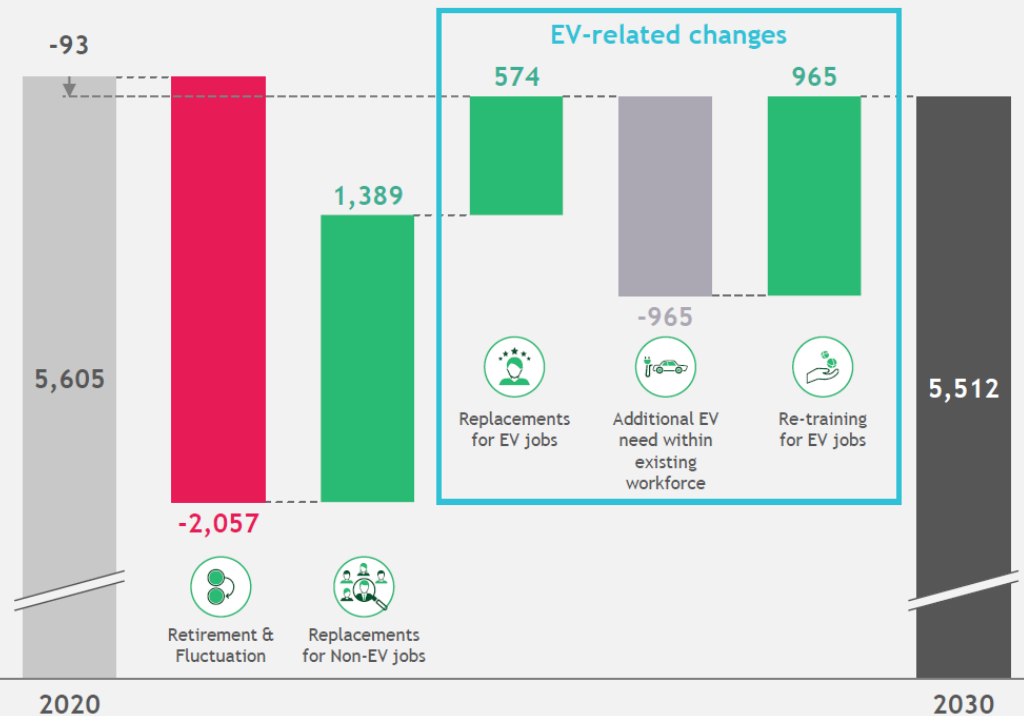
Employment developments according to the different scenarios



TRANSITION NOT ONLY ABOUT THE NUMBER OF JOBS, BUT ABOUT THEIR CONTENT AND QUALITY

Assessment of employment developments in the European automotive industry

Impact on jobs in Europe [in k]



1.4M workers need to be hired for non-EV related jobs



Substantial effort but exiting job profiles and training needs ("business as usual")



