ANNUAL GENERAL MEETING OF MAY 11, 2023
ANSWERS TO SHAREHOLDERS' WRITTEN QUESTIONS

NB: *The Board of Directors answered in French the written questions asked by shareholders under the mechanism set by Article R. 225-84 of the French Commercial Code. This English version is issued solely for the convenience of English-speaking readers. Therefore, in case of discrepancy between this document and its French version, the French version shall prevail.*

I. Questions from *Forum pour l'Investissement Responsable* (French S.I.F)

ENVIRONMENT

Question n°1:

a) How, in the context of the Paris Agreement, is each of your actions to reduce your direct and indirect greenhouse gas (GHG) emissions contributing to your decarbonisation targets across all scopes (percentage of reduced emissions due to the action)?
What is the proportion of negative emissions in your decarbonisation targets?

b) Could you link the amount of investment necessary for each of the actions implemented in relation to reducing your direct and indirect emissions resulting from your decarbonisation strategy?

c) On which reference scenario(s) is your decarbonisation strategy based? Is it aligned with a 1.5°C scenario?

Answer:

a) Renault Group plans to reduce Scope 1 and 2 greenhouse gas emissions by 80% by 2030; these scopes currently account for 2.2% of Renault Group's carbon footprint.

For Scope 3 upstream, the planned reduction by 2030 is 30% for materials (per kilogram) and 35% for battery production; this scope currently accounts for 17% of Renault Group's carbon footprint.

For Scope 3 downstream, the aim is a 35% reduction in well-to-wheel emissions; this scope currently accounts for 80% of Renault Group's carbon footprint.

The first negative emissions will be in Scopes 1 and 2 with the ElectriCity industrial cluster becoming carbon-neutral in 2025, followed by all Europe in 2030. They will correspond to any Scope 1 and 2 emissions Renault Group is unable to offset through the various renewable electricity and heating contracts it is currently putting in place.

b) At present, Renault Group's investment monitoring is organised on the basis of each vehicle project and factory; our management tools do not currently provide for investment monitoring on the basis of decarbonisation initiatives. We will be rolling out a monitoring tool enabling us to track investments for each action undertaken within each scope.

c) Renault Group's commitments announced in the Climate Report and at the April 2021 General Meeting are in line with the 1.5°C scenario for Scopes 1 & 2 and the 'well below 2°C' scenario for Scope 3 upstream and downstream. These trajectories are more ambitious than the previous targets approved in 2019 that feature on the SBTi website.

We are committed to the 'Business Ambition for 1.5°C' campaign and have approached SBTi to confirm our aims in terms of new trajectories.

<u>Question n°2</u>:

a) Have you carried out a recent assessment of the (direct and indirect) impacts and dependency of your activities on biodiversity?

b) If not, why? If yes, has your calculation of the (direct and indirect) dependency of your activities on biodiversity (expressed as a percentage of sales, net banking income, etc.) changed since last year?

c) Based on your assessment, how much have you spent to promote biodiversity (protection, restoration, etc.)? Please indicate an amount.

<u>Answer</u>:

a) Yes, all details relating to biodiversity are available in the 2022 Universal Registration Document, page 202, chapter 2.3.2.4. *Ecosystems and Biodiversity*.

In 2022, Renault Group continued to analyse its dependency and impact on biodiversity and ecosystems, based on a method used by a firm of specialist consultants.

<u>Evaluation of the dependency of our activities on ecosystem services:</u>
The main ecosystem services required in Renault Group's business model are as follows: provision of water, mineral ores, biotic and abiotic outputs; services for climate regulation, water and waste treatment; cultural services.

<u>Evaluation of the impact of our activities on biodiversity and ecosystems:</u>
Through its own activities, its value chain, and the use of its products, Renault Group contributes (to varying degrees) to the five pressures on global biodiversity identified by IPBES, the four main ones being climate change, changing use of sea and land, direct exploitation of organisms, and pollution.

At the same time, to determine the impact of our own activities on biodiversity and ecosystems more precisely, 21 pre-diagnostic studies have been carried out on those sites deemed to be facing the most serious issues (with priority given to sites close to natural areas and/or with a large proportion of natural land within their property). This research has revealed the sensitive environmental issues on each site and identified actions that can encourage biodiversity on our sites. 5 of these 21 pre-diagnostic studies have revealed significant issues, including the presence of protected species such as the southwestern water vole, marsh helleborine and the brown howler monkey.

b) Our assessment of the dependency (direct and indirect) of our activities has not changed since last year: automotive production activities depend on the preservation of ecosystems and biodiversity.

c) Renault Group expenditure to promote biodiversity is currently directed mainly towards indicators for measurement (diagnostics), avoidance (guidelines) and minimisation (goals).

Examples of restoration projects supporting reforestation:

- In 2022, Renault Group made a commitment to the *Global Platform for Sustainable Natural Rubber* (which leads improvements in the socio-economic and environmental performance of the natural rubber value chain) to co-fund a field project in an area that produces natural rubber. This expenditure is in addition to the annual membership fee paid by Renault Group since 2019.
- In 2022 in Spain, the Renault Foundation partnered with the Natural Heritage department of the Castilla y León Region to organise the planting of over 2,000 trees near its Valladolid facility. This action will help improve plant biodiversity in the region and support existing animal species.
- In 2022 in Colombia, reforestation work was carried out in the Salto de Tequendama forest region. This task has been entrusted to women from communities close to the site in question as part of the '"*El Granja El Porvenir*"' project. By giving participants a new source of revenue, the project is helping to increase their economic resilience and enabling them to acquire new skills, in addition to serving a local environmental need.

Question n°3:

a) How, against a background of inflation, geopolitical crises, global warming and biodiversity loss, do you evaluate the financial and economic impacts of the increasing scarcity of strategic natural resources or difficulties in accessing them on your business models?

b) Have you assessed the increase in costs created by these difficulties (indicate how costs have changed, as a percentage or by value)?

c) What measures have you taken as a result to reduce your consumption and move towards a circular business model (indicate the share of the business's activities affected by these solutions)?

Answer:

a) At a time at which both the price of raw materials and the energy mix (petrol, diesel, and electric vehicles) are highly volatile, Renault Group is adjusting its purchasing, technical, market watch and hedging policies to identify and mitigate supply risks and cost overruns. In its purchasing policies, Renault Group is continuing to develop the *multi-sourcing* of materials such as cast steel and aluminium in order to optimise costs and ensure security of supply. Renault Group is also stepping up controls on the materials contained in parts and components on the basis of a panel of approved materials; detailed materials price analysis is carried out when *costing* parts.

In terms of technical policies, Renault Group is actively seeking to reduce or replace the use of sensitive materials such as palladium, rhodium, and rare earths. It is also continuing to develop the use of recycled materials (particularly precious metals) and end-of-life vehicle recycling. Further steps in this direction include the launch of the Refactory in Flins in 2020 and the setting up in October 2022 of 'The Future Is Neutral' (TFIN), its new entity devoted to the circular economy.

For strategic materials for batteries, Renault Group is seeking to secure the supply of responsible materials and share control of the value chain with its stakeholders. With this in mind, agreements for the supply of low-carbon lithium and nickel were entered into in 2021 and 2022; Renault Group is considering extending the use of this type of contract to include materials other than those used in batteries.

