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RENAULT AND DIVERSITY

Carlos Ghosn: “It seems to me vital to promote diversity in companies, not just from an ethical point of view, but above all because it is key to lasting performance.”

Renault believes that diversity is a key driver of performance, employee motivation and commitment. It confers a decisive competitive advantage because a diversity of training, talent and career paths generates innovation. And in this era of globalization, the best way of understanding our customers and satisfying their expectations is by reflecting the diversity of the 118 countries in which we sell cars. That is why Renault wants to benefit from the wealth of culture and diversity of experience to be found in all the markets in which we operate.

A principle encoded in the DNA of an international corporation

Renault’s 1999 Alliance with Nissan was a landmark event in opening up the Group to other cultures. The Alliance is founded on the mutual respect of two very different corporate cultures—one French, the other Japanese—and has enabled us to carry out joint projects from a win-win perspective. Since then, Renault acquired Samsung’s automobile division in 2000 to create Renault Samsung Motors (South Korea) and signed numerous international partnerships in Romania, Brazil, Iran, Morocco, Russia and India.

Many more partnerships were forged in 2007 and 2008, including a stake in the leading Russian carmaker VAZ, with a production potential of one million vehicles in the future; a joint-venture with Bajaj, an Indian manufacturer of two-wheelers, to produce an Ultra Low Cost vehicle by 2011, and a partnership with Project Better Place to supply electric cars for the entire Israeli market in 2011. Several major Alliance projects are also underway, such as the construction of plants in Morocco (Tangiers) and India, as well as an engineering center and a design centre, also in India.

The opportunities provided by these partnerships highlight more than ever that diversity is a powerful force for performance and growth for the Group. That desire to embrace and dialog with other cultures was the reason for setting up the Renault Foundation in 2001. The foundation encourages student exchanges from a broad range of countries, with a focus on cultural discovery and mutual respect. The Foundation has set up three training programs, two of which are open to foreign students, and so far has welcomed 370 students from nine countries. In 2007 the Foundation set up a Chair in “Multicultural management and corporate performance” together with Polytechnique and HEC.

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Since 1999 Renault has pursued a policy of international recruitment to bring a wealth of experience and cultures into the Group. The original objectives have been exceeded, and some 25-30 percent of new managers hired each year since 1999 have an “international profile”. Moreover, all managers joining the Renault group have to achieve at least 750 points in the Test of English for International Communications (TOEIC), the benchmark for English language skills in the workplace.

A long-standing commitment to fight discrimination and promote diversity

Renault committed itself early on to the principles of non-discrimination and equal opportunities. In 2004 it signed the Group’s Declaration of Employees’ Fundamental Rights and the Diversity Charter. In addition the Group has taken numerous actions to ensure that the company hires, advances, and treats equally all members of society, especially young people from disadvantaged social backgrounds, women, people with disabilities, and seniors.

In 2006 and 2007 the entire Human Resources function as well as the members of the Management Committees received training in discrimination issues. More than 1,000 staff from 11 establishments and 14 subsidiaries also followed these programs. By the end of 2008 a new diversity awareness campaign will be launched in e-learning format. It will be available in English and French, first to HR staff and then to some 6,000 managers worldwide.

In 2008 Renault decided to go one step further and structure the many measures already taken by appointing a Diversity Leader to the Group Human Resources division to lead cross-sector projects worldwide.

Among the current projects is a gathering on May 28 of more than 100 employees from around the world — juniors, seniors, technicians and managers — who reflect Renault’s diversity. The participants will suggest concrete measures for improving diversity in the company. Each roundtable will consider how diversity can be a driver of both motivation and performance. Gérard Leclercq, Head of Group Human Resources, will open the proceedings and President and CEO Carlos Ghosn will make the closing address.

Also in 2008, Renault engaged in a long-term project on diversity, in collaboration with the Paris Institute of Political Science (SciencesPo). On May 29 a joint agreement will be signed in which Renault commits its support to SciencesPo’s diversity outreach activities by making high-level recruitments from social groups whose talents are often undervalued. On the same day a joint Renault/SciencesPo international conference will be held in Paris at which well-known academics working on the issue of diversity and representatives of major companies will discuss the issue.