0.6M workers need to be hired for EV related jobs



1.0M workers need to be re-trained for EV related jobs



1.6M hiring and training necessary for new EV related jobs

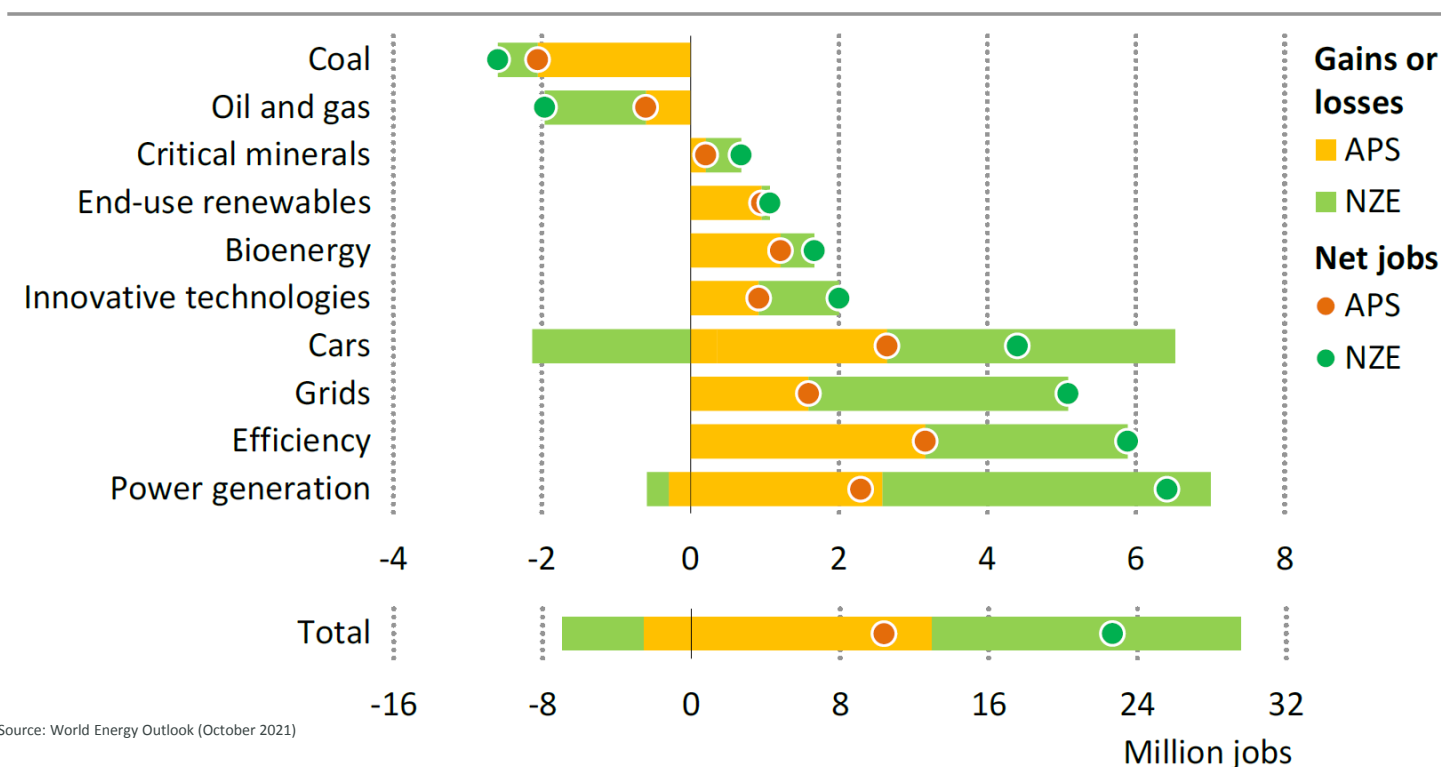


Massive effort with completely new job profiles and training needs

HUGE SHIFTS BETWEEN DIFFERENT PARTS OF THE ENERGY SECTOR

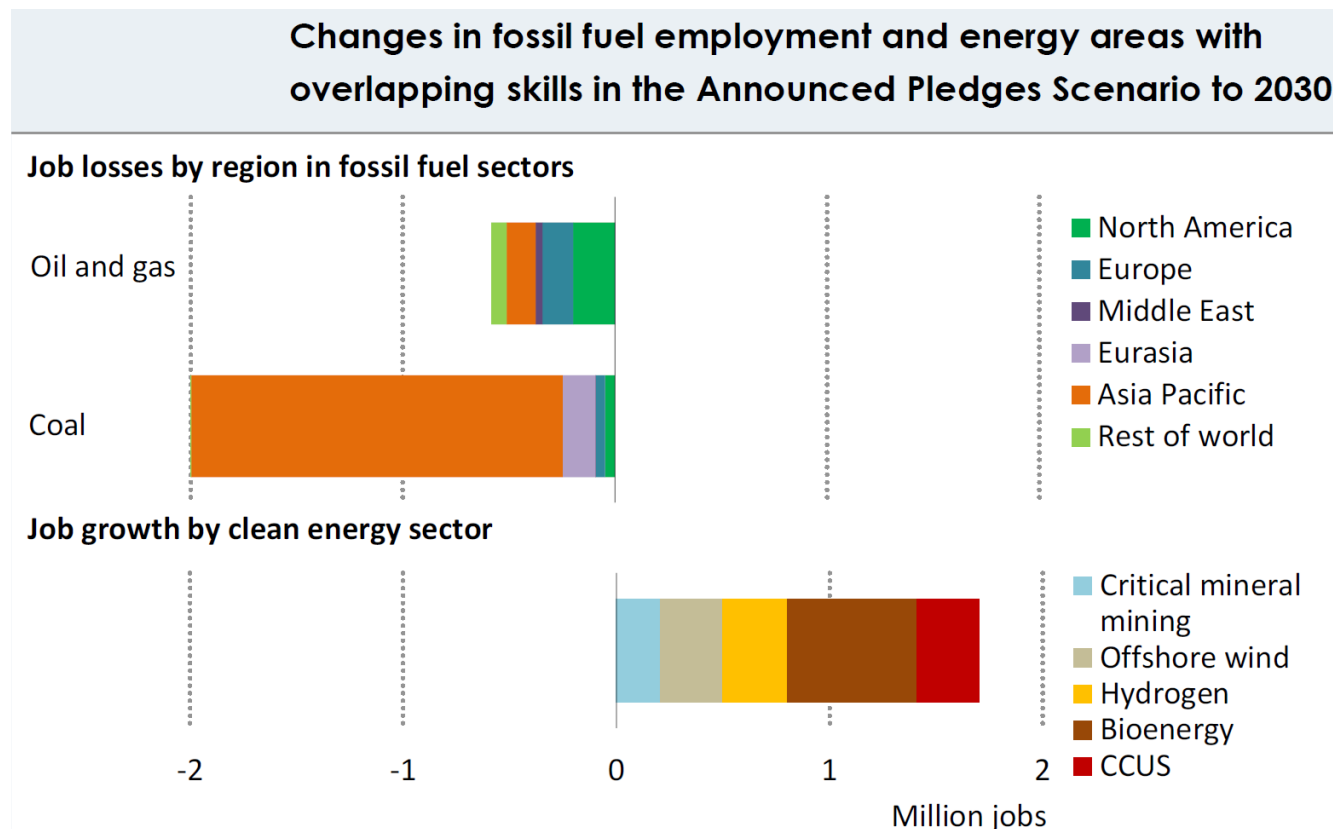
- ▶ The IEA forecasts a **net impact of +10M jobs worldwide** until 2030, in the **Announced Pledges Scenario (APS)**, thanks to the development of renewable energy and energy grids, but also due to growth in areas such as the renovation and energy efficiency of buildings, or the manufacture of low-energy appliances and electric vehicles.
- ▶ In a **net zero emissions** by 2050 scenario (NZE), the impact is estimated at **+23M jobs** by 2030.
- ▶ The negative impact is concentrated in the coal (-8M jobs APS, -10M jobs NZE), oil/gas (-2M jobs APS, -8M jobs NZE), oil/gas (-2M jobs APS, -8M jobs NZE) and automotive (-8M jobs NZE) sectors.