In terms of market watch, Renault Group revises its forecasts for the main listed and unlisted commodities every two months. At the same time, it constantly monitors critical materials markets and suppliers.

b) The impact of changes in the cost of raw materials will be much lower in 2023 than in 2022, with the increase in the cost of raw materials and variable costs being more than offset by the mix/price/enrichment effect and productivity.

Some resulting measures taken in order to decrease consumption and its business model more circular are summarised below.

Reducing consumption:

Renault Group is striving to mitigate the impact of its activities on all resources (fossil, natural, mineral, and water resources) through efficient management from vehicle design to end-of-life, including recycling.

For instance, for energy use, in 2022 (with levels of business similar to those in 2021) Renault Group improved its performance by over 13%, achieving 1.92mWh/vehicle (14% for the manufacturing scope). This significant improvement was due firstly to the implementation of ambitious action plans across all sites (improved metering plans, a new energy portal, technology building blocks, etc.) and secondly to the setting up for last winter of a *Task Force* devoted to the energy crisis as well as more hands-on management across all sites.

Developing a circular business model:

Against a backdrop of energy transition, increasing scarcity of resources, and raw material price inflation, our 'The Future Is Neutral' entity created in October 2022 is the first automotive industry company to be devoted to a full-scope circular economy spanning everything from closed-loop systems for materials to battery recycling. In Europe, despite over 11 million vehicles in which approximately 85% of the materials are recyclable reaching the end of their life every year, while today, no more than 20-30% of the materials in new vehicles are currently recycled (from all areas of industry).

The aim of this new entity is to drive the automotive industry towards becoming resource-neutral, enabling automotive industry players to achieve significant improvements in the proportion of recycled materials from their industry in new cars by developing closed-loop recycling solutions at each stage of vehicles' life cycles: the supply of parts and raw materials, production, normal wear and tear, and end-of-life. To do so, it draws on the expertise of its subsidiaries Gaia (for battery repair, component collection and re-use, and the recycling of materials from end-of-life vehicles) plus two joint ventures with Suez, Indra (a leading processor of end-of-life vehicles in France with over 370 approved centres), and Boone Comenor Metalimpex (experts in recycling metal offcuts from industry) and its existing partner network.

The entity aims to become Europe's leading industrial-scale closed-loop circular-economy automotive company, serving Renault Group and the industry as a whole.

The principles of the circular economy allow Renault Group's exposure to the increasing scarcity of resources and volatility in raw materials prices to be reduced in several ways:

- through the application of eco-design standards to vehicles and batteries. These facilitate more sparing use of rare materials, the inclusion of recycled materials, and vehicles designed to be able to be dismantled and recycled at the end of their lives;
- through projects to develop and implement new technical solutions and collection, re-use, renovation, and recycling processing chains for parts and materials. These projects broaden the supply of re-manufactured and re-used parts and open up the prospect of second-life uses, electric vehicle battery recycling, and short-circuit materials recycling loops within the automotive industry;
- through plans to improve the efficiency of industrial processes to optimise the use of resources and mitigate and recover waste.

Renault Group's aim is for recycled materials to make up 33% of the total mass of new cars worldwide by 2030. Renault Group is also aiming to increase the proportion of recycled strategic materials reintroduced into battery production in a closed-loop system to 80% by 2030.

SOCIAL

Question n°4:

a) Can you specify how the environmental and social (E&S) criteria included in the short and long-term variable remuneration policies (if applicable) for your senior managers reflect the more practical E&S issues faced by your business?

b) How does the Board ensure that E&S targets are achieved and, in particular, based on which quantitative criteria? Is the level of requirement systematically reassessed when achievements rates are high?

c) Can you describe how your employees' (excluding senior managers') remuneration (bonus, long-term, profit sharing, other) incorporates E&S criteria? Please specify the number of employees concerned and provide as much detail as possible about the E&S criteria and the proportion of employee remuneration they represent.

Answer:

a) The ESG criteria adopted for the compensation policy of Renault Group's Chief Executive Officer are as follows:

- 3 criteria for short-term variable compensation: the circular economy; training and reskilling; health and safety;
- 1 criterion for long-term compensation in the form of performance shares: the electric private car sales mix in Europe;
- 1 criterion in the co-investment plan: CO_2 emissions (kg CO_2/vehicle produced in Europe).

These criteria are fully in line with the three pillars underpinning Renault Group's sustainable development strategy. The three pillars support the transformation implemented through the RENAULuTion plan towards a greener, more tech-oriented company with a new focus on data, energy, and services:

- the environment: reducing our carbon footprint and achieving better use of resources by developing our circular economy business lines;
- safety: leveraging onboard vehicle technology in our cars to enhance the safety of users of our vehicles and on-road services. This pillar also covers the safety of employees in the workplace;
- inclusion: the transition towards new *business* lines such as electrification, data and the circular economy will be achieved by supporting skills transformation and promoting diversity within Renault Group.

b) The ESG criteria used in compensation are mainly quantitative in nature (see details of the 2023 compensation policy, chapter 3.2.4.2 of 2022 URD). Those in charge of each criterion specify the degree to which it has been met in a document presented to the Governance and Compensation Committee and are called on by the Committee to supply any further explanations as needs be.

The goals for each criterion are demanding and are in line with sustainable development strategy milestones.

c) The criterion relating to CAFE (Corporate Average Fuel Economy), expressed in g CO_2/km, has been the non-financial criterion in the incentive agreement since 2020. If it is met, the corresponding fixed component is €200 net per employee. The criterion was met in 2021 and 2022, resulting in a bonus payment of €200 plus a further €40 per €100 of salary in 2021 and a bonus payment of €200 in 2022.

Renault Group's incentive payments were implemented in all companies within the scope of the agreement; between 35,000 and 40,000 employees benefited in FY 2021 and 2022.

In addition, as part of the incentive agreement, the various business units and companies may choose local performance criteria from the 'QCDRH' table, which comprises four sections: Quality, Costs, Lead Times and Human Resources. As well as these indicators, specific indicators defined by local agreements allow collective performance to be rewarded, in particular as regards the environment, CSR, and diversity. Typically, criteria adopted may relate to the carbon footprint and reducing energy use in companies, waste sorting, working conditions and workplace safety. On average, payments in respect of local performance incentive schemes amounted to €1,053 in 2021 and €1,138 in 2022.

Question n°5:

a) Within the context of your value sharing policy, what proportion of your share buybacks have you allocated to your employees over the last five financial years (excluding performance shares)? What proportion of employees was involved in France and internationally?

b) Can you break down the allocation of your share buybacks (cancellation, employee share ownership campaign, allocation of performance shares, other beneficiaries or other allocations) over the same period?

c) More generally, do you have a policy that sets out the allocation of your share buybacks? Is this policy public? If so, can you describe it?

Answer:

a) Over the past five financial years, Renault Group share buybacks have enabled the launch of a single employee shareholding operation (excluding performance shares) in 2022.