Specific actions targeting various components of society

Renault and women

Renault promotes the hiring of women and the advancement of their careers with the Group. Although women are under-represented in the schools that prepare young people for jobs in the automobile industry, one quarter of Renault's annual new hires are women (27.5 percent in 2007, and 30 percent of engineers and managers). Thanks to this wide scale recruitment, the percentage of women in the company is increasing year by year, rising from 10.6 percent to 15.5 percent from 1999 to 2007 in Renault s.a.s. The percentage of women engineers and managers rose by 6 points in eight years to reach 22 percent in 2007. Three women currently sit on Renault's Management Board and others have recently been appointed in key positions such as Béatrice Foucher, Product Manager and Nadine Leclair, Senior Vice President, Vehicle Engineering Development.

The policy for hiring women was further boosted by the Agreement on Professional Equality between Women and Men and Work-life Balance, signed in 2004. Since then the Gender Equality Observatory has been monitoring eight indicators governing the situation of women in the company. Concrete measures have been put in place to help working mothers, for instance the co-financing of a crèche with extended opening hours for the Douai plant. A similar project is being set up for the Le Mans plant by the end of 2008.

Lastly, every year since 2006, Renault has partnered the Women's Forum, attended by Carlos Ghosn. In 2007 Renault also supported the "Women for Education" program launched by the Women's Forum together with *ELLE* magazine, and granted €100,000 for the winning project, a training program for Afghan girls and women.

Measures to assist people with disabilities

In 1995 Renault was one of the first companies in France to sign an agreement with trade unions to support the inclusion of disabled people in the workplace. A range of measures has been taken on the basis of that agreement, which has already been updated four times, to promote the employment and careers of people with disabilities and to make life easier for them in the workplace. At end-2007 disabled employees accounted for 7.6 percent of the total payroll, above the regulatory 6 percent.

Jobs for young people from socially-disadvantaged backgrounds

Since 1992 Renault has been committed to a policy of giving young people a start in working life under the terms of an agreement with the government. In the past 15 years, this policy, implemented in all the local labor markets around Renault plants, has enabled 2,900 unemployed young people to earn a vocational or educational diploma while working in a company.

In February 2008 Renault signed the "National commitment to the professional insertion of young people from underprivileged areas" with the French Ministry of the Economy, Finance and Employment. Under the agreement, Renault will take on 720 interns and 450 people on work-study programs between 2008 and 2010. The company will also hire 420 underprivileged young people during this period.

Having signed the "Business charter for commitment to equal opportunities in education", Renault partnered the Lycée Henri IV high school in November 2007 to set up a new prep class for scholarship students. Known as the CPES ("preparatory class for higher education"), the program will award 30 state-scholarship students from underprivileged backgrounds the best chance to enter the Grandes Ecoles, France's most selective higher education institutions.

In the same spirit, Renault and Renault F1 Team partner the original "Courses en Cours" program launched in 2006, in which young people from schools in underprivileged areas design mini-Formula 1 cars and race them in a national, and later an international, event. The national finals will be held in Renault Square Com on May 28, 2008.

Renault has a long tradition of in-house promotion. Every year, between 100 and 120 employees across all core functions acquire managerial status under a company-wide agreement. These promotions take place in several different specialisms, in partnership with schools. Today more than 20 percent of managers have been promoted through this procedure.

Helping young university graduates

Renault recruits young people from a wide variety of educational backgrounds, ranging from university graduates to engineers trained at top-level schools. In 2007 42 percent of new recruits were university graduates, 51 percent had graduated from engineering schools and 9 percent from business schools. Renault's commitment to diversified recruitment was given a further boost in 2007 with the "Charte Phénix". This charter commits Renault to offering full-time employment contracts with managerial status to university graduates in subjects who would not normally lead them into the world of business. Thanks to this concept, in 2007 Renault hired two graduates with masters degrees in philosophy, both of whom joined the audit department.

Measures in favor of seniors

Because of their experience, seniors are a valuable resource for a company and one that Renault wishes to retain. Today, one Renault employee in three is aged over 50. Renault decided early on to support voluntary career extension and has taken a number of measures to this end, such as ensuring that working conditions are senior-friendly and that employees receive career-long training. Experienced employees who wish to become managers after 50 can do so by means of a 140-hour training program. Some 36 employees aged over 45 became managers in 2007.

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