Employment growth in clean energy and related areas to 2030



IEA: ABOUT 70% OF OIL AND GAS JOBS WOULD NOT BE TRANSFERABLE. GEOGRAPHY AND AUTOMATION MAKE THINGS EVEN MORE COMPLICATED

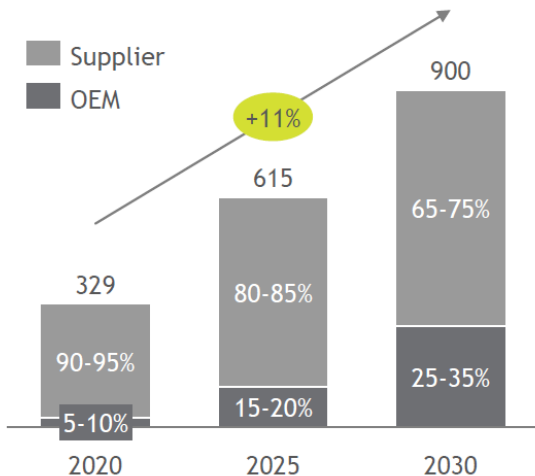
- ▶ According to the IEA, existing skills in the oil and gas sector could be used in emerging sectors such as offshore wind, carbon capture and storage, geothermal energy, hydrogen and bioenergy.
- ▶ In the APS scenario (announced pledges), only about 600,000 jobs in the oil and gas sector would have skills that are transferable to emerging sectors, out of a total 2 million jobs lost (meaning 30%).
- ▶ Mining skills are transferable to critical mineral mining and other emerging activities, but these are not always located in the same regions.



DIGITALIZATION IS CREATING ENTIRELY NEW JOBS FOCUSED ON IT SKILLS AND INFRASTRUCTURES

Software content in car increases...

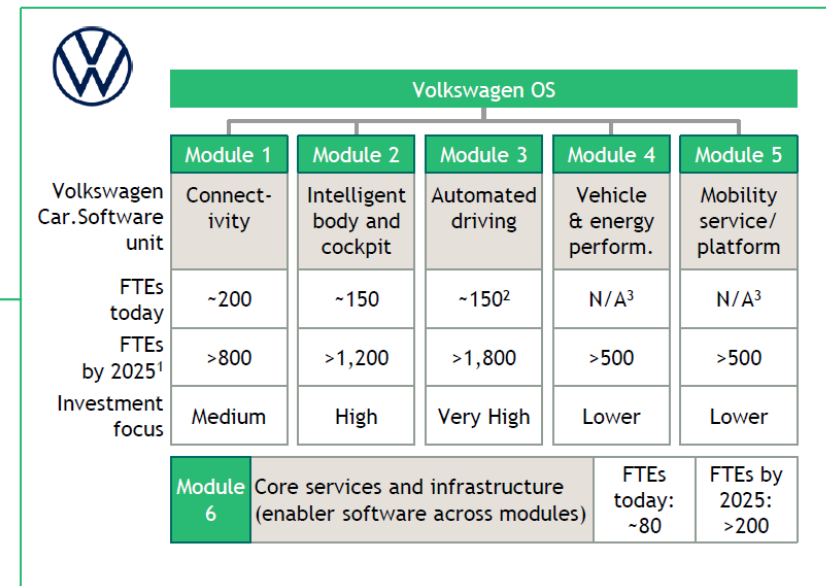
Estimated SW cost per vehicle [in \$]