As part of its new employee stock ownership policy, this major initiative was rolled out in 29 countries and offered to over 110,000 employees (including almost 47,000 eligible employees and retired employees in France). Implemented pursuant to articles L.3332-18 *et seq.* of the French Labour Code (*Code du travail*), the scheme allowed Renault shares to be purchased via an employee investment fund or, in some countries, on a registered account. Details of the scheme are supplied in chapter 3.2.5.3 of the 2022 URD.

This worldwide stock ownership plan consists of two tranches by means of which eligible employees could (i) receive a free matching contribution of 6 Renault shares for the first tranche and (ii) purchase Renault shares on preferential terms (at a 30% discount) and benefit from an additional matching contribution of 300% (up to a maximum of 6 free shares) for the second tranche.

95,396 employees took part in the first tranche and received the free matching contribution of 6 shares. 40,307 employees took part in the second tranche and received the supplementary matching contribution of 6 shares, corresponding to global participation of 36%. 0.91% of the share capital was subscribed as a result of these two tranches.

b) In the period 2018-2021, Renault Group share buybacks were used solely to cover the annual free share allocation programs for Group executives and employees. In 2022, in addition to the free share allocation plan, share buybacks were also used for a liquidity contract and for the employee shareholding operation described in (a) above.

For 2022, the breakdown of share buybacks is as follows:

Stimulation of Renault shares on the regulated secondary market
Renault Group has entrusted Exane BNP Paribas with the implementation of a liquidity and market surveillance contract for its ordinary shares from July 1, 2022, for a period of one year, renewable by tacit agreement. Under this liquidity contract, Renault Group acquired 4,124,809 shares in 2022 and sold 4,013,309 shares.

Coverage of employee share allocation plans
Under its share buyback program approved by the General Meeting of May 25, 2022, Renault bought back 1,260,000 shares in June 2022 to cover its annual free share allocation plan and 636,000 shares in November 2022 to cover part of the employee shareholding operation implemented in 2022.

Details of Renault's transactions in its own shares during 2022 are available on page 540 of the 2022 URD.

c) Under the terms of the annual authorization given by its General Meeting, the objectives of Renault's buyback program are those provided for by the applicable regulations (Article 5 of the Market Abuse Regulation - MAR) or in accordance with the market practices accepted by the "Autorité des Marchés Financiers" (AMF). Renault's 2023 buyback program is described on page 542 of the 2022 URD.

However, the Group's policy on the allocation of share buybacks limits the use of these buybacks to two objectives. The shares held directly or indirectly by Renault (excluding the liquidity contract) are allocated in their entirety to the implementation of free performance share plans, or any other form of allocation, grant or sale intended for the Company's employees and managers. The shares acquired by the beneficiaries of share-based compensation must not have the effect of modifying the share capital; these shares are acquired under the share buyback program (see page 540 of the 2022 URD).

Question n°6:

For 2 years in a row, you are not giving a definition of living wage. This question is particularly important for responsible investors and especially in the context of global inflation. It is for us crucial to have a clear definition to evaluate Renault's vision on its global strategy.

According to the Global Living Wage coalition, a living wage is "*The remuneration received for a standard workweek by a worker in a particular place sufficient to afford a decent standard of living for the worker and her or his family. Elements of a decent standard of living include food, water, housing, education, health care, transportation, clothing, and other essential needs including provision for unexpected events. The living wage is distinct from the local legal minimum wage.*

a) Since last year, did you adopt a definition of the living wage such as the one mentioned above or equivalent? If so, which one?

b) What precise measures have you implemented to ensure that all your employees and those of your suppliers are paid a decent salary (working with specialist initiatives and conducting studies to determine a decent level of salary for each country, inclusion of this criterion in your supplier charters, due diligence in relation to suppliers, etc.)?

c) Have you set minimum remuneration thresholds for all countries in which your employees and those of your suppliers operate and where do these stand in relation to the local minimum wage? If yes, do you carry out audits to ensure that these thresholds are being implemented correctly and are adjusted according to the cost of living?

d) Have you considered and mapped the systemic risks that could prevent paying a decent wage to your employees and those of your suppliers (such as failure to allow freedom of association)?

Answer:

a) Renault Group, this allows employee compensation to be in line with best practice in each country. The goal is to provide levels of compensation that allow employees to be engaged long-term in the community in terms of purchasing power, housing, and social security cover.

b) Each year, in each country, we carry out compensation surveys and adapt our wage policy based on the economic environment, particularly in view of levels of inflation and our financial capacity, in order to ensure employees' purchasing power is maintained.

As part of its 'Responsible Purchasing' policy, Renault Group carries out reasonable due diligence (supplier audits and field audits conducted by third parties) to ensure that suppliers abide by social, environmental and ethical standards, laws, and regulations. One of the contractual commitments made by suppliers is to provide the minimum wage specified in applicable labour law. The issue of a decent wage is covered both by our ESG supplier evaluations (in particular by Ecovadis) and by field audits.

Renault Group uses documents that define the underlying principles of responsible contractual relations with suppliers. These include*:*

- Renault-Nissan 'corporate social responsibility' (CSR) Guidelines for suppliers (December 2015), circulated to all Renault Group suppliers and subcontractors, who must also circulate them to their own suppliers;
- The global framework agreement covering social, societal, and environmental responsibility entered into on 2 July 2013 by IndustriALL Global Union and the Renault Group Council. Where necessary, corrective action plans are implemented and supported by Renault Group*.*

c) The remuneration levels implemented are indeed competitive and attractive, they go beyond the minimum and compulsory obligations and allow us to retain all our talents in the medium and long term.

d) We systematically draw up a risk matrix covering critical issues for Renault Group. These issues include the payment of wages, in particular the risks relating to our payroll activities and related IT systems*.*

Question n°7:

a) In France, apart from investments in your company's shares, what proportion of employee savings funds have been labelled as socially responsible (SRI, Greenfin, CIES, Finansol or foreign labels)? Please indicate the name of the labelled funds, the proportion, as a percentage of the assets invested and as a percentage of the funds, excluding employee share ownership, the percentage of Group employees who benefit and how the situation has changed since last year.

b) If applicable, please explain why not all your employee savings funds are labelled. If some are not labelled but include ESG criteria, please explain how these criteria attest to a robust and selective ESG strategy.

c) In the other countries in which you operate: What employee savings schemes, excluding employee share ownership, are implemented for your employees outside France? Do they include robust ESG criteria? If yes, what are they? If not, why?

d) How do you involve your employees in choosing and monitoring the responsible use of funds?

