

GROUPE RENAULT

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- **The objective of reducing fixed costs by more than 2 billion euros over 3 years aims to restore the Group's competitiveness and ensure its long-term development within the framework of the Alliance.**
- **The draft plan is based on the efficiency of operations within Groupe Renault: by simplifying processes, reducing the diversity of components within vehicles and adjusting industrial capacities.**
- **The planned changes will be implemented in consultation with the social partners and local authorities within the framework of an ongoing dialogue.**

Boulogne-Billancourt, May 29, 2020 – As promised when it announced its annual results, Groupe Renault today presents its transformation plan, which aims to achieve savings of more than €2 billion over three years and to lay the foundations for a new competitiveness.

The difficulties encountered by the Group, the major crisis facing the automotive industry and the urgency of the ecological transition are all imperatives that are driving the company to accelerate its transformation.

The draft plan will strengthen the company's resilience by focusing on cash flow generation, while keeping the customer at the centre of its priorities. It is based on a more efficient approach to operational activities and rigorous management of resources.

Beyond this, the draft plan aims to lay the foundations for Groupe Renault's long-term development. In France, the Group would be organized around strategic business areas with a promising future: electric vehicles, LCVs, the circular economy and high value-added innovation.

These major regional centres of excellence based in France would be at the heart of the Group's recovery. In Flins and Guyancourt, the Group would reorganise its activities.

If Groupe Renault plans to make the necessary workforce adjustments to enable a return to profitable and sustainable growth, it is committed to ensuring that they are carried out through exemplary dialogue with social partners and local authorities.

This workforce adjustment project would be based on retraining measures, internal mobility and voluntary departures. It would be spread over three years and would concern nearly 4,600 posts in France, to which would be added the reduction of more than 10,000 other positions in the rest of the world.

"I have confidence in our assets, our values and in the management of the company to succeed with the envisaged transformation and to return our Group to its full value by deploying this plan. The planned changes are fundamental to ensure the sustainability of the company and its development over the long term. It is collectively and with the support of our Alliance partners that we will be able to achieve our objectives and make Groupe Renault a major player in the automotive industry in the

years ahead. We are fully aware of our responsibility and the planned transformation can only be achieved with respect for all our Group's stakeholders and through exemplary social dialogue," said Jean-Dominique Senard, Chairman of the Board of Directors of Renault.

The project includes the following main elements:

- **Improving efficiency and reducing engineering costs, by taking advantage of the strengthened assets of the Alliance, approximately €800 million:**
 - Streamlining vehicle design and development: reducing component diversity, increasing standardization, Leader - Follower programs within the Alliance.
 - Optimization of resources: concentration of the development of strategic technologies with high added value in the engineering sites of Ile-de-France; optimization of the use of R&D centres abroad and subcontracting; optimization of the means of validation through the increased use of digital.
- **Optimization of production saving approximately €650 million**
 - Acceleration of plant transformation through the generalization of Industry 4.0
 - Process improvement in new engineering projects: accelerating digitalization and "design to process".
 - Right sizing of industrial capacities:
 - Global production capacity revised from 4 million vehicles in 2019 to 3.3 million by 2024 (Harbour reference).
 - Adjustment of production headcount.
 - Suspension of planned capacity increase projects in Morocco and Romania, study of the adaptation of the Group's production capacities in Russia, study of the rationalization of gearbox manufacturing worldwide.
 - In France, four working hypotheses for optimizing the production will be the subject of in-depth consultation with all stakeholders, in particular the social partners and local authorities:
 - Renault is launching a consultation process on the Douai and Maubeuge plants to study the creation of an optimized centre of excellence for electric vehicles and light commercial vehicles in northern France.
 - Open reflection on the reconversion of the Dieppe plant at the end of the production of the Alpine A110.
 - In Flins, the creation of a circular economy ecosystem on the site, including the transfer of Choisy-le-Roi's activities.
 - At the Fonderie de Bretagne, Renault is launching a strategic review.
- **Increased efficiency of support functions, approximately €700 million**
 - Optimization of general and marketing costs: digitalization to optimize marketing costs, rationalization of the organization and reduction of costs related to support functions, etc.
- **Refocusing activities for a better allocation of resources**

This refocusing on the Group's core business through a change in its scope would concern in particular:

- Part of the RRG integrated distribution network in Europe.
- The transfer of Groupe Renault's stake in Dongfeng Renault Automotive Company Ltd (DRAC) in China to Dongfeng Motor Corporation and the cessation of Renault branded passenger car combustion engine activities in the Chinese market.

These plans will be presented to employee representative bodies in accordance with applicable

<https://www.gruprenault.ro/en/media/2020/groupe-renault-presents-its-draft-plan-reduce-fixed-costs>

regulations.

The estimated cost of implementing this plan is in the order of €1.2 billion.

About Groupe Renault

Groupe Renault has manufactured cars since 1898. Today it is an international multi-brand group, selling close to 3.8 million vehicles in 134 countries in 2019, with 40 manufacturing sites, 12,800 points of sales and after-sales and employing more than 180,000 people.

To address the major technological challenges of the future, while continuing to pursue its profitable growth strategy, Groupe Renault is focusing on international expansion. To this end, it is drawing on the synergies of its five brands (Renault, Dacia, Renault Samsung Motors, Alpine and LADA), electric vehicles, and its unique alliance with Nissan and Mitsubishi Motors. With a 100% Renault owned team committed to the Formula 1 World Championship since 2016, the brand is involved in motorsports, a real vector for innovation and awareness.