... and OEMs react with SW engineer recruiting - example VW

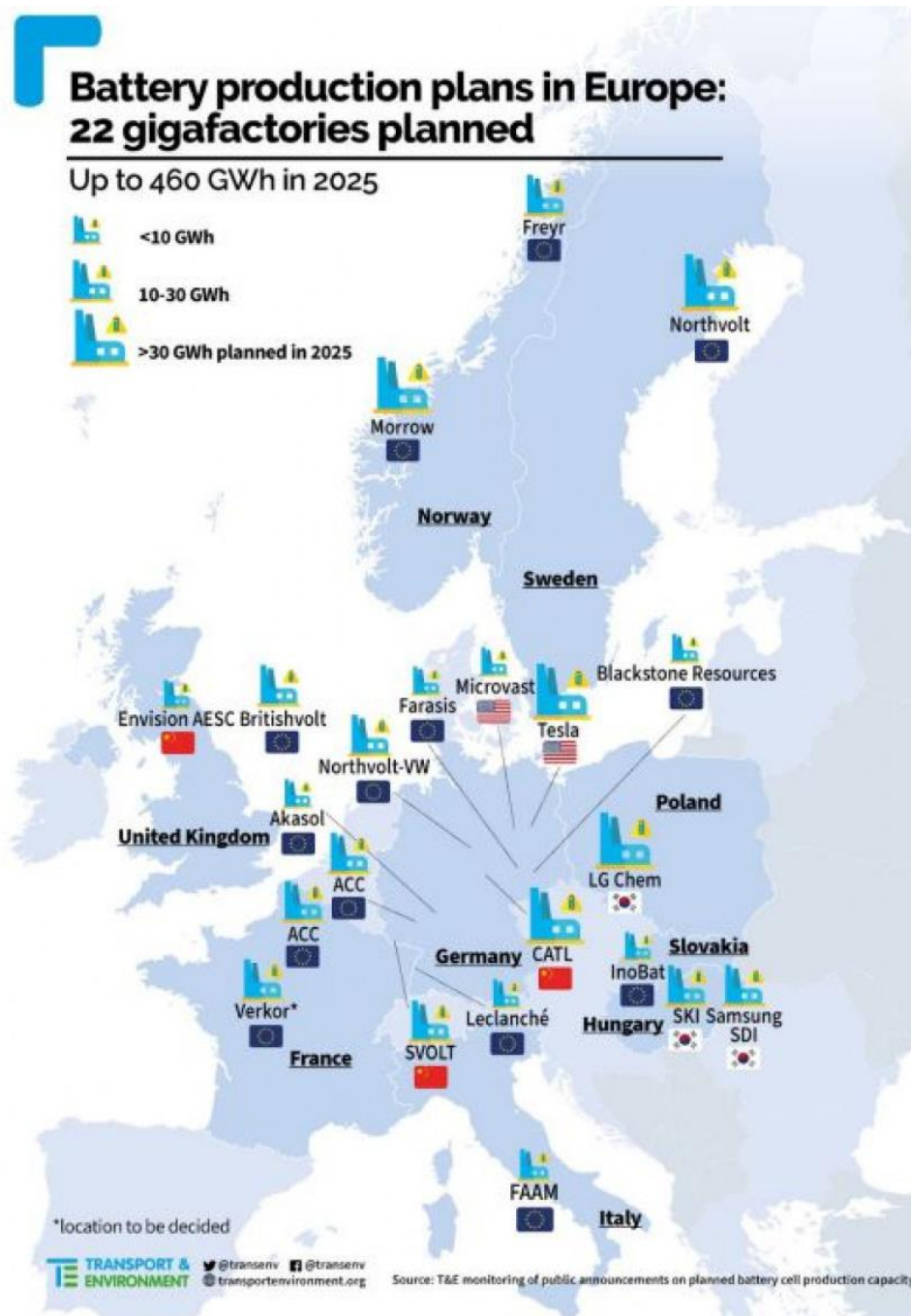
5-10K FTE

Software engineers in Volkswagen's Car.Software unit by 2025



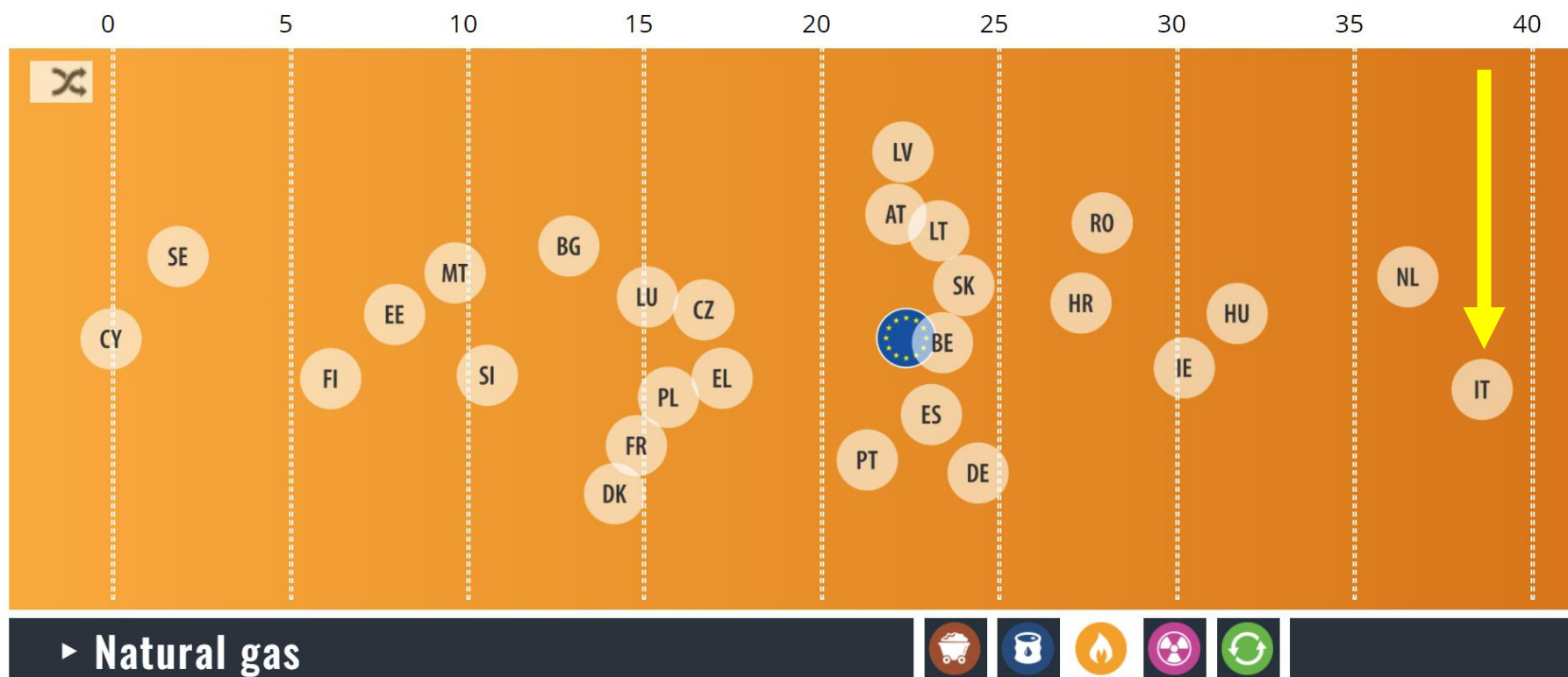
THE RISK OF JOB QUALITY DEGRADATION

- ▶ Rush by EU states to develop local EV battery capabilities.
- ▶ Battery production regarded as high value-added activity.
- ▶ Job transitions from combustion engine technology to EV supply chain.
- ▶ This transition should lead to a reduced number of jobs in powertrain manufacturing.
- ▶ Job quality is almost never addressed in relation to EV battery manufacturing.
- ▶ The example of the Samsung battery plant in Hungary suggests significant degradation of job quality vs. legacy ICE technology.