Answer

a) In France, eight employee investment funds (*fonds communs de placement d'entreprise*, FCPE) are available to employees for employee savings (the Group Savings Scheme and the Collective Retirement Savings Scheme). Excluding the FCPE invested in company shares, which does not fall within the scope of accreditation, 5 of the remaining 7 are directly accredited based on their asset allocations*:*

- Multipar Monétaire SR : ISR, CIES
- Multipar Obligataire SR Solidaire : ISR, CIES, Finansol
- Multipar Equilibre SR Solidaire : ISR, CIES, Finansol
- Multipar Actions : ISR, CIES
- Renault Caremakers Solid'air : ISR, Finansol
- CM CIC Perspective Certitude : not accredited, but the fund is 90% protected and 85% invested in fixed-income products; half of its assets are invested in the accredited fund CM AM Cash ISR IC
- CM CIC Perspective Monde : Not accredited. Global Equity Fund

It may also be noted that the number of investors and the total assets of each of the FCPEs are listed on page 262 of the 2022 Universal Registration Document. Fund investors include former employees and retirees of Renault Group who still have assets in this FCPE; as a result, Renault Group cannot determine the number of current employees holding assets in accredited funds. Moreover, one person may own shares in multiple FCPEs, so the sum of all the investors in the five accredited FCPEs is not equal to the total number of Renault Group employees benefitting from them.

b) All the FCPEs offered to Renault Group employees have been validated by the social partners in signed collective bargaining agreements. Given the amount of assets in each of the FCPEs, Renault Group and its social partners could have chosen dedicated funds, but except for the Renault Caremakers Solid'Air fund, these would not have been accredited. The choice of a multi-company range offers employees accreditations that may provide them with reassurance as well as a more diverse range of options when making investment decisions.

In addition, the two non-accredited FCPEs are managed by the Crédit Mutuel group, which has long been committed to a corporate social responsibility (CSR) policy based on a foundation of mutual, cooperative values: Client and Shareholder Aspirations, Governance Aspirations, Societal Aspirations, Social Aspirations, and Environmental Aspirations.

c) Tax and social security formalities covering savings and pensions vary depending on local legislation. Each country therefore implements its own employee savings policy and ensures compliance of the latter. Apart from the two international FCPEs set up by Head Office for the purposes of employee stock ownership plans, Renault Group is not able to publish information on employee savings schemes that may exist in the various countries in which its subsidiaries operate.

d) All the funds offered as part of the company's Group Savings Plan (and the Collective Retirement Savings Scheme) are controlled by the members of their respective supervisory boards; two Renault Group employee representatives sit on each of these, apart from the dedicated 'Caremakers Solid'Air' fund, whose board consists of eight employee representatives.

The boards' main missions are to examine the management report and annual accounts for the FCPE in question, examine its financial management, issue opinions as specified in the FCPE rules, exercise voting rights attached to the assets held in the fund pursuant to the terms of the FCPE rules, vote on any merger, spin-off or liquidation of the FCPE, and defend or uphold the interests of the shareholders in legal proceedings.

These employee representative members are appointed by the staff representatives of the trade union bodies on the Central Social and Economic Committee (*Comité Central Social et Economique*, CCSE) except for "Renault France" FCPE employee representative members, who are elected by shareholders.

GOVERNANCE

Question n°8:

The Board of Directors or Supervisory Board must be fully involved in the choices made around being a good corporate citizen in tax terms (aligned with principles such as those of The B Team initiative) to ensure that the business's fiscal responsibility is in line with its social responsibility. Accordingly, the FIR expects that a public fiscal responsibility report, reviewed and signed by the Board of Directors and detailed country by country, exists and is aligned with Global Reporting Initiative (GRI) 207. Accordingly:

a) Do you publish a document detailing your commitments in terms of fiscal responsibility? How does this align with your social responsibility policy, beyond simple compliance? How is it reviewed and approved by the Board? (Please include a link or state where this document and a detailed explanation can be found). Do you specify any fiscal practices you deem unacceptable?

b) Do you publish your fiscal reports country by country? If not, how are you preparing for the European directive scheduled for 2024, which will imply country-by-country reporting for EU Member States? Do you plan to publish a country-by-country report that goes beyond the obligations of the directive?

Answer:

a) In the area of taxation, Renault Group complies with all French and international legal and regulatory requirements, particularly those relating to tax transparency (CBCR, DAC6, etc.), but does not publish a charter detailing the group's commitments in the area of tax responsibility.

Renault Group's tax policy is described on page 245 and its tax risk management system on page 385 of the 2022 Universal Registration Document.

The Renault Group Tax Department is responsible, on a worldwide basis, for implementing the Group's tax policy, which includes managing all tax risks. Tax risk management is an integral part of the overall risk management process within the Group. This policy and the related procedures are monitored by Internal Control.

The Audit and Risk Committee (ARC) monitors compliance with the policies and procedures in force within the Group. In addition, the Group's corporate and consolidated financial statements contain the changes in the Group's overall tax charge and, consequently, changes in national taxes that affect the level of this charge.

As part of the process of closing the accounts and preparing the management report, the Board of Directors is thus required to examine both the tax risks and the Group's tax rate.

In accordance with its tax policy, the Renault Group ensures compliance with the tax rules applicable to its business in all countries where it operates, in accordance with international agreements and local laws. The Group neither encourages nor promotes tax evasion, either for itself or for its subsidiaries.

Renault Group is fully committed to implementing regulations aimed at ensuring tax transparency at local, community or international level.

b) Renault Group also fulfils its obligation to file country-by-country reports with the French tax authorities, which concern all Group subsidiaries worldwide. This reporting is then communicated by France to the tax authorities in other countries.

However, the breakdown of taxes by country has not yet been made public but will be once the public Country-by-Country Reporting system comes into force in 2025, and the Group will fully comply with this and all its other tax obligations.

Question n°9:

a) What public decisions do your lobbying activities aim to influence? Please detail these for the last two years, concentrating on lobbying linked to human rights (including fundamental social rights), the climate and governance, for the main jurisdictions in which you engage in lobbying activities (including the EU, United States, emerging markets and other regions).

b) How do you monitor and ensure that your ESG targets are in line with the positions of the professional associations to which you belong, and check for any potential divergence with your own positions? Do you publish a report in which you detail how your business's positions and those of your professional associations are aligned, but also the cases in which they may differ?

c) What resources (human and financial) do you allocate to lobbying for all your markets worldwide?

Answer:

a) Renault Group has interest representatives in all the countries in which it does business. Most interest representative activity takes place in France and in Brussels.

The main positions upheld by Renault Group in the course of its interest representation in France within the meaning of the guidelines published by the French High Authority for Transparency in Public Life (*Haute Autorité pour la Transparence de la Vie Publique*, HATVP) are specified in the declarations logged in the HATVP Transparency Register (available online at https://www.hatvp.fr/fiche-organisation/?organisation=780129987##).

In 2022, Renault Group interest representation in France dealt in particular with:

- accelerating and facilitating the rollout of the charging infrastructure and ecosystem for electric vehicles;
- a proposal for a balanced eco-tax system to support the sale of electrified vehicles, particularly those produced in France and elsewhere in the EU;
- improving competitiveness and support schemes for industrial investment and innovation for automotive industry manufacturers and suppliers.

In 2021, some of the main aims of Renault Group's interest representation in France included:

- Shielding minibuses derived from LCVs from harsher malus penalties, on the grounds of their ability to reduce traffic congestion;
- Expanding the requirement to purchase clean vehicles for fleets as well as the resources to implement controls and sanctions;
- Accelerating and facilitating the rollout of public and residential block charging stations for electric vehicles;
- A proposal for a balanced eco-tax scheme to support the sale of electric vehicles;
- Ensuring that access to vehicle data takes place in such a way as to ensure users' security and privacy is protected.

As specified in the EU Transparency Register (https://ec.europa.eu/transparencyregister/public/consultation/displaylobbyist.do?id=946343776-69), the main interest representation activities in Brussels (mostly relating to human rights, governance, and climate issues) included:

- the 'Fit for 55' package of proposed legislation to ensure that EU policy meets climate-related goals, in particular,
    - CAFE (CO_2 emissions standards for new private cars and vans),
    - the Alternative Fuels Infrastructure Regulation (AFIR),
    - the Energy Performance of Buildings Directive (EPBD),
    - the Carbon Border Adjustment Mechanism (CBAM),
    - the EU Emissions Trading System (ETS),
    - the third Renewable Energy Directive (RED III),
    - the Energy Taxation Directive (ETD)
- the Battery Regulation

- the End-of-life Vehicle Directive (EVLD)
- the Taxonomy Regulation for sustainable activities;
- the Corporate Sustainability Due Diligence Directive (CSDD);
- the Corporate Sustainability Reporting Directive (CSRD).

b) In early 2023, Renault Group worked with all the countries in question to carry out a full update of the list of associations of which it is a member worldwide. On this basis, going forward, discussions with the main interest representation associations will commence with a special emphasis on issues relating to the transparency of interest representation.

c) Renault Group's Universal Registration Document details the resources committed by the Group in the course of its interest representation in France and Europe (the regions in which most of this activity occurs).

Details of interest representation expenditure in France are supplied every year to HATVP pursuant to applicable regulations. In 2022, this expenditure was between €400,000 and €500,000. This includes part of the compensation of employees declared as interest representatives pursuant to HATVP criteria and part of the subscription fees paid to associations and professional bodies, in accordance with HATVP guidelines. The corresponding amounts are published on HATVP's public-facing website: https://www.hatvp.fr/fiche-organisation/?organisation=780129987##.

Interest representation expenditure engaged by Renault Group in the course of its relations with EU institutions is published in the EU Transparency Register managed jointly by the European Parliament, the Council of the European Union and the European Commission. In 2022, this expenditure was between €300,000 and €399,000 including overheads, employee compensation and membership fees paid to associations and professional bodies.

Question n°10:

a) What measures do you take to anticipate the short and long-term effects of the ecological transition on jobs and changing skills requirements within your group, but also in your value chain (subcontractors, suppliers, franchisees, etc.)?

b) How do you address the environmental question with social partners? At what level(s) (local, national, European and global) and in what contexts? Can you also indicate whether these discussions take place on the basis of information sharing, consultations or negotiations? Please be specific as to the various scenarios that may arise.

c) What resources do you provide to social partners so that they can get involved in your group's environmental policy (training, specific committees, etc.)?

d) Have the environmental prerogatives specifically assigned to the Social and Economic Committee (SEC) by the Labour Code (under the "Climate and Resilience" Act) resulted in new practices in this area in your business?

Answer:

a) The automotive sector is undergoing transformation; skills in data processing and analysis, cybersecurity, and vehicle electrification, maintenance and recycling have become vital. To support this transformation, we set up our ReKnow University in 2021.

This new company university supports the transformation of mobility jobs by providing a link between initial training and lifelong training and by bringing together a range of stakeholders including players from industry, academia, and institutional bodies to design and disseminate innovative training tracks.

Structured around five topics (electricity, the circular economy, data, software and cybersecurity) the university provides training for jobs relating to mobility of the future. Initially devoted to Renault Group employees in France, it has already provided training for over 10,000 people since 2021. Our aim is for the best part of 15,000 employees to have received training by 2025.

For instance, by playing an active role in setting up the *E-Mobility Industry Academy* in France, Renault Group is investing in skills development of its industrial teams by devising training modules destined for those who will be working on electric motor manufacturing lines in the future.

ReKnow University works closely with recognised academic partners to co-develop courses leading to accreditations and professional qualifications, thus preparing the future of mobility and of our industry. A new 'jobs and qualifications' campus wholly given over to the circular mobility industry was opened in 2022 on the Refactory site in Flins, where stakeholders and ReKnow University will be able to develop the skills required to address the emerging challenges associated with the circular economy. The activities of the university will gradually be expanded to include industrial partners in the sector, with whom we are sharing work on the design and dissemination of professional training courses.

In addition to training, Renault Group has also adjusted its recruitment process to address the new circumstances created by the digital revolution and accelerated technology step changes. The fact is that the company's skills requirements are changing; talent-spotting is taking place on a market that is increasingly competitive both in and beyond the automotive sector. To anticipate and adjust to these fast-moving changes, Renault Group is recruiting new employees with a wide range of profiles and skill sets in every market in which it is located. As a result, the number of new hires has increased compared to 2021, reaching 13,716 in 2022, thus strengthening the skills needed to develop the new solutions and services for the mobility of tomorrow and adjusting to changes in legislation.

b) Environmental issues are dealt with mainly at country and business unit level. However, in November 2021, the plenary session of the Renault Group Committee had a presentation by the Group's Sustainable Development Department covering chapter 5 of the 2013 global framework agreement entitled 'Committing together for sustainable growth and development', which deals with 'sustainable environmental protection and mobility for all'. A similar presentation is scheduled in September 2023. In another development, in June 2022 the due diligence plan, which includes an environmental strand, was shared with the restricted Renault Group Committee at a meeting to monitor the 2013 global framework agreement.

By way of example, here is the practice in two countries in which Renault Group operates:

- In France, environmental issues are regularly discussed with social partners, in particular at meetings of the Central Social and Economic Committee (*Comité Central Social et Economique*, CCSE France). For instance, the environmental strand is one of the aspects discussed with the CCSE in respect of Renault Group's strategic orientations. Moreover, the CEO of The Future Is Neutral gave a report to the CCSE executive committee meeting on 17 October 2022 covering the entire automotive circular economy value chain and recycling solutions.
- In Romania, specific 'Prevention and Protection Plans' for each department address environmental risks: these plans are signed jointly with the local trade union representative and reviewed once a year. Furthermore, all strategic development plans adopted for the Mioveni industrial facility, including the plan for decarbonation of the facility by 2030 (involving a project for a solar power plant comprising 36 hectares of solar panels) and the energy use reduction plan are shared with the trade unions in all Romania business units.

c) Renault Group management grants trade union representatives time over and above the legal minimum to coordinate their teams and/or employees to address the topics of their choice, including the environment, which is itself an increasingly important factor in the company's strategic and operational decision-making.

In 2022, a number of reports were made to elected officials in CCSE and local Social and Economic Councils covering the energy crisis, its operational consequences, and the measures put in place to reduce energy use and decrease Renault Group's environmental footprint. In terms of training, Renault and its subsidiaries offer employees a total of 15 training modules covering a wide range of topics including the basic principles of environmental management, legislation, chemical risks, waste, energy sources and their management, etc. Over 2,000 training sessions using these 15 modules were provided in 2022 alone. These trainings often take the form of situational workshops, allowing learners to take on board environmental issues on a very practical level.

d) Environmental issues have been factored in Renault Group strategy for some years now, with the topic already being one of those discussed with social partners during the course of their duties.