THE ENERGY TRANSITION IS PARTICULARLY DIFFICULT FOR SOME COUNTRIES AND REGIONS

Share of energy products in total energy available, in %, 2019

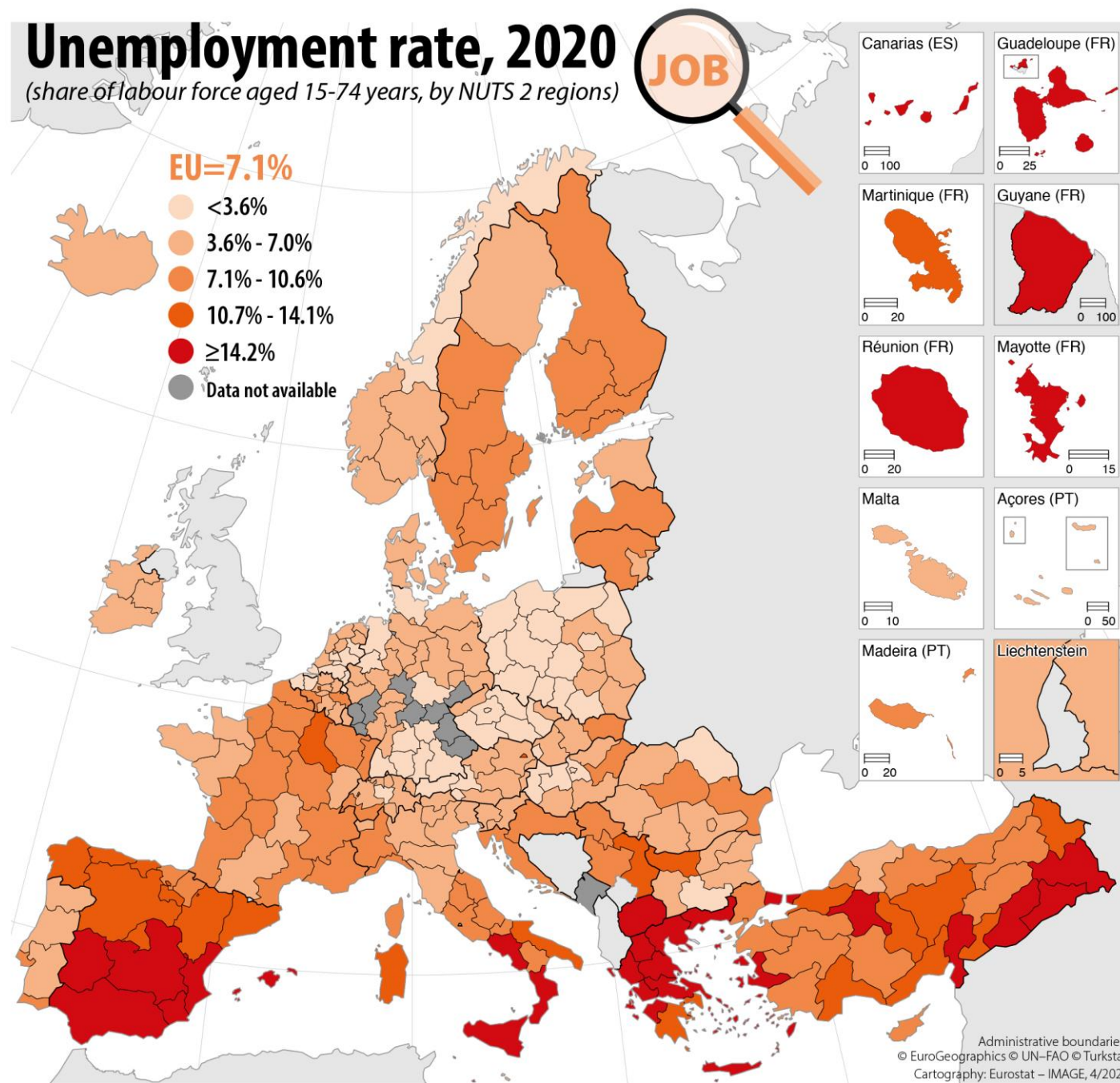


Energy mix for the European Union



SOUTHERN EUROPEAN COUNTRIES WERE ALREADY UNEMPLOYMENT HOTSPOTS

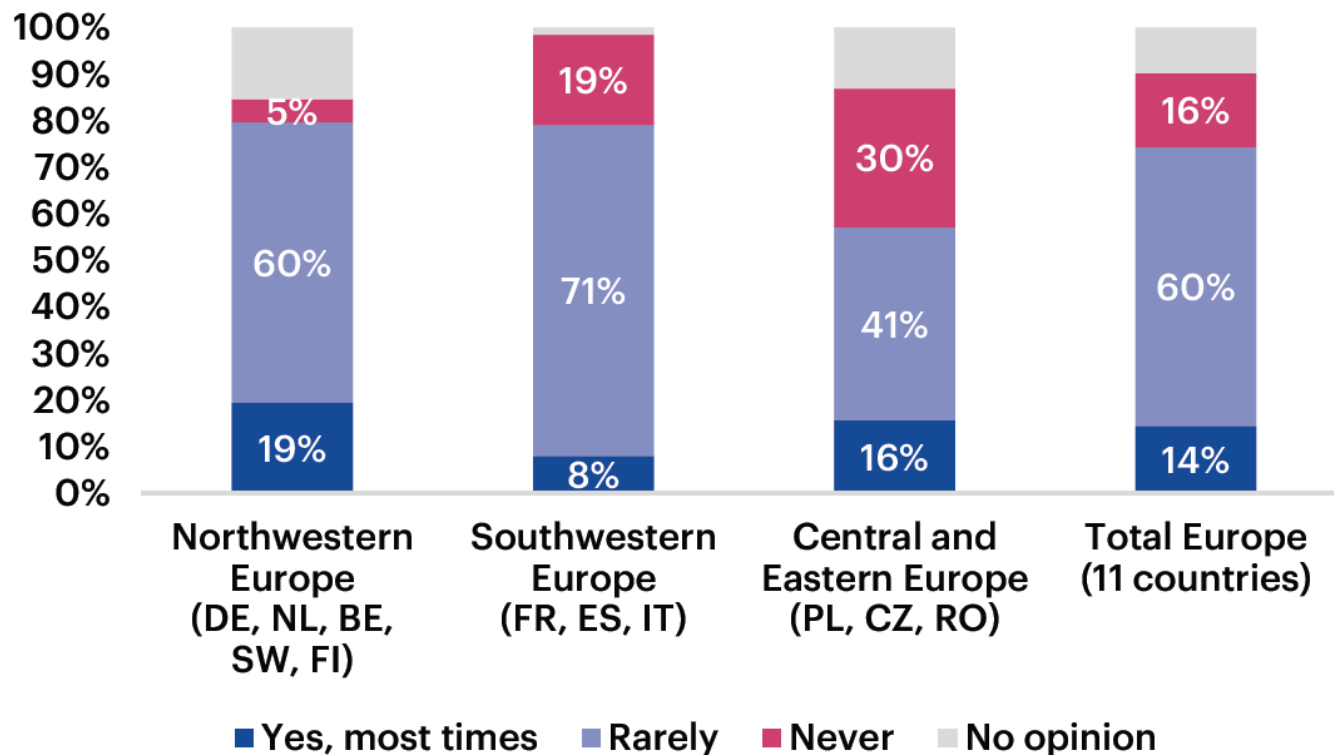
- ▶ Reindustrialization was high on the agenda even before COVID.
- ▶ Accelerated green/digital transition might make things easier or more difficult.
- ▶ Geographic implications vary:
 - Coal phase out in Spain
 - Automotive supply chain in Italy
- ▶ The question of industrial reconversion.
 - To what?
 - Under what conditions?