Changes in legislation have officialised the environmental prerogatives of the Social and Economic Council; here, the main result has been that these issues have been considered to a greater extent in the work done by social partners.

Furthermore, in the Social and Environmental Database provided for elected officials, Renault Group publishes a number of documents that deal with environmental concerns (the ‘Nouvel R’ report, the climate report, and the Universal Registration Document) in a dedicated ‘Environment’ channel, making it easier to consult with reference to a given topic.

II. Questions from the Renault Employee Shareholders’ Association (AASR)

Question:

Important evolutions for RENAULT have been announced these last months: modification of the balance within the Alliance with Nissan and Mitsubishi, creation of Horse and Ampère... wouldn't it have been desirable to legitimize them by a vote in the General Assembly?

Answer:

In accordance with the framework agreement concluded between Renault and Nissan on February 6, 2023 to set the new basis for their partnership within the framework of the Alliance, final agreements are being finalized and will specify the three dimensions of the framework agreement.

These final agreements will be submitted to 2024 General Meeting of Shareholders for approval in accordance with the provisions of Articles L.225 et seq. of the French Commercial Code on regulated agreements.

In addition, on November 8,2022, Renault Group announced its ambition to become a “Next Generation” automotive group by relying on five businesses specializing in new value chains, including (i) the creation of Ampère, the leading pure player in electric and software, and (ii) the creation of Horse, a world-class supplier of combustion and hybrid powertrain technologies.

The reorganization of the Group is part of the third chapter of the “Renaulution” strategic plan implemented by Renault Group management under the impetus of its CEO, Luca de Meo. As with the entire medium-term strategic plan, Renault’s Board of Directors has approved the guidelines for this “Revolution “phase, in which the company will focus its resources on the new value chains of the automotive and mobility industry: electric vehicles (EV), software, new mobility services, and the circular economy, in addition to combustion and hybrid vehicles.

This new phase of the Group’s strategy has been presented and has given rise to numerous exchanges with all stakeholders, in particular shareholders. The Group’s reorganization is also the subject of information and consultation procedures with employee representative bodies in all the areas concerned.

III. Question from Ms. Yutong LI

Question:

We know that the company has two ways to return profits to shareholders: dividends and share buybacks. I have noticed that your company has been very active in using share buybacks over the past few years. So, I would like to know why you did the share buyback instead of distributing only dividends? What is the interest for you to buy back your own share? Also, what are the criteria you use to make this allocation between share buybacks and dividends? I know you have an employee stock ownership plan, but can you give me any other reasons, because I have noticed that there is a significant gap between your share buyback program and the needs of the employee stock ownership plan."

Answer:

Renault doesn't buy back shares with the aim of returning profits to shareholders. When the company is in a position to share profits with its shareholders, it always makes a dividend distribution subject to approval by the General Meeting of Shareholders (for more details on the Renault Group's dividend distribution policy, see chapter 6.3.3.1 of the 2022 URD, page 548).

At the same time, Renault submits to the General Meeting each year the renewal of a share buyback program. Thus, at the General Meeting of May 11, 2023, shareholders will be asked to approve the 2023 share buyback program (16th resolution), the description of which is available on page 542 of Renault's Universal Registration Document.

In a fairly standard way, this resolution includes all the objectives provided for by the applicable regulations, including the possibility of buying back its shares to cancel them (a mechanism that would allow a distribution- of profits). However, the Group's policy on the allocation of share buybacks limits the use of such buybacks to two objectives (see page 540 of the 2022 URD) :

- the liquidity program; and
- the implementation pf free share allocation plans, or any other form of allocation, grant or transfer to the Company's employees and managers.

Similarly, the resolution includes the regulatory limit for share buyback programs, i.e 10% of the share capital. However, the company's share buybacks amount to less than 1% of the share capital each year, in line with the ceiling for bonus share issues (i.e. 3% over 38 months).

IV. Questions from Mr Claude Patfoort

Questions n°1:

For a quarter of a century, the successive Chairmen of Renault have sold us a magic potion, the Alliance, which, over time, has turned into a beverage that has turned out to be indigestible, even poisonous.

What credit can be given to a word that, for a quarter of a century, has presented the Alliance as an Eden to admit today that it is useless? What is the coherence of the General Management's discourse on the Alliance? What are the elements at the origin of this about-face?

Why has the Board of Directors, composed of representatives of the State, representatives of the representatives, and experts, not see fit to react to a situation that is detrimental to the interests of the Renault shareholder of the shareholder Renault and which, in the end, has led to the weakening of the Company?

Answer:

The Alliance experienced a major governance crisis in 2018-2019, which was compounded by an economic crisis with Covid and an unprecedented economic crisis with Covid and an unprecedented transformation of the automotive sector. In this context and after several months of after several months of constructive discussions, the Alliance partners have defined the new foundations of their partnership. their partnership. These new foundations were the subject of a framework agreement signed on February 6, 2023, after approval by the Renault Board of Directors.

Whilst previous Alliance agreements enabled the companies to execute their respective strategies over the last 24 years, a new approach is required to enable the Alliance members to best prepare for future industry opportunities.

A three-dimension program to maximize value creation for all Alliance stakeholders will include:

- High-value-creation operational projects in Latin America, India and Europe.

- Enhanced strategic agility with new initiatives that partners can join.
- A rebalanced Renault Group-Nissan cross-shareholding and reinforced Alliance governance.

This far-reaching program paves the way for a renewal and strengthening of the 24-year partnership, creating a new agile spirit and harnessing the pioneering technologies of all three Alliance members. This next level will create more growth opportunities and help secure operating efficiencies for each Alliance company to innovate and transform in the fast-changing market for automotive products and mobility services.

Questions n°2:

The DEU 2023 presents a "New Chapter in the Alliance Partnership" to replace the existing agreements between the two agreements between the two manufacturers. It also addresses, in part, the break-up of the group and the creation of subsidiaries.

This new chapter in the Alliance partnership echoes several agreements, one of which should be signed since March 31, 2023. Will the framework of these agreements be communicated to shareholders? Which large-scale program? What about compliance with this directive?

What exactly will remain of the agreements between Nissan and Renault concluded under the agreement of March 27, 1999, and the various amendments made since then? 1999 agreement and the various changes that have occurred since it was signed?

How does Renault view its relationship with Nissan? In concrete terms, what remains of the Alliance? Should we Should we believe that Renault has no future outside the Alliance? What about new initiatives to take the partnership to the next level? What about new initiatives to take the partnership to the next level?

Are the two companies free of any ties to each other, and vice versa? The use of the term partnership to describe the union of the 3 manufacturers is reductive, what meaning should be given to it? What about these framework agreements? What initiatives are they referring to? What about the conditions precedent?

Answer:

Renault Group and Nissan have entered into a binding framework agreement regarding the above-mentioned transactions, with a view of reaching definitive agreements by the end of the first quarter of 2023.

These agreements will be submitted for approval to the 2024 General Shareholders' Meeting in accordance with L.225-38 et seq. of the French Commercial Code.