Note: For some regions data are not available due to very low reliability.

TRADE UNION INVOLVEMENT LAGGING BEHIND

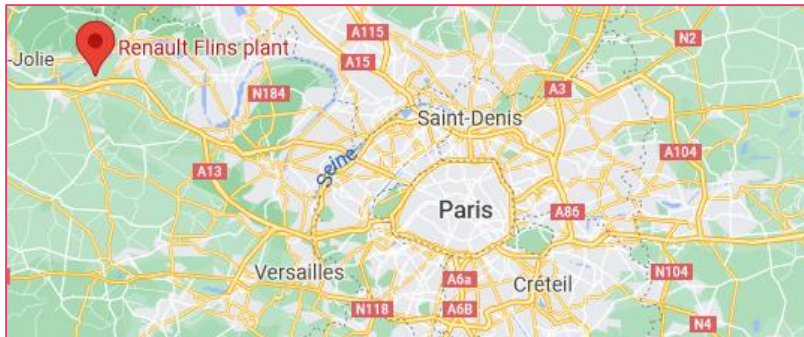
Does the company or the employers' organisation provide information regularly regarding the cost and gains from digital modernisation?



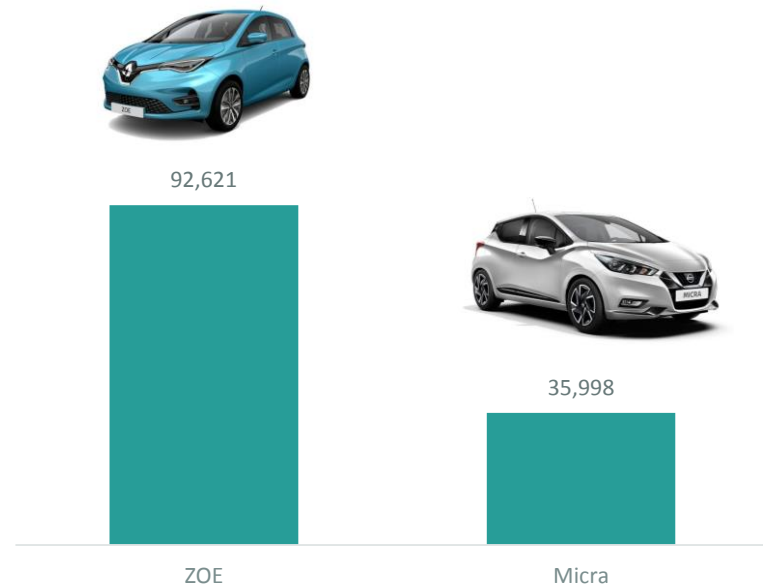
Source: industriAll (2021)

THE RENAULT FLINS PLANT TODAY

- # Established in 1952
- # Flins is located in the north-west of Paris
- # Current activities include:
 - Assembly
 - Parts (metal sheets and deep drawing)
 - Remanufacturing (refurbishment)



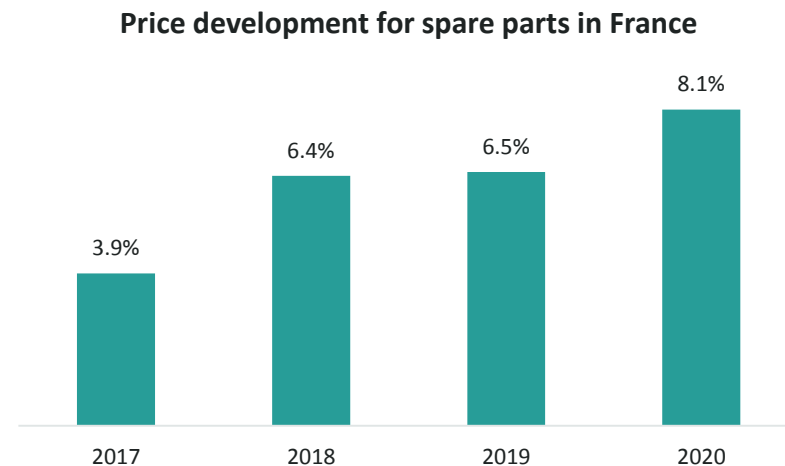
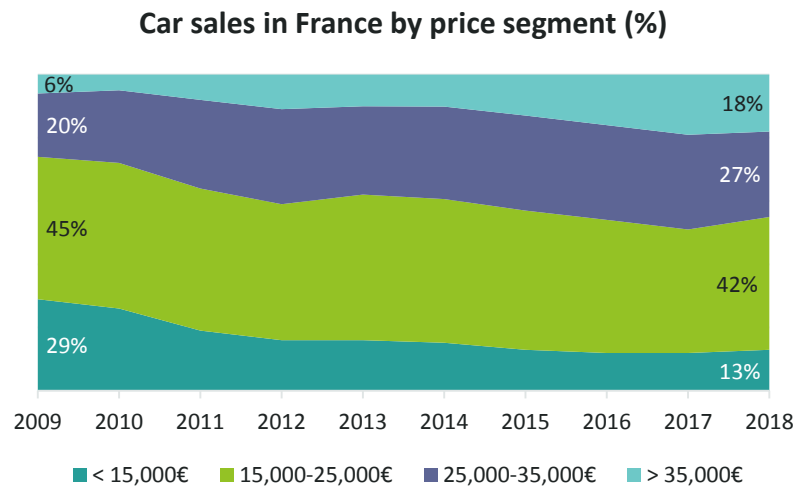
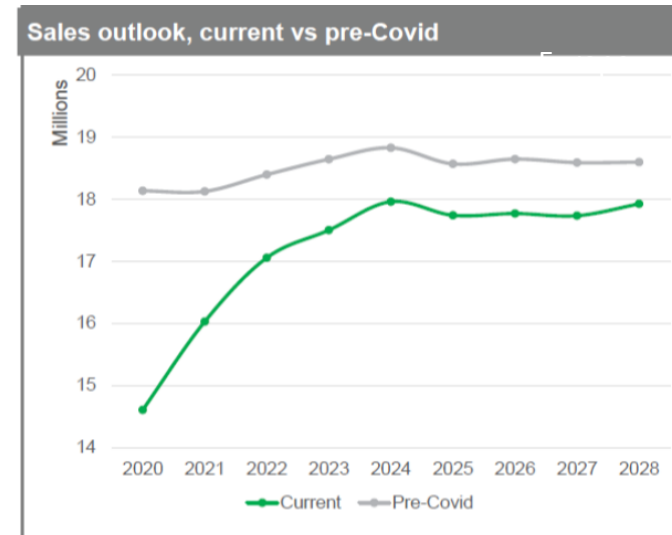
Renault Flins production volume (2020)



2,450 permanent employees and
some 1,500 agency workers

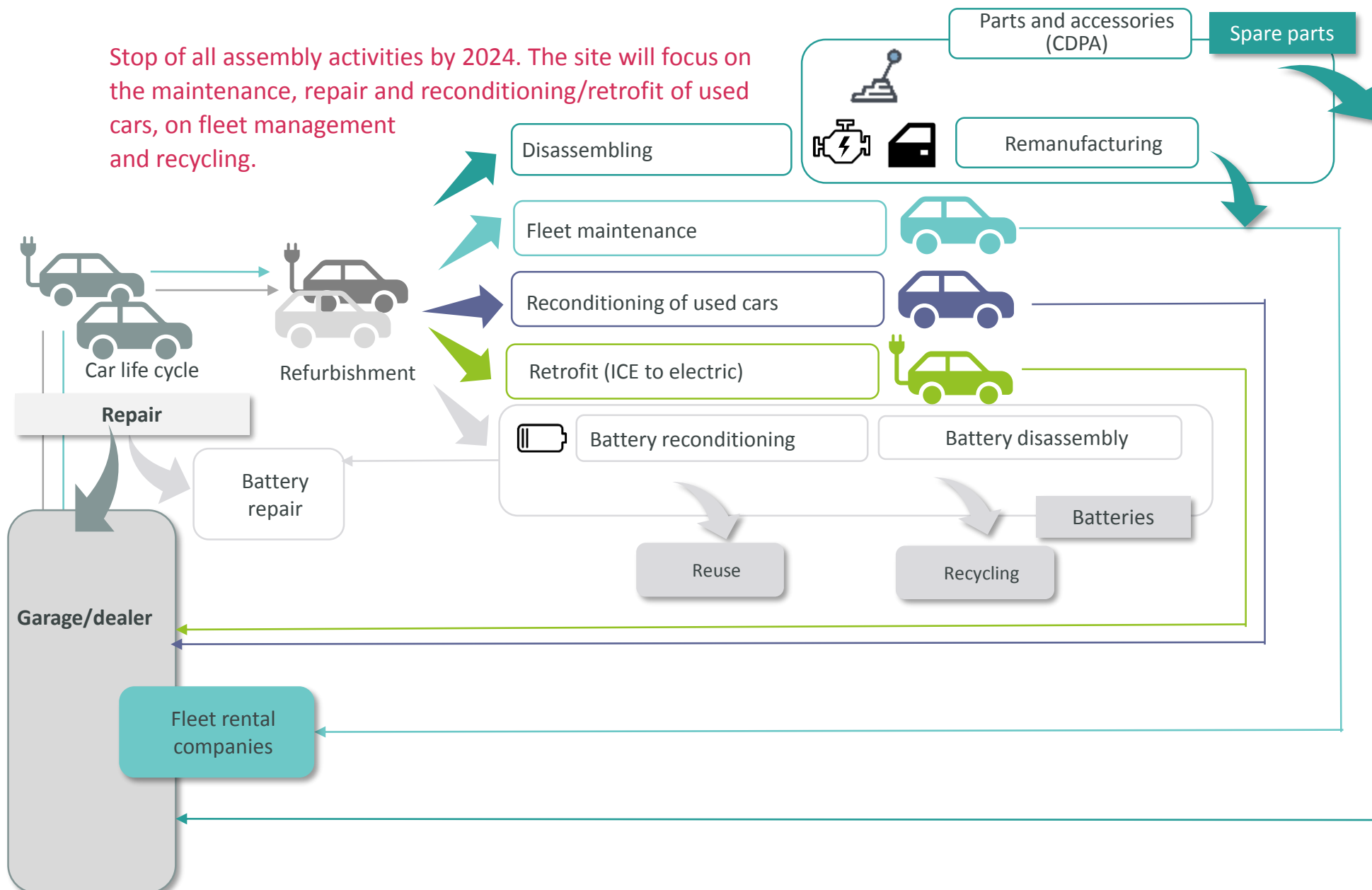
NEGATIVE MARKET OUTLOOK FOR THE FLINS PLANT