These agreements and the extensive program referred to include the following:

- A year after defining the Alliance roadmap towards 2030, the companies announce consideration of high-value-creation operational projects in Latin America, India and Europe that aim to deliver win-win, large-scale and actionable benefits for the Alliance members along three dimensions: markets, vehicles, and technologies. Each company would benefit from these value-creating projects in the mid-term while realizing short-term benefits from both cost sharing and cost avoidance.

  The four projects to be considered in Latin America include: **(i)** A new half-ton pick-up, developed by Renault Group and shared with Nissan in Argentina**. (ii)**The successful collaboration on the Nissan Frontier/Renault Alaskan family, a one-ton pick-up, would continue. Renault Group would produce the pick-ups in Cordoba (Argentina) for both Renault and Nissan. **(iii)** In Mexico, Nissan would produce a new model for Renault Group, making it the first Renault vehicle to be produced there in 20 years. Additionally, **(iv)** Nissan and Renault Group would commercialize two common accessible A-segment Electric Vehicles, both based on the CMF-AEV (Common Module Family) platform.

For India and export, Renault Group and Nissan would collaborate on several new vehicle projects including new SUVs shared by both Renault Group and Nissan, and a New Nissan car derived from the Renault Triber.

Additionally, as in Latin America, Nissan and Renault Group are also considering common A-segment electric vehicles.

Renault Group and Mitsubishi Motors would leverage the assets of Renault Captur and Clio to develop 2 new vehicles with the next-gen ASX and Colt based on the CMF-B platform. Renault Group would launch FlexEVan on the LCV market, as its first Software-Defined Vehicle from 2026 and share it with Nissan in Europe. For their line-ups beyond 2026, Nissan and Renault Group would also explore possible collaborations on the next generation of C-segment Electric Vehicles. To ensure benchmark charging time, Nissan and Renault Group would continue sharing technologies on their European cars, including potential usage of common 800-volt architecture.

These initiatives would build on existing commitments including plans for the future Nissan compact Electric Vehicle (B-segment), based on CMF-BEV platform, to be produced at Renault Group's ElectriCity facility in France from 2026.

In Europe, the scope of collaboration would go beyond the vehicles to cover lifecycle from distribution to usage, to recycling and end-of-life.

Distribution, Aftersales & Sales Financing: Renault Group, Nissan and Mitsubishi Motors are working on shared opportunities within the distribution network to support and increase dealer profitability and reduce their respective costs**:** (i) by increasing the number of shared outlets in key markets; and (ii) by developing common strategies on Used Car, After Sales and Sales Financing, leveraging the strong presence of Mobilize Financial Services in Europe.

Electric vehicle (EV) charging infrastructure: Renault Group and Nissan are considering jointly deploying charging infrastructure in Europe at both Renault Group and Nissan dealerships (charging@dealer).

Circular Economy: Renault Group and Nissan plan to select common battery recycling partners for their end-of-life batteries and production scraps.

- Concerning the <u>Enhanced strategic agility</u>, all three Alliance companies agreed to explore their existing strategies in electrification and low-emission technologies by investing and collaborating in respective member-company projects that could provide incremental value to each individual business.

  These agile strategic initiatives are designed to complement the business plans of member companies, including Nissan Ambition 2030 and Renaulution, as each business leverages commonality and investment opportunities to deliver on their respective goals for sustainable growth and targets for decarbonization.

  The areas of collaboration under consideration include: (i) Nissan's intention is to invest up to 15% in Ampere, Renault Group's EV & Software entity in Europe, with the aim to become a strategic investor. Through this intended investment in Ampere Nissan would enhance and accelerate new business opportunities for Nissan in Europe. Mitsubishi Motors would consider investing in Ampere. (ii**)** Nissan and Mitsubishi Motors would become customers of Renault Group's Horse project, an initiative to achieve further scale and market coverage for its low-emission internal combustion engine (ICE) & hybrid powertrain technologies.

  These initiatives would complement ongoing areas of technology collaborations such as All Solid-State Battery (ASSB), Software-Defined Vehicle (SDV) and Advanced Driver Assistance Systems (ADAS) & autonomous driving.

- Renault Group and Nissan, the founding-members of the Alliance, have agreed to <u>rebalancing their cross-shareholding and governance terms</u> to ensure effectiveness and maximize value creation.

The two companies intend to enter into a new Alliance agreement by March 31, 2023 and replace the current agreements governing the Alliance (i.e., the Restated Alliance Master Agreement, the Alliance Equity Participation Agreement and the Memorandum of Understanding of March 12, 2019).

This new Alliance agreement would be put in place for an initial period of 15 years.

Nissan and Renault Group would retain a 15% cross-shareholding, with a lock-up obligation, as well as a standstill obligation.

Renault Group would transfer 28.4% of Nissan shares into a French trust. The entrusted shares would be voted neutrally, except for: (i) the election or dismissal of the directors of Nissan nominated by Renault, (where the trustee would vote as directed by Renault); (ii) the election or dismissal of directors who are nominated by the Nissan Nomination Committee, other than the Renault Group nominees (where the trustee should vote in favor of the Nissan Nomination Committee decisions and proposals) and (iii) shareholder proposals not supported by the Nissan board of directors (where the trustee should abstain).

Renault Group would continue to fully benefit from the economic rights (dividends and shares' sale proceeds) from the entrusted shares until such shares are sold. The transfer to the trust would trigger no impairment in Renault Group financial statements.

As a result of the transfer of the 28.4% of Nissan shares to the trust, Nissan would be able to exercise its voting rights attached to its shareholding in Renault Group.

The voting rights of Renault Group and Nissan would be capped at 15% of the exercisable voting rights, with both companies able to freely exercise their voting rights within such limit.

Renault Group would instruct the trustee to sell the entrusted Nissan shares if commercially reasonable for Renault Group, but it has no obligation to sell the shares within a specific pre-determined period of time.

Renault Group would have full flexibility to sell the Nissan shares held in the trust, within a coordinated and orderly process with Nissan, in which Nissan would benefit from a right of first offer, to its or the benefit of a designated third party.

As a result of the new arrangements, the governance agreement entered into on February 4, 2016, between Renault Group and the French State related to its shareholding in Renault Group would be terminated. This would enable the French State to exercise freely all its voting rights in Renault Group.

Renault Group would remain entitled to nominate two representatives at Nissan's board of directors, and Nissan would remain entitled to nominate two representatives at Renault Group's Board.

The Alliance Operating Board would remain the coordination forum for Renault Group, Nissan and Mitsubishi Motors.

At last, in accordance with the RAMA, Renault and Nissan had delegated certain powers to RNBV pursuant to a management agreement signed on April 17, 2002, for an initial period of 10 years (the "Management Agreement"). In April 2012, the Management Agreement was renewed for another 10-year period. The Management Agreement has expired on April 16, 2022, and it has not been renewed. Renault shareholders were informed of this during Renault's General Meeting of May 25, 2022. As long as the RAMA exists, and until new agreements are reached (see section 1.3.3.2), RNBV will have the decision-making and recommendation powers listed in the RAMA. However, these decisions are no longer directly applicable within Renault s.a.s. and must be formally ratified by the governance bodies of Renault s.a.s. on a case-by-case basis.