- ▶ European sales market flatlines and will not reach 2019 levels before the end of the decade
- ▶ The average price for cars increases, demand for segments A/B drops
- ▶ Although the number of electric vehicles rises, predictions show a high proportion of ICE powertrain in production and sales
- ▶ At the same time, the prices for spare parts record a spike in recent years.



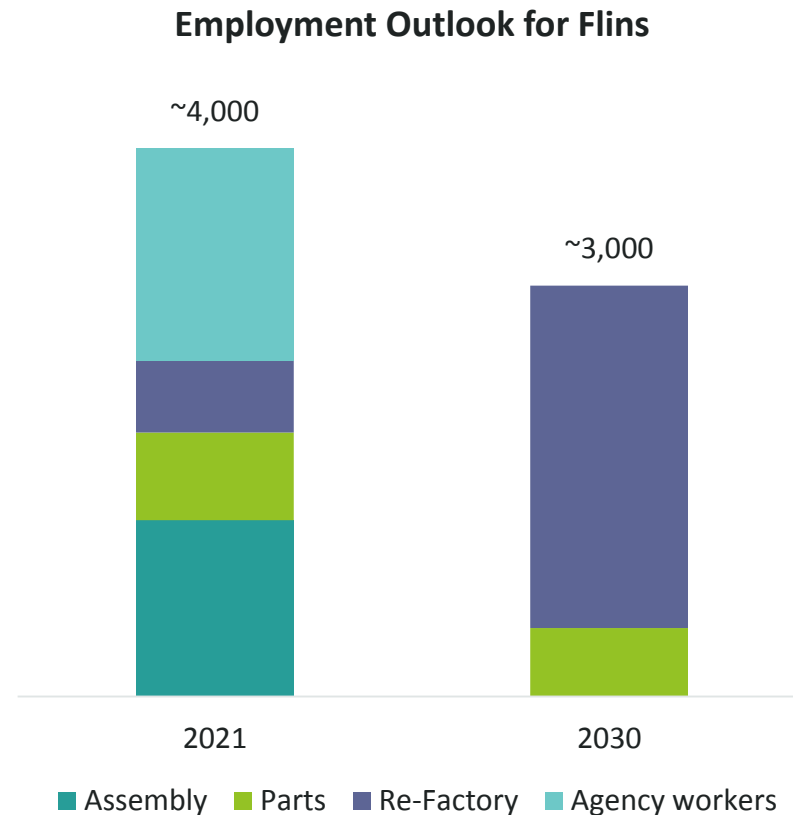
A NEW BUSINESS MODEL: THE « RE-FACTORY »

Stop of all assembly activities by 2024. The site will focus on the maintenance, repair and reconditioning/retrofit of used cars, on fleet management and recycling.



LAUNCH OF THE « RE-FACTORY » AND OUTLOOK

- ▶ Official inauguration on 30 November 2021
- ▶ Capacity of 180 used cars per day (45,000/year)
- ▶ Expected turnover: €200 million in 2025 and €1 billion in 2030
- ▶ Employment in the new Re-Factory activities is expected to partly compensate the stop of production.
- ▶ By 2030, Renault plans to employ 3,000 people in Flins.
 - The figure includes both temporary agency workers and permanent staff.
- ▶ A similar model is contemplated for the Sevilla plant (Spain).



FROM FRANCE TO OTHER COUNTRIES

- ▶ Renault Electricity: A new Renault subsidiary (Douai + Maubeuge + Ruitz), EUR 3bn investment, integrated BEV manufacturing, 400k vehicles / year.
 - Sites currently threatened by low volumes.
 - Creation of 700 new jobs.
 - Emphasis on skills and training.
 - The company demands increased flexibility and lower labour costs.
- ▶ What about Renault's plants in Spain?
 - Combustion engine technology moved from France to Spain (for ex., gearboxes from Ruitz).
 - Practices pioneered in France portable to Spain?
 - Agreements on information and consultation + training (Spanish chemical industry, SEAT).
 - Spanish unions also faced with choice of jobs vs. increased flexibility & lower labour costs.
- ▶ Multinationals first addressing the question of transition/s in their home countries.
 - Greece? Italy? Portugal? Spain?
 - A potential pincer effect: home countries and cheaper Eastern periphery.
- ▶ “National champions”?
- ▶ CGIL negotiations with ENI concerning the reconversion of petrochemical capacities to produce biodiesel.
- ▶ Planned acceleration of green/digital transitions + COVID-19 may require a revitalization of industrial action: strikes in Italy to push for union involvement in national policymaking.



syndex
L'EXPERTISE ENGAGÉE



ROYAUME
UNI



BELGIQUE



POLOGNE
S.Partner



FRANCE



ROUMANIE



ESPAGNE