Questions n°3:

Didn't the 2011 spy affair put Renault at odds with Nissan?
Hasn't the "Carlos Ghosn affair" been exploited by Nissan to harm Renault's interests?
At this point, it is not forbidden to wonder whether the Carlos Ghosn affair is not the tree that hides the forest, namely a Renault affair?

Answer:

The Company has no response to these comments.

Questions n°4:

The French carmaker presented on Tuesday, November 8, 2022, its plan to list its electric cars on the stock market, while sharing its combustion engine activities with the Chinese group Geely. electric cars on the stock market, while sharing the activities of its internal combustion engines with the Chinese group Geely. On February 8, 2023, the Billancourt-based automaker confirmed its intention to create a separate entity for its electric e activities, based in France, and another for its thermal and hybrid activities, based abroad. Unless I am mistaken, Nissan is not part of this set-up.

How does the "new chapter in the Alliance partnership" fit in with the break-up of the group following the creation of the Power-Horse and Ampère subsidiaries?
What about the report that is supposed to inform shareholders about the changes in the group?
What is Dacia's place in this project? Will Dacia retain its independence from Power?
What is the planned scheme for the assembly of combustion engine vehicles?
What is the capital structure of Renault, Power, Horse, and Ampère?
What is the turnover of the 5 business units?
If we take the number of employees as a reference, the weight of the Ampère subsidiary would be less than Power and at least initially, the thermal subsidiary will weigh more than the electrical part, what consequences could this have for the institutions?
What consequences might this have for the institutions?
What is the possible structure of Renault in this perspective?

Answer:

Significantly ahead of its initial targets, Renault Group opens the third chapter of its Renaulution plan: Revolution.

Renault Group revolutionizes itself focusing resources on the value chains arising from the transformation of the automotive and mobility industry: electric vehicles (EV), software, new mobility services, circular economy, in addition to ICE & hybrid vehicles
Renault Group aims at becoming a Next Gen automotive company built on 5 focused businesses addressing all the new value chains:

- Ampere: the first EV & Software pure player born from an OEM disruption.

  Ampere will develop, manufacture, and sell full EV passenger cars, with cutting-edge software-defined vehicle (SDV) technology, under the Renault brand. Ampere will bring the best of both worlds: know-how and assets from Renault Group with the focus and agility of an EV pure player.

  Based in France, Ampere will be a full-fledged OEM with around 10,000 employees. As a tech company, Ampere will drive innovation with around 3,500 engineers, half of them specialized in software.

  Before 2030, Ampere’s line-up of 6 electric cars will be ideally positioned on the fastest-growing segments in Europe covering 80% of the EV mainstream profit pool: the B segment with the new Renault 5 Electric and Renault 4 Electric, and the C segment with Megane E-tech Electric, Scénic Electric and 2 other vehicles to be revealed. A large portion of the investments of the first 4 vehicles has already been spent.

Ampere targets to produce around 1 million EVs for the Renault brand in 2031. Ampere is a growth story, with above 30% of compound annual growth rate (CAGR) in the 10 years to come.

Renault Group will remain the majority shareholder in case of an Ampère IPO.

- Power: the traditional core business of Renault Group will continue to develop innovative low emissions ICE & hybrid vehicles under the Renault, Dacia and Renault LCV brands, each with their dedicated organization and governance.

  To reinforce and project this part of the business into the future, we announce the creation of a leading worldwide Tier 1 supplier of ICE & hybrid powertrain technologies (Horse project). Renault Group and Geely will combine their ICE in a 50-50 entity. This dedicated business will design, develop, produce, and sell all ICE & hybrid powertrain components and systems with state-of-the-art technologies. Day 1, the entity will have a turnover of over €15 billion and a volume of 5 million units per year, already serving 8 customers who will benefit of increased synergies and productivity.

  This entity will be full-fledged and global, with 17 plants supplying 130 countries, 5 R&D centers in Europe (Spain, Romania and Sweden), China, and South America for a total of 3,000 engineers, a total of 19,000 employees, across 3 continents.

  From a financial standpoint, Horse project aims at providing productivity gains, fixed costs reduction and significant Group's balance sheet improvement. Renault Group will keep 50% of the entity, a level which would lead to the deconsolidation of this activity from Renault Group's scope and financial statements, starting from H2 2023.

- Alpine: a high-end zero-emission global brand with a racing pedigree. A unique asset-light model combined with proprietary technologies.

  Over the past two years, Alpine has had a rebirth, capitalizing on its iconic A110 sports coupé and on its entry into Formula 1, where it aims to become a championship contender. Today, Alpine is a true high-end brand, a full-fledged OEM, asset-light, tech focused, a team of 2,000 people, of which 50% are engineers. Being part of the Group ensures Alpine access to Ampere EV and Software technological assets. Looking forward, Alpine will leverage commercial partnerships and investors support to accelerate its growth and international expansion.

- Mobilize: built around a leading financial services company to enter the market of new mobility, energy and data-based services.

- The Future Is NEUTRAL: the first 360° circular economy company in the automotive industry from closed loop in materials to battery recycling.

Even with the sharp rise of the EV offer, the combustion engine vehicles will still continue to grow especially outside of Europe. Thus, Renault brand will remain present on ICE & hybrid markets, especially in Latin America, India, South Korea and North Africa. Renault ICE & Hybrid passenger cars sales will keep growing 2% per year on average over 2022-2030.

To uplift the brand in all geographies, Renault will continue its C-segment offensive and will grow by 20% its net revenue, while expanding its contribution margin by 30% between 2022 and 2030.

Dacia's model is unique, built upon the combination of three main components: An engineering focus on design-to-cost already providing a solid double-digit cost advantage, a unique industrial and sourcing footprint with a benchmark cost competitiveness, an asset-light distribution model ensuring costs comparable to agency model, 85% retail channel mix.

As a consequence, Dacia already generates an operating margin above 10%, and aims to reach 15% by 2030. To achieve this ambition, Dacia, currently a B-segment champion will boldly enter the C-segment. After Jogger this year, Dacia Bigster will embody this move and 2 other vehicles will follow, allowing Dacia to double its profit pool coverage. In parallel, Dacia will also keep lowering costs and will benefit from the doubling of the volume of the global CMF-B platform across brands which will reach 2 million units by 2030.

Dacia will contribute to reinvent the ICE value chain through the cooperation with Horse project by developing breakthrough powertrains adaptation for alternative & synthetic fuels. Dacia will smoothly transition to EV in Europe by pioneering affordable EV solutions.

At the Alliance level, areas of collaboration include: (i) Nissan's intention is to invest up to 15% in Ampere, Renault Group's EV & Software entity in Europe, with the aim to become a strategic investor. Through this intended investment in Ampere Nissan would enhance and accelerate new business opportunities for Nissan in Europe. Mitsubishi Motors would consider investing in Ampere; (ii) Nissan and Mitsubishi Motors would become customers of Renault Group's Horse project, an initiative to achieve further scale and market coverage for its low-emission internal combustion engine (ICE) & hybrid powertrain technologies. These initiatives would complement ongoing areas of technology collaborations such as All Solid-State Battery (ASSB), Software-Defined Vehicle (SDV) and Advanced Driver Assistance Systems (ADAS) & autonomous